



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

Ref. No.: 65/KĐT-KHTC

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hanoi, March 30, 2026

V/v: Explanation of profit after corporate income tax in the Parent Company's financial statements, which incurred a loss and changed by 10% or more compared to the same period of the previous year.

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

Company Name: GAS CITY INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY

Stock Code: PCG

Pursuant to Official Letter No. 2856/SGDHN-QLNY dated December 19, 2025 of the Hanoi Stock Exchange regarding guidance on quarterly financial information disclosure and the use of financial statement templates via the CIMS system;

Pursuant to the Company's separate financial statements for the year 2025;

Gas City Investment and Development Joint Stock Company (PCG) hereby provides an explanation for the profit after corporate income tax of the parent company as presented in the Income Statement for the current reporting period, which incurred a loss and fluctuated by 10% or more compared to the same period of the previous year, as follows:

I. Variance:

The Company's profit after corporate income tax in 2025 amounted to VND (16,861,901,370).

Compared to the same period last year (2024): VND (7,876,731,111).

⇒ Accordingly, the profit after corporate income tax in the current reporting period remained negative, with a variance of VND (8,985,170,259), representing an increase in loss of 114.1% compared to the same period of the previous year.

II. Explanation of causes:

Items	2025	2024	Increase/(Decrease)	%
1. Revenue from sales and services	248,703,605,199	347,696,310,918	(98,992,705,719)	(28.5%)
2. Provision expense for doubtful receivables	6,135,154,910	2,010,931,242	4,124,223,668	205.1%
3. Provision expense for inventory devaluation	5,633,011,105	569,005,901	5,064,005,204	890.0%

The main reasons leading to the Company's loss and the fluctuation in profit exceeding 10% compared to the previous year are as follows:

- Revenue in 2025 decreased significantly due to a decline in sales volume, unfavorable fluctuations in the LPG market, and the impact of disputes over corporate management rights in the early part of the year. Revenue in 2025 decreased by VND 99 billion compared to 2024, equivalent to a decrease of 28.5%.



- Gross profit margin was low due to high cost of goods sold while selling prices were under competitive pressure.
- Administrative expenses increased significantly, particularly due to provision expenses. The provision for inventory devaluation in 2025 increased by VND 5.06 billion compared to 2024, equivalent to an increase of 890%. The main reason is that certain materials used in the construction and installation of LPG stations serving residential areas and buildings have remained in inventory for a long period. In the context of the current consumption trend where apartments are shifting strongly to using electric stoves instead of gas stoves, these materials are no longer suitable for market demand, leading to low consumption or no usable value. Therefore, the Company has made provisions for inventory devaluation in accordance with regulations to reflect the net realizable value of inventories in the financial statements.
- Financial expenses were incurred relating to provisions for investment losses and foreign exchange losses.
- Certain receivables and outstanding loans from previous years have not yet been recovered, leading to increased provision expenses and affecting business results. The provision for doubtful debts in 2025 increased by VND 4.1 billion compared to 2024, equivalent to an increase of 205.1%. Currently, the Company is actively implementing remedial measures, including initiating legal proceedings at competent courts to recover debts and protect the Company's lawful rights and interests.

III. Company's commitment:

The Company commits to fully, accurately and promptly disclose information in accordance with the applicable laws and will continue to implement measures to optimize business operations in the coming period to improve business performance.

Gas City Investment and Development Joint Stock Company (PCG) respectfully submits this explanation to the competent authorities for their information.

Respectfully yours.

Recipients

- As above
- Filed at: Planning & Finance.



GIÁM ĐỐC
LYU ZHI MING

