



SONG BA JOINT STOCK COMPANY

Address: 573 Nui Thanh Street - Da Nang City

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Stock code: **SBA**

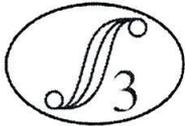
Trading floor: **HoSE**



INTERIM FINANCIAL STATEMENTS

Quarter 2/2018

Da Nang City, July 2018



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INTERIM FINANCIAL STATEMENTS

Quarter 2/2018

Da Nang City, July 2018

INTERIM BALANCE SHEET

Quarter 2/2018

As at 30 June 2018

Unit: VND

ASSETS	Code	Note	30/06/2018	01/01/2018
1	2	3	4	5
A- CURRENT ASSETS (100=110+120+130+140+150)	100		62,601,494,282	131,703,616,479
I Cash and cash equivalents	110		14,962,409,766	52,623,448,960
1 Cash	111	V.01	14,962,409,766	7,623,448,960
2 Cash equivalents	112		-	45,000,000,000
II Short-term financial investments	120		-	-
III Short-term receivables	130		43,513,674,757	74,424,631,849
1 Short-term trade receivables	131	V.02	21,596,202,964	58,568,800,663
2 Short-term prepayments to suppliers	132	V.03	1,795,386,850	359,966,109
3 Short-term inter-company receivables	133		-	-
4 Receivables according to scheduled progress of construction contract	134		-	-
5 Short-term loans receivable	135		-	-
6 Other short-term receivables	136	V.04	20,122,084,943	15,495,865,077
7 Provision for short-term doubtful debts (*)	137		-	-
8 Shortage of assets pending resolution	139		-	-
IV Inventories	140		2,314,676,786	1,748,203,898
1 Inventories	141	V.05	2,314,676,786	1,748,203,898
2 Provision for decline in value of inventories (*)	149		-	-
V Other current assets	150		1,810,732,973	2,907,331,772
1 Short-term prepaid expenses	151	V.11	900,076,323	2,362,804,797
2 Deductible VAT	152		747,066,155	506,628,588
3 Taxes and amounts receivables from the State	153		163,590,495	37,898,387
4 Government bonds purchased for resale	154		-	-
5 Other current assets	155		-	-
B- LONG-TERM ASSETS				
(200=210+220+230+240+250+260)	200		1,236,977,386,675	1,253,946,118,953
I Long-term receivables	210		2,004,000,000	2,004,000,000
1 Long-term trade receivables	211	VI.02	-	-
2 Long-term prepayments to suppliers	212		-	-
3 Working capital in affiliates	213		-	-
4 Long-term inter-company receivables	214		-	-
5 Long-term loans receivable	215		-	-
6 Other long-term receivables	216	V.04	2,004,000,000	2,004,000,000
7 Provision for long-term doubtful debts (*)	219		-	-
II Fixed assets	220		1,214,958,023,916	1,235,197,127,032
1 Tangible fixed assets	221	V.06	1,209,782,762,116	1,230,021,865,232
- Cost	222		1,600,956,217,650	1,600,806,526,741
- Accumulated depreciation (*)	223		(391,173,455,534)	(370,784,661,509)
2 Finance lease assets	224	V.08	-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3 Intangible fixed assets	227	V.07	5,175,261,800	5,175,261,800
- Cost	228		5,478,061,800	5,478,061,800
- Accumulated amortization (*)	229		(302,800,000)	(302,800,000)
III Investment properties	230	V.10	-	-
IV Long-term assets in progress	240		10,486,261,355	8,721,214,787
1 Long-term work in process	241		-	-
2 Construction in progress	242	V.09	10,486,261,355	8,721,214,787
V Long-term financial investments	250		-	-
VI Other long-term assets	260		9,529,101,404	8,023,777,134
1 Long-term prepaid expenses	261	V.11	9,529,101,404	8,023,777,134
2 Deferred income tax assets	262	V.16	-	-
3 Long-term equipment, materials, spare parts	263		-	-
4 Other long-term assets	268		-	-
TOTAL ASSETS (270=100+200)	270		1,299,578,880,957	1,385,649,735,432

RESOURCES	Code	Note	30/06/2018	01/01/2018
A- LIABILITIES (300=310+330)	300		590,301,013,513	671,746,695,264
I Current liabilities	310		99,343,013,513	157,012,695,264
1 Short-term trade payables	311		1,546,803,618	2,035,065,973
2 Short-term advances from customers	312		519,083,666	518,903,666
3 Taxes and amounts payable to the State budget	313	V.13	4,229,975,824	17,390,931,385
4 Payables to employees	314		697,876,324	3,331,843,210
5 Short-term accrued expenses	315	V.14	8,077,463,148	9,647,091,080
6 Short-term inter-company payables	316		-	-
7 Payables according to scheduled progress of construction contract	317		-	-
8 Short-term unearned revenue	318		-	-
9 Other short-term payables	319	V.15	8,680,860,854	54,822,824,651
10 Short-term loans and finance lease liabilities	320	V.12	69,426,000,000	67,870,000,000
11 Provision for short-term payables (*)	321		-	-
12 Reward and welfare fund	322		6,164,950,079	1,396,035,299
13 Price stabilization fund	323		-	-
14 Government bonds purchased for resale	324		-	-
II Long-term liabilities	330		490,958,000,000	514,734,000,000
1 Long-term trade payables	331		-	-
2 Long-term advances from customers	332		-	-
3 Long-term accrued expenses	333		-	-
4 Inter-company payables for working capital	334		-	-
5 Long-term inter-company payables	335		-	-
6 Unearned revenue	336		-	-
7 Other long-term payables	337		-	-
8 Long-term loans and finance lease liabilities	338	V.12	490,958,000,000	514,734,000,000
9 Convertible bonds	339		-	-
10 Preferred shares	340		-	-
11 Deferred income tax liabilities	341	V.16	-	-
12 Provision for long-term payables	342		-	-
13 Scientific and technological development fund	343		-	-
B- EQUITY (400=410+430)	400		709,277,867,444	713,903,040,168
I Shareholders' equity	410	V.17	709,277,867,444	713,903,040,168
1 Share capital	411		604,882,610,000	604,882,610,000
- Common shares with voting rights	411a		604,882,610,000	604,882,610,000
- Preferred shares	411b		-	-
2 Share premium	412		(95,000,000)	(95,000,000)
3 Bond conversion option	413		-	-
4 Other owners' capital	414		-	7,260,810,603
5 Treasury shares (*)	415		(1,589,850,333)	(1,589,850,333)
6 Difference from re-valuation of assets	416		-	-
7 Foreign exchange differences	417		-	-
8 Investment and development fund	418		39,282,271,715	15,130,424,088
9 Fund for support of arrangement of enterprises	419		-	-
10 Other owners' fund	420		-	-
11 Undistributed profit	421		66,797,836,062	88,314,045,810
- - Undistributed profit up to prior year-end	421a		21,152,791,708	635,264,318
- - Undistributed profit this period	421b		45,645,044,354	87,678,781,492
12 Capital sources for investment in construction	422		-	-
II Budget sources and other funds	430		-	-
1 Budget sources	431	V.18	-	-
2 Budget sources forming fixed assets	432		-	-
TOTAL RESOURCES (440=300+400)	440		1,299,578,880,957	1,385,649,735,432

