

No.: 211./TKDK-TCKT.

Ho Chi Minh City, March 27th, 2025

Regarding: Explaining the contents related
to the 2024 separate financial statements.

To: - The State Securities Commission of Vietnam
- The Ha Noi Stock Exchange

Pursuant to Circular 96/2020/TT-BTC dated 16/11/2020.

We would like to explain the contents related to the audited 2024 Separate Financial Statements as follows:

1. Basis for Qualified Opinion:

1.1 Due to the appointment time being far from the fiscal year end, we were unable to perform the observation procedures for the cash, inventories, and fixed assets as of December 31, 2024, which were 1.08 billion VND, 7.20 billion VND, and 0.89 billion VND, respectively (as of January 1, 2024, they were 1.83 billion VND, 6.31 billion VND, and 0.27 billion VND, respectively). Therefore, we could not assess the impact of this matter on the attached Separate Financial Statements.

1.2 We have performed all necessary audit procedures but could not obtain sufficient appropriate audit evidence to assess the appropriateness of the recognition of Inventories (code 140) and Short-term Payable Expenses (code 315) on the Separate Financial Statements with values as of December 31, 2024 of 7.20 billion VND and 40.95 billion VND, respectively (as of January 1, 2024, they were 6.31 billion VND and 46.87 billion VND, respectively), and Cost of Goods Sold (code 11) on the Separate Income Statement for 2024 with a value of 63.81 billion VND (2023: 75.75 billion VND) due to the recognition of cost of goods sold during the year based on the planned ratio and not on actual incurred costs. Therefore, we could not determine whether adjustments to these figures are necessary, nor their impact on other figures in the attached Separate Financial Statements.

1.3 As of December 31, 2024, the balance of receivables without confirmation was 159.80 billion VND (as of January 1, 2024: 115.62 billion VND), and the balance of payables without confirmation was 252.72 billion VND (as of January 1, 2024: 226.07 billion VND). Of which, the PV ENGINEERING is monitoring some long-outstanding receivables, and the allowance for doubtful debts has been recorded with a total value as of December 31, 2024 of 92.63 billion VND and 69.70 billion VND, respectively (as of January 1, 2024: 106.61 billion VND and 69.68 billion VND, respectively). We could not assess the recoverability of these receivables and therefore could not determine whether adjustments to related figures in the attached Separate Financial Statements are necessary.



1.4 According to the information presented in Note 33 of the Separate Financial Statements, the PV ENGINEERING and its subsidiary, Petrovietnam Engineering (Malaysia) Sdn. Bhd, are involved in a lawsuit with the main contractor of the Rapid refinery and petrochemical complex project in Malaysia, related to additional costs incurred during the project implementation. The PV ENGINEERING has not recorded the payable obligation to the main contractor according to the final ruling of the Arbitration Council of 12,099,227.99 USD, equivalent to 295.52 billion VND (excluding late payment interest up to December 31, 2024). We have performed all necessary audit procedures but could not assess the impact of the above matters on the attached Separate Financial Statements. Regarding the mentioned project, the Separate Financial Statements as of December 31, 2024 present the balances of related items, including Long-term Financial Investments and Allowance for Impairment of Long-term Financial Investments of 5.35 billion VND, Short-term Receivables from Customers of 70.95 billion VND, Short-term Loans Receivable of 238.92 billion VND, Other Short-term Receivables of 132.77 billion VND, and Allowance for Doubtful Short-term Receivables of 442.63 billion VND. We could not obtain sufficient appropriate audit evidence regarding the recoverability related to the project implementation. Therefore, we could not determine whether adjustments to the above items are necessary, nor their impact on other figures in the attached Separate Financial Statements.

