



Ref: 208/2026/CV-VIW  
Subject: *Explanation of certain contents in the  
2025 Audited Consolidated Financial Statements*

*Hanoi, 27 March 2026*

**To: State Securities Commission**

Vietnam Water and Environment Investment Corporation - JSC would like to extend our respectful greetings and express our gratitude for the your assistance during the recent times

Based on the Consolidated Financial Statements for 2025 of VIWASEEN Corporation audited by An Viet Auditing Co., Ltd.

Following the provisions of the Circular No. 96/2020/TT-BTC dated November 16, 2020 issued by the Ministry of Finance regarding the disclosure of information on the securities market, the Corporation would like to explain certain contents in the Consolidated Financial Statements for the year 2025 as follows:

1. Changes in after-tax profit (PAT) in the Consolidated Financial Statements for 2025 compared with 2024:

PAT for 2025 is VND 26,133 million, compared to VND 15,297 million for 2024, representing an increase of VND 10,836 million, due to:

- + The gross profit from sales and service provision increased by VND 5,026 million.
- + Financial revenue increased by VND 650 million.
- + Financial expenses decreased by VND 7,162 million due to lower interest expense.
- + Share of profit from Joint Ventures and Associates increased by VND 1,898 million due to the higher profits from Joint Ventures and Associates in 2025.
- + Selling expenses decreased by VND 810 million.
- + General and administrative expenses decreased by VND 943 million due to the reduction in management personnel expenses.

2. Difference between PAT in the 2025 Consolidated Financial Statements and the accumulated PAT from the beginning of the year to the end of Quarter IV of 2025 in the Consolidated Financial Statements for Quarter IV of 2025:

The accumulated PAT from the beginning of the year to the end of Quarter IV of 2025 in the Consolidated Financial Statements for Quarter IV of 2025 was VND 34,540 million, while the PAT in the audited Consolidated Financial Statements for 2025 was VND 26,133 million, representing a decrease of VND 8,407 million because the Corporation updated additional data from the audited financial statements of several subsidiaries and Joint Ventures/Associates, compared with the self-prepared consolidated financial statements for Quarter IV of 2025. (According to the self-

prepared financial statements for Q4 2025 of Viwaseen.3 JSC, PAT was VND 21 million, while PAT in the audited financial statements for 2025 of Viwaseen.3 was VND (5,836) million.)

3. Explanation of the qualified opinion in the audited consolidated financial statements for 2025:

According to Independent Audit Report No. 98/2026/BCKT-AVI-TC1 dated March 27, 2026 issued by An Viet Auditing Company Limited, the qualified opinion of the auditing firm in the financial statements for the fiscal year 2025 relates to the following matters:

In the audited consolidated financial statements for the year 2024 and prior years, we issued a qualified opinion due to the fact that the Corporation and certain subsidiaries had not fully performed reconciliations of receivables from customers, payables to suppliers, and other balances, as well as the Corporation had not fully offset intercompany receivable and payable balances in the preparation of the consolidated financial statements. In addition, the Corporation and its subsidiaries still have certain overdue receivables (as detailed in Note 9) and are in the process of reconciling and finalizing settlements for a number of completed construction projects, including several long-outstanding projects currently reflected in the balance of construction in progress (as detailed in Note 10). Furthermore, the Corporation and its subsidiaries have not determined the net realizable value of certain inventories, mainly materials that have not been used for many years and have been proposed for liquidation with a carrying amount of approximately VND 8.56 billion as a basis for recognizing provision for inventory obsolescence. The above matters continue to affect the consolidated financial statements for the financial year ended 31/12/2025. Despite performing alternative procedures, we were unable to obtain sufficient appropriate audit evidence to assess the impact of the above matters on the aforementioned as well as the completeness of the allowance for doubtful accounts and provision for inventory obsolescence as presented in the consolidated financial statements as at 31 December 2025.

The consolidated financial statements as at 31 December 2025 of the Corporation were prepared on basis of the financial statements of Mother company, its subsidiaries and associates in which the financial statements of some subsidiaries (details in Note 1.4) and some associates (detailed in Note 16) were not audited or only prior years' financial statements are available. Although we had performed alternative procedures but we were unable to obtain sufficient audit evidences to assess the impact of this issue on the consolidated financial statements of the Corporation.

Regarding the qualified audit opinion, VIWASEEN Corporation provides the following explanations:

- Regarding the reconciliation of accounts receivable from customers: Due to the specific nature of the Corporation as a construction and installation enterprise, employers are located in various and often distant geographical areas, and personnel frequently change. This creates significant difficulties for the Corporation in confirming and reconciling receivables for financial statement audits as well as



receivables management. Therefore, although the Corporation has made considerable efforts in this work, the reconciliation rate of receivables remains relatively low. For certain receivables related to projects that were finalized in previous years, the Corporation continues to actively reconcile balances, review and examine documentation to classify the aging of debts as well as the status of debtors in order to facilitate management, collection, and the provisioning for doubtful debts in accordance with regulations. The Corporation has also established debt recovery and handling committees to review, examine, and complete receivable documentation, and to propose appropriate debt settlement measures in an effort to gradually resolve outstanding receivables.

- Regarding work-in-progress costs of completed construction projects: The Corporation has established a capital recovery and project finalization committee to carry out capital recovery, settlement, and debt handling in accordance with the planned schedule. The Corporation has focused on internal settlements for contract packages that have already been finalized between the employer and contractor (A-B settlement). However, due to various reasons, internal settlements have been delayed, resulting in the handling of accumulated work-in-progress costs not meeting the planned targets.

- Regarding the failure to determine the net realizable value of inventory materials that have not been used for many years and have been proposed for liquidation: The Corporation has established an inventory inspection council, prepared a plan, and is in the process of determining the value, with completion expected in 2026.

- The Corporation's financial statements as at December 31, 2025 are consolidated based on the financial statements of the parent company, its subsidiaries, and its associates. These include the self-prepared financial statements of Viwaseen.2 Water Supply and Drainage Construction Mechanical JSC, Viwaseen Human Resource Development, Trading and Tourism JSC, and the financial statements of previous years for certain subsidiaries: Water Supply and Drainage Construction Joint Stock Company No. 12, Viwaseen Phuong Huong Environmental Development Investment Joint Stock Company, and Viwaseen.4 Electrical, Water Installation and Construction JSC.

The above presents explanations for several matters relating to the 2025 consolidated financial statements of Vietnam Water, Sanitation and Environment Investment Corporation – JSC (VIWASEEN).

*Sincerely!*

**Recipients:**

- As addressed;
- Hanoi Stock Exchange
- Filled at: Archives&Records, Fin.-Acco. Dept.,  
Secretary to General Director

**GENERAL DIRECTOR**

*(signed and sealed)*

**Nguyen Thi Quynh Trang**

