

Ho Chi Minh City, March 31, 2026

No.: 0568 /2026/CV-KTTV

Re: Explanation of qualified audit opinion

in the audited financial statements for 2025

**TO: STATE SECURITIES COMMISSION
HO CHI MINH CITY STOCK EXCHANGE**

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020;

Pursuant to the separate and consolidated financial statements for 2025.

On the audited separate financial statements and consolidated financial statements for the year 2025, AFC Vietnam Auditing Company Limited issued a qualified opinion relating to the collection of confirmation letters for receivable and payable balances and the recognition of construction revenue as follows:

First opinion:

“At the date of the audit report, we were unable to obtain sufficient confirmation letters for receivable and payable balances as at December 31, 2025 and December 31, 2024 for the following items:”

Code	31/12/2025 (VND)	31/12/2024 (VND)
Short-term receivables from customers (131)	1,418,274,760,854	2,251,182,365,872
Short-term advances to suppliers (132)	533,269,365,227	814,180,524,674
Other short-term receivables (136)	671,590,030,312	882,291,336,218
Short-term payables to suppliers (311)	1,482,558,993,118	2,327,232,849,026
Short-term advances from customers (312)	618,642,547,031	862,721,189,828
Other short-term payables (319)	64,988,521,713	82,339,774,129

By performing alternative audit procedures, we were still unable to obtain sufficient appropriate audit evidence to assess the existence and completeness of the above items presented in the accompanying consolidated financial statements.”

• Regarding the collection of confirmation letters for receivable and payable balances, obtaining sufficient confirmations within the limited audit timeframe (less than 1.5 months, from February 26, 2026 to March 30, 2026), together with the large number of customers, suppliers, and subcontractors, was not feasible. In addition, we could not fully control this process as

confirmation letters are sent directly to the auditors. We are continuing to coordinate with customers, suppliers, and subcontractors to obtain confirmations and submit them to the auditors until an acceptable confirmation rate is achieved. However, for receivable and payable balances, we have sufficient supporting documents, including economic contracts and valid invoices, to record them in accordance with regulations.

Second opinion:

“Due to the nature of its business operations, the Group recognizes construction revenue based on work volume confirmed by the investor’s supervision consultant and contract unit prices, as the Group considers such revenue to be reliably measurable. However, construction contracts stipulate that contractors are paid based on the actual work volume confirmed by customers. Accordingly, revenue should be recognized upon customer (investor) confirmation through payment certificates and reflected in financial invoices. As at the date of the audit report, we have not obtained sufficient information to determine the impact of this matter on the relevant items in the Group’s consolidated financial statements as at December 31, 2025.”

- Regarding the recognition of construction revenue based on work volume confirmed by the supervision consultant: the supervision consultant is independently appointed by the investor to supervise and certify completed work. Therefore, revenue recognition based on volumes certified by the supervision consultant and agreed contract prices is reliable and reflects the actual work performed during the accounting period. In addition, revenue and expenses are recognized simultaneously in accordance with the principles of matching, prudence, and timeliness.

The above is the explanation of Hoa Binh Construction Group Joint Stock Company submitted to the State Securities Commission and the Ho Chi Minh City Stock Exchange for their information.

HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY

 **Deputy General Director**

Recipients:

- As above;
- Filing.




LE VIET HIEU