

No: 223/TKDK-TCKT

Ho Chi Minh City, Mar 31st 2026

V/v: Explaining the contents related to the 2025
separate financial statements

**To: - The State Securities Commission of Vietnam
 - The Hanoi Stock Exchange**

According to Circular No. 96/2020/TT-BTC dated November 16, 2020;

We would like to explain the contents related to the audited 2025 Separate Financial Statements as follows:

1. Basis for Qualified Opinion:

1.1 We have performed all the necessary audit procedures however, we were unable to obtain sufficient appropriate audit evidence to evaluate the appropriateness of the recognition of Inventories (item 140) and Short-term accrued expenses (item 315) on the Separate Financial Statements with values as of December 31, 2025 being VND 2.62 billion and VND 42.01 billion respectively (as of January 01, 2025: VND 7.20 billion and VND 40.95 billion), and Cost of Goods Sold (item 11) on the Separate Income Statement for the year 2025 with a value of VND 87.28 billion (2024: VND 63.81 billion). Consequently, we were unable to determine whether any adjustments to these figures were necessary, as well as their potential impact on other items in the accompanying Separate Financial Statements.

1.2 As of December 31, 2025 the balances of unconfirmed accounts receivable amounted to VND 119.24 billion (as of January 01, 2025: VND 159.80 billion), the balances of unconfirmed accounts payable amounted to VND 127.55 billion (as of January 01, 2025: VND 252.72 billion). There, the Corporation is monitoring several long-outstanding receivables and the corresponding allowance for doubtful debts, with total values as of December 31, 2025 of VND 87.89 billion and VND 64.18 billion, respectively (as of January 01, 2025: VND 92.63 billion and VND 69.70 billion). We were unable to assess the recoverability of these receivables; therefore, we could not determine whether any adjustments to the related items on the accompanying Separate Financial Statements were necessary.

1.3 As presented in Note 33 to the Separate Financial Statements, the Corporation and subsidiary, Petrovietnam Engineering (Malaysia) Sdn. Bhd, are involved in a lawsuit with the main contractor of the Rapid Petrochemical Refining Complex project in Malaysia, regarding additional costs incurred during the project



implementation. The Corporation has not yet recognized the outstanding liability payable to the main contractor according to the final decision of the Arbitration Council, amounting to USD 12,099,227.99, equivalent to VND 319.14 billion (excluding late payment interest as of December 31, 2025, and January 01, 2025). We have performed all the necessary audit procedures; however, we were unable to assess the impact of the aforementioned matters on the accompanying Separate Financial Statements.

In connection with the aforementioned project, the Separate Financial Statements as of December 31, 2025, present related item balances including: Long-term financial investments and the allowance for diminution in value of long-term financial investments provided in the amount of VND 5.35 billion; receivable items including Short-term trade receivables amounting to VND 70.95 billion, Short-term loan receivables amounting to VND 238.92 billion, Other short-term receivables amounting to VND 132.77 billion, and Allowance for doubtful short-term receivables amounting to VND 442.63 billion. We were unable to obtain sufficient appropriate audit evidence regarding the recoverability related to the project implementation; therefore, we could not determine whether any adjustments to the aforementioned items were necessary, as well as their impact on other figures in the accompanying Separate Financial Statements.

1.4 The Corporation's Separate Financial Statements (attached) reflect the financial position as of December 31, 2025 with accumulated losses (item 421) of VND 756.17 billion; Owner's equity (item 400) at year-end being negative VND 470.47 billion; Short-term liabilities (item 310) being 5.46 times greater than Current assets (item 100); and Overdue payables balance amounting to VND 492.69 billion. These matters, together with the Board of Management's explanations in Note 2.3 and the bases for our opinion stated above, indicate the existence of material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern. Nevertheless, the Separate Financial Statements for the fiscal year ended December 31, 2025 are still prepared on a going concern basis.

1.5 Note 33 to the Separate Financial Statements presents information regarding the Ho Chi Minh City People's Court's decision to annul the 2020 Annual General Meeting of Shareholders' Resolution No. 11/NQ-TKDK-ĐHĐCĐ (adopted on April 29, 2022) and the 2023 Annual General Meeting of Shareholders' Resolution No. 29/NQ-TKDK-ĐHĐCĐ (adopted on June 30, 2022) of the Corporation, in accordance with the Appellate Judgment No. 505/2023/QĐDS-PT dated April 25, 2023. We were unable to assess the impact of this matter on the accompanying Separate Financial Statements.

