

No: 224/TKDK-TCKT

Ho Chi Minh City, Mar 31, 2026

V/v: Explaining the contents related to the 2025  
Consolidated financial statements

**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 2025 Consolidated Financial Statements as follows:

**1. Basis for Qualified Opinion:**

1.1 We were unable to witness the physical inventory count for cash, inventories, and fixed assets with carrying values as of December 31, 2025 of VND 0.01 billion, VND 630.11 billion, and VND 4.16 billion respectively (as of January 1, 2025: VND 1.09 billion, VND 639.62 billion, and VND 0.98 billion respectively). Consequently, we were unable to assess the potential effects of this matter on the accompanying Consolidated financial statements.

1.2 We have performed all necessary auditing procedures but we were unable to obtain sufficient appropriate audit evidence to assess the appropriateness of the carrying amounts for Inventories (Code 140) and Short-term accrued expenses (Code 315) on the Consolidated financial statements, valued at VND 630.11 billion and VND 11.93 billion as of December 31, 2025, respectively (as of January 1, 2025: VND 639.62 billion and VND 19.72 billion, respectively); and the Cost of goods sold (Code 11) on the Consolidated income statement for 2025, valued at VND 124.36 billion (2024: VND 111.29 billion). Consequently, we were unable to determine whether any adjustments to these figures were necessary, or the potential impact on other items within the accompanying Consolidated financial statements.

1.3 As of December 31, 2025 the balances of unconfirmed accounts receivable and accounts payable amounted to VND 227.62 billion and VND 314.04 billion respectively (as of January 1, 2025: VND 265.78 billion and VND 436.88 billion, respectively). Within these balances, the Corporation is monitoring several long-outstanding receivables and the associated allowance for doubtful debts, with total values as of December 31, 2025 of VND 193.02 billion and VND 134.30 billion, respectively (as of January 1, 2025: VND 195.78 billion and VND 139.82 billion, respectively). We were unable to assess the recoverability of these receivables;





therefore, we could not determine whether any adjustments to the relevant items in the accompanying Consolidated financial statements were necessary.

1.4 As disclosed in Note 38, the Corporation and its subsidiary, Petrovietnam Engineering (Malaysia) Sdn. Bhd is in a legal dispute with the Rapid project's main contractor in Malaysia over additional surcharges. The Corporation has not recorded the obligation arising from the Arbitration Tribunal's final ruling of USD 12,099,227.99 (approx: VND 319.14 billion), excluding accrued late interest as of December 31, 2025 and January 1, 2025. Despite completing full audit procedures, we could not evaluate the effects of these issues on the attached Consolidated financial statements

1.5 As of the date of issuance of this Auditor's Report, we have not been provided with the financial statements for the fiscal year ended December 31, 2025 of the subsidiary – Petrovietnam Engineering (Malaysia) Sdn. Bhd ("PVE Malaysia"). Furthermore, we were unable to perform any necessary alternative procedures to evaluate the financial indicators of the aforementioned subsidiary. Consequently, we were unable to determine whether any adjustments were required for the items in the accompanying Consolidated financial statements regarding the impact of PVE Malaysia's financial figures.

1.6 The Consolidated financial statements of the Corporation (attached) reflect the financial position as of December 31, 2025 with accumulated losses (Code 421) of VND 413.88 billion; negative Owner's equity (Code 400) at year-end of VND 110.48 billion; Current liabilities (Code 310) exceeding Current assets (Code 100) by 1.16 times; and overdue payables amounting to VND 793.40 billion. These conditions, along with the Board of Management's explanations in Note 2.3 and the bases for our opinion mentioned above, indicate the existence of material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern. However, the Consolidated financial statements for the fiscal year ended December 31, 2025, are still prepared on a going concern basis.

1.7 As disclosed in Note 38 to the Consolidated financial statements, the People's Court of Ho Chi Minh City has decided to annul the Corporation's 2020 Annual General Meeting of Shareholders (AGM) Resolution No. 11/NQ-TKDK-ĐHĐCĐ, dated April 29, 2022, and the 2023 AGM Resolution No. 29/NQ-TKDK-ĐHĐCĐ, dated June 30, 2022 in accordance with the Appeal Judgment No. 505/2023/QĐDS-PT dated April 25, 2023. We were unable to assess the impact of this matter on the accompanying 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 2025, 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 refinery and petrochemical complex project in Malaysia: Although a ruling has been issued by the International Court of Arbitration (ICC), the award did not specify the allocation of values among the involved parties (whereas the construction contract defines the specific scope of work for each project member). Furthermore, the counterparty has brought the case before the People's Court of Ho Chi Minh City, which is currently processing the file and reviewing the submissions from all parties. Consequently, we lack sufficient objective information to determine the outcome of the recognized amounts for each party. Therefore, we have assessed the recoverability of receivables related to the subsidiary – Petrovietnam Engineering (Malaysia) Sdn. Bhd – as doubtful and have proceeded to record a provision for this specific exposure.

Regarding item 1.5, 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 1.6 and 1.7, 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	2025 (VND)	2024 (VND)	Difference	
				Amount (VND)	Rate (%)
1	Net profit after tax	756.970.632	1.456.082.306	- 699.111.674	- 48%

The 2025 Audited Consolidated financial statements recorded a Profit after tax of VND 756.97 million, a decrease of VND 699.11 million, equivalent to a 48% decline compared to the same period last year. This was primarily due to competitive pricing on projects executed during the period, which drove the cost of goods sold up by VND 13,064 million (an 11.74% increase). Consequently, operating profit for 2025 dropped by VND 12,220 million compared to 2024, representing a 146.5% decrease (including an operating loss of VND 5,187 million from the subsidiary). However, other profits increased by VND 12,497 million, resulting from the disposal of fixed assets during the year. Additionally, corporate income tax expense rose by VND 975 million year-over-year. As a result, the current period's profit after tax decreased compared to the previous year.

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

Profit after tax after audit decreased compared to the pre-audit figure because the cost of goods sold had not been fully recorded. Furthermore, the entity had not adequately accounted for deferred corporate income tax expenses as per the consolidation reporting guidelines. As a result, the audited profit after tax was lower than the initial self-prepared figure.

PERSON IMPLEMENTING THE DISCLOSURE  
GENERAL DIRECTOR

**Recipients:**

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



NGO NGOC THUONG