

No.: **1052**/2025/CV-KTTV
Re: Explanation of the Difference
in Profit Before and After Audit

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness
Ho Chi Minh City, August 29, 2025

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 six months of 2025;

Hoa Binh Construction Group Joint Stock Company (stock code: HBC) hereby provides an explanation regarding the difference in after-tax profit for the six months of 2025 before and after the audit as follows:

I. Parent Company Financial Statements

Unit: VND

ITEMS	Before audit	After audit	Increase/decrease profit
Revenue from sales of goods and rendering of services	1,450,632,632,744	1,450,632,632,744	-
Deductions	-	-	-
Net revenue from sales of goods and rendering of services	1,450,632,632,744	1,450,632,632,744	-
Cost of goods sold and services rendered	1,373,040,731,307	1,373,040,731,307	-
Gross profit from sale of goods and rendering of services	77,591,901,437	77,591,901,437	-
Finance income	296,306,556,848	279,988,572,226	(16,317,984,622)
Finance expenses	188,970,738,964	187,831,179,135	(1,139,559,829)
- In which: Interest expenses	187,702,935,635	186,563,375,806	(1,139,559,829)
Selling expenses	-	-	-
General and administrative expenses	12,406,512,584	44,309,660,593	31,903,148,009
Operating (loss) profit	172,521,206,737	125,439,633,935	(47,081,572,802)
Other income	144,437,964,267	177,279,014,370	32,841,050,103
Other expenses	5,315,228,394	5,315,228,394	-
Other profit	139,122,735,873	171,963,785,976	32,841,050,103
Accounting (loss) profit before tax	311,643,942,610	297,403,419,911	(14,240,522,699)
Current corporate income tax expense	-	-	-
Deferred tax expense	27,110,000	27,110,000	-
Net (loss) profit after tax	311,616,832,610	297,376,309,911	(14,240,522,699)

Reasons for Differences:

- **Adjustment decrease in financial income – VND (15,178,424,793)**
Reason: Reclassification of penalty interest on late payments from financial income to other income, decreasing profit by VND (16,317,984,622) and decrease in financial expenses, increasing profit by VND 1,139,559,829.
- **Adjustment increasing administrative expenses, reducing profit by VND (31,903,148,009) Reason:** Increase in provision for doubtful debts, leading to a decrease in profit: VND (31,903,148,009).
- **Adjustment increasing other income, raising profit by VND 32,841,050,103**
Reason: Increase in other income from penalty interest on late payments as ruled by the court VND 16,317,984,622 and Reversal of provisions VND 16,523,065,481.

II. CONSOLIDATED FINANCIAL STATEMENTS

Unit: VND

ITEMS	Before audit	After audit	Increase/decrease profit
Revenue from sales of goods and rendering of services	1,627,630,278,968	1,636,692,801,087	9,062,522,119
Deductions	244,627,818	244,627,818	-
Net revenue from sales of goods and rendering of services	1,627,385,651,150	1,636,448,173,269	9,062,522,119
Cost of goods sold and services rendered	1,515,015,083,191	1,519,267,060,598	4,251,977,407
Gross profit from sales of goods and rendering of services	112,370,567,959	117,181,112,671	4,810,544,712
Finance income	72,879,713,376	56,860,458,070	(16,019,255,306)
Finance expenses	192,495,976,867	191,356,417,036	(1,139,559,831)
- In which: Interest expenses	190,755,452,044	189,615,892,213	(1,139,559,831)
Shares of profit of associates and a joint venture	1,216,053,985	319,841,878	(896,212,107)
Selling expenses	14,188,929,347	14,289,462,281	100,532,934
General and administrative expenses	53,977,694,285	72,184,976,113	18,207,281,828
Operating profit	(74,196,265,179)	(103,469,442,811)	(29,273,177,632)
Other income	153,718,702,026	182,469,719,328	28,751,017,302
Other expenses	22,880,985,538	18,793,827,889	(4,087,157,649)
Other profit	130,837,716,488	163,675,891,439	32,838,174,951
Accounting profit before tax	56,641,451,309	60,206,448,628	3,564,997,319
Current corporate income tax expense	4,201,493,378	4,158,048,934	(43,444,444)
Deferred tax expense	5,045,751,021	4,680,769,869	(364,981,152)
Net profit after tax	47,394,206,910	51,367,629,825	3,973,422,915

Reasons for Differences:

- **Adjustment to increase gross profit by VND 4,810,544,712** mainly due to the adjustment of rental revenue at subsidiaries;
- **Adjustment to decrease financial expenses by VND (1,139,559,831)**: due to the adjustment of accrued borrowing costs at subsidiaries;
- **Adjustment to decrease share of profit/loss from associates and joint ventures by VND (896,212,107)**;
- Adjustment to increase selling expenses by VND 100,532,934 due to expense reclassification;
- **Adjustment to increase provision for doubtful debts at the Parent Company by VND 31,903,148,009**, at subsidiaries by VND (286,835,319), and consolidation adjustment by VND (13,982,701,500);
- **Adjustment to increase other profit by VND 32,838,174,951** due to adjustment at the Parent Company (HBC): reclassification of late payment penalties resulted in an increase of VND 16,317,984,622, reversal of provision resulted in an increase of VND 16,523,065,481 and adjustment to decrease at subsidiaries by VND (2,875,152);
- **Adjustment to decrease current corporate income tax by VND 43,444,444** arising from profit increase adjustment at subsidiaries from the recognition of loan interest receivable from Matec under Loan Agreement No. 05/2024/HD-HBI;
- **Adjustment to decrease deferred corporate income tax expenses by VND (364,981,152)** relating to profit adjustments.

**HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY
ON BEHALF OF THE BOARD OF DIRECTORS
VICE CHAIRMAN/DEPUTY GENERAL DIRECTOR**

Recipients:

- As above;
- Archived.



LE VIET HIEU