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| SONG DA CORPORATION - JSC | **SOCIALIST REPUBLIC OF VIETNAM** |
| **Song Da 10 Joint Stock Company** | **Independence - Liberty - Happiness** |
| No: 703 E/SD10 - TCKT | *Hanoi, August 27, 2026* |

# EXPLANATORY STATEMENT

"Regarding: Variances in profit after corporate income tax in the reviewed 2026 semi-annual financial statements"

To:
- The States Securities Commission;
- Hanoi Stock Exchange;

Pursuant to the Securities Law No. 54/2019/QH14 dated November 26, 2019, of the National Assembly of the Socialist Republic of Vietnam;

Pursuant to circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the securities market;

Pursuant to the review reports on Interim financial information: No. 1000/2026/UHY-BCSX dated August 27, 2026 regarding the separate financial statements of Song Da 10 Joint Stock Company; and No. 1001/2026/UHY-BCSX dated August 27, 2026 regarding the consolidated financial statements for the accounting period from January 1, 2026 to June 30, 2026, which were reviewed by UHY Auditing and Consulting Co., Ltd.

Song Da 10 Joint Stock Company (Stock code: SDT) provides an explanation for the variances in profit after corporate income tax in the reviewed 2026 semi-annual financial statements. The reports and explanations are as follows:

## Section A: SEPARATE FINANCIAL STATEMENTS (PARENT COMPANY)

**Profit after income tax for the reviewed semi-annual financial reporting period changed by 10% compared to the same period in 2025 (Circular No. 96/2020/TT-BTC, Article 14, Clause 4(a)).**

**1. Figures:**

- First six months of 2025: 2,455,969,889 VND (Profit)
- First six months of 2026: 4,443,024,233 VND (Profit)

Increase: 1,987,054,344 VND; equivalent to a growth of 80.91%

**2. Reasons:**

- Net sales and services revenue (378.767 billion VND) increased by 71.609 billion VND, representing an 23.31% increase compared to the same period in 2025 (307.158 billion VND). This was due to the Company focused on construction activities and capital recovery at key projects (Bac Ai Pumped Storage Hydropower Project and the Yen Bai - Lao Cai Expressway Project).

- Finance income (15.097 billion VND) increased by 14.166 billion VND, representing an increase of 1,521.08% compared to the same period in 2025 (931 million VND). This was due to the Company receiving dividends from its equity investment; Profit paid by the State to the Company in relation to its capital contribution to the La Son - Tuy Loan Project and an increase in interest income from bank deposits.

- Other income (34 million VND) decreased by 3.035 billion VND, representing a decrease of 98.89% compared to the same period in 2025 (3.069 billion VND). This was due to the Company having recorded income from the disposal and sale of fixed assets in the same period of 2025.

- Cost of goods sold (349.657 billion VND) increased by 76.105 billion VND, representing an increase of 27.82%, compared to the same period in 2025 (273.552 billion VND). This was due to an increase in net sales and services revenue.

Although net sales and services revenue increased, gross profit decreased compared to the same period in 2025 due to: The cost of sales increasing at a higher rate than net sales and services revenue (27.82% > 23.31%). The gross profit margin for the 2026 reporting period was only 7.7% of net sales and services revenue, compared to 10.9% in the same period of 2025. The decrease in gross profit resulted from a change in the Company's revenue structure during the 2026 reporting period, specifically: Revenue from other construction contractors (172.794 billion VND) accounted for a significant proportion (46%) of the Company's total net sales and services revenue (378.767 billion VND). For the revenue generated by these contractors, Song Da 10 Joint Stock Company acted as the general contractor and was responsible for management; therefore, the profit margin was low. Consequently, this reduced the Company's overall gross profit margin, resulting in a decrease in gross profit compared to the same period in 2025.

- Finance costs (6.652 billion VND) decreased by 2.601 billion VND, representing a 28.11% decrease compared to the same period in 2025 (9.253 billion VND), as the Company focused on capital recovery, prioritized repayment of loan principals, and reduced bank borrowings (Outstanding loan principal as at June 30, 2026 was 142.248 billion VND compared to 222.756 billion VND for the same period in 2025).

- Administrative expenses (32.400 billion VND) increased by 9.166 billion VND, representing an increase of 39.45% compared to the same period in 2025 (23.234 billion VND). This was primarily due to the Company recognizing an allowance for doubtful receivables.

