



**GAS CITY INVESTMENT AND THE SOCIALIST REPUBLIC OF VIETNAM
DEVELOPMENT JOINT STOCK COMPANY**
Independence – Freedom – Happiness

No.: 119/KĐT-KHTC

Hanoi, August 29, 2025

Re: Explanation of the Reviewed
Interim Financial Statements for
2025

To: **State Securities Commission of Vietnam (SSC)**
Hanoi Stock Exchange (HNX)

Company Name: **GAS CITY INVESTMENT AND DEVELOPMENT JOINT STOCK
COMPANY**

Stock Code: PCG

Based on the parent company's semi-annual financial statements for 2025 prepared on August 29, 2025, Gascity Investment and Development Joint Stock Company (PCG) respectfully submits to the Authorities this explanatory report on the business results of the reviewed semi-annual financial statements for 2025 as follows:

I. Business Performance Results

| Indicator (VND) | 6/2025 | 6/2024 | Increase/Decrease (%) |
|----------------------|-----------------|-----------------|-----------------------|
| Net revenue | 73,310,794,056 | 188,868,186,138 | -61.2% |
| Gross profit | 7,140,552,419 | 7,510,541,827 | -4.9% |
| Net profit after tax | (2,856,002,638) | (8,820,422,771) | +67.6% |

1. Results for the first half of 2025:

- Net revenue: VND 73.31 billion (2024: VND 188.87 billion), a sharp decline of VND 115.56 billion compared to the same period.
- Net profit after tax: loss of VND 2.856 billion (compared to a loss of VND 8.820 billion in 2024).

2. Reasons for differences in business results:

- Revenue decreased by 61.2% compared to the same period due to the downturn in the LPG and gas service markets, leading to reduced consumption demand.
- Financial expenses increased by 28.3% compared to the same period, mainly from loan interest expenses (VND 772 million) and foreign exchange losses.
- Selling and administrative expenses decreased by 53.51% year-on-year, as the Company optimized fixed costs, streamlined operations, and cut unnecessary expenses.
→ Therefore, net loss after tax as of the review date decreased significantly compared to the previous year (loss reduced by 67.6%).

3. Reasons for loss in the reviewed semi-annual report:

- Sharp decline in revenue due to reduced gas consumption volume and delayed project schedules.



- Higher financial expenses due to increased borrowing rates and foreign exchange losses on foreign currency loans.

4. Remedial measures:

- Strengthen sales activities, seek new customers, and expand into new markets.
- Restructure debt portfolio to reduce financial expenses.
- Control operating costs and improve management efficiency.
- Implement investment projects to improve cash flow and profitability in future periods.

II. Explanations on Audit's Qualified Opinions

1. Confirmation of receivables/payables and loans with ENN:

- Audit opinion: Incomplete confirmations of receivables/payables (loan: VND 14.5 billion; accrued interest: VND 7.188 billion; advances: VND 9.99 billion; ENN loan: VND 19.199 billion).
- Reason: Some partners had not responded in time.
- Measure: The Company is continuing to collect confirmations and will update in the audited 2025 financial statements.

2. Inventory count as of January 1, 2025:

- Audit opinion: Auditors did not attend the stocktake on December 31, 2024; insufficient evidence of net realizable value.
- Reason: The stocktake occurred before the review period; supplementary documents were incomplete.
- Measure: The Company will carry out stocktaking, reassess inventory value, and update in the audited 2025 statements.

3. Recoverability of loans and accrued interest (approx. VND 47.8 billion):

- Audit opinion: Unsecured loans, some overdue and under litigation, pose recovery risks.
- Measure: The Company has initiated lawsuits and is in the process of debt recovery. Some amounts are expected to be collected in the second half of 2025.

4. Investment in Everyoung Investment Management JSC:

- Audit opinion: Provision of VND 332 million was based on internal reports, no audited financial statements available.
- Status: The Company has requested audited financials from Everyoung and will adjust provisions accordingly in the annual report.

5. ENN Loan (USD 730,000 – VND 19.199 billion):

- Audit opinion: Loan overdue, no extension agreement, no late payment penalty recorded.
- Reason: Debt restructuring negotiations with ENN are ongoing.
- Measure: The Company is negotiating with ENN for restructuring. Estimated late payment penalty (VND 5.6 billion) will be recognized upon official agreement.

Remedial actions:

- Accelerate debt collection and litigation processes.
- Work directly with ENN on debt restructuring to minimize additional obligations.
- Improve internal controls, especially in inventory and loan management.
- Diversify customers and expand markets to grow revenue in H2/2025.

III. Reasons for Differences in Figures Before and After Review

- No changes in revenue, gross profit, COGS, other income, or CIT expenses.
- Adjustments occurred in the following items:
 - Loan interest expenses: Q2: VND 678,069,888 → Reviewed: VND 772,684,293 (+VND 94,614,405).
 - Selling expenses: Q2: VND 3,308,821,205 → Reviewed: VND 3,360,202,478 (+VND 51,381,273).
 - General & administrative expenses: Q2: VND 3,190,580,025 → Reviewed: VND 3,719,780,025 (+VND 529,200,000).
 - Accordingly, operating profit, profit before tax, and net profit after tax also changed.

Explanation:

- Differences mainly due to audit adjustments of expenses (finance, selling, G&A).
- No changes in revenue, hence not due to revenue recognition errors but to more complete/accurate expense recognition.
- These adjustments resulted in a larger net loss in the reviewed semi-annual financial statements compared to the Company's self-prepared Q2 report.

IV. Company's Commitment

- To provide honest, accurate, and timely information in compliance with regulations.
- To thoroughly address the issues raised in the qualified audit opinions.
- To continue cooperating with auditors and regulators to ensure transparency in information disclosure.

Gascity Investment and Development Joint Stock Company (PCG) respectfully reports for your acknowledgement.

Respectfully.

Recipients

- As above
- Filed at: Planning & Finance.



DIRECTOR

GIÁM ĐỐC

Triệu Quang Thanh