



**SONG BA JOINT STOCK COMPANY**

**Financial statements**

**For the year ended 31/12/2019**

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## **REPORT OF THE MANAGEMENT**

The Management of Song Ba Joint Stock Company is pleased to present this report together with the audited financial statements for the year ended 31/12/2019.

### **Overview**

Song Ba Joint Stock Company (“the Company”) was incorporated on the basis of converting from Song Ba Electricity Investment and Development Co., Ltd to joint stock company (Song Ba Electricity Investment and Development Co., Ltd was established under the Joint Venture Contract between Power Company No.3 (now being Central Power Corporation) and Vietnam Electricity Construction Joint Stock Corporation). The Company was granted Business Registration Certificate (now being Enterprise Registration Certificate) No. 0400439955 dated 04/07/2007 by Da Nang City Planning and Investment Department (since the establishment date, the Enterprise Registration Certificate has been amended 10 times and the nearest amendment was made on 16/02/2017). The Company is an independent accounting entity, operating in observance of the Enterprise Law, its Charter and other relevant regulations.

The Company registered to list its common shares on the Ho Chi Minh City Stock Exchange with code SBA. The official transaction date of shares was 01/06/2010.

*Charter capital: VND604,882,610,000*

*Paid-in capital as at 31/12/2019: VND604,882,610,000*

The Company has 3 dependent entities, namely:

- Branch of Song Ba Joint Stock Company - Khe Dien Hydropower Plant;
- Branch of Song Ba Joint Stock Company - Krong H’ang Hydropower Plant;
- Branch of Song Ba Joint Stock Company - Dam Safety Testing and Consulting Center.

### **Principal activities**

- Generating, transmitting and distributing electricity. Detail: Generating and trading electricity;
- Architectural activities and related technical consultancy. Detail: Consultancy on preparing investment project of construction works, surveying, designing to construct hydropower, hydraulic projects with capacity up to 30MW, electricity transmission lines and transformer stations up to 110KV; Consultancy on monitoring construction, managing small and medium-scaled hydropower projects, electricity transmission lines and transformer stations up to 110KV; Monitoring the construction of hydropower, hydraulic projects; Consultancy on verifying, testing quality of dam and hydropower plants; Design of engineering infrastructure works (traffice, supply of water for daily life in rural areas); Consultancy on investigation, collection, calculation, forecast of meteorology, hydrology of construction phases; Consultancy on preparing investment projects of construction, civil, engineering infrastructure works, aquariums, river bank and coast protection works; Consultancy on assessing quality of construction works; Geodetic survey of works;
- Construction of other civil engineering projects. Detail: Investing in construction of hydropower projects; construction of hydropower projects with capacity up to 30MW, electricity transmission lines and transformer stations up to 110KV; Repairing, maintaining hydropower plants; construction of small and medium-scaled projects;
- Wholesale of other construction materials, installation equipment;
- Exploiting stone, sand, gravel and clay. Detail: Exploitation of minerals;
- Other specialized construction activities. Detail: Dredging lake bed;
- Vocational education. Detail: Vocational training consultancy (management and operation of hydropower plants);

## **REPORT OF THE MANAGEMENT (cont'd)**

- Management consultancy activities. Detail: Consultancy on solutions to environment, agricultural resettlement, residential resettlement;
- Other construction installation activities. Detail: Installing equipment for construction works;
- Wholesale of other machinery, equipment, parts. Detail: Wholesale of mechanical and electrical equipment, materials;
- Research and experimental development on natural sciences and engineering. Detail: Research and manufacture of mechanical and electrical parts of hydropower plant; transfer of technology for construction techniques, equipment;
- Real estate activities with own or leased property. Detail: Leasing land, workshop and warehouse.

### *Head office*

- Address: 573 Nui Thanh Street, Hoa Cuong Nam Ward, Hai Chau District, Da Nang City, Viet Nam
- Tel: (0236) 3653 592 - (0236) 3653 596
- Fax: (0236) 3653 593
- Email: sba2007@songba.vn
- Website: www.songba.vn

### **Employees**

As at 31/12/2019, the Company had 98 employees, including 11 managing officers.

Members of the Board of Directors, Supervisory Board, Management and Chief Accountant during the year and up to the reporting date are as follows:

### *Board of Directors*

- |                            |               |                       |
|----------------------------|---------------|-----------------------|
| • Mr. Dinh Chau Hieu Thien | Chairman      | Elected on 30/03/2018 |
| • Mr. Thai Van Thang       | Vice Chairman | Elected on 10/04/2015 |
| • Mr. Pham Phong           | Member        | Elected on 10/04/2015 |
| • Mr. Truong Thanh Nam     | Member        | Elected on 10/04/2015 |
| • Mr. Pham Si Huan         | Member        | Elected on 30/03/2018 |

### *Supervisory Board*

- |                            |                           |                       |
|----------------------------|---------------------------|-----------------------|
| • Ms. Phan Thi Anh Dao     | Head of Supervisory Board | Elected on 22/04/2016 |
| • Ms. Nguyen Thi Tran Thao | Member                    | Elected on 22/04/2016 |
| • Mr. Tran Quang Can       | Member                    | Elected on 10/04/2015 |

### *Management and Chief Accountant*

- |                       |                                 |                           |
|-----------------------|---------------------------------|---------------------------|
| • Mr. Pham Phong      | General Director                | Reappointed on 01/06/2018 |
| • Mr. Nguyen The Duy  | Vice General Director           | Reappointed on 01/06/2019 |
| • Mr. Phan Dinh Thanh | Technical Vice General Director | Reappointed on 01/10/2019 |
| • Mr. Pham Thai Hung  | Chief Accountant                | Reappointed on 01/07/2019 |

## REPORT OF THE MANAGEMENT (cont'd)

### Independent auditor

These financial statements have been audited by AAC Auditing and Accounting Company Ltd (Head office: Lot 78-80, April 30th Street, Hai Chau District, Da Nang City; Tel: (84) 0236.3655886; Fax: (84) 0236.3655887; Website: www.aac.com.vn; Email: aac@dng.vnn.vn).

### Responsibility of the Management in preparation and presentation of the financial statements

The Management of the Company is responsible for true and fair preparation and presentation of these financial statements on the basis of:

- Complying with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and other relevant regulations;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Preparing the interim financial statements on the going concern basis;
- Responsibility for such internal control as the Management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

The members of the Company's Management hereby confirm that the accompanying financial statements including the balance sheet, the income statement, the statement of cash flows and the notes to the financial statements give a true and fair view of the financial position of the Company as at 31/12/2019 and the result of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of financial statements.



On behalf of the Management ✓

**Pham Phong**

**General Director**

*Da Nang City, 25 February 2020*



## AAC AUDITING AND ACCOUNTING CO., LTD

AN INDEPENDENT MEMBER OF PRIMEGLOBAL  
AUDITING ACCOUNTING AND FINANCE SPECIALITY

Head Office: Lot 78 - 80, April 30th Street, Hai Chau District, Da Nang City

Tel: +84 (236) 3 655 886; Fax: +84 (236) 3 655 887; Email: aac@dng.vnn.vn; Website: http://www.aac.com.vn

No. 115/2020//BCKT-AAC

### INDEPENDENT AUDITORS' REPORT

**To: The Shareholders, Board of Directors and Management  
Song Ba Joint Stock Company**

We have audited the financial statements which were prepared on 18/02/2020 of Song Ba Joint Stock Company ("the Company") as set out on pages 5 to 32, which comprise the balance sheet as at 31/12/2019, the income statement, statement of cash flows, and notes to the financial statements for the year then ended.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and other regulations relevant to the preparation and presentation of financial statements, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31/12/2019, and its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of financial statements.



