

No.: **207/2025/CV-KTTV**
Re: **Explanation of the Difference
in Profit Before and 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 for the year 2024 before and after the audit as follows:

I. Parent Company Financial Statements

Đvt: đồng

Item	Code	Before Audit	After Audit	INCREASE/ DECREASE
Revenue from sales of goods and rendering of services	01	5,277,852,457,749	5,317,288,131,889	39,435,674,140
Deductions	02	-	-	-
Net revenue from sales of goods and rendering of services	10	5,277,852,457,749	5,317,288,131,889	39,435,674,140
Cost of goods sold and services rendered	11	5,182,339,617,339	5,166,475,166,469	(15,864,450,870)
Gross profit from sales of goods and rendering of services	20	95,512,840,410	150,812,965,420	55,300,125,010
Finance income	21	318,209,722,324	341,773,595,142	23,563,872,818
Finance expenses	22	346,566,889,401	346,542,442,897	(24,446,504)
- In which: Interest expenses	23	395,349,976,304	395,349,976,304	-
Selling expenses	25	-	-	-
General and administrative expenses	26	(292,978,170,009)	(168,103,883,799)	124,874,286,211
Operating profit	30	360,133,843,342	314,148,001,464	(45,985,841,878)
Other income	31	600,483,813,025	607,960,386,052	7,476,573,027
Other expenses	32	8,237,428,822	8,237,428,822	-
Other profit	40	592,246,384,203	599,722,957,230	7,476,573,027
Accounting profit before tax	50	952,380,227,545	913,870,958,694	(38,509,268,851)
Current corporate income tax expense	51	-	-	-
Deferred tax expense	52	616,423,333	616,423,333	-
Net profit after tax	60	951,763,804,212	913,254,535,361	(38,509,268,851)

Reasons for Differences:

- **Adjustment increasing gross profit by VND 55,300,125,010**
Reason: Increase in construction revenue by VND 39,435,674,140 and reversal of inventory write-down provision by VND 15,864,450,870.
- **Adjustment increasing financial income by VND 23,588,319,322**
Reason: Increase in financial revenue from late payment interest, raising profit by VND 23,563,872,818, and reversal of provision expenses for long-term investments, increasing profit by VND 24,446,504.
- **Adjustment increasing administrative expenses, reducing profit by VND (124,874,286,211)**
Reason: Increase in the provision for doubtful debts, reducing profit by VND (124,874,286,211).
- **Adjustment increasing other income, raising profit by VND 7,476,573,027**
Reason: Increase in other income from penalty interest as per court ruling, increasing profit by VND 7,476,573,027.

II. CONSOLIDATED FINANCIAL STATEMENTS

Item	Code	Before Audit	After Audit	INCREASE/DECREASE
Revenue from sales of goods and rendering of services	1	6,378,891,528,541	6,425,200,748,471	46,309,219,930
Deductions	2	(4,377,068,391)	(4,355,826,317)	21,242,074
Net revenue from sales of goods and rendering of services	10	6,374,514,460,150	6,420,844,922,154	46,330,462,004
Cost of goods sold and services rendered	11	6,072,241,831,708	6,063,289,790,982	(8,952,040,726)
Gross profit from sales of goods and rendering of services	20	302,272,628,442	357,555,131,172	55,282,502,730
Finance income	21	221,608,243,864	244,659,048,005	23,050,804,141
Finance expenses	22	407,948,555,247	407,663,872,217	(284,683,029)
- In which: Interest expenses	23	404,869,940,295	184,271,486,409	(220,598,453,886)
Shares of profit of associates and a joint venture	24	(26,323,455,140)	(26,447,830,409)	(124,375,269)
Selling expenses	25	36,232,459,417	36,187,206,813	(45,252,604)
General and administrative expenses	26	(214,698,452,937)	(266,891,075,289)	(52,192,622,352)
Operating profit	30	268,074,855,439	398,806,317,552	130,731,462,114
Other income	31	628,891,116,635	635,840,175,276	6,949,058,641
Other expenses	32	24,797,453,109	25,294,997,288	497,544,179
Other profit	40	604,093,663,526	610,545,177,990	6,451,514,464
Accounting profit before tax	50	872,168,518,965	1,009,351,523,016	137,183,004,052
Current corporate income tax expense	51	23,400,154,582	13,745,134,129	(9,655,020,453)
Deferred tax expense	52	(3,021,898,094)	32,643,906,282	35,665,804,376
Net profit after tax	60	851,790,262,477	962,962,482,606	111,172,220,129

Adjustments Affecting Profit

- **Gross profit increased by VND 55,282,502,730**, due to:
 - An increase in the separate financial statements of HBC Parent Company: VND 55,300,125,010.
 - A decrease of VND (17,622,280) due to an audit adjustment increasing the cost of goods sold in subsidiaries.
- **Financial income increased by VND 23,335,487,171**, thanks to:
 - An increase in financial revenue from late payment interest: VND 23,563,872,818.
 - Reversal of provision expenses for long-term investments: VND 24,446,504.
 - A decrease of VND (252,832,151) due to an audit adjustment increasing the provision expense for long-term investments in a subsidiary.
- **Profit from joint ventures and associates decreased by VND (124,375,269)** due to:
 - An adjustment of investment losses in Onwa Tech, an associated company.
- **Selling expenses decreased** due to reclassification by the auditors.

- **Administrative expenses decreased, increasing profit by VND 52,192,622,352, but were affected by:**
 - An increase in the provision for doubtful debts at the parent company, reducing profit by VND (124,874,286,211).
 - A reversal of provision expenses at subsidiaries, including:
 - HBH Group: VND 162,210,152,116.
 - HBI Infrastructure Construction Group: VND 14,141,668,427.
 - Other items: VND 715,088,019.
- **Other income increased by VND 6,949,058,641, due to:**
 - An increase in the separate financial statements of HBC, raising profit by VND 7,476,573,027.
 - A reversal of bad debt provisions in subsidiaries, reducing profit by VND (527,514,386).
- **Other expenses increased, reducing profit by VND (497,544,179), due to:**
 - Late payment interest in a subsidiary: VND 310,922,764.
 - Refund of audit fees for 2024 due to invoices issued after March 31, 2025: VND (94,000,000).
 - Other items 280,621,415 VND

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

Recipients:

- As above;
- Archived.



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