

No: 0606/2026/CV-KTTV

Re: Explanation of profit variance between Q2
2026 and Q2 2025.

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Ho Chi Minh City, 30 July 2026

**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 second quarter of 2026;

Hoa Binh Construction Group Joint Stock Company (stock code: HBC) hereby provides an explanation regarding the difference in after-tax profit between the second quarter of 2026 and The second quarter of 2025 as follows:

I. Parent Company Financial Statements

Unit: VND

Items	Code	The second quarter of		Increase/(Decrease) profit
		Current year	Previous year	
Revenue from sales of goods and rendering of services	1	1,720,251,494,271	824,373,856,488	895,877,637,783
Sales deductions	2	-	-	-
Net revenue from sales of goods and rendering of services	10	1,720,251,494,271	824,373,856,488	895,877,637,783
Cost of goods sold and services rendered	11	1,543,677,785,048	780,945,520,981	762,731,264,067
Gross profit from sales of goods and rendering of services	20	176,573,709,223	43,428,335,507	133,145,373,716
<i>Financial income</i>	22	74,154,838,045	214,147,625,935	(139,992,787,890)
Finance expenses	23	93,500,458,056	94,354,030,866	(853,572,810)
- In which: interest expenses	24	91,655,788,882	93,747,063,991	(2,091,275,109)
Selling expenses	25	6,355,602,291	-	6,355,602,291
General and administrative expenses	26	59,227,496,586	73,571,897,897	(14,344,401,311)
Operating profit	30	91,644,990,335	89,650,032,679	1,994,957,656
Other income	31	8,072,218,116	129,422,864,941	(121,350,646,825)
Other expenses	32	10,395,051,478	4,557,365,616	5,837,685,862
Other profit	40	(2,322,833,362)	124,865,499,325	(127,188,332,687)
Profit before tax	50	89,322,156,973	214,515,532,004	(125,193,375,031)
Current income tax expense	51	30,215,443,139	-	30,215,443,139
Deferred income tax expense	52	(28,050,834)	27,110,000	(55,160,834)
Net profit after tax	60	59,134,764,668	214,488,422,004	(155,353,657,336)

Reasons for the Variance:

Profit after corporate income tax (CIT) for the second quarter of 2026 decreased by VND 155,353,657,336 compared to the second quarter of 2025, mainly due to the following reasons:

- **Net revenue** increased by VND 895,877,637,783. In addition to its core construction business, the Company recognized revenue from project transfers during the period, resulting in an increase in **gross profit** of VND 133,145,373,716.
- **Financial income** decreased by VND 139,992,787,890, mainly because no dividend income or profit distributions were recognized during the period, unlike the same period last year. Meanwhile, **finance costs** decreased by VND 853,572,810, primarily due to lower interest expenses.
- **Selling expenses** increased by VND 6,355,602,291 as a result of changes in accounting policies, which affected the classification and recognition of certain expense items.
- **General and administrative expenses** decreased by VND 14,344,401,311, mainly due to lower provisions (including provision expenses and reversals) and a reduction in other administrative expenses.
- In addition, **other income** decreased by VND 121,350,646,825, while **other expenses** increased by VND 5,837,685,862, which significantly affected the Company's operating results.

As a result, although the Company's core business performance improved, profit after corporate income tax for the second quarter of 2026 amounted to VND 59,134,764,668, representing a decrease of VND 155,353,657,336 compared to the second quarter of 2025.

II. CONSOLIDATED FINANCIAL STATEMENTS

Items	Code	The second quarter of		Increase/(Decrease) profit
		Current year	Previous year	
Revenue from sales of goods and rendering of services	1	1,946,918,699,396	935,670,340,147	1,011,248,359,249
Sales deductions	2	431,145,706	244,627,818	186,517,888
Net revenue from sales of goods and rendering of services	10	1,946,487,553,690	935,425,712,329	1,011,061,841,361
Cost of goods sold and services rendered	11	1,724,095,141,586	875,518,765,973	848,576,375,613
Gross profit from sales of goods and rendering of services	20	222,392,412,104	59,906,946,356	162,485,465,748
<i>Financial income</i>	22	22,005,361,931	62,074,722,427	(40,069,360,496)
Finance expenses	23	98,939,022,273	95,614,158,254	3,324,864,019
- In which: interest expenses	24	97,198,005,584	94,379,504,793	2,818,500,791
Selling expenses	25	16,109,958,262	6,913,689,554	9,196,268,708
General and administrative expenses	26	78,032,675,316	93,757,789,913	(15,725,114,597)
Net profit in join ventutes and associates	27	(643,699,625)	235,048,108	(878,747,733)
Operating profit	30	50,672,418,559	(74,068,920,830)	124,741,339,389
Other income	31	9,529,330,991	138,130,246,855	(128,600,915,864)
Other expenses	32	9,738,506,685	16,962,122,860	(7,223,616,175)
Other profit	40	(209,175,694)	121,168,123,995	(121,377,299,689)
Profit before tax	50	50,463,242,865	47,099,203,165	3,364,039,700
Current income tax expense	51	33,568,283,290	4,106,995,838	29,461,287,452
Deferred income tax expense	52	(1,989,395,456)	992,722,474	(2,982,117,930)
Net profit after tax	60	18,884,355,031	41,999,484,853	(23,115,129,822)

Reasons for the variance:

Profit after corporate income tax (CIT) for the second quarter of 2026 amounted to VND 18,884,355,031, a decrease of VND 23,115,129,822 compared to VND 41,999,484,853 in the second quarter of 2025, mainly due to the following factors:

- **Gross profit** increased by **VND 162,485,465,748**, mainly attributable to:
 - The **Parent Company**, whose gross profit increased by **VND 133,145,673,716**. In addition to its core construction business, the Parent Company recognized revenue from project transfers during the period.
 - **Subsidiaries**, whose gross profit increased by **VND 29,339,792,032**, mainly driven by real estate operations, apartment sales, and the leasing of factories and land.
- **Financial income** decreased by **VND 40,069,360,496**, mainly because no dividends or profit distributions were recognized during the second quarter of 2026 as in the same period of 2025, while interest income from late payment also declined.
- **General and administrative expenses** decreased by **VND 15,725,114,597**, contributing positively to profit:
 - The **parent company** recorded a decrease of **VND 14,344,401,311**, mainly due to lower operating expenses and the reversal of the allowance for doubtful receivables.
 - **Subsidiaries** recorded a decrease of **VND 1,380,713,286**.
- **Other profit** decreased by **VND 121,377,299,689**, mainly because:
 - The **parent company's other income** declined as income from the disposal of fixed assets was lower in the second quarter of 2026 than in the same period of the previous year.
- **Current corporate income tax expense** increased by **VND 29,461,287,452**, which reduced profit.

HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY
VICE CHAIRMAN

PERMANENT DEPUTY GENERAL DIRECTOR

Recipients:

- As above;
- Archived.



LE VIET HIEU