Preparer



Trung Ngoc Hung

Chief Accountant



Pham Thai Hung



Ngay, 18 July 2018

General Director



Pham Phong

INTERIM INCOME STATEMENT
QUARTER 2/2018

Unit: VND

ITEMS	Code	Note	Quarter 2		Accumulated from the beginning of the year to the end of this quarter	
			This year	Previous year	This year	Previous year
1	2	3	4	5	6	7
1. Revenue from sales and service provision	01	VI.1	37,922,814,051	57,605,150,624	118,447,047,125	140,654,462,489
2. Revenue deductions	02	VI.2	-	-	-	-
3. Net revenue from sales and service provision (10=01-02)	10	VI.3	37,922,814,051	57,605,150,624	118,447,047,125	140,654,462,489
4. Cost of goods sold	11	VI.4	12,832,241,684	19,749,423,660	33,286,631,190	44,380,943,537
5. Gross profit from sales and service provision (20=10-11)	20		25,090,572,367	37,855,726,964	85,160,415,935	96,273,518,952
6. Financial income	21	VI.5	124,449,577	137,436,391	380,283,193	141,932,327
7. Financial expenses	22	VI.6	13,253,565,521	14,894,862,062	26,590,042,932	30,006,209,378
- In which: Interest expense	23		13,253,565,521	14,786,948,909	26,590,042,932	29,720,145,676
8. Selling expenses	25		-	-	-	-
9. Administration expenses	26		3,722,816,104	2,941,053,494	8,377,472,138	6,622,848,060
10. Operating profit {30=20+(21-22)-(25+26)}	30		8,238,640,319	20,157,247,799	50,573,184,058	59,786,393,841
11. Other income	31		114,982,560	93,475,767	164,504,048	120,456,611
12. Other expenses	32		67,324,836	98,552,423	115,820,324	283,877,973
13. Other profit (40=31-32)	40		47,657,724	(5,076,656)	48,683,724	(163,421,362)
14. Accounting profit before tax (50=30+40)	50		8,286,298,043	20,152,171,143	50,621,867,782	59,622,972,479
15. Current corporate income tax expense	51	VI.7	1,475,792,274	2,122,803,592	4,976,823,428	5,493,759,363
16. Deferred corporate income tax expense	52		-	-	-	-
17. Profit after corporate income tax (60=50-51-52)	60		6,810,505,769	18,029,367,551	45,645,044,354	54,129,213,116
18. Basic earnings per share	70	VI.8	113	299	757	898
19. Diluted earnings per share	71	VI.8	113	299	757	898

Preparer



Trung Ngoc Hung

Chief Accountant



Pham Thai Hung



INTERIM STATEMENT OF CASH FLOWS

(Under direct method)

QUARTER 2/2018

Unit: VND

Items	Code	Note	Accumulated from the beginning of the year to the end of this quarter	
			This year	Previous year
1	2	3	4	5
I Cash flows from operating activities				
1 Cash receipts from sales and service provision	01		147,940,659,285	136,231,370,072
2 Cash paid to suppliers	02		(12,268,808,727)	(9,729,141,246)
3 Cash paid to employees	03		(11,107,426,546)	(8,894,520,367)
4 Cash paid for borrowing interest	04		(26,843,566,977)	(29,956,144,051)
5 Corporate income tax paid	05		(4,845,783,534)	(7,406,841,939)
6 Other cash receipts from operating activities	06		33,036,745,126	28,970,335,039
7 Other payments for operating activities	07		(53,271,728,539)	(41,485,713,408)
Net cash provided by operating activities	20		72,640,090,088	67,729,344,100
II Cash flows from investing activities				
1 Cash paid for purchases of fixed assets and other long-term assets	21		(285,084,545)	(3,910,075,464)
2 Proceeds from disposals of fixed assets and other long-term assets	22		-	-
3 Loans given, purchase of debt instruments	23		-	-
4 Recovery of loans, resales of debt instruments	24		-	-
5 Cash paid for investment in other entities	25		-	-
6 Proceeds from divestment in other entities	26		-	-
7 Interest earned, dividends, profits received	27		462,005,409	141,932,327
Net cash used in investing activities	30		176,920,864	(3,768,143,137)
III Cash flows from financing activities				
1 Proceeds from stock issuance, capital contribution	31			
2 Capital withdrawals, buying treasury shares	32			-
3 Proceeds from loans	33			3,439,776,200
4 Repayments of loan principal	34		(22,220,000,000)	(20,820,000,000)
5 Repayments of obligations under finance lease	35		-	-
6 Dividends, profit paid to owners	36		(88,258,050,146)	(54,039,827,337)
Net cash used in financing activities	40		(110,478,050,146)	(71,420,051,137)
Net cash flows for the period (50=20+30+40)	50		(37,661,039,194)	(7,458,850,174)
Cash and cash equivalents at the beginning of the period	60		52,623,448,960	14,819,783,143
Impacts of exchange rate fluctuations	61			
Cash and cash equivalents at the end of the period (70=50+60+61)	70	VII.34	14,962,409,766	7,360,932,969

