



SONG BA JOINT STOCK COMPANY

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Stock code: **SBA** Trading floor: **HoSE**



INTERIM FINANCIAL STATEMENTS

Quarter 4/2017

Da Nang City, January 2018

INTERIM BALANCE SHEET

Quarter 4/2017

As at 31 December 2017

Unit: VND

ASSETS	Code	Note	31/12/2017	01/01/2017
1	2	3	4	5
A- CURRENT ASSETS (100=110+120+130+140+150)	100		131,703,616,479	86,738,892,153
I Cash and cash equivalents	110		52,623,448,960	14,819,783,143
1 Cash	111	V.01	7,623,448,960	14,819,783,143
2 Cash equivalents	112		45,000,000,000	-
II Short-term financial investments	120		-	-
III Short-term receivables	130		74,424,631,849	64,573,199,461
1 Short-term trade receivables	131	V.02	58,568,800,663	48,425,521,593
2 Short-term prepayments to suppliers	132	V.03	359,966,109	3,358,851,758
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	15,495,865,077	12,788,826,110
7 Provision for short-term doubtful debts (*)	137		-	-
8 Shortage of assets pending resolution	139		-	-
IV Inventories	140		1,748,203,898	2,077,928,466
1 Inventories	141	V.05	1,748,203,898	2,077,928,466
2 Provision for decline in value of inventories (*)	149		-	-
V Other current assets	150		2,907,331,772	5,267,981,083
1 Short-term prepaid expenses	151	V.11	2,362,804,797	4,846,684,290
2 Deductible VAT	152		506,628,588	421,296,793
3 Taxes and amounts receivables from the State	153		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		1,253,946,118,953	1,316,146,018,494
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		1,235,197,127,032	1,295,414,238,228
1 Tangible fixed assets	221	V.06	1,230,021,865,232	1,290,232,698,669
- Cost	222		1,600,806,526,741	1,600,087,543,741
- Accumulated depreciation (*)	223		(370,784,661,509)	(309,854,845,072)
2 Finance lease assets	224	V.08	-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3 Intangible fixed assets	227	V.07	5,175,261,800	5,181,539,559
- Cost	228		5,478,061,800	5,478,061,800
- Accumulated amortization (*)	229		(302,800,000)	(296,522,241)
III Investment properties	230	V.10	-	-
IV Long-term assets in progress	240		8,721,214,787	5,691,273,761
1 Long-term work in process	241		-	-
2 Construction in progress	242	V.09	8,721,214,787	5,691,273,761
V Long-term financial investments	250		-	-
VI Other long-term assets	260		8,023,777,134	13,036,506,505
1 Long-term prepaid expenses	261	V.11	8,023,777,134	13,036,506,505
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		1,385,649,735,432	1,402,884,910,647

RESOURCES		Code	Note	31/12/2017	01/01/2017
A- LIABILITIES (300=310+330)		300		671,746,695,264	714,301,340,927
I Current liabilities		310		157,012,695,264	130,397,340,927
1 Short-term trade payables		311		2,035,065,973	5,910,174,163
2 Short-term advances from customers		312		518,903,666	1,134,215,089
3 Taxes and amounts payable to the State budget		313	V.13	17,390,931,385	18,771,430,469
4 Payables to employees		314		3,331,843,210	1,169,557,865
5 Short-term accrued expenses		315	V.14	9,647,091,080	8,779,658,446
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	54,822,824,651	25,391,903,134
10 Short-term loans and finance lease liabilities		320	V.12	67,870,000,000	67,720,000,000
11 Provision for short-term payables (*)		321		-	-
12 Reward and welfare fund		322		1,396,035,299	1,520,401,761
13 Price stabilization fund		323		-	-
14 Government bonds purchased for resale		324		-	-
II Long-term liabilities		330		514,734,000,000	583,904,000,000
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	514,734,000,000	583,904,000,000
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		713,903,040,168	688,583,569,720
I Shareholders' equity		410	V.17	713,903,040,168	688,583,569,720
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	7,260,810,603
5 Treasury shares (*)		415		(1,589,850,333)	(1,588,920,333)
6 Difference from re-valuation of assets		416		-	-
7 Foreign exchange differences		417		-	-
8 Investment and development fund		418		15,130,424,088	13,916,957,675
9 Fund for support of arrangement of enterprises		419		-	-
10 Other owners' fund		420		-	-
11 Undistributed profit		421		88,314,045,810	64,207,111,775
- Undistributed profit up to prior year-end		421a		635,264,318	-
- Undistributed profit this period		421b		87,678,781,492	64,207,111,775
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		1,385,649,735,432	1,402,884,910,647