**Trần Thị Thu Hiền – Deputy General Director**  
Audit Practicing Registration Certificate  
No. 0753-2018-010-1

**Thai Thi Anh Nhung – Auditor**  
Audit Practicing Registration Certificate  
No. 3313-2015-010-1

Da Nang City, 25 February 2020

**BALANCE SHEET**  
As at 31/12/2019

Form B 01 - DN  
Issued under Circular No. 200/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

ASSETS	Code	Note	31/12/2019 VND	01/01/2019 VND
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>65,920,443,198</b>	<b>97,549,092,649</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>		<b>12,999,905,264</b>	<b>11,270,557,614</b>
1. Cash	111	5	12,999,905,264	11,270,557,614
2. Cash equivalents	112		-	-
<b>II. Short-term financial investments</b>	<b>120</b>		-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>42,296,966,823</b>	<b>82,576,094,882</b>
1. Short-term trade receivables	131	6	24,733,889,134	58,324,303,234
2. Short-term prepayments to suppliers	132	7	8,258,081,845	9,426,111,332
3. Other short-term receivables	136	8.a	9,304,995,844	14,825,680,316
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>2,072,858,303</b>	<b>2,360,137,559</b>
1. Inventories	141		2,072,858,303	2,360,137,559
2. Provision for decline in value of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>8,550,712,808</b>	<b>1,342,302,594</b>
1. Short-term prepaid expenses	151	10.a	6,023,306,635	581,732,127
2. Deductible VAT	152		2,527,406,173	596,648,576
3. Taxes and amounts recoverable from the State	153	16	-	163,921,891
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>1,201,212,609,096</b>	<b>1,222,747,821,806</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>2,686,258,046</b>	<b>3,368,516,093</b>
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	8.b	2,686,258,046	3,368,516,093
<b>II. Fixed assets</b>	<b>220</b>		<b>1,151,701,342,800</b>	<b>1,194,759,417,406</b>
1. Tangible fixed assets	221	11	1,146,526,081,000	1,189,584,155,606
- Cost	222		1,600,923,589,650	1,600,956,217,650
- Accumulated depreciation	223		(454,397,508,650)	(411,372,062,044)
2. Intangible fixed assets	227	12	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)
<b>III. Investment properties</b>	<b>230</b>		-	-
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>27,054,799,307</b>	<b>10,880,583,889</b>
1. Long-term work in process	241		-	-
2. Construction in progress	242	13	27,054,799,307	10,880,583,889
<b>V. Long-term financial investments</b>	<b>250</b>		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>19,770,208,943</b>	<b>13,739,304,418</b>
1. Long-term prepaid expenses	261	10.b	19,770,208,943	13,739,304,418
2. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>1,267,133,052,294</b>	<b>1,320,296,914,455</b>

**BALANCE SHEET (cont'd)**  
As at 31/12/2019

RESOURCES	Code	Note	31/12/2019 VND	01/01/2019 VND
<b>C. LIABILITIES</b>	<b>300</b>		<b>487,050,388,881</b>	<b>559,395,242,777</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>115,592,979,998</b>	<b>125,907,242,777</b>
1. Short-term trade payables	311	14	517,159,971	691,909,809
2. Short-term advances from customers	312	15	1,301,000,000	475,046,500
3. Taxes and amounts payable to the State	313	16	14,288,658,492	13,955,676,830
4. Payables to employees	314		4,968,750,938	4,639,269,126
5. Short-term accrued expenses	315	17	2,368,511,349	12,780,175,742
6. Other short-term payables	319	18	8,260,567,348	7,890,508,419
7. Short-term loans and finance lease liabilities	320	19.a	81,546,557,421	81,246,000,000
8. Reward and welfare fund	322		2,341,774,479	4,228,656,351
<b>II. Long-term liabilities</b>	<b>330</b>		<b>371,457,408,883</b>	<b>433,488,000,000</b>
1. Long-term trade payables	331		-	-
2. Long-term loans and finance lease liabilities	338	19.b	371,457,408,883	433,488,000,000
<b>D. EQUITY</b>	<b>400</b>		<b>780,082,663,413</b>	<b>760,901,671,678</b>
<b>I. Owners' equity</b>	<b>410</b>		<b>780,082,663,413</b>	<b>760,901,671,678</b>
1. Share capital	411	20	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	20	-	(95,000,000)
3. Treasury shares	415	20	(2,381,126,754)	(663,277,833)
4. Development investment fund	418	20	39,282,271,715	39,282,271,715
5. Undistributed profit after tax	421	20	138,298,908,452	117,495,067,796
- Undistributed profit after tax up to prior year-end	421a	20	40,299,486,313	21,152,791,708
- Undistributed profit after tax of current year	421b	20	97,999,422,139	96,342,276,088
<b>II. Other resources and funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>1,267,133,052,294</b>	<b>1,320,296,914,455</b>



Pham Phong  
General Director

Da Nang City, 18 February 2020

Pham Thai Hung  
Chief Accountant

Truong Ngoc Hung  
Preparer



**INCOME STATEMENT**  
For the year ended 31/12/2019

Form B 02 - DN  
Issued under Circular No. 200/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Year 2019 VND	Year 2018 VND
1. Revenue from sales and service provision	01	21	253,482,899,786	254,006,800,774
2. Revenue deductions	02		-	-
3. Net revenue from sales and service provision	10		253,482,899,786	254,006,800,774
4. Cost of goods sold	11	22	86,324,219,455	82,110,521,852
5. <b>Gross profit from sales and service provision</b>	<b>20</b>		<b>167,158,680,331</b>	<b>171,896,278,922</b>
6. Financial income	21	23	476,913,962	388,002,583
7. Financial expenses	22	24	47,681,376,928	52,644,101,000
<i>Including: Interest expense</i>		23	46,758,433,762	52,644,101,000
8. Selling expenses	25		-	-
9. Administration expenses	26	25	16,099,619,882	16,707,640,461
10. <b>Operating profit</b>	<b>30</b>		<b>103,854,597,483</b>	<b>102,932,540,044</b>
11. Other income	31	26	1,428,251,421	478,007,244
12. Other expenses	32	27	412,327,477	309,430,759
13. <b>Other profit</b>	<b>40</b>		<b>1,015,923,944</b>	<b>168,576,485</b>
14. <b>Accounting profit before tax</b>	<b>50</b>		<b>104,870,521,427</b>	<b>103,101,116,529</b>
15. Current corporate income tax expense	51	28	6,871,099,288	6,758,840,441
16. Deferred corporate income tax expense	52		-	-
17. <b>Profit after tax</b>	<b>60</b>		<b>97,999,422,139</b>	<b>96,342,276,088</b>
18. Basic earnings per share	70	29	1,623	1,519
19. Diluted earnings per share	71	29	1,623	1,519



Pham Phong  
General Director

Da Nang City, 18 February 2020

Pham Thai Hung  
Chief Accountant

Truong Ngoc Hung  
Preparer

STATEMENT OF CASH FLOWS  
For the year ended 31/12/2019

Form B 03 - DN  
Issued under Circular No. 200/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Year 2019 VND	Year 2018 VND
<b>I. Cash flows from operating activities</b>				
1. Cash receipts from sales, service provision and other income	01		284,873,355,160	253,007,765,980
2. Cash paid to suppliers	02		(41,801,033,571)	(44,403,068,056)
3. Cash paid to employees	03		(18,023,972,749)	(16,866,304,335)
4. Cash paid for borrowing interest	04	17, 24	(48,936,431,715)	(52,796,390,574)
5. Cash paid for corporate income tax	05	16	(6,561,387,700)	(7,528,263,317)
6. Other cash receipts from operating activities	06		76,362,941,941	53,752,795,078
7. Other payments for operating activities	07		(87,988,646,210)	(66,209,442,809)
<b>Net cash provided by operating activities</b>	<b>20</b>		<b>157,924,825,156</b>	<b>118,957,091,967</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases of fixed assets and other long-term assets	21		(21,694,972,789)	(3,934,498,844)
2. Dividends, profit, interest received	27	23	476,913,962	469,724,799
<b>Net cash used in investing activities</b>	<b>30</b>		<b>(21,218,058,827)</b>	<b>(3,464,774,045)</b>
<b>III. Cash flows from financing activities</b>				
1. Repayments of contributed capital, recall of issued stocks	32		(1,717,848,921)	-
2. Proceeds from borrowings	33	19	105,994,966,304	-
3. Repayments of borrowings	34	19	(167,725,000,000)	(67,870,000,000)
4. Dividends, profit paid to owners	36	18,20	(71,529,536,062)	(88,975,209,268)
<b>Net cash used in financing activities</b>	<b>40</b>		<b>(134,977,418,679)</b>	<b>(156,845,209,268)</b>
<b>Net cash flows for the period</b>	<b>50</b>		<b>1,729,347,650</b>	<b>(41,352,891,346)</b>
Cash and cash equivalents at the beginning of the year	60	5	11,270,557,614	52,623,448,960
Impact of exchange rate fluctuations	61		-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	<b>5</b>	<b>12,999,905,264</b>	<b>11,270,557,614</b>



Pham Phong  
General Director

Da Nang City, 18 February 2020

Pham Thai Hung  
Chief Accountant

Truong Ngoc Hung  
Preparer

## NOTES TO THE FINANCIAL STATEMENTS

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Form B 09 - DN  
Issued under Circular 200/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

### 1. Nature of operations

#### 1.1. Overview

Song Ba Joint Stock Company (“the Company”) was incorporated on the basis of converting from Song Ba Electricity Investment and Development Co., Ltd to joint stock company (Song Ba Electricity Investment and Development Co., Ltd was established under the Joint Venture Contract between Power Company No.3 (now being Central Power Corporation) and Vietnam Electricity Construction Joint Stock Corporation). The Company was granted Business Registration Certificate (now being Enterprise Registration Certificate) No. 0400439955 dated 04/07/2007 by Da Nang City Planning and Investment Department (since the establishment date, the Enterprise Registration Certificate has been amended 10 times and the nearest amendment was made on 16/02/2017). The Company is an independent accounting entity, operating in observance of the Enterprise Law, its Charter and other relevant regulations.

