

**SOC TRANG WATER SUPPLY  
JOINT STOCK COMPANY**

No: 203 /CV-CN

Explanation of 10% difference in  
Profit after tax in the Financial Statements of Quarter  
I of 2025 compared to the same period of 2024

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

*Soc Trang, April 24, 2026*

**To: - State Securities Commission**

**- Hanoi Stock Exchange**

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

Pursuant to the production and business results in Quarter I 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 Quarter I of 2026 as follows:

**I. Production and business results in Quarter I of 2026 compared to Quarter I of 2025:**

Item	Quarter I of 2026	Quarter I of 2025	Rate
Total revenue	55.086.186.296	54.528.582.587	1,0%
Cost of goods sold	33.363.422.349	28.781.100.203	15,9%
Financial expenses	-	-	
Selling expenses	8.948.211.103	6.651.855.874	34,5%
General administration expenses	10.823.256.601	6.924.124.164	56,3%
Other expenses	19.514.666	11.961.972.006	-99,8%
Corporate income tax expense	434.162.669	2.482.160.696	-82,5%
Profit after tax	1.497.618.908	(2.272.630.356)	165,9%

**II. Explanations for fluctuation**

1. Total revenue in the Quarter I of 2026 increased by 1% (*equivalent to an increase of VND 557.603.709*) compared to the Quarter I of 2025.

2. Cost of goods sold increased by 15,9% (*equivalent to an increase of VND 4.582.322.146*) compared to the same period in 2025, mainly due to:

- An increase of VND 1.027.496.613 in chemical costs and electricity costs for operating the water treatment technology system.
- An increase of VND 1.041.346.675 in labor costs.
- Depreciation expenses for fixed assets increased by VND 1.053.484.157 VND.
- Increased costs for preparing and appraising dossiers for groundwater exploration permits at water supply enterprises in the area by VND 900.626.998 VND.

- Repair and renovation of technology at plants increased by 507.461.258 VND.

3. No financial expenses were incurred during the period.

4. Selling expenses in the first quarter of 2026 increased by 34,5% (*equivalent to an increase of VND 2.296.355.229*). The main reasons are:

- Increased demand for water usage from customers led to an increase of VND 1.156.931.630 in costs for installing and maintaining the water supply system and meters for customers.

- An increase of VND 499.846.121 in labor costs.

- Costs for renovating and expanding the distribution network increased by VND 324.701.609.

5. General and administrative expenses in the first quarter of 2026 increased by 56,3% (*equivalent to an increase of VND 3.899.132.437*) compared to the first quarter of 2025, mainly due to:

- Labor costs increased by VND 814.441.857.

- Costs for providing uniforms for the employees of the Company increased by VND 2.740.806.000. This expense was not incurred in the Quarter I of 2025.

6. Other expenses in the Quarter I of 2026 decreased by 99,8% compared to the same period last year (*equivalent to a decrease of VND 11.942.457.340*), because in the Quarter I of 2025, the Company was subject to administrative penalties for business registration violations under Decision No. 04/QĐ-XPHC dated January 20, 2025, of the Chief Inspector of the Department of Planning and Investment of Soc Trang province; violations in the field of environment and water resources under Decisions No. 06/QĐ-XPHC, 07/QĐ-XPHC, 08/QĐ-XPHC, 09/QĐ-XPHC, and 10/QĐ-XPHC dated January 24, 2025, of the Chairman of the People's Committee of Soc Trang province; and violations in the field of tax and invoices under Decision No. 65/QĐ-XPHC dated January 24, 2025, of the Director of the Tax Department of Soc Trang province, with the total penalty amount for all decisions being VND 11.771.674.446.

In the Quarter I of 2026, the Company did not incur the aforementioned expenses.

7. Corporate income tax expense in the Quarter I of 2026 decreased by 82,5% (*equivalent to a decrease of VND 2.047.998.027*), mainly because in the Quarter I of 2026, there were no non-deductible expenses (*such as administrative penalty payments as in the Quarter I of 2025*) when determining taxable income, leading to a significant decrease in corporate income tax for the Quarter I of 2026 compared to the same period in 2025.

### III. Conclusion

Summarizing the above factors, in the Quarter I of 2026, revenue increased slightly, while cost of goods sold, selling expenses, and general and administrative expenses all increased during the period. However, because no unusual other expenses were incurred in the quarter, the profit after tax of the Company in the Quarter I of



2026 increased by 165,9% (equivalent to an increase of VND 3.770.249.264 VND) compared to the same period in 2025.

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

Sincerely./.

**Recipients:**

- As above;
- Archived: Office, Finance.



**GENERAL DIRECTOR**

*Dặng Văn Ngo*

