

**JOINT STOCK COMPANY  
INVESTMENT AND CONSTRUCTION OF  
THE DA RIVER**

Number: 16.4.1 /SDD- GTBCTC

Subject: Explanation of the net loss in Q1 2026 and  
the difference in losses decreasing by over 10%  
compared to the same period last year.

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

*Hanoi, April 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 first quarter of 2026. 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 first quarter of 2026 shows a loss and a difference exceeding 10% compared to the same period of the previous year.

Our Q1 2026 and Q1 2025 financial reports include the following revenue and net profit figures:

T T	Target	First quarter of 2026	First quarter of 2025	Note (increase +) (decrease -)	Percentage increase/decrease
1	Revenue	1,507,548,750	1,107,394,594	400.154.156	36%
2	Net profit after tax	(3,629,506,585)	(4,099,944,742)	470,438,157	11%

**1. The company explains that its after-tax profit for the first quarter of 2026 was a loss due to the following reasons:**

- The company's operating revenue in the first quarter of 2026 was low, with only revenue from electricity production at the Muong Sang 2 Hydropower Plant,

which could only operate at 12% 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 the first quarter of 2026.

**2- The company explains that the difference in after-tax profit for Q1 2026, showing an 11% decrease in loss compared to the same period last year, is due to the following reasons:**

- The company's operating revenue in Q1 2026 increased by 36% compared to Q1 2025.

- Meanwhile, the cost of goods sold decreased by 0.5%; financial expenses increased by 55%, including a 10% increase in interest expenses and a 17% increase in administrative expenses, resulting in an 11% decrease in operating profit compared to Q1 2025.

- Other profits of small value will not affect profits in Q1 2026 or Q1 2025.

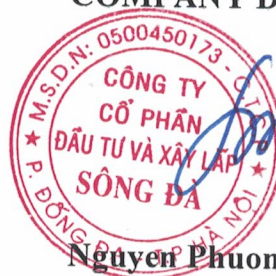
Combining the above factors, the company's after-tax profit for Q1 2026 will see a reduction in losses of 11% compared to Q1 2025.

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 first quarter of 2026 and the difference in losses decreasing by over 10% compared to the same period last year.

**Recipient:**

- As above.
- Save VP.

**COMPANY DIRECTOR**



**Nguyễn Phương Đông**