VIETNAM NATIONAL INDUSTRY – ENERGY GROUP
PETROVIETNAM ENGINEERING CONSULTANCY JSC

Số: 683/TKDK-TCKT

V/v: Explaining the difference in profit after tax in the audited interim 2026 consolidated financial statements

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Ho Chi Minh City, Aug. 28th 2026

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 consolidated financial statements as follows:

1. Basis for Qualified Opinion:

1.1 We were unable to perform the procedures to observe the physical inventory count and physical verification of fixed assets with book values of VND 636,78 billion and VND 4,48 billion as of June 30, 2026, respectively (and VND 630,11 billion and VND 4,16 billion as of January 01, 2026, respectively). Consequently, we were unable to determine the potential effects of this matter on the accompanying interim consolidated financial statements.

1.2 We have performed sufficient review procedures; however, we were unable to obtain sufficient appropriate audit evidence to evaluate the appropriateness of the recognition of Inventory (Code 140) and Short-term accrued expenses (Code 316) in the interim consolidated financial statements with values of VND 636,78 billion and VND 8,46 billion as of June 30, 2026, respectively (and VND 630,11 billion and VND 9,78 billion as of January 01, 2026, respectively), and Cost of goods sold (Code 11) in the current period's interim consolidated income statement with a value of VND 66,65 billion (prior period: VND 62,59 billion). Consequently, we were unable to determine whether any adjustments to these figures were necessary, nor the effect thereof on other line items in the accompanying interim consolidated financial statements.

1.3 As of June 30, 2026, the balances of unconfirmed accounts receivable and unconfirmed accounts payable were VND 296,13 billion (as of January 01, 2026: VND 227.62 billion) and VND 699,52 billion (as of January 01, 2026: VND 314,04 billion), respectively. Included therein are certain overdue receivables and the related allowance for doubtful debts tracked by the Corporation, with total values as of June 30, 2026 of VND 193,21 billion and VND 134,30 billion, respectively (as of January 01, 2026: VND 193,02 billion and VND 134,30 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 interim consolidated financial statements were necessary.

1.4 As presented in Note 39 to the interim consolidated financial statements, the Corporation 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 regarding additional costs incurred during the project execution. The Corporation has not recognized the liability payable to the main contractor according to the Final Award of the Arbitral Tribunal of USD 12.099.227,99, equivalent to VND 318,19 billion (excluding overdue interest up to June 30, 2026, and January 01, 2026). Although we have performed sufficient review procedures, we were unable to assess the impact of these matters on the accompanying interim consolidated financial statements.

1.5 Regarding the loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch presented in Note 13, the Corporation has not recognized the interest expense incurred during the period amounting to VND 1.161.457.394 in accordance with Vietnamese Accounting Standards and the Vietnamese Corporate Accounting System. Consequently, as of June 30, 2026, the 'Other short-term payables' item on the interim consolidated statement of financial position is understated and the 'Undistributed post-tax profits' item is overstated by the corresponding amount; simultaneously, the 'Financial expenses' item on the interim consolidated income statement for the accounting period from January 01, 2026 to June 30, 2026 is understated by the same amount.

1.6 As of the issuance date of the interim financial information review report, we have not obtained the interim financial statements for the accounting period from January 01, 2026 to June 30, 2026 of the subsidiary - Petrovietnam Engineering (Malaysia) Sdn. Bhd ("PVE Malaysia"). Furthermore, we were unable to perform alternative procedures to evaluate the line items on the interim financial statements of the aforementioned subsidiary. Consequently, we were unable to determine whether any adjustments to the line items in the accompanying interim consolidated financial statements were necessary as a result of the financial statements of PVE Malaysia.

1.7 The interim consolidated financial statements of the Corporation (attached), which reflect the financial position as of June 30, 2026, show accumulated losses (Code 420) of VND 413,74 billion; total equity (Code 400) at the end of the period is negative VND 110,33 billion; current liabilities (Code 310) exceed current assets (Code 100) by 1,15 times; and overdue payables total VND 808,43 billion. These conditions, together with the Board of Management's explanations in Note 2.3 and the matters described in the Basis for Opinion section above, indicate the existence of material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern. Nevertheless, the interim consolidated financial statements of the Corporation for the accounting period from January 01, 2026 to June 30, 2026 are still prepared on a going concern basis.