#### 1.2. Principal scope of business: Generating and trading electricity.

#### 1.3. Operating activities

- Generating, transmitting and distributing electricity. Detail: Generating and trading electricity;
- Architectural activities and related technical consultancy. Detail: Consultancy on preparing investment project of construction works, surveying, designing to construct hydropower, hydraulic projects with capacity up to 30MW, electricity transmission lines and transformer stations up to 110KV; Consultancy on monitoring construction, managing small and medium-scaled hydropower projects, electricity transmission lines and transformer stations up to 110KV; Monitoring the construction of hydropower, hydraulic projects; Consultancy on verifying, testing quality of dam and hydropower plants; Design of engineering infrastructure works (traffice, supply of water for daily life in rural areas); Consultancy on investigation, collection, calculation, forecast of meteorology, hydrology of construction phases; Consultancy on preparing investment projects of construction, civil, engineering infrastructure works, aquariums, river bank and coast protection works; Consultancy on assessing quality of construction works; Geodetic survey of works;
- Construction of other civil engineering projects. Detail: Investing in construction of hydropower projects; construction of hydropower projects with capacity up to 30MW, electricity transmission lines and transformer stations up to 110KV; Repairing, maintaining hydropower plants; construction of small and medium-scaled projects;
- Wholesale of other construction materials, installation equipment;
- Exploiting stone, sand, gravel and clay. Detail: Exploitation of minerals;
- Other specialized construction activities. Detail: Dredging lake bed;
- Vocational education. Detail: Vocational training consultancy (management and operation of hydropower plants);
- Management consultancy activities. Detail: Consultancy on solutions to environment, agricultural resettlement, residential resettlement;
- Other construction installation activities. Detail: Installing equipment for construction works;
- Wholesale of other machinery, equipment, parts. Detail: Wholesale of mechanical and electrical equipment, materials;

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

- Research and experimental development on natural sciences and engineering. Detail: Research and manufacture of mechanical and electrical parts of hydropower plant; transfer of technology for construction techniques, equipment;
- Real estate activities with own or leased property. Detail: Leasing land, workshop, and warehouse.

### 1.4. Normal course of business cycle

The Company's normal course of business cycle is 12 months.

### 1.5. Business structure

As at 31/12/2019, the Company has 3 dependent entities, namely:

- Branch of Song Ba Joint Stock Company - Khe Dien Hydropower Plant;
- Branch of Song Ba Joint Stock Company - Krong H'nang Hydropower Plant;
- Branch of Song Ba Joint Stock Company - Dam Safety Testing and Consulting Center.

## 2. Accounting period, currency used in accounting

The annual accounting period of the Company is from 1 January to 31 December.

Financial statements and accounting transactions are expressed in Vietnamese Dong (VND).

## 3. Applied accounting standards and accounting system

The Company adopted the Vietnamese Corporate Accounting System guided in Circular No. 200/2014/TT-BTC dated 22/12/2014 and Vietnamese Accounting Standards promulgated by the Ministry of Finance.

## 4. Summary of significant accounting policies

### 4.1 Cash and cash equivalents

Cash includes cash on hand, demand bank deposits and cash in transit.

All 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 shall be recognized as cash equivalents.

### 4.2 Receivables

Receivables include trade receivables and other receivables:

- Trade receivables are trade-related amounts arising from trading activities between the Company and its customers;
- Other receivables include non-trade amounts which are not related to trading activities, intra-company transactions.

Receivables are recorded at cost less provision for doubtful debts. The appropriation of provision complies with the guidelines in Circular No. 48/2019/TT-BTC dated 08/08/2019 by the Ministry of Finance. Accordingly, provision is made at the balance sheet date for the amounts receivable which have been overdue for 6 months or which have not been overdue but are likely to become irrecoverable.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

### 4.3 Inventories

Inventories are stated at the lower of cost and net realizable value.

Cost of inventories is calculated using the First-In, First-Out method and accounted for using the perpetual method with value determined as follows:

- Materials, tools, instruments: Cost comprises costs of purchase, costs of conversion and any directly attributable costs of bringing the inventories to their present location and condition.
- Finished products: Cost comprises cost of direct materials and labour plus attributable overhead based on the normal level of activities.

Net realizable value is the estimated selling price less the estimated costs of completing the products and the estimated costs needed for their consumption.

Provision for decline in value of inventories is made for each kind of inventories when the net realizable value of that kind of inventories is less than cost.

### 4.4 Tangible fixed assets

#### Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state. The costs incurred after the initial recognition of tangible fixed asset shall be recorded as increase in their historical cost if these costs are certain to augment future economic benefits obtained from the use of those assets. Those incurred costs which fail to meet this requirement must be recognized as production and business expenses in the period.

#### Depreciation

Depreciation of tangible fixed assets is calculated on a straight-line basis over their estimated useful lives. The depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25 April 2013 by the Ministry of Finance. Details are as follows:

<u>Kinds of asset</u>	<u>Depreciation period (years)</u>
Buildings, architectures	15 – 50
Machinery, equipment	6 – 15
Motor vehicles	5 – 30
Office equipment	3 – 5

In which, the depreciation period of fixed assets of Krong H'ngang Hydropower Plant applied by the Company is longer than the regulated one. This adjustment was approved by Da Nang City Finance Department in Decision No. 293/QD-STC dated 29/06/2011. Accordingly, specific depreciation period is as follows:

<u>Kinds of asset</u>	<u>Depreciation period (years)</u>
Buildings, architectures	50
Machinery, equipment	15

In order to ensure that the depreciation method is in line with the actual use and seasonal nature of hydropower production, the fixed assets used directly at Khe Dien Hydropower Plant and Krong

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

*(These notes form part of and should be read in conjunction with the accompanying financial statements)*

H'ngang Hydropower Plant are depreciated in accordance with the method of depreciation based on volume. Details are as follows:

Depreciation rate in the period	=	Cost of fixed assets	x	Volume of electricity actually generated in the period
		Depreciation period of fixed assets registered with tax authority	x	Average design capacity of each year

**4.5 Intangible fixed assets**

*Cost*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of intangible fixed assets comprises all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state.

*Land use rights*

Intangible fixed assets are land use rights including:

- The land use right allocated by the State with land use fee or receiving the transfer of legal land use right (including term and non-term land use right).
- The prepaid land rent (has been paid for the leasing time or paid in advance for many years but the remaining land lease term paid is at least five years) for the land rent contract before the effective date of the Land Act 2013 and being granted with certificate of land use right by the competent authority.

The cost of land use right includes all the costs directly attributable to the putting of land into the ready-for-use state.

*Amortization*

Intangible fixed assets being land use rights with indefinite term are not amortized. For land use rights with definite term, the amortization period is the period in which the Company is allowed to use the land.

Other intangible fixed assets are amortized in accordance with the straight-line method. Amortization rate is based on their cost and estimated useful lives. Amortization period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance.

