



SONG BA JOINT STOCK COMPANY

ANNUAL REPORT 2016



DA NANG 2017

Message of chairman of BOD



Mr. Nguyen Thanh
Chairman of BOD


Dear Shareholders,

First of all, on behalf of the Board of Directors, I would like to send my sincere gratitude to shareholders, partners who have trusted and co-operated with the development of the company in recent years.

As an investment company in the field of hydropower, the production and business of Song Ba Joint Stock Company is affected by weather and hydrology. In 2016, the weather still developed abnormally, had severe water shortage in the dry season and flood came late in the rainy season, however, the results of electricity generation in 2016 reached 101.81%, basic earnings per share reached 1,065 VND, being 5.13% higher than the plan and expected to pay dividend by cash of 1,000 dong/share, reaching 100% of the set plan.

To achieve this result, from late 2015, the company has researched the sea temperature of the Pacific Ocean of the United States Navy, has identified the El Nino phenomenon would end in June 2016 and the flood would come later than expected. Since then, the company has planned to operate two Krong H'ngang and Khe Dien plants in line with the competitive electricity generation market and avoidable costs. At the beginning of 2016, the company retained water in Krong H'Nang reservoir to generate electricity at the highest price in the competitive electricity generation market and retained water in Khe Dien reservoir to ensure full high-price peak hours under the avoidable cost tariff.

In addition, the successful negotiation of raising the selling price of Krong H'Nang plant and expanding the consulting services was also the important highlight. In 2016, the company has signed consulting service contracts with the investors with the total value of up to 21.77 billion VND, a significant figure when a power generation company developed more in the consulting service sector. With this consulting activity, it has stimulated passion, creativity, and increased income for staff and the company.



As a result, although the output of Krong H'Nang plant in the first ten months reached 40% and at the end of the year it did not meet the plan (138.81/140 million kWh), the revenue reached 166.07/162.4 billion VND, exceeding 2.26% over the year plan. The generation of Khe Dien plan reached 54% of the first ten months and reached 93.75% as compared to the plan but revenue still reached 97.95% of the plan, the average price of electricity was 1,218 VND/kWh, increased by 10%. As a result, revenue from electricity generation in 2016 reached 101.81% and the basic earnings per share reached VND 1,065, exceeding 5.13% of the set plan.

The El Nino phenomenon was at the end of the period, the weather had shifted from moderate rain to diluvial rain, so the water was full of two reservoirs in early 2017. This important factor combined with the passion of innovative research promises the year of 2017 will be a boom in business, ending a series of difficulties over the years and opening up the brightest period in the coming time.

Every achievement on the way of development of the Song Ba Joint Stock Company is not only the effort of the Board of Directors, the Board of Management, but also it is confidence of shareholders, partners and especially the tireless enthusiasm, effort, creativity of the employees.

On behalf of the Board of Directors, once again, I would like to send my sincere gratitude to all of you who have trusted us. We promise that we never betray that love. The road ahead will have prospects but many challenges and we hope continue to receive your support and companionship to achieve greater successes.

Sincerely yours,

Chairman of the Board of Directors

Nguyen Thanh



Part I

GENERAL INFORMATION



SONG BA JOINT STOCK COMPANY

Name in English: SONG BA JOINT STOCK COMPANY

Certificate of Business Registration No.: 0400439955 first registration dated 24/07/2007, 9th amendment registration dated 06/01/2015 issued by the Department of Planning and Investment of Da Nang City.

Charter capital: 604,882,610,000 VND.

Owner's equity: 604,882,610,000 VND.

Address: 573 Nui Thanh, Hoa Cuong Nam Ward, Hai Chau District, Da Nang City

Tel: 0236.3653.592

Fax: 0236.3653.593

Website: www.songba.vn

Stock code: SBA



GENERAL INFORMATION

Incorporation and development process



1/2003 ▼

Date of establishment of Song Ba Electricity Investment and Development Co., Ltd - the precursor of Song Ba Joint Stock Company - with the charter capital of 10 billion VND under the joint venture contract between Electricity Company 3 (now known as Central Power Corporation (EVNCPC) belongs to Vietnam Electricity (EVN) and Vietnam Electricity Construction Joint-stock Corporation.

7/2007 ▼

Transformed into a joint stock company named Song Ba Joint Stock Company.

2005 ▼

Transformed into Song Ba Electricity Investment and Development Co., Ltd, including 07 members with the charter capital of 500 billion VND, and the Member Board decided to contribute capital in accordance with progress of investment in hydropower projects of the Company.



2009

The company implemented the resolution on capital contribution in accordance with the progress and successfully mobilized 5 stages of capital contribution from existing shareholders and staff to raise the total contributed capital as of 31/12/2009 is 450 billion VND.

2011

Conversion of electricity purchase contract of Khe Dien hydroelectric power plant to the avoidable cost tariff.



6/2010

45.000.000 shares of Song Ba Joint Stock Company were officially listed on Hochiminh Stock Exchange with the stock code: **SBA**.

