

ORIENTAL SHIPPING AND TRADING JSC

No: **29** /PD - TCKT

Subject: Explanation for the refusal to provide an
opinion on the 2025 financial statements

Socialist Republic of Viet Nam
Independence – Liberty - Happiness

Ha Noi, date 18 month 03 year 2026

To: - State Securities Commission
 - Hanoi Stock Exchange

ORIENTAL SHIPPING AND TRADING JOINT STOCK COMPANY

Stock code: NOS

Address: 278 Ton Duc Thang Street - O Cho Dua Ward - Hanoi City

Oriental Shipping and Trading Joint Stock Company would like to extend our respectful greetings and express our gratitude to your esteemed agency for your cooperation and support over the past period.

Based on the 2025 financial statements audited by International Auditing and Valuation Company Limited, our company would like to explain our refusal to give an opinion on the 2025 financial statements as follows:

1. Explanation of the Auditor's Opinion:

a. For loans and financial leases, interest payable.

Our company sent confirmation letters regarding the balances of our debts: loans and financial leases. However, at the time of the audit report, the company only received confirmation of outstanding debt from some banks and credit institutions; some banks had sold their debts to other organizations and therefore did not respond to the letters.

- The Nosco Victory vessel of the Company was financed by a loan from Southeast Asia Commercial Joint Stock Bank - Hai Phong Branch, with co-financing from Vietnam Public Commercial Bank and Vietnam International Commercial Bank - Saigon Branch. The loan was subsequently sold by the banks to the Vietnam Asset Management Company Limited (VAMC).

- The Hong Linh vessel, owned by the Company, was financed by loans from the Vietnam Maritime Commercial Joint Stock Bank - Hanoi Branch and the Vietnam Development Bank - Transaction Office 1. In 2018, the Company handed over the Hong Linh vessel for auction to recover the outstanding loan. According to the three-party working minutes on the handling of the Hong Linh vessel's assets, the Vietnam Maritime Commercial Joint Stock Bank will write off the principal and interest after the collateral is processed. Therefore, in 2024, the Company did not calculate any interest payable on the Hong Linh vessel.

b. Regarding investments in joint ventures and associated companies.

As of December 31, 2025, the Company currently has one subsidiary and two associated companies. The subsidiary is Nosco Quang Ninh Water Transport and Trading Joint Stock Company, and the associated companies are Northern Maritime Trade and

Transportation Joint Stock Company and Nosco Shipyard Joint Stock Company. The Company has fully provisioned for its investments in these companies.

+ Quang Ninh Water Transport and Trading Joint Stock Company has ceased operations and its tax code has been closed.

+ Northern Maritime Trade and Transportation Joint Stock Company has ceased operations and was declared bankrupt on January 25, 2018.

+ Nosco Shipyard Joint Stock Company is currently operating and has undergone an audit of its 2025 financial statements; however, the audit report has not yet been issued.

c. Profits in 2025 will show a loss.

Because the company's fleet was invested in during a period of booming shipping market, the high investment cost of the vessels led to high depreciation and interest expenses.

The main reasons for the 2025 business loss of VND 204,904.37 million are as follows:

+ Due to interest expenses payable:	VND 72,631.86 million
+ Due to depreciation of the fleet:	VND 86,116.75 million
+ Due to exchange rate differences:	VND 85,543.57 million

2. Company's Explanation

Since taking over the fishing fleet, the company has consistently faced numerous challenges due to the impact of economic crises such as: the global financial crisis that occurred at the end of 2008 and lasted for an extended period; the escalating trade war between the US and China in 2018; and the worsening situation caused by the Covid-19 pandemic from the end of 2019 to the end of 2021.

From the end of 2022 to the present, the domestic and global economies have entered a recession due to major factors such as record-high inflation, the slowdown of the Chinese economy with its Zero COVID-19 strategy, the Russia-Ukraine conflict, and finally, the escalating conflict between Israel and the Hamas Islamic militant movement (which controls the Gaza Strip, Palestine), especially the energy sector. Crude oil prices continue to rise sharply, causing LSFO/LSMGO prices to increase significantly and showing no signs of cooling down; in some areas, there are even shortages or scarcity of supplies. Reduced commodity production and high fuel prices have significantly reduced extraction efficiency.

These crises have severely impacted the economy in general and the shipping industry in particular. They have directly affected the company's business operations, leading to continuous losses from 2011 to the present.

Facing the unpredictable developments in the shipping market, the Company's fleet is encountering more difficulties than in previous years due to the increasing age and poor technical condition of the vessels.

At the same time, Phuong Dong Shipping and Trading Joint Stock Company is a large-scale public company. The consolidated financial statements are compiled from reports of branches, subsidiaries, affiliated companies, and these units are located in many



different locations. Therefore, the process of gathering data for the audited financial statements for 2025 has been prolonged, and our Company has not been able to provide the relevant documents and records to the auditors on time and in full.

Our Company is confident that in 2026 and the following years, with the efforts of the Board of Directors and all employees and crew members, these difficulties will be overcome.

Oriental Shipping and Trading Joint Stock Company would like to express our sincere gratitude!

Recipient:

- As above;
- File: Finance and Accounting Department, HTT, 03.

GENERAL MANAGER



Trần Quang Toàn