Preparer



Trương Ngọc Hưng

Chief Accountant



Phạm Thái Hưng



Phạm Phong

Form B 09a – DN

(Issued under Circular No. 200/2014/BTC-TT
dated 22/12/2014 by the Ministry of Finance)

NOTES TO THE FINANCIAL STATEMENTS
Quarter 2/2018

I. Nature of operations

1. **Ownership structure** : Joint stock company.

2. **Scope of business** : Electrical energy.

3. **Operating activities:**

- Investing in construction of hydropower projects;
- Producing and trading electrical energy;
- Providing advisory service on preparing investment project of construction works, surveying, designing to construct hydropower projects with capacity up to 30MW, electricity transmission lines and transformer stations up to 110KV;
- Providing advisory service on monitoring construction, managing small and medium-scaled hydropower projects, electricity transmission lines and transformer stations up to 110KV;
- Exploiting minerals and dredging lake;
- Vocational training (managing, running hydropower plants);
- Providing advisory service on solutions to environment, agricultural resettlement, residential resettlement;
- Monitoring the construction of hydropower, irrigation projects;
- Installing equipment for construction works;
- Repairing, maintaining hydropower plants;
- Trading construction materials right at the construction site;
- Trading electromechanical materials, equipment.

4. **Factors that affect the Company's financial statements in the year**

II. Accounting period, currency unit used in accounting

1. **Fiscal year:** starting on 1 January and ending on 31 December.

2. **Currency unit used in accounting:** Vietnamese Dong (VND).

III. Applied accounting standards and accounting system

1. **Applied accounting system:**

Vietnamese Corporate Accounting System issued under Circular No. 200/2014/TT-BTC dated 22/12/2014 by the Ministry of Finance guiding the Corporate Accounting System.

2. Statement of compliance with accounting standards and accounting system:

The financial statements are prepared and presented in accordance with the Vietnamese Accounting Standards and System. The financial statements comply with all provisions of each standard, guiding circular of each accounting standard of the Finance Ministry and the prevailing accounting system which the Company is applying.

3. Form of accounting records: Voucher system (on computer).

IV. Applied accounting policies

1. Recognition of cash and cash equivalents:

- Accounting transactions are recognized and reported in Vietnamese Dong. Cash equivalents include short-term investments which are collectible or mature of 3 months or less as from purchasing date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date in accordance with Accounting Standard No. 24 "Cash flow statement".
- Method of translating other currencies into currency used in accounting: Other currencies are translated into VND using the exchange rate announced by the bank where the Company conducts transactions on the date of the transactions. At the balance sheet date, debts and cash in bank denominated in foreign currency are revaluated using the purchasing exchange rate announced by the bank where the Company conducts transactions at the time of the financial statements.

2. Recognition of inventories:

- Principle for recognition of inventories: Materials are accounted for at actual purchase price and related purchasing costs.
- Method of calculating cost of inventories: First-In,First-Out.
- Method of accounting for inventories: Perpetual Inventory System.
- Method of making provision for decline in value of inventories: Provision for decline in value of inventories is made on the basis of cost and net realizable value of inventories in accordance with Accounting Standard No. 02 "Inventories" and conservatism principle.

3. Recognition and depreciation of fixed assets:

- Recognition of fixed assets (tangible and intangible fixed assets): recorded at cost: purchase price and related costs. In the balance sheet, fixed assets are reflected through 3 items: cost, accumulated depreciation and amortization, net book value.
- Depreciation and amortization of fixed assets (tangible and intangible fixed assets): straight-line depreciation method; method of depreciation according to volume are based on the estimated useful lives of fixed assets in conformity with Circular No. 45/2013/TT-BTC dated 25/04/2013 guiding regulation on management, use and depreciation of fixed assets and Circular No. 147/2016/TT-BTC dated 13/10/2016 on amending some articles of Circular No. 45/2013/TT-BTC dated 25/04/2013.

4. Recognition and depreciation of investment properties

- Recognition principle of investment properties.
- Depreciation method of investment properties.

5. Recognition of financial investments:

- Trading securities;

- Held-to-maturity investments;
 - Loans;
 - Investments in subsidiaries, affiliates, joint ventures;
 - Investments in capital instruments of other entities;
 - Methods of accounting for other transactions related to financial investments.
- 6. Recognition and capitalization of borrowing costs:**
- Recognition of borrowing costs: Borrowing costs that are directly attributable to the construction of a qualifying asset shall be capitalized as part of the cost of that asset. Borrowing costs shall be recorded as financial expenses of the period when the construction is completed;
 - Capitalization rate is used to determine the amount of borrowing costs eligible for capitalization in the period.
- 7. Accounting for prepaid expenses:**
- Prepaid expenses include: expenses for purchasing, equipping to serve the production and business activities and are amortized to production and business expenses gradually;
 - Amortization of prepaid expenses: in accordance with straight-line method.
- 8. Recognition of accrued expenses:**
- Recorded are accrued expenses that have been planned in production activities.
- 9. Recognition of provisions for payables**
- 10. Recognition of owners' capital:**
- Principle for recognition of share capital, share premium, other owners' capital:
 - + Share capital: actually contributed capital of owners;
 - + Other owners' capital: the amounts appropriated from undistributed profit after deducting the payable corporate income tax.
 - Principle for recognition of differences resulted from re-valuation of assets;
 - Principle for recognition of foreign exchange differences;
 - Principle for recognition of undistributed profit: Undistributed profit after tax reflected in the balance sheet is the profit (gain) from the Company' operation after deducting corporate income tax expense of current year and adjustments due to retroactive application of changing accounting policies and of material misstatements from previous years.
- 11. Principle and method of revenue recognition:**
- Sales revenue: Sales revenue is recognized in accordance with the 5 conditions for revenue recognition stipulated in Accounting Standard No. 14 "Revenue and other income". Sales revenue is measured at the fair value of the consideration received or receivable in accordance with the accrual accounting principle. Advances from customers are not recognized as revenue in the period;
 - Service revenue;

- Financial income: Financial income is recognized in accordance with the 2 conditions for recognizing financial income as regulated in Accounting Standard No. 14 "Revenue and other income";
- Revenue from construction contracts.