Preparer



Truong Ngoc Hung

Chief Accountant



Pham Thai Hung



Pham Phong

INTERIM INCOME STATEMENT
QUARTER 4/2017

Unit: VND

ITEMS	Code	Note	Quarter 4		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	104,188,231,871	106,854,315,913	333,016,036,443	211,905,171,350
2. Revenue deductions	02	VI.2	-	-	-	-
3. Net revenue from sales and service provision (10=01-02)	10	VI.3	104,188,231,871	106,854,315,913	333,016,036,443	211,905,171,350
4. Cost of goods sold	11	VI.4	43,430,247,658	34,015,687,274	111,750,120,873	67,903,953,844
5. Gross profit from sales and service provision (20=10-11)	20		60,757,984,213	72,838,628,639	221,265,915,570	144,001,217,506
6. Financial income	21	VI.5	85,271,925	10,156,383	274,292,146	33,271,356
7. Financial expenses	22	VI.6	13,852,951,455	16,427,885,984	58,632,807,677	64,384,939,106
- In which: Interest expense	23		13,741,062,567	16,311,762,762	57,950,013,948	64,181,390,598
8. Selling expenses	25		-	-	-	-
9. Administration expenses	26		6,585,250,961	5,041,206,928	17,597,017,392	9,515,198,946
10. Operating profit (30=20+(21-22)-(25+26))	30		40,405,053,722	51,379,692,110	145,310,382,647	70,134,350,810
11. Other income	31		91,422,737	102,177,709	232,258,928	293,935,090
12. Other expenses	32		117,785,740	225,725,274	471,183,847	811,458,232
13. Other profit (40=31-32)	40		-26,363,003	-123,547,565	(238,924,919)	(517,523,142)
14. Accounting profit before tax (50=30+40)	50		40,378,690,719	51,256,144,545	145,071,457,728	69,616,827,668
15. Current corporate income tax expense	51	VI.7	1,344,752,380	4,352,472,222	9,162,059,436	5,409,715,893
16. Deferred corporate income tax expense	52		-	-	-	-
17. Profit after corporate income tax (60=50-51-52)	60		39,033,938,339	46,903,672,323	135,909,398,292	64,207,111,775
18. Basic earnings per share	70	VI.8	647	778	2,254	1,065
19. Diluted earnings per share	71	VI.8	647	778	2,254	1,065

