HOABINH
CÔNG TY CỔ PHẦN TẬP ĐOÀN XÂY DỰNG HÒA BÌNH
HOA BINH CONSTRUCTION GROUP JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No: 0612/2026/CV-KTTV
Re: Explanation of profit differences for the first six months of 2026 and the first six months of 2025.

Ho Chi Minh City, 29 August 2026

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 period ended June 30, 2026;

Hoa Binh Construction Group Joint Stock Company (stock code: HBC) would like to explain the variance in profit after tax for the first 6 months of 2026 compared to the first 6 months of 2025 as follows:

I. Parent Company Financial Statements

Unit: VND

ITEMS	Code	First 6 months of 2026	First 6 months of 2025	Increase/(Decrease)
Revenue from sales of goods and rendering of services	**1**	**2,960,774,456,928**	**1,450,632,632,744**	**1,510,141,824,184**
Sales deductions	2	-	-	-
Net revenue from sales of goods and rendering of services	**10**	**2,960,774,456,928**	**1,450,632,632,744**	**1,510,141,824,184**
Cost of goods sold and services rendered	11	2,678,691,077,220	1,373,040,731,307	1,305,650,345,913
Gross profit from sales of goods and rendering of services	**20**	**282,083,379,708**	**77,591,901,437**	**204,491,478,271**
Gain/(loss) from disposal of investment property	21			
Financial income	22	146,431,917,003	279,988,572,226	(133,556,655,223)
Finance expenses	*23*	184,446,268,164	187,831,179,135	(3,384,910,971)
- In which: interest expenses	24	179,094,317,905	186,563,375,806	(7,469,057,901)
Selling expenses	25	46,803,242,539	-	46,803,242,539
General and administrative expenses	26	(1,248,925,516)	44,309,660,593	(45,558,586,109)
Operating profit	**30**	**198,514,711,524**	**125,439,633,935**	**73,075,077,589**
Other income	31	19,858,955,137	177,279,014,370	(157,420,059,233)
Other expenses	32	2,465,323,147	5,315,228,394	(2,849,905,247)
Other profit	**40**	**17,393,631,990**	**171,963,785,976**	**(154,570,153,986)**
Profit before tax	**50**	**215,908,343,514**	**297,403,419,911**	**(81,495,076,397)**
Current income tax expense	51	21,189,374,473	-	21,189,374,473
Deferred income tax expense	52	(28,050,834)	27,110,000	(55,160,834)
Net profit after tax	**60**	**194,747,019,875**	**297,376,309,911**	**(102,629,290,036)**

Reasons for the Variance:

Profit after corporate income tax (CIT) for the **first 6 months of 2026** reached **VND 194,747,019,875**, a decrease of VND 102,629,290,036 compared to the same period in 2025; the primary reasons are as follows:

- **Net revenue from sale of goods and rendering of services** reached VND 2,960,774,456,928, **an increase of VND 1,510,141,824,184** compared to the same period, mainly driven by revenue from construction activities and project transfers.
- **Financial income** reached VND 146,431,917,003, **a decrease of VND 133,556,655,223** over the same period last year, mainly because no dividends or profit distributions were recorded during the period, unlike in the corresponding period of the previous year.
- **Financial expenses decreased by VND 3,384,910,971**; specifically, interest expenses **decreased by VND 7,469,057,901**, primarily due to a reduction in outstanding loan balances and interest expenses during the period.
- **Selling expenses increased by VND 46,803,242,539** due to changes in accounting policies that altered the classification and recognition of certain selling expenses items.
- **General and administrative expenses** were recorded VND (1,248,925,516), **a decrease of VND 45,558,586,109** compared to the same period, mainly due to provision reversals/reductions and a reduction in administrative expenses incurred during the period.
- **Other income** reached only VND 19,858,955,137, **a decrease of VND 157,420,059,233** compared to the same period in 2025, primarily due to a decline in other income items generated during the period compared to the corresponding period.
- **Other expenses** reached VND 2,465,323,147, **a decrease of VND 2,849,905,247** compared to the same period in 2025.
- **Current corporate income tax expense** increased by VND 21,189,374,473 compared to the same period in 2025; this was primarily because the 2025 period involved a loss carry-forward used to reduce taxable income, whereas in the current period, the carried-forward loss was reduced or eliminated, resulting in an increase in both taxable income and current corporate income tax expense.

