

**DUA FAT GROUP
JOINT STOCK COMPANY**

**SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness**

Hanoi, August 14, 2026

Number: 140826.04/CV-DF
Subject: Explanation of Audit Opinions

Dear: - **STATE SECURITIES COMMISSION;**
 - **HANOI STOCK EXCHANGE.**

DUA FAT GROUP JOINT STOCK COMPANY

Stock ticker: DFF

Headquarters : No. 15, adjacent to No. 10, Xa La Urban Area, Ha Dong, Hanoi

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Content of the announcement: Dua Fat Group Joint Stock Company would like to clarify the issues raised in the audited semi-annual financial report for 2026 as follows:

- Auditor's opinion:

1. As of June 30, 2026, we have not yet collected complete confirmation letters for the following items: Accounts receivable from customers, amounting to VND 195,729,380,926 (as of January 1, 2026, it was VND 192,997,286,036); Prepayments to suppliers, amounting to VND 32,683,572,540 (as of January 1, 2026, it was VND 46,281,221,238); Accounts payable to suppliers, amounting to VND 161,943,605,886 (as of January 1, 2026, it was VND 171,527,268,899). Advance payments from buyers amounted to VND 8,911,032,067 (as of January 1, 2026, this figure was VND 8,911,032,067); loans and financial lease liabilities amounted to VND 61,901,768,537 (as of January 1, 2026, this figure was VND 80,075,627,722). Therefore, we do not yet have sufficient grounds to draw conclusions regarding these items in the financial statements ending on the same date.
2. As presented in Note V.11, long-term work-in-progress assets have shown capitalized interest expense figures for the period in the work-in-progress construction costs of the project items. We were unable to obtain records showing the investment and construction progress and the status of project items during the period to support the capitalization of interest expense into work-in-progress construction costs. Therefore, we do not issue an audit conclusion on the above matter.
3. During the period, the Company reversed a provision for doubtful receivables amounting to VND 196,539,227,726. However, the Company has not provided sufficient evidence for this reversal and adjusted the undistributed after-tax profit upwards instead of reflecting it in the income statement. Furthermore, as of June 30, 2026, the Company had not reassessed and estimated the provision for doubtful receivables for several long-standing, difficult-to-collect debts (including those reversed during the period). Details of these long-standing, difficult-to-collect debts can be found in Note V.5. The auditors were unable to obtain a basis for assessing the



recoverability of these debts and the value of the additional provision needed, along with the potential impact on other indicators in the interim financial statements .

4. As of June 30, 2026, the Company's financial statements reflect total short-term liabilities exceeding short-term assets by VND 523,570,011,104, accumulated losses of VND 1,248,908,986,479 (resulting in negative equity of VND 448,908,986,479), total principal and interest on overdue loans and financial leases amounting to VND 1,466,062,659,239, total value of uncollectible bad debts of VND 497,050,024,310, and a 50% reduction in the number of employees compared to the same period, leaving only 3 staff members (as of December 31, 2025, the number of employees decreased by 85% compared to the same period). These findings reveal significant and substantial factors that could lead to substantial doubt about the Company's ability to continue as a going concern. We were unable to obtain audit evidence to support the going concern assumption as appropriate in the preparation and presentation of the Company's financial statements for the first six months of 2026.

- Dua Fat Group Joint Stock Company would like to provide the following explanation:

1. As of June 30, 2026, the Company had sent all debt confirmation letters to its partners, including customers, suppliers, and creditors. However, by the time of the audit of the 2026 semi-annual financial statements, some debt confirmation letters had not been sent to the company in time for the audit period.
2. The company is still carrying out investment activities in the construction of assets and equipment; however, due to financial shortfalls caused by unrecovered debts, the investment progress has been delayed and extended beyond the initial investment plan. Simultaneously, fixed costs such as interest expenses incurred during the investment process have been capitalized into the investment value .
3. Due to the situation regarding uncollectible accounts receivable totaling VND 196,539,227,726, the company has not yet established sufficient grounds to verify the accuracy of the claim that these receivables are unrecoverable. Therefore, the company has reversed this provision until sufficient evidence and documentation are available to prove that these receivables are uncollectible.
4. Due to the company's business difficulties caused by stalled projects and the inability to collect payments from bad debts totaling nearly 500 billion VND, the company is experiencing delays in paying principal and interest on overdue loans and financial leases, resulting in short-term liabilities exceeding short-term assets. Furthermore, due to financial difficulties, the company has streamlined and reduced its workforce to save costs.

We hereby declare that the information published above is true and accurate, and we assume full legal responsibility for its content.

Recipient:

- As above;
- Save VT.

DUA FAT GROUP JOINT STOCK COMPANY
CÔNG TY CỔ PHẦN TẬP ĐOÀN ĐUA FAT
QUẬN HẢI ĐÔNG - TP. HÀ NỘI
CHỦ TỊCH HĐQT
Lê Duy Hưng