12. Accounting for financial expenses:

Financial expenses recorded in the income statement is the total of financial expenses incurred in the period (not offsetting against financial income).

13. Principle and method of recognizing current corporate income tax expense, deferred corporate income tax expense:

- Current corporate income tax expense is computed based on the taxable income and corporate income tax rate in the current year. Deferred corporate income tax expense is determined on the basis of the deductible temporary differences, taxable temporary differences and corporate income tax rate. Current corporate income tax expense is not offset against deferred corporate income tax expense.
- At present, the Company has 3 dependent branches:
 - Khe Dien Hydropower Plant Branch established under Business Registration Certificate No. 0400439955-001 dated 10/09/2007;
 - Krong H'Nang Hydropower Plant Branch: exempted from corporate income tax for 4 years starting from 2010 and entitled to 50% reduction of corporate income tax for the next 9 years and tax rate of 10% for 15 years. These incentives are indicated in the Investment Certificate No. 36121000085 dated 03/03/2014 by the People's Committee of Phu Yen Province;
 - Branch of Song Ba Joint Stock Company – Dam Safety Testing and Consulting Center established under Business Registration Certificate No. 0400439955-003 dated 18/03/2013.

14. Other accounting principles and methods.

V. Supplementary information about the items in the balance sheet

1. Cash and cash equivalents

	30/06/2018	01/01/2018
	VND	VND
Cash on hand	969,695,293	454,844,771
Cash in bank	13,992,714,473	7,168,604,189
+ VND	13,992,714,473	7,168,604,189
+ USD		
Cash in transits		
Cash equivalents		45,000,000,000
Total	14,962,409,766	52,623,448,960

2. Trade receivables

	30/06/2018	01/01/2018
	VND	VND
- Short-term trade receivables	-	-
+ <i>Electric Power Trading Company</i>	12,213,037,302	46,556,966,260
+ Other short-term trade receivables	3,758,332,689	4,058,672,571
- Receivables from related parties		
+ <i>Central Power Corporation</i>	5,624,832,973	7,953,161,832
Total	21,596,202,964	58,568,800,663

3. Short-term prepayments to suppliers

	30/06/2018	01/01/2018
	VND	VND
- Thuy Loi Technology Transfer and Consulting JSC		37,233,000
- Kim Tin Company Limited	176,708,070	
- Infrastructure & Energy Investment Consultant JSC	720,000,000	
- 559 Consultancy and Construction JSC	98,741,000	98,741,000
- P.L.T Mechanical and Construction Co., Ltd		
- Dong Tay Investment and Construction JSC	580,419,396	
- Vietnam Hydraulic engineering consultants corporation - JSC	81,500,000	81,500,000
- Others	138,018,384	142,492,109
Total	1,795,386,850	359,966,109

4. Other receivables

a. Short-term	30/06/2018		01/01/2018	
	Amount VND	Provision VND	Amount VND	Provision VND
- Other receivables	249,630,742	-	623,798,168	-
- Advances for production and business activities, repair, maintenance and outside projects	19,872,454,201	-	14,872,066,909	-
+ <i>Forest tending costs</i>	1,250,000,000		500,000,000	
	3,800,000,000		3,000,000,000	
+ <i>Management costs of Project Song Bung 3A, Tam Phuc</i>				
+ <i>Repair and maintenance costs of Krong H'ngang HP-electromechanical part</i>	2,800,000,000		2,800,000,000	
+ <i>Repair costs of construction part KRN</i>	3,063,000,000		1,500,000,000	
+ <i>Costs of purchasing equipment for Khe Dien HP</i>	2,000,000,000		2,000,000,000	
+ <i>Costs of purchasing materials, equipment, repair and maintenance of Khe Dien HP</i>	1,472,715,193		1,472,715,193	
+ <i>Costs of flood and storm prevention, information installation system, KRN valve gate maintenance</i>	1,400,000,000		400,000,000	
+ <i>Cost of road concrete VHI Khe Dien Hydropower Plant</i>	1,600,000,000		1,600,000,000	
+ <i>Costs of production and business activities, repairing construction items and other receivables</i>	2,486,739,008		1,599,351,716	
Total	20,122,084,943	-	15,495,865,077	-

b. Long-term	30/06/2018		01/01/2018	
	Amount VND	Provision VND	Amount VND	Provision VND
- Receivables from equitization	-	-	-	-
- Dividends, profit receivable	-	-	-	-
- Receivables from employees	-	-	-	-
- Deposits, collaterals	2,004,000,000	-	2,004,000,000	-
- Lending	-	-	-	-
- Amounts paid on others' behalf	-	-	-	-
- Other receivables	-	-	-	-
Total	2,004,000,000	-	2,004,000,000	-

5. Inventories

	30/06/2018		01/01/2018	
	Cost VND	Provision VND	Cost VND	Provision VND
Materials	1,032,362,704	-	352,154,904	-
Tools, instruments	1,037,130,000	-	1,039,370,000	-
Work in process	245,184,082	-	356,678,994	-
Total	2,314,676,786	-	1,748,203,898	-

