

Explanation for profit after tax in the
Financial Statements of 2024 changing by
10% or more compared to 2023

**To: - State Securities Commission
- Hanoi Stock Exchange**

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance the disclosure of information on the securities market.

Based on the production and business results of 2024.

Soc Trang Water Supply Joint Stock Company (*referred to as the Company*) explains the change in profit after tax of corporate income tax on the Financial Statements of 2024 by 10% or more compared to 2023 as follows:

Item	Year 2024	Year 2023	Rate
Total revenue	240,813,380,584	219,166,470,584	110%
Costs of goods sold	115,463,848,983	107,421,178,603	107%
Financial expenses	-	-	
Selling expenses	25,291,914,553	27,156,245,328	93%
General administration expenses	32,133,137,795	27,141,528,196	118%
Other expenses	5,861,261,985	387,929,443	1.511%
Deferred corporate income tax expense	21,043,484,317	6,558,002,050	321%
Profit after tax	41,019,732,951	50,501,586,964	81%

Reason:

- Total revenue in 2024 increased by 21,646,910,000 VND, equivalent to an increase of 10% compared to 2023, the main reason is that revenue from production and business activities of the Company increased by 9,128,835,800 VND in, revenue from financial activities increased by 5,622,996,051 VND (*interest earned from term deposits*) and other income increased by 5,917,894,149 VND (*fund received from the Climate Change Project and the Water Worx Project*).

- Cost of goods sold in 2024 increased by 8,042,670,380 VND, equivalent to an increase of 7% compared to 2023.



- The Company did not incur any financial expenses in 2024.

- Selling expenses in 2024 decreased by 1,864,330,775 VND, equivalent to a decrease of 7% compared to 2023.

- General administration expenses in 2024 increased by 4,991,609,599 VND, equivalent to an increase of 18% compared to 2023, the reason is that in 2024 the Company incurred additional employee bonus and welfare expenses (such as travel expenses of 1,333,333,333 VND, uniform expenses of 1,426,000,000 VND) and the Company increased the hiring of law firms, law offices to consult on legal procedures in business activities with expenses incurred in the year of 675,000,000 VND (*these expenses did not occur in 2023*).

- Other expenses in 2024 increased by 5,473,332,542 VND, equivalent to an increase of 1,411% compared to 2023, mainly due to the increase in late tax payment of 5,314,385,581 VND when the Company paid supplemented corporate income tax, VAT and resource tax for 2019, 2020, 2021, 2022, 2023 during the inspection of the Company according to Decision No. 34/QD-TTr dated 2024-04-22 of the Chief Inspector of Soc Trang Province.

- Corporate income tax expense in 2024 increased by 14,485,482,267 VND, equivalent to an increase of 221% compared to 2023, the reason is that the Company paid a supplement of 7,232,015,372 VND in corporate income tax for 2021, 2022, 2023 during the inspection of the Company according to Decision No. 34/QD-TTr dated 2024-04-22 of the Chief Inspector of Soc Trang Province. Besides, corporate income tax expense of the Company in 2024 increased by 7,253,466,895 VND compared to 2023, mainly because in 2024 the Company had to apply the non-preferential corporate income tax rate of 20% (*the Company no longer met the conditions for applying the preferential corporate income tax rate of 10% for enterprises that are the basis for socialization compared to 2023*).

With the fluctuations in revenue and expenses in 2024, the profit after tax of the Company decreased by 9,481,854,013 VND in 2024, equivalent to a decrease of 19% compared to 2023.

Soc Trang Water Supply Joint Stock Company explains to the State Securities Commission and the Hanoi Stock Exchange for clarity .

Respectfully./.

Recipients:

- As above;
- Archive VT,TC.



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