NGHE AN PETROLEUM INVESTMENT & TRADING JOINT STOCK COMPANY

No.:85./CV-PVIT

Re: Explanation for the discrepancy in profit after audit and disclaimer of audit opinion.

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Nghe An, August 13, 2026

To:

- State Securities Commission of Vietnam;
- Hanoi Stock Exchange.

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

Pursuant to the Independent Audit Report No. 130826.003/BCTC.KT5 dated August 13, 2026

Nghe An Petroleum Investment & Trading Joint Stock Company would like to explain the following contents:

I/. Explanation for the discrepancy in profit after tax for the first 6 months of 2026 compared to the first 6 months of 2025

Nghe An Petroleum Investment & Trading Joint Stock Company (Stock Code: PXA) would like to report to the State Securities Commission of Vietnam and the Hanoi Stock Exchange regarding the discrepancy in audited corporate income tax (CIT) profit after tax on the financial statements for the first 6 months of 2026 compared to the audited CIT profit after tax on the financial statements for the first 6 months of 2025 as follows:

Revenue and income in the audited financial statements for the first 6 months of 2026 compared to the audited financial statements for the first 6 months of 2025 are specifically as follows: Revenue from sales and service provision increased by 2,661,461,481 VND, as the company sold and handed over several apartments at the Hung Loc project this year; Other income decreased slightly because the company reduced the collection of construction management fees at the Hung Loc project.

Expenses in the audited financial statements for the first 6 months of 2026 compared to the audited financial statements for the first 6 months of 2025 are specifically as follows: Cost of goods sold increased by 7,146,397,037 VND, moving in the same direction as revenue, partly due to increased construction material costs and labor costs; Financial expenses decreased by 621,038,065 VND because the company paid off principal loan amounts, leading to a reduction in principal debt; Selling expenses increased by 63,036,826 VND as the company adjusted expenses to align with sales activities during the period; General and administrative expenses increased by 385,785,108 VND, mainly due to salary increases for management staff. Other expenses increased sharply due to the recognition of tax penalties and arrears from previous years.

Thus, in the first 6 months of 2026 compared to the first 6 months of 2025, revenue and cost of goods sold increased, financial expenses decreased, selling expenses and general & administrative expenses increased, other income decreased, and other expenses increased sharply, leading to a sharp decline in net profit after tax in the first 6 months of 2026 compared to the net profit after tax in the first 6 months of 2025.

II/. Net loss after tax for the first 6 months of 2026

During the year, the Company actively worked with lenders to reduce interest expenses and balanced and cut down selling expenses; however, main business operations were impacted by rising prices of materials and labor costs, leading to negative profits. At the same time, expenses related to tax penalties and arrears from previous years arose, resulting in a loss for the business performance in the first 6 months of 2026.

III/. Audit organization's disclaimer of opinion for the first 6 months of 2026

On August 13, 2026, AASC Auditing Firm Company Limited issued a disclaimer of opinion. Nghe An Petroleum Investment and Trading Joint Stock Company would like to explain as follows:

The audit firm issued a disclaimer of opinion regarding the financial statements for the first 6 months of 2026 concerning the Company's going concern status, due to accumulated losses and short-term liabilities exceeding short-term assets, errors in the financial statements, and pervasive limitations on audit evidence regarding asset and liability line items.

Causes:

According to the audited financial statements for the first 6 months of 2026 of Nghe An Petroleum Investment & Trading Joint Stock Company, the company is incurring losses.

The reason is that the company is bearing high expense burdens, such as heavy interest expenses due to high loan interest rates, along with significant penalties for late tax payments. At the same time, long-standing unresolved issues still remain within the company.

In 2019, the Company underwent changes in several members of the Board of Directors and Executive Management. The Chief Accountant and accounting personnel were newly appointed in 2017 and 2018, leading to many material issues arising from previous years. The accounting department and related divisions were unable to explain or provide sufficient evidence to the Audit Team. Consequently, there exist misstatements in the financial statements and pervasive limitations on audit evidence regarding asset and liability line items.

Below is the explanation regarding the qualification opinions in the audit report:

- The Company did not conduct physical inventory counts for cash balances at factories, inventory, fixed assets, and investment properties as of June 30, 2026. Although we performed necessary alternative audit procedures, we were still unable to obtain sufficient appropriate audit evidence regarding the existence and completeness of these line items as of the reporting dates (January 01, 2026, and June 30, 2026). As of June 30, 2026, these line items consisted of: cash balance of 59.54 million VND (at Factory 10 and Factory 12); inventory of 110.13 billion VND; historical cost of tangible fixed assets of 20.08 billion VND; and historical cost of investment properties of 8.98 billion VND.

Reason: The factories have long ceased operations, and the Company was unable to arrange sufficient personnel to perform the inventory count.