2013

The company additionally listed 8,000,000 SBA shares at Hochiminh Stock Exchange, raising the total number of SBA shares to 60,488,261 shares.

Outstanding achievement, awards in 2016



Re-negotiated the average electricity price of Krong H'Nang hydropower plant: increased from 878.67 VND/kWh to 1,040 VND/kWh



Successfully researched and put into practical application of mm precision water level meter for the operation of the hydropower reservoir.



Participation and introduction at Hanoi Technology and Equipment Market of 2016 (Techmart Hanoi 2016) 2 devices of “automatic rain gauge” and “mm precision water level meter”



By the end of December 2016: Two hydropower reservoirs Krong H'Nang and Khe Dien was full of water



Consulting services: Signed consulting contracts with a total value of 21.77 billion VND (marking the company's new development in the field of consulting services).



Outstanding achievement, awards in 2016



Achieved the Certificate of “Strong and Sustainable Development Business 2016” issued by VCCI in December 2016



Certificate of Merit of Quang Nam People's Committee on: Excellent achievement in implementing the policy on payment for forest environment services in Quang Nam province in the period 2011-2015



A certificate of merit from the Department of Labor, War Invalids and Social Affairs of Da Nang City: Had the good achievement in the observance of the labor law

Lines of the business



Production, transmission and distribution of electricity.

Details: Producing and trading in electricity;

Architectural and related engineering activities. Details: Consulting and making investment construction projects, surveying, designing of irrigation, hydropower works with capacity up to 30MW, power lines and transformer stations up to 110KV; Consulting construction supervision, project management of small

and medium hydroelectric power plants, power lines and substations up to 110KV; Supervising construction of irrigation and hydropower works; Consulting inspection and surveying quality of dams and hydropower construction works; Designing technical infrastructure (traffic, rural water supply infrastructure); Surveying, collecting, calculating and forecasting



meteorological and hydrographic data for construction stages; Consulting investment projects on construction of traffic and civil works, technical infrastructure, aquaculture ponds, river and coast protection works; Consulting quality Evaluation of construction works; Surveying geodetic works;

Building other civil engineering works. Details: Investing hydropower projects; Constructing hydroelectric projects with a capacity of up to 30MW,

power lines and transformer stations up to 110KV;
 Repairing and maintaining hydropower plants;
 Constructing small and medium construction works;

Wholesaling materials and other installation equipment in construction; Exploiting stone, sand, gravel and clay.

Details: Mining; Other specialized construction activities.

Details: dredging reservoirs;



Vocational education. Details: Vocational training consultancy (management and operation of hydropower plants);

Management consulting activities. Details: Consultation on environmental solutions, agricultural resettlement, resettlement;

Installing other construction systems. Details: Installing equipment for construction works;

Wholesales of other machinery, equipment and spare parts.

Details: Wholesaling materials, electromechanical equipment;

Researching and developing scientific, natural and technical experiments. Details: Researching and manufacturing mechanical, electrical parts of hydropower plants; Technology transfer in construction engineering, equipment;

Trading in real estate, land use rights of owners, users or leasing.

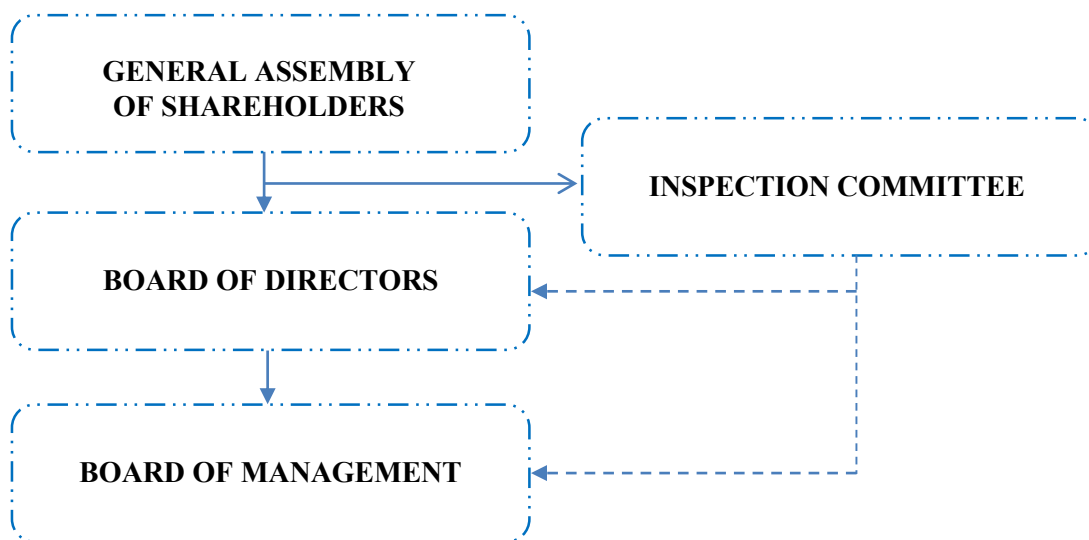
Details: Leasing land, workshop, warehouse.