II. CONSOLIDATED FINANCIAL STATEMENTS

ITEMS	Code	First 6 months of 2026	First 6 months of 2025	Increase/(Decrease)
Revenue from sales of goods and rendering of services	**1**	**3,260,847,497,345**	**1,636,692,801,087**	**1,624,154,696,258**
Deductions	2	431,007,454	244,627,818	186,379,636
Net revenue from sales of goods and rendering of services	**10**	**3,260,416,489,891**	**1,636,448,173,269**	**1,623,968,316,622**
Cost of goods sold and services rendered	11	2,924,697,955,270	1,519,267,060,598	1,405,430,894,672
Gross profit from sales of goods and rendering of services	**20**	**335,718,534,621**	**117,181,112,671**	**218,537,421,950**
Gain/(loss) from disposal of investment property	**21**	-		
Finance income	22	**44,749,566,907**	**56,860,458,070**	**(12,110,891,163)**
Finance expenses	23	193,105,848,274	191,356,417,036	1,749,431,238
- In which: Interest expenses	24	187,460,169,376	189,615,892,213	(2,155,722,837)
Selling expenses	25	66,371,726,326	14,289,462,281	52,082,264,045
General and administrative expenses	26	42,353,767,540	72,184,976,113	(29,831,208,573)
Shares of profit of associates and a joint venture	27	(681,062,373)	319,841,878	(1,000,904,251)
Operating profit	**30**	**77,955,697,015**	**(103,469,442,811)**	**181,425,139,826**
Other income	31	21,791,641,104	182,469,719,328	(160,678,078,224)
Other expenses	32	22,994,114,677	18,793,827,889	4,200,286,788
Other profit	**40**	**(1,202,473,573)**	**163,675,891,439**	**(164,878,365,012)**
Accounting profit before tax	**50**	**76,753,223,442**	**60,206,448,628**	**16,546,774,814**
Current corporate income tax expense	51	24,309,455,679	4,158,048,934	20,151,406,745
Deferred tax expense	52	2,407,059,448	4,680,769,869	(2,273,710,421)
Net profit after tax	**60**	**50,036,708,315**	**51,367,629,825**	**(1,330,921,510)**

Reasons for the variance:

Consolidated profit after corporate income tax (CIT) for the **first 6 months of 2026** reached **VND 50,036,708,315, a decrease of VND 1,330,921,510** compared to the first 6 months of 2025 the primary reasons are as follows:

- **Net revenue from sale of goods and rendering of services** reached VND 3,260,416,489,891, **an increase of VND 1,623,968,316,622** compared to the same period in 2025; this was primarily driven by increased revenue from the parent company and higher revenue from real estate, apartment sales, and factory/land leasing activities across subsidiaries. Consequently, gross profit stood at VND 335,718,534,621, **an increase of VND 218,537,421,950** compared to the first six months of 2025.
- **Financial income** reached VND 44,749,566,907, **a decrease of VND 12,110,891,163** compared to same period last year, mainly due to the absence of dividends, distributed profits, and interest on late payments during the period.
- **Financial expenses increased by VND 1,749,431,238** compared to the same period in 2025; specifically, interest expenses **decreased by VND 2,215,709,376**, primarily due to a reduction in outstanding loan balances and interest expenses during the period.

- **Selling expenses** were recorded at VND 66,371,726,326, **an increase of VND 52,082,264,045** compared to the same period last year, this was primarily driven by increased sales activities regarding real estate and apartments, as well as changes in the classification and recognition of certain selling expenses.
- **General and administrative expenses** reached VND 42,353,767,540, **a decrease of VND 29,831,208,573** compared to the same period in 2025, primarily driven by operating cost reductions and the reversal of provision for doubtful debts during the period.
- Share of profit or loss in joint ventures and associates was recorded at negative VND (681,062,373), **a decrease of VND 1,000,904,251** compared to the same period in 2025.
- **Other income** reached VND 22,719,372,206, **a decrease of VND 160,678,078,224** compared to the first 6 months of 2025, this was primarily due to lower income from asset liquidation activities during the period compared to the same period of the previous year.
- **Other expenses** reached VND 22,994,114,677, **an increase of VND 4,200,286,788.** Consequently, **Other profit recorded a loss of negative VND (1,202,473,573), a decrease of VND 164,878,365,012** compared to the first 6 months of 2025.
- **Current corporate income tax expense** reached VND 24,309,455,679, **an increase of VND 20,151,406,745**, compared to the same period in 2025; this was primarily because the 2025 period involved a loss carry-forward used to reduce taxable income, whereas in the current period, the carried-forward loss was reduced or eliminated, resulting in an increase in both taxable income and current corporate income tax expense.
- **Deferred corporate income tax expense** reached VND 2,407,059,448, **a decrease of VND 2,273,710,421** compared to the same period last year.

HOA BINH CONSTRUCTION GROUP JOINT STOCKCOMPANY
VICE CHAIRMAN
PERMANENT DEPUTY GENERAL DIRECTOR

Recipients:

- As above;
- Archived.

M.S.D.N: 0302158498 C.T.C.P
CÔNG TY CỔ PHẦN TẬP ĐOÀN XÂY DỰNG HÒA BÌNH
QUẬN 3 - T.P HỒ CHÍ MINH

LE VIET HIEU