VIETNAM NATIONAL INDUSTRY – ENERGY GROUP
PETROVIETNAM ENGINEERING CONSULTANCY JSC

Số: 682/TKDK-TCKT

V/v: Explaining the contents related to the audited interim 2026 separate financial statements

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Ho Chi Minh City, Aug.28th 2026

TỔNG CÔNG TY TƯ VẤN THIẾT KẾ DẦU KHÍ - CÔNG TY CỔ PHẦN

Digitally signed by TỔNG CÔNG TY TƯ VẤN THIẾT KẾ DẦU KHÍ - CÔNG TY CỔ PHẦN
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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 interim 2026 separate financial statements as follows:

1. Basis for Qualified Opinion:

1.1 We have performed review procedures; however, we were unable to assess the appropriateness of the recognition of Inventory (Code 140) and Short-term accrued expenses (Code 316) in the separate interim financial statements, with carrying amounts of VND 9,29 billion and VND 41,60 billion as of June 30, 2026, respectively (as of January 1, 2026: VND 2.62 billion and VND 42,01 billion, respectively), and Cost of goods sold (Code 11) in the separate interim income statement for the current period amounting to VND 37,21 billion (prior period: VND 39,68 billion). Consequently, we were unable to determine whether any adjustments to these figures were necessary, nor the potential impact on other items in the accompanying separate interim financial statements.

1.2 As of June 30, 2026, the balances of accounts receivable without balance confirmations amounted to VND 142,88 billion (as of January 1, 2026: VND 119,24 billion), and the balances of accounts payable without balance confirmations amounted to VND 402,00 billion (as of January 1, 2026: VND 127,55 billion). Among these, the Corporation is monitoring several long-outstanding receivables and the recorded allowance for doubtful debts, with total amounts as of June 30, 2026 of VND 89,82 billion and VND 64,18 billion, respectively (as of January 1, 2026: VND 87,89 billion and VND 64,18 billion, respectively). We were unable to assess the recoverability of these receivables; consequently, we could not determine whether any adjustments to the relevant line items in the accompanying separate interim financial statements were necessary.

1.3 According to the information presented in Note 33 to the separate interim financial statements, the Corporation and its subsidiary, Petrovietnam Engineering (Malaysia) Sdn. Bhd., are involved in a dispute with the main contractor of the Rapid Refinery and Petrochemical Complex project in Malaysia regarding additional costs incurred during project execution. The Corporation has not recognized the remaining liability payable to the main contractor according to the Arbitral Tribunal's final award of USD 12.099.227,99, equivalent to VND 318,19 billion (excluding late payment interest accrued as of June 30, 2026, and January 1, 2026). We have performed all necessary review procedures; however, we were unable to assess the potential impact of the aforementioned matters on the accompanying separate interim financial statements.

In connection with the above project, the separate interim financial statements as of June 30, 2026 present related line item balances including: Non-current financial investments and the recorded Provision for impairment of non-current financial investments in the amount of VND 5,35 billion; receivables including Short-term trade receivables of VND 70,95 billion, Short-term loan receivables of VND 290,86 billion, Short-term outer receivables / Other short-term receivables of VND 80,82 billion, and Allowance for short-term doubtful debts of VND 442,63 billion. We were unable to determine whether any adjustments to the aforementioned line items were necessary, nor the impact on other figures in the accompanying separate interim financial statements

1.4 The accompanying separate interim financial statements of the Corporation as of June 30, 2026 reflect an accumulated loss (Code 420) of VND 756,43 billion; Owner's equity (Code 400) as at the end of the period is negative VND 470,72 billion; Short-term liabilities (Code 310) exceed Short-term assets (Code 100) by 5,44 times; and the balance of overdue payables is VND 501,52 billion. These matters, together with the explanations by the Board of Management in Note 2.4 and the bases for audit opinion set out above, indicate the existence of a material uncertainty that may cast significant doubt on the Corporation's ability to continue as a going concern. Nevertheless, the Corporation's separate interim financial statements for the accounting period from January 1, 2026 to June 30, 2026 are still prepared on a going concern basis.

1.5 Note 33 to the separate interim financial statements presents information regarding the Decision of the People's Court of Ho Chi Minh City to annul the General Meeting of Shareholders' Resolutions, including Annual General Meeting Resolution No. 11/NQ-TKDK-ĐHĐCĐ passed on April 29, 2022. Annual General Meeting Resolution No. 29/NQ-TKDK-ĐHĐCĐ passed on June 30, 2022 of the Corporation, pursuant to 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 interim financial statements.

2. <u>Explanation of the entity:</u>

* *<u>With the contents except for the Financial Statements</u>:*

Regarding the matters in item1.1, 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 item 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 item 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 items 1.4 and 1.5, concerning the going concern assumption: As our organization operates with a core workforce of highly skilled professionals and engineers who execute projects with high intellectual content, we believe that by retaining our current labor force, the entity maintains its recovery potential. This has been demonstrated over the recent period, during which we have successfully maintained our operations and achieved the established production and business targets.

The audit opinions provided are based on current accounting and auditing standards; therefore, the auditors' qualifications are reasonable, and we must accept them. Previously, the Company anticipated that these matters could be resolved within a short period. However, in practice, these issues remain unresolved due to complications in project settlement procedures for disputed projects and legal proceedings related to the lawsuit. Recognizing that these matters are unlikely to be fully resolved in the near term, the Company agrees with the qualified opinions, has proceeded to record provisions for the outstanding projects, and is seeking early settlements with the involved partners.

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

No	Item	First 6 months of 2026 (VND)	First 6 months of 2025 (VND)	Difference	
				Amount (VND)	Rate (%)
1	Net profit after tax	97.265.734	2.572.954.581	- 2.475.688.847	- 96,2%

According to the audited interim 2026 separate financial statements, Profit after tax reached VND 97 million, representing a decrease of VND 2.475 million or 96,2% compared to the same period last year. This variance was attributable to revenue from sales of goods and rendering of services in the first 6 months of 2026 increasing by 15,5%, equivalent to an increase of VND 7.819 million, which resulted in a rise of VND 10.289 million or 96,8% in Gross profit from sales of goods and rendering of services compared to the first 6 months of 2025. Financial expenses decreased by VND 2.039 million (down 21,69%) due to lower interest expenses as the company partially paid down its principal debt relative to the same period last year. Consequently, Net profit from operating activities increased by VND 11.240 million. However, other income for the period decreased by VND 11.024 million compared to the prior period because the company recorded a disposal of fixed assets in the first 6 months of 2025. This led to a drop of VND 12.045 million in Other profit, which subsequently reduced Profit before tax for the current period by VND 804 million. Furthermore, Corporate income tax expense for this period was VND 1.670 million higher than that of the prior period, ultimately leading to the decline in Profit after tax compared to the same period last year.

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

Due to an incomplete revaluation of foreign currency items at quarter-end, financial income decreased by VND 11,8 million, and under-recording of financial expenses before the audit increased financial expenses by VND 47,7 million, resulting in a VND 59,5 million decrease in net profit from operating activities. Additionally, corporate income tax (CIT) expense increased by VND 1.051 million due to under-calculating non-deductible interest expenses under regulations for enterprises with related-party transactions. Consequently, post-audit profit after tax was VND 1.110 million lower than pre-audit profit after tax.

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

PERSON IMPLEMENTING THE DISCLOSURE
GENERAL DIRECTOR

TỔNG CÔNG TY TƯ VẤN THIẾT KẾ DẦU KHÍ - CÔNG TY CỔ PHẦN

NGO NGOC THUONG