Locations of the business

The business locations of the company are mainly in the central region.



Governance model



The company operates in the form of a joint stock company in accordance with the Law on Enterprises and the relevant laws:

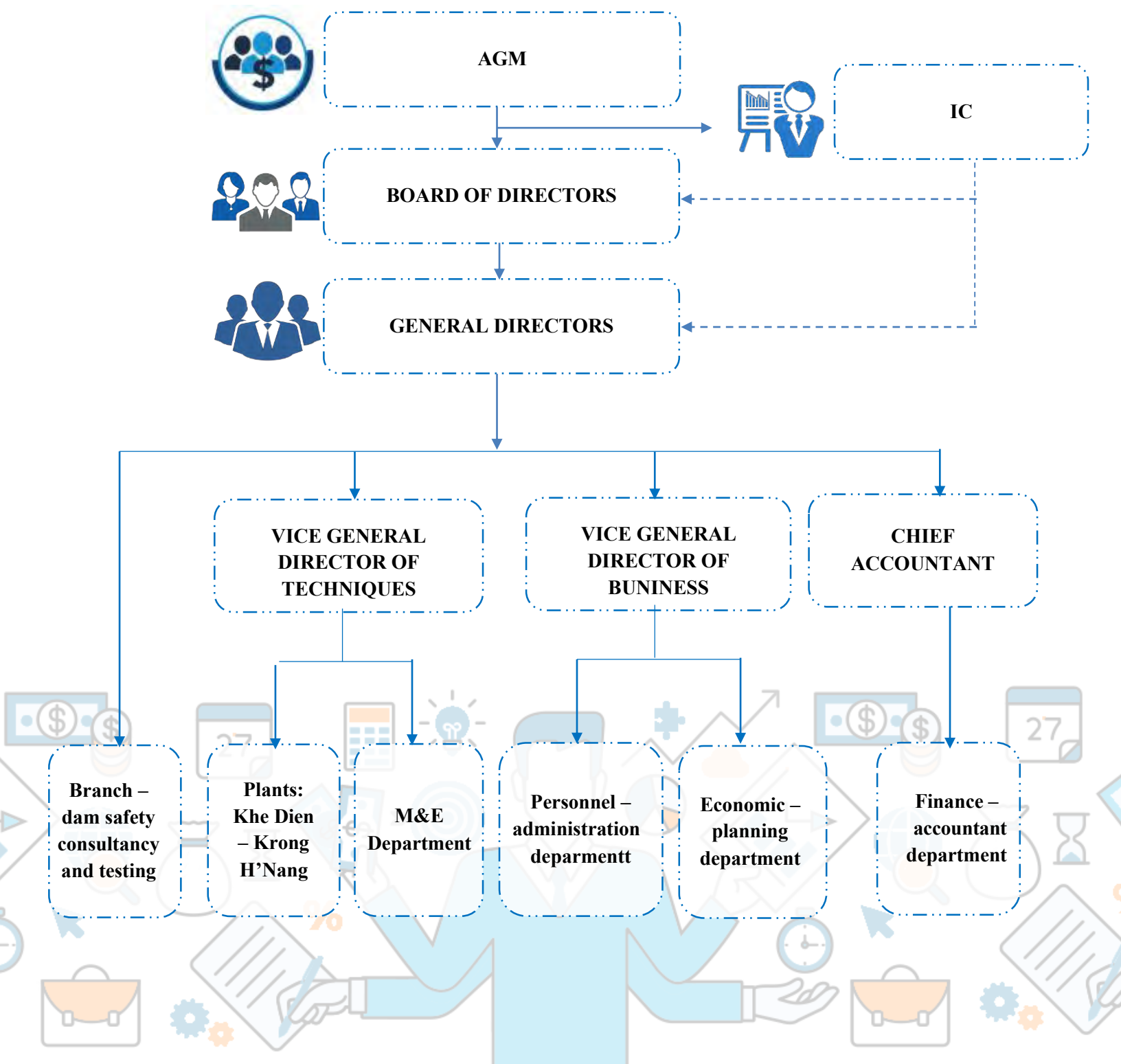
General Assembly of Shareholders: Including all shareholders with voting rights, is the highest decision-making body of the Company.

Board of Directors: As the management body of the Company, has the full rights on behalf of the Company to decide all issues related to purposes and interests of the Company except the matters under the authority of the General Assembly of Shareholders.

Board of Management: General Director, Deputy General Directors, Chief Accountant, and Branch Directors. The Board of Management is responsible for the deployment and implementation of resolutions of the Board of Directors and subject to the inspection and supervision of the Board of Directors.

Inspection Committee: Performing duties on behalf of shareholders to control all business activities, management and operation of the company.

