

No: 7/2026/CV-KTTV

Re: Explanation of profit variance between Q1
2026 and Q1 2025.

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Ho Chi Minh City, 4 May 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 first 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 first quarter of 2026 and The first quarter of 2025 as follows:

I. Parent Company Financial Statements

Unit: VND

Items	Code	The first quarter of		Increase/Decrease profit
		Current year	Previous year	
Revenue from sales of goods and rendering of services	1	1,240,522,962,657	626,258,776,256	614,264,186,401
Sales deductions	2	-	-	-
Net revenue from sales of goods and rendering of services	10	1,240,522,962,657	626,258,776,256	614,264,186,401
Cost of goods sold and services rendered	11	1,192,884,890,558	592,095,210,326	600,789,680,232
Gross profit from sales of goods and rendering of services	20	47,638,072,099	34,163,565,930	13,474,506,169
Gain/(loss) from disposal of investment property	21	-	-	-
<i>Financial income</i>	22	69,202,824,869	82,158,930,913	(12,956,106,044)
Finance expenses	23	87,924,607,185	94,616,708,098	(6,692,100,913)
- In which: interest expenses	24	87,438,529,023	93,955,871,644	(6,517,342,621)
Selling expenses	25	5,230,824,355	-	5,230,824,355
General and administrative expenses	26	(72,652,888,384)	(61,165,385,313)	(11,487,503,071)
Operating profit	30	96,338,353,812	82,871,174,058	13,467,179,754
Other income	31	30,788,937,792	15,015,099,326	15,773,838,466
Other expenses	32	1,452,158,846	757,862,778	694,296,068
Other profit	40	29,336,778,946	14,257,236,548	15,079,542,398
Profit before tax	50	125,675,132,758	97,128,410,606	28,546,722,152
Current income tax expense	51	-	-	-
Deferred income tax expense	52	-	-	-
Net profit after tax	60	125,675,132,758	97,128,410,606	28,546,722,152

Explanation of Variance:

Profit after corporate income tax (CIT) in Q1 2026 **increased by VND 28,546,722,152** compared to Q1 2025, mainly due to the following reasons:

- The Company's revenue increased significantly compared to the same period due to the expansion of business operations. However, the cost of goods sold increased correspondingly, resulting in gross profit increasing by only **VND 13,474,506,169**.
- Financial income decreased compared to the same period as no dividend income was recognized during the period, amounting to **VND 27,018,057,336**. However, this was partially offset by an increase in interest income from bank deposits and late payment interest of **VND 14,061,951,292**.
- Financial expenses decreased, resulting in an **increase in profit of VND 6,692,100,913**, mainly due to reduced outstanding borrowings, lower interest rates, and improved cash flow management.
- Selling expenses increased by **VND 5,230,824,355**, which reduced profit, mainly due to changes in accounting policies/classification in accordance with current accounting regulations.
- Other income increased compared to the same period, mainly due to:
 - Proceeds from liquidation and disposal of fixed assets, materials, and scrap increased by **VND 11,215,395,633**
 - Other income also increased by **VND 4,558,442,833**
- Other expenses increased, resulting in a **decrease in profit of VND 694,296,068**.

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II. CONSOLIDATED FINANCIAL STATEMENTS

Items	Code	The first quarter of		Increase/Decrease profit
		Current year	Previous year	
Revenue from sales of goods and rendering of services	1	1,322,155,387,704	691,959,938,821	630,195,448,883
Sales deductions	2	-	-	-
Net revenue from sales of goods and rendering of services	10	1,322,155,387,704	691,959,938,821	630,195,448,883
Cost of goods sold and services rendered	11	1,266,310,653,590	639,496,317,218	626,814,336,372
Gross profit from sales of goods and rendering of services	20	55,844,734,114	52,463,621,603	3,381,112,511
Gain/(loss) from disposal of investment property	21	-	-	-
<i>Financial income</i>	22	19,576,804,528	10,804,990,949	8,771,813,579
Finance expenses	23	91,370,661,853	96,881,818,613	(5,511,156,760)
- In which: interest expenses	24	90,269,610,915	96,375,947,250	(6,106,336,335)
Selling expenses	26	15,972,683,273	7,275,239,793	8,697,443,480
General and administrative expenses	27	(49,214,187,031)	(39,780,095,628)	(9,434,091,403)
Operating profit	30	17,255,017,799	(127,344,349)	17,382,362,148
Other income	31	32,192,021,986	15,588,455,171	16,603,566,815
Other expenses	32	22,658,500,601	5,918,862,678	16,739,637,923
Other profit	40	9,533,521,385	9,669,592,493	(136,071,108)
Profit before tax	50	26,788,539,184	9,542,248,144	17,246,291,040
Current income tax expense	51	3,023,024	94,497,540	(91,474,516)
Deferred income tax expense	52	4,113,849,871	4,053,028,547	60,821,324
Net profit after tax	60	22,671,666,289	5,394,722,057	17,276,944,232

Explanation of Variance

- Profit after corporate income tax (CIT) in Q1 2026 **increased by VND 17,276,944,232** compared to Q1 2025, mainly due to the following reasons:
- Gross profit in Q1 2026 increased by **VND 3,381,112,511** compared to the same period, in which:
 - Construction activities at the parent company increased by **VND 13,474,506,169**
 - Real estate sales, apartment sales, and leasing of land and factories at subsidiaries decreased by **VND 10,093,393,658**
- Financial income increased, resulting in an increase in profit of **VND 8,771,813,579**, mainly due to the recognition of late payment interest from the parent company.
- Financial expenses decreased, resulting in an increase in profit of **VND 5,511,156,760**, including:
 - Financial expenses at the parent company decreased by **VND 6,692,100,913**
 - Financial expenses at subsidiaries increased by **VND 1,180,944,153**

- Selling expenses increased, resulting in a decrease in profit of **VND 8,697,443,480**, mainly due to:
 - Reclassification of expenses at the parent company in accordance with new accounting regulations: **VND 5,230,824,355**
 - Increase in other expenses at subsidiaries: **VND 3,466,619,125**
- General and administrative expenses decreased, resulting in an increase in profit of **VND 9,434,091,403**, including:
 - Increase in office staff salaries: **VND 13,676,043,785**
 - Reversal of provision for doubtful receivables: **VND 21,318,042,633**
 - Decrease in other administrative expenses at the parent company: **VND 3,845,504,233**
 - Increase in salary and outsourced service expenses at subsidiaries: **VND 2,053,411,668**
- Other profit decreased, resulting in a decrease in profit of **VND 136,071,108**, specifically:
 - Other profit at the parent company increased by **VND 15,079,542,398** (mainly from asset disposals). However, income from late payment penalties at subsidiaries decreased by **VND 15,215,613,506**
- Corporate income tax expense decreased, resulting in an increase in profit of **VND 30,653,192**

HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY
VICE CHAIRMAN

PERMANENT DEPUTY GENERAL DIRECTOR

Recipients:

- As above;
- Archived.



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