

No: **1053**/2025/CV-KTTV
Re: Explanation of the Difference in After-Tax
Profit between the first six months of 2025 and
the first six months of 2024.

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 separate and consolidated financial statements for the six months of 2025;

Hoa Binh Construction Group Joint Stock Company (stock code: HBC) hereby provides an explanation regarding the difference in after-tax profit between the first six months of 2025 and The first six months of 2024 as follows:

I. Parent Company Financial Statements

Unit: VND

ITEMS	The second quarter of 2025	The second quarter of 2024	Increase/Decrease profit
Revenue from sales of goods and rendering of services	1,450,632,632,744	3,606,560,609,729	2,155,927,976,985
Deductions	-	-	-
Net revenue from sales of goods and rendering of services	1,450,632,632,744	3,606,560,609,729	2,155,927,976,985
Cost of goods sold and services rendered	1,373,040,731,307	3,546,166,599,551	2,173,125,868,244
Gross profit from sale of goods and rendering of services	77,591,901,437	60,394,010,178	(17,197,891,259)
Finance income	279,988,572,226	221,643,758,964	(58,344,813,262)
Finance expenses	187,831,179,135	180,780,519,354	(7,050,659,781)
- In which: Interest expenses	186,563,375,806	196,379,631,452	9,816,255,646
Selling expenses	-	-	-
General and administrative expenses	44,309,660,593	-254,143,981,119	(298,453,641,712)
Operating (loss) profit	125,439,633,935	355,401,230,907	229,961,596,972
Other income	177,279,014,370	547,262,885,723	369,983,871,353
Other expenses	5,315,228,394	5,582,506,528	267,278,134
Other profit	171,963,785,976	541,680,379,195	369,716,593,219
Accounting (loss) profit before tax	297,403,419,911	897,081,610,102	599,678,190,191
Current corporate income tax expense	-	-	-
Deferred tax expense	27,110,000	104,560,020	77,450,020
Net (loss) profit after tax	297,376,309,911	896,977,050,082	599,600,740,171

Reasons for the Difference:

Increase in gross profit: VND 17,197,891,259

- **Reason:** Due to the overall difficulties in the construction market and macroeconomic impacts, revenue decreased by VND (2,155,927,976,985), while cost of goods sold decreased by VND (2,173,125,868,244). However, effective cost management resulted in an increase in gross profit of VND 17,197,891,259.

Increase in financial income: VND 51,294,153,481

- **Reason:**
 - Increase in financial income from penalty interest on late payments and dividends received from subsidiaries VND 58,344,813,262.
 - Reversal of provisions for diminution in value of long-term investments VND 16,963,649,426 in 2024 and VND 156,559,861 in 2025 an increase other financial cost VND 59,825,862, leading to a decrease in profit of VND (16,866,915,427) in 2025 compared to 2024.
 - Decrease in financial costs in 2025 compared to 2024, increasing profit by VND 9,816,255,646.
 - As a result, net impact leading to a decrease of VND (7,050,659,781).

Increase in administrative expenses, reducing profit by VND (298,453,641,712)

- **Reason:** In 2024, reversal of provision for doubtful debts amounted to VND 352,192,406,459, while in 2025, the reversal was only VND 38,422,274,498 and decrease in other administrative expenses of VND 15,316,490,249. Leading to a profit decrease of VND (298,453,641,712).

Decrease in other income, reducing profit by VND (369,716,593,219)

- **Reason:** Reduction in other income from the disposal of machinery and equipment resulted in a profit decrease of VND (369,716,593,219).

Decrease in deferred corporate income tax expense, increasing profit by VND 77,450,020.

- **Reason:** Deferred corporate income tax expenses for 2025 decreased compared to 2024, leading to a profit increase of VND 77,450,020.

II. CONSOLIDATED FINANCIAL STATEMENTS

ITEMS	The second quarter of 2025	The second quarter of 2024	Increase/Decrease profit
Revenue from sales of goods and rendering of services	1,636,692,801,087	3,812,512,025,252	(2,175,819,224,165)
Deductions	244,627,818	286,626,905	(41,999,087)
Net revenue from sales of goods and rendering of services	1,636,448,173,269	3,812,225,398,347	(2,175,777,225,078)
Cost of goods sold and services rendered	1,519,267,060,598	3,706,591,604,405	(2,187,324,543,807)
Gross profit from sales of goods and rendering of services	117,181,112,671	105,633,793,942	11,547,318,729
Finance income	56,860,458,070	195,408,192,634	(138,547,734,564)
Finance expenses	191,356,417,036	229,886,363,887	(38,529,946,851)
- In which: Interest expenses	189,615,892,213	229,801,117,451	(40,185,225,238)
Shares of profit of associates and a joint venture	319,841,878	(18,426,921,595)	18,746,763,473
Selling expenses	14,289,462,281	13,173,740,166	1,115,722,115
General and administrative expenses	72,184,976,113	(247,059,134,793)	319,244,110,906
Operating profit	(103,469,442,811)	286,614,095,721	(390,083,538,532)
Other income	182,469,719,328	576,948,194,471	(394,478,475,143)
Other expenses	18,793,827,889	22,175,879,036	(3,382,051,147)
Other profit	163,675,891,439	554,772,315,435	(391,096,423,996)
Accounting profit before tax	60,206,448,628	841,386,411,156	(781,179,962,528)
Current corporate income tax expense	4,158,048,934	12,634,176,996	(8,476,128,062)
Deferred tax expense	4,680,769,869	(925,005,881)	5,605,775,750
Net profit after tax	51,367,629,825	829,677,240,041	(778,309,610,216)

Reasons for Variance:

Profit after corporate income tax for the six months ended June 2025 decreased by VND 642,361,281,046 compared to the same period in 2024.

Gross profit increased by VND 11,547,318,729 compared to the same period in 2024:

Gross profit from construction activities increased by VND 12,183,007,217.

Gross profit from brokerage, consulting, management, and operation services decreased by VND (6,653,922,671).

Other activities (merchandise sales, real estate, apartments) increased by VND 6,018,234,182.

Financial income decreased, reducing profit by VND (138,547,734,564), mainly due to the absence of gains from divestments compared to the prior year.

Financial expenses decreased, increasing profit by VND 38,529,946,851, mainly due to lower interest expenses of VND (40,185,225,238), offset by increases in provisions/reversal of investment provisions and foreign exchange differences of VND 1,655,278,387.

Share of profit from associates and joint ventures increased by VND 18,746,763,473, mainly due to the disposal of underperforming associates.

Selling expenses increased, reducing profit by VND (1,115,722,115), mainly due to higher employee expenses, depreciation, and other costs.

General and administrative expenses increased, reducing profit by VND (319,244,110,906), mainly due to fewer reversals of doubtful debt provisions (reducing profit by VND 346,434,110,088), offset by decreases in outsourced services, cash expenses, and other expenses of VND (27,189,999,183).

Other income decreased, reducing profit by VND (391,096,423,996), mainly due to lower income from disposal of machinery and equipment (down VND 369,716,593,219) and a decrease in other income of VND (21,379,840,777).

Corporate income tax expenses decreased, increasing profit by VND 2,870,407,450.

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

VICE CHAIRMAN/ PERMANENT DEPUTY GENERAL DIRECTOR

Recipients:

- As above;
- Archived.



LE VIET HIEU