

QUANG NGAI WATER SUPPLY, DRAINAGE AND CONSTRUCTION JOINT STOCK COMPANY

Number: 122/QNW-2025

SOCIALIST REPUBLIC OF VIETNAM

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Quang Ngai, March 28, 2025

" Explanation of the post-tax profit discrepancy of 5% or more between the unaudited Q4 2024 financial statements and the audited 2024 financial statements "

Dear: - State Securities Commission

- Hanoi Stock Exchange

Stock name: QUANG NGAI WATER SUPPLY, DRAINAGE AND CONSTRUCTION JOINT STOCK COMPANY

Stock code: QNW

Address: 17 Phan Chu Trinh, Nguyen Nghiem Ward, Quang Ngai City, Quang Ngai Province

Tax code: 4300326264

Representative: Mr Nguyen Dang Do

Position: General Director

Pursuant to Circular No. 96/2020/TT-BTC, which took effect on January 1, 2021, issued by the Ministry of Finance, guiding information disclosure in the securities market, it is required to provide a specific explanation when the post-tax profit in the reporting period shows a discrepancy of 5% or more before and after auditing or review, or when there is a shift from loss to profit or vice versa.

Quang Ngai Water Supply, Drainage, and Construction Joint Stock Company provides an explanation regarding the discrepancy of 5% or more in post-tax profit between the unaudited Q4 2024 financial statements and the audited 2024 financial statements as follows:

Unit: VND

Items	Code	Parent company				Consolidated			
		Audited Financial Report for 2024	Unaudited Financial Report for Q4/2024	Increase/decrease	Proportion(%)	Audited Financial Report for 2024	Unaudited Financial Report for Q4/2024	Increase/decrease	Proportion(%)
1	2	3	4	5=3-4	6=5/4	7	8	9=7-8	10=9/8
1.Gross revenue from goods sold and services rendered	01	114.165.281.775	114.167.785.437	(2.503.662)		114.504.400.294	114.506.903.956	(2.503.662)	
2.Deductions	02	0	0	0		0	0	0	
3.Net revenue from goods sold and services rendered (10=01- 02)	10	114.165.281.775	114.167.785.437	(2.503.662)	-0,002%	114.504.400.294	114.506.903.956	(2.503.662)	-0,002%
4.Cost of goods sold and services rendered	11	55.132.663.795	54.386.583.490	746.080.305	1%	55.152.164.492	54.406.084.187	746.080.305	1%
5.Ross profit from goods sold and services rendered (20=10-11)	20	59.032.617.980	59.781.201.947	(748.583.967)	-1%	59.352.235.802	60.100.819.769	(748.583.967)	-1%
6.Financial income	21	3.445.374.883	3.445.374.883	0	0%	3.651.191.501	3.651.191.501	0	0%
7.Financial expenses	22	852.954.873	852.954.873	0	0%	456.354.534	454.495.275	1.859.259	0%
- In which: Interest expense	23	456.354.534	456.354.534	0		456.354.534	454.495.275	1.859.259	
8.Selling expenses	25	4.939.612.170	4.259.362.170	680.250.000	16%	4.939.612.170	4.259.362.170	680.250.000	16%
9.General and administration expenses	26	14.824.290.606	9.665.816.606	5.158.474.000	53%	15.536.836.812	10.378.362.812	5.158.474.000	50%
10.Net operating profit (30=20+(21-22)-(25+26)	30	41.861.135.214	48.448.443.181	(6.587.307.967)	-14%	42.070.623.787	48.659.791.013	(6.589.167.226)	-14%
11.Other income	31	0	0	0	0%			0	0%
12.Other expenses	32	31.968.822	31.968.822	0	0%	42.185.824	42.185.824	0	
13.Other losses (40=31-32)	40	(31.968.822)	(31.968.822)	0		(42.185.824)	(42.185.824)	0	
14.Accounting profit before tax (50=30+40)	50	41.829.166.392	48.416.474.359	(6.587.307.967)	-14%	42.028.437.963	48.617.605.189	(6.589.167.226)	-14%
15.Current corporate income tax expense	51	8.549.278.720	9.866.740.314	(1.317.461.594)	-13%	8.589.133.034	9.906.594.629	(1.317.461.595)	-13%
16.Deferred corporate tax expense	52	0		0				0	
17.Net profit after corporate income tax (60=50-51-52)	60	33.279.887.672	38.549.734.045	(5.269.846.373)	-14%	33.439.304.929	38.711.010.560	(5.271.705.631)	-14%



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1	2	3	4	5=3-4	6=5/4	7	8	9=7-8	10=9/8
18.Profit after tax of parent company shareholders						33.375.538.026	38.647.243.658		
19. Profit after tax of non-controlling shareholders						63.766.903	63.766.902		
20.Basic earnings per share						1.669	1.932,36		
21.Earnings per share decline									

**SEPARATE BALANCE SHEET**

- The profit in the audited 2024 financial statements decreased due to the following reason: Sales revenue did not change significantly.
- While the cost of goods sold increased by only 1%, selling expenses rose by 16%, primarily due to an additional provision for the sales department's salary fund amounting to VND 680,250,000, in accordance with Decision No. 48/QĐ-Cty on the provision for the 2024 salary fund. Administrative expenses surged by 53%, mainly due to a provision for doubtful debts of VND 5,044,234,000, as per Decision No. 49/QĐ-Cty on the provision for doubtful debts.

As a result, the after-tax profit in the audited financial statements for 2024 decreased by 14% compared to the unaudited Q4/2024 financial statements.

**CONSOLIDATED BALANCE SHEET**

- The profit in the audited financial statements for 2024 decreased due to the following reason: Sales revenue did not change significantly.
- While the cost of goods sold increased by only 1%, selling expenses rose by 16%, primarily due to an additional provision for the sales department's salary fund amounting to VND 680,250,000, in accordance with Decision No. 48/QĐ-Cty on the provision for the 2024 salary fund. Administrative expenses surged by 50%, mainly due to a provision for doubtful debts of VND 5,044,234,000, as per Decision No. 49/QĐ-Cty on the provision for doubtful debts.

As a result, the after-tax profit in the audited financial statements for 2024 decreased by 14% compared to the unaudited Q4/2024 financial statements.

Recipient:   
 - As above  
 - Administrative Organization Department

General Director  
  
 NGUYEN DANG DO

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