

No : 206 /2025/CV-KTTV  
Re: Explanation of the Difference in After-Tax  
Profit Between 2023 and 2024 After Audit

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**  
Ho Chi Minh City, March 31, 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 year 2024;

Hoa Binh Construction Group Joint Stock Company (stock code: HBC) hereby provides  
an explanation regarding the difference in after-tax profit between 2023 and 2024 as  
follows:

**I. Parent Company Financial Statements**

Đvt: đồng

CHỈ TIÊU	Mã số	Năm 2023	Năm 2024	Tăng/(giảm)
Revenue from sales of goods and rendering of services	01	7,273,062,081,215	5,317,288,131,889	(1,955,773,949,326)
Deductions	02	-	-	-
Net revenue from sales of goods and rendering of services	10	7,273,062,081,215	5,317,288,131,889	(1,955,773,949,326)
Cost of goods sold and services rendered	11	7,058,370,375,025	5,166,475,166,469	(1,891,895,208,556)
Gross profit from sales of goods and rendering of services	20	214,691,706,190	150,812,965,420	(63,878,740,770)
Finance income	21	92,725,820,602	341,773,595,142	249,047,774,540
Finance expenses	22	590,091,027,534	346,542,442,897	(243,548,584,637)
- In which: Interest expenses	23	540,249,396,617	395,349,976,304	(144,899,420,313)
Selling expenses	25	-	-	-
General and administrative expenses	26	687,621,780,258	(168,103,883,799)	(855,725,664,057)
Operating profit	30	(970,295,281,000)	314,148,001,464	1,284,443,282,464
Other income	31	41,492,126,122	607,960,386,052	566,468,259,930
Other expenses	32	19,513,420,409	8,237,428,822	(11,275,991,587)
Other profit	40	21,978,705,713	599,722,957,230	577,744,251,517
Accounting profit before tax	50	(948,316,575,287)	913,870,958,694	1,862,187,533,981
Current corporate income tax expense	51	-	-	-
Deferred tax expense	52	798,679,333	616,423,333	(182,256,000)
Net profit after tax	60	(949,115,254,620)	913,254,535,361	1,862,369,789,981

**Reasons for the Difference:**

- **Adjustment to reduce gross profit: (VND 63,878,740,770)**  
**Reason:** Due to difficulties in the construction market and macroeconomic challenges, revenue decreased by VND 1,955,773,949,326, while the cost of goods sold also decreased by VND 1,891,895,208,556.
- **Adjustment to increase financial income: VND 492,596,359,177**  
**Reason:** The increase in financial income was due to interest from late payments and profit from divestment in subsidiaries, resulting in a profit increase of VND 249,047,774,540. Additionally, the reversal of long-term investment provisions due to divestment in subsidiaries increased profit by VND 243,548,584,637.
- **Adjustment to reduce administrative expenses, leading to a profit increase of VND 855,725,664,057**  
**Reason:** The reversal of provisions for doubtful debts contributed to a profit increase of VND 855,725,664,057.
- **Adjustment to increase other income, leading to a profit increase of VND 577,744,251,517**  
**Reason:** An increase in other income from the liquidation of machinery and equipment resulted in a profit increase of VND 577,744,251,517.
- **Adjustment to reduce deferred corporate income tax expenses, leading to a profit increase of VND 182,256,000**  
**Reason:** Deferred corporate income tax expenses for 2024 decreased compared to 2023, leading to a profit increase of VND 182,256,000.



## II. CONSOLIDATED FINANCIAL STATEMENTS

ITEM		Year 2023	Year 2024	INCREASE/ DECREASE
Revenue from sales of goods and rendering of services	1	7,542,214,414,041	6,425,200,748,471	(1,117,013,665,570)
Deductions	2	(5,117,833,195)	(4,355,826,317)	762,006,878
<b>Net revenue from sales of goods and rendering of services</b>	<b>10</b>	<b>7,537,096,580,846</b>	<b>6,420,844,922,154</b>	<b>(1,116,251,658,692)</b>
Cost of goods sold and services rendered	11	7,293,009,825,276	6,063,289,790,982	(1,229,720,034,294)
<b>Gross profit from sales of goods and rendering of services</b>	<b>20</b>	<b>244,086,755,570</b>	<b>357,555,131,172</b>	<b>113,468,375,602</b>
Finance income	21	74,274,693,895	244,659,048,005	170,384,354,110
Finance expenses	22	559,457,321,904	407,663,872,217	(151,793,449,687)
- In which: Interest expenses	23	557,095,371,780	184,271,486,409	(372,823,885,371)
<b>Shares of profit of associates and a joint venture</b>	<b>24</b>	<b>(37,876,217,593)</b>	<b>(26,447,830,409)</b>	<b>11,428,387,184</b>
Selling expenses	25	38,746,415,801	36,187,206,813	(2,559,208,988)
General and administrative expenses	26	757,700,729,472	(266,891,075,289)	(1,024,591,804,761)
<b>Operating profit</b>	<b>30</b>	<b>(1,075,419,235,305)</b>	<b>398,806,317,552</b>	<b>1,474,225,552,857</b>
Other income	31	53,027,033,303	635,840,175,276	582,813,141,973
Other expenses	32	57,424,590,224	25,294,997,288	(32,129,592,936)
<b>Other profit</b>	<b>40</b>	<b>(4,397,556,921)</b>	<b>610,545,177,990</b>	<b>614,942,734,911</b>
<b>Accounting profit before tax</b>	<b>50</b>	<b>(1,079,816,792,226)</b>	<b>1,009,351,523,016</b>	<b>2,089,168,315,242</b>
Current corporate income tax expense	51	7,545,441,521	13,745,134,129	6,199,692,608
Deferred tax expense	52	27,975,288,521	32,643,906,282	4,668,617,761
<b>Net profit after tax</b>	<b>60</b>	<b>(1,115,337,522,268)</b>	<b>962,962,482,606</b>	<b>2,078,300,004,874</b>
Net profit after tax attributable to shareholders of the parent	61	(1,110,747,492,552)	807,699,840,381	1,918,447,332,933
Net profit (loss) after tax attributable to non-controlling interests	62	(4,590,029,716)	3,176,381,983	7,766,411,699



### Reasons for the Discrepancy:

The net profit after corporate income tax increased by **VND 2,078,300,004,874** compared to 2023, due to the following reasons:

- **Gross profit increased by VND 113,468,375,602** compared to 2023, driven by:
  - Real estate transfer activities.
  - Leasing of real estate (land, infrastructure, factories, offices, residential properties).
- **Financial income increased by VND 322,177,803,797**, thanks to:
  - Increased financial revenue from late payment interest of the parent company.
  - Profit from divestment in subsidiaries, joint ventures, and associates.
  - Reversal of long-term investment provision expenses due to divestment from subsidiaries and joint ventures.
- **Profit from joint ventures and associates increased by VND 11,428,387,184**, due to divestment from:
  - Anh Viet Mechanical & Aluminum Glass Joint Stock Company.
  - Jesco Hoa Binh Engineering Joint Stock Company.
- **Selling expenses decreased, contributing to a profit increase of VND 2,559,208,988**, mainly due to reduced employee salary costs.
- **Administrative expenses decreased, contributing to a profit increase of VND 1,204,591,804,761**, primarily due to the reversal of provisions for doubtful receivables.
- **Other profits increased by VND 577,744,251,517**, thanks to the liquidation of machinery and equipment in 2024.

### Recipients:

- As above;
- Archived.

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



**LE VIET HAI**