VIETNAM WATER AND ENVIRONMENT INVESTMENT CORPORATION - JSC (VIWASEEN)	**SOCIALIST REPUBLIC OF VIETNAM** **Independence – Freedom - Happiness**
Ref.: 623/2026/CV-VIW	*Hanoi, August 27, 2026*

Subj: *"Explanation of the differences and fluctuations in net profit after tax (NPAT) in the Parent Company's reviewed semi-annual 2026 financial statements and the qualified audit opinion"*

Cơ quan: TỔNG CÔNG TY ĐẦU TƯ NƯỚC VÀ MÔI TRƯỜNG VIỆT NAM - CTCP
Thời gian ký: 28.08.2026 15:20:41 +07:00

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 Parent Company's financial statements for Quarter II of 2026 and the reviewed semi-annual 2026 financial statements of VIWASEEN Corporation.

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding information disclosure on the securities market, the Corporation hereby provides an explanation of the differences in the net revenue and fluctuations in profit after tax as presented in the reviewed semi-annual 2026 financial statements of the Parent Company, as follows:

1. Fluctuation in profit after tax from the beginning of the year to the end of Quarter II of 2026 in the financial statements of Quarter II compared with profit after tax in the reviewed semi-annual 2026 financial statements of the Parent Company:

Profit after tax from the beginning of the year to the end of Quarter II of 2026 as reported in the Quarter II financial statements was VND 944 million, while profit after tax reported in the reviewed semi-annual 2026 financial statements was VND 794 million, representing a decrease of VND 150 million, mainly due to an increase in administrative expenses.

2. Fluctuation in profit after tax in the reviewed semi-annual 2026 financial statements compared with profit after tax in the reviewed semi-annual 2025 financial statements of the Parent Company:

Profit after tax in the reviewed semi-annual 2026 financial statements was VND 794 million, compared with VND 1,291 million in the reviewed semi-annual 2025 financial statements, representing a decrease of VND 497 million, due to the following:

+ Gross profit from sales of goods and provision of services increased by VND 1,598 million due to a decrease in the cost of services provided;

+ Finance income decreased by VND 4,861 million due to a lower dividend payout ratio from member units compared with the same period of the previous year;

+ Finance costs increased by VND 2,812 million, mainly due to an increase in financial provisions for member units, while interest expenses decreased by VND 2,595 million;

+ General and administrative expenses increased by VND 1,144 million, mainly due to an increase of VND 361 million in consulting expenses, as well as warehouse rearrangement expenses, General Meeting expenses and year-end party expenses;

+ Other income increased by VND 21,296 million due to the receipt of compensation for the relocation of the water treatment plant;

+ Other expenses increased by VND 14,886 million, mainly due to expenses for relocating the water treatment plant;

+ Current corporate income tax expense decreased by VND 311 million.

3. Qualified audit opinion:

According to Independent Audit Report No. 735 dated August 24, 2026 issued by Southern Auditing and Accounting Financial Consulting Services Co., Ltd. (AASCS), the qualified audit opinion in the semi-annual 2026 financial statements relates to the following matters:

3.1. Several outstanding and long-delayed construction projects reflected in the balance of construction work in progress

- Audit opinion:

The Corporation is still carrying out the reconciliation and finalization of accounts for several completed construction projects, including a number of outstanding and long-delayed projects whose costs remain recorded in the balance of construction work in progress (details are presented in Note V.6 attached hereto). The above matters continue to affect the interim financial statements for the period from January 1, 2026 to June 30, 2026. Although we performed alternative procedures, we were unable to obtain sufficient appropriate audit evidence to assess the adequacy of the balances of the allowance for doubtful receivables and provision for inventory write-down as at June 30, 2026.

- Reasons and remedial measures:

With respect to construction work in progress relating to completed construction projects, the Corporation has established a Capital Recovery and Project Finalization Committee to carry out capital recovery, settlement and finalization, and debt resolution in accordance with the plan. The Corporation has focused on internal finalization of packages for which the A-B final accounts have been completed. However, due to various reasons, the internal finalization process has been delayed, resulting in the rate of resolution of outstanding construction work in progress costs falling short of the planned target.

3.2. Financial provisions for which sufficient basis has not been established

- Auditor's opinion:

As at June 30, 2026, certain subsidiaries and associates of the Corporation were experiencing financial difficulties. The Corporation has a plan to restructure its financial investment portfolio. Accordingly, the Board of Management has recognized a provision for long-term financial investments as at June 30, 2026, amounting to approximately VND 52.5 billion. (Certain provisions were determined based on financial statements prepared by the respective companies that had not yet been reviewed by independent audit firms).

- Reasons and remedial measures:

As of the date of preparation of the financial statements, certain subsidiaries and associates were facing significant financial difficulties. The Board of Management of the Corporation continues to prudently assess the level of financial risk associated with investments in subsidiaries and associates. Accordingly, as at June 30, 2026, the provision for investments in subsidiaries and associates amounted to VND 52.5 billion in total.

3.3. Failure to complete dissolution procedures for branches that have ceased operations

- Audit opinion:

Certain branches under the Corporation have had no transactions and are no longer operating but have not yet completed dissolution procedures. Accordingly, the figures of these branches were carried forward from outstanding balances of prior years. We were unable to access the records and accounting data of these branches and therefore could not determine the balances of these branches. Consequently, the financial statements of the Corporation include the figures of these branches based on the information provided by the Corporation. The impact on the financial statements is summarized in Note VIII.5 to the accompanying financial statements.

- Reasons and remedial measures:

Certain branches ceased operations several years ago but have not completed dissolution procedures for various reasons, the main one being that the internal settlement of project accounts between the Corporation and its branches has not yet been finalized.. The Corporation has established a working team to review and collect records, reconcile and resolve outstanding balances, while also carrying out procedures for termination of operations and dissolution of the branches in accordance with applicable laws once all necessary conditions are satisfied.

The above is the Corporation's explanation of certain matters presented in the reviewed 2026 financial statements of Vietnam Water and Environment Investment Corporation – JSC.

Sincerely!

Recipients:
- As addressed;
- Hanoi Stock Exchange
- Filled at: Archives & Records, Fin.-Acco. Dept.

GENERAL DIRECTOR

(signed and sealed)

Nguyen Hai Dang