Management structure



Branches, subsidiaries, associated companies



Khe Dien Hydropower Plant – Quang Nam

Name of branch: Khe Dien hydropower Plant

Address: Phuoc Ninh Commune, Nong Son District, Quang Nam Province, Vietnam

Main business lines: Manufacturing, transmitting and distributing electricity

Details: Manufacturing and trading electrical energy



Krong H'ngang Hydropower Plant – Phu Yen

Name of branch: Krong H'ngang Hydropower

Address: Hamlet 2/4, Ealy Commune, Song Hinh District, Phu Yen Province, Vietnam

Main business lines: Manufacturing, transmitting and distributing electricity

Details: Manufacturing and trading in electrical energy

Name of branch: Dam safety consultancy and testing Center

Address: 573 Nui Thanh (Floor 3), Hoa Cuong Nam Ward, Hai Chau District, Da Nang City, Vietnam

Main business lines: Architectural and related engineering activities

Details: Consulting and making investment construction projects, surveying, designing of irrigation, hydropower works with capacity up to 30MW, power lines and transformer stations up

to 110KV; Consulting construction supervision, project management of small and medium hydroelectric power plants, power lines and substations up to 110KV; Supervising construction of irrigation and hydropower works; Consulting inspection and surveying quality of dams and hydropower construction works; Designing technical infrastructure (traffic, rural water supply infrastructure); Surveying, collecting, calculating and forecasting meteorological and hydrographic data for construction stages; Consulting investment projects on construction of traffic and civil works, technical infrastructure, aquaculture ponds, river and coast protection works; Consulting quality Evaluation of construction works; Surveying geodetic works.

Management consulting activities.

Details: Consultation on environmental solutions, agricultural resettlement, resettlement.



Development orientations

Main objectives of the Company

✦ **Production and business operations:** Safe and stable operation of existing hydropower plants. Investing in expansion Khe Dien hydropower plant (Increasing 15 MW). Developing rental consulting and technical services for hydropower plants.

✦ **Employees:** Through practical work to increase income for employees and their families. Investing in the development of research and innovation to improve the image, brand and labor value of the company's employees. Attracting, selecting for SBA house will be the people who are talent, intelligent, enthusiastic, experienced and loyal in order to bring the company to develop effectively, sustainably with bold corporate culture of SBA's distinctions.

✦ **Shareholders and Investors:** This is the bridge between SBA and its strategic partners. The benefit of shareholders and investors is for SBA to always strive to achieve the highest efficiency, ensure harmony between the Company, employees and shareholders.



Development strategies in medium and long term

Investing in construction projects, developing

researches: Investing in building new hydropower plants (Song Tranh 1, Krong H'Nang 2). Investing in clean energy (solar energy) in Krong H'Nang reservoir area. Investing in development of research and initiatives to improve the value of the Company.

Development of consulting

services: Providing consultancy and leasing technical services for outsourcers as implementation for ourselves to improve the prestige, brand and image of SBA towards customers, partners to expand fields, leasing consulting services.

Managing, operating production of plants efficiently. Completing works, solutions to increase electricity generation, revenue: Developing the optimal operating procedures to regulate the reservoirs. Operating well flood discharge, not affecting the people in downstream areas. Researching solutions to increase reservoir capacity of Khe Dien Hydropower Plant. Operating well the plant when entering the competitive electricity generation market, maximizing revenue by the avoidable cost tariff. Continuously improving and upgrading Quality Management System under ISO 9001 to improve the efficiency of the Company



Risk factors

Economic risks

Economic growth

In the context that world economy had many changes, decline of global trade growth, commodity prices were at low levels, Vietnam's economy in the past year suffered many difficulties and challenges. Economic growth in the first two quarters of 2016 was 5.48% and 5.78%, respectively, lower than the same period last year. However, the second half of the year has shown signs of recovery, despite the annual economic growth achieved 6.21%, lower than 6.68% in 2015 and the target of 6.7%, the macroeconomic stability will be the foundation for development in the future.

The company's business is linked to the distribution of electricity - the kind of energy needed for all production and operation in the economy. Therefore, the economic situation has a direct impact on the production conditions of the company. The improvement as well as the process of restructuring and shifting of the economy has been boosting demand for goods, especially in the industrial sector. Enterprises will increase the scale of production to meet the increasing needs of customers and partners. This is a condition for the rapid increase in demand for electricity in the period of economic growth.



Interest rate

In 2016, the State Bank made drastic and synchronous solutions to reduce lending interest rates and support the production and business activities of the economy in the spirit of “trying to maintain the operating interest rates, reducing pressure on safety limits” (safety targets are specified with specific timelines and roadmaps); Instructing credit institutions to review, ensure liquidity in terms and credit growth in a reasonable manner, reducing the pressure on term



differential; The risk of real estate loans has not been strengthened; Lengthening the roadmap to raise the limit on the use of short-term capital for medium and long-term loans; Re-opening foreign currency credit. These positive actions have contributed to reducing the pressure on interest rates for credit institutions. The result is that the whole year 2016 interest rates are stable, contributing to the equilibrium and economic development of the country.

