

**SONGDA INVESTMENT AND CONSTRUCTION  
JOINT STOCK COMPANY**

Number: 16.1.1 /SDD- GTBCTC

Subject: Explanation of the net loss in Q4 2025 and the increase in loss difference exceeding 10% compared to the same period last year.

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**

*Hanoi, January 16, 2026*

Dear:

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

Issuer: Song Da Investment and Construction Joint Stock Company

Stock code: SDD Exchange: UPCOM

Our company is submitting to your agency the Financial Report for the fourth quarter of 2025. In accordance with 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: Net profit after tax in the fourth quarter of 2025 shows a loss and a difference exceeding 10% compared to the same period of the previous year.

Our Q4 2025 and Q4 2024 financial reports include the following revenue and net profit figures:

T T	Target	Fourth quarter of 2025	Fourth quarter of 2024	Note (increase +) (decrease -)	Percentage increase/dec rease
1	Revenue	3,817,054,507	4,081,499,139	(264,444,632)	-6%
2	Net profit after tax	(3,286,258,402)	(2,562,501,118)	723,757,284	28%

**1. The company explains that its after-tax profit for Q4 2025 was a loss due to the following reasons:**

- The company's operating revenue in Q4 2025 was low, with only revenue from electricity production at the Muong Sang 2 Hydropower Plant, which only

operated at 19% of its designed capacity due to low rainfall in the area. There was no revenue from construction or other activities.

Meanwhile, the company's costs remain high and fixed due to ongoing depreciation, salary payments, interest payments on loans, and other expenses.

Combining the above factors, low revenue and high costs resulted in a net loss for the company in Q4 2025.

**2- The company explains that the net profit after tax for Q4 2025 increased by 28% compared to the same period last year due to the following reasons:**

- The company's operating revenue in Q4 2025 decreased by 6% compared to Q4 2024.

- Meanwhile, the cost of goods sold decreased by 2%; financial expenses increased by 55%, including a 55% increase in interest expenses; and administrative expenses decreased by 62%, resulting in a 28% decrease in operating profit compared to Q4 2024.

- Other income is small in value, but in Q4 2025 it also increased compared to Q4 2024, equivalent to 100% of other income in Q4 2024.

Combining the above factors, the company's after-tax profit for Q4 2025 decreased by 28% compared to Q4 2024.

The company provided an explanation to the State Securities Commission and the Hanoi Stock Exchange regarding the reasons for the company's after-tax profit loss in the fourth quarter of 2025 and the increase in the loss difference by over 10% compared to the same period of the previous year.

**Recipient:**

- As above.
- Save VP.

**COMPANY DIRECTOR**

  
Nguyễn Phương Đông

