

No. : **1784**/GD-KTTC

Ho Chi Minh City, **18** July 2025

Re: "Explanation of Accounting Report for the Second Quarter of 2025"

**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 guiding information disclosure on the stock market and the Regulations on information disclosure at the Hanoi Stock Exchange issued under Decision No. 606/QĐ-SGDCK Hanoi.

Gia Dinh Water Supply Joint Stock Company prepared the Financial Report for the second quarter of 2025 on July 18, 2025. Based on the data of the second quarter of 2025 compared to the data of the same period of the second quarter of 2024, there was a change in profit after corporate income tax of over 10%. Gia Dinh Water Supply Joint Stock Company would like to explain as follows:

I. Specific data :

Target	Quarter II/2025	Quarter II/2024	Difference	Rate (%) increase/ decrease)
Profit after corporate income tax	18.400.604.199	13.483.664.276	4.916.939.923	36,46%

Profit after corporate income tax in the second quarter of 2025 increased by VND 4.916.939.923 compared to the second quarter of 2024, corresponding to a profit increase rate of 34,46%.



II. Explanation of some major fluctuation indicators :

Target	Quarter II/2025	Quarter II/2024	Difference 1851	Rate (% increase/ decrease)
Wholesale clean water purchase volume (m ³)	15.489.153	15.791.435	(302.282)	(1,91)%
Wholesale price of clean water (m ³)	6.615,74	6.606,49	9,25	0,14%
Water consumption (m ³)	13.993.874	14.110.129	(116.255)	(0,82)%
Average selling price (VND/m ³)	12.127	12.025	102	0,85%
1. Net revenue (VND)	170.896.802.484	171.847.663.521	(950.861.037)	(0,55)%
2. Cost of goods sold (VND)	91.730.287.871	96.506.900.928	(4.776.613.057)	(4,95)%
3. Salary cost (VND)	23.804.222.207	23.034.010.938	770.211.269	3,34%
4. Cost of tank repair and periodic replacement of water heater (VND)	6.425.009.530	7.047.482.798	(622.473.268)	(8,83)
5. Cost of preventing water loss (VND)	3.583.417.541	8.917.004.446	(5.333.586.905)	(59,81)%
6. Other expenses (VND)	10.800.068.277	9.808.754.340	991.313.937	10,11%
7. Corporate income tax (VND)	4.708.788.132	3.408.416.069	1.300.372.063	38,15%

Through the explanation table of some indicators with large fluctuations, it can be seen that:

1. In the second quarter of 2025, clean water consumption output decreased compared to the second quarter of 2024 by 116.225 m³, although the average selling price increased by 102 VND/m³ compared to the average selling price in the second quarter of 2024, but revenue still decreased by VND 950.861.037, equivalent to a decrease of 0,55%.

2. In the second quarter of 2025, the water loss rate reached 9,14%, down 1,12% compared to the rate at the beginning of the year (10,26%) and down 1,46% compared to the plan (10,6%); The output of wholesale clean water in the second quarter of 2025 decreased by 302.282 m³ compared to the same period last year; the estimated wholesale price of clean water in the first 6 months of the year was 6.615,74 VND/m³, along with the accounting of unfinished products, the cost of wholesale clean water as of June 30, 2025 was 1.652.275 m³, equivalent to VND 10.931.022, causing the cost of wholesale clean water as well as the cost of goods sold to decrease by VND 4.776.613.057, equivalent to a reduction rate of 4,95%.

3. Salary costs for employees and managers in the second quarter of 2025 increased compared to the second quarter of 2024 by: VND 770.211.269, equivalent to an increase of 3,34%.

4. The cost of periodic tank repair and water meter replacement in the second quarter of 2025 decreased by VND 622.473.268 compared to the second quarter of 2024, equivalent to a reduction of 8,83%.

5. In the second quarter of 2025, the disbursement cost for water loss prevention projects reached VND 3.583.417.541, a decrease of VND 5.333.586.905 compared to the second quarter of 2024, equivalent to a decrease of 59,81%.

6. Other expenses in the second quarter of 2025 increased by VND 991.313.937 compared to the second quarter of 2024, equivalent to an increase of 10,11%.

7. Corporate income tax expense in the second quarter of 2025 increased by VND 1.300.372.063 compared to the second quarter of 2024, corresponding to an increase of 38.15%.

And some indicators have small fluctuating costs that offset each other.

Shown above are the major fluctuating indicators of the second quarter of 2025 compared to the second quarter of 2024 that have affected after-tax profit as follows:



Reduced cost: Item (1) + ((2)+(3)+(4)+(5)+(6)+(7)) = --950.861.037 + (-4.776.613.057 + 770.211.269 – 622.473.268 – 5.333.586.905 + 991.313.937 + 1.300.372.063) = -8.621.636.998 VND

With the above cost reduction of VND 8.621.636.998, the profit after corporate income tax in the second quarter of 2025 increased by VND 4.916.939.923, equivalent to an increase of 36,46% compared to the second quarter of 2024.

Best regards!

Recipient:

-As above
-Save (CS.FA)

 **DIRECTOR**
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