

**SONGDA INVESTMENT AND
CONSTRUCTION JOINT STOCK
COMPANY**

Number: 18.7.1 /SDD- GTBCTC
Subject: Explanation of the net loss in Q2
2026.

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hanoi, July 18, 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 second quarter of 2026. According to Circular 96/2020/TT-BTC dated November 16, 2020, of the Ministry of Finance, our company must explain the reasons for the following situation: The after-tax profit for the second quarter of 2026 was a loss.

Our Q2 2026 and Q2 2025 financial reports include the following revenue and net profit figures:

T T	Target	Second quarter of 2026	Second quarter of 2025	Note (increase +) (decrease -)	Percentage increase/dec rease
1	Revenue	3,022,733,465	2,128,208,466	894,524,999	42%
2	Net profit after tax	(2,408,720,301)	(2,400,606,170)	8,114,131	0.34%

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

- The company's operating revenue in the second quarter of 2026 was low, with only revenue from the commercial electricity production of the Muong Sang 2 Hydropower Plant, which could only operate at 12.5% 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 are high and fixed due to ongoing depreciation, salary payments, interest payments on loans, and other expenses. Specifically:

+ The company's operating revenue in Q2 2026 increased by 42% compared to Q2 2025.

Meanwhile, the cost of goods sold decreased by 4%; financial expenses increased by 12%; administrative expenses increased by 164%; and other expenses increased by 100%.

+ Other profits of small value will not affect profits in Q2 2026 or Q2 2025.

Combining the above factors, the company's after-tax profit for Q2 2026 will show a loss, but not a significant difference compared to Q2 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 loss in the second quarter of 2026, noting that the loss was not significant compared to the same period of the previous year.

Recipient:

- As above.
- Save VP.

COMPANY DIRECTOR



Nguyễn Phương Đông

