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

No: 0619/2026/CV-KTTV
Re: Explanation of the profit variance between Q3 2026 and Q3 2025.

**SOCIALIST REPUBLIC OF VIETNAM**
**Independence – Freedom – Happiness**
Ho Chi Minh City, 30 October 2026

**To: THE STATE SECURITIES COMMISSION OF VIETNAM**
**THE HANOI STOCK EXCHANGE**

Pursuant to Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Minister of Finance;

Pursuant to the Separate Financial Statements and Consolidated Financial Statements for Q3 2026, Hoa Binh Construction Group Joint Stock Company (ticker: HBC) hereby provides the following explanation of the variance in profit after corporate income tax for Q3 2026 compared with the same period of 2025:

## I. SEPARATE FINANCIAL STATEMENTS (PARENT COMPANY)

Unit: VND

| Items | Code | The third quater of | | Increase/ (Decrease) profit |
|---|---|---|---|---|
| | | Current year | Previous year | |
| **Revenue from sales of goods and rendering of services** | **1** | **1,301,421,203,413** | **1,009,474,563,740** | **291,946,639,673** |
| Sales deductions | 2 | - | - | - |
| **Net revenue from sales of goods and rendering of services** | **10** | **1,301,421,203,413** | **1,009,474,563,740** | **291,946,639,673** |
| Cost of goods sold | 11 | 1,233,606,938,271 | 970,673,778,040 | 262,933,160,231 |
| **Gross profit from sales of goods and rendering of services** | **20** | **67,814,265,142** | **38,800,785,700** | **29,013,479,442** |
| *Financial income* | *22* | 114,534,939,376 | 277,651,227,217 | (163,116,287,841) |
| Financial expenses | 23 | *100,731,777,299* | *89,708,786,511* | *11,022,990,788* |
| - In which: interest expense | 24 | **100,445,992,468** | **89,132,925,289** | **11,313,067,179** |
| Selling expenses | 25 | 3,827,632,646 | - | 3,827,632,646 |
| General and administrative expenses | 26 | (19,406,817,746) | (3,864,598,909) | (15,542,218,837) |
| **Net operating profit** | **30** | **97,196,612,319** | **230,607,825,315** | **(133,411,212,996)** |
| Other income | 31 | 749,767,575 | 39,248,208,193 | (38,498,440,618) |
| Other expenses | 32 | 9,483,202,387 | 3,363,600,295 | 6,119,602,092 |
| **Other profit/(loss)** | **40** | **(8,733,434,812)** | **35,884,607,898** | **(44,618,042,710)** |
| **Profit before tax** | **50** | **88,463,177,507** | **266,492,433,213** | **(178,029,255,706)** |
| Current corporate income tax expense | 51 | 17,113,407,710 | - | 17,113,407,710 |
| **Net profit after tax** | **60** | **71,349,769,797** | **266,492,433,213** | **(195,142,663,416)** |

**Explanation of the variance:**
The parent company's profit after corporate income tax for Q3 2026 amounted to VND 71,349,769,797, a decrease of VND 195,142,663,416 compared with Q3 2025. The variance was mainly attributable to the following factors:

- Net revenue increased by VND 291,946,639,673, while cost of goods sold increased by VND 262,933,160,231, resulting in an increase in gross profit of VND 29,013,479,442. Revenue grew faster than cost of goods sold, contributing to the improvement in gross profit.
- Financial income decreased by VND 163,116,287,841, mainly due to lower recognition of late payment interest compared with the same period of the previous year.
- Finance costs increased by VND 11,022,990,788, of which interest expenses increased by VND 11,313,067,179, resulting in higher expenses for the period.
- Selling expenses of VND 3,827,632,646 were incurred in the period, whereas no such expenses were recorded in the same period of the previous year; these expenses relate to provisions made in respect of construction projects.
- Administrative expenses dropped by VND 15,542,218,837, contributing to an improvement in profits. This was mainly driven by an VND 18,522,325,769 decrease in other general and administrative expenses and an increase of VND 4,377,852,323 in reversals, which were partially offset by a VND 7,357,959,255 increase in staff cost.
- Other profit decreased by VND 44,618,042,710, as other income decreased by VND 38,498,440,618 while other expenses increased by VND 6,119,602,092.
- In addition, current corporate income tax (CIT) expense of VND 17,113,407,710 was incurred in Q3 2026, whereas no such expense was recorded in the same period of the previous year.
- As a result of the above factors, the Parent Company's profit before tax decreased by VND 178,029,255,706; after recognizing current CIT expense, profit after tax decreased by VND 195,142,663,416 year-on-year.

