

Re: Explanation of the Difference in Profit after Corporate Income Tax in the Reviewed Interim Financial Statements for the First Six Months of the Fiscal Year Ending December 31, 2026 (from Profit in the Same Period of the Previous Year to Loss in the Current Period)

Binh Duong, August ~~13~~, 2026

To:

- State Securities Commission of Vietnam
- Hanoi Stock Exchange

Company: Urban Development Joint Stock Company
Ticker Symbol: UDJ
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Pursuant to:

- Point b, Clause 4, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020 issued by the Ministry of Finance guiding information disclosure on the securities market;
- The reviewed interim financial statements for the first six months of the fiscal year ending December 31, 2026 of Urban Development Joint Stock Company, reviewed by A&C Auditing and Consulting Co., Ltd.

Urban Development Joint Stock Company hereby explains the change in its profit after corporate income tax from profit in the corresponding period of the previous year to loss in the first six months of the fiscal year ending December 31, 2026 as follows:

Item	Interim financial report 6 th /2026	Interim financial report 6 th /2025	Difference in value compared to the same period last year	Percentage increase/decrease compared to the previous period (%)
Revenue from sales and services	6,000,000	26,469,760,405	(26,463,760,405)	(100%)
Cost of goods sold	-	23,804,186,257	(23,804,186,257)	(100%)
Gross profit	6,000,000	2,665,574,148	(2,659,574,148)	(100%)
Financial income	235,154,572	16,583,014	218,571,558	1,318%
General and administrative expenses	2,453,905,753	2,354,316,571	99,589,182	4%
Finance costs	-	201,469,125	(201,469,125)	(100%)
Other expenses	4,097,859,237	633,244,237	3,464,615,000	547%
Profit (Loss) after corporate income tax	(6,310,610,418)	(506,872,771)	(5,803,737,647)	1,145%

Explanation:

- During the reporting period, the Company's real estate projects, namely **Green Pearl** and **Green City**, were still undergoing legal procedures. In particular, the Green City project is expected to become eligible for commercial sale in the last months of the year. Therefore, the Company did not record any real estate revenue during the first six months of 2026.
- Other expenses increased significantly due to late-payment interest penalties on overdue land-use payment obligations relating to the Green Pearl Project. The additional expense

amounted to **VND 3,464,615,000**, representing an increase of **547%** compared with the same period last year.

- As no real estate revenue was recognized during the reporting period, revenue from sales and services decreased by **100%** compared with the corresponding period of the previous year.
- General and administrative expenses increased by **4%**, which was not significant.
- The increase in other expenses by VND 3,464,615,000 resulted in a loss after tax of VND (5,803,737,647), representing a 1,145% change compared with the same period last year as mentioned above.

The above is the Company's explanation for the change in profit after corporate income tax from profit in the corresponding period of the previous year to loss in the first six months of the fiscal year ending December 31, 2026.

Respectfully submitted.

Legal representative

GENERAL



A red circular stamp from Công ty Cổ phần Phát triển Đô thị (City Development Joint Stock Company) is centered. The stamp contains the text: "M.S.D.N: 3700785535 - C.T.C.P.", "CÔNG TY", "CP PHÁT TRIỂN", "ĐÔ THỊ", and "P. BÌNH DƯƠNG - TP. HỒ CHÍ MINH". A blue ink signature is written across the stamp.

HUYNH GIA DAT



Receiving place

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- Save.