The amortization period of intangible fixed assets of the Company is as follows:

<u>Kind of asset</u>	<u>Amortization period (years)</u>
Indefinite lived land use rights	Not amortized
Computer software	Fully amortized

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

### 4.6 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses. These are expenditures that have been incurred but related to the operations of many accounting periods. The Company's primary prepayments are as follows:

- Cost of tools and instruments being put into use and repair expenses are amortized in accordance with the straight-line method for a period ranging from 12 to 36 months;
- Costs of afforestation are amortized in accordance with the straight-line method for 60 months;
- Cost of forest tending is amortized with the straight-line method for 12 months from the acceptance on forest tending.
- Insurance expenses of assets, cars are amortized in accordance with the straight-line method over the purchase term stated in the contracts;
- Other prepaid expenses: the Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received based on the nature and extent of the prepaid expenses.

### 4.7 Payables

Payables include trade payables and other payables:

- Trade payables are trade-related amounts, arising from trading activities between the company and its suppliers;
- Other payables are non-trade amounts, which are not related to trading activities, intra-company transactions.

Payables are recognized at cost and reported as short-term and long-term payables based on the remaining terms at the balance sheet date.

Payables are monitored according to their creditors, principal terms, remaining terms and original currencies.

### 4.8 Loans and finance lease liabilities

Loans and finance lease liabilities are recorded at cost and classified into current and non-current liabilities based on the remaining terms at the balance sheet date.

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and currencies.

#### *Borrowing costs*

Borrowing costs comprise interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they qualify the conditions to be capitalized in accordance with Accounting Standard "Borrowing costs".

Borrowing costs associated with a particular borrowing for the purpose of obtaining a qualifying asset shall be capitalized as part of the cost of that asset. For general borrowing funds, the borrowing costs eligible for capitalization in the period shall be determined according to the capitalization rate, which is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period.

Capitalization of borrowing costs shall be suspended during extended periods in which it suspends active development of a qualifying asset, except to the extent that the suspension is necessary.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Capitalization shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

### 4.9 Accrued expenses

Accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company.

### 4.10 Owners' equity

Paid-in capital represents the amount of capital actually contributed by shareholders.

#### *Share premium*

Share premium reflects the difference between the issue price and par value of the shares issued, costs directly related to the issuance of shares; difference between the re-issue price and book value, costs directly related to the re-issuance of shares.

#### *Treasury shares*

Treasury shares are the amounts payable to repurchase the shares that the Company has issued and all costs directly related to this repurchase transaction.

#### *Profit distribution*

Profit after corporate income tax is available for appropriation to funds and to shareholders as provided for in the Company's Charter or Decision of the Shareholders' General Meeting.

The dividend to be paid to the shareholders shall not exceed the undistributed profit after tax and with consideration of non-monetary items in undistributed post-tax profits that may affect cash flow and ability to pay dividends.

### 4.11 Recognition of revenue and other income

- Revenue from sales of electricity is recognized based on the documents on confirming the power capacity sold to the national power grid and unit price stated in the following Economic Contracts:
  - ✓ For Khe Dien Hydropower Plant Branch: According to Economic Contract No. 05/2011/KHEDIEN/EVNCPC-SBA dated 31/05/2011 and Appendix No. 07 dated 24/05/2019 with Central Power Corporation (unit price is applied in accordance with the avoided cost tariff issued annually by the Electricity Regulatory Authority of Vietnam);
  - ✓ For Krong H'nang: According to Economic Contract No. 06/2012/HD-NMD-KRH dated 10/06/2012 and Contract for Amendment and Supplementation No. 06 dated 07/08/2019 with Viet Nam Electricity (using competitive electricity price).
- Revenue from sales and service provision is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:
  - ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding recovery of the consideration due or the likely return of goods.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

*(These notes form part of and should be read in conjunction with the accompanying financial statements)*

- ✓ Revenue from service provision is recognized when the services have been rendered. In case that the services are to be provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.
- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
  - ✓ Interests are recognized on the basis of the actual term and interest rates.
  - ✓ Dividends and profits shared are recognized when the Company has the rights to receive dividends or profit from the capital contribution. Stock dividends are not recognized as financial revenue. Dividends received in the period before investment date shall be recorded as a decrease in value of investment.
- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

### 4.12 Cost of goods sold

Cost of products, goods sold and services rendered shall be recognized in the correct accounting period in accordance with the matching principle and conservatism principle.

Costs of inventories and services rendered which are incurred in excess of the ordinary level shall be charged out to cost of goods sold in the period, not to the production cost of goods and services.

### 4.13 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, interest on installment purchase, interest on finance lease, payment discounts for buyers, expenses and loss on liquidating, transferring investments; provision for diminution in value of trading securities, provision for loss from investment in other entities, loss from sale of foreign currency, foreign exchange loss and other expenses attributable to other investing activities.

### 4.14 Administration expenses

Administration expenses recognized are expenses actually incurred related to the overall administration of enterprises.

### 4.15 Current corporate income tax expense, deferred corporate income tax expense

Corporate income tax expenses in the period include current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income in the period at the tax rates ruling at the balance sheet date. The difference between taxable income and accounting profit is due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

Deferred income tax is determined for temporary differences at the balance sheet date between the tax base of assets and liability and their carrying amount for financial reporting purpose.

### 4.16 Financial instruments

#### Initial recognition

*Financial assets*

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

*(These notes form part of and should be read in conjunction with the accompanying financial statements)*

A financial asset is recognized initially at cost plus transaction costs directly attributable to the acquisition of the asset. The Company's financial assets include cash on hand, deposits, trade receivables and other receivables.

*Financial liabilities*

A financial liability is recognized initially at cost plus transaction costs directly attributable to the issuance of such liability. The Company's financial liabilities include loans, trade payables, accrued expenses and other payables.

**Subsequent measurement**

Currently, there has been no requirement for subsequent measurement of financial instruments.

**4.17 Tax rate and charges paid to the State which the Company applied**

- Value Added Tax (VAT): tax rate of 10% is applicable to sales of electricity; other activities are subject to tax rates in accordance with the current regulations.
- Corporate Income Tax (CIT):
  - ✓ For Khe Dien Hydropower Plant: Applicable tax rate is 20%.
  - ✓ For Krong H'Nang Hydropower Plant: tax rate of 10% is applicable for 15 years (from 2010 to 2024), exempted from corporate income tax for 4 years as from the time the taxable income is made and entitled to 50% reduction of corporate income tax for the next 9 years. Since 2010 was the first year Krong H'ngang Hydropower Plant has made taxable income, Income of Krong H'ngang Hydropower Plant is exempted from corporate income tax from 2010 to 2013 and entitled to 50% reduction of corporate income tax from 2014 to 2022.  
*These incentives are indicated in the Investment Certificate No. 36121000085 dated 03/03/2014 by the People's Committee of Phu Yen Province.*
  - ✓ Other activities are subject to CIT rate of 20%.
- Other taxes and obligation are fulfilled in accordance with the prevailing regulations.

**4.18 Related parties**

Parties are considered to be related if one party has the ability to (directly or indirectly) control the other party or exercise significant influence over the other party in making financial or operational decisions.

*Unit: VND*

5. Cash	31/12/2019	01/01/2019
Cash on hand	1,417,395,960	997,748,560
Demand bank deposits	11,582,509,304	10,272,809,054
<b>Total</b>	<b>12,999,905,264</b>	<b>11,270,557,614</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**6. Short-term trade receivables**

	31/12/2019	01/01/2019
Central Power Corporation	5,882,222,256	6,456,083,315
Electricity Power Trading Company	16,716,015,047	46,817,977,888
F.C.L Joint Stock Company	1,401,261,915	3,801,438,915
Other customers	734,389,916	1,248,803,116
<b>Total</b>	<b>24,733,889,134</b>	<b>58,324,303,234</b>

**In which: trade receivables from related parties**

	Relationship	31/12/2019	01/01/2019
Central Power Corporation	Investor	5,882,222,256	6,456,083,315
Electricity Power Trading Company	Fellow subsidiary of the investor	16,716,015,047	46,817,977,888
<b>Total</b>		<b>22,598,237,303</b>	<b>53,274,061,203</b>

**7. Short-term prepayments to suppliers**

	31/12/2019	01/01/2019
Vaptech Co., Ltd	4,643,100,000	-
6.3 Joint Stock Company	875,061,825	-
Dong Tay Consulting and Construction Investment JSC	1,457,506,673	6,037,361,598
Other suppliers	1,282,413,347	3,388,749,734
<b>Total</b>	<b>8,258,081,845</b>	<b>9,426,111,332</b>

