

**SONG DA INVESTMENT AND CONSTRUCTION
JOINT STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Number: 16.7.1 /SDD- GTBCTC
Re: Explanation of profit after tax in the second
quarter of 2025 with a loss and the difference in
increase (loss decrease) is over 10% compared to
the same period last year.

Hanoi, July 16, 2025

Dear:

**- State Securities Commission
- Hanoi Stock Exchange**

Issuer: Song Da Investment and Construction Joint Stock Company

Stock code: SDD Trading floor: UPCOM

Our company sends you the Financial Report for the 2nd Quarter of 2025. According to Circular 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance, our company must simultaneously explain the reasons for the following cases: Profit after tax in the 2nd Quarter of 2025 is a loss and the difference is over 10% compared to the same period last year.

In our Financial Report for Q2/2025 and Q2/2024, there are some indicators on Revenue and Profit after tax as follows:

| T T | Target | Q2 2025 | Q2 2024 | Note (increase+) (decrease-) | Increase, decrease % |
|--------|------------------|-----------------|-----------------|------------------------------------|-------------------------|
| 1 | Revenue | 2,128,208,466 | 2,270,955,677 | (400,405,685) | -16% |
| 2 | Profit after tax | (2,400,357,310) | (6,512,029,824) | 4,111,672,514 | 63% |

1- The company explains that the company's after-tax profit in the second quarter of 2025 was a loss for the following reasons:

- The company's Q2/2025 business revenue was low, with only revenue from electricity production at Muong Sang 2 Hydropower Plant but only generating 11%

of the designed capacity due to low rainfall in the area, no revenue from construction and other revenue.

- Meanwhile, business costs are high because they still have to pay depreciation, salaries, interest on loans and other expenses.

The combination of the above factors, low revenue and high costs, caused the company's 2nd Quarter 2025 profit after tax to be at a loss.

2- The company explains the difference in the company's after-tax profit in the second quarter of 2025, which increased (loss decreased) by 63% compared to the same period last year for the following reasons:

- Business revenue in Q2/2025 compared to Q2/2024 decreased by 16%;
- Cost of goods sold in Q2/2025 compared to Q2/2024 decreased by 48%;
- Financial expenses in Q2/2025 compared to Q2/2024 decreased by 14%;
- Business management costs in the second quarter of 2025 compared to the second quarter of 2024 decreased by 245%;
- Financial operating revenue in Q2/2025 compared to Q2/2024 increased by 6%;
- Other profits in Q2/2025 compared to Q2/2024 decreased by 882%;

Combining the above factors, the Company's after-tax profit in the second quarter of 2025 compared to the second quarter of 2024 will decrease by 63%.

The company explained to the State Securities Commission and the Hanoi Stock Exchange the reasons leading to the company's after-tax profit in the second quarter of 2025 being a loss and the difference increasing (loss decreasing) by 63% (over 10%) compared to the same period last year.

Recipient:

- As above.
- Save VP.



Nguyen Phuong Dong