**SDP: Explanation and Proposed Solutions for the Securities Situation**

On May 6, 2024, SDP Joint Stock Company announced Official Dispatch No. 30CT/TC-KT on explaining the auditor's qualified opinion in the Financial Statements 2021, 2022, and 2023 (Holding Company) as follows:

According to the content of the documents that SDP Joint Stock Company sent to the A&C Auditing and Consulting Company Limited - Hanoi Branch regarding the audit of the Financial Statements 2021, 2022, and 2023, it is stated that the reconciliation and debt confirmation of receivables and payables at the following dates: January 1, 2021, and December 31, 2021; January 1, 2022, and December 31, 2022; January 1, 2023, and December 31, 2023 have low rate of reconciliation and debt confirmation. The main cause of this situation is mainly due to the production and business activities of most enterprises which are SDP Joint Stock Company's customer partners and SDP Joint Stock Company itself are greatly affected by the Covid-19 pandemic, leading to very difficult situations in production, finding new jobs, difficulties in collecting capital, and in business relations with credit institutions...; Some partners have almost temporarily stopped production and business, waiting for dissolution or bankruptcy... so these customer partners prolong the signing of reconciliation and debt confirmation, even refuse signing the debt rescheduling or procrastinating in debt payment; Some customers do not send reconciliation and debt confirmation for SDP Joint Stock Company to sign those documents and send them to the Audit Company, also because of the above difficulties, leading to the Audit Company issuing an auditor's qualified opinion.

For Vinh Thanh residential project, Nhon Trach, Dong Nai: SDP Joint Stock Company has made a lot of effort and investment, but SDP encountered many financial difficulties, therefore, the project implementation was slow, leading to the project being prolonged; Dong Nai Provincial People's Committee did not accept the investment policy at the end of 2017; SDP Joint Stock Company proposed to Dong Nai Provincial People's Committee to continue implementing the Project in the near future but was not approved.

On May 6, 2024, SDP Joint Stock Company announced Official Dispatch No. 31CT/TC-KT on explaining the auditor's qualified opinion in the Financial Statements 2021, 2022, 2023 (consolidated) as follows:

According to the content of the documents that SDP Joint Stock Company sent to the A&C Auditing and Consulting Company Limited - Hanoi Branch regarding the audit of the Financial Statements 2021, 2022, and 2023, it is stated that the reconciliation and debt confirmation of receivables and payables at the following dates: January 1, 2021, and December 31, 2021; January 1, 2022, and December 31, 2022; January 1, 2023, and December 31, 2023 have low rate of reconciliation and debt confirmation. The main cause of this situation is mainly due to the production and business activities of most enterprises which are SDP Joint Stock Company's customer partners and SDP Joint Stock Company itself are greatly affected by the Covid-19 pandemic, leading to very difficult situations in production, finding new jobs, difficulties in collecting capital, and in business relations with credit institutions...; Some partners have almost temporarily stopped production and business, waiting for dissolution or bankruptcy... so these customer partners prolong the signing of reconciliation and debt confirmation, even refuse signing the debt rescheduling or procrastinating in debt payment; Some customers do not send reconciliation and debt confirmation for SDP Joint Stock Company to sign those documents and send them to the Audit Company, also because of the above difficulties, leading to the Audit Company issuing an auditor's qualified opinion.

For Vinh Thanh residential project, Nhon Trach, Dong Nai: SDP Joint Stock Company has made a lot of effort and investment, but SDP encountered many financial difficulties, therefore, the project implementation was slow, leading to the project being prolonged; Dong Nai Provincial People's Committee did not accept the investment policy at the end of 2017; SDP Joint Stock Company proposed to Dong Nai Provincial People's Committee to continue implementing the Project in the near future but was not approved.

Sotraco Investment - Minerral Mining Company Limited (Sotraco Minerals Company for short) is a subsidiary of SDP Joint Stock Company, the Holding Company contributes capital to the Subsidiary at the rate of 100%.; And the main activity of Sotraco Investment - Minerral Mining Company Limited is stone exploitation at the quarry in Phu Man Commune, Quoc Oai District, Hanoi City. However, during the implementation of the stone mining project, Sotraco Minerals Company encountered too many difficulties such as: On the one hand, the soil cover and impurities on the exploited rock layer were too thick, so when mining, the cost of stripping rock and soil layers and impurities are too expensive, leading to very low exploitation efficiency. On the other hand, during the mining process, there is no ground to contain soil and impurities, so mining stone is more difficult, and one of the other difficulties is that the road transporting materials from the mining site to the National Highway is very narrow and can only be used for low-load vehicles. Large trucks cannot be used, leading to high transportation expenses. The difficulties mentioned above lead to high prices for stone mining products and serious losses in mining. Sotraco Minerals Company can only exploit a small part of the reserves of the entire Project; After that, exploitation must be completely stopped from 2014 until the effective date of the Quarry of September 20, 2019 and Sotraco Minerals Company has no need to apply for an extension of the exploitation period at the Project. This is because when implementing previous exploitation at the Project, the Company suffered too much loss.... Since 2017, Sotraco Minerals Company has had no output and revenue from other production and business activities, and has been coerced by stopping the use of invoices... Additionally, from 2017 until now, Sotraco Minerals Company has not restored the use of invoices again because the Unit has completely stopped production and business activities.