

VIETNAM NATIONAL INDUSTRY - ENERGY GROUP
PETROVIETNAM OIL CORPORATION

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

No.: **6685** /DVN-TCKT

Ho Chi Minh City, **15** August 2025

Ref: Explanation of qualified conclusion on the reviewed
interim separate and consolidated Financial Statements as
of June 30, 2025.

To:

- The State Securities Commission
- Hanoi Stock Exchange

Based on Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the securities market;

Based on the reviewed interim separate and consolidated Financial Statements as of June 30, 2025 of PetroVietnam Oil Corporation.

PetroVietnam Oil Corporation (PVOIL – stock code: OIL) provides the following explanation as below:

I. About the qualified conclusion on Financial Statements:

- 1. At the reviewed interim separate Financial Statements:** Content carried forward from the previous year

"As stated in Note 17 of the Notes to the interim separate financial statements, as at 30 June 2025, the Corporation has reported the investments in PetroVietnam Biofuels Joint Stock Company ("PVB") on the item "Investments in joint-ventures, associates" at a cost of VND 285,506,255,661 (as at 31 December 2024: VND 285,506,255,661), and made a provision for this investment with the amount of VND 40,299,147,235 (as at 31 December 2024: VND 38,475,189,606) based on the Management's assessments and PVB's unaudited summary financial statements for the year ended 31 December 2024, which was prepared on the going concern basis. However, as of the date of these interim separate financial statements, Phu Tho Biofuel Plant project invested by PVB has been ceased and the Corporation has been working with the shareholders of PVB and relevant parties to execute a bankruptcy plan for PVB following legal regulations. We were unable to obtain sufficient appropriate audit evidence about the provision for the investment in PVB as at 31 December 2024, accordingly, we gave the qualified opinion on this matter for the separate financial statements last year. Based on the current available information, we were also unable to obtain sufficient appropriate audit evidence about the provision for the investment in PVB on the Corporation's interim separate financial statements for the period ended 30 June

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2025. Consequently, we were unable to determine whether any adjustments to these amounts were necessary”.

2. At the reviewed interim consolidated Financial Statements:

Content carried forward from Holding Company:

“As presented in Note 18 of the Notes to the interim consolidated financial statements, as at 30 June 2025, the carrying value of investment in PetroVietnam Biofuels Joint Stock Company (“PVB”), an associate of the Corporation, under equity method in the interim consolidated financial statements was VND 269,769,670,407 (as at 31 December 2024: VND 271,593,756,068) based on PVB's unaudited summary financial statements for the year ended 31 December 2024, which was prepared on the going concern basis. However, as of the date of these interim consolidated financial statements, Phu Tho Biofuel Plant project invested by PVB has been ceased and the Corporation has been working with the shareholders of PVB and relevant parties to execute a bankruptcy plan for PVB following legal regulations. We were unable to obtain sufficient appropriate audit evidence in relation to the recorded amount of the Corporation's investment in PVB being accounted for the equity method in the Corporation's consolidated financial statements for the year ended 31 December 2024, accordingly, we gave the qualified opinion on this matter for the consolidated financial statements last year. Based on the current available information, we were also unable to obtain sufficient appropriate audit evidence regarding the carrying amount of the Corporation's investment in PVB being accounted for the equity method in the Corporation's interim consolidated financial statements for the period ended 30 June 2025. Consequently, we were unable to determine whether any adjustments to these amounts were necessary”.

This is PVOIL's investment in PetroVietnam Biofuel Joint Stock Company (PVB) – an associate company in which PVOIL holds 39.76% of the charter capital – for the construction of the Phu Tho Biofuel Plant Project, arising prior to PVOIL's equitization.

Phu Tho Biofuel Plant Project has been suspended since 2012, before PVOIL's transformation from a One Member Limited Company into a joint stock company. Currently, the project remains unfinished, with construction works neither accepted nor settled. This project is among the 12 delayed and inefficient projects and enterprises in the industry and trade sector as defined under Decision No. 1468/QĐ-TTg dated September 29, 2017, by the Prime Minister. According to Notice No. 385/TB-VPCP dated October 2, 2018, from the Government Office, the Phu Tho Biofuel Plant project was proposed for consideration of dissolution or bankruptcy in accordance with the law.

