**SDU: Explanation on the auditor’s qualified opinion**

On March 29, 2024, Song Da Urban Investment Construction and Development Joint Stock Company announced Official Dispatch No. 60CT/TCKT on explaining the auditor's opinion in the Combined Financial Statements as follows:

Song Da Urban Investment Construction and Development Joint Stock Company (Securities code: SDU), Head office: No. 19 Truc Khe Street, Lang Ha Ward, Dong Da District, Hanoi.

On March 29, 2024, our Company completes and submits the Audited Financial Statements for the fiscal year ending on December 31, 2023 to SSC and HNX. However, in the Audited Financial Statements, the auditor's qualified opinion is presented as "Basis for auditor’s qualified opinion" with the following content: “According to Decision No. 7351/QD-CCT-QLN dated February 24, 2023 of Ha Dong District Tax Department, the Company is forced to pay late payment fees for other amounts (subsection 4944) with an amount of VND 6,225,467,680. In particular, the Company has recorded the obligation to pay the State Budget/corresponding to the "Other expenses" during the year with an amount of VND 1,030,000,000 (Financial Statement Footnotes No. VI.8); The amount recorded as missing is VND 5,195,467,680. If the Company fully recognizes debt obligations according to Decision No. 7351 mentioned above, the item: "Tax and payables to the State Budget" as of December 31, 2023 will increase to VND 5,195,467-680. We could not collect appropriate audit evidence to determine the period in which the Company is charged a late payment penalty. Therefore, we cannot quantify the data that must be retroactively adjusted to previous years' business results. The Company does not implement an inventory of finished real estate products, which are apartments in the XI - 26 Lieu Giai project that have not yet been handed over to home buyers as of December 31, 2023. Alternative audit procedures also do not provide us with sufficient appropriate audit evidence to determine the actual number of undelivered apartments as of December 31, 2023 to collate the number of apartments (finished real estate inventory) being tracked by the Company on the accounting books at the same time. Thus, we are unable to express our opinion on the accuracy of the real estate products as of December 31, 2023 and the completeness of real estate sale revenue for the year.”

The Company shall explain as follows:

On February 24, 2023, the Company receives Decision No. 7351/QD-CCT-QLN from Ha Dong District Tax Department. Accordingly, the Company is forced to pay late payment fees for other amounts (subsection 4944) with an amount of VND 6,225,467,680. This is the amount of money that the tax authority has calculated interest according to the regime due to the Company's late payment of land use fees in previous years (the original amount to be paid has been paid in full by the Company). After the above Decision is issued, the Company immediately accounts for the period's expenses an amount of VND 1,030,000,000 and does not record the remaining amount of VND 5,195,467,680 because there is no source to pay due to difficulties in production and business activities. In the future, when the Company's business is favorable, the remaining amount will be accounted for as expenses.

Regarding the failure to inventory finished real estate products, which are apartments belonging to project XI - 26 Lieu Giai, up to now, the apartments in the project have basically been completed, however, households still need to repair and renovate to suit their usage needs and some apartments have been handed over but are still under warranty, Thus the Company has not been able to carry out inventory and handover work.