

SONG BA
JOINT STOCK COMPANY

No.: 77/21/S3-TCKT

Re: Explanation for the business result differences between quarter 4/2020 and quarter 4/2019.

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Da Nang, 01st February 2021

To:

- The State Securities Commission;
- Ho Chi Minh Stock Exchange.

Pursuant to Circular No.96/2020/TT-BTC, dated 16th November 2020 by the Ministry of Finance on “Guiding the disclosure of information on the stock market”.

Song Ba Joint Stock Company (Stock Code: SBA) hereby reports the profit of quarter 4/2020 and quarter 4/2019 as follows:

- Profit after CIT of quarter 4/2020: 60,701,579,508 VND.
- Profit after CIT of quarter 4/2019: 30,392,612,174 VND.

Profit after CIT of quarter 4/2020 was increased compared to the quarter 4/2019 with an amount of **30,308,967,334 VND**.

Financial indicators are as follows (Extracted from the Financial Statement of quarter 4/2020):

No	Items	Q3/2020	Q3/2019	Difference	
				Value	% [(Decrease (-), Increase (+))]
1	Gross sales of merchandise	159,940,148,023	86,214,847,456	73,725,300,567	85.51
2	Cost of goods sold	78,967,410,744	38,421,436,642	40,545,974,102	105.53
3	Gross profit from sales of merchandise	80,972,737,279	47,793,410,814	33,179,326,465	69.42
4	Financial income	18,263,638	2,427,231	15,836,407	652.45
5	Financial expenses	9,587,993,722	11,658,006,219	-2,070,012,497	-17.76
6	Administration expenses	6,908,359,286	4,854,353,326	2,054,005,960	42.31
7	Operating profit	64,494,647,909	31,283,478,500	33,211,169,409	106.16
8	Other income	227,628,315	61,249,552	166,378,763	271.64
9	Other expenses	226,944,824	67,074,786	159,870,038	238.35
10	Other profit	683,491	(5,825,234)	6,508,725	-111.73
11	Net Profit before CIT	64,495,331,400	31,277,653,266	33,217,678,134	106.20
12	Current corporate income tax expense	3,793,751,892	885,041,092	2,908,710,800	328.65
13	Net profit after CIT	60,701,579,508	30,392,612,174	30,308,967,334	99.72



The main reason leading to an increase in business result of quarter 4/2020 compared to quarter 4/2019 was as follows:

In quarter 4/2020, the weather was favorable, the number of rainy days was more than that of the quarter 4/2019, resulting in the increased of electricity output and revenue about 63.68% and VND 73.73 billion respectively compared to the same period in 2019 (Revenue from selling electricity excluding natural water resources tax, forest environment service charge, fees for granting rights to extract water resources increased VND 40.91 billion respectively; natural water resources tax, forest environment service charge, fees for granting rights to extract water resources of 2020 with the value VND 32.82 billion according to Document No.12001/BTC-QLKT, dated 01/10/2020 of the Ministry of Finance).

From the above mentioned factors, profit after CIT of quarter 4/2020 has been increased **30.31** billion VND, compared to quarter 4/2019, which was equivalent to an increase rate of **99.72** %.

Song Ba Joint Stock Company hereby reports and pledges that the above explanations are true.

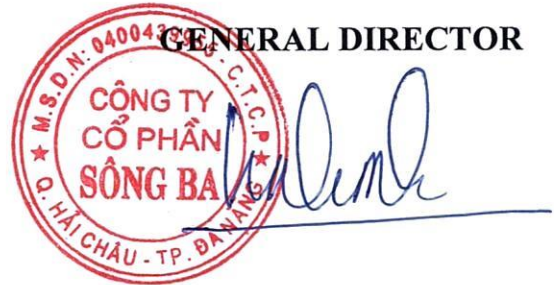
Best regards, ✓

Recipient:

- As above;
- Administrative Department;
- Website SBA;
- Save: Financial Accounting department;
Documentary department.

Attachment:

- Document No.12001/BTC-QLKT, dated 01/10/2020
of the Ministry of Finance



PHAM PHONG