6. Increase, decrease in tangible fixed assets:

	Buildings, architectures VND	Machinery, equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Beginning balance	1,184,055,609,156	334,580,065,801	81,836,738,864	334,112,920	1,600,806,526,741
Newly-purchased	-	-	-	149,690,909	149,690,909
Self-constructed	-	-	-	-	-
Re-classified	-	-	-	-	-
Other decrease	-	-	-	-	-
Sold, disposed	-	-	-	-	-
Ending balance	1,184,055,609,156	334,580,065,801	81,836,738,864	483,803,829	1,600,956,217,650
Depreciation					
Beginning balance	180,063,669,296	157,752,673,444	32,712,633,119	255,685,650	370,784,661,509
Charge for the year	10,631,102,089	7,741,332,848	2,000,022,471	16,336,617	20,388,794,025
Re-classified	-	-	-	-	-
Other decrease	-	-	-	-	-
Sold, disposed	-	-	-	-	-
Ending balance	190,694,771,385	165,494,006,292	34,712,655,590	272,022,267	391,173,455,534
Net book value					
Beginning balance	1,003,991,939,860	176,827,392,357	49,124,105,745	78,427,270	1,230,021,865,232
Ending balance	993,360,837,771	169,086,059,509	47,124,083,274	211,781,562	1,209,782,762,116

- As at 30/06/2018, fixed assets with a carrying value of VND 1,204 billion have been mortgaged as collateral for borrowings granted to the Company;
- Cost of fixed assets fully depreciated but still in active use at 30/06/2018 is VND 11.83 billion.
- Cost of fixed assets pending disposal at 30/06/2018:
- Commitments to purchase, sell tangible fixed assets of high value in future.
- Other changes in tangible fixed assets.

- On 29/06/2011, the Finance Department of Da Nang City issued Decision No. 293/QD-STC “Regarding: Approval of the plan for changing useful lives of fixed assets of Song Ba Joint Stock Company - K'rong H'Nang Hydropower Plant”. Accordingly, the useful lives of architecture category and machinery, equipment category change from 30 years to 50 years and from 10 year to 15 years respectively.
- On 14/10/2013, the Ministry of Finance issued Official Letter No. 13633/BTC-TCDN “on depreciation method of fixed assets”. Accordingly, the Ministry of Finance accepts the request of Song Ba Joint Stock Company to keep applying the method of depreciation according to volume to the fixed assets directly participating in the production of electrical energy which the Company registered with the Tax Department of Da Nang City provided that Song Ba Joint Stock Company must ensure sufficient resources to repay investment loans of credit institutions and the depreciation period should not exceed the technical life of the assets.

7. Increase, decrease in intangible fixed assets

	Land use rights VND	Computer software VND	Total VND
Cost			
Beginning balance	5,175,261,800	302,800,000	5,478,061,800
Increase in the period	-	-	-
Decrease in the period	-	-	-
Ending balance	5,175,261,800	302,800,000	5,478,061,800
Amortization			
Beginning balance	0	296,522,241	296,522,241
Increase in the period		6,277,759	6,277,759
Decrease in the period			-
Ending balance	-	302,800,000	302,800,000
Net book value			
Beginning balance	5,175,261,800	6,277,759	5,181,539,559
Ending balance	5,175,261,800	0	5,175,261,800

* Other notes to data and explanation:

- Use right of the land for construction of the Company's Head Office which has not been put into use and the useful life is indefinite.

8. Increase, decrease in finance lease assets

	Buildings, architectures VND	Machinery, equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Beginning balance					
Finance lease in the year					
Re-purchase of finance lease fixed assets					
Other increase					
Return of finance lease fixed assets					
Sale, disposal					
Other decrease					-
Ending balance	-	-	-	-	-
Accumulated depreciation					
Beginning balance					
Charge for the year					-
Re-purchase of finance lease fixed assets					-
Other increase					-
Return of finance lease fixed assets					-
Other decrease					-
Ending balance	-	-	-	-	-
Net book value					-
Beginning balance					-
Ending balance	-	-	-	-	-

- * Additional rentals recorded as expenses in the period
- * Basis to determine additional rentals:
- * Terms of lease extension and option to purchase asset

9. Construction in progress

	30/06/2018		01/01/2018	
	Cost VND	Recoverable amount VND	Cost VND	Recoverable amount VND
Construction costs of Krong H'ngang 2 Hydropower Plant	3,475,284.736	3,475,284.736	3,475,284.736	3,475,284.736
Construction costs of Song Tranh 1 Hydropower Plant	5,245,930.051	5,245,930.051	5,245,930.051	5,245,930.051
Costs of repair of other construction works	1,765,046.568	1,765,046.568		
Total	10,486,261,355	10,486,261,355	8,721,214,787	8,721,214,787

10. Increase, decrease in investment properties

	Beginning balance VND	Increase in the year VND	Decrease in the year VND	Ending balance VND
Cost				
Land use rights				-
Buildings				-
Buildings & Land use rights				-
Infrastructures				-
Accumulated depreciation				-
Land use rights				-
Buildings				-
Buildings & Land use rights				-
Infrastructures				-
Net book value				-
Land use rights				-
Buildings				-
Buildings & Land use rights				-
Infrastructures				-

* Other notes to data and explanation.