Preparer



Truong Ngoc Hung

Chief Accountant



Pham Thai Hung



INTERIM STATEMENT OF CASH FLOWS

(Under direct method)
QUARTER 4/2017

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		332,390,760,450	246,259,882,759
2 Cash paid to suppliers	02		(29,733,526,301)	(24,760,519,175)
3 Cash paid to employees	03		(22,748,691,024)	(15,344,209,688)
4 Cash paid for borrowing interest	04		(58,155,363,221)	(64,085,675,264)
5 Corporate income tax paid	05		(11,853,193,224)	(5,623,744,468)
6 Other cash receipts from operating activities	06		64,226,397,478	45,449,235,331
7 Other payments for operating activities	07		(83,174,984,276)	(55,024,663,592)
Net cash provided by operating activities	20		190,951,399,882	126,870,305,903
II Cash flows from investing activities				
1 Cash paid for purchases of fixed assets and other long-term assets	21		(5,231,347,712)	(410,349,329)
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		192,569,930	33,271,356
Net cash used in investing activities	30		(5,038,777,782)	(377,077,973)
III Cash flows from financing activities				
1 Proceeds from stock issuance, capital contribution	31			
2 Capital withdrawals, buying treasury shares	32		(930,000)	-
3 Proceeds from loans	33		3,439,776,200	12,750,300,077
4 Repayments of loan principal	34		(72,459,776,200)	(73,830,300,077)
5 Repayments of obligations under finance lease	35		-	
6 Dividends, profit paid to owners	36		(79,088,026,283)	(51,431,604,970)
Net cash used in financing activities	40		(148,108,956,283)	(112,511,604,970)
Net cash flows for the period (50=20+30+40)	50		37,803,665,817	13,981,622,960
Cash and cash equivalents at the beginning of the period	60		14,819,783,143	838,160,183
Impacts of exchange rate fluctuations	61			
Cash and cash equivalents at the end of the period (70=50+60+61)	70	VII.34	52,623,448,960	14,819,783,143

Preparer



Truong Ngoc Hung

Chief Accountant



Pham Thai Hung

Da Nang, 18 January 2018
General Director



Pham 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 4/2017

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 an 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

	31/12/2017	01/01/2017
	VND	VND
Cash on hand	454,844,771	787,921,797
Cash in bank	7,168,604,189	14,031,861,346
+ VND	7,168,604,189	14,031,861,346
+ USD		
Cash in transits		
Cash equivalents	45,000,000,000	
Total	52,623,448,960	14,819,783,143

2. Trade receivables

	31/12/2017 VND	01/01/2017 VND
- Short-term trade receivables	-	-
+ <i>Electric Power Trading Company</i>	46,556,966,260	39,229,787,178
+ Other short-term trade receivables	4,058,672,571	980,770,438
- Receivables from related parties		
+ <i>Central Power Corporation</i>	7,953,161,832	8,214,963,977
Total	58,568,800,663	48,425,521,593

3. Short-term prepayments to suppliers

	31/12/2017 VND	01/01/2017 VND
- Thuy Loi Technology Transfer and Consulting JSC	37,233,000	2,969,766,000
- Phu An Duong Joint Stock Company		210,440,000
- 559 Consultancy and Construction JSC	98,741,000	
- Vietnam Hydraulic engineering consultants corporation - JSC	81,500,000	
- Others	142,492,109	178,645,758
Total	359,966,109	3,358,851,758

4. Other receivables

a. Short-term

	31/12/2017		01/01/2017	
	Amount VND	Provision VND	Amount VND	Provision VND
- Other receivables	623,798,168	-	714,461,496	-
- Advances for production and business activities, repair, maintenance and outside projects	14,872,066,909	-	12,074,364,614	-
+ <i>Forest tending costs</i>	500,000,000		750,000,000	
	3,000,000,000		3,400,000,000	
+ <i>Management costs of Project Song Bung 3A, Tam Phuc</i>				
+ <i>Repair and maintenance costs of Krong H'nang HP-electromechanical part</i>	2,800,000,000		2,800,000,000	
+ <i>Repair costs of construction part KRN</i>	1,500,000,000		1,563,000,000	
+ <i>Costs of purchasing equipment for Khe Dien HP</i>	2,000,000,000		700,000,000	
+ <i>Costs of purchasing materials, equipment, repair and maintenance of Khe Dien HP</i>	1,472,715,193		842,383,815	
+ <i>Costs of flood and storm prevention, information installation system, KRN valve gate maintenance</i>	400,000,000		800,000,000	
+ <i>Cost of road concrete VHI Khe Dien Hydropower Plant</i>	1,600,000,000			
+ <i>Costs of production and business activities, repairing construction items and other receivables</i>	1,599,351,716		1,218,980,799	
Total	15,495,865,077	-	12,788,826,110	-

b. Long-term	31/12/2017		01/01/2017	
	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

