

No. 307/CN&MTĐT

*Dong Thap, 20 April 2025*

Re: Explanation of the Difference in  
Profit after income tax for the first  
quarter of 2025 compared to the  
same period last year

To:

- The State Securities Commission;
- Ha Noi Stock Exchange (HNX).

Pursuant to Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding the disclosure of information on the securities market and Circular No. 68/2024/TT-BTC dated 18 September 2024 of the Ministry of Finance on amendments and supplements to a number of articles of Circular No. 96/2020/TT-BTC dated 16 November 2020;

Pursuant to Official Letter No. 670/SGDHN-QLNY dated 04 April 2025 of the Hanoi Stock Exchange regarding the guidelines for disclosure of the Q1/2025 financial statements.

Dong Thap Water Supply & Urban Environment Joint - Stock Company would like to provide an explanation regarding the decrease of more than 10% in after-tax profit for the first quarter of 2025 compared to the same period, as presented in the quarterly financial statements, as follows:

### **1. Profit on the Financial Statements for the first Quarter of 2025**

- Profits after income tax for the first Quarter of 2025 is **VND 4.65 billion**.
- Profits after income tax for the first quarter of 2024 is **VND 7.13 billion**.

The decrease in the difference was **VND 2.48 billion** (*corresponding to an decrease rate of 34.76%*).

### **2. Revenue**

Total revenue in the quarter decreased by VND 13.62 billion<sup>1</sup>, corresponding to a decline of 12.49% compared to the same period last year.

The main reason was that the Company implemented an adjustment to the timing of recording customers' water consumption readings to synchronize and support the Company's water loss prevention efforts in 2025, leading to a 17.72%

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<sup>1</sup> = 95,451,253,381 - 109,074,020,177

decrease in revenue from water supply activities compared to the first quarter of 2024.

In addition, other core business activities were also affected due to the restructuring, streamlining of the organizational apparatus, and the merging and consolidation of various provincial departments and sectors under the directives of the Central Government and the local authorities. Furthermore, the suspension of some public investment projects led to a 12.97% decline in bottled water production and business activities compared to the same period in 2024, with other related activities also being impacted.

Meanwhile, revenue from waste collection, transportation, and treatment activities recorded a slight increase of 6.44% compared to the same period, thanks to the Company's expansion into two new areas - Tan Hong District and Thanh Binh District in the third and fourth quarters of 2024 - and more recently, Hong Ngu District.

### 3. Cost

- Cost of goods sold, selling expenses, and administrative expenses in the quarter decreased by 7.15%, 11.85%, and 29%, respectively, compared to the same period last year.

- Financial expenses and other expenses also decreased compared to the same period.

However, because the value and rate of the revenue decline were greater than the value and rate of the cost reductions, profit before tax for the first quarter of 2025 decreased by VND 2.67 billion, equivalent to a 33.66% decrease, resulting in a decrease in after-tax profit of VND 2.48 billion, corresponding to a 34.76% decrease compared to the same period last year.

We would like to commit that the above explanatory information is completely accurate and responsible before the law for the content of information disclosure.

Sincerely./.

*Recipient:* 

- Ditto;
- Member of the Board of Directors;
- Head of the Control Board;
- Deputy Director;
- Archive: Office, Finance Dept, K.

**CHIEF EXECUTIVE OFFICER**



**Dinh Cong Phu**