

Re: Explanation of the Increase in Loss after Corporate Income Tax in the Reviewed Interim Financial Statements for the First Six Months of the Fiscal Year Ending December 31, 2026 Compared with the Corresponding Period of 2025

Binh Duong, August 13, 2026

To:

- State Securities Commission of Vietnam
- Hanoi Stock Exchange

Company: Urban Development Joint Stock Company
Stock Code: UDJ
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Pursuant to:

- Clause 4, Article 14, Chapter III of Circular No. 96/2020/TT-BTC dated November 16, 2020 of 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 provides an explanation for the variance 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 compared with the corresponding period of the previous year, 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%
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 satisfy the conditions for commercial launch in the last months of the year. Therefore, no revenue from real estate sales was recognized during the first six months of 2026.

- In addition, other expenses increased significantly due to late-payment interest penalties on overdue land-use payment obligations relating to the Green Pearl Project. Other expenses amounted to **VND 4,097,859,237**, an increase of **VND 3,465,615,000**, equivalent to **547%**, compared with the corresponding period of the previous year. As a result, the Company recorded a **loss after corporate income tax of VND 6,310,610,418**, with the loss increasing by **VND 5,803,737,647**, or **1,145%**, compared with the corresponding period of 2025.

The above is the Company's explanation of the main reasons for the increase in loss after corporate income tax in the reviewed interim financial statements for the first six months of the fiscal year ending December 31, 2026 compared with the corresponding period of 2025.

Respectfully submitted.

Legal representative

GENERAL MANAGER



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Receiving place

- As above
- Save.