2. Explanation of the entity:

* *With the contents except for the Financial Statements:*



Regarding the matters in Section 1.1, due to the entity's nature as a design and consultancy company, the project costs consist primarily of labor costs. Since personnel involved in design and consultancy work may participate in multiple projects simultaneously, labor costs and the cost of goods sold for each project are recorded based on the actual labor costs allocated to each project in proportion to the actual revenue generated during the period. As the entity operates in a specialized service sector, there are differences in perspectives between the entity and the auditors regarding this specific matter.

Regarding Section 1.2, during 2025 the Company effectively recovered outstanding accounts receivable incurred during the period, with the exception of those for which an allowance for doubtful debts had been recognized. For these specific cases, obtaining balance confirmations is virtually impossible.

Regarding Section 1.3, concerning the lawsuit related to the Rapid Petrochemical Refining Complex project in Malaysia: Although the Arbitration Council (ICC) has issued a final award, the decision did not specify the detailed allocation of values among the involved parties (whereas the construction contract defines the scope of work for each project member). Furthermore, the counterparty has brought the case before the Ho Chi Minh City People's Court, which is currently processing the case and reviewing the submissions from all parties. Consequently, we lack sufficient objective information to determine the outcome of the recognized items for each party. Therefore, we have assessed that the recoverability of receivables related to our subsidiary, Petrovietnam Engineering (Malaysia) Sdn. Bhd, is doubtful and has proceeded to recognize an allowance for these related items.

Regarding Sections 1.4 and 1.5 concerning the going concern matter: As our entity's core strength lies in our personnel, comprised of highly qualified engineers and staff who execute projects with high intellectual content, we firmly believe that by maintaining our current workforce, the entity retains its capacity for recovery. This has been demonstrated over the recent period, during which we have successfully maintained our operations and achieved the established business and production targets.

The opinions issued by the auditors are based on prevailing accounting and auditing standards; therefore, the auditor's qualifications are reasonable, and we accept them. Previously, the Company anticipated that these matters could be resolved within a short period. However, in reality, these issues remain outstanding and have not yet been finalized, primarily due to complexities in project settlement procedures for disputed projects and legal proceedings related to the lawsuit. Recognizing that it is challenging to resolve all the aforementioned issues in the short term, the Company agrees with the qualified opinions. Accordingly, we have proceeded to recognize allowances for unresolved projects and are actively seeking early settlements with our partners.

** Regarding the after-tax profit change of more than 10%:*



No	Item	2025 (VND)	2024 (VND)	Difference	
				Amount (VND)	Rate (%)
1	Net profit after tax	1.836.710.314	2.879.045.750	- 1.042.335.436	- 36,2%

The audited Separate Financial Statements for 2025 show a Profit after tax of VND 1.836 million, representing a decrease of VND 1.042 million, equivalent to a reduction 36.2% compared to the previous year. This decline is attributed to competitive pricing on executed projects, where the revenue growth rate lagged behind the cost of goods sold growth rate. During the period, the cost of goods sold increased by VND 23.473 million, equivalent 36.79%, and general and administrative expenses rose by VND 6.458 million, equivalent 37.36%, due to increased labour expenses and the resulting expenses of relocating the company's office. Consequently, operating profit for 2025 decreased by VND 12.959 million, equivalent 140% compared to 2024. Other profit increased by VND 11.348 million due to the disposal of fixed assets during the year. As a result, the Profit after tax for this period decreased compared to the previous period.

** Regarding the Profit after tax in the report period, there is a variance between the pre and post-audit:*

Due to the under-recognition of the cost of goods sold before the audit, the final cost of goods sold increased after adjustments. Additionally, regarding corporate income tax expenses, the entity had not fully accounted for non-deductible interest expenses in accordance with prevailing regulations. Consequently, the post-audit Profit after tax is lower than the pre-audit Profit after tax.

**PERSON IMPLEMENTING THE DISCLOSURE
GENERAL DIRECTOR**

Recipients:

- As above;
- File: Office, Finance and Accounting Department


NGO NGOC THUONG