	31/12/2017		01/01/2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Materials	352,154,904	-	933,460,018	-
Tools, instruments	1,039,370,000	-	895,760,000	-
Work in process	356,678,994	-	248,708,448	-
Total	1,748,203,898	-	2,077,928,466	-

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	81,158,664,955	293,203,829	1,600,087,543,741
Newly-purchased	-	-	678,073,909	40,909,091	718,983,000
Self-constructed	-	-	-	-	-
Re-classified	-	-	-	-	-
Other decrease	-	-	-	-	-
Sold, disposed	-	-	-	-	-
Ending balance	1,184,055,609,156	334,580,065,801	81,836,738,864	334,112,920	1,600,806,526,741
Depreciation					
Beginning balance	150,485,333,086	132,642,894,806	26,484,572,441	242,044,739	309,854,845,072
Charge for the year	29,578,336,210	25,109,778,638	6,228,060,678	13,640,911	60,929,816,437
Re-classified	-	-	-	-	-
Other decrease	-	-	-	-	-
Sold, disposed	-	-	-	-	-
Ending balance	180,063,669,296	157,752,673,444	32,712,633,119	255,685,650	370,784,661,509
Net book value					
Beginning balance	1,033,570,276,070	201,937,170,995	54,674,092,514	51,159,090	1,290,232,698,669
Ending balance	1,003,991,939,860	176,827,392,357	49,124,105,745	78,427,270	1,230,021,865,232

- As at 31/12/2017, fixed assets with a carrying value of VND 1,225 billion have been mortgaged as collateral for borrowings granted to the Company;
- Cost of fixed assets fully depreciated but still in active use at 31/12/2017 is VND 12.13 billion.
- Cost of fixed assets pending disposal at 31/12/2017:
- 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	<u>5,175,261,800</u>	<u>302,800,000</u>	<u>5,478,061,800</u>
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	<u>-</u>	<u>302,800,000</u>	<u>302,800,000</u>
Net book value			
Beginning balance	5,175,261,800	6,277,759	5,181,539,559
Ending balance	<u>5,175,261,800</u>	<u>0</u>	<u>5,175,261,800</u>

* 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

	31/12/2017		01/01/2017	
	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	1,291,509,910	1,291,509,910
Construction costs of Song Tranh 1 Hydropower Plant				
Plant	5,245,930,051	5,245,930,051	4,399,763,851	4,399,763,851
Total	8,721,214,787	8,721,214,787	5,691,273,761	5,691,273,761

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	31/12/2017 VND	01/01/2017 VND
Costs of tools and instruments allocated		
Repair costs, forest tending costs and others	2,362,804,797	4,846,684,290
Total	2,362,804,797	4,846,684,290

b. Long-term prepaid expenses	31/12/2017 VND	01/01/2017 VND
Costs of tools and instruments to be allocated	543,650,737	246,650,381
Others	7,480,126,397	12,789,856,124
Total	8,023,777,134	13,036,506,505

12. Short-term, long-term loans

	31/12/2017 VND	01/01/2017 VND
Current portion of long-term debts and short-term loans	67,870,000,000	67,720,000,000
- Vietcombank - Danang Branch	5,870,000,000	5,720,000,000
- OCB - Trung Viet Branch	62,000,000,000	62,000,000,000
Total	67,870,000,000	67,720,000,000

	31/12/2017 VND	01/01/2017 VND
Loans with the term of over 1 year	514,734,000,000	583,904,000,000
- Vietcombank - Danang Branch (i)	22,100,000,000	27,450,000,000
- Vietcombank - Danang Branch (ii)	68,634,000,000	70,454,000,000
- OCB - Quang Nam Branch (iii)	424,000,000,000	486,000,000,000
Total	514,734,000,000	583,904,000,000

* 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 Ocean Commercial One Member Limited Liability 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 Ocean 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

