

SONADEZI CORPORATION
SONADEZI GIANG DIEN
SHAREHOLDING COMPANY

No.: 576/SZG-KT

Re: Explanation regarding the review
conclusion for the Financial Statements of the
first 6 months of 2025

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Dong Nai, August 14th, 2025

To: - The State Securities Commission of Vietnam ;
- Hanoi Stock Exchange.

1. **Listed Entity:** Sonadezi Giang Dien Shareholding Company
2. **Listed Stock Symbol:** SZG
3. **Qualified opinion stated in the audited Financial Statements for the first 6 months of 2025:**

Based on the results of our review, except for the matters described in the “Basis for qualified opinion” section, we have not found anything that causes us to believe that the accompanying interim Financial Statements do not fairly and accurately present, in all material respects, the financial position of Sonadezi Giang Dien Shareholding Company as of June 30, 2025, as well as the business results and cash flows for the first 6 months of the fiscal year ending December 31, 2025, in conformity with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, and and relevant statutory requirements on the preparation and presentation of interim Financial Statements.

4. Basis for qualified opinion

During the period, the Company signed a business cooperation contract with Phuoc Binh Investment Company Limited to implement the Project for investment, construction, and operation of the infrastructure of Phuoc Binh Industrial Zone with a total contributed capital of 1,236,515,000,000 VND (see Note V.5b in the Notes to the Interim Financial Statements). However, the Project has not yet received concurrent approval for investment policy and investor approval from the Dong Nai Provincial People's Committee. Therefore, with the currently available documents, we do not have sufficient information to determine whether this is a business cooperation contract, consequently, we cannot ascertain the appropriateness of recognizing the long-term other receivables item in the interim financial statements, nor can we assess the recoverability of capital, and determine whether the cost of capital (corresponding to a minimum return rate of 08% per annum) should be recognized.

Furthermore, we have not obtained sufficient reliable evidence as to whether the nature of the transaction under this business cooperation contract involves common control.

5. Explanation regarding the disclaimer of opinion

Sonadezi Giang Dien Shareholding Company (the Company) would like to provide an explanation regarding the qualified opinion in the reviewed semi-annual Financial Statements for the accounting period ending June 30, 2025, as follows:

5.1. Regarding the Legality and Basis for Recognizing the Long-Term Other Receivables Item

In fact, the project has completed a series of important preliminary legal procedures, establishing a solid foundation for obtaining the investment policy approval in the near future. The completed procedures include, but are not limited to, the approval by the Prime Minister

for inclusion in the planning of industrial parks in Dong Nai province under Official Letter No. 964/TTg-CN dated 17/06/2009; the Prime Minister's approval of the planning for an industrial zone that has not yet been established, which has been included in the plan for industrial zone development until 2020, and continued in the planning for the 2021–2030 period under Section V.1, Appendix II, the Plan for Industrial Zone Development in Dong Nai Province for the period 2021–2030, with a vision to 2050, enclosed with Decision No. 586/QĐ-TTg dated 03/7/2024 of the Prime Minister approving the Dong Nai Provincial Planning for the period 2021–2030, with a vision to 2050. The Phuoc Binh Industrial Park Project has also been approved by the Dong Nai Provincial People's Committee for the 1/500-scale detailed planning under Decision No. 344/QĐ-UBND dated 29/01/2019, approved by the Ministry of Natural Resources and Environment for its environmental impact assessment report under Decision No. 1674/QĐ-BTNMT dated 04/7/2019, and received the consent of the local competent authorities regarding the policy for certain initial legal procedures of the investment project. In addition, Phuoc Binh Company has paid compensation and carried out partial site clearance for the project. The delay in obtaining the investment policy approval is due to certain objective reasons, including policy adjustments and the need for additional time to complete inter-sectoral administrative procedures. These are common difficulties encountered during the implementation of large investment projects in Vietnam.

With nearly 20 years of experience in investing, constructing, and developing industrial zone in Dong Nai province, we have quantified and assessed this risk. The completion of the fundamental legal procedures is an important indicator showing that the project is on the right track and will soon be granted the investment policy approval. We believe that the obstacles will be resolved in the near future, and the project will soon have full legal status for implementation.

The signing of the Business Cooperation Contract (BCC) with Phuoc Binh Investment Consulting Company Limited is a strategic move, carried out on the basis of an in-depth assessment of the project's **feasibility and development potential**.

- **Legality of the BCC:** This contract was prepared and signed in full compliance with current civil law regulations, is binding, and serves as a solid legal basis for the agreements between the two parties. The Company has sought independent legal advice and has confirmed that this BCC is fully valid.
- **Basis for Recognition in Financial Statements:** The investment amount contributed by the Company in the first installment, 618,257,500,000 VND, is accounted for as "Long-term other receivables" because the BCC has a term of 24 months, in accordance with Vietnamese Accounting Standards. This accounting treatment accurately reflects the nature of the transaction, which is an investment by the company to receive future economic benefits from the BCC.

5.2. Regarding Capital Recovery and Profitability

The Company has full confidence in its ability to recover capital and generate profit from this investment, based on the following solid foundations:

- **Minimum Profit Guarantee:** The contract clearly stipulates that Sonadezi Giang Dien Shareholding Company is entitled to a minimum profit margin of 8% per annum on the contributed capital, regardless of the project's status. This clause ensures the preservation of capital and a minimum profit for the Company, significantly mitigating risks.

- **Unilateral Termination Right:** The contract also clearly states that Sonadezi Giang Dien Shareholding Company has the right to unilaterally terminate the contract at any time simply by providing written notice to Phuoc Binh Company at least 30 business days in advance. Upon such termination, Phuoc Binh Company must return the entire received capital contribution value and 8% profit on the total contributed capital within 30 business days. This clause provides us with a robust mechanism for protecting investment capital and profit, allowing us to withdraw from the transaction if we perceive unacceptable risks, thereby ensuring the liquidity and safety of the investment.
- **Right to Operate and Exploit:** The Company has the right to operate, exploit, or select partners for sub-leasing land within the scope of cooperation. This allows us to leverage our extensive customer network, management experience, and long-standing reputable brand to generate revenue and profit.
- **Practical Experience:** The Company possesses many years of experience in successfully investing, constructing, and operating industrial parks in Dong Nai province, including Giang Dien Industrial Zone. These projects have demonstrated our effective implementation capability and capital recovery potential.

5.3. Nature of the transaction and common control

We affirm that this business cooperation contract transaction is not a common control activity but a form of investment cooperation, in which the Company acts as a financial and experienced investor, while Phuoc Binh Investment Consulting Company Limited is the project owner. Although we possess special rights, the ultimate decision-making power and project management still rest with the project owner according to legal regulations.

Sonadezi Giang Dien Shareholding Company is committed to continuing to closely monitor and support Phuoc Binh Investment Consulting Company Limited with its experience and human resources to accelerate the legal process of the Phuoc Binh Industrial Zone Project, and will disclose updated information immediately upon receiving the investment policy approval from the competent state authority.

With the above arguments and commitments, we believe that the items recorded in the Financial Statements are appropriate, and the Company has a solid basis to recover the capital and achieve future economic benefits.

Through this document, the Company respectfully reports the above matters to the esteemed authorities and shareholders.

Sincerely.

Recipients:

- As above;
- To: Board of Directors (for information disclosure coordination);
- Archive: Office, Accounting



General Director

Hoàng Sy Quyet