

SOC TRANG WATER SUPPLY
JOINT STOCK COMPANY

No. 138 /CV-CN

Soc Trang, 10 March 2025

Explanation of the exception opinion
on the 2024 Financial Statements

**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.

Soc Trang Water Supply Joint Stock Company (hereinafter referred to as "Company").

In the audited 2024 Financial Statements, A&C Auditing and Consulting Co., Ltd. has an exception opinion regarding the following issues:

- *The Company made adjustments for errors in accordance with the conclusions stated in the 2024 Inspection Report No. 83/KL-TTr dated 26 November 2024 (see Notes No. V.9, V.13 and V.17a in the Notes to the Financial Statements). If these errors are adjusted retrospectively according to the guidance of the Vietnamese Accounting Standard No. 29 - Changes in accounting policies, accounting estimates and errors, the comparative figures on the Financial Statements for the fiscal year ended 31 December 2024 will change as follows:*

Items	Code	Presenting figures	Adjustments	Figures after retroactive adjustment
Balance sheet				
Tangible fixed assets	221	83.195.687.144	26.207.881.201	109.403.568.345
Historical costs	222	499.156.284.513	31.576.182.068	530.732.466.581
Accumulated depreciation	223	(415.960.597.369)	(5.368.300.867)	(421.328.898.236)
Taxes and other obligations to the State				
Budget	313	2.927.561.906	12.566.271.491	15.493.833.397
Retained earnings	421	80.976.104.073	13.641.609.710	94.617.713.783
Income Statement				
Costs of sales	11	107.421.178.603	3.054.720.977	110.475.899.580
Net operating profit	30	55.659.864.179	(3.054.720.977)	52.605.143.202
Total accounting profit before tax	50	57.059.589.014	(3.054.720.977)	54.004.868.037
Current income tax	51	6.558.002.050	5.246.008.623	11.804.010.673
Profit after tax	60	50.501.586.964	(8.300.729.600)	42.200.857.364
Basic earnings per share	70	2.642	(523)	2.119
Diluted earnings per share	71	2.642	(523)	2.119

- *The Company made adjustments for the error with regards to corporate income tax of previous years with a total amount of VND 7.092.514.693 (see Note No. V.13 in the Notes to the Financial Statements). If corporate income tax*

is recorded retrospectively, then the item "Current income tax" (code 51) on the Income Statement will decrease by VND 7.092.514.693, leading to an increase in profit after tax of the current year by a corresponding amount.

- The Company has issued announcement of the dividends payment to shareholders in accordance with the Resolution No. 01/2024/NQ-ĐHĐCĐ dated 16 May 2024 of the 2024 Extraordinary General Meeting of Shareholders and the Resolution No. 02/2024/NQ-ĐHĐCĐ dated 16 August 2024 of the 2024 Annual General Meeting of Shareholders with a total amount of VND 41.624.860.992 (see Note No. V.17d in the Notes to the Financial Statements). As to 31 December 2024, the Company has paid dividends to shareholders for an amount of VND 14.605.681.287, the remaining dividends to be paid with amount of VND 27.019.179.705 have not been recorded by the Company to reduce the "Retained earnings" (code 421) and increase the "Other short-term payables" (code 319).

Soc Trang Water Supply Joint Stock Company explains the exception opinion on the 2024 Financial Statements as follows:

Regarding made adjustments for errors in accordance with the conclusions stated in the 2024 Inspection Report No. 83/KL-TTr dated 26 November 2024 and made adjustments for the error with regards to corporate income tax of previous years will lead to changes in some indicators on the Balance Sheet and the Income Statement, especially the indicator of Retained earnings accumulated to the end of the previous period, the Company had paid dividends in 2022 to shareholders of VND 14.605.681.287 the determined dividends to be paid in 2022 and 2023 with the amount of VND 27.019.179.705. Therefore, in order not to affect the dividend payment plan to shareholders, the Company has adjusted the data in the 2024 fiscal year.

Regarding the recording of dividends payable to shareholders, the Company made additional adjustments in early 2025.

Soc Trang Water Supply Joint Stock Company explained to the State Securities Commission and Hanoi Stock Exchange for clarification.

Best regards./.

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