GAS CITY INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY	**THE SOCIALIST REPUBLIC OF VIETNAM**
Ref. No.: 139/KĐT-KHTC	**Independence – Freedom – Happiness**
Re: Explanation regarding the qualified review conclusion on the separate and consolidated interim financial statements for the six-month period ended 30 June 2026	*Hanoi, August 29, 2026*

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

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

Stock Code: PCG

Gas City Development Investment Joint Stock Company (the "Company") has prepared and disclosed its separate and consolidated interim financial statements for the six-month period ended 30 June 2026, which were reviewed by An Viet Auditing Company Limited.

Gas City Development Investment Joint Stock Company (PCG) hereby provides an explanation regarding the qualified review conclusion on its separate and consolidated interim financial statements for the six-month period ended 30 June 2026, as follows:

1. Incomplete collection of confirmation letters for receivable balances

The receivable balances for which sufficient confirmation letters have not yet been collected mainly relate to:

- Loans granted to Hoang Phuc Company, KCO Company and Song Khe Company;
- Certain advances made to individuals during previous periods.

These receivables arose during the period in which the Company was managed by its former management. With respect to the advances made to individuals, the Company has determined that they relate to certain members of the Company's former management.

At the time of the review:

- The relevant debtors had not confirmed their outstanding balances as requested by the independent auditor;
- Certain relevant individuals were no longer working for the Company and were residing abroad, resulting in difficulties in contacting them, reconciling balances and collecting confirmation letters.

The Company has implemented and continues to implement the following measures:

- Reviewing all relevant legal documents, agreements and supporting documents;
- Taking the necessary legal action, including initiating legal proceedings in accordance with applicable regulations, to recover the outstanding receivables;

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- Continuing to contact the relevant parties, reconcile the outstanding balances and complete the supporting documentation for confirmation of the receivables.

2. Overdue receivables and allowance for doubtful debts

As at 31 December 2025, certain loans and other receivables were past due but had not yet been recovered.

The Company has:

- Recognized an allowance for doubtful debts based on the period overdue and the assessed recoverability of the relevant receivables;
- Implemented debt recovery measures, including initiating legal proceedings in accordance with applicable laws.

As the reconciliation of receivable balances with certain parties has not yet been completed, the independent auditor did not have sufficient appropriate evidence to assess the recoverability of the receivables and the adequacy of the allowance recognized at the time of the review.

3. Inventory count and allowance for decline in value of inventories

At the end of 2025, the Branch conducted a physical count of most inventories in use and circulation. However, the physical count had not been fully completed for certain supplies and equipment that had been held in inventory for a prolonged period or were slow-moving.

Subsequent to the reporting date:

- The Company instructed the relevant units to conduct an additional physical inventory count;
- The Company strengthened its internal inventory control and management procedures.

With respect to the allowance for decline in value of inventories, the Company recognized the allowance based on its assessment of the inventories' saleability and market value. However, due to limited supporting documentation for determining the net realizable value at the time of the review, the independent auditor did not have sufficient appropriate evidence to make an accurate assessment.

4. Investment in an associate

The Company recognized an allowance for impairment of its investment in Everyoung Investment Management Joint Stock Company based on the financial statements prepared by the associate itself.

As the independent auditor was unable to perform the necessary review procedures on the associate, there was insufficient appropriate evidence to assess the adequacy of the allowance recognized.

The Company will continue working with the associate to complete the relevant financial documentation in the coming period.

5. Tripartite offsetting of receivables and payables

In 2025, the Company carried out a tripartite offsetting of receivables and payables among the Company, ENN Group International Investment Company Limited and Viet Tu Investment Company Limited pursuant to the agreement executed by the parties.

The independent auditor had not received a confirmation response from ENN Group International Investment Company Limited and therefore did not have sufficient appropriate evidence to assess the transaction. As ENN is a foreign enterprise, the confirmation must undergo its internal review and approval process. As of the completion date of the review, ENN had not completed this process or sent its confirmation letter directly to the independent auditor.

The Company's assessment

The Company considers that the matters giving rise to the qualified review conclusion primarily resulted from:

- The inability to collect sufficient appropriate evidence at the time of the review;
- Limitations in reconciling and confirming outstanding balances with the relevant parties;
- Outstanding matters arising from previous periods.

These matters:

- Do not change the nature of the Company's business operations;
- Do not have a material impact on the Company's ability to continue as a going concern.

Remedial measures

In the coming period, the Company will:

- Expedite the reconciliation and confirmation of outstanding balances;
- Coordinate closely with the independent auditor to resolve the outstanding matters.

6. Commitment

The Company undertakes to continue resolving the aforementioned matters thoroughly and to provide complete updates in its subsequent financial reporting periods, thereby ensuring transparency and compliance with applicable laws and regulations.

The Company further undertakes to disclose information fully, truthfully and promptly in accordance with applicable laws and regulations, and will continue implementing measures to optimize its business operations and improve its financial performance in the coming period.

The Company hereby respectfully submits this explanation for the information of the competent authorities.

Respectfully submitted.

Recipients

- As above
- Filed at: Planning & Finance.

DIRECTOR

M.S.D.N: 0102349865 - C.T.C.P
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CỔ PHẦN
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