**SDA: Explanation related to the Financial Statements 2023**

On March 31, 2024, SIMCO Song Da JSC announced Official Dispatch No. 3103-1/2024/SIMCO-CBTT on explaining the Audited Financial Statements 2023 as follows:

Explanation of profit after tax on the Combined Financial Statements for the financial year ended on December 31, 2023 compared to the accumulated profit after tax on the Financial Statements of Q4/2023, transitioning from profit to loss:

* Accumulated profit after tax on Financial Statements Q4/2023: VND 7,041,962,055
* Profit after tax on the Audited Financial Statements 2023: VND -29,258,003,127
* Transition from profit to loss

The main reason is that at the time of preparing the Financial Statements Q4/2023, the Company had not yet collected the Financial Statements 2023 of joint ventures and companies receiving capital from other investments of the Company. Therefore, the figures in the Financial Statements Q4/2023 had not ha the provision for financial investments. The Audited Financial Statements 2023 was adjusted to increase the provision for financial investments in join venture and companies receiving investment capital from the Company.

* 1. Explanation of profit after tax on the Combined Financial Statements for the financial year ended on December 31, 2023, transition from profit in the same period last year to loss in this period:
* Profit after tax of the Audited Financial Statements 2022: VND 810,011,739
* Profit after tax of the Audited Financial Statements 2023: VND -29,258,003,127
* Transition from profit to loss

The main reason is that in 2023, the Company had provisions for financial investments in joint ventures and companies receiving investment capital from the Company.

* 1. Explanation of auditor’s qualified opinions in the Audited Financial Statements:

The basis of auditor’s qualified opinion:

''As of December 31, 2023, in the item ''Investments in other entities'' on the Combined Balance Sheet, the Company was tracking 02 investments in HXS Vina Technology Investment Joint Stock Company and Công ty cổ phần Cát Tường Thiên Tân Lạc (tentatively translated as Cat Tuong Thien Tan Lac Joint Stock Company) with the value of VND 20,026,000,000 (benefit rate of 19%) and VND 37,050,000,000 (benefit rate of 19%), respectively. The Company are implementing provisions on December 31, 2023 with the following values: VND 861,649,201 and VND 8,074,188 based on the Unaudited Financial Statements of these invested companies. We do not have access to the documents and books of these Companies. With the currently available information, we do not have enough basis to assess the diminished value of the above investments, and alternative audit procedures cannot be performed. Therefore, we cannot determine the necessary adjustments to the value of provisions to be made for the above investments as well as their impact on the Combined Financial Statements."

Explanation from the Company:

Because the Company appropriates the provisions based on the Unaudited Financial Statements of HXS Vina Technology Investment Joint Stock Company and Cat Tuong Thien Tan Lac Joint Stock Company. These are two businesses that are operating stably. In the coming time, the Company will propose the above companies to consider auditing their Financial Statements to serve as a basis for consideration and evaluation of the Company’s provisions.