

No.: **1931**/ GD- KTTT

Ho Chi Minh City, **17** July 2026

Re: “Explanation of the Accounting
Report for the Second Quarter of 2026”

To:

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

Pursuant to Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance providing guidance on information disclosure in the securities market and the Information Disclosure Regulations of the Hanoi Stock Exchange promulgated together with Decision No. 606/QD-SGDCK Hanoi.

Gia Dinh Water Supply Joint Stock Company prepared its financial statements for the second quarter of 2026 on 17 July 2026. Compared with the corresponding period of the second quarter of 2025, the profit after corporate income tax for the second quarter of 2026 changed by more than 10%. Accordingly, Gia Dinh Water Supply Joint Stock Company hereby provides the following explanation:



I. Specific figures:

Item	Second Quarter of 2026	Second Quarter of 2025	Difference	Increase/ Decrease (%)
Profit after corporate income tax	10.947.063.187	18.350.805.748	-7.403.742.561	(40,35)%

Profit after corporate income tax for the second quarter of 2026 decreased by VND 7.403.742.561 compared with the second quarter of 2025, representing a decrease of 40,35%.

II. Explanation of Significant Changes in Certain Financial Indicators:

Item	Second Quarter of 2026	Second Quarter of 2025	Difference	Increase/ Decrease (%)
Volume of Bulk Water Purchased (m ³)	15.646.938	15.489.153	157.785	1,02%
Bulk Water Purchase Price (VND/m ³)	6.636,91	6.615,74	21,17	0,32%
Water Sales Volume (m ³)	14.124.797	13.993.874	130.923	0,94%
Average Selling Price (VND/m ³)	12.083	12.127	(44)	(0,36)%
1. Net Revenue (VND)	172.958.684.981	170.896.802.484	2.061.882.497	1,21%
2. Cost of Goods Sold (VND)	102.248.529.626	91.730.287.871	10.518.241.755	11,47%
3. Salary Expenses (VND)	24.417.978.431	23.804.222.207	613.756.224	2,58%
4. Reservoir Repair and Periodic Water Meter Replacement Expenses (VND)	6.563.808.941	6.425.009.530	138.799.411	2,16%
5. Water Loss Reduction Expenses (VND)	4.213.237.838	3.583.417.541	629.820.297	17,58%
6. Other Expenses (VND)	10.331.905.792	12.023.752.884	-1.691.847.092	(14,07)%
7. Corporate Income Tax (VND)	2.780.265.797	4.674.721.311	-1.894.455.514	(40,53)%

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Based on the above explanation of significant changes in certain financial indicators, the following observations are noted:

1. In the second quarter of 2026, water sales volume increased by 130.923 m³ compared with the second quarter of 2025. Although the average selling price decreased by VND 44/m³ compared with the average selling price in the second quarter of 2025, net revenue still increased by VND 2.061.882.497, representing an increase of 1,21%.

2. In the second quarter of 2026, the water loss rate was 9,79%, which was 0,71 percentage points lower than the planned rate of 10,5%. The volume of bulk water purchased increased by 157.785 m³ compared with the corresponding period of the previous year. The provisional bulk water purchase price for the first six months of 2026 was VND 6.636,91/m³. In addition, the recognition of work in progress relating to bulk water purchase costs as of 30 June 2026 amounted to 2.240.478 m³, equivalent to VND 14.869.850.843. As a result, bulk water purchase costs, as well as the cost of goods sold, increased by VND 10.518.241.755, representing an increase of 11,47%.

3. Payroll expenses for employees and management in the second quarter of 2026 increased by VND 613.756.224 compared with the second quarter of 2025, representing an increase of 2,58%.

4. Expenses for reservoir repairs and periodic water meter replacement in the second quarter of 2026 increased by VND 138.799.411 compared with the second quarter of 2025, representing an increase of 2,16%.

5. In the second quarter of 2026, expenditures on water loss reduction projects amounted to VND 4.213.237.838, an increase of VND 629.820.297 compared with the second quarter of 2025, representing an increase of 17,58%.

6. Other expenses in the second quarter of 2026 decreased by VND 1.691.847.092 compared with the second quarter of 2025, representing a decrease of 14,07%.

7. Corporate income tax expense in the second quarter of 2026 decreased by VND 1.894.455.514 compared with the second quarter of 2025, representing a decrease of 40,53%.

In addition, increases in certain expense items were partially offset by decreases in other expense items.

The above significant changes in the second quarter of 2026 compared with the second quarter of 2025 affected profit after corporate income tax as follows:

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- Increase in net revenue (Item 1): VND 2.061.882.497
- Increase in expenses: Items (2) + (3) + (4) + (5) + (6) + (7) =
 $(10.518.241.755 + 613.756.224 + 138.799.411 + 629.820.297 - 1.691.847.092 - 1.894.455.514) = \text{VND } 8.314.315.081$

The above increase in expenses of VND 6.252.432.584 (VND 8.314.315.081 – VND 2.061.882.497) resulted in a decrease in profit after corporate income tax for the second quarter of 2026 of VND 7.403.742.561, representing a decrease of 40,35% compared with the second quarter of 2025.

Yours sincerely,

Recipients:

- As above
- Filed by: AFD.

GENERAL DIRECTOR

NGUYEN NGOC HUNG