- Other expenses (266 million VND) decreased by 988 million VND compared to 2025 (1.253 billion VND), mainly due to a decrease in penalties and other expenses. In addition, in the same period of 2025, certain fixed assets disposed of by the Company had not been fully depreciated; accordingly, the carrying amounts of these assets increased other expenses in 2025.

- Current corporate income tax expense payable (480 million VND) decreased by 930 million VND compared to the same period in 2025 (1.410 billion VND), as during the first six months of 2026, the Company was not subject to the disallowance of excess interest expenses under Decree No. 132/2020/ND-CP dated November 5, 2020 of the Government on tax administration for enterprises having related-party transactions.

As a result of the above factors, profit after income tax in the statement of profit or loss of the reviewed semi-annual separate financial statements (Parent Company's report) increased by 10% compared to the same period in 2025.

## Section B: CONSOLIDATED FINANCIAL STATEMENTS

**Profit after income tax for the reviewed semi-annual financial reporting period changed by 10% compared to the same period in 2025 (Circular No. 96/2020/TT-BTC, Article 14, Clause 4(a)).**

**1. Figures:**

- First six months of 2025: 2,144,800,150 VND (Profit)
- First six months of 2026: 8,200,332,847 VND (Profit)

Increase: 6,055,532,697 VND; equivalent to a growth of 282.34%.

**2. Reasons:**

**2.1. Parent company:** Profit after tax increased by 1.987 billion VND (as explained in Section A of this document).

**2.2. Subsidiaries:** Profit after tax of the subsidiaries (a profit of 3.757 billion VND) increased by 4.068 billion VND compared to the same period in 2025 (a loss of 311 million VND), comprising:

**a. Song Da 10.1 One member Limited Liability Company**

Profit after tax increased by 3.317 billion VND, representing an increase of 393.41% compared to the same period in 2025 (First six months of 2026: profit of 4.160 billion VND/First six months of 2025: profit of 843 million VND). The reasons are as follows:

- Sales revenue (154.684 billion VND**)** increased by 86.902 billion VND, representing an 128% increase compared to the same period in 2025 (67.782 billion VND). This was due to the Company's focus on allocating resources to construction activities and capital recovery at a key project (Yen Bai - Lao Cai Expressway

Project); Completed the remaining construction works at the Aetrang Tunnel under the North-South Expressway Project, while promptly resolving outstanding issues and completing the acceptance and final payment for the completed works at this project.

- Finance costs decreased by 2.617 billion VND compared to the same period in 2025. By the end of 2025, the Company had fully repaid all loan principals to the bank. In the first six months of 2026, the Company continued to have no outstanding borrowings, resulting in no finance costs and accordingly, an increase in profit.

- Current corporate income tax expense (1.049 billion VND) increased by 899 million VND compared to the same period in 2025, due to the increase in profit before tax.

**b. Nam He Hydropower Joint Stock Company**

The loss recorded for the first six months of 2026 (403 million VND) decreased compared to the same period in 2025 (1.154 billion VND), mainly due to the following reasons:

As cash flows were generated, the Company prioritized the use of funds for repayment of bank loan principal. Accordingly, finance costs for the first six months of 2026 (7.795 billion VND) decreased by 1.057 billion VND compared to the same period in 2025 (8.851 billion VND). The outstanding principal balance of bank loans as at June 30, 2026 was 181.8 billion VND, representing a decrease of 21.8 billion VND compared to 203.6 billion VND as at the same date in 2025.

As a result of the above factors, profit after income tax presented in the statement of profit or loss of the interim consolidated financial statements increased by 10% compared to the same period in 2025.

The above is an explanation of the variances in the profit after tax in the 2026 interim financial statements of Song Da 10 JSC, which were reviewed by UHY Auditing and Consulting Co., Ltd.

We respectfully request the Hanoi Stock Exchange to disclose this information to investors.

Song Da 10 Joint Stock Company sincerely thanks you!

**GENERAL DIRECTOR**

**Recipients:**

- As listed above;
- Archieve: HR; Accounting (01)

M.S.D.N: 5900189357-C.T.C.P
CÔNG TY
CỔ PHẦN
SÔNG ĐÀ 10
THÀNH PHỐ HÀ NỘI

***Nguyen Tuan Anh***