1.8 As presented in Note 39 to the interim consolidated financial statements, the People's Court of Ho Chi Minh City decided to annul the Annual General

Meeting of Shareholders Resolution No. 11/NQ-TKDK-ĐHĐCĐ passed on April 29, 2022, and the Annual General Meeting of Shareholders 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 interim consolidated financial statements.

2. Explanation of the entity:

* *With the contents except for the Financial Statements*:

Regarding items 1.1 to 1.2, due to practical circumstances, certain subsidiaries have not yet completed their physical inventory counts. Furthermore, as the Corporation's core business is design consultancy, project costs primarily consist of labor expenses. Personnel may work on multiple projects simultaneously; therefore, the recognition of costs and cost of goods sold for each project is based on the allocation of actual labor costs relative to the actual revenue generated during the period. The Corporation is unable to calculate detailed man-hours to allocate costs based on the actual time employees spend on each specific project.

Regarding item 1.3, the Company successfully recovered most of the accounts receivable incurred in 2026, except for those for which an allowance for doubtful debts had already been established. Consequently, obtaining confirmations for these specific long-outstanding balances was virtually impossible.

Regarding item 1.4, 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 item 1.5, the Corporation has a subsidiary whose audit report contains a qualified opinion related to a loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch, as the accrued interest expense has not been fully recognized.

Regarding item 1.6, the subsidiary – Petrovietnam Engineering (Malaysia) Sdn. Bhd ("PVE Malaysia") – currently has no active personnel in Malaysia. Furthermore, there have been no new business transactions as the entity is awaiting a final ruling on the allocation of values with its related party, the Parent Company (PVE). Consequently, the financial figures from the previous report have been maintained without change.

Regarding items 1.7 and 1.8, 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	504.662.019	-2.212.880.272	2.717.542.291	122%

The audited consolidated interim financial statements for 2026 reported Profit After Tax of VND 507 million, representing an increase of VND 2.717 million (up 122%) compared to the same period last year. This performance was driven by a 24,7% year-over-year increase in Net revenue from goods sold and services rendered during the first 6 months of 2026, while Cost of goods sold rose by only 6,5%, resulting in a VND 13.862 million increase in Gross profit. Additionally, Financial expenses decreased by VND 2.417 million due to principal debt repayments, and General and administrative expenses fell by VND 855 million. Meanwhile, Other income decreased by VND 11.433 million, as the prior period included gains from the disposal of fixed assets. Current corporate income tax expense for the first 6 months of 2026 also increased by VND 1.678 million year-over-year. Consequently, Profit after tax for the current period increased compared to the previous period.

* *Regarding net profit after tax: Shifted from a loss in the first 6 months of 2025 to a profit in the first 6 months of 2026*

In 2025, the subsidiary's business operations faced difficulties, resulting in a profit before tax loss of VND 4.807 million for the first half of 2025. In contrast, for the first half of 2026, this subsidiary achieved a pre-tax profit of VND 71 million.

Revenue from sales and service provision in the first 6 months of 2026 increased by 24,7% year-on-year, while the cost of goods sold only grew by 6,5%, driving a VND 13,862 million increase in gross profit. Financial expenses decreased by VND 2.417 million due to principal debt repayments, and general and administrative expenses dropped by VND 855 million during the period.

These reasons account for the shift from a net loss in the first 6 months of 2025 to a net profit in the first 6 months of 2026.

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

Consolidated revenue decreased by VND 90 million, while the cost of goods sold fell by VND 486 million, resulting in a VND 396 million increase in gross profit. Financial income dropped by VND 11,8 million, financial expenses decreased by VND 330 million, and general and administrative expenses increased by VND 396 million. Consequently, profit before tax rose by VND 318 million. Current corporate income tax expense increased by VND 1,051 million, and deferred corporate income tax expense rose by VND 75 million, as non-deductible interest expenses under transfer pricing regulations had not been fully determined. As a result, audited net profit was VND 808 million lower than pre-audited net profit.

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

PERSON IMPLEMENTING THE DISCLOSURE
GENERAL DIRECTOR

M.S.D.N: 0301479... TỔNG CÔNG TY TƯ VẤN THIẾT KẾ DẦU KHÍ - CÔNG TY CỔ PHẦN ... P. TÂN HƯNG - TP. HỒ CHÍ MINH

NGO NGOC THUONG