

SONG DA CORPORATION – JSC  
Song Da Urban Development and Construction  
Investment Joint Stock Company

No: 28-3 CT/TCKT

Re: Explanation of auditor's note in the 2024  
Consolidated Financial Statements report.

SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

Hanoi, March 28, 2025

**To: HANOI STOCK EXCHANGE**

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

On March 31, 2025, our Company completed and submitted the audited Financial Statements for the fiscal year ending December 31, 2024 to Your Agency. But in the audited financial statements, the Auditor's exception opinion is presented as "Basis for exception audit opinion" with the content of Basis for exception audit opinion: According to Decision No. 7351/QD-CCT-QLN dated February 24, 2023 of the Ha Dong District Tax Department, the Company was forced to pay late payment of other amounts (sub-item 4944), the amount of VND 6,225,467,680. The Company has accounted for this year's expenses, the amount of VND 5,195,467,680, last year was VND 1,030,000,000 (See Notes to Financial Statements No. VI.7). If the Company recorded the expenses in the correct period, the Business Results Report for this year, the "Other expenses" item will decrease by VND 5,195,467,680 and the "Total accounting profit before tax" item will increase accordingly. We have not collected appropriate audit evidence to determine the period in which the Company was charged a late payment penalty. Therefore, we cannot quantify the data that must be retroactively adjusted to the business results of previous years (if any).

The Company did not perform an inventory of finished real estate products, which are apartments in the X1 - 26 Lieu Giai project that have not been handed over to homebuyers as of December 31, 2023, and has not performed any inventory as of December 31, 2024. 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, 2024 to compare with the number of apartments (finished real estate products in inventory) being monitored by the Company in the accounting books at the same time. Therefore, we are unable to express an opinion on the accuracy of the inventory balance of finished real estate products as of December 31, 2024 as well as at December 31, 2023, and the completeness of real estate sales revenue during the year.

The Company is considering setting aside provisions for losses on investments in Associates based on the Financial Statements provided by these Companies. We have not had access to the accounting records and documents of these Companies to conduct audit procedures or review data for the purpose of assessing the amount of provisions for losses on investments in Associates. Therefore, we cannot express our opinion on the accuracy



and completeness of the item “Provision for long-term financial investments” (code 254) in the Balance Sheet and the item “Financial expenses” (code 22) in the Income Statement.

The Company would like to explain as follows:

The Company has received Decision No. 7351/QD-CCT-QLN dated February 24, 2023 of the Ha Dong District Tax Department. According to this decision, the Company was forced to pay the amount of late payment of other amounts (sub-item 4944) with the amount of VND 6,225,467,680. The Company has accounted for all of this tax enforcement amount into expenses in 2024.

Regarding the failure to inventory finished real estate products, which are apartments in the X1 - 26 Lieu Giai project, the reason is that up to now, the apartments in the project have been basically completed but households still need to repair and renovate to suit their needs and some apartments have been handed over but are still under warranty, so the Company has not been able to carry out the inventory and handover work.

The Company is considering setting aside provisions for losses on investments in Associates based on the Financial Statements provided by these Companies. We have also received reports prepared by the Company and have not had access to the accounting records and documents of these Companies to review the data for the purpose of assessing the amount of provisions for losses on investments in associates.

Hereby, Song Da Urban Development and Construction Investment Joint Stock Company would like to explain to Your Authority the Auditor's exception in the Consolidated Financial Statements for the fiscal year ending December 31, 2024.

*Sincerely inform!*

**Recipients:**

- As sent.
- Archived
- VP, TCKT.



TỔNG GIÁM ĐỐC  
*Trịnh Xuân Thủy*