With the particularity of investment in the construction of the power sector is that a large amount of capital is needed, of which the loan often accounts for a high share of the capital structure. Therefore, the fluctuation of interest rates will greatly affect the ability to mobilize capital to invest in project as well as direct affect the business results of SBA business. Therefore, the Board of Management always notes to take timely management measures, avoid the negative impact on the operation of SBA.

Legal risks

The business activities of the Company are subject to the Law on Enterprises, the Law on Securities, the Tax Law, the Electricity Law and other regulations of the Government relating to electricity industry.

At present, the legal system of Vietnam hasn't synchronized and it is in the process of completion, so changing policy provisions will affect the Company. Therefore, the Company should understand clearly regulations of the law to avoid legal risks.



Specific risks

Weather conditions are the major and most influential risk to companies operating in the hydropower sector. The production and efficiency of the hydropower plant depend mainly on the water source. Recognizing the importance of the problem, when establishing hydrographic parameters, the Company has chosen the plan for the safety of electricity production annually. The company always monitors and masters climate and hydrological forecasts to have contingency plans to operate and regulate the reservoirs under the most optimum plan. The company has studied hydrological series for many years, and forecasts the water flow to the reservoirs by hydrological prediction method according to ENSO phenomenon. From there, calculating the real cash flow to balance the most reasonable process of cash flow.

In addition, SBA always takes the initiative in prevention of floods and storms, preventive measures have been researched and properly adjusted every year. And with the results achieved, the company has always been highly appreciated by Phu Yen People's Committee, the Department of Safety and Environment – the Ministry of Industry and Trade. Thanks to effective operation of prevention and control for floods and storms, it has ensured harmonization of interests between enterprises and people in downstream areas. In addition, the company always strictly implements the measures to protect the ecological environment for a sustainable development objectives in the future.

