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.: 0611/2026/CV-KTTV
Re: Explanation of the Difference in Profit Before and After Audit

Ho Chi Minh City, Aug 29 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 the period ended June 30, 2026;
Hoa Binh Construction Group Joint Stock Company (stock code: HBC) hereby provides an explanation regarding the difference in after-tax profit for the first 6 months of 2026 before and after the audit as follows:

I. Parent Company Financial Statements

Unit: VND

ITEMS	Code	Before audit	After audit	Increase/(decrease)
Revenue from sales of goods and rendering of services	**1**	**2,960,774,456,928**	**2,960,774,456,928**	**-**
Deductions	2	-	-	-
Net revenue from sales of goods and rendering of services	**10**	**2,960,774,456,928**	**2,960,774,456,928**	**-**
Cost of goods sold and services rendered	11	2,736,562,675,606	2,678,691,077,220	(57,871,598,386)
Gross profit from sales of goods and rendering of services	**20**	**224,211,781,322**	**282,083,379,708**	**57,871,598,386**
Gain/(loss) from disposal of investment property	21	-	-	-
Finance income	22	143,357,662,914	146,431,917,003	3,074,254,089
Finance expenses	23	181,425,065,241	184,446,268,164	3,021,202,923
- In which: Interest expenses	*24*	179,094,317,905	179,094,317,905	-
Selling expenses	25	11,586,426,646	46,803,242,539	35,216,815,893
General and administrative expenses	26	(13,425,391,798)	(1,248,925,516)	12,176,466,282
Shares of profit of associates and a joint venture	27	-	-	-
Operating profit	**30**	**187,983,344,147**	**198,514,711,524**	**10,531,367,377**
Other income	31	38,861,155,908	19,858,955,137	(19,002,200,771)
Other expenses	32	11,847,210,324	2,465,323,147	(9,381,887,177)
Other profit	**40**	**27,013,945,584**	**17,393,631,990**	**(9,620,313,594)**
Accounting profit before tax	**50**	**214,997,289,731**	**215,908,343,514**	**911,053,783**
Current corporate income tax expense	51	30,215,443,139	21,189,374,473	(9,026,068,666)
Deferred tax expense	52	(28,050,834)	(28,050,834)	-
Net profit after tax	**60**	**184,809,897,426**	**194,747,019,875**	**9,937,122,449**

Reasons for Differences:

Cost of Goods Sold: **Decreased by** VND (57,946,147,197) **due to the reclassification of brokerage expenses for project and real estate transfers to Selling Expenses, alongside an adjustment increasing other cost of sales by** VND 74,548,811.

Financial Income: Increased due to the reclassification of sales discounts from Financial Income (Account 515) to Financial Expenses (Account 635) amounting to VND 3,000,000,000, and an adjustment to accrued loan interest receivable of VND 74,254,089.

Financial Expenses: Increased by VND 3,000,000,000 from the reclassification of discounts (from Account 515 to Account 635), along with an adjustment to long-term investment provision of VND 21,202,923.

Selling Expenses: Net increase of VND 35,216,815,893, comprising:

- An increase of **VND 45,769,680,915** from the reclassified brokerage expenses for project and real estate transfers.
- A decrease of **VND (10,552,865,022)** from presenting the reversal of construction warranty provisions as a deduction from selling expenses.

General and Administrative Expenses: Recorded **VND 12,176,466,282** from the reclassification of expenses incurred during project transfers.

Other Income & Other Expenses:

- Net-off of gain/loss differences from fixed asset disposals amounting to **VND (9,368,024,840)** and other expenses of **VND (13,862,337)**.
- Adjustment to recognize income from asset disposals incurred during the period amounting to **VND 918,689,091**.

Current Corporate Income Tax Expense: Adjusted downward by **VND (9,026,068,666)** through an entry recognizing deferred tax assets for non-deductible interest expenses.

