

QUANG NGAI WATER SUPPLY, DRAINAGE AND CONSTRUCTION JOINT STOCK COMPANY

Number: 127QNW

Regarding the explanation of after-tax profit in 2025 compared to 2024.

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

Quang Ngai, March 28 2026

Dear: - State Securities Commission

- Hanoi Stock Exchange

Stock name: QUANG NGAI WATER SUPPLY, DRAINAGE AND CONSTRUCTION JOINT STOCK COMPANY

Stock code: QNW

Address: 17 Phan Chu Trinh Street, Cam Thanh Ward, Quang Ngai Province

Tax code: 4300326264

Representative: Mr Nguyen Dang Do

Position: General Director

Pursuant to Circular No. 96/2020/TT-BTC, which took effect on January 1, 2021, issued by the Ministry of Finance, providing guidelines on information disclosure in the securities market, it is required to provide a detailed explanation when the net profit after corporate income tax in the income statement of the reporting period changes by 10% or more compared to the same period of the previous year.

Quang Ngai Water Supply and Construction Joint Stock Company provides the following explanation regarding after-tax profit in 2025 compared to 2024:

Unit: VND

Items	Code	Parent company				Consolidated			
		Year 2025	Year 2024	Increase/decrease	Proportion (%)	Year 2025	Year 2024	Increase/decrease	Proportion (%)
1	2	3	4	5=3-4	6=5/4	7	8	9=7-8	10=9/8
1.Gross revenue from goods sold and services rendered	1	114.636.075.824	114.165.281.775	470.794.049		118.542.330.121	114.504.400.294	4.037.929.827	
2.Deductions	2	0	0	0		0	0	0	
3.Net revenue from goods sold and services rendered <i>(10=01- 02)</i>	10	114.636.075.824	114.165.281.775	470.794.049	0,4%	118.542.330.121	114.504.400.294	4.037.929.827	3,5%
4.Cost of goods sold and services rendered	11	60.534.734.866	55.132.663.795	5.402.071.071	9,8%	63.702.686.363	55.152.164.492	8.550.521.871	15,5%
5.Ross profit from goods sold and services rendered <i>(20=10-11)</i>	20	54.101.340.958	59.032.617.980	(4.931.277.022)	-8,4%	54.839.643.758	59.352.235.802	(4.512.592.044)	-7,6%
6.Financial income	21	5.664.175.137	3.445.374.883	2.218.800.254	64,4%	5.926.922.253	3.651.191.501	2.275.730.752	62,3%
7.Financial expenses	22	283.698.120	852.954.873	(569.256.753)	-66,7%	288.467.868	456.354.534	(167.886.666)	-36,8%
- In which: Interest expense	23	288.467.868	456.354.534	(167.886.666)		288.467.868	456.354.534	(167.886.666)	
8.Selling expenses	25	4.126.006.319	4.939.612.170	(813.605.851)	-16,5%	4.126.006.319	4.939.612.170	(813.605.851)	-16,5%
9.General and administration expenses	26	5.257.402.715	14.824.290.606	(9.566.887.891)	-64,5%	5.993.943.144	15.536.836.812	(9.542.893.668)	-61,4%



10.Net operating profit	30	50.098.408.941	41.861.135.214	8.237.273.727	19,7%	50.358.148.680	42.070.623.787	8.287.524.893	19,7%
<i>(30=20+(21-22)-(25+26)</i>									
11.Other income	31	1.019.414	0			1.019.414	0		
12.Other expenses	32	118.465.578	31.968.822	86.496.756	270,6%	120.072.230	42.185.824	77.886.406	184,6%
13.Other losses (40=31-32)	40	(117.446.164)	(31.968.822)	(85.477.342)		(119.052.816)	(42.185.824)	(76.866.992)	
14.Accounting profit before tax (50=30+40)	50	49.980.962.777	41.829.166.392	8.151.796.385	19,5%	50.239.095.864	42.028.437.963	8.210.657.901	19,5%
15.Current corporate income tax expense	51	10.201.924.129	8.549.278.720	1.652.645.409		10.253.550.746	8.589.133.034	1.664.417.712	
16.Deferred corporate tax expense	52								
17.Net profit after corporate income tax	60	39.779.038.648	33.279.887.672	6.499.150.976	19,5%	39.985.545.118	33.439.304.929	6.546.240.189	19,6%
<i>(60=50-51-52)</i>									
18.Profit after tax of parent company shareholders						39.921.778.215	33.375.538.026		
19. Profit after tax of non-controlling shareholders						63.766.903	63.766.903		
20.Basic earnings per share						1.996	1.463		
21.Earnings per share decline									

Parent Company Financial Statements

- Net profit after tax in 2025 is projected to increase by 19.5% compared to 2024 due to: negligible increase in sales revenue, a 64.4% increase in financial income, and a 9.8% increase in cost of goods sold.:

Meanwhile:

- + Net revenue in 2025 increased only slightly compared to 2024. Furthermore, construction revenue increased while water revenue decreased, leading to a 9.8% increase in the cost of goods sold and an 8.4% decrease in gross profit.
- + Although gross profit decreased, this was offset by a sharp increase in financial revenue compared to 2024, up 64.4%, due to rising deposit interest rates at banks.
- + Financial expenses decreased by 66.7% due to a gradual reduction in interest payable as the outstanding principal declined, alongside a lower provision for investments in subsidiaries
- + Selling expenses decreased by 16.5%.
- + General and administrative (G&A) expenses dropped by 64.5% following the reversal of bad debt provisions previously recorded in 2024, totaling VND 5,044,234,000.

This resulted in a 19.5% increase in profit after tax (PAT) for 2025 compared to 2024.

Consolidated Financial Statements

- Profit after tax for 2025 increased by 19.6% compared to 2024, driven by a 3.5% growth in sales revenue and a 62.3% rise in financial income, while the cost of goods sold (COGS) increased by 15.5%.

+ Meanwhile:

- + Net revenue in 2025 increased by a negligible 3.5% compared to 2024. Furthermore, construction revenue increased while water revenue decreased, leading to a 15.5% increase in the cost of goods sold and a 7.6% decrease in gross profit.
- + Although gross profit decreased, this was offset by a sharp increase in financial revenue compared to 2024, up 62.3%, due to rising deposit interest rates at banks.
- + Financial expenses decreased by 36.8% due to a gradual reduction in interest payments as the principal balance decreased.

- + Selling expenses decreased by 16.5%.
- + Administrative expenses decreased by 61.4% due to the reversal of provisions for bad debts made in 2024 amounting to VND 5,044,234,000.
- + This resulted in a 19.6% increase in after-tax profit in 2025 compared to 2024.

Sincerely.



Recipients

- As above
- Administrative Organization Department



General Director



NGUYEN DANG DO