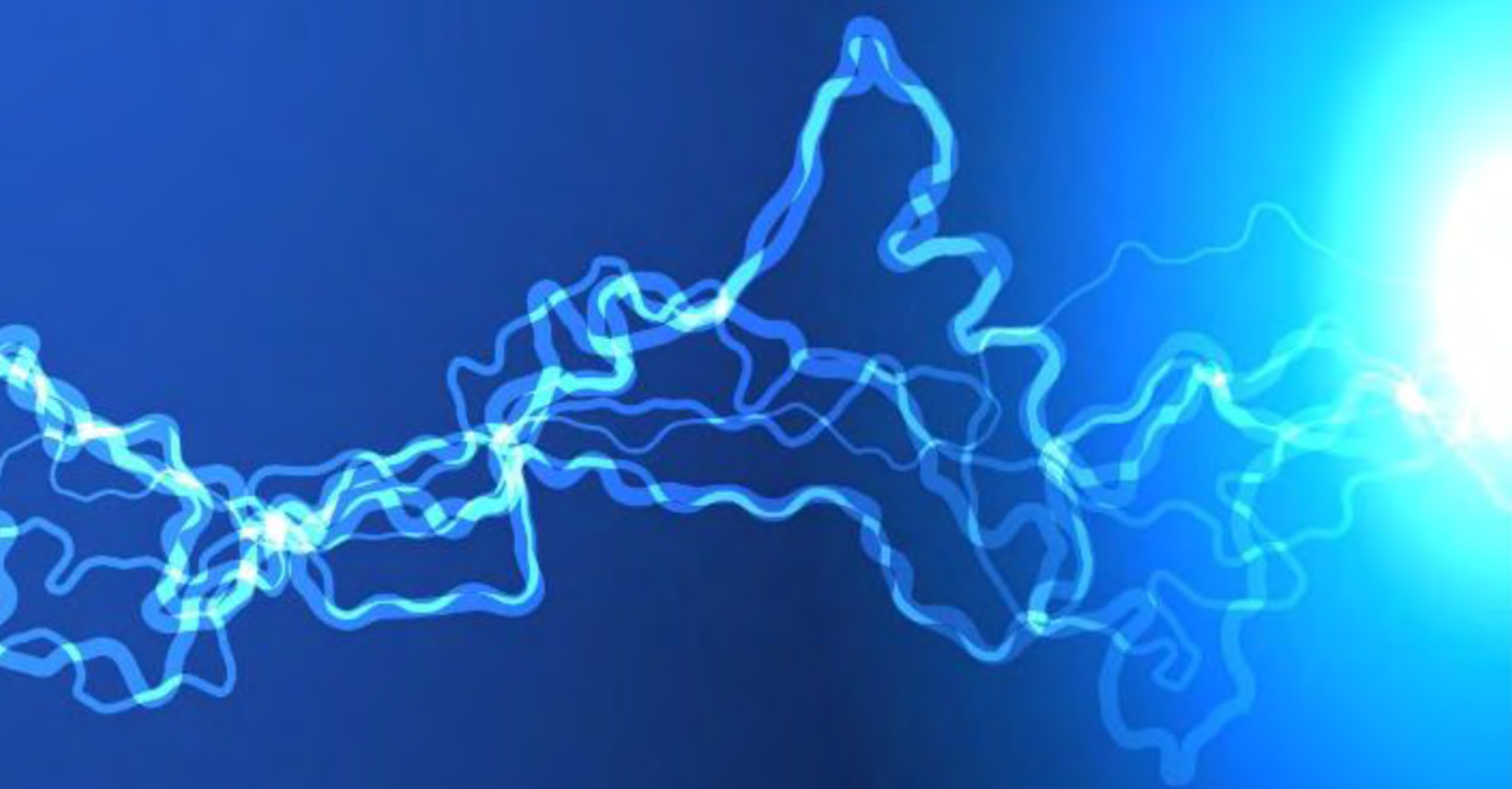


Other risks

In addition to the risks mentioned above, some other risks can occur in force majeure events such as natural calamities, storms, floods, fire ... Although they are less likely to occur, it is very difficult to predict these risks, and often cause great damage to the company when they arise. In order to minimize the serious impact of these risks on situation of production and business operations, SBA actively purchases insurance for the employees and assets of the company.



Part II
YEARLY OPERATIONS



Situation of production and business operations

By the end of 2016, SBA's operating results are as follows:

No.	Target	2015	2016	% Increase/ Decrease
1	Net revenue	194,925.78	211,905.17	8.71%
2	Cost of goods sold	67,181.70	67,903.95	1.08%
3	Revenue from financial activities	87.21	33.27	-61.85%
4	Financial expenses, selling expenses and administration expenses	71,997.15	73,900.14	2.64%
5	Earnings from sales	55,834.13	70,134.35	25.61%
6	Other earnings	1,688.56	-517.52	-
7	EBT	57,522,70	69,616.83	21.02%
8	EAT	51,769.77	64,207.11	24.02%
9	EPS	822	1,065	29.56%

In 2016, SBA's net revenue reached VND 211.9 billion, increased by 8.71% compared to the last year. In the second half year, the El Nino phenomenon ended, the amount of water in Krong H'ngang and Khe Dien Hydropower Plant significantly improved, this was the reason why revenue rised. Moreover, Khe Dien Hydropower was operated with the avoided expenses tariffs and Krong H'ngang was runned with the competitive electricity generation market and the output growth, so in 2016 revenue enhanced compared to 2015.

The selling, financial and administration expenses was slightly higher than 2015.

Gross profit margin has improved, rised from 65.53% in 2015 to 67.96% in 2016. Remarkable, SBA's EAT increased by 24,02% compared to 2015. According to the ENSO (El Nino and La Nina) data, the water flow forecast for Khe Dien and Krong H'ngang hydropower reservoirs was reasonable, which help the company operate the plants, manage operating expenses more effective. In addition, the consulting services development also drive revenue and profit growth.