II. CONSOLIDATED FINANCIAL STATEMENTS

Unit: VND

ITEMS	Code	Before audit	After audit	Increase/(decrease)
Revenue from sales of goods and rendering of services	**1**	**3,269,074,087,100**	**3,260,847,497,345**	**(8,226,589,755)**
Deductions	2	431,145,706	431,007,454	(138,252)
Net revenue from sales of goods and rendering of services	**10**	**3,268,642,941,394**	**3,260,416,489,891**	**(8,226,451,503)**
Cost of goods sold and services rendered	11	2,990,405,795,176	2,924,697,955,270	(65,707,839,906)
Gross profit from sales of goods and rendering of services	**20**	**278,237,146,218**	**335,718,534,621**	**57,481,388,403**
Gain/(loss) from disposal of investment property	21	-		
Finance income	22	41,582,166,459	44,749,566,907	3,167,400,448
Finance expenses	23	190,309,684,126	193,105,848,274	2,796,164,148
- In which: Interest expenses	*24*	187,467,616,499	187,460,169,376	*(7,447,123)*
Selling expenses	25	32,082,641,535	66,371,726,326	34,289,084,791
General and administrative expenses	26	28,818,488,285	42,353,767,540	13,535,279,255
Shares of profit of associates and a joint venture	27	(681,062,373)	(681,062,373)	
Operating profit	**30**	**67,927,436,358**	**77,955,697,015**	**10,028,260,657**
Other income	31	41,721,352,977	21,791,641,104	(19,929,711,873)
Other expenses	32	32,397,007,286	22,994,114,677	(9,402,892,609)
Other profit	**40**	**9,324,345,691**	**(1,202,473,573)**	**(10,526,819,264)**
Accounting profit before tax	**50**	**77,251,782,049**	**76,753,223,442**	**(498,558,607)**
Current corporate income tax expense	51	33,571,306,314	24,309,455,679	(9,261,850,635)
Deferred tax expense	52	2,124,454,415	2,407,059,448	282,605,033
Net profit after tax	**60**	**41,556,021,320**	**50,036,708,315**	**8,480,686,995**

Adjustments Affecting Profit

Revenue from Sale of Goods and Rendering of Services: Decreased by **VND (8,226,589,755)**, comprising:

- An adjustment decreasing sales revenue at subsidiary companies by **VND (8,226,451,503)**.
- Reclassification of revenue deductions to sales and service revenue amounting to **VND (138,252)**.

Cost of Goods Sold:

- **Parent Company:** Decreased by **VND (57,946,147,197)** due to the reclassification of brokerage expenses for project and real estate transfers to Selling Expenses; alongside an adjustment increasing other cost of sales by **VND 74,548,811**.
- **Subsidiaries:** Adjustment decreasing other cost of sales by **VND (7,836,241,520)**.

Financial Income:

- **Parent Company:** Reclassification of sales discounts from Financial Income to Financial Expenses amounting to **VND 3,000,000,000**, and an adjustment to accrued loan interest receivable of **VND 74,254,089**.
- **Subsidiaries:** Adjustment increasing by **VND 93,146,359**.

Financial Expenses: Recorded the following movements:

- An increase of **VND 3,000,000,000** from the reclassification of sales discounts (from Account 515 to Account 635).
- An adjustment to long-term investment provisions of **VND 203,835,852**.
- An adjustment decreasing borrowing costs at subsidiary companies by **VND (7,447,123).**

Selling Expenses:

- An increase of **VND 45,769,680,915** from reclassified brokerage expenses for project and real estate transfers.
- A decrease of **VND (11,480,596,124)** from presenting the reversal of construction warranty provisions as a deduction from selling expenses.

General and Administrative Expenses:

- Reclassification of expenses incurred during project transfers amounting to **VND 12,176,466,282**.
- Provision adjustment for doubtful debts amounting to **VND 1,358,812,973**.

Other Income & Other Expenses:

- Net-off of gain/loss differences from fixed asset disposals amounting to **VND (9,368,024,840)** and other expenses of **VND (34,867,769)**.
- Adjustment to recognize income from asset disposals incurred during the period amounting to **VND 918,689,091**.

Corporate Income Tax (CIT) Expense (Current & Deferred):

- Current CIT Expense: Adjusted downward by **VND (9,026,068,666)** through an entry recognizing deferred tax assets for non-deductible interest expenses; alongside an adjustment decreasing tax expense post-profit adjustment at subsidiary companies by **VND (235,781,968)**.
- Deferred CIT Expense: Adjusted upward by **VND 282,605,033** following profit adjustments.

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

CÔNG TY CỔ PHẦN TẬP ĐOÀN XÂY DỰNG HÒA BÌNH
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LE VIET HIEU

Recipients:

- As above;
- Archived