11. Prepaid expenses

a. Short-term prepaid expenses	30/06/2018	01/01/2018
	VND	VND
Costs of tools and instruments allocated		
Repair costs, forest tending costs and others	900,076,323	2,362,804,797
Total	900,076,323	2,362,804,797

b. Long-term prepaid expenses	30/06/2018	01/01/2018
	VND	VND
Costs of tools and instruments to be allocated	571,204,100	543,650,737
Others	8,957,897,304	7,480,126,397
Total	9,529,101,404	8,023,777,134

12. Short-term, long-term loans

	30/06/2018	01/01/2018
	VND	VND
Current portion of long-term debts and short-term loans	69,426,000,000	67,870,000,000
- Vietcombank - Danang Branch	7,426,000,000	5,870,000,000
- OCB - Trung Viet Branch	62,000,000,000	62,000,000,000
Total	69,426,000,000	67,870,000,000

	30/06/2018	01/01/2018
	VND	VND
Loans with the term of over 1 year	490,958,000,000	514,734,000,000
- Vietcombank - Danang Branch (i)	19,400,000,000	22,100,000,000
- Vietcombank - Danang Branch (ii)	66,158,000,000	68,634,000,000
- OCB - Quang Nam Branch (iii)	405,400,000,000	424,000,000,000
Total	490,958,000,000	514,734,000,000

* Other notes:

- (i) On 07/02/2013, the Company entered into long-term borrowing contract No. 34/2013/VCB-KHDN with JSC Bank for Foreign Trade of Vietnam – Da Nang Branch. This is a long-term loan with maximum credit amount of VND50,000,000,000. The loan period is 120 months as from the date of withdrawal.
- The VND loan bears interest at the rate announced by JSC Bank for Foreign Trade of Vietnam – Da Nang Branch and subject to change once a quarter.
 - The loan is to reimburse the capital which the Company invested in Khe Dien Hydropower Plant.
- (ii) On 14/05/2014, the Company entered into long-term borrowing contract No. 162/2014/VCB-KHDN with JSC Bank for Foreign Trade of Vietnam – Da Nang

Branch. This is a long-term loan with maximum credit amount of VND77,650,000,000. The loan period is 120 months as from the date of withdrawal.

- The VND loan bears interest at the rate announced by JSC Bank for Foreign Trade of Vietnam – Da Nang Branch and subject to change once a quarter.
 - The loan is to reimburse the capital which the Company invested in Khe Dien Hydropower Plant.
- (iii) On 26/03/2015, the Company entered into long-term borrowing contract No. 024/2015/HDTD-DN with Orient Commercial Bank – Quang Nam Branch. This loan has maximum credit amount of VND 620,000,000,000 VND. The loan period is 120 months as from the date of withdrawal.
- The loan bears interest at the rate announced by Orient Commercial One Member Limited Liability Bank – Quang Nam Branch and subject to change once a quarter.
 - The loan is to finance the Krong H'ngang Hydropower Plant in Phu Yen and Dak Lak Province.

13. Taxes and amounts payable to the State Budget

	30/06/2018	01/01/2018
	VND	VND
Value added tax	723,107,040	6,982,551,605
Corporate income tax	1,475,792,274	1,344,752,380
Personal income tax		
Natural resource tax	1,005,301,762	6,313,515,048
Forest environmental service fee	1,025,774,748	2,750,112,352
Total	4,229,975,824	17,390,931,385

14. Accrued expenses

	30/06/2018	01/01/2018
	VND	VND
Accrued interest	2,304,078,522	2,557,602,567
- Loan interest of Khe Dien HP (VCB Da Nang Contract 34)	566,354,688	628,550,834
- Loan interest of Khe Dien HP (VCB Da Nang Contract 162)	1,617,498,167	1,679,571,733
- Loan interest of Krong H'ngang HP (OCB Trung Viet)	120,225,667	249,480,000
- Interest on deferred payment		
External project implementation costs		
- Expenses for implementing general map for Song Ba River's lowland	212,859,705	212,859,705
- Survey expenses of Song Bung 3A Investment Project	4,602,140,652	5,553,418,438
- Survey expenses of Tầm phục Investment Project		344,532,264
- Other	958,384,269	978,678,106
Total	8,077,463,148	9,647,091,080

15. Other short-term payables

	30/06/2018	01/01/2018
	VND	VND
Trade union fees	9,629,134	-
Statutory insurances	-	-
Other payables	8,671,231,720	54,822,824,651
- Dividends payable	8,000,938,379	54,057,198,825
- Other payables	670,293,341	765,625,826
Total	8,680,860,854	54,822,824,651

16. Deferred income tax assets and liabilities

a. Deferred income tax assets

	30/06/2018	01/01/2018
	VND	VND
- Deferred income tax assets related to the deductible temporary difference		
- Deferred income tax assets related to the unused tax losses		
- Deferred income tax assets related to the unused tax		
- Reversal of deferred income tax assets recorded from previous years		
Deferred income tax assets	-	-

b. Deferred income tax liabilities

	30/06/2018	01/01/2018
	VND	VND
- Deferred income tax liabilities arising from temporary taxable differences		
- Reversal of deferred income tax liabilities recorded from previous years		
Deferred income tax liabilities	-	-

17. Owners' equity

a. Statement of changes in owners' equity

Items	Share capital	Share premium	owner's capital	Treasury shares	Development fund	Undistributed profit after tax	Total
	VND	VND	VND	VND	VND	VND	VND
As at 01/01/2017	604,882,610,000	(95,000,000)	7,260,810,603	(1,588,920,333)	13,916,957,675	64,207,111,775	688,583,569,720
Increase in the year	-	-	-	(930,000)	1213,466,413	135,909,398,292	137,121,934,705
Decrease in the year	-	-	-	-	-	111,802,464,257	111,802,464,257
As at 31/12/2017	<u>604,882,610,000</u>	<u>(95,000,000)</u>	<u>7,260,810,603</u>	<u>(1,589,850,333)</u>	<u>15,130,424,088</u>	<u>88,314,045,810</u>	<u>713,903,040,168</u>
As at 01/01/2018	604,882,610,000	(95,000,000)	7,260,810,603	(1,589,850,333)	15,130,424,088	88,314,045,810	713,903,040,168
Increase in the period	-	-	-	-	24,151,847,627	45,645,044,354	69,796,891,981
Decrease in the period	-	-	7,260,810,603	-	-	67,161,254,102	74,422,064,705
As at 30/06/2018	<u>604,882,610,000</u>	<u>(95,000,000)</u>	<u>0</u>	<u>(1,589,850,333)</u>	<u>39,282,271,715</u>	<u>66,797,836,062</u>	<u>709,277,867,444</u>