**8. Other receivables**

**a. Short-term**

	31/12/2019		01/01/2019	
	Amount	Provision	Amount	Provision
Advances	8,043,432,169	-	13,174,184,823	-
Other receivables	1,261,563,675	-	1,651,495,493	-
<b>Total</b>	<b>9,304,995,844</b>	<b>-</b>	<b>14,825,680,316</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**b. Long-term**

	31/12/2019		01/01/2019	
	Amount	Provision	Amount	Provision
Deposits, collaterals	2,686,258,046	-	3,368,516,093	-
<b>Total</b>	<b>2,686,258,046</b>	<b>-</b>	<b>3,368,516,093</b>	<b>-</b>

**9. Inventories**

	31/12/2019		01/01/2019	
	Cost	Provision	Cost	Provision
Materials	971,447,330	-	729,184,113	-
Tools, instruments	1,038,696,000	-	1,166,204,000	-
Work in process	62,714,973	-	464,749,446	-
<b>Total</b>	<b>2,072,858,303</b>	<b>-</b>	<b>2,360,137,559</b>	<b>-</b>

- There are no inventories which are unsold, in poor quality at 31/12/2019.
- There are no inventories which were pledged, mortgaged as security for debts as at 31/12/2019.

**10. Prepaid expenses**

**a. Short-term**

	31/12/2019	01/01/2019
Insurance expense	103,403,004	125,700,712
Costs of repairing assets	3,791,338,203	456,031,415
Cost for clearing and dredging canals - K'rong H'ngang Plant	2,128,565,428	-
<b>Total</b>	<b>6,023,306,635</b>	<b>581,732,127</b>

**b. Long-term**

	31/12/2019	01/01/2019
Costs of tools, instruments pending amortization	1,042,215,211	584,794,358
Costs of treating discharge canal of Krong H'ngang Project	1,504,538,465	2,566,565,602
Overhaul costs of machine units	9,847,865,531	4,452,118,424
Costs of dredging canal for receiving water of Krong H'ngang Project	2,543,038,042	3,869,840,487
Nong Son Coal Mine Bypass - Khe Dien Plant	4,765,762,807	-
Other prepaid expenses	66,788,887	2,265,985,547
<b>Total</b>	<b>19,770,208,943</b>	<b>13,739,304,418</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**11. Tangible fixed assets**

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
<b>Cost</b>					
Beginning balance	1,184,055,609,156	334,580,065,801	81,836,738,864	483,803,829	1,600,956,217,650
Increase in the year	-	-	-	-	-
Decrease in the year	-	-	-	32,628,000	32,628,000
<b>Ending balance</b>	<b>1,184,055,609,156</b>	<b>334,580,065,801</b>	<b>81,836,738,864</b>	<b>451,175,829</b>	<b>1,600,923,589,650</b>
<b>Depreciation</b>					
Beginning balance	200,751,708,097	173,262,722,626	37,051,659,810	305,971,511	411,372,062,044
Charge for the year	21,478,910,359	16,673,636,955	4,837,628,804	67,898,488	43,058,074,606
Decrease in the year	-	-	-	32,628,000	32,628,000
<b>Ending balance</b>	<b>222,230,618,456</b>	<b>189,936,359,581</b>	<b>41,889,288,614</b>	<b>341,241,999</b>	<b>454,397,508,650</b>
<b>Net book value</b>					
Beginning balance	983,303,901,059	161,317,343,175	44,785,079,054	177,832,318	1,189,584,155,606
<b>Ending balance</b>	<b>961,824,990,700</b>	<b>144,643,706,220</b>	<b>39,947,450,250</b>	<b>109,933,830</b>	<b>1,146,526,081,000</b>

- As at 31/12/2019, tangible fixed assets with a carrying value of VND1,142,041,595,085 have been mortgaged as collateral for borrowings granted to the Company.
- Cost of tangible fixed assets fully depreciated but still in active use at 31/12/2019 is VND13,117,612,661.
- There are no tangible fixed assets pending disposal.
- There are no commitments to repurchase fixed assets of high value in the future.
- Pursuant to Decision No. 293/QĐ – STC dated 29/06/2011 of Da Nang City Finance Department on “Approving the plan for changing useful lives of fixed assets”, the Company has changed the useful lives of most of the fixed assets of Krong H'ngang Hydropower Plant since 2011. Other than that, the Company also changed the depreciation method (from the straight-line method to the method based on volume) of the fixed assets directly serving the electricity generation and sent an official letter (No. 223/11/S3-TC dated 09/06/2011) to notify the Tax Department of such change.
- On 25/04/2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC guiding the management, use and depreciation of fixed assets. According to Clause c, Point 2, Article 13, one of the conditions for applying the method of depreciation based on volume is that the actual capacity per month in the fiscal year is not less than 100% of design capacity. On 31/07/2013, the Company sent Official Letter No. 279/13/S3-TCKT to the Ministry of Finance asking for the guidance on applying the regulations of Circular 45/2013/TT-BTC to the Company's actual operations. On 14/10/2013, the Ministry of Finance issued Official Letter No. 13633/BTC-TCDN to permit Song Ba Joint Stock Company to keep applying the method of depreciation based on volume to the fixed assets directly participating in the electricity generation which the Company registered with Da Nang City Tax Department in case of failure to reach 100% of design capacity provided that Song Ba Joint Stock Company must ensure sufficient resources to repay investment loans of credit institutions, and the depreciation period does not exceed the technical life of the assets.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**12. Intangible fixed assets**

	Land use rights (*)	Computer software	Total
<b>Cost</b>			
Beginning balance	5,175,261,800	302,800,000	5,478,061,800
Newly purchased	-	-	-
Sold, disposed	-	-	-
<b>Ending balance</b>	<b>5,175,261,800</b>	<b>302,800,000</b>	<b>5,478,061,800</b>
<b>Amortization</b>			
Beginning balance	-	302,800,000	302,800,000
Charge for the period	-	-	-
Sold, disposed	-	-	-
<b>Ending balance</b>	<b>-</b>	<b>302,800,000</b>	<b>302,800,000</b>
<b>Net book value</b>			
Beginning balance	5,175,261,800	-	5,175,261,800
<b>Ending balance</b>	<b>5,175,261,800</b>	<b>-</b>	<b>5,175,261,800</b>

(\*) This is long-term land use right at 573 Nui Thanh Street, Hai Chau District, Da Nang City; area: 410.5 m<sup>2</sup>, used for the Company's Head Office.

This land use right is mortgaged for the long-term loan borrowed from Orient Commercial Joint Stock Bank - Trung Viet Branch (presented in Note 19).

Cost of intangible fixed assets fully amortized but still in active use at 31/12/2019 is VND302,800,000.

**13. Construction in progress**

	31/12/2019	01/01/2019
Construction in progress	27,054,799,307	10,880,583,889
- Krong H'nang 2 Hydropower Plant	3,475,284,736	3,475,284,736
- Song Tranh 1 Hydropower Plant	5,245,930,051	5,245,930,051
- Khe Dien Hydropower Plant expansion project	18,333,584,520	1,104,419,571
- Nong Son Coal Mine Bypass Project	-	1,054,949,531
<b>Total</b>	<b>27,054,799,307</b>	<b>10,880,583,889</b>

The total investment capital of Krong H'nang 2 Hydropower Plant Project and Song Tranh 1 Hydropower Plant Project is VND407,915,000,000 and VND552,646,106,000 respectively. The dossiers of these two projects are being completed to submit to the Ministry of Industry and Trade for approval to adjust the planning.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**14. Short-term trade payables**

	31/12/2019	01/01/2019
Song Tien Construction Joint Stock Company	228,995,488	-
Others	288,164,483	691,909,809
<b>Total</b>	<b>517,159,971</b>	<b>691,909,809</b>

**15. Short-term advances from customers**

	31/12/2019	01/01/2019
Phu Yen Province Science and Technology Department	482,000,000	300,000,000
Quang Nam Province Science and Technology Department	684,000,000	-
Song Tranh 4 Hydropower Joint Stock Company	105,000,000	-
Others	30,000,000	175,046,500
<b>Total</b>	<b>1,301,000,000</b>	<b>475,046,500</b>

**16. Taxes and amounts payable to the State**

	Beginning balance		Amount to be paid	Actual amount paid	Ending balance	
	Payable	Receivable			Payable	Receivable
Value Added Tax	6,265,231,061	-	24,732,879,964	24,923,803,506	6,074,307,519	-
Corporate Income Tax	575,329,504	-	6,871,099,288	6,561,387,700	885,041,092	-
Personal Income Tax	-	163,921,891	4,654,174,643	4,268,214,107	222,038,645	-
Natural resources tax	4,971,394,421	-	18,604,956,072	18,974,347,481	4,602,003,012	-
License fee	-	-	6,000,000	6,000,000	-	-
Forest environment service	2,143,721,844	-	7,678,242,780	7,316,696,400	2,505,268,224	-
Fees for granting rights to exploit water resources	-	-	5,967,143,000	5,967,143,000	-	-
<b>Total</b>	<b>13,955,676,830</b>	<b>163,921,891</b>	<b>68,514,495,747</b>	<b>68,017,592,194</b>	<b>14,288,658,492</b>	<b>-</b>

The Company's tax reports would be subject to examination of tax authorities. The tax amounts reported in these financial statements could be changed under decision of the tax authorities.

