



**HYDRAULICS CONSTRUCTION
CORPORATION NO. 4 – JSC**

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No: 059/CV-BTC-TCT

*Subject: Explanation of fluctuations in profit after tax
for Q1/2026 in the Separate Financial Statements and
Consolidated Financial Statements.*

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom – Happiness

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Ho Chi Minh City, April 28, 2026

To: - HANOI STOCK EXCHANGE

- Pursuant to the regulations on information disclosure as stipulated in Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance;

- Pursuant to the Separate Financial Statements and the Consolidated Financial Statements for Q1/2026 of Hydraulics Construction Corporation No. 4 – Joint Stock Company;

Hydraulics Construction Corporation No. 4 – JSC hereby explains the reasons for the fluctuation in profit after tax as presented in the Separate Financial Statements and the Consolidated Financial Statements for Q1/2026, which increased by more than 10% compared to the same period last year, as follows:

- Main business activities: Revenue in Q1/2026 increased compared to the same period of the previous year, primarily due to higher revenue from construction contracts, which correspondingly led to an increase in cost of goods sold. However, as a result of cost optimization and the reversal of the provision for inventory devaluation, gross profit increased compared to the same period of the previous year.
- Financial activities: Financial income in Q1/2026 increased compared to the same period of the previous year, mainly due to interest income from bank deposits. Financial expenses also increased compared to the same period as a result of provisioning for investment losses, leading to a decrease in net financial results compared to the same period of the previous year.
- Other profit: Other income in Q1/2026 increased compared to the same period of the previous year, primarily due to the recognition of income from contract penalties and other miscellaneous income. This increase was sufficient to offset other expenses incurred (mainly related to the settlement of outstanding costs from prior projects), resulting in an increase in other profit compared to the same period of the previous year.
- Administrative expenses: Administrative expenses in Q1/2026 decreased compared to the same period of the previous year, primarily due to increased reversals of provisions (resulting from the recovery of doubtful debts), along with savings in personnel expenses and other administrative costs.

Based on the above factors, profit after tax for Q1/2026, as presented in the Separate Financial Statements and the Consolidated Financial Statements, increased by more than 10% compared to the same period of the previous year.

The above is the explanation from Hydraulics Construction Corporation No. 4 – JSC.

Respectfully yours, 

Recipients:

- As above;
- Board of Directors; Audit Committee (for reporting);
- Filed: Archives.



Nguyễn Xuân Hòa