

**SOC TRANG WATER SUPPLY
JOINT STOCK COMPANY**

No: 435 /CV-CN

Explanation of 10% difference in
Profit after tax in the Financial Statements of
Q2/2025 compared to the same period

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Soc Trang, July 23, 2025

To: - State Securities Commission

- Hanoi Stock Exchange

Pursuant to Circular 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding information disclosure on the stock market.

Pursuant to the production and business results in Quarter II of 2025.

Soc Trang Water Supply Joint Stock Company (*referred to as the Company*) explains the difference in profit after tax on the Financial Statements of Quarter II of 2025 as follows:

1. Production and business results in Quarter II of 2025 compared to Quarter II of 2024

Item	Quarter II of 2025	Quarter II of 2024	Rate
Total revenue	58.121.837.816	57.373.613.684	101%
Cost of goods sold	32.587.539.857	24.317.335.399	134%
Financial expenses	-	-	-
Selling expenses	8.239.060.460	5.539.389.208	149%
General administration expenses	7.891.799.633	6.192.026.505	127%
Profit after tax	307.796.512	300.205.774	103%
Total revenue	1.928.393.452	2.248.120.931	86%
Cost of goods sold	7.167.247.902	18.776.535.867	38%

2. Explanations for fluctuation

- Total revenue in Quarter II of 2025 increased slightly of 1% compared to the same period last year (*equivalent to VND 748.224.132*), however, cost of goods sold increased rapidly of 34% (*equivalent to VND 8.270.204.458*), the main reason is:

+ Renovation and repair of factory and water supply station technology (*incurred additional costs VND 2.132.675.514*).

+ Increasing adjustment to salaries as approved by the Board of Directors (*equivalent to VND 1.728.723.780*).

+ Water sample testing expense increased by VND 1,458,584,000, and electricity expenses increased by VND 731.685.407.

- Financial expenses did not arise.
- Selling expenses increased by 49% (*equivalent to VND 2.699.671.252*), mainly due to an increase in maintenance expenses for the water supply system serving customers.
- General administration expenses increased by 27% (*equivalent to VND 1.699.773.128*), mainly due to the adjustment to increase salaries for employees and Board of Executives of the Company in 2025.
- Other expenses slightly increased by 3% compared to Quarter II of 2024.
- Corporate income tax expense decreased by 14% (*equivalent to VND 319,727,479*) due to a significant decrease in profit before tax compared to the same period last year.

The combination of the above factors led to a decrease of 62% in the profit after tax of the Company (*equivalent to VND 11,609,287,965*) compared to the same period in 2024. The decrease in profit during the period is a result of the investment process in infrastructure upgrades, service quality improvement, and the implementation of salary policies, which are consistent with the sustainable development orientation of the Company. All increased expenditures were budgeted and approved in accordance with internal procedures.

Soc Trang Water Supply Joint Stock Company hereby reports to the State Securities Commission and the Hanoi Stock Exchange for references.

Sincerely./.

Recipients:

- As above;
- Archived: Office, Finance Department.

