ORIENTAL SHIPPING AND TRADING JSC

No: 116 /PD - TCKT

Subject: Explanation regarding the disclaimer of opinion on the reviewed financial statements for the first six months of 2026.

Socialist Republic of Viet Nam

Independence – Liberty - Happiness

Ha Noi, date 14 month 08 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 reviewed financial statements for the six-month period of 2026, audited by International Auditing and Valuation Company Limited, our company would like to explain our refusal to give an opinion on the reviewed financial statements for the six-month period of 2026 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, for the first six months of 2026, the Company did not accrue interest payable on the Hong Linh vessel.

b. Regarding investments in joint ventures and associated companies.

As of June 30, 2026, 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 Companyand 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 the financial statements for the six-month period of 2026 has been conducted; however, the auditors have not yet issued the audit report.; however, the audit report has not yet been issued.

c. Profit after tax changed by 10% or more compared to the same period last year

- Profit after tax for the first 6 months of 2025: loss VND 166.106,40 million.

- Profit after tax for the first 6 months of 2026: loss VND 64.088,61 million.

The business results for the second quarter of 2026 showed a reduction in losses compared to the second quarter of 2025 of VND 102.017,79 million. This change is due to the following reasons:

**** Financial expenses for the first six months of 2026 decreased compared to the first six months of 2025 by VND 86.672,82 million:***

+ Financial expenses for the first six months of 2025: VND 109.837,61 million (Including: exchange rate difference expenses of VND 73.773,71 million and interest expenses of VND 36.063,90 million)

+ Financial expenses for the second quarter of 2026: VND 23.164,79 million (Including: exchange rate difference expenses of VND 2.155,51 million and interest expenses of VND 21.009,28 million)

d. The period resulted in 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 primary reasons for the loss of VND 64,088.61 million in business results for the first six months of 2026 are as follows:

+ Due to interest expenses payable:	VND 21.009,28 million
+ Due to depreciation of the fleet:	VND 29.496,97 million
+ Due to exchange rate differences:	VND 2.155,51 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, The conflict between Israel and the armed Islamist movement Hamas (which controls the Gaza Strip, Palestine) continued to escalate, culminating in a sharp rise in Middle East tensions driven by the protracted conflict between the US and Iran. Vital maritime routes were blocked, significantly impacting global energy supplies and regional security.

In the early months of 2026, geopolitical upheavals in the Red Sea and the Strait of Hormuz disrupted vital shipping routes, drove up fuel prices, and threatened the continuity of international trade. Even before the conflict erupted, surging crude oil prices had already caused a significant rise in the cost of LSFO and LSMGO—with no signs of easing—and led to supply shortages in certain regions. Reduced cargo volumes combined with soaring fuel costs resulted in a marked decline in operational 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 the end of 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 DIRECTOR

M.S.D.N: 0100105609 - C.T.C.P
CÔNG TY CỔ PHẦN VẬN TẢI BIỂN VÀ THƯƠNG MẠI PHƯƠNG ĐÔNG
Q. CHỢ DỪA - TP. HÀ NỘI

Tran Quang Toan