

PETROVIETNAM CONSTRUCTION JOINT STOCK  
CORPORATION  
**PETROLEUM INDUSTRIAL AND CIVIL  
CONSTRUCTION JOINT STOCK COMPANY**

THE SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom - Happiness

No: 259 /CNDD-TCKT

Ho Chi Minh City, 13 August 2025

Re: Explanation of certain matters in the  
Interim financial information review report for  
The accounting period from 1 January 2025 to  
30 June 2025

To: - State Securities Commission  
- Ha Noi Stock Exchange

First of all, PetroVietnam Construction Joint Stock Company – Industrial and Civil Engineering (PVC-IC) would like to extend its respectful greetings to the State Securities Commission and the Hanoi Stock Exchange.

In order to clarify certain matters in the interim financial information review report for the accounting period from January 1, 2025 to June 30, 2025, regarding the variance in profit after tax exceeding 10% compared to the first six months of 2024 and the recorded loss in profit after tax, PetroVietnam Construction Joint Stock Company – Industrial and Civil Engineering (hereinafter referred to as the “Company”) would like to provide the following explanations:

**I. Basis for Disclaimer of Opinion:**

1. Included in the balance of the Company’s work-in-progress is the unfinished value of the Commercial – Service – Office and Apartment Complex Project located at No. 33A, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province (currently No. 33A, 30/4 Street, Tam Thang Ward, Ho Chi Minh City) with a value of VND 32.99 billion (Note 09). This project was completed and put into use in 2018; however, as at the date of preparation of these interim financial statements, the Company has not yet obtained the project’s final settlement approval.

Company’s explanation: As at the date of preparation of the financial statements for the first six months of 2025, the balance of work-in-progress of the Commercial – Service – Office and Apartment Complex Project located at No. 33A, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province (currently No. 33A, 30/4 Street, Tam Thang Ward, Ho Chi Minh City) amounted to VND 32.99 billion. This represents the construction cost of 123 car parking spaces in Basement B2 owned by the project’s investor. The Company has engaged an independent auditor to audit the investment capital of the project; upon receiving the approval of the final settlement of the investment capital, the Company will record the remaining work-in-progress cost accordingly.

2. The land lot located at No. 35D, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province (currently No. 35D, 30/4 Street, Tam Thang Ward, Ho Chi Minh City) was revoked under Decision No. 3339/QĐ-UBND dated October 28, 2022 of the People’s Committee of Ba Ria – Vung Tau Province. However, the Company has not yet handed over the land lot to the local authorities and has not dealt with the value of the assets on the land.

Company’s explanation: Following Decision No. 3339/QĐ-UBND dated October 28, 2022 of the People’s Committee of Ba Ria – Vung Tau Province, the Company carried out procedures to hand over the land lot at No. 35, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province to the Land Fund Development Center of Ba Ria – Vung Tau Province. However, due to certain on-site



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assets that have not yet been dismantled, the handover has not been completed. Therefore, the Company continues to use this land area as its office headquarters and pays annual land rental fees.

3. The Company has not yet assessed the recoverability of the long-term receivable related to the Long Son Riverside Apartment Project cooperation, amounting to VND 12.89 billion (Note 07), which was completed in 2019.

Company's explanation: The project is currently in the process of completing legal documentation and carrying out procedures for the audit of its investment capital. Therefore, the Company has not yet assessed the effectiveness of its capital contribution to this project.

4. In addition, we have not obtained sufficient documentation related to the balances as at December 31, 2024 and June 30, 2025 of receivables amounting to VND 4.21 billion and VND 5.59 billion, respectively, and payables amounting to VND 21.27 billion and VND 15.86 billion, respectively. Based on the review procedures performed, we were still unable to obtain sufficient appropriate information regarding the carrying amounts of these unconfirmed receivable and payable balances.

Company's explanation: As at the date of preparation of the financial statements for the first six months of 2025, the Company had obtained confirmation for most receivable and payable balances under the items "short-term trade receivables," "other short-term receivables," "short-term trade payables," and "other short-term payables." However, as at the date of issuance of these financial statements, a small number of customers had not yet returned the debt confirmation letters. The Company will continue to contact these customers to obtain full confirmation of these outstanding balances.

## **II. Explanation for the variance in profit after tax exceeding 10%**

\* Total revenue and income for the first six months of 2025 decreased by VND 448,387,771, equivalent to a decrease of 10.35%, compared to the first six months of 2024, as follows:

- Revenue from construction and asset leasing decreased by VND 543,992,959, equivalent to a decrease of 23.72%.
- Finance income increased by VND 183,889,523, equivalent to an increase of 23.53%.
- Other income decreased by VND 88,284,335, equivalent to a decrease of 7.01%.

\* Total expenses for the first six months of 2025 decreased by VND 1,756,535,218, equivalent to a decrease of 26.63%, compared to the first six months of 2024, as follows:

- Cost of sales decreased by VND 1,321,000,097, equivalent to a decrease of 68.38%.
- Administrative expenses increased by VND 90,215,371, equivalent to an increase of 2.37%.
- Other expenses decreased by VND 525,750,492, equivalent to a decrease of 60.75%.

\* Profit after tax for the first six months of 2025 differed by more than 10% compared to the first six months of 2024. The main reason was the significant decrease in cost of sales and other expenses as mentioned above; therefore, profit after corporate income tax for the first six months of 2025 increased by VND 1,308,147,447, equivalent to an increase of 57.82% compared to the first six months of 2024.

## **III. Explanation for loss in profit after tax for the first six months of 2025**

As the Company had no new projects in the first six months of 2025 and mainly engaged in leasing assets, machinery, and equipment, while administrative expenses remained high, the business operations resulted in a loss.

The above is the explanation of PetroVietnam Construction Joint Stock Company – Industrial and Civil Engineering. We respectfully submit this to the State Securities Commission, the Hanoi Stock Exchange, and investors for your information.

Best regards!

**To:**

- As above;
- Board of Directors; Supervisory Board (e-copy);
- Archives department; Finance and accounting department (Inh. 6)



**DIRECTOR**

**Lê Minh Hải**