**17. Short-term accrued expenses**

	31/12/2019	01/01/2019
Loan interest payable	238,184,853	2,405,312,993
Survey expenses for preparing investment project of Tam Phuc Hydropower Plant	179,516,545	986,463,535
Survey expenses for preparing Song Bung 3A Investment Project	878,961,620	6,923,920,747
Preparing scheme for using surface water - Tam Phuc Hydropower Plant	259,073,546	-
Consultancy for preparation of economic and financial report for lifting dam of hydropower lake	233,876,913	-
Other prepaid expenses	578,897,872	2,464,478,467
<b>Total</b>	<b>2,368,511,349</b>	<b>12,780,175,742</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**18. Other short-term payables**

	31/12/2019	01/01/2019
Trade union fees	9,151,828	9,946,834
Dividend payables	8,240,028,395	7,283,779,257
Other payables	11,387,125	596,782,328
<b>Total</b>	<b>8,260,567,348</b>	<b>7,890,508,419</b>

**19. Loans and finance lease liabilities**

**a. Short-term loans and finance lease liabilities**

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Current portion of long-term loans	81,246,000,000	99,214,557,421	98,914,000,000	81,546,557,421
- Vietcombank - Da Nang Branch	19,246,000,000	2,677,000,000	21,923,000,000	-
- Oricombank - Quang Nam Branch	62,000,000,000	62,000,000,000	62,000,000,000	62,000,000,000
- Oricombank - Trung Viet Branch	-	34,537,557,421	14,991,000,000	19,546,557,421
<b>Total</b>	<b>81,246,000,000</b>	<b>99,214,557,421</b>	<b>98,914,000,000</b>	<b>81,546,557,421</b>

**b. Long-term loans and finance lease liabilities**

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Long-term loans	514,734,000,000	105,994,966,304	167,725,000,000	453,003,966,304
- Vietcombank - Da Nang Branch	90,734,000,000	-	90,734,000,000	-
- Oricombank - Quang Nam Branch	424,000,000,000	-	62,000,000,000	362,000,000,000
- Oricombank - Trung Viet Branch	-	105,994,966,304	14,991,000,000	91,003,966,304
<b>Total</b>	<b>514,734,000,000</b>	<b>105,994,966,304</b>	<b>167,725,000,000</b>	<b>453,003,966,304</b>
<i>In which:</i>				
- Amount due within one year	81,246,000,000			81,546,557,421
<b>Long-term loans and finance lease liabilities</b>	<b>433,488,000,000</b>			<b>371,457,408,883</b>

The Company is borrowing from Orient Commercial Joint Stock Bank - Trung Viet Branch under 2 loan agreements:

- Long-term loan agreement No. 0058/2019/HDTD-OCB-DN dated 26/03/2019 with the credit line of VND90,734,000,000. The loan period is 61 months as from the first drawdown date. This loan bears interest at the rate announced by Orient Commercial Joint Stock Bank - Trung Viet Branch and shall be adjusted every 6 months. The loan is to re-finance the loans of Song Ba Joint Stock Company from Vietcombank for reimbursing the capital which the Company invested in Khe Dien Hydropower Plant Project under Credit Agreement No. 34/2013/VCB/KHDN dated 07/02/2013 and Credit Agreement No. 162/2014/VCB-KHDN dated 14/05/2014 with respective debt balance of VND22,100,000,000 and 68,634,000,000. The loan is secured by the long-term land use right at 573 Nui Thanh Street, Hai Chau District, Da Nang City and Khe Dien Hydropower Plant.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

- Long-term loan agreement No. 0057/2019/HDTD-OCB-DN dated 26/03/2019 with the credit line of VND72,000,000,000. The loan period is 132 months as from the first drawdown date. This loan bears interest at the rate agreed in the indebtedness and shall be adjusted every 6 months. The loan is for the purpose of investing in the Khe Dien Hydropower Plant expansion project from the designed capacity of 9MW to 15MW. The loan is secured by the long-term land use right at 573 Núi Thanh Street, Hai Chau District, Da Nang City; Khe Dien Hydropower Plant and Krong H'ngang Hydropower Plant.

The Company is borrowing from Orient Commercial Joint Stock Bank - Quang Nam Branch under long-term borrowing contract No. 024/2015/HDTD-DN dated 26/03/2015 with the credit line of VND620,000,000,000. The loan period is 120 months as from the first drawdown date. This loan bears interest at the rate announced by Orient Commercial Joint Stock Bank - Quang Nam Branch and shall be changed once a quarter. The loan is to finance the Krong H'ngang Hydropower Project (giving loan to purchase debt of Song Ba Joint Stock Company in Viet Nam Development Bank – Phu Yen Branch) and is secured by Krong H'ngang Hydropower Plant.

### 20. Owners' equity

#### a. Statement of changes in owners' equity

	Share capital	Share premium	Other equity	Treasury shares	Development investment fund	Undistributed profit after tax
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
Increase in the year	-	-	-	-	24,151,847,627	96,342,276,088
Decrease in the year	-	-	7,260,810,603	(926,572,500)	-	67,161,254,102
As at 31/12/2018	<u>604,882,610,000</u>	<u>(95,000,000)</u>	<u>-</u>	<u>(663,277,833)</u>	<u>39,282,271,715</u>	<u>117,495,067,796</u>
As at 01/01/2019	604,882,610,000	(95,000,000)	-	(663,277,833)	39,282,271,715	117,495,067,796
Increase in the year	-	95,000,000	-	(1,717,848,921)	-	97,999,422,139
Decrease in the year	-	-	-	-	-	77,195,581,483
As at 30/06/2019	<u>604,882,610,000</u>	<u>-</u>	<u>-</u>	<u>(2,381,126,754)</u>	<u>39,282,271,715</u>	<u>138,298,908,452</u>

#### b. Breakdown of share capital

	31/12/2019	01/01/2019
Central Power Corporation	236,450,000,000	236,450,000,000
Other shareholders	366,432,710,000	367,598,210,000
Par value of treasury shares	1,999,900,000	834,400,000
<b>Total</b>	<u><b>604,882,610,000</b></u>	<u><b>604,882,610,000</b></u>

#### c. Capital transactions with owners and distribution of dividend

	Year 2019	Year 2018
<b>Share capital</b>		
- Beginning balance	604,882,610,000	604,882,610,000
- Increase in the period	-	-
- Decrease in the period	-	-
- Ending balance	604,882,610,000	604,882,610,000
<b>Dividend paid</b>	72,485,785,200	42,201,789,700

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**d. Shares**

	31/12/2019	01/01/2019
	Shares	Shares
Number of shares registered to be issued	60,488,261	60,488,261
Number of shares issued publicly	60,488,261	60,488,261
- Common shares	60,488,261	60,488,261
- Preferred shares (classified as owners' equity)	-	-
Number of shares bought back (treasury shares)	199,990	83,440
- Common shares	199,990	83,440
- Preferred shares (classified as owners' equity)	-	-
Number of outstanding shares	60,288,271	60,404,821
- Common shares	60,288,271	60,404,821
- Preferred shares (classified as owners' equity)	-	-
Par value of outstanding shares: VND10,000 each		

**e. Undistributed profit after tax**

	Year 2019	Year 2018
Profit brought forward	117,495,067,796	88,314,045,810
Profit after corporate income tax of current period	97,999,422,139	96,342,276,088
Distribution of profit	77,195,581,483	67,161,254,102
- Distribution of Prior-year profit (*)	77,195,581,483	67,161,254,102
+ Development investment fund	-	16,891,037,024
+ Share premium	95,000,000	-
+ Reward and welfare fund	2,852,396,283	6,184,325,274
+ Reward fund for the Management	500,000,000	1,103,000,000
+ Paying dividends	72,485,785,200	42,201,789,700
+ Remunerations for the Board of Directors	1,262,400,000	781,102,104
- Distribution of current-period profit	-	-
<b>Undistributed profit after tax</b>	<b>138,298,908,452</b>	<b>117,495,067,796</b>

(\*) The 2018 profit after tax was distributed in accordance with Resolution of the 2019 General Shareholders' Meeting No. 01/2019/NQ-DHDCD dated 12/04/2019.