- We have not obtained confirmation letters for balances as of June 30, 2026, including Short-term Trade Accounts Receivable (Code 131) of 17.15 billion VND; Short-term Prepayments to Suppliers (Code 132) of 8.29 billion VND; Other Short-term Receivables regarding advances and construction prepayments of 23.67 billion VND (Note 6); Short-term Trade Accounts Payable (Code 311) of 28.68 billion VND; and Short-term Advances from Customers (Code 312) of 30.95 billion VND. Although we performed full necessary audit procedures, we were still unable to gather sufficient appropriate audit evidence regarding the carrying amounts of the aforementioned balances.

  Reason: These are long-outstanding debts; the Company sent debt confirmation requests but received no responses.
- As of June 30, 2026, the Company had not re-evaluated the provision for doubtful accounts for long-standing receivables presented in Notes 4, 5, and 6 of the accompanying financial statements. We were unable to assess the required provision amount for these receivables at the beginning and end of the period, particularly for construction advances and capital prepayments totaling 29.63 billion VND (Note 6.1). Although we performed all necessary audit procedures, we could not obtain additional audit evidence regarding the allowance for impairment needed for the aforementioned receivables.

  Reason: These debts have been outstanding for a long time, and personnel changes in the accounting department led to lost records, resulting in insufficient documentation to evaluate provision estimates.
- We were unable to obtain sufficient appropriate audit evidence regarding the figures presented in the financial statements related to the Nghi Phu Project and the Nghe An Petroleum Building Project. Consequently, we could not determine whether adjustments were necessary for these items and their corresponding impacts, if any, on the accompanying financial statements. Specifically:

o The Company completed and handed over houses and land to customers for the two projects from 2018 and prior. The total cost of goods sold for the saleable portion was recorded in prior years' business results. However, revenue for the two projects has not been fully or properly recognized in the correct periods. The Company plans to continue recognizing and adjusting revenue upon issuing financial invoices in subsequent periods. Such recognition of revenue and cost of goods sold is not in compliance with current Vietnamese Accounting Standards (VAS). Although we carried out all necessary audit procedures, we were still unable to collect sufficient appropriate evidence to request adjustments or disclosures regarding transactions involving revenue, cost of goods sold, and revenue deductions previously recognized for these two projects.

  Reason: These debts arose long ago, and management changes in the accounting department caused misplaced files, leaving no grounds to supply to the audit team.

- The revenue and cost of goods sold transactions mentioned above include provisional entries made by the Company on December 31, 2017, amounting to 35 billion VND and 37.7 billion VND, respectively. As of June 30, 2026, the Company had not issued financial invoices, although it provisionally accounted for the corresponding output VAT of 0.41 billion VND (Note 17.3). However, the Company could not break down these provisional entries by individual contract, apartment, or customer, leading to trade receivable balances for the two projects as of January 01, 2026, and June 30, 2026, both standing at 11.58 billion VND (Note 4.1), without detailed itemization by counterparty.
  Reason: These receivables have been outstanding for a long time, and changes in accounting personnel resulted in missing documents and insufficient records.
- The allocated investment value for floors 15 through 22 of the Nghe An Petroleum Building Project was presented under Inventories at both the beginning and end of the period with a constant value of 72.56 billion VND (Note 8.2), while floor 10 (currently leased out) was allocated under Investment Properties at a historical cost of 8.98 billion VND (Note 11). We could not gather sufficient evidence to verify the allocation of investment value between investment properties and inventories. Furthermore, we were unable to obtain appropriate evidence regarding the intended use of floors 15 to 22 as of June 30, 2026, leaving us no basis to evaluate whether these floors should be classified as Real Estate Inventories or Investment Properties.
  Reason: These receivables arose long ago, and turnover in the accounting team led to mislaid files, resulting in a lack of documentation to provide to the auditors.
- Note 16.2 to the financial statements presents a pre-tax output VAT accrual of 27.5 billion VND related to the transfer transaction of several commercial floors of the Petroleum Building to PVCombank to offset the principal loan from PVFC - Thanh Hoa Branch (now PVCombank - Thanh Hoa Branch). The transfer transaction arose and revenue was recognized in 2012; however, the Company has not yet issued invoices or declared and paid output VAT. We were unable to gather sufficient appropriate audit evidence regarding the recognition of revenue and the pre-tax output VAT accrual for this transaction; thus, we could not determine whether adjustments to the accompanying financial statements are necessary regarding these matters.
  Reason: These receivables/payables arose long ago, and turnover in the accounting department led to mislaid files, leaving no grounds to supply to the audit team.

- The accompanying financial statements reflect long-standing balances in Short-term Trade Accounts Payable (Note 13), Short-term Advances from Customers (Note 14), and Provisional Output VAT Payable (Note 17.3). We have not been provided with relevant documents to determine whether adjustments to the carrying amounts of these payables or additional disclosures in the Financial Statements are necessary regarding related

matters (if any), including overdue debts, late payment penalties, or potential contingent liabilities.
Reason: These liabilities arose long ago, and changes in accounting personnel resulted in missing records, leading to a lack of documentation to provide to the auditors.

