

No: 1054/2025/CV-KTTV

Re: *Explanation of the qualified audit
opinion in the audited consolidated financial
statements for the first six months of 2025*

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Ho Chi Minh City, August 29, 2025

**To: STATE SECURITIES COMMISSION
HANOI STOCK EXCHANGE**

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020;
Pursuant to the consolidated financial statements for the first six months of 2025;

In the audited consolidated financial statements for the first six months of 2025, AFC Vietnam Auditing Co., Ltd. expressed a qualified opinion regarding the revenue recognition of construction activities as follows:

Auditor's Opinion:

Due to the nature of its production and business activities, the Company recognizes revenue from construction contracts based on the volume confirmed by the investor's supervision and the contract unit price, as the Company believes this revenue is estimated in a reliable manner. However, the Company's construction contracts stipulate that the contractor is entitled to payment based on the value of the actual volume performed as confirmed by the customer. Accordingly, revenue should be recognized upon confirmation by the customer (investor) through payment certificates and reflected in the financial invoices. As of the issuance date of this review report, we do not have sufficient information necessary to determine the impact of this issue on the related line items in the Company's interim separate financial statements for the 06-month period ended 30 June 2025.

Company's Explanation:

With respect to the recognition of construction revenue based on the volume certified by the investor's supervision: the investor's supervision is independently appointed by the investor to supervise and certify completion on behalf of the investor. Therefore, the recognition of such revenue based on the volume certified and the agreed contract price is reliable and reflects the substance of the work performed during the accounting period. In addition, revenue and expenses must be recognized simultaneously in accordance with the principles of matching, prudence, and timeliness.

The above constitutes the opinion of Hoa Binh Construction Group Joint Stock Company, which we hereby submit to the State Securities Commission of Vietnam and the Hanoi Stock Exchange for acknowledgment.

Recipients:

- As above;
- Archived.

**HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY
ON BEHALF OF THE BOARD OF DIRECTORS**

VICE CHAIRMAN/ DEPUTY GENERAL DIRECTOR



LE VIET HIEU