1.5 The PV ENGINEERING's Separate Financial Statements (attached) reflecting the financial position as of December 31, 2024 show an accumulated loss (code 421) of 757.51 billion VND; Equity (code 400) at year-end is negative 471.81 billion VND; Short-term liabilities (code 310) are 5.06 times greater than Short-term assets (code 100); Overdue payables balance is 516.27 billion VND. These issues, along with the explanations provided by the Board of Directors in Note 2.3 and the basis for our opinion stated above, indicate the existence of material uncertainties that may cast significant doubt on the PV ENGINEERING's ability to continue as a going concern. However, the PV ENGINEERING's Separate Financial Statements for the fiscal year ended December 31, 2024 are still prepared on a going concern basis.

1.6 Note 33 of the Separate Financial Statements discloses the decision of the Ho Chi Minh City People's Court to annul Resolution No. 11/NQ-TKDK-ĐHĐCĐ of the 2020 Annual General Meeting of Shareholders dated April 29, 2022 and Resolution No. 29/NQ-TKDK-ĐHĐCĐ of the 2023 Annual General Meeting of Shareholders dated June 30, 2022 of the PV ENGINEERING according to Appellate Judgment No. 505/2023/QĐDS-PT dated April 25, 2023. We were unable to assess the impact of this matter on the attached Separate Financial Statements.

2. Explanation of the entity:

* With the contents except for on the Financial Statements:

For items 1.1 to 1.2, due to the actual situation of the unit, the Extraordinary General Meeting of Shareholders to approve the list of auditing units for the Financial Statements was not held until January 8, 2025, and the auditing unit was not selected and the contract signed until February 12, 2025, so the above items could not be carried out on time.

For item 1.3, in the beginning of 2025, the Company also collected well the incurred receivables, except for the allowance for doubtful debts.



For item 1.4, the lawsuit related to the Rapid refinery and petrochemical complex project in Malaysia: there has been a ruling from the International Chamber of Commerce (ICC), however, the ruling does not mention the specific division of value for the related parties (the construction contract has a division of work scope among the members participating in the project). The partner has also brought the case to the Ho Chi Minh City court, and the Ho Chi Minh City court is currently in the process of receiving and considering the presentations of the related parties. Therefore, we do not have enough objective information to determine the current status of the recorded amounts and the final outcome for the parties. Therefore, we only assess the recoverability of debts related to the member unit Petrovietnam Engineering (Malaysia) Sdn. Bhd as doubtful and make provisions for this amount.

For items 1.5 and 1.6, the going concern issue: since we are a unit operating based on the core of employees, who are highly qualified engineers, carrying out projects with high intellectual content, we believe that maintaining the current workforce means the unit still has the ability to recover. This has also been demonstrated in the recent period, as we have maintained our work and achieved the set production and business plan.

The opinions expressed by the auditors are all based on current accounting and auditing standards, the auditor's exception is reasonable and we must accept it. Previously, the Company determined that the above contents could be handled soon in a short time. However, in reality, up to now, the above issues are still unresolved related to the settlement procedures of the disputed project as well as the legal issues related to the lawsuit. The Company recognizes that it is difficult to resolve all the issues mentioned in a short time, so it agrees with the exception opinion, and at the same time makes provisions related to projects that cannot be handled and agrees with partners soon.

* Regarding the after-tax profit change of more than 10%, from the previous year's loss to interest this year:

In 2024, the profit change compared to the previous year is mainly due to the Company having optimized production and business costs (cost of goods sold decreased compared to the same period), and at the same time, having reduced management expenses compared to the previous year, despite high financial costs due to the impact of recording compulsory loans from 2023, as well as no unusual costs are different from the previous year.

**PERSON IMPLEMENTING THE DISCLOSURE
GENERAL DIRECTOR**



The stamp is circular with a red border. Inside, it contains the text: 'CÔNG TY TƯ VẤN THIẾT KẾ ĐẦU TƯ CÔNG TY CỔ PHẦN HANHA BÉ - T. PHỐ CHI MINH'. A blue ink signature is written over the stamp.

Ngô Ngọc Thường

Recipients:

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