b. Share capital		
	30/06/2018	01/01/2018
	VND	VND
Central Power Corporation	236,450,000,000	236,450,000,000
Other shareholders	368,432,610,000	368,432,610,000
Total	604,882,610,000	604,882,610,000
* Value of bonds converted to shares in the period: none		
* Number of treasury shares: 199,990 shares		
	30/06/2018	01/01/2018
	VND	VND
Share capital		
- Opening balance	604,882,610,000	604,882,610,000
- Increase in the period		
- Decrease in the period		
- Closing balance	604,882,610,000	604,882,610,000
Profit, dividend paid		
d. Dividends		
	30/06/2018	01/01/2018
	VND	VND
Dividends declared dater the balance sheet date		
- Dividends declared for common shares		
- Dividends declared for preferred shares		
Accumulated dividends of preferred shares not yet recorded		
e. Shares		
	30/06/2018	01/01/2018
	Shares	Shares
Number of shares authorized to be issued		
Number of issued shares	60,488,261	60,488,261
- Common shares	60,488,261	60,488,261
- Preferred shares	-	-
Number of shares bought back	199,990	199,990
- Common shares	199,990	199,990
- Preferred shares	-	-
Number of outstanding shares	60,288,271	60,288,271
- Common shares	60,288,271	60,288,271
- Preferred shares	-	-
Par value: VND10,000 each		
f. Funds		
	30/06/2018	01/01/2018
	VND	VND
- Development investment fund	39,282,271,715	15,130,424,088
- Reward fund	4,461,813,587	924,094,701
- Welfare fund	1,703,136,492	471,940,598
- Reward fund for Management Board		

- * Purpose for appropriating and using funds of the Company:
 - To enhance the financial autonomy of the company.
 - Minimize risks.
 - Expanding production development capabilities as well as the size of the Company.
- f. Income and expenses, profits or losses are charged directly to the owners' equity in accordance with the specific accounting standards.

18. Budget sources

	Quarter 2	Quarter 2
	Year 2018	Year 2017
	VND	VND
Budget sources granted in the quarter		
Expenditures for non-business activities		
Closing balance		

VI. Supplementary information about items in the income statement

1. Revenue from sales and service provision (Code 01)

	Quarter 2	Quarter 2
	Year 2018	Year 2017
	VND	VND
Total revenue	37,922,814,051	57,605,150,624
+ Revenue from selling electricity	37,862,336,661	57,331,973,175
+ Revenue from rendering services	60,477,390	273,177,449
Total revenue from sales and service provision	37,922,814,051	57,605,150,624

2. Revenue deductions (Code 02)

	Quarter 2	Quarter 2
	Year 2018	Year 2017
	VND	VND
- Trade discounts	-	-
- Sales rebates		
- Sales returns		
- Payable VAT (direct method)		
- Special consumption tax		
- Export duty		
Total	-	-

3. Revenue from sales and service provision (Code 10)

	Quarter 2 Year 2018 VND	Quarter 2 Year 2017 VND
- Revenue from selling electricity	37,862,336,661	57,331,973,175
- Revenue from rendering services	60,477,390	273,177,449
Total	<u>37,922,814,051</u>	<u>57,605,150,624</u>

4. Cost of goods sold (Code 11)

	Quarter 2 Year 2018 VND	Quarter 2 Year 2017 VND
Cost of electricity sold	12,777,812,033	19,486,490,365
Cost of services rendered	54,429,651	262,933,295
Total	<u>12,832,241,684</u>	<u>19,749,423,660</u>

5. Financial income (Code 21)

	Quarter 2 Year 2018 VND	Quarter 2 Year 2017 VND
Loan interest, deposit interest	124,449,577	137,436,391
Foreign exchange gains		
Total	<u>124,449,577</u>	<u>137,436,391</u>

6. Financial expenses (Code 22)

	Quarter 2 Year 2018 VND	Quarter 2 Year 2017 VND
Loan interest	13,253,565,521	14,786,948,909
Interest on late payment		107,913,153
Total	<u>13,253,565,521</u>	<u>14,894,862,062</u>

7. Current corporate income tax expense (Code 51)

	Quarter 2 Year 2018 VND	Quarter 2 Year 2017 VND
Accounting profit before tax	8,286,298,043	20,152,171,143
In which:		
- Profit from operation of Khe Dien HP	6,867,910,888	7,231,186,533
- Profit from operation at the Head Office	176,676,836	140,706,283
- Profit from operation of Krong H'ngang HP	1,241,661,731	12,780,200,406
- Profit from operation of the Dam Safety Testing and Consulting Center	48,588	77,921
Increasing adjustments to determine taxable income	23,909,627	127,931,984
- Adjustments for operation at Khe Dien HP		
- Adjustments for operation at the Head Office	23,909,627	20,018,831
- Adjustments for operation at KRN HP		107,913,153
- Adjustments for operation at the Dam Safety Testing and Consulting Center		
Decreasing adjustment, offsetting to determine taxable income	-	-
- Adjustments for operation at Khe Dien HP offset against operation of KRN HP		
- Adjustments for operation at the Head Office	(48,588)	(77,921)
- Adjustments for operation at KRN HP offset against operation of Khe Dien HP		
- Adjustments for operation at the Dam Safety Testing and Consulting Center	48,588	77,921
Total taxable income	8,310,207,670	20,280,103,127
- Khe Dien Hydropower Plant	6,867,910,888	7,231,186,533
- Head Office	200,635,051	160,803,035
- Krong H'ngang Hydropower Plant	1,241,661,731	12,888,113,559
- Dam Safety Testing and Consulting Center	-	-
Corporate income tax rate	20%	20%
Corporate income tax	1,537,875,361	2,767,209,270
- Khe Dien Hydropower Plant	1,373,582,178	1,446,237,307
- Head Office	40,127,010	32,160,607
- Krong H'ngang Hydropower Plant (tax rate of 10%)	124,166,173	1,288,811,356
- Dam Safety Testing and Consulting Center	-	-
Reduced, exempted corporate income tax	62,083,087	644,405,678
- Khe Dien Hydropower Plant		
- Head Office		
- Krong H'ngang Hydropower Plant	62,083,087	644,405,678
- Dam Safety Testing and Consulting Center	-	-
Current corporate income tax expense	1,475,792,274	2,122,803,592
- Khe Dien Hydropower Plant	1,373,582,178	1,446,237,307
- Head Office	40,127,010	32,160,607
- Krong H'ngang Hydropower Plant	62,083,086	644,405,678
Profit after tax	6,810,505,769	18,029,367,551