**f. Dividend**

Resolution of the 2019 General Shareholders' Meeting No. 01/2019/NQ-DHDCD dated 12/04/2019 approved the plan for paying dividend of 2018 in cash at 12% of the charter capital (equivalent to VND72,485,785,200). The Company finalized the list of shareholders entitled to the 2018 dividend on 17/05/2019 and made payment from 27/05/2019.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

### 21. Revenue from sales and service provision

	Year 2019	Year 2018
Revenue from selling electricity	252,143,710,570	247,292,306,552
Revenue from rendering services	1,339,189,216	6,714,494,222
<b>Total</b>	<b>253,482,899,786</b>	<b>254,006,800,774</b>

### 22. Cost of goods sold

	Year 2019	Year 2018
Cost of electricity sold	85,035,249,834	75,647,821,163
Cost of services rendered	1,288,969,621	6,462,700,689
<b>Total</b>	<b>86,324,219,455</b>	<b>82,110,521,852</b>

### 23. Financial income

	Year 2019	Year 2018
Loan interest, deposit interest	476,913,962	388,002,583
<b>Total</b>	<b>476,913,962</b>	<b>388,002,583</b>

### 24. Financial expenses

	Year 2019	Year 2018
Loan interest	46,758,433,762	52,644,101,000
Interest on late payment of dividends	922,943,166	-
<b>Total</b>	<b>47,681,376,928</b>	<b>52,644,101,000</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
(These notes form part of and should be read in conjunction with the accompanying financial statements)

**25. Administration expenses incurred in the year**

	Year 2019	Year 2018
Material, tool expenses	606,039,534	680,773,363
Labor costs	12,322,444,831	12,111,241,768
Depreciation and amortization expenses	267,843,632	250,231,005
Outside service expenses	1,241,546,075	2,001,522,904
Other cash expenses	1,661,745,810	1,663,871,421
<b>Total</b>	<b><u>16,099,619,882</u></b>	<b><u>16,707,640,461</u></b>

**26. Other income**

	Year 2019	Year 2018
Received fee for using electricity of K'rong H'ngang Plant	251,133,646	209,774,364
Sales of Certified Emission Reductions	303,633,134	257,089,251
Other income, debts written off	873,484,641	11,143,629
<b>Total</b>	<b><u>1,428,251,421</u></b>	<b><u>478,007,244</u></b>

**27. Other expenses**

	Year 2019	Year 2018
Electricity expenses of K'rong H'ngang Plant	251,133,646	209,774,364
Consulting expenses for transferring Certified Emission	115,647,851	38,563,454
Other expenses	45,545,980	61,092,941
<b>Total</b>	<b><u>412,327,477</u></b>	<b><u>309,430,759</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**28. Current corporate income tax expense**

	Year 2019	Year 2018
Accounting profit before tax	104,870,521,427	103,101,116,529
- From principal activities of Khe Dien Hydropower Plant	8,105,797,268	9,705,106,290
- From principal activities of Krong H'ngang Plant	95,120,892,303	92,551,805,998
- From principal activities of the Consulting Center and Head Office	1,643,831,856	844,204,241
Adjustment to taxable income	1,612,314,472	152,753,137
- Increasing adjustments (non-deductible expenses)	1,612,314,472	152,753,137
+ Khe Dien Hydropower Plant	61,582,050	-
+ Krong H'ngang Hydropower Plant	1,048,893,639	61,083,941
+ Consulting center and Head Office	441,948,407	91,669,196
+ Head Office (previous years)	59,890,376	-
- Decreasing adjustments	-	-
Total taxable income	106,482,835,899	103,253,869,666
- From principal activities of Khe Dien Hydropower Plant	8,167,379,318	9,705,106,290
- From principal activities of Krong H'ngang Plant	96,169,785,942	92,612,889,939
- From principal activities of the Consulting Center and Head Office	2,145,670,639	935,873,437
Corporate income tax as regulated	11,679,588,587	11,389,484,939
+ Khe Dien Hydropower Plant	1,633,475,864	1,941,021,258
+ Krong H'ngang Hydropower Plant	9,616,978,595	9,261,288,994
+ Consulting center and Head Office	417,156,052	187,174,687
+ Head Office (previous years)	11,978,076	-
Reduced, exempted corporate income tax	4,808,489,299	4,630,644,498
+ Krong H'ngang Hydropower Plant (50%)	4,808,489,299	4,630,644,498
<b>Current corporate income tax expense</b>	<b>6,871,099,288</b>	<b>6,758,840,441</b>
<b>In which:</b>		
- Current corporate income tax expense this period	6,871,099,288	6,758,840,441
+ Khe Dien Hydropower Plant	1,633,475,864	1,941,021,258
+ Krong H'ngang Hydropower Plant	4,808,489,296	4,630,644,496
+ Consulting center and Head Office	417,156,052	187,174,687
+ Head Office (previous years)	11,978,076	-
- Adjustment of income tax expenses of prior periods to current-period income tax expense	-	-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

### 29. Basic, diluted earnings per share

	Year 2019	Year 2018
Accounting profit after corporate income tax	97,999,422,139	96,342,276,088
Adjustments increasing or decreasing accounting profit	-	(4,614,796,283)
Profit or loss attributable to common shareholders	97,999,422,139	91,727,479,805
Weighted average number of outstanding common shares	60,373,586	60,404,821
<b>Basic, diluted earnings per share</b>	<b>1,623</b>	<b>1,519</b>

(\*) Basic, diluted earnings per share of the year 2019 are computed before deducting the amounts appropriated to reward and welfare fund. The plan of General Shareholders' Meeting and the Company's Charter do not specify the appropriation rate of reward and welfare fund. Annually, the Management will propose a specific rate for appropriating reward and welfare fund based on the business results at the end of the year. Therefore, this figure may be changed upon the Decision on distribution of profit of the General Shareholders' Meeting later.

Basic, diluted earnings per share of the year 2018 were redefined after the deduction of profit distributed under the Decision of 2019 General Shareholders' Meeting.

### 30. Operating expenses by elements

	Year 2019	Year 2018
Materials expenses	12,317,252,175	11,143,671,453
Labor costs	22,692,933,952	22,256,307,590
Depreciation and amortization expenses	43,058,074,606	40,587,400,535
Outside service expenses	14,843,231,017	13,206,401,077
Other cash expenses	9,110,313,115	11,732,452,110
<b>Total</b>	<b>102,021,804,864</b>	<b>98,926,232,765</b>

### 31. Segment reporting

According Vietnamese Accounting Standard No. 28 and the guiding circular, the Company is required to report segment information. A segment is a distinguishable component of the Company that is engaged in providing related products or services (business segment) or providing products or services in a specific economic environment (geographical segment) and that is subject to risks and returns that are different from those of other segments.

