

Ref: 139 /CTN-TCKT

Hanoi, 31 March 2025

Subj.: Explanation of Certain Contents of the
Audited Financial Statements of the Parent
Company for the year 2024

To: The State Securities Commission

The Vietnam Water and Environment Investment Corporation (VIWASEEN) would like to extend our sincere greetings and express our gratitude for your support during the recent times.

Based on the Consolidated Financial Statements of the Parent Company of VIWASEEN Corporation for the year 2024

Complying with the provisions of Circular No.96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance regarding the guidance on public information disclosure on the securities market, the Corporation would like to explain some contents of the Consolidated Financial Statements for the year 2024 as follow:

1. Changes in After-Tax Profit (ATP) in the Consolidated Financial Statements for 2024 compared to 2023:

ATP for 2024 is VND1,528 million, and VND 4,832 million for 2023, a decrease of VND 3,304 million due to the following reasons:

+ Gross profit from sales and services decreased by VND 9,274 million due to a significant decline in construction revenue in 2024 and difficulties in securing new contracts.

+ Financial income decreased by VND 1,793 million, mainly due to a decrease in dividend distribution from affiliated companies compared to the same period.

+ Financial expenses decreased by VND 2,003 million, mainly due to lower interest expenses compared to the same period.

+ Administrative expenses decreased by VND 6,346 million due to salary reductions and cuts in routine expenses such as fuel, vehicle maintenance, etc.

+ Current corporate income tax expenses increased by VND 274 million due to the increase in temporary corporate income tax payments of 1% in Cambodia.

2. Difference in ATP in the Consolidated Financial Statements for the year 2024 compared to the Cumulative ATP from the beginning of the year until the end of Quarter IV in the Consolidated Financial Statements for quarter IV of 2024:

Cumulative ATP from the beginning of the year to the end of Quarter IV in the Consolidated Financial Statements for quarter IV of 2024 is VND 2,204 million, compared to VND 1,528 million in 2023, an increase of VND 3,732 mainly due to the Corporation's re-determination of the cost of the Song Da EPC-02 project for some subcontractor agreements that have not been internally settled



due to works reduction from to the A-B contract, leading to a decrease in the cost of goods sold.:

3. Qualified Opinion:

According to the Independent Audit Report No. 102/2025/BCKT-AVI-TC1 dated March 31, 2025 by An Viet Audit Company, the audit qualified opinion for the 2024 financial year includes the following qualifications:

In the audit report for the 2023 Consolidated Financial Statements issued on March 30, 2024 and previous years, a qualified opinion was expressed because the Corporation and some subsidiaries were monitoring certain receivables, prepayments to suppliers, and overdue advances related to projects that were settled in previous years but have not been fully reconciled (see the details in Note 8). Moreover, the Corporation and its subsidiaries are still in the process of reconciling and settling completed construction projects, including some long-pending projects, which are reflected in the balance of the Works in Progress account (details in Note 10). These issues continue to affect the 2024 Consolidated Financial Statements. Despite performing alternative procedures, we could not collect sufficient audit evidence to evaluate the completeness of the provisions for doubtful receivables and inventory write-downs reflected in the Consolidated Financial Statements as of December 31, 2024.

Regarding the Qualified Audit Opinion, VIWASEEN Corporation would like to explain as follows:

- Regarding the reconciliation of receivables: Due to the nature of the Corporation as a construction enterprise, with project investors/employers in distant and varied geographic locations, and frequent personnel changes, there have been difficulties in confirming and reconciling receivables for the audit and debt management. Therefore, despite significant efforts, the reconciliation rate has not reached 100%. For certain receivables related to projects settled in previous years, the Corporation is actively reconciling, checking, and reviewing records to classify the aging of debts and the status of debtors for management, recovery, and the establishment of provisions for doubtful receivables as required.

- Regarding unfinished construction costs of completed projects: The Corporation has focused on internal settlement for the A-B contract packages; however, due to various reasons, the internal settlement has been delayed, and the ratio of processed unfinished costs has not met the plan.

- Regarding some subsidiaries that have not audited their financial statements: These subsidiaries are facing difficulties in business operations and limited financial resources, which have led to an inability to hire an external auditor for the 2024 financial statement audit.

Sincerely!

Recipient:

- As addressed;
- Hanoi Stock Exchange;
- Filled at: Archie, Finance-Accounting Dept.



Ngô Văn Dũng