

SONG DA CORPORATION - JSC
Song Da 10 Joint Stock Company
 No: 934 E/SD10 - TCKT

SOCIALIST REPUBLIC OF VIETNAM
Independence – Liberty – Happiness
Hanoi, August, 29, 2025

EXPLANATORY STATEMENT

“Regarding: Difference in the indicator profit after corporate income tax;
 Qualified opinion of the audit firm in the reviewed semi-annual financial statements
 for 2025”

To:

- The State Securities Commission;
- Hanoi Stock Exchange Shareholders;

Pursuant to the Securities Law No. 54/2019/QH14 dated November 26, 2019, of the National Assembly of the Socialist Republic of Vietnam;

Pursuant to circular No. 96/2020/TT-BTC dated November 16, 2020, of the Ministry of Finance guiding the disclosure of information on the securities market;

Based on the semi-annual financial information ewview reports: No. 1012/2025/UHY-BCSX dated August 28, 2025 on the financial statements of Song Da 10 Joint Stock Company; and No.1013/2025/UHY-BCSX dated August 28, 2025 on the consolidated financial statements for the accounting period from January 1, 2025 to June 30, 2025, reviewed by UHY Audit and Advisory Company Limited.

Song Da 10 Joint Stock Company; Stock code: SDT; provides an explanation of the difference in the indicator profit after corporate income tax and Qualified opinion of the audit firm in the reviewed semi-annual financial statements for 2025. The reports and explanatory contents include:

Section A. Parent company’s financial statements

I. Explanation of profit after corporate income tax in the Statement of profit or loss with fluctuations falling under the following cases:

1. Change of more than 10% compared to the same period in 2024 (Circular No. 96/2020/TT-BTC: Article 14, Clause 4, Point a):

- First 6 months of 2024: Loss of 25,560,788,685 VND
- First 6 months of 2025: Profit of 2,455,969,889 VND

Difference: 28,016,758,574 VND, equivalent to a fluctuation of 109.61%.

2. Transition from loss in the semi-annual reporting period of 2024 to profit in the same period of 2025 (Circular No. 96/2020/TT-BTC: Article 14, Clause 4, Point b)

Profit after Corporate Income Tax in the Parent Company's semi-annual financial statements for 2025: 2,456 billion VND.

II. Reasons for the fluctuations in both of the above cases

1. Reduction in expenses

- Decrease in financial expenses compared to the same period in 2024: During the period, the Company focused on resolving obstacles, accelerating acceptance and payment procedures, recovering receivables, arranging capital sources, and maximally repaying bank loan principals. As a result, outstanding loan principal as of June 30, 2025 decreased by 56 billion VND compared to the same date in 2024, leading to lower financial expenses and improved profit.

- Decrease in administrative expenses: In the same period of 2024, the Company made a provision of VND 35 billion for doubtful receivables, which resulted in a loss in the first 6 months of 2024.

2. Increase in other income from disposal of fixed assets

From the above reasons, the Parent company recorded profit in the semi-annual financial statements for 2025, showing a significant fluctuation compared to the same period in 2024.

Section B: Consolidated financial statements

B.1 Explanation of difference in profit after corporate income tax

I. Profit after corporate income tax in the Statement of profit or loss shows fluctuations under the following cases:

1. Change of more than 10% compared to the same period in 2024 (Circular No. 96/2020/TT-BTC: Article 14, Clause 4, Point a):

- First 6 months of 2024: Loss of 37,187,897,231 VND

- First 6 months of 2025: Profit of 2,144,800,150 VND

Difference: 39,332,697,381 VND, equivalent to a fluctuation of 105.77%.

2. Transition from loss in the semi-annual reporting period of 2024 to profit in the same period of 2025 (Circular No. 96/2020/TT-BTC: Article 14, Clause 4, Point b)

Profit after corporate income tax in the Consolidated semi-annual financial statements: Profit of 2,145 billion VND, in which the Parent company recorded a profit of 2,456 billion VND; the Subsidiaries recorded a loss of 311 million VND (Song Da 10.1 One Member Limited Liability Company: profit of 843 million VND; Nam He Hydropower Joint Stock Company: loss of 1,154 billion VND).

II. Reasons for the fluctuations in both of the above cases

1. Parent company: The Company's explanation is presented in Section A.II of this document.

2. Subsidiaries: Losses at subsidiaries decreased compared to the same period in 2024, specifically:

a. Song Da 10.1 One Member Limited Liability Company

- First 6 months of 2024: Loss of 1,657,273,968 VND

- First 6 months of 2025: Profit of 843,133,868 VND

Difference: 2,500,407,836 VND

Reasons:

+ Revenue increased by 33.155 billion VND, equivalent to a growth of 95.59% compared to the same period in 2024, as the Company focused on construction works, resolving obstacles and accelerating acceptance and payment at projects.

