

No: 0566/2026/CV-KTTV
Re: Explanation of the Difference in After-Tax
Profit between the year 2025 and the year 2024

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness
Ho Chi Minh City, 31 March 2026

To: STATE SECURITIES COMMISSION
HANOI STOCK EXCHANGE

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020;
Pursuant to the audited separate and consolidated financial statements for the year 2025;
Hoa Binh Construction Group Joint Stock Company (stock code: HBC) hereby provides an explanation
regarding the difference in after-tax profit between the year 2025 and the year 2024 as follows:

I. PARENT COMPANY FINANCIAL STATEMENTS

Unit: VND

ITEMS	Code	Year 2025	Year 2024	Increase/(Decrease)
Revenue from sales of goods and rendering of	1	4,131,442,106,837	5,317,288,131,889	(1,185,846,025,052)
Deductions	2	-	-	-
Net revenue from sales of goods and rendering of	10	4,131,442,106,837	5,317,288,131,889	(1,185,846,025,052)
Cost of goods sold and services rendered	11	3,950,446,241,922	5,166,475,166,469	(1,216,028,924,547)
Gross profit from sales of goods and rendering of	20	180,995,864,915	150,812,965,420	30,182,899,495
Finance income	21	621,677,869,692	341,773,595,142	279,904,274,550
Finance expenses	22	374,511,489,535	346,542,442,897	27,969,046,638
- In which: Interest expenses	23	369,848,656,498	395,349,976,304	(25,501,319,806)
Selling expenses	25	-	-	-
General and administrative expenses	26	33,200,645,554	(168,103,883,799)	201,304,529,353
Operating profit	30	394,961,599,518	314,148,001,464	80,813,598,054
Other income	31	265,173,636,923	607,960,386,052	(342,786,749,129)
Other expenses	32	13,810,209,296	8,237,428,822	5,572,780,474
Other profit	40	251,363,427,627	599,722,957,230	(348,359,529,603)
Accounting profit before tax	50	646,325,027,145	913,870,958,694	(267,545,931,549)
Current corporate income tax expense	51	-	-	-
Deferred tax expense	52	37,621,667	616,423,333	(578,801,666)
Net profit after tax	60	646,287,405,478	913,254,535,361	(266,967,129,883)

Reasons for the difference:

Net profit after corporate income tax decreased by VND (266,967,129,883), due to the following reasons:

- **Gross profit increased by VND 30,182,899,495:** Revenue in 2025 decreased compared to 2024, mainly due to lower construction volume recognized during the period. However, cost of goods sold decreased at a higher rate as the Company improved cost control and the project mix had higher profit margins, resulting in an increase in gross profit compared to the same period.
- **Profit from financial activities increased by VND 251,935,227,912, including:** Increased financial revenue from late payment interest, deposit interest, loan interest, and dividends from subsidiary companies, increasing profit by VND 361,459,443,623; decreased other financial revenue, reducing profit by VND (81,555,169,073); increased financial expenses, mainly due to increased provisions for financial investments, reducing profit by VND (27,969,046,638).
- **General and administrative expenses increased, reducing profit by VND (201,304,529,353),** mainly due to higher management personnel costs VND 18,919,723,384 and increased provisions for doubtful receivables and other administrative expenses VND 182,384,805,969.
- **Other profit decreased, resulting in a decrease in profit of VND (348,359,529,603):** This was mainly due to a decline in income from the disposal of assets, materials, and scrap of VND (348,359,529,603).
- **Deferred tax expense decreased, resulting in a profit increase of VND 578,801,666.**

II. CONSOLIDATED FINANCIAL STATEMENTS

Unit: VND

ITEMS	Code	Year 2025	Year 2024	Increase/(Decrease)
Revenue from sales of goods and rendering of services	1	4,626,996,135,770	6,425,200,748,471	(1,798,204,612,701)
Deductions	2	(6,715,742,847)	(4,355,826,317)	(2,359,916,530)
Net revenue from sales of goods and rendering of services	10	4,620,280,392,923	6,420,844,922,154	(1,800,564,529,231)
Cost of goods sold and services rendered	11	4,316,015,125,519	6,063,289,790,982	(1,747,274,665,463)
Gross profit from sales of goods and rendering of services	20	304,265,267,404	357,555,131,172	(53,289,863,768)
Finance income	21	298,929,608,782	244,659,048,005	54,270,560,777
Finance expenses	22	394,434,040,655	407,663,872,217	(13,229,831,562)
- In which: Interest expenses	23	383,801,418,376	404,156,249,744	(20,354,831,368)
Shares of profit of associates and a joint venture	24	(2,919,662,188)	(26,447,830,409)	23,528,168,221
Selling expenses	25	39,748,095,306	36,187,206,813	3,560,888,493
General and administrative expenses	26	106,297,429,890	(266,891,075,289)	373,188,505,179
Operating profit	30	59,795,648,147	398,806,345,027	(339,010,696,879)
Other income	31	272,468,534,362	635,840,175,276	(363,371,640,914)
Other expenses	32	61,502,936,049	25,294,997,286	36,207,938,763
Other profit	40	210,965,598,313	610,545,177,990	(399,579,579,677)
Accounting profit before tax	50	270,761,246,460	1,009,351,523,017	(738,590,276,556)
Current corporate income tax expense	51	5,126,229,641	13,745,134,129	(8,618,904,488)
Deferred tax expense	52	14,690,518,544	32,643,906,282	(17,953,387,738)
Net profit after tax	60	250,944,498,276	962,962,482,606	(712,017,984,330)

Reasons for the Difference:

Net profit after corporate income tax in 2025 decreased by VND (712,017,984,330) compared to 2024:

- **Gross profit decreased by VND (53,289,863,768) compared to the same period, of which:**
Gross profit of the parent company increased by VND 30,182,899,495, mainly from construction activities. However, gross profit from real estate leasing activities (land, infrastructure, factories, offices, housing) and other activities decreased by VND (83,472,763,263).
- **Financial income increased by VND 54,270,560,777 compared to the same period, mainly due to higher late payment interest from the parent company.**

- **Financial expenses decreased, resulting in a profit increase of VND 13,229,831,562 compared to the same period**, mainly due to higher provision for financial investment at the parent company amounting to VND 27,969,046,638, while this expense decreased at subsidiaries by VND (41,198,878,200).
- **The profit share from joint ventures and associated companies increased, resulting in a profit increase of VND 23,528,168,221**, due to the company liquidating all inefficient associated companies.
- **Selling expenses increased, resulting in a profit decrease of VND (3,560,888,493)**, due to a VND 3,560,888,493 increase in employee salaries.
- **General and administrative expenses increased, reducing profit by VND (373,188,505,179)**: mainly due to provisions for doubtful receivables of VND 352,576,036,542, increased employee salaries of VND 30,813,170,882, and decreased other expenses of VND (10,200,702,245).
- **Other income decreased, resulting in a decrease in profit of VND (399,579,579,677)**, mainly due to a decrease in income from the liquidation of assets, materials, and scrap at the parent company of VND (348,359,529,603), and a decrease in other income at subsidiary companies of VND (51,220,050,074).
- **Corporate income tax expenses decreased, leading to an increase in profit of VND 26,572,292,226.**

HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY
VICE CHAIRMAN

PERMANENT DEPUTY GENERAL DIRECTOR

Recipients:

- As above;
- Archived.



LE VIET HIEU