

**THAI NGUYEN WATER
JOINT STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No: 80 /CTCPNS-KTTC
Re: Explanation of the Separate
Financial Statements for 2025 after
Audit.

Thai Nguyen, March 27 2026

Dear:

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

Based on Circular 96/2020/TT-BTC dated November 16, 2020, of the Ministry of Finance guiding the disclosure of information on the securities market;

Based on the 2025 financial statements audited by AASC Auditing Firm Company Limited.

Thai Nguyen Water Joint Stock Company (The Company) hereby explains the results of its production and business operations for 2025 after audit as follows:

1. Profit after corporate income tax in 2025 increased compared to 2024

Items	This year	Last year	Ratio (%)
Revenue from Sale & Services	235,901,853,346	218,593,987,597	7.92
Cost of goods sold	129,500,595,178	128,096,970,407	1.1
Finance income	960,551,294	40,184,265	2,290.37
Financial Expenses	41,320,159,802	54,287,532,699	(23.89)
General & administrative expenses	21,532,417,620	22,367,621,140	(3.73)
Profit after corporate income tax	18,081,236,975	(6,471,214,074)	

Reasons:

- Revenue from sales and service provision increased by VND 17,307,865,749 due to higher volumes of commercial water and completed construction works, equivalent to an increase of 7.92%.

- Cost of goods sold increased by VND 1,403,624,771 due to higher revenue leading to higher costs.

- Financial income increased by VND 920,367,029 due to the Company's time deposits reaching maturity.

- Financial expenses decreased by VND 12,967,372,897 as the Company no longer incurred interest expenses on the Thai Nguyen City Water Supply and Sanitation Project loans since the principal has been fully repaid. Interest expenses also decreased for the Song Cong Town Water Supply Project, Solar Power Project, and Song Cong II Project as loan principals have been gradually reduced over the years. Additionally, foreign exchange differences and interest expenses related to the



Thai Nguyen City Water Supply System Development Project decreased, equivalent to a reduction of 23.89%.

- Administrative expenses decreased by VND 835,203,520 as the Company implemented cost-saving measures.

=> As a result, increased revenue and reduced costs led to a profit of VND 18,081,236,975 for the year.

2. Profit after corporate income tax: the Company recorded a profit in 2025, whereas it incurred a loss in 2024.

- Total revenue and income	237,512,438,482
- Total expenses	213,013,476,667
+ Cost of goods sold	129,500,595,178
+ Financial Expenses	41,320,159,802
+ Selling Expenses	20,472,775,314
+ General & administrative expenses	21,532,417,620
+ Other Expenses	187,528,753
Profit before corporate income tax	24,498,961,815
Profit after corporate income tax	18,081,236,975

Reasons: The Company recorded a profit of VND 18,081,236,975 in 2025, driven by increased volumes of commercial water and completed construction works, leading to higher revenue and lower costs (mainly reduced financial expenses and depreciation of fixed assets), as detailed below:

- Total revenue and income:

+ Revenue from sales and service provision reached VND 235,901,853,346, due to increased volumes of commercial water and completed construction works.

+ Financial income amounted to VND 960,551,294, as the Company's time deposits matured.

+ Other income was VND 650,033,842, arising from funding received for the Ngo Sy Lien water supply pipeline project.

- Total expenses:

+ Cost of goods sold decreased, mainly due to reduced depreciation expenses as certain fixed assets under the Thai Nguyen City Water Supply and Sanitation Project and the Song Cong Town Water Supply Project have been fully depreciated.

+ Financial expenses decreased by VND 12,967,372,897 as the Company no longer incurred interest expenses on the Thai Nguyen City Water Supply and Sanitation Project loans since the principal has been fully repaid. Interest expenses also declined for the Song Cong Town Water Supply Project, Solar Power Project, and Song Cong II Project as loan principals have been gradually reduced over the

years. In addition, foreign exchange differences and interest expenses related to the Thai Nguyen City Water Supply System Development Project decreased, equivalent to a reduction of 23.89%.

+ Administrative expenses decreased by VND 835,203,520 as the Company implemented cost-saving measures.

=> Increased revenue and reduced expenses resulted in a profit of VND 18,081,236,975 for the year.

3. Qualified opinion of the auditor

On November 9, 2022, the Company's Board of Directors issued Resolution No. 59/NQ-HĐQT regarding the divestment of its investment in an associate. Subsequently, on August 1, 2023, the Board of Directors issued Resolution No. 18/NQ-HĐQT extending the deadline for completion of the divestment to before December 31, 2024.

According to Resolution No. 24/NQ-ĐHĐCĐ dated June 27, 2025 of the General Meeting of Shareholders, the divestment was scheduled to be completed in the third quarter of 2025. However, during implementation, due to various influencing factors, the divestment had not been completed as of December 31, 2025.

As of now, the Company is working with a consulting firm regarding the divestment in the associate.

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

Sincerely./.

Recipients:

- As above;
- Board of Directors, Supervisory Board;
- The Company's Executive Board;
- Assistant to the Chairman;
- Filed Office; Accounting Department.



CHIEF EXECUTIVE OFFICER

Nguyen Xuan Hoc