

**DONG THAP WATER SUPPLY &
URBAN ENVIRONMENT
JOINT – STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Liberty - Happiness

No. 231/CN&MTĐT

Dong Thap, 26 March 2025

Re: Explanation of the difference in
after-tax profit in 2024 compared to
the same period

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. 3035/SGDHN-QLNY dated 20 December 2024 of the Hanoi Stock Exchange on guiding the periodic information disclosure in the 1st quarter of 2025 and the steps to implement periodic information disclosure ("disclosure") simultaneously in English via the CIMS system.

Dong Thap Water Supply & Urban Environment Joint - Stock Company would like to explain that the profit after tax in the 2024 increased by more than 10% over the same period on the Financial Statement, as stated in the audited annual financial statements, specifically as follows:

1. Profit on the Financial Statements

- Profits after income tax in the 2024 is **VND 49.43 billion**.
- Profits after income tax in the 2023 is **VND 43.11 billion**.

The increase in the difference was **VND 6.32 billion** (*corresponding to an increase rate of 14.66%*).

2. Revenue

Total revenue in this period increased compared to the same period last year, specifically as follows:

- Revenue from clean water supply activities increased over the same period by VND 31.13billion¹, equivalent to an increase of 9.39%. The reason is: The company invested and upgraded the water supply system, increasing 44.4 km of pipes with a diameter of 63 to 225 mm, contributing to the development of 9,150 more households, bringing the total number of water customers to **227,065** households.

¹ = 362.490.718.699 – 331.354.043.619

- During the year, the total number of households participating in garbage collection services reached **114,133** households, an increase of 11,692 households, an increase of 11.41% over the same period in 2023. During the year, the Company received a large number of customers from 02 new areas, namely Tan Hong district (from **June 2024**) and Thanh Binh district (from **October 2024**).

- Bottled water production and trading activities increased over the same period by VND 1.73 billion, equivalent to an increase of 15.34%.²

3. Cost

- Reduce input costs through bidding for the purchase of production materials, contributing to a slight increase in the cost of goods sold/net revenue ratio from 68.75% to 69.39% for the year. This occurred despite an increase in production volume and the expansion of service areas, mainly into suburban and rural regions as required by the Province and local authorities. These areas have lower efficiency due to the high investment costs, while the average consumption and revenue per household are lower than in urban areas.

- Additionally, business management expenses decreased compared to the same period, due to the implementation of the policy of thrift implementation of competent authorities.

- Financial expenses over the same period decreased by VND 0.75 billion, due to the Company's gradual rebalancing of cash flow and capital sources according to the annual plan.

Summing up the above reasons, it shows that revenue increased, but the growth rate was lower than revenue, making profit before tax in the 2024 increase over the same period 6.55 billion VND, corresponding to the rate of increase of 13.43%, leading to an increase in profits after income tax of 6.32 billion VND, corresponding to the rate of **14.66%** over 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

² = 13.040.604.107 - 11.305.769.912