+ Financial expenses decreased by 1.406 billion VND, a reduction of 34.96% compared to the same period in 2024, as the Company strengthened capital recovery, receivable collection and arranged finances to maximally repay bank loan principals.

b. Nam He Hydropower Joint Stock Company

- First 6 months of 2024: Loss of 9,969,834,578 VND

- First 6 months of 2025: Loss of 1,154,303,607 VND

Reduction in loss of 8,815,530,971 VND

The loss in the first six months of 2025 decreased compared to the same period in 2024, mainly because electricity business revenue increased by 9.619 billion VND, equivalent to a growth of 75% compared to the same period in 2024. In the same period of 2024 (from March 10 to June 5, 2024), the plant had to suspend power generation at the request of Northern Power Corporation in order to complete the extension of its electricity operation license, resulting in low revenue in the first 6 months of 2024 and consequently, significant losses.

From the above reasons, the Consolidated semi-annual financial statements of 2025 recorded profit with significant fluctuation compared to the same period in 2024.

III. Profit after tax in the reporting period with a variance of 5% or more before and after review (Circular No. 96/2020/TT-BTC: Article 14, Clause 4, Point c)

- Profit before review: 2,041,231,947 VND

- Profit after review: 2,144,800,150 VND

Increase in variance: 103,568,203 VND

Reason:

- Increase in financial income by 677,367,807 VND due to: the Company's revaluation of year-end foreign exchange differences on receivables related to the construction volume of the Xekaman 3 hydropower project from Xekaman 3 Power Co., Ltd.

- Increase in revenue from sales of goods and services by 556,939,664 VND due to the final settlement of the Noi Bai - Lao Cai Expressway project.

- Increase in corporate income tax payable by 16,859,940 VND due to higher profit.

B.2 Explanation of the Qualified review conclusion (Circular No. 96/2020/TT-BTC: Article 14, Clause 2, Point b)

In the Review report on Interim Financial Information No.1013/2025/UHY - BCSX dated August 28, 2025, reviewed by UHY Audit and Advisory Company Limited regarding the Consolidated interim financial statements of Song Da 10 Joint Stock Company for the accounting period from January 1, 2025 to June 30, 2025; the basis for the qualified conclusion is presented as follows:

Basis for the qualified opinion

As of June 30, 2025, overdue interest expenses payable relating to the loan at Song Da 10.1 One Member Limited Liability Company (a subsidiary of the Company) had not been recognized, with a value of 44,691,358,453 VND (the amount of overdue interest expenses unrecognized as of December 31, 2024 was 44,691,358,453 VND). If the overdue interest expenses had been recognized in the accounting period from January 1, 2025 to June 30, 2025, the item “Short-term accrued expenses” in the Consolidated interim balance sheet would have increased by 44,691,358,453 VND and the item “Undistributed profit after tax” would have decreased by 44,691,358,453 VND.

Company’s explanation

Song Da 10.1 One Member Limited Liability Company has a Group V loan at BIDV Gia Lai. The financial situation of Song Da 10.1 One Member Limited Liability Company is very difficult. With the cash inflows collected from projects, the Company has only been able to arrange repayment of loan principal to the Bank.

Based on the minutes of the meeting on the debt settlement plan between Song Da 10.1 One Member Limited Liability Company and BIDV Gia Lai dated December 15, 2023, the Company is continuing to negotiate with the Bank on reduction or exemption of interest expenses after the full repayment of principal to BIDV Gia Lai.

In accordance with BIDV’s internal regulations, BIDV Gia Lai is also supporting Song Da 10.1 One Member Limited Liability Company in resolving overdue debts and will soon submit to the competent authority for approval of interest exemption. Moreover, in the first six months of 2025, the subsidiary repaid an additional 19 billion VND of principal, thereby reducing the outstanding loan balance from 115 billion VND at the time of signing the meeting minutes (December 15, 2023) to 46 billion VND as of June 30, 2025. Therefore, the Company continues to believe that this interest expense will be exempted by the Bank in accordance with the subsidiary’s proposal. As a result, the Company has not recognized this overdue interest expense in the Consolidated semi-annual financial statements for 2025.

The above is the explanation of the difference in the indicator profit after corporate income tax and Qualified opinion of the audit firm in the reviewed semi-

annual financial statements for 2025 of Song Da 10 Joint Stock Company, reviewed by UHY Audit and Advisory Company Limited.

We respectfully request the Hanoi Stock Exchange to disclose this information to investors.

Song Da 10 Joint Stock Company sincerely thanks you!

Recipients:

- As listed above;
- Archive: HR; Accounting (01)



Nguyen Tuan Anh