

**PETROVIETNAM CONSTRUCTION JOINT
STOCK CORPORATION
MIEN TRUNG PETROLEUM
CONSTRUCTION JSC**
No.53../XLDKMT-TCTH

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Da Nang, 14th August 2025

*“Re: explanation of issues related to the audit report
first 6 months of 2025; Profit after tax of corporate
income tax for the first 6 months of 2025 was a loss.”*

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

- Pursuant to the Law on Securities No. 54/2019/QH14 dated 26 November 2019 issued by the National Assembly of the Socialist Republic of Vietnam;

- Pursuant to Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance, providing guidance on information disclosure in the securities market;

- Pursuant to the Audited Report for the first 6 months of 2025 audited by AAC Auditing and Accounting Company Limited;

Mien Trung Petroleum Construction Joint Stock Company (ticker symbol: PXM)

- Please explain some issues related to the audited financial statements for the first 6 months of 2025 as follows:

1. Adverse opinion

- The financial statements were prepared on a going concern basis, which is not appropriate: Regarding the going concern basis, According to the Company's mid-year financial statements for the first 6 months of 2025, the accumulated losses amounted to VND 648,580,515,158 and equity was negative at VND 495,353,801,193. The Company's short-term liabilities exceeded its current assets by VND 496,148,697,737. Most of the Company's receivables and payables were overdue as per contractual terms. Currently, the Company has no financial resources or workforce to conduct its core business, i.e., construction of works. Since 2014, business operations have mainly involved leasing machinery and equipment, which have gradually deteriorated over the years, leading to reduced income. As a result, revenue is insufficient to cover expenses, causing an increasingly severe financial deficit. The Company is operating at a minimal level, maintaining only essential personnel to handle outstanding matters while awaiting restructuring directives, which may include potential bankruptcy, dissolution, or merger under PetroVietnam Construction Joint Stock Corporation's restructuring plan. Therefore, the Company's mid-year financial statements for the first 6 months of 2025 financial statements assuming that the Company will continue as a going concern.

- For accounts receivable of VND 83,657,076,345 and accounts payable of VND 155,907,883,784, the Company has not received responses from the relevant parties as of now. These amounts have been overdue since 2012 and 2013, which is why, despite the Company and auditors sending confirmation requests, only a few parties have responded.

- Loans and financial lease liabilities: The Company's principal and interest on loans from financial institutions remain unconfirmed by the banks. These borrowings have been overdue since 2012 and 2013, but due to financial difficulties, the Company



