
No: 41/2026/PĐ-TCKT

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Hanoi, April 07, 2026

Re: *Explanation and Proposed Remedial
Actions Regarding Warning Status*

**To: - State Securities Commission
- Hanoi Stock Exchange**

ORIENTAL SEA SHIPPING AND TRADING JOINT STOCK COMPANY

Ticker Symbol: NOS

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

Oriental Sea Transportation and Trading Joint Stock Company would like to extend our respectful greetings and sincere thanks to your esteemed authority for your cooperation and support to our Company over the past time.

On March 27, 2026, our Company received Decision No. 243/QĐ-SGDHN dated March 27, 2026 issued by the Hanoi Stock Exchange regarding the continued application of trading restriction status on NOS shares, and requesting an explanation of the reasons as well as proposed measures to remedy the trading restriction status.

We would like to provide our explanation of the causes and propose remedial measures as follows:

1. Explanation of Causes

1.1. Reasons for Negative Equity

According to the audited financial statements for 2025, the Company's equity is negative VND 5,304 billion due to accumulated operating losses from 2011 to 2025. Details are as follows:

The Company's undistributed after-tax profit as of December 31, 2025, is negative VND 5,563 billion, mainly due to the severe downturn in the global maritime shipping market from late 2008 to 2020. The oversupply of vessels compared to transportation demand led to a sharp decline in freight rates, while fuel prices and spare parts/material costs remained consistently high. In particular, high financial expenses related to vessel investment loans, including interest expenses and foreign exchange differences due to currency fluctuations, significantly impacted the Company's results.

Following significant efforts in corporate restructuring, especially financial restructuring of overdue loans, the Company's business operations have been stabilized and gradually improved. However, impacts from the US-China trade war in 2019, the global spread of the COVID-19 pandemic from 2020 to 2021, internal conflicts among crude oil-exporting countries, political instability on the Korean Peninsula, the Russia-Ukraine conflict, and the Israel-Hamas conflict have prolonged the global economic downturn. These factors have reduced trade activities and directly affected both domestic and international shipping markets in general, and the Company's operations in particular.

1.2. Reasons for the Auditor’s Disclaimer of Opinion

a. Regarding loans, finance lease liabilities, and accrued interest payable

The Company has sent confirmation letters for outstanding balances of loans and finance lease liabilities. However, by the time the audit report was issued, the Company only received confirmations from certain banks and credit institutions. Some banks had transferred their debts to other entities and therefore did not respond:

The vessel *Nosco Victory* was financed by Southeast Asia Commercial Joint Stock Bank – Hai Phong Branch, co-financed by Vietnam Public Joint Stock Commercial Bank and Vietnam International Commercial Joint Stock Bank – Saigon Branch. These loans have been sold to Vietnam Asset Management Company (VAMC).

The vessel *Hong Linh* was financed by Maritime Commercial Joint Stock Bank – Hanoi Branch and Vietnam Development Bank – Transaction Center I. In 2018, the Company handed over the vessel *Hong Linh* for auction to recover loan debts. According to the tripartite agreement on handling the vessel, Maritime Bank agreed to write off principal and interest after the collateral was fully disposed of. Therefore, in 2025, the Company did not recognize accrued interest for this vessel.

b. Regarding investments in subsidiaries and associates

As of December 31, 2025, the Company has 01 subsidiary and 02 associates:

- Subsidiary: Nosco Quang Ninh Waterway Transport and Trading Joint Stock Company
- Associates: Northern Sea Transport and Trading Joint Stock Company, and Nosco Shipyard Joint Stock Company

The Company has fully provided (100%) for these investments.

- Nosco Quang Ninh has ceased operations and its tax code has been closed.
- Northern Sea Transport and Trading JSC has ceased operations and was declared bankrupt on January 25, 2018.
- Nosco Shipyard JSC is still operating and has completed its 2025 financial statement audit; however, the auditor has not yet issued the audit report.

2. Measures to Remedy the Trading Restriction Status

a. Market Conditions and Fleet Operations

The maritime shipping market in 2026 is expected to continue facing risks and challenges due to global political and economic instability, particularly tensions in the Middle East involving the US, Israel, and Iran, which may drive up fuel prices and affect fleet performance.

Nevertheless, the Company will strengthen market analysis and assessment, actively negotiate with partners to secure efficient shipping contracts, closely follow market trends, and flexibly combine time chartering and self-operation to maximize market opportunities.

b. Remediation Roadmap

Based on projected business performance in 2025 and market forecasts for 2026, the Company expects to fulfill its 2026 business plan and partially offset accumulated losses by the end of the 2026 fiscal year.

At the same time, the Company will continue to aggressively implement financial restructuring with credit institutions, including collateral disposal for debt recovery and potential write-off of remaining principal and interest, thereby gradually reducing accumulated losses.

c. Implementation Measures

The Company will continue to implement key solution groups, including business and market strategies, financial management, financial restructuring, revenue enhancement, cost reduction, and improved technical and operational management of the fleet:

- Closely monitor market developments to select the most appropriate and effective shipping contracts and operational strategies.
- Implement strict cost-saving measures across management and business operations.
- Strengthen management, especially in fuel, spare parts, materials, and maintenance by crew members, to better control costs and improve technical management.
- Research and develop plans for vessel investment or chartering to enhance transport capacity and competitiveness.
- Seek solutions for debt restructuring with banks and credit institutions to comprehensively resolve outstanding debts and overdue interest, thereby improving financial health.

The Company firmly believes that in 2026 and the following years, with the strong commitment of the management and all employees and crew members, the above difficulties will be gradually overcome.

This is the Company's explanation of the causes, remedial measures, and roadmap to address the trading restriction status. We respectfully request your authority's consideration and approval.

Sincerely yours,

Recipient:

- As above

-Financial and accounting records storage;

GENERAL MANAGER



GENERAL DIRECTOR
Tran Quang Loan