

Re: Explanation of the Difference in After-Tax Profit between the third quarter of 2025 and the third quarter of 2024.

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 third quarter of 2025;

Hoa Binh Construction Group Joint Stock Company (stock code: HBC) hereby provides an explanation regarding the difference in after-tax profit between the third quarter of 2025 and The third quarter of 2024 as follows:

I. Parent Company Financial Statements

Unit: VND

ITEMS	Co de	The third quarter of 2025	The third quarter of 2024	Increase/Decrease profit
Revenue from sales of goods and rendering of services	01	1,009,474,563,740	842,012,341,354	167,462,222,386
Deductions	02	-	-	-
Net revenue from sales of goods and rendering of services	10	1,009,474,563,740	842,012,341,354	167,462,222,386
Cost of goods sold and services rendered	11	970,673,778,040	828,978,006,143	141,695,771,897
Gross profit from sale of goods and rendering of services	20	38,800,785,700	13,034,335,211	25,766,450,489
Finance income	21	277,651,227,217	45,535,255,396	232,115,971,821
Finance expenses	22	89,708,786,511	101,261,708,456	(11,552,921,945)
- In which: Interest expenses	23	89,132,925,289	99,806,411,245	(10,673,485,956)
Selling expenses	25	-	-	-
General and administrative expenses	26	(3,864,598,909)	(60,948,607,602)	57,084,008,693
Operating (loss) profit	30	230,607,825,315	18,256,489,753	212,351,335,562
Other income	31	39,248,208,193	9,745,195,154	29,503,013,039
Other expenses	32	3,363,600,295	760,025,859	2,603,574,436
Other profit	40	35,884,607,898	8,985,169,295	26,899,438,603
Accounting (loss) profit before tax	50	266,492,433,213	27,241,659,048	239,250,774,165
Net (loss) profit after tax	60	266,492,433,213	27,241,659,048	239,250,774,165

Reasons for the Difference:**• Increase in gross profit: VND 25,766,450,489**

- **Reason:** Revenue growth resulted in an increase in gross profit of VND 25,766,450,489.

• Increase in financial income: VND 243,668,893,766

- **Reason:**
 - The recognition of late payment interest in accordance with the court's judgment, together with other financial income, leading to an increase in financial income by VND 232,115,971,821.
 - Furthermore, the decrease in outstanding loans leading to a reduction in financial expenses, resulting in an increase in profit by VND 11,552,921,945.

• Increase in administrative expenses, reducing profit by VND (57,084,008,693)

- **Reason:** The increase in other administrative expenses and the higher provision for doubtful debts resulted in a decrease in profit by VND (57,084,008,693).

• Increase in other income, increasing profit by VND 26,899,438,603

- **Reason:** The increase in other income, mainly arising from the court's judgment, resulted in an increase in profit by VND 26,899,438,603.

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II. CONSOLIDATED FINANCIAL STATEMENTS

Unit: VND

ITEMS	Code	The third quarter 2025	The third quarter 2024	Increase/Decrease profit
Revenue from sales of goods and rendering of services	1	1,122,771,701,668	975,181,831,549	147,589,870,119
Deductions	2	(218,941,133)	(282,921,984)	63,980,851
Net revenue from sales of goods and rendering of services	10	1,122,552,760,535	974,898,909,565	147,653,850,970
Cost of goods sold and services rendered	11	1,055,711,229,451	914,364,257,793	141,346,971,658
Gross profit from sales of goods and rendering of services	20	66,841,531,084	60,534,651,772	6,306,879,312
Finance income	21	229,507,366,354	(22,263,603,048)	251,770,969,402
Finance expenses	22	97,992,693,466	72,032,435,684	25,960,257,782
- In which: Interest expenses	23	94,858,122,920	70,973,318,713	23,884,804,207
Shares of profit of associates and a joint venture	24	(1,483,115,727)	225,488,426	(1,708,604,153)
Selling expenses	25	10,874,746,442	7,814,213,806	3,060,532,636
General and administrative expenses	26	14,544,897,103	(51,970,604,436)	66,515,501,539
Operating profit	30	171,453,444,700	10,620,492,096	160,832,952,604
Other income	31	44,401,252,123	6,827,258,511	37,573,993,612
Other expenses	32	13,896,151,985	1,216,482,867	12,679,669,118
Other profit	40	30,505,100,138	5,610,775,644	24,894,324,494
Accounting profit before tax	50	201,958,544,838	16,231,267,740	185,727,277,098
Current corporate income tax expense	51	2,445,027,602	6,280,060,140	(3,835,032,538)
Deferred tax expense	52	11,165,823,515	(2,708,946,726)	13,874,770,241
Net profit after tax	60	188,347,693,721	12,660,154,326	175,687,539,395

Explanation of Variance

Profit after corporate income tax for Q3/2025 increased by 175,687,539,395 VND compared to Q3/2024, mainly due to the following factors:

- **Gross profit** increased, contributing an increase of 25,766,450,489 VND, mainly from the construction activities of the Parent Company. However, gross profit from other business activities (such as land leasing, goods trading, real estate, etc.) decreased by 19,459,571,177 VND at subsidiaries.
- **Financial income** increased, resulting in an additional 251,770,969,402 VND in profit, mainly due to the Parent Company's recognition of late payment interest under a court judgment (232,115,971,821 VND) and other financial income from subsidiaries 19,654,997,581 VND.
- **The increase in financial expenses** led to a decrease in profit of 25,960,257,782 VND, mainly due to a decrease in the Parent Company's financial expenses by 11,552,921,945 VND, and an increase in financial expenses of subsidiaries by 37,513,179,727 VND.
- **Share of profit/(loss) from associates and joint ventures** decreased, leading to a reduction of 1,708,604,153 VND in profit.
- **Selling expenses** increased, reducing profit by 3,060,532,636 VND, mainly due to higher sales commission, staff salaries, depreciation, and other expenses at subsidiaries.
- **General and administrative expenses** increased, reducing profit by 66,515,501,539 VND, primarily due to the Parent Company's higher provision for doubtful debts and related expenses (57,084,008,693 VND). The remaining 9,431,492,846 VND decrease in profit was due to higher salaries, depreciation, and other expenses at subsidiaries.
- **Other income** increased, contributing 24,894,324,494 VND to profit growth, mainly due to the Parent Company's recognition of other income under a court judgment (26,899,438,603 VND), partially offset by a decrease of 2,005,114,109 VND in other income at subsidiaries.
- **Corporate income tax expense** increased, reducing profit by 10,039,737,703 VND.

HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY
ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN OF THE BOARD OF DIRECTORS

Recipients:

- As above;
- Archived.



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