

**SOC TRANG WATER SUPPLY  
JOINT STOCK COMPANY**

No: 243/CV-CN

Explanation for profit after tax in the Financial Statements of Q1/2025 incurring a loss or changing from profit tax in the Financial Statements of Q1/2024 to loss in the Financial Statements of Q1/2025 or vice versa

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

*Soc Trang, April 18, 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 I of 2025.

Soc Trang Water Supply Joint Stock Company (*referred to as the Company*) explains the loss after corporate income tax on the Financial Statements of Quarter I of 2025, changing from profit in the Financial Statements of Quarter I of 2024 to loss in the Financial Statements of Quarter I of 2025 as follows:

Item	Quarter I of 2025	Quarter I of 2024	Rate
Total revenue	54,528,582,587	55,362,393,726	98%
Cost of goods sold	28,781,100,203	26,448,679,091	109%
Financial expenses	-	-	
Selling expenses	6,651,855,874	6,433,169,413	103%
General administration expenses	6,924,124,164	7,238,984,423	96%
Profit after tax	11,961,972,006	7,599	157.415.081%
Total revenue	2,482,160,696	1,621,011,882	153%
Cost of goods sold	(2,272,630,356)	13,620,541,318	-117%

***Explanations:***

- Total revenue in Quarter I of 2025 decreased by VND 833,811,139, equivalent to a decrease of 2% compared to Quarter I of 2024.

- Cost of goods sold in Quarter I of 2025 increased by VND 2,332,421,112, equivalent to an increase of 9% compared to Quarter I of 2024. The main reason is the increase in expenses for renovation and maintenance of the water supply system in the area by VND 1,588,699,462 compared to Quarter I of 2024.

- Financial expenses in Quarter I of 2025 of the Company did not incur.



- Selling expenses in Quarter I of 2025 increased by VND 218,686,461, equivalent to an increase of 3% compared to Quarter I of 2024.

- General administration expenses in Quarter I of 2025 decreased by VND 314,860,259, equivalent to a decrease of 4% compared to Quarter I of 2024.

- Other expenses in Quarter I of 2025 increased by VND 11,961,964,407, equivalent to an increase of 157,414,981% compared to Quarter I of 2024, mainly because in Quarter I of 2025, 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 24, 2024 of the Chairman of the Soc Trang Provincial People's Committee and in the field of taxes and invoices according to Decision No. 65/QĐ-XPHC ngày January 24, 2024 of the Director of the Soc Trang Provincial Tax Department with a total fine of VND 11,771,674,446.

- Corporate income tax expenses in Quarter I of 2025 increased by VND 861,148,814, mainly because the Company is currently applying a non-preferential corporate income tax rate of 20% (*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 2023*).

The fluctuations in revenue and expenses in Quarter I of 2025 resulted in a loss of VND 2,272,630,356, and simultaneously changed profit in Quarter I of 2024 to loss in Quarter I of 2025 (profit after tax in Quarter I of 2025 decreased by VND 15,893,171,674, equivalent to a decrease of 117% compared to the same period in 2024).

Soc Trang Water Supply Joint Stock Company respectfully explains to State Securities Commission, Hanoi Stock Exchange for clarification.

Sincerely./.

**Recipients:**

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



*Dang Văn Ngo*