PVOIL sent Official Letter to the Vietnam National Industry - Energy Group (formerly known as Vietnam Oil and Gas Group - “PVN”) to propose the revaluation of this investment to nil (VND 0) when finalizing equitization (understood as removing this

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investment from the Joint Stock Company). During the bankruptcy procedure, if any income are recovered from the liquidation of assets at the Phu Tho Biofuel Plant, PVOIL will transfer the entire amount to the Enterprise Support and Arrangement Fund. This matter has been reported by the PVN to competent authorities for consideration and resolution; however, it has not yet been approved so far.

The Government approved the removal of the Phu Tho Biofuel Plant project from the monitoring and resolution list of the Steering Committee for Handling Weak and Inefficient Projects and Enterprises under the Ministry of Industry and Trade, as stated in Official Letter No. 3554/VPCP-KTTH dated 24 December 2020, issued by the Government Office. PVOIL has reported to and proposed that PVN approves the bankruptcy plan for PVB. However, despite numerous efforts, PVOIL has been unable to contact and compile a list of PVB's shareholders in order to convene PVB's General Meeting of Shareholders to consider the plan for handling the Phu Tho Biofuel Plant Project as well as the bankruptcy of PVB in accordance with its authority.

At the date of these interim financial statements, PVOIL has reported the situation to PVN regarding the resolution of issues related to this investment and is continuing to review and report to the relevant authorities regarding the open of bankruptcy procedures for PVB in accordance with legal regulations.

II. Explanation of the profit after corporate income tax for the first six months of 2025 on the separate and consolidated financial statements has changed by 10% or more compared to the same period in 2024

Items	This period	Previous period	Increase/(Decrease)	Percentage
	2025 VND	2024 VND	(2025-2024) VND	2025/2024 %
The profit after tax in separate FS	154,749,388,863	290,230,858,249	(135,481,469,386)	-47%
The profit after tax in consolidated FS	231,912,957,899	344,988,412,105	(113,075,454,206)	-33%

1. On the Separate Financial Statements:

In the first six months of 2025, Brent DTD crude oil prices showed a downward trend, averaging USD 71.74/barrel, down 14.7% compared to the same period in 2024 at USD 84.09/barrel. In line with the movements of Brent DTD prices, the average prices of petroleum products in the global market also fell by 15.8%, leading domestic base prices, as regulated by competent authorities, to decline correspondingly by 12%. This was the main reason for the 17% decrease in gross profit margin compared to the same period in 2024.

In addition, financial income decreased by 11% while financial expenses increased by 13% compared to the same period, mainly due to a 73% increase in interest expenses. Although the Company made efforts to cut costs (down 9%) compared to the same period

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last year, these savings could not offset the decrease in gross profit, the drop in financial income, and the increase in financial expenses as mentioned above. These were the main reasons why, in the first six months of 2025, PVOIL's separate financial statements recorded a 17% decrease in gross profit, a 45% decrease in profit before tax, and consequently a 47% decrease in profit after tax compared to the same period last year.

2. On the Consolidated Financial Statements:

The consolidated profit after tax for the Six Months of 2025 decreased by 33% compared to the same period in 2024, driven by the aforementioned fluctuating factors from the Holding company.

The above is PVOIL's explanation regarding the audited separate and consolidated financial statements for the operating period from January 1, 2025 to June 30, 2025.

Best regards./.

Recipient:

- As above;
- BOM, CEO (for reporting);
- Vice President Mr. H.D.Tung (for information);
- Board of Supervisors (for information);
- Internal Controller Division (for information);
- Planning Division, Office, IT Division (for coordination);
- Filing: Office, Finance & Accounting, NTD (03b).

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Organization representative Person authorized to disclose information



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