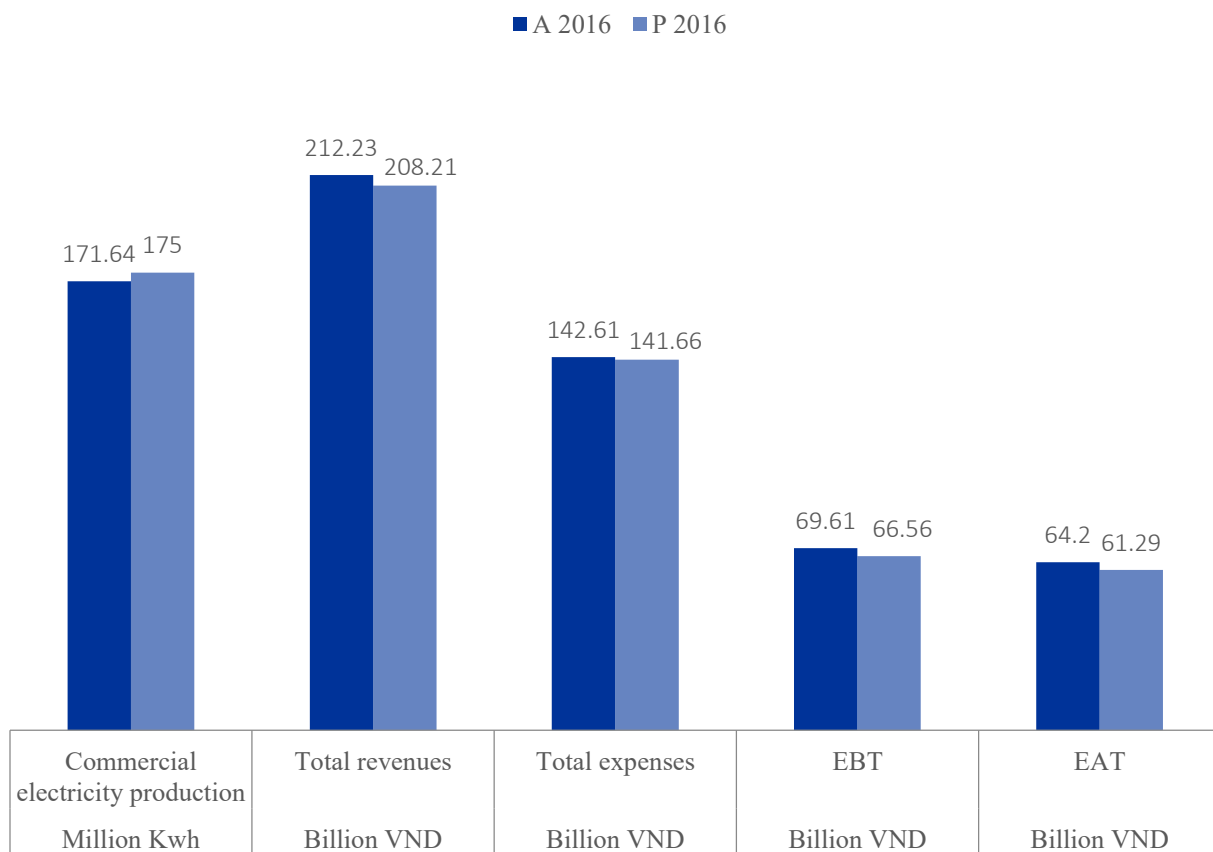


Implementation of planned targets

Targets	Unit	P 2016	A 2016	A/P
Commercial electricity production	Million Kwh	175.00	171.64	98.08%
<i>Khe Dien Hydropower Plant</i>	Million Kwh	35.00	32.82	93.77%
<i>Krong H'nang Hydropower Plant</i>	Million Kwh	140.00	138.82	99.16%
Total revenue	Billion dong	208.21	211.90	101.77%
From electricity generation	Billion dong	203.21	206.89	101.81%
<i>Khe Dien Hydropower Plant</i>	Billion dong	40.81	39.99	97.99%
<i>Krong H'nang Hydropower Plant</i>	Billion dong	162.40	166.89	102.76%
From consulting services	Billion dong	5.00	5.01	100.20%
Total expenses	Billion dong	141.66	141.80	100.10%
EBT	Billion dong	66.56	69.61	104.58%
EAT	Billion dong	61.29	64.20	104.75%
EPS	VND/share	1.013	1.065	105.13%
Dividend	VND/Share	1.000	1.000	100.00%

Reviewing the overview, the targets set out in the Annual General Meeting of Shareholders' resolutions have basically been completed excellently. Total revenue and EAT exceeded the plan by 1.77% and 4.75% respectively. The dividend rate is 1,000 dong/share, fulfilling 100% of the plan. The result was the efforts of the Board of Directors proposing many effective solutions such as forecasting water flow to two Khe Dien and Krong H'nang hydropower reservoirs for proper production operation; Developing consulting services that helped drive revenue growth, minimize costs has brought profits to the Company.

The achievement of production and business activities can not help mention the contribution of employees in each unit who are increasingly professional in the implementation, control and management of professional work, completion of work in the best way, meeting the demands of production and business.





Organization and Human resource

List of the Board of Management

Member	Position	Number of holding shares	Rate of ownership/ charter capital
Pham Phong	General Director	312,175	0.52%
Nguyen The Duy	Vice General Director	496	0.001%
Pham Thai Hung	Chief Accountant	-	-

Curriculum Vitae



Mr. Pham Phong – General Director

Major: Electrical Engineer – Majored in Electrical Systems;
Master, Mechanical Engineer - Machinery Manufacturing
Technology

Employment history:

- From 1981 to 1994, Quang Nam Da Nang Power. Position: Technical Officer.
- From 1994 to 1997, Quang Nam Da Nang Power. Position: Foreman, M&E workshop.
- From 1997 to 2001, Quang Nam Power. Position: Chief of Planning and Materials Department.
- From 2001 to 2002, Electrical Design Center – Power Company No.3. Position: Vice Director.
- From 2003 to present, Song Ba Joint Stock Company. Position: Member of the Board of Directors, General Director.



Mr. Nguyen The Duy – Vice General Director

Major: Electrical Engineer

Employment history:

From May 2004 to August 2007, Song Ba Joint Stock Company. Position: Specialist of Technical Department.

From September 2007 to January 2008, Song Ba Joint Stock Company. Position: Deputy Chief of M&E Department.

From February 2008 - April 2010, Song Ba Joint Stock Company. Position: Deputy Chief of Management of Krong H'ngang 2 Hydropower Project.

From May 2010 - April 2014, Song Ba Joint Stock Company. Position: Chief of Economic - Planning Department.

From May 2014 Untill now Song Ba Joint Stock Company. Position: Deputy General Director.

