



**GAS CITY INVESTMENT AND
DEVELOPMENT JOINT STOCK
COMPANY**

No.: 18/KĐT-KHTC

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hanoi, August 29, 2025

*Re: Explanation of Changes in
Business Performance Results and
the Auditor's Qualified Opinions for
the 2025 Semi-Annual (Consolidated)
Financial Statements*

**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 consolidated semi-annual financial statements of Gas City for 2025 prepared on August 29, 2025, Gas City (PCG) respectfully submits this explanatory report on the business results in the reviewed consolidated semi-annual financial statements of 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 2025: VND 73.31 billion, 2024: VND 188.87 billion (down VND 115.56 billion compared with the same period).
- Net profit after tax: loss of VND 2.856 billion (2024 loss: VND 8.820 billion).

2. Reasons for differences in business results:

- Revenue decreased by 61.2% year-on-year due to the downturn in the LPG and gas service market and reduced consumption demand.
- Financial expenses increased by 44.26% compared with the same period, mainly from loan interest expenses (VND 772 million) and foreign exchange losses.
- Selling and administrative expenses decreased by 52.82% year-on-year, thanks to cost optimization, streamlined operations, and elimination of unnecessary expenses.

→ As a result, the net loss after tax decreased significantly compared with the previous year (loss reduction of 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.
- Increased financial expenses due to higher borrowing costs and foreign exchange losses on foreign loans.
- Despite efforts in cost-cutting and operational optimization, these were insufficient to offset the revenue decline.

4. Remedial measures going forward:

- Boost sales activities, acquire more customers, and expand into new markets.
- Restructure debt portfolio to reduce financial costs.
- Control operating expenses and enhance management efficiency.
- Implement investment projects to improve cash flow and profitability in upcoming 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

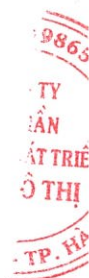
- No changes in revenue, gross profit, COGS, other income, or current CIT expenses.
- Adjustments occurred in the following items:
 - Selling expenses (Code 25): Q2: VND 3,439,751,946 → Reviewed: VND 3,491,133,219 (+VND 51,381,273).
 - General & administrative expenses (Code 26): Q2: VND 3,330,306,896 → Reviewed: VND 3,859,506,896 (+VND 529,200,000).
 - Operating profit (Code 30): Q2: (VND 1,207,529,027) → Reviewed: (VND 1,788,110,300) (decrease of VND 580,581,273).
 - Profit before tax (Code 50): Q2: (VND 2,205,570,643) → Reviewed: (VND 2,786,151,916) (decrease of VND 580,581,273).
 - Net profit after CIT (Code 60): Q2: (VND 2,275,421,365) → Reviewed: (VND 2,856,002,638) (decrease of VND 580,581,273).

Explanation:

- The discrepancies between Gascity Investment and Development Joint Stock Company's report and the reviewed semi-annual report were mainly due to an adjustment of G&A expenses (+VND 529.2 million), resulting in corresponding decreases in operating profit, profit before tax, and net profit after tax by VND 580.58 million.

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