## II. CONSOLIDATED FINANCIAL STATEMENTS

| Items | Code | The third quater of | | Increase/(Decrease) profit |
|---|---|---|---|---|
| | | Current year | Previous year | |
| Revenue from sales of goods and rendering of services | **1** | **1,476,780,571,732** | **1,122,771,701,668** | **354,008,870,064** |
| Sales deductions | 2 | 366,698,180 | 218,941,133 | 147,757,047 |
| Net revenue from sales of goods and rendering of services | **10** | **1,476,413,873,552** | **1,122,552,760,535** | **353,861,113,017** |
| Cost of goods sold | 11 | 1,367,335,367,981 | 1,055,711,229,451 | 311,624,138,530 |
| **Gross profit from sales of goods and rendering of services** | **20** | **109,078,505,571** | **66,841,531,084** | **42,236,974,487** |
| *Financial income* | *22* | 62,859,491,513 | 229,507,366,354 | (166,647,874,841) |
| Financial expenses | 23 | *118,960,027,713* | *97,992,693,466* | *20,967,334,247* |
| - In which: interest expense | 24 | 103,290,076,533 | 94,858,122,920 | 8,431,953,613 |
| Selling expenses | 25 | 10,336,309,681 | 10,874,746,442 | (538,436,761) |
| General and administrative expenses | 26 | 1,138,759,308 | 14,544,897,103 | (13,406,137,795) |
| Share of profit/(loss) of joint ventures and associates | 27 | (22,003,559) | (1,483,115,727) | 1,461,112,168 |
| **Net operating profit** | **30** | **41,480,896,823** | **171,453,444,700** | **(129,972,547,877)** |
| Other income | 31 | 1,930,988,327 | 44,401,252,123 | (42,470,263,796) |
| Other expenses | 32 | 16,011,814,031 | 13,896,151,985 | 2,115,662,046 |
| **Other profit/(loss)** | **40** | **(14,080,825,704)** | **30,505,100,138** | **(44,585,925,842)** |
| **Profit before tax** | 50 | 27,400,071,119 | 201,958,544,838 | (174,558,473,719) |
| Current corporate income tax expense | 51 | 17,280,617,425 | 2,445,027,602 | 14,835,589,823 |
| Deferred corporate income tax expense | 52 | (2,636,274,593) | 11,165,823,515 | (13,802,098,108) |
| **Net profit after tax** | **60** | **12,755,728,287** | **188,347,693,721** | **(175,591,965,434)** |

**Explanation of the variance:**

Consolidated profit after corporate income tax for Q3 2026 amounted to VND 12,755,728,287, a decrease of VND 175,591,965,434 compared with Q3 2025. The main reasons are as follows:

- Gross profit increased by VND 42,236,974,487, of which gross profit from the Parent company's operations increased by VND 29,013,479,442 and gross profit from business activities of subsidiaries increased by VND 13,223,495,045, mainly from the parent company's construction activities, land leasing, merchandise sales, real estate business and other activities of member companies.
- Financial income decreased by VND 166,647,874,841, of which the decrease attributable to the parent company was VND 163,116,287,841, mainly due to lower late-payment interest recognized, and subsidiaries' financial income decreased by VND 3,531,587,000.
- Financial expenses increased by VND 20,967,334,247, of which interest expense increased by VND 8,431,953,613 and other financial expenses increased by VND 12,535,380,634.
- Selling expenses decreased by VND 538,436,761 and general and administrative (G&A) expenses fell by VND 13,406,137,795. This was primarily driven by a VND 19,974,796,674 reduction in other expenses and a VND 5,110,309,313 decreased in reversals, which were partially offset by a VND 1,458,349,566 increase in staff cost, office supplies, and asset depreciation.
- The share of loss from joint ventures and associates decreased by VND 1,461,112,168 year-o - n year, thereby contributing to improved business performance.
- Other profit decreased by VND 44,585,925,842. This was mainly due to a decrease in ot r income of VND 42,470,263,796, primarily resulting from lower income from disposal of fi ed assets, while other expenses increased by VND 2,115,662,046.
- With respect to corporate income tax, current income tax expense increased by VND 14,835,589,823, while deferred income tax expense decreased by VND 13,802,098,108. Accordingly, total corporate income tax expense increased by VND 1,033,491,715 year-on-year, reducing profit after tax by the corresponding amount.
- As a result of the above factors, consolidated profit before tax decreased by VND 174,558,473,719. After taking into account movements in current and deferred corporate income tax expenses, consolidated profit after tax decreased by VND 175,591,965,434 compared with Q3 2025.

The above is the explanation of Hoa Binh Construction Group Joint Stock Company regarding the variance in profit after tax in its Q3 2026 Separate Financial Statements and Consolidated Financial Statements compared with the same period of 2025. The Company respectfully submits this report to the State Securities Commission of Vietnam and the Hanoi Stock Exchange.

Respectfully,

**HOA BINH CONSTRUCTION GROUP JOINT STOCKCOMPANY**
**VICE CHAIRMAN OF THE BOARD OF DIRECTORS**
**PERMANENT DEPUTY GENERAL DIRECTOR**




**LE VIET HIEU**

**Recipients:**

- As above;
- Archived.