

No: 0131/2026/CV-KTTV

Re: Explanation of the Difference in After-Tax
Profit between the fourth quarter of 2025 and the
fourth quarter of 2024.

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Ho Chi Minh City, 30 January 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 fourth quarter 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 fourth quarter of 2025 and The fourth quarter of 2024 as follows:

I. Parent Company Financial Statements

Unit: VND

ITEMS	Code	The fourth quarter of 2025	The fourth quarter of 2024	Increase/Decrease profit
Revenue from sales of goods and rendering of services	1	1,671,334,910,353	829,279,506,666	842,055,403,687
Deductions	2	-	-	-
Net revenue from sales of goods and rendering of services	10	1,671,334,910,353	829,279,506,666	842,055,403,687
Cost of goods sold and services rendered	11	1,606,731,732,575	807,195,011,645	799,536,720,930
Gross profit from sale of goods and rendering of services	20	64,603,177,778	22,084,495,021	42,518,682,757
Finance income	21	64,038,063,794	51,030,707,964	13,007,355,830
Finance expenses	22	96,971,523,889	64,524,661,591	32,446,862,298
- In which: Interest expenses	23	94,152,355,403	99,163,933,607	(5,011,578,204)
Selling expenses	25	-	-	-
General and administrative expenses	26	(10,197,837,557)	22,114,418,712	(32,312,256,269)
Operating (loss) profit	30	41,867,555,240	(13,523,877,318)	55,391,432,558
Other income	31	48,646,414,360	43,475,732,148	5,170,682,212
Other expenses	32	5,061,803,166	1,894,896,435	3,166,906,731
Other profit	40	43,584,611,194	41,580,835,713	2,003,775,481
Accounting (loss) profit before tax	50	85,452,166,434	28,056,958,395	57,395,208,039
Current corporate income tax expense	51	-	-	-
Deferred tax expense	52	10,511,667	511,863,313	(501,351,646)
Net (loss) profit after tax	60	85,441,654,767	27,545,095,082	57,896,559,685

Reasons for the Difference:

- Gross profit increased by VND 42,518,682,757 due to higher revenue and better control of production costs.

- **Profit from financial activities decreased by VND (19,439,506,468)** due to higher financial expenses, mainly arising from the provision for long-term investment impairment, despite an increase in financial income.
- **General and administrative expenses decreased, resulting in an increase in profit of VND 32,312,256,269**, due to the reversal of provision for doubtful receivables and a decrease in other administrative expenses.
- **Other profit increased by VND 2,003,775,481**, mainly from the disposal and liquidation of machinery and equipment.
- **Deferred corporate income tax expense decreased, resulting in an increase in profit of VND 501,351,646.**

II. CONSOLIDATED FINANCIAL STATEMENTS

ITEMS	Code	The fourth quarter of 2025	The fourth quarter of 2024	Increase/Decrease profit
Revenue from sales of goods and rendering of services	1	1,881,789,252,058	1,591,197,671,740	290,591,580,318
Deductions	2	(6,232,079,964)	(3,807,519,502)	(2,424,560,462)
Net revenue from sales of goods and rendering of services	10	1,875,557,172,094	1,587,390,152,238	288,167,019,856
Cost of goods sold and services rendered	11	1,768,962,657,267	1,451,285,969,510	317,676,687,757
Gross profit from sales of goods and rendering of services	20	106,594,514,827	136,104,182,728	(29,509,667,901)
Finance income	21	13,611,217,860	48,463,654,278	(34,852,436,418)
Finance expenses	22	104,506,424,621	106,029,755,676	(1,523,331,055)
- In which: Interest expenses	23	98,574,496,535	104,095,504,131	(5,521,007,596)
Shares of profit of associates and a joint venture	24	(1,988,767,497)	(8,122,021,971)	6,133,254,474
Selling expenses	25	14,001,974,197	15,244,505,445	(1,242,531,248)
General and administrative expenses	26	8,147,420,462	84,331,286,292	(76,183,865,830)
Operating profit	30	(8,438,854,090)	(29,159,732,378)	20,720,878,288
Other income	31	50,745,776,849	45,115,663,653	5,630,113,196
Other expenses	32	33,840,062,614	1,405,091,206	32,434,971,408
Other profit	40	16,905,714,235	43,710,572,447	(26,804,858,212)
Accounting profit before tax	50	8,466,860,145	14,550,840,069	(6,083,979,924)
Current corporate income tax expense	51	(1,396,541,919)	4,485,917,446	(5,882,459,365)
Deferred tax expense	52	(707,571,267)	612,054,514	(1,319,625,781)
Net profit after tax	60	10,570,973,331	9,452,868,109	1,118,105,222

Reasons for the Difference:

Profit after corporate income tax in Q4/2025 increased by VND 1,118,105,222 compared to Q4/2024, mainly due to the following factors:

- **Gross profit in Q4/2025 decreased by VND (29,509,667,901):** Reasons gross profit from construction activities of the parent company increased by VND 42,518,682,757; however, gross profit from real estate sales, apartment sales, and leasing of land and factories at subsidiaries decreased by VND (72,028,350,658).
- **Financial income decreased,** resulting in a decrease in profit of VND (34,852,436,418): Reasons interest income from bank deposits and loans decreased by VND (2,627,222,549), gains from the disposal of investments decreased by VND (41,949,237,803), while other financial income increased by VND 9,724,023,934.
- **Financial expenses decreased,** resulting in an increase in profit of VND 1,523,331,055, mainly due to a decrease in interest expenses of the parent company by VND (5,011,578,204); meanwhile, other financial expenses of the parent company and subsidiaries increased by VND 3,488,247,149.
- **Losses from associates and joint ventures decreased,** resulting in an increase in profit of VND 6,133,254,474.
- **Selling expenses decreased,** resulting in an increase in profit of VND 1,242,531,248, mainly due to reductions in brokerage fees, office rental, advertising, transportation, and other related expenses at subsidiaries.
- **General and administrative expenses decreased,** resulting in an increase in profit of VND 76,183,865,830.
This was mainly due to the reversal of provision for doubtful receivables at the parent company and subsidiaries amounting to VND 61,867,669,898, together with reductions in materials, depreciation, and outsourced services expenses, which increased profit by an additional VND 14,316,195,932.
- **Other profit decreased,** resulting in a decrease in profit of VND (26,804,858,212). In which, income from the disposal of fixed assets increased by VND 3,966,252,694; however, income from penalties, late delivery penalties, and late payment interest decreased by VND (30,771,110,906).
- **Corporate income tax expense decreased,** resulting in an increase in profit of VND 7,202,085,146.

HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY
VICE CHAIRMAN
PERMANENT DEPUTY GENERAL DIRECTOR

Recipients:

- As above;
- Archived.



LE VIET HIEU