

**SOC TRANG WATER SUPPLY  
JOINT STOCK COMPANY**

No: 495/CV-CN

Explanation of 10% difference in Profit after tax in  
the Financial Statements of the first 06 months of  
2025 compared to the same period of 2024

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

*Soc Trang, August 15, 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 the first 06 months 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 the first 06 months of 2025:

**1. Production and business results in the first 06 months of 2025 compared to the same period of 2024:**

Item	First 06 months of 2025	First 06 months of 2024	Rate
Total revenue	112.650.420.403	112.736.007.410	100%
Cost of goods sold	61.368.640.060	50.766.014.490	121%
Financial expenses	-	-	
Selling expenses	14.890.916.334	11.972.558.621	124%
General administration expenses	14.815.923.797	13.431.010.928	110%
Profit after tax	12.269.768.518	300.213.373	4.087%
Total revenue	4.410.554.148	3.869.132.813	114%
Cost of goods sold	4.894.617.546	32.397.077.185	15%

**2. Explanations for fluctuation**

- Total revenue in the first 06 months of 2025 was equivalent to the same period last year. However, the cost of goods sold increased rapidly of 21% (*equivalent to VND 10,602,625,570*), the main reason is:

+ Renovation and repair of factories and water supply station technology (*incurred additional costs VND 3,754,616,366*).

+ 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 1,871,460,400, and electricity expenses increased by VND 1,037,384,922.

- Financial expenses did not arise.

- Selling expenses increased by 24% (*equivalent to VND 2,918,357,713*), mainly due to an increase in maintenance expenses for the water supply system serving customers (*incurred additional costs VND 4,251,271,280*).

- General administration expenses increased by 10% (*equivalent to VND 1,384,912,869*), mainly due to the adjustment to increase salaries, uniform allowances, and salary-based contributions for employees and Board of Executives of the Company in 2025 (*incurred additional costs VND 1,489,453,375*).

- Other expenses sharply increased by 3,987% compared to the same period of 2024 (*equivalent to VND 11,969,555,145*) due to the Company was administratively sanctioned for violations in the field of business registration according to Decision No. 04/QĐ-XPHC dated January 20, 2025 of the Chief Inspector of the Soc Trang Provincial Department of Planning and Investment; in the field of environment and water resources according to Decisions No. 06/QĐ-XPHC, Decision No. 07/QĐ-XPHC, Decision No. 08/QĐ-XPHC, Decision No. 09/QĐ-XPHC, Decision No. 10/QĐ-XPHC dated January 25, 2025 of the Chairman of the Soc Trang Provincial People's Committee, Decision No. 02/QĐ-XPHC dated April 02, 2025, issued by the Chief Inspector of the Soc Trang Provincial Department of Agriculture and Environment; in the tax and invoice sector according to Decision No. 65/QĐ-XPHC dated January 24, 2025, issued by the Director of the Soc Trang Provincial Tax Department; and in the preventive healthcare sector according to Decision No. 52/QĐ-QDXP dated May 27, 2025, Decision No. 58/QĐ-XPHC dated June 12, 2025, issued by the Chief Inspector of the Soc Trang Provincial Department of Health, with a total fine of VND 12,074,502,958.

- Corporate income tax expense increased by 14% (*equivalent to VND 541,421,335*) because the Company is applying a non-preferential corporate income tax rate of 20% for 2025 (*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 the same period in 2024*).

- The profit after tax of the Company in the first 06 months of 2025 decreased by 85% (*equivalent to a decrease of VND 27,502,459,639*) compared to the same period of 2024, mainly due to several factors such as: increased production costs (*cost of goods sold, maintenance, repair, and testing expenses*), personnel expenses adjusted according to the new salary policy, a higher corporate income tax rate, and other expenses incurred during the period.

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

Sincerely./.

**Recipient:**

- As addressed;
- Save VT, TC.

**GENERAL DIRECTOR**



**Đang Van Ngo**