Based on the actual operating situation of the Company, the Management assesses that the Company operates in the sole business segment, that is electricity generation and the three main geographical segments are Quang Nam Province, Dak Lak Province and Phu Yen Province.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Geographical segments	Khe Dien Hydropower Plant - Quang Nam Province		Krong H'nang Hydropower Plant - Dak Lak and Phu Yen Province		Head Office & Dam Safety Testing and Consulting Center		Total	
	Year 2019	Year 2018	Year 2019	Year 2018	Year 2019	Year 2018	Year 2019	Year 2018
	VND	VND	VND	VND	VND	VND	VND	VND
Revenue from sales and service provision	35,896,990,423	41,103,635,829	216,246,720,147	206,188,670,723	1,339,189,216	6,714,494,222	253,482,899,786	254,006,800,774
Revenue deductions	-	-	-	-	-	-	-	-
Cost of goods sold	16,604,353,439	18,526,383,218	68,430,896,395	57,121,437,945	1,288,969,621	6,462,700,689	86,324,219,455	82,110,521,852
Financial income	207,700	174,200	363,000	622,000	476,343,262	387,206,383	476,913,962	388,002,583
Financial expenses	8,039,556,206	8,789,604,333	39,641,820,722	43,854,496,667	-	-	47,681,376,928	52,644,101,000
Selling expenses	-	-	-	-	-	-	-	-
Administrative expenses	3,147,042,260	4,086,478,188	12,947,523,254	12,600,468,172	5,054,368	20,694,101	16,099,619,882	16,707,640,461
<b>Operating profit</b>	<b>8,106,246,218</b>	<b>9,701,344,290</b>	<b>95,226,842,776</b>	<b>92,612,889,939</b>	<b>521,508,489</b>	<b>618,305,815</b>	<b>103,854,597,483</b>	<b>102,932,540,044</b>
Other income	1,710,000	3,762,000	-	-	1,426,541,421	474,245,244	1,428,251,421	478,007,244
Other expenses	2,158,950	-	105,950,473	61,083,941	304,218,054	248,346,818	412,327,477	309,430,759
<b>Other profit (loss)</b>	<b>(448,950)</b>	<b>3,762,000</b>	<b>(105,950,473)</b>	<b>(61,083,941)</b>	<b>1,122,323,367</b>	<b>225,898,426</b>	<b>1,015,923,944</b>	<b>168,576,485</b>
Profit before tax	8,105,797,268	9,705,106,290	95,120,892,303	92,551,805,998	1,643,831,856	844,204,241	104,870,521,427	103,101,116,529
Corporate income tax	1,633,475,864	1,941,021,258	4,808,489,296	4,630,644,496	429,134,128	187,174,687	6,871,099,288	6,758,840,441
<b>Profit after tax</b>	<b>6,472,321,404</b>	<b>7,764,085,032</b>	<b>90,312,403,007</b>	<b>87,921,161,502</b>	<b>1,214,697,728</b>	<b>657,029,554</b>	<b>97,999,422,139</b>	<b>96,342,276,088</b>
<b>Fixed assets</b>	<b>31/12/2019</b>	<b>01/01/2019</b>	<b>31/12/2019</b>	<b>01/01/2019</b>	<b>31/12/2019</b>	<b>01/01/2019</b>	<b>31/12/2019</b>	<b>01/01/2019</b>
Tangible fixed assets	93,500,220,898	98,182,181,496	1,048,918,081,909	1,087,026,352,285	4,107,778,193	4,375,621,825	1,146,526,081,000	1,189,584,155,606
- Cost	191,908,064,582	191,908,064,582	1,401,454,456,556	1,401,454,456,556	7,561,068,512	7,593,696,512	1,600,923,589,650	1,600,956,217,650
- Accumulated depreciation	98,407,843,684	93,725,883,086	352,536,374,647	314,428,104,271	3,453,290,319	3,218,074,687	454,397,508,650	411,372,062,044
Intangible fixed assets	-	-	-	-	5,175,261,800	5,175,261,800	5,175,261,800	5,175,261,800
- Cost	-	-	-	-	5,478,061,800	5,478,061,800	5,478,061,800	5,478,061,800
- Accumulated amortization	-	-	-	-	302,800,000	302,800,000	302,800,000	302,800,000

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

### 32. Risk management

#### a. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

#### b. Financial risk management

Financial risks include market risk (interest rate risk, commodity price risk), credit risk and liquidity risk.

**Market risk management:** The Company's activities expose it primarily to the financial risks of changes in interest rates and commodity prices.

##### *Interest rate risk management*

The Company's interest rate risks mainly derive from interest bearing loans which are arranged. To minimize these risks, the Company has estimated the impact of borrowing costs to its periodic business results as well as making analysis and projection to select appropriate time to repay the loans. The Management assesses that uncontrollable risks arising from fluctuations of interest rates are insignificant.

##### *Price risk management*

Since the Company purchases materials from domestic suppliers to serve its production and business activities, it is exposed to the risk of changes in prices of materials. However, costs of materials account for a small proportion of the total production cost, thus the Management assesses that the Company's exposure to risks of changes in commodity prices is low.

#### **Credit risk management**

The Company's customers are Central Power Corporation and Electricity Power Trading Company belonging to Viet Nam Electricity (EVN). With the specific characteristics electricity trading in Vietnam, the Management assumes that the Company has no significant exposure to credit risk with customers.

For customer group in the field of consultancy, design, training and operation of dam safety,... the Company implements the prepayment policy under terms of contract. Therefore, the Management believes that the Company has almost no credit risks from this group of customers.

#### **Liquidity risk management**

To ensure the availability of funds to meet present and future financial obligations, the Company manages liquidity risk by regularly monitoring and maintaining sufficient cash reserve, optimizing cash flows, making use of credit from customers and counterparties, controlling maturing liabilities in relative to maturing assets and the amount of funds can be generated within that period,...



**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

The Company's aggregate financial liabilities are categorized in accordance with their maturity as follows:

31/12/2019	Within 1 year	Over 1 year	Total
Trade payables	517,159,971	-	517,159,971
Accrued expenses	2,368,511,349	-	2,368,511,349
Loans and finance lease liabilities	81,546,557,421	371,457,408,883	453,003,966,304
Other payables	8,251,415,520	-	8,251,415,520
<b>Total</b>	<b>92,683,644,261</b>	<b>371,457,408,883</b>	<b>464,141,053,144</b>
01/01/2019	Within 1 year	Over 1 year	Total
Trade payables	691,909,809	-	691,909,809
Accrued expenses	12,780,175,742	-	12,780,175,742
Loans and finance lease liabilities	81,246,000,000	433,488,000,000	514,734,000,000
Other payables	7,880,561,585	-	7,880,561,585
<b>Total</b>	<b>102,598,647,136</b>	<b>433,488,000,000</b>	<b>536,086,647,136</b>

The Management assumes that the Company has high exposure to liquidity risk but the Company believes that it can generate sufficient resources to meet its financial obligations as they fall due.

The Company's available financial assets are drawn up on a net asset basis as follows:

31/12/2019	Within 1 year	Over 1 year	Total
Cash and cash equivalents	12,999,905,264	-	12,999,905,264
Trade receivables	24,733,889,134	-	24,733,889,134
Other receivables	1,261,563,675	2,686,258,046	3,947,821,721
<b>Total</b>	<b>38,995,358,073</b>	<b>2,686,258,046</b>	<b>41,681,616,119</b>
01/01/2019	Within 1 year	Over 1 year	Total
Cash and cash equivalents	11,270,557,614	-	11,270,557,614
Trade receivables	58,324,303,234	-	58,324,303,234
Other receivables	1,651,495,493	3,368,516,093	5,020,011,586
<b>Total</b>	<b>71,246,356,341</b>	<b>3,368,516,093</b>	<b>74,614,872,434</b>

**33. Related party information**

**a. Related parties**

	Relationship
Central Power Corporation	Investor, Subsidiary of Viet Nam Electricity
Electricity Power Trading Company	Affiliate of Viet Nam Electricity

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**b. Significant transactions with related parties in the year**

Transactions		Year 2019	Year 2018
Central Power Corporation	Sales of electricity	35,883,223,998	41,069,611,967
	Dividend payable	28,374,000,000	16,551,500,000
	Dividend paid	28,374,000,000	35,467,500,000
	Interest on late payment of	922,943,166	-
Electricity Power Trading Company	Sales of electricity	216,246,720,147	206,188,670,723

**c. Income of the Board of Directors and Management in the year**

	Year 2019	Year 2018
Remunerations, bonuses of the Board of Directors	937,700,000	1,633,320,000
Income of the Management	3,475,203,197	2,246,763,724

**34. Events after the balance sheet date**

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

**35. Corresponding figures**

Corresponding figures were taken from the financial statements for the year ended 31/12/2018 which were audited by AAC.



Pham Phong  
General Director

Da Nang City, 18 February 2020

Pham Thai Hung  
Chief Accountant

Truong Ngoc Hung  
Preparer