	31/12/2017 VND	01/01/2017 VND
Value added tax	6,982,551,605	7,026,068,130
Corporate income tax	1,344,752,380	4,035,886,168
Personal income tax		7,160,005
Natural resource tax	6,313,515,048	5,693,706,526
Forest environmental service fee	2,750,112,352	2,008,609,640
Total	17,390,931,385	18,771,430,469

14. Accrued expenses

	31/12/2017 VND	01/01/2017 VND
Accrued interest	2,557,602,567	3,820,934,228
- Loan interest of Khe Dien HP (VCB Da Nang Contract 34)	628,550,834	764,427,111
- Loan interest of Khe Dien HP (VCB Da Nang Contract 162)	1,679,571,733	1,719,044,729
- Loan interest of Krong H'ngang HP (OCB Trung Viet)	249,480,000	279,480,000
- Interest on deferred payment		1,057,982,388
External project implementation costs		
- Expenses for implementing general map for Song Ba River's lowland	212,859,705	242,761,418
- Expenses for protecting reservoir of Krong H'ngang hydropow	-	106,666,400
- Survey expenses of Song Bung 3A Investment Project	5,553,418,438	3,354,407,321
- Survey expenses of Tầm phục Investment Project	344,532,264	483,433,043
- Expenses of preparing flood prevention plan of Zahung		
Hydropower plant		106,881,612
- Other	978,678,106	664,574,424
Total	9,647,091,080	8,779,658,446

15. Other short-term payables

	31/12/2017	01/01/2017
	VND	VND
Trade union fees	-	-
Statutory insurances	-	-
Other payables	54,822,824,651	25,391,903,134
- Dividends payable	54,057,198,825	24,626,277,308
- Other payables	765,625,826	765,625,826
Total	54,822,824,651	25,391,903,134

16. Deferred income tax assets and liabilities

a. Deferred income tax assets

	31/12/2017	01/01/2017
	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

	31/12/2017	01/01/2017
	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 VND	Share premium VND	owner's capital VND	Treasury shares VND	Development fund VND	Undistributed profit after tax VND	Total VND
As at 01/01/2016	604,882,610,000	(95,000,000)	6,749,952,910	(1,588,920,333)	13,094,426,199	51,769,769,357	674,812,838,133
Increase in the year	-	-	510,857,693	-	822,531,476	64,207,111,775	65,540,500,944
Decrease in the year	-	-	-	-	-	51,769,769,357	51,769,769,357
As at 31/12/2016	<u>604,882,610,000</u>	<u>(95,000,000)</u>	<u>7,260,810,603</u>	<u>(1,588,920,333)</u>	<u>13,916,957,675</u>	<u>64,207,111,775</u>	<u>688,583,569,720</u>
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 period	-	-	-	(930,000)	1213,466,413	135,909,398,292	137,121,934,705
Decrease in the period	-	-	-	-	-	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>

b. Share capital

	31/12/2017 VND	01/01/2017 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

c. Capital transactions with owners and distribution of profits, dividends

	31/12/2017 VND	01/01/2017 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

	31/12/2017 VND	01/01/2017 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		

d. Shares

	31/12/2017 Shares	01/01/2017 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	199,930
- Common shares	199,990	199,930
- Preferred shares	-	-
Number of outstanding shares	60,288,271	60,288,331
- Common shares	60,288,271	60,288,331
- Preferred shares	-	-
Par value: VND10,000 each		

e. Funds

	31/12/2017	01/01/2017
	VND	VND
- Development investment fund	15,130,424,088	13,916,957,675
- Reward fund	924,094,701	792,959,679
- Welfare fund	471,940,598	727,442,082
- 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 4	Quarter 4
	Year 2017	Year 2016
	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 4	Quarter 4
	Year 2017	Year 2016
	VND	VND
Total revenue	104,188,231,871	106,854,315,913
+ Revenue from selling electricity	101,511,734,908	102,377,294,234
+ Revenue from rendering services	2,676,496,963	4,477,021,679
Total revenue from sales and service provision	104,188,231,871	106,854,315,913

