

**SONG DA
CORPORATION – JSC**

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

No.: **184** /TCT-TCKT
Re: Explanation of Qualified
Opinion on the Consolidated
Financial Statements for the year
2025

Hanoi, **31** March 2026

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

1. Company name: Song Da Corporation – JSC

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2. Explanation for the Auditor's Qualified Opinion:

2.1 Impact on the Consolidated Financial Statements ("CFS") arising from Song Da 4 Joint Stock Company – a subsidiary of Song Da Corporation – JSC

As at 31 December 2025, short-term trade receivables and other short-term receivables of Song Da 4 Joint Stock Company that were overdue and considered unlikely to be recoverable amounted to VND 154,198,455,541 and VND 5,537,427,315, respectively. A provision of VND 7,667,847,557 has been made accordingly. The auditor was unable to obtain sufficient appropriate audit evidence to assess the recoverability of these receivables. Accordingly, the auditor could not determine whether any adjustment to the "Allowance for doubtful short-term receivables" was necessary, nor could the auditor estimate the potential impact (if any) on the related items presented in the financial statements.

As at the date of issuance of the 2025 audit report, the balances of trade receivables, advances, and payables as at 31 December 2025 that had not been confirmed by counterparties amounted to VND 148,957,792,957; VND 10,834,758,511; and VND 95,694,661,453, respectively. Although the auditor performed all necessary audit procedures, sufficient appropriate audit evidence regarding the existence of these balances could not be obtained. Accordingly, the auditor was unable to determine the impact (if any) on the related items presented in the financial statements of Song Da 4 Joint Stock Company.

2.2 Impact on the Consolidated Financial Statements ("CFS") arising from Song Da 6 Joint Stock Company – a subsidiary of Song Da Corporation – JSC

The audit report for the financial year ended 31 December 2025 of Song Da 6 Joint Stock Company expressed a qualified opinion due to the following matters:

As at 31 December 2025, the Company's short-term trade receivables that were overdue amounted to VND 178,752,028,479 (as at 1 January 2025: VND 291,301,535,413). Of this amount, receivables related to Song Da Corporation – JSC and its associates totaled VND 176,740,571,521 (including VND 47,357,234,181 recognized by the Company as receivables from the Xekaman – Sanxay Hydropower Project and Xekaman 3 Hydropower Project and recorded as other income in 2024) (as at 1 January 2025: VND 187,411,446,279). The corresponding provision recognized was VND 32,395,065,507 (as at 1 January 2025: VND 32,395,065,507). We were unable to obtain sufficient appropriate audit evidence to assess the recoverability of the above receivables. Accordingly, we could not determine whether any adjustment to the "Allowance for doubtful short-term receivables" was necessary, nor could we estimate the potential impact (if any) on the related items presented in the financial statements.

As at the date of issuance of the 2025 audit report, the balances of trade receivables and trade payables as at 31 December 2025 that had not been confirmed by counterparties amounted to VND 108,079,337,847 and VND 26,015,067,881, respectively. Although the auditor performed all necessary audit procedures, sufficient appropriate audit evidence regarding the completeness and existence of these balances could not be obtained. Accordingly, the auditor was unable to determine the impact of this matter on the related items presented in the Company's financial statements.

Reasons for the Qualified Opinion in the Financial Statements of Song Da 4 Joint Stock Company:

Regarding the qualified opinion on receivables and the allowance for doubtful receivables: These receivables are overdue in accordance with contractual terms. Due to the specific nature of construction and installation projects, which involve multiple components and long execution periods, projects are often simultaneously under construction, completion, and final settlement. As a result, the confirmation of receivable balances becomes the basis for payment only when the relevant stages are finalized. In addition, Song Da 4 Joint Stock Company is in the process of assessing the estimated recoverability of each receivable based on the payment terms stipulated in contracts signed with the main contractors. The settlement and payment of project values depend on the payment mechanisms between the project owners and the main contractors, as well as on the finalization processes governed by relevant State policies and regulations. Therefore, the collection of these receivables cannot be completed until these matters are fully resolved.

Regarding receivables, advances, and payables for which confirmation letters have not been received: The Company has not received confirmation responses from customers as they are currently reviewing and finalizing project settlements. In addition, certain balances have been unilaterally offset or netted by counterparties through other entities or project management units without mutual agreement. The Company is actively working with project owners and suppliers

and is implementing various measures to recover these balances. The Company expects to collect the outstanding amounts in the near future and will continue to provide supporting information to the auditors.

Reasons for the Qualified Opinion in the Financial Statements of Song Da 6 Joint Stock Company:

Regarding trade receivables, Song Da 6 Joint Stock Company regularly contacts customers, prepares reconciliation minutes, and urges the collection of outstanding receivables. However, due to certain projects still being in the final settlement stage, project owners have not yet made full payment of the outstanding balances.

In addition, regarding confirmation of receivable balances, certain customers, acting in bad faith, did not sign and return balance confirmation letters as requested by the auditors. As at 1 January 2025 and at the time of preparation of the financial statements for the year ended 31 December 2025, the auditors were unable to obtain sufficient confirmation responses from customers of Song Da 6 Joint Stock Company. Accordingly, the auditors concluded that they could not determine the impact of this matter on the related items presented in the Company's financial statements.

The above represents the explanation of Song Da Corporation – JSC regarding the auditor's qualified opinion on the consolidated financial statements for 2025. The Corporation commits that the above explanations are true and accurate and takes full responsibility for the disclosed information.

Recipients:

- As above;
- Board of Management of the Corporation (for reporting);
- Supervisory Board of the Corporation (for reporting);
- Filed at Finance & Accounting Department and Office of the Corporation.



TỔNG GIÁM ĐỐC

Trần Anh Đức