

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

**SIMCO SONG DA JOINT STOCK COMPANY**

No.: 2703-1/2026/SIMCO-CBTT

Hanoi, March 27, 2026

Re: Explanation of the 2025 Audited Financial Statements

**To: - State Securities Commission of Vietnam  
- Hanoi Stock Exchange**

Company name: **SIMCO Song Da Joint Stock Company**

Ticker symbol: **SDA**

Head office address: SIMCO Song Da Building – Van Phuc New Urban Area, Ha Dong Ward, Hanoi City

Telephone: 0243.5520402 Fax: 0243.5520401

Authorized information disclosure officer: Ms. Pham Thi Hieu – Chief Accountant

6.1 Explanation of the difference in after-tax profit between the audited financial statements for the fiscal year ended 31 December 2025 and the cumulative after-tax profit in the Q4/2025 financial statements with a variance of 5% or more:

- Cumulative after-tax profit in Q4/2025 financial statements: VND 2,582,805,880
- After-tax profit in the audited financial statements for 2025: VND 2,362,515,524
- Difference: VND 220,290,356, equivalent to a decrease of 9%

Reason:

The primary reason is that the audited financial statements for 2025 reflected an increase in provisions for financial investments in investee companies. This adjustment was made because, at the time of the audit, the Company had only then obtained the annual financial statements of these entities as a basis for determining additional provision requirements.

6.2 Explanation of the change in after-tax profit in the audited financial statements for the fiscal year ended 31 December 2025 from loss to profit compared to the same period of the previous year:



- After-tax profit in the audited financial statements for 2024: VND -100,142,622,762

- After-tax profit in the audited financial statements for 2025: VND 2,362,515,524

→ The result changed from loss to profit compared to the same period of the previous year.

Reason:

The primary reason is that in 2024, the Company recorded significant provisions for financial investments in investee companies, as well as provisions for doubtful debts relating to unsecured loan balances, which substantially reduced profit in that year.

6.3 Explanation regarding the qualified audit opinion in the audited financial statements:

- The investment in Cat Tuong Thien Tan Lac Joint Stock Company amounted to VND 37,050,000,000. Due to prolonged project delays, in 2024 the Company made a 100% provision for this long-term financial investment. In 2025, the Company divested this investment in order to restructure its investment portfolio and improve economic efficiency.

- As of 01 January 2025, other receivables classified under "Other short-term receivables" amounted to VND 58,163,618,000. As these receivables were unsecured, the Company had made a 100% provision for doubtful debts in 2024 in accordance with the prudence principle. During 2025, the Company successfully recovered part of these receivables; accordingly, the Company reversed a portion of the provision based on the amount recovered during the period.

We hereby confirm that the information disclosed above is truthful, and we take full responsibility before the law for the contents of this disclosure.



AUTHORIZED INFORMATION DISCLOSURE OFFICER

(Signature and full name)

Pham Thi Hieu

Recipients:

- As addressed

- Archived at CBTT Office