2. Revenue deductions (Code 02)

	Quarter 4	Quarter 4
	Year 2017	Year 2016
	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 4 Year 2017 VND	Quarter 4 Year 2016 VND
- Revenue from selling electricity	101,511,734,908	102,377,294,234
- Revenue from rendering services	2,676,496,963	4,477,021,679
Total	104,188,231,871	106,854,315,913

4. Cost of goods sold (Code 11)

	Quarter 4 Year 2017 VND	Quarter 4 Year 2016 VND
Cost of electricity sold	40,952,529,684	29,641,357,660
Cost of services rendered	2,477,717,974	4,374,329,614
Total	43,430,247,658	34,015,687,274

5. Financial income (Code 21)

	Quarter 4 Year 2017 VND	Quarter 4 Year 2016 VND
Loan interest, deposit interest	85,271,925	10,156,383
Foreign exchange gains		
Total	85,271,925	10,156,383

6. Financial expenses (Code 22)

	Quarter 4 Year 2017 VND	Quarter 4 Year 2016 VND
Loan interest	13,741,062,567	16,311,762,762
Interest on late payment	111,888,888	116,123,222
Total	13,852,951,455	16,427,885,984

7. Current corporate income tax expense (Code 51)

	Quarter 4 Year 2017 VND	Quarter 4 Year 2016 VND
Accounting profit before tax	40,378,690,719	51,256,144,545
In which:		
- Profit from operation of Khe Dien HP	(809,263,454)	6,424,981,723
- Profit from operation at the Head Office	254,750,407	120,239,349
- Profit from operation of Krong H'nang HP	40,935,625,853	44,684,103,155
- Profit from operation of the Dam Safety Testing and Consulting Center	(2,422,087)	26,820,318
Increasing adjustments to determine taxable income	152,356,510	243,311,787
- Adjustments for operation at Khe Dien HP		
- Adjustments for operation at the Head Office	37,967,622	22,615,000
- Adjustments for operation at KRN HP	111,888,888	220,696,787
- Adjustments for operation at the Dam Safety Testing and Consulting Center	2,500,000	
Decreasing adjustment, offsetting to determine taxable income	-	33,051,437
- Adjustments for operation at Khe Dien HP offset against operation of KRN HP	4,028,865,695	(5,299,408,227)
- Adjustments for operation at the Head Office	(77,913)	12,384,359
- Adjustments for operation at KRN HP offset against operation of Khe Dien HP	(4,028,865,695)	5,299,408,227
- Adjustments for operation at the Dam Safety Testing and Consulting Center	77,913	20,667,078
Total taxable income	40,531,047,229	51,466,404,895
- Khe Dien Hydropower Plant	(4,838,129,149)	11,724,389,950
- Head Office	292,795,942	130,469,990
- Krong H'nang Hydropower Plant	45,076,380,436	39,605,391,715
- Dam Safety Testing and Consulting Center	-	6,153,240
Corporate income tax rate	20%	20%
Corporate income tax	3,598,571,402	6,332,741,808
- Khe Dien Hydropower Plant	(967,625,830)	2,344,877,990
- Head Office	58,559,188	26,093,998
- Krong H'nang Hydropower Plant (tax rate of 10%)	4,507,638,044	3,960,539,172
- Dam Safety Testing and Consulting Center	-	1,230,648
Reduced, exempted corporate income tax	2,253,819,022	1,980,269,586
- Khe Dien Hydropower Plant		
- Head Office		
- Krong H'nang Hydropower Plant	2,253,819,022	1,980,269,586
- Dam Safety Testing and Consulting Center	-	-
Current corporate income tax expense	1,344,752,380	4,352,472,222
- Khe Dien Hydropower Plant	(967,625,830)	2,344,877,990
- Head Office	58,559,188	26,093,998
- Krong H'nang Hydropower Plant	2,253,819,022	1,980,269,586
Profit after tax	39,033,938,339	46,903,672,323

