

Hanoi, October 24, 2025

Explanation on Measures and Roadmap
to Remedy the Controlled Status of the Company's Shares

To: Hanoi Stock Exchange

On October 16, 2025, Sông Đà Simco Joint Stock Company received Decision No. 1240/QĐ-SGDHN dated October 13, 2025, from the Hanoi Stock Exchange regarding the continuation of the *controlled status* applied to the Company's shares (stock code: SDA), due to the following reasons:

- The Company recorded negative after-tax profit for both 2023 and 2024; and
- The independent auditor expressed qualified opinions on the audited financial statements for the years 2023 and 2024.

Sông Đà Simco Joint Stock Company respectfully reports on the measures and roadmap to remedy the situation as follows:

- **Regarding the accumulated loss:**
The accumulated loss as of 2024 primarily resulted from the Company's provision for impairment of investments in associates and other long-term investments. The Company is currently reviewing its long-term financial investments with the aim of restructuring and recovering capital to focus resources on its core business operations. Upon completion of the restructuring process, the Company expects to reverse part of the provision for investment impairment, thereby offsetting the accumulated loss up to 2024.
- **Regarding the qualified opinion on the 2023 audited financial statements:**
The 2023 financial statements included provisions based on the unaudited financial statements of HXS VINA Technology Investment Joint Stock Company and Cat Tuong Thien Tan Lac Joint Stock Company. As of now, HXS VINA Technology Investment Joint Stock Company has completed its 2024 audited financial statements, providing a reliable basis for Simco to reassess and determine the appropriate level of investment provision in accordance with regulations. Meanwhile, the investment in Cat Tuong Thien Tan Lac Joint Stock Company has been fully divested pursuant to Resolution No. 03/SIMCO-HĐQT dated March 17, 2025, of the Company's Board of Directors.
- **Regarding the qualified opinion on the 2024 audited financial statements:**
As of December 31, 2024, the Company's investment in Cat Tuong Thien Tan Lac Joint Stock Company amounted to VND 37,050,000,000. Due to project delays, the Company made a 100% provision for this long-term financial investment. In 2025, the Company completed the divestment of this investment to restructure its portfolio and improve overall business efficiency.

As of December 31, 2024, the account "Other short-term receivables" totaled VND 58,163,618,000. As these receivables lacked adequate payment guarantees, the



Company applied the principle of prudence by making a 100% provision for doubtful debts. Up to the present, these receivables have been successfully recovered.

With regard to receivables from customers, the Company continues to actively pursue collection efforts, targeting full recovery within 2025.

The above constitutes our explanation on the measures and roadmap to address the controlled status of the Company's shares. Sông Đà Simco Joint Stock Company will make every effort to remedy this situation at the earliest possible time.

Respectfully submitted.

SÔNG ĐÀ SIMCO JOINT STOCK COMPANY



CHỦ TỊCH HĐQT
Lê Quang Huy

Recipients: *Th*

- As addressed above;
- Archives: Administration, Information Disclosure Department.

