**STW: Explanation of the fluctuations in profit after tax in 2023, before and after audit**

On March 22, 2024, SocTrang Water Supply Joint Stock Company announced Official Dispatch No. 188/CV-CN on explaining profit after tax in the Financial Statements 2023 changing by 10% or more compared to that of the same period in 2022 as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Target | 2023 | 2022 | Rate |
| Total revenue | 219,166,470,584 | 207,287,813,004 | 106% |
| Cost of goods sold | 107,421,178,603 | 113,208,944,955 | 95% |
| Financial expense | - | 304,661,514 | - |
| Selling expenses | 27,156,245,328 | 25,059,154,253 | 108% |
| General and administrative expenses | 27,141,528,196 | 24,059,499,633 | 113% |
| Profit after tax | 50,501,586,964 | 35,703,159,180 | 141 |

Reason:

Total revenue in 2023 increased by VND 11,878,657,580, equivalent to an increase of 6% compared to that of 2022.

Cost of goods sold in 2023 decreased by VND 5,787,766,352, equivalent to a decrease of 5% compared to that of 2022.

Financial expenses in 2023 did not arise compared to that of 2022 because the Company paid off all loans from banks in 2022.

Financial expenses in 2023 decreased by VND 2,097,091,075, equivalent to a decrease of 8% compared to that of 2022.

The general and administrative expenses in 2023 increased by VND 3,082,028,563, equivalent to an increase of 13% compared to that of 2022. The primary reason is that in 2022, the Company reversed the cost of provisioning for bad debts amounting to VND 1,658,441,315 and thus the general and administrative expenses in 2022 were lower than those in 2023.

With the increase in revenue surpassing the increase in sales costs and general and administrative expenses, and the cost of goods sold during the year also decreasing, the profit after tax in 2023 increased by VND 14,798,427,784, equivalent to an increase of 41% compared to that of the same period in 2022.