8. Basic earnings per share, diluted earnings per share (Code 70, Code 71)

a. Basic earnings per share	Quarter 2	Quarter 2	Accumulated for the year	
	Year 2018	Year 2017	Year 2018	Year 2017
	VND	VND	VND	VND
Profit after corporate income tax	6,810,505,769	18,029,367,551	45,645,044,354	54,129,213,116
Adjustments increasing or decreasing profit	-	-	-	-
- Increasing adjustments	-	-	-	-
- Decreasing adjustments	-	-	-	-
Profit attributable to common shareholders	6,810,505,769	18,029,367,551	45,645,044,354	54,129,213,116
Weighted average number of outstanding common shares	60,288,271	60,288,271	60,288,271	60,288,271
Basis earnings per share	113	299	757	898

b. Diluted earnings per share	Quarter 2	Quarter 2	Accumulated for the year	
	Year 2018	Year 2017	Year 2018	Year 2017
	VND	VND	VND	VND
Profit after corporate income tax	6,810,505,769	18,029,367,551	45,645,044,354	54,129,213,116
Adjustments increasing or decreasing profit	-	-	-	-
- Increasing adjustments	-	-	-	-
- Decreasing adjustments	-	-	-	-
Profit attributable to common shareholders	6,810,505,769	18,029,367,551	45,645,044,354	54,129,213,116
Weighted average number of outstanding common shares	60,288,271	60,288,271	60,288,271	60,288,271
Additional common shares expected to be issued	-	-	-	-
Diluted earnings per share	113	299	757	898

9. Production and business expenses by elements

	Quarter 2	Quarter 2
	Year 2018	Year 2017
	VND	VND
Materials, tools expenses	762,591,228	679,387,334
Labor costs	4,302,330,774	4,425,323,382
Depreciation expenses	6,855,065,890	11,257,303,923
Outside service expenses, other cash expenses	4,635,069,896	6,328,462,515
Total	16,555,057,788	22,690,477,154

VII. Supplementaty information about items in the statement of cash flows:

10. Non-cash transactions affecting the statement of cash flows and amounts held by the Company but not in use

	Quarter 2 Year 2018 VND	Quarter 2 Year 2017 VND
a. Purchasing asstes by receiving directly related debts or via finance lease transaction:	-	-
- Acquiring enterprise through issuing shares;		
- Converting debts into owner's equity;		
b. Acquiring and disposing subsidiaries o other business entities in the reporting period:	-	-
- Total acquisition or disposal value;		
- The acquisition or disposal value paid by cash and cash equivalents;		
- Amounts of cash and cash equivalents actually held by subsidiaries or other business entities which are acquired or disposed;		
- Value of assets (summarized by each category) and liabilities which are not cash and cash equivalents in subsidiaries or other business entities acquired or disposed in the period.		
c. Present amount and reasons why cash and cash equivalents of high value held by the Company are unused due to limitations of laws or other binds which the Company must implement.	-	-

VIII. Other information

1. Contingent liabilities, commitments and other financial information.

2. Post balance sheet date events.

3. Related party information.

a. Related party transactions

	Quarter 2 Year 2018 VND	Quarter 2 Year 2017 VND
Revenue (sales of electricity)		
Central Power Corporation	14,483,355,142	16,045,006,556
b. Related party balance		
	30/06/2018 VND	01/01/2018 VND
Amount receivable (from sale of electricity)		
Central Power Corporation	5,624,832,973	7,953,161,832

4. Reporting assets, revenue, business results by segment (business segments or segments by geographical area) in accordance with Accounting Standard No. 28 "Segment reporting".

Quarter 2/2018

Items	Total	In which:	
		Khe Dien Hydropower Plant – Quang Nam Province VND	Krong H'nang Hydropower Plant – Dak Lak Province VND
1. Net revenue from sales	37,862,336,661	14,492,714,163	23,369,622,498
2. Cost of goods sold	12,777,812,033	4,247,801,651	8,530,010,382
3. Cost of fixed assets	1,593,362,521,138	191,908,064,582	1,401,454,456,556
4. Accumulated depreciation	388,089,302,663	92,039,314,805	296,049,987,858
5. Accounting profit before tax	8,109,572,619	6,867,910,888	1,241,661,731
6. Profit after tax	6,673,907,355	5,494,328,710	1,179,578,645

Quarter 2/2017

Items	Total	In which:	
		Khe Dien Hydropower Plant – Quang Nam Province VND	Krong H'nang Hydropower Plant – Dak Lak Province VND
1. Net revenue from sales	57,331,973,175	16,052,438,168	41,279,535,007
2. Cost of goods sold	19,486,490,365	5,594,023,907	13,892,466,458
3. Cost of fixed assets	1,593,362,521,138	191,908,064,582	1,401,454,456,556
4. Accumulated depreciation	334,109,024,167	82,970,956,512	251,138,067,655
5. Accounting profit before tax	20,011,386,939	7,231,186,533	12,780,200,406
6. Profit after tax	17,920,743,954	5,784,949,226	12,135,794,728

5. Comparative figures (changes in information of the financial statements of previous accounting periods)
6. Going concern information.
7. Other information.

Preparer



Truong Ngoc Hung

Chief Accountant



Pham Thai Hung

Da Nang, 18 July 2018

General Director




Pham Phong