

**SOC TRANG WATER SUPPLY
JOINT STOCK COMPANY**

No: 418 /CV-CN

Explanation of 10% difference in
Profit after tax in the Financial Statements of Quarter
III of 2026 compared to the same period of 2025

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Soc Trang, October 20, 2026

To: - State Securities Commission

- Hanoi Stock Exchange

Pursuant to Circular No. 96/2020/TT-BTC of the Ministry of Finance dated November 16, 2020 guiding information disclosure on the stock market.

Pursuant to Financial Statements of Quarter III of 2026 of Soc Trang Water Supply Joint Stock Company.

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 III of 2026 as follows:

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

Item	Quarter III of 2026	Quarter III of 2025	Rate
Total revenue	59.029.777.793	56.888.983.641	+3,8%
Cost of goods sold	39.033.541.731	31.397.123.809	+24,3%
Financial expenses	-	-	-
Selling expenses	8.079.265.815	5.848.288.137	+38,1%
General administration expenses	7.420.130.740	8.768.499.865	-15,4%
Other expenses	196.500.000	3.216.101.705	-93,9%
Corporate income tax expense	464.329.019	2.180.173.166	-78,7%
Profit after tax	3.836.010.488	5.478.796.959	-30,0%

II. Reasons for fluctuations

1. Total revenue increased by 3,8%

Total revenue in Quarter III of 2026 reached VND 59.029.777.793, an increase of VND 2.140.794.152 compared to the same period in 2025. The main reason is that the Company recorded a dividend distribution from Soc Trang Water Joint Stock Company amounting to VND 2.248.729.600.

2. Cost of goods sold increased by 24,3%

Cost of goods sold in Quarter III of 2026 was VND 39.033.541.731, an increase of VND 7.636.417.922 compared to the same period in 2025. The main reasons include:

- Chemical and electricity expenses for operating the water treatment technology system increased by VND 1.529.187.267.

- Salary expenses and salary-related contributions for employees increased by VND 952.156.063.

- Depreciation expenses of fixed assets increased by VND 1.225.872.448.

- Maintenance, repair, and technological renovation expenses at water treatment plants increased by VND 3.697.936.448, contributing significantly to the increase in cost of goods sold.

3. No financial expenses were incurred during the period.

4. Selling expenses increased by 38,1%

Selling expenses in Q3/2026 were VND 8.079.265.815, an increase of VND 2.230.977.678. The main reasons include:

- Expenses for renovating and expanding the distribution network increased by VND 1.358.721.694.

- Salary expenses and salary-related contributions for employees increased by VND 457.034.485.

- Installation and maintenance expenses for customer water supply systems and water meters increased by VND 216.110.233.

5. General and administrative expenses decreased by 15,4%

General and administrative expenses in Quarter III of 2026 were VND 7.420.130.740, a decrease of VND 1.348.369.125 compared to Quarter III of 2025. The main reasons include:

- In Q3/2026, the Company did not incur expenses for office renovation and repairs amounting to VND 1.607.220.152 as it did in the same period in 2025.

- In addition, employee salary expenses increased by VND 520.517.940 compared to the same period last year.

6. Other expenses decreased by 93,9%

Other expenses in Quarter III of 2026 were VND 196.500.000, a decrease of VND 3.019.601.705 compared to the same period in 2025. The primary reason is that in Quarter III of 2025, the Company was subject to an administrative fine under Decision No. 27/QD-XPHC dated June 26, 2025, issued by the Soc Trang Provincial People's Committee regarding the exploitation and use of water resources amounting to VND 3.211.236.479. In Quarter III of 2026, no such expense was incurred.

7. Corporate income tax expense decreased by 78,7%

Corporate income tax expense in Quarter III of 2026 was VND 464.329.019, a decrease of VND 1.715.844.147 compared to the same period in 2025. This was mainly because in Quarter III of 2025, the Company incurred administrative penalty fines that were non-deductible when determining taxable income, thereby increasing taxable income and the corporate income tax payable. In Quarter III of 2026, no such penalties

were incurred, leading to a decrease in corporate income tax expense compared to the same period last year.

III. Conclusion

In Quarter III of 2026, the total revenue of the Company increased by 3,8% compared to the same period last year. However, cost of goods sold increased by 24,3% and selling expenses increased by 38,1%, mainly due to increases in chemical, electricity, salary, fixed asset depreciation, and plant technological repair and renovation expenses. Although general and administrative expenses decreased by 15,4% and other expenses decreased by 93,9%, the profit after tax of the Company in Quarter III of 2026 was VND 3.836.010.488, a decrease of VND 1.642.786.471, corresponding to a 30,0% decline compared to the same period in 2025.

Soc Trang Water Supply Joint Stock Company respectfully submits this report to the State Securities Commission and the Hanoi Stock Exchange for your information.

Sincerely./.

Recipients:

- As above;
- Archived: Office, Finance.



Dặng Văn Ngo