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

a. Basic earnings per share	Quarter 4	Quarter 4	Accumulated for the year	
	Year 2017	Year 2016	Year 2017	Year 2016
	VND	VND	VND	VND
Profit after corporate income tax	39,033,938,339	46,903,672,323	135,909,398,292	64,207,111,775
Adjustments increasing or decreasing profit	-	-	-	-
- Increasing adjustments	-	-	-	-
- Decreasing adjustments	-	-	-	-
Profit attributable to common shareholders	39,033,938,339	46,903,672,323	135,909,398,292	64,207,111,775
Weighted average number of outstanding common shares	60,288,271	60,288,331	60,288,271	60,288,271
Basis earnings per share	647	778	2,254	1,065

b. Diluted earnings per share	Quarter 4	Quarter 4	Accumulated for the year	
	Year 2017	Year 2016	Year 2017	Year 2016
	VND	VND	VND	VND
Profit after corporate income tax	39,033,938,339	46,903,672,323	135,909,398,292	64,207,111,775
Adjustments increasing or decreasing profit	-	-	-	-
- Increasing adjustments	-	-	-	-
- Decreasing adjustments	-	-	-	-
Profit attributable to common shareholders	39,033,938,339	46,903,672,323	135,909,398,292	64,207,111,775
Weighted average number of outstanding common shares	60,288,271	60,288,331	60,288,271	60,288,271
Additional common shares expected to be issued	-	-	-	-
Diluted earnings per share	647	778	2,254	1,065

9. Production and business expenses by elements

	Quarter 4	Quarter 4
	Year 2017	Year 2016
	VND	VND
Materials, tools expenses	2,148,063,874	493,378,449
Labor costs	8,346,287,223	7,383,081,966
Depreciation expenses	19,727,433,641	19,727,799,595
Outside service expenses, other cash expenses	19,793,713,881	11,452,634,192
Total	50,015,498,619	39,056,894,202

VII. Supplementary 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 4 Year 2017 VND	Quarter 4 Year 2016 VND
a. Purchasing assets 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 or 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 4 Year 2017 VND	Quarter 4 Year 2016 VND
Revenue (sales of electricity)		
Central Power Corporation	13,524,179,083	16,120,197,719
b. Related party balance		
	31/12/2017 VND	01/01/2017 VND
Amount receivable (from sale of electricity)		
Central Power Corporation	7,953,161,832	8,214,963,977

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 4/2017

Items	Total	In which:	
		Khe Dien Hydropower Plant – Quang Nam Province VND	Krong H'nam Hydropower Plant – Dak Lak Province VND
1. Net revenue from sales	101,511,734,908	13,534,711,333	87,977,023,575
2. Cost of goods sold	40,952,529,684	10,325,322,758	30,627,206,926
3. Cost of fixed assets	1,593,362,521,138	191,908,064,582	1,401,454,456,556
4. Accumulated depreciation	367,816,817,827	87,226,939,002	280,589,878,825
5. Accounting profit before tax	40,126,362,399	(809,263,454)	40,935,625,853
6. Profit after tax	38,840,169,207	158,362,376	38,681,806,831

Quarter 4/2016

Items	Total	In which:	
		Khe Dien Hydropower Plant – Quang Nam Province VND	Krong H'nam Hydropower Plant – Dak Lak Province VND
1. Net revenue from sales	102,377,294,234	16,126,444,215	86,250,850,019
2. Cost of goods sold	29,641,357,660	6,107,375,889	23,533,981,771
3. Cost of fixed assets	1,592,684,447,229	191,229,990,673	1,401,454,456,556
4. Accumulated depreciation	307,100,587,445	76,165,157,149	230,935,430,296
5. Accounting profit before tax	51,109,084,878	6,424,981,723	44,684,103,155
6. Profit after tax	46,783,937,302	4,080,103,733	42,703,833,569

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 January 2018

General Director




Pham Phong