

QUANG NGAI WATER SUPPLY, DRAINAGE AND CONSTRUCTION JOINT STOCK COMPANY
 Number: *12/2025*/QNW-2025

Explanation of Net Profit After Tax in 2024 Compared to 2023 Based on the Audited Annual Financial Statements

SOCIALIST REPUBLIC OF VIETNAM
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Quang Ngai, March 28 2025

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, providing guidelines on information disclosure in the securities market, it is required to provide a detailed explanation when the net profit after corporate income tax in the income statement of the reporting period changes by 10% or more compared to the same period of the previous year.

Quang Ngai Water Supply, Sewerage, and Construction Joint Stock Company provides the following explanation regarding the net profit after tax in 2024 compared to 2023:

Items	Code	Parent company				Consolidated				Unit: VND
		Year 2024	Year 2023	Increase/decrease	Proportion (%)	Year 2024	Year 2023	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	1	114.165.281.775	79.957.682.976	34.207.598.799		114.504.400.294	80.338.975.854	34.165.424.440		
2. Deductions	2	0	0	0		0	0	0		
3. Net revenue from goods sold and services rendered <i>(10=01- 02)</i>	10	114.165.281.775	79.957.682.976	34.207.598.799	42,8%	114.504.400.294	80.338.975.854	34.165.424.440	42,5%	
4. Cost of goods sold and services rendered	11	55.132.663.795	57.634.637.832	(2.501.974.037)	-4,3%	55.152.164.492	57.281.904.687	(2.129.740.195)	-3,7%	
5. Ross profit from goods sold and services rendered <i>(20=10-11)</i>	20	59.032.617.980	22.323.045.144	36.709.572.836		59.352.235.802	23.057.071.167	36.295.164.635		
6. Financial income	21	3.445.374.883	4.457.858.018	(1.012.483.135)	-22,7%	3.651.191.501	4.797.667.330	(1.146.475.829)	-23,9%	
7. Financial expenses	22	852.954.873	626.805.087	226.149.786	36,1%	456.354.534	578.463.394	(122.108.860)	-21,1%	
- In which: Interest expense	23	456.354.534	578.463.394	(122.108.860)		456.354.534	578.463.394	(122.108.860)		
8. Selling expenses	25	4.939.612.170	4.163.733.793	775.878.377	18,6%	4.939.612.170	4.163.733.793	775.878.377	18,6%	
9. General and administration expenses	26	14.824.290.606	8.573.683.562	6.250.607.044	72,9%	15.536.836.812	9.326.210.985	6.210.625.827	66,6%	



10. Net operating profit	30	41.861.135.214	13.416.680.720	28.444.454.494	212,0%	42.070.623.787	13.786.330.325	28.284.293.462	205,2%
(30=20+(21-22)-(25+26))									
11. Other income	31		40.595		0,0%		40.595		
12. Other expenses	32	31.968.822	66.231.421	(34.262.599)	-51,7%	42.185.824	100.792.333	(58.606.509)	-58,1%
13. Other losses (40=31-32)	40	(31.968.822)	(66.190.826)	34.222.004		(42.185.824)	(100.751.738)	58.565.914	
14. Accounting profit before tax (50=30+40)	50	41.829.166.392	13.350.489.894	28.478.676.498	213,3%	42.028.437.963	13.685.578.587	28.342.859.376	207,1%
15. Current corporate income tax expense	51	8.549.278.720	2.847.590.198	5.701.688.522		8.589.133.034	2.914.607.937	5.674.525.097	
16. Deferred corporate tax expense	52								
17. Net profit after corporate income tax	60	33.279.887.672	10.502.899.696	22.776.987.976	216,9%	33.439.304.929	10.770.970.650	22.668.334.279	210,5%
(60=50-51-52)									
18. Profit after tax of parent company shareholders						33.375.538.026	10.663.742.268		
19. Profit after tax of non-controlling shareholders						63.766.903	107.228.382		
20. Basic earnings per share						1.669	488,00		
21. Earnings per share decline									

Parent Company Financial Statements

- The after-tax profit in 2024 increased significantly by 216.9% compared to 2023 due to the following reasons: a substantial rise in revenue from sales of goods and services, a decline in financial income, while the cost of goods sold decreased slightly but not significantly, and administrative expenses increased relative to other indicators. Specifically:
 - + Revenue from sales and service provision increased significantly by 42.8%, primarily due to the increase in water prices approved by the Provincial People's Committee starting from September 2023.
 - + Finance income declined sharply by 22.7% due to a decrease in deposit interest rates at commercial banks
 - + Financial expenses increased significantly by 36.1% due to a higher provision for investments in subsidiaries, while other expenses declined sharply by 51.7%.
 - + The cost of goods sold decreased by 4.3%, while administrative expenses surged by 72.9%, primarily due to a provision for doubtful debts amounting to VND 5,044,234,000. Selling expenses also increased by 18.6%.

As a result of the above factors, net profit after tax in 2024 increased by 216.9% compared to 2023

Consolidated Financial Statements

- The after-tax profit in 2024 increased significantly by 210.5% compared to 2023 due to the following reasons: a substantial rise in revenue from sales of goods and services, a decline in financial income, while the cost of goods sold decreased slightly but not significantly, and administrative expenses increased significantly compared to other indicators. Specifically:
 - + Revenue from sales and service provision increased significantly by 42.5% due to the water price adjustment approved by the Provincial People's Committee, effective from September 2023.
 - + Finance income declined by 23.9% due to a decrease in deposit interest rates at commercial banks.

- + Financial expenses decreased by 21.1%, while other expenses dropped significantly by 58.1%
- + The cost of goods sold slightly decreased by 3.7%, while administrative expenses rose by 66.6%, primarily due to a provision for doubtful debts amounting to VND 5,044,234,000. Selling expenses also increased by 18.6%.
- + As a result of the above factors, net profit after tax in 2024 increased by 210.5% compared to 2023.

Sincerely,

Recipients

- As above

- Administrative Organization Department