- Regarding the Hung Loc Urban Area Project, the total amount collected by the Company based on customer payment schedules across installments was 176.99 billion VND. Accumulated up to the beginning of the year, the Company recognized revenue, cost of goods sold, and selling expenses of 98.52 billion VND, 70.57 billion VND, and 16.3 billion VND, respectively (including 2.09 billion VND of selling expenses tracked under Long-term Prepayments); during this period, the Company continued to recognize revenue of 25.08 billion VND (Note 21), cost of goods sold of 24.66 billion VND (Note 22), and selling expenses of 2.09 billion VND (Notes 8.1 and 09). However, the property and land have not yet been handed over to buyers. Furthermore, the Company did not separate its real estate business activity from other operations when calculating corporate income tax (CIT) payable and failed to provisionally prepay the corresponding 1% CIT. We were also unable to obtain appropriate audit evidence to issue adjustment requests or supplementary disclosures regarding Construction in Progress for the Hung Loc Urban Area Project as of June 30, 2026, valued at 33.98 billion VND (45.36 billion VND as of January 01, 2026) and other related matters.
- In addition, we have not been provided with sufficient files and documentation; therefore, we cannot determine whether adjustments to the financial statements are necessary regarding the following items:
  - The status of work-in-progress projects currently presented under Work-in-Progress Production and Business Costs as of June 30, 2026, valued at 3.6 billion VND (Note 8.1);
  - The status and recoverability of Construction in Progress for the Vinh Tan Urban Area Project valued at 568.7 million VND (Note 12);
  - Documents related to accrued expenses valued at 436.7 million VND (Note 16);
  - Documents related to determining non-deductible interest expenses for enterprises with related-party transactions.

  We were unable to gather sufficient appropriate audit evidence regarding all the issues listed above. Consequently, we cannot issue a conclusion on the accompanying financial statements concerning these matters.
  Reason: These liabilities arose long ago, and changes in accounting personnel resulted in missing records, leading to a lack of documentation to provide to the auditors.
- As of June 30, 2026, the Company had not issued invoices or recognized revenue for electricity, water, house rent, and service fees, which were tracked under Short-term Advances from Customers with a cumulative amount of 0.55 billion VND (0.41 billion VND as of January 01, 2026 - Note 14.1). Due to the impact of this issue, on the Balance Sheet as of January 01, 2026, and June 30, 2026: Short-term Advances from Customers

(Code 312) was overstated by 0.41 billion VND and 0.55 billion VND, respectively; Taxes and Other Payables to the State Budget (Code 313) was understated by approximately 0.03 billion VND and 0.04 billion VND, respectively; Undistributed Earnings After Tax (Code 421) was understated by 0.38 billion VND and 0.51 billion VND, respectively. On the Income Statement, Net Revenue from Goods Sold and Services Rendered (Code 01) for the prior period was overstated by 6.49 billion VND, while for the current period, it was understated by 0.06 billion VND.

Reason: The Company's financial difficulties resulted in the failure to issue invoices and recognize revenue on a timely basis.

- The Company recorded tax arrears and late payment penalties in the first 6 months of 2026 pursuant to Decision No. 2931/QD-NAN dated December 17, 2025, by the Tax Department of Nghe An Province regarding administrative sanctions. Due to the impact of this issue, on the Balance Sheet as of January 01, 2026: Taxes and Other Receivables from the State (Code 153) was overstated by 2,813,010,306 VND; Taxes and Other Payables to the State Budget (Code 313) was understated by 5,341,818,690 VND; Undistributed Earnings After Tax (Code 421) was overstated by 5,341,818,690 VND. On the Income Statement for the first 6 months of 2026: Other Expenses (Code 32) was overstated by 2,528,808,384 VND; Current Corporate Income Tax Expense (Code 51) was overstated by 2,813,010,306 VND.

  Reason: We did not recognize expenses promptly in the correct accounting period.

Remedial Solutions:

In addition to maintaining and developing production and business operations, as well as boosting sales to drive revenue and profit growth, the Company is currently proceeding with procedures to apply for additional new investment projects. Furthermore, the Company is gradually recovering outstanding debts from corporate entities and individuals.

The above is the explanation regarding the reasons and remedial solutions for the delisting status of Nghe An Petroleum Investment & Trading Joint Stock Company, respectfully submitted to the competent authorities for consideration.

The above are the explanations regarding the variance in profit after corporate income tax as well as the disclaimer of audit opinion.

Sincerely thank you!

Recipients:
- As above;
- Board of Directors (for reporting);
- Archives: Clerical.

GENERAL DIRECTOR

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