

**THAI NGUYEN WATER
JOINT STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No. ~~26~~4/CTCPNS-KTTC

August 29, 2025

*Re: Explanation of Parent Company's
Profit in the Reviewed Financial
Statements*

To:

- State Securities Commission of Vietnam;
- Hanoi Stock Exchange.

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance providing guidance on information disclosure on the securities market;

Pursuant to the interim financial statements reviewed by AASC Auditing Firm Co., Ltd.;

The Company hereby provides the explanation of the reviewed separate financial statements as follows:

1. Profit after corporate income tax for the first six months of 2025 increased compared to the first six months of 2024 as follows:

Target	Current Year	Previous Year	Rate (%)
Revenue from sales of goods and services	112,193,343,194	104,482,713,275	7.38
Financial income	169,419,948	15,633,186	983.72
Financial expenses	24,821,619,080	35,995,542,430	(31.04)
General and administrative expenses	9,850,822,754	10,248,363,483	(3.88)
Other income	650,002,122	851,134	76.268,95
Profit after corporate income tax	4,374,099,683	(13,657,270,972)	

Reasons:

- Revenue from sales of goods and services increased by VND 7,710,629,919, due to an increase in commercial water output and completed construction output, equivalent to a rise of 7.38%.



- Financial income increased by VND 153,786,762, as the Company had deposits reaching maturity.

- Financial expenses decreased by VND 11,173,923,350, due to reduced interest expenses and lower foreign exchange losses related to the Thai Nguyen City water supply development project, equivalent to a decrease of 31.04%.

- General and administrative expenses decreased as the Company implemented cost-saving measures.

- Other income increased by VND 649,150,988 as the Company received sponsorship for the Ngo Sy Lien water pipeline project.

⇒ The rate of revenue growth was higher than the rate of cost increase, resulting in a profit of VND 4,374,099,683 for the first six months of this year.

2. Profit after corporate income tax in 2025 was positive

- Total revenue and income	113,012,765,264
- Total expenses	106,668,339,466
+ Cost of goods sold	62,128,805,582
+ Financial expenses	24,821,619,080
+ Selling expenses	9,684,296,774
+ General and administrative expenses	9,850,822,754
+ Other expenses	182,795,276
- Profit before tax	6,344,425,798
- Profit after tax	4,374,099,683

Reasons:

- The business results for the first six months of 2025 showed a profit of VND 4,374,099,683 due to increased revenues and reduced expenses (particularly financial expenses), details as follows:

- Revenue from sales of goods and services increased by VND 7,710,629,919, as a result of higher commercial water output and completed construction output, equivalent to an increase of 7.38%.

- Other income increased by VND 649,150,988 as the Company received sponsorship for the Ngo Sy Lien water pipeline project.

- Financial expenses decreased by VND 11,173,923,350 due to lower interest expenses and foreign exchange losses from the Thai Nguyen City water supply development project, equivalent to a decrease of 31.04%.

- ⇒ Increased revenues and reduced expenses led to a profit of VND 4,374,099,683 in the first six months of this year.

- 3. Auditor's Qualified Opinion

- On November 9, 2022, the Company's Board of Directors issued Resolution No. 59/NQ-HĐQT regarding the divestment of investment in an associate company. On August 1, 2023, the Board of Directors issued Resolution No. 18/NQ-HĐQT to extend the deadline for completing the divestment to no later than December 31, 2024. However, during the implementation process, due to various influencing factors, the divestment had not been completed as of June 30, 2025. The Company is planning to carry out the divestment in the third quarter of 2025 in accordance with Resolution No. 24/NQ-ĐHĐCĐ dated June 27, 2025 of the General Meeting of Shareholders.

- Therefore, Thai Nguyen Water Supply Joint Stock Company respectfully submits this explanation to the State Securities Commission and the Hanoi Stock Exchange.

- Sincerely.

Recipients:

- As stated above;
- Board of Directors; Supervisory Board;
- Board of Management;
- Chairman's Assistant; Secretariat;
- Archive: Office.



GENERAL DIRECTOR

Nguyen Xuan Hoc

