SOC TRANG WATER SUPPLY JOINT STOCK COMPANY

No: 340 /CV-CN

Explanation of 10% difference in Profit after tax in the Financial Statements of the first 06 months of 2026 compared to the same period of 2025

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Soc Trang, August 18, 2026

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 2026.

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 2026:

I. Production and business results in the first 6 months of 2026 compared to the same period in 2025:

Item	First 6 months of 2026	First 6 months of 2025	Rate
Total revenue	113.063.183.492	112.650.420.403	0,4%
Cost of goods sold	69.548.484.299	61.368.640.060	13,3%
Financial expenses	-	-	-
Selling expenses	16.218.747.379	14.890.916.334	8,9%
General administration expenses	17.740.303.225	14.815.923.797	19,7%
Other expenses	406.973.506	12.269.768.518	-96,7%
Corporate income tax expenses	1.934.279.138	4.410.554.148	-56,1%
Profit after tax	7.214.395.945	4.894.617.546	47,4%

II. Explanations for fluctuation

1. Total revenue for the first 6 months of 2026 reached 113.063.183.492 VND, an increase of 412.763.089 VND compared to the same period in 2025 *(equivalent to an increase of 0,4%)*. The Company's revenue remained stable compared to the same period.

2. Cost of goods sold in 2026 reached 69.548.484.299 VND, an increase of 8.179.844.239 VND *(equivalent to an increase of 13,3%)* compared to the same period in 2025, mainly due to:

- Costs for chemicals and electricity for operating the water treatment technology system increased by 3.229.433.348 VND.

- Salary expenses and salary-related contributions for employees increased by 3.037.250.507 VND.

- Depreciation expenses for fixed assets increased by 2.266.589.292 VND.

3. No financial expenses incurred during the period.

4. Selling expenses for the first 6 months of 2026 reached 16.218.747.379 VND, an increase of 1.327.831.045 VND *(equivalent to an increase of 8,9%)*, mainly due to an increase in salary expenses and salary-related contributions for employees by 1.457.880.614 VND.

5. General and administrative expenses for the first 6 months of 2026 reached 17.740.303.225 VND, an increase of 2.924.379.428 VND *(equivalent to an increase of 19.7%)* compared to the same period in 2025, mainly due to:

- Increased salary expenses and salary-related contributions for employees by 1.802.839.449 VND.

- Increased uniform supply expenses by 1.305.806.000 VND compared to the same period in 2025.

6. Other expenses for the first 6 months of 2026 reached 406.973.506 VND, a decrease of 11.862.795.012 VND *(equivalent to a decrease of 96,7%)* compared to the same period last year. The main reason is that in the first 6 months of 2025, the Company incurred unusual expenses due to administrative penalties in the areas of business registration; environment and water resources; taxes, invoices, and preventive medicine, with a total penalty amount of 12.074.502.958 VND. In the first 6 months of 2026, the Company did not incur the aforementioned unusual expenses.

7. Corporate income tax expenses for the first 6 months of 2026 reached 1.934.279.138 VND, a decrease of 2.476.275.010 VND *(equivalent to a decrease of 56,1%)* compared to the same period in 2025. The main reason is that in the same period of 2025, unusual expenses from administrative penalties were not deductible when determining taxable income, so in the same period of 2025, the Company incurred additional related corporate income tax expenses of 2.414.900.592 VND. The absence of the aforementioned penalties in the first 6 months of 2026 contributed to a decrease in corporate income tax expenses compared to the same period in 2025.

III. Conclusion

In the first 6 months of 2026, the revenue of the Company remained stable compared to the same period in 2025. The cost of goods sold increased due to higher costs for chemicals, operating electricity, salaries, and fixed asset depreciation; selling expenses and general and administrative expenses increased mainly due to salary expenses, salary-related contributions, and uniform supply expenses.

Although the aforementioned expenses increased, in the first 6 months of 2026, the Company did not incur unusual expenses due to administrative penalties as in the same period of 2025. At the same time, corporate income tax expenses decreased compared to the same period.

Summarizing the above factors, profit after tax for the first 6 months of 2026 reached 7.214.395.945 VND, an increase of 2.319.778.399 VND *(equivalent to an increase of 47,4%)* compared to the same period in 2025.

Soc Trang Water Supply Joint Stock Company respectfully reports to the State Securities Commission and the Hanoi Stock Exchange for their information.

Sincerely./.

Recipient:
- As addressed;
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GENERAL DIRECTOR

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