Mr. Pham Thai Hung – Chief Accountant

Major: University of Economics – Majored in accounting

Employment history:

From 2003 - 2004, My Anh Company Limited, Quang Binh. Position: Chief Accountant.

From 2004 to June 2009, Central Cotton Corporation, Quang Nam. Position: Chief Accountant.

From September 2009 - August 2009, Song Ba Joint Stock Company. Position: Deputy of Finance – Accounting Department.

From September 2009 to December 2009, Song Ba Joint Stock Company. Position: Chief of Finance - Accounting Department.

From January 2010 until now, Song Ba Joint Stock Company. Position: Chief Accountant.





In 2016, Song Ba Joint Stock Company didn't have any change in the Board of Management

Number of staff, summary and changes of the employee policies

As of 31/12/2016, total employees of the company are 101 persons with specific structure as follows:

No.	Criteria	Quantity (person)	Rate (%)
I	Education level		
1	University and post-university	45	44.55%
2	College, Technical secondary school	27	26.73%
3	Primary, Technical worker	23	22.77%
4	Unskilled worker	6	5.94%
II	Type of labor contract		
1	Direct labor	42	41.58%
2	Indirect labor	59	58.42%
III	Gender		
1	Male	98	97.03%
2	Female	3	2.97%
	Total	101	100.00%

Policies of training and development



The company considers training and development as a positive long-term investment for staff, the basis for long-term development strategies. Fostering and learning activities to improve professional knowledge by appropriate means such as on-the-job training, sending for short-term and long-term professional training courses inland and abroad; Facilitating technical staff to penetrate into the existing hydropower projects at the Company's hydropower plant in order to accumulate and improve their professional knowledge and experience.

Labor regimes

The Company is always committed to ensuring to maintain proper benefits of the employees, and implementing all obligations of the employer to the employees in accordance with current labor law. Celebrating birthdays for employees in the Company quarterly. Strictly observing the salary increase regimes in accordance with the salary regulations for the employees of the Company

In addition, the work of protection of labor safety, fire prevention and fighting in the factory, construction sites are also concerned about by the company. The company has issued a system of regulations on occupational safety, trained labor safety, fire prevention and fighting for employees; Organizing regular inspection of the safety of equipment and machinery, hydraulic works, for a safe working environment, helping employees be peace of mind to carry out production and business.





Reward policies

The Company has worthy and timely reward policies for collectives and individuals who have outstanding achievements in labor and technical innovations to improve labor productivity and business efficiency.



Welfare policies

The company is always taking care of the employees' lives to help the workers feel peace of mind to work: Loans without interest to support remote employees who need to settle in the place of work, visiting and encouraging employees meeting difficult circumstances, giving gifts for public holidays and New Year, and ensuring security and order...



Insuranc and health care policies

In addition to social insurance, health insurance, and unemployment insurance for employees in accordance with the regulations of the State, employees of the company are also organized health checks and tests periodically for disease once per year at reputable medical facilities.

Investment activities, project implementation

Krong H'Nang 2 Hydropower Project: The AGM in 2016 passed the investment project of Krong H'Nang 2 Hydropower Plant which was expected to commence in December 2016. However, up to now, the Company has not implemented because the Prime Minister declared to close the door of natural forest in the Central Highlands. Therefore, the restart of Krong H'Nang 2 Hydropower Project has encountered many difficulties. The company has been working hard to adjust Krong H'Nang 2 Hydropower planning.

Financial Situation

Major financial benchmarks

	Targets	Unit	2015	2016
<i>Solvency ratio</i>				
Current ratio		Time	0.79	0.67
Quick ratio		Time	0.78	0.65
<i>Capital structure ratio</i>				
Debt/Total assets ratio		%	53.67%	50.92%
Debt/Owner's equity		%	115.85%	103.73%
<i>Operation capability Ratio</i>				
Inventory turnover		Round	50.47	38.89
Asset turnover		Round	0.13	0.15
<i>Target on Profitability</i>				
EAT/Net revenue		%	26.56%	30.30%
EAT/Owner's equity		%	7.61%	9.42%
EAT/Total assets		%	3.56%	4.49%
Profit from operating activities/Net revenue		%	28.64%	33.10%



Financial situation

Target	Unit	2015	2016	% Increase/ Decrease
Total assets		1,456,557.13	1,402,884.91	-3.68%
Net revenue	Million VND	194,925.78	211,905.17	8.71%
Profit from operating activities		55,834.13	70,134.35	25.61%
Other profits		1,688.56	-517.52	-
EBT		57,522.70	69,616.83	21.02%
EAT		51,769.77	64,207.11	24.02%

Shareholders structure, change in the owner's equity

Share

As of 31/12/2016, the capital contribution of Song Ba Joint Stock Company is VND 604,882,610,000.

Number of common shares: 60,488,261

shares. Number of preferred shares: 0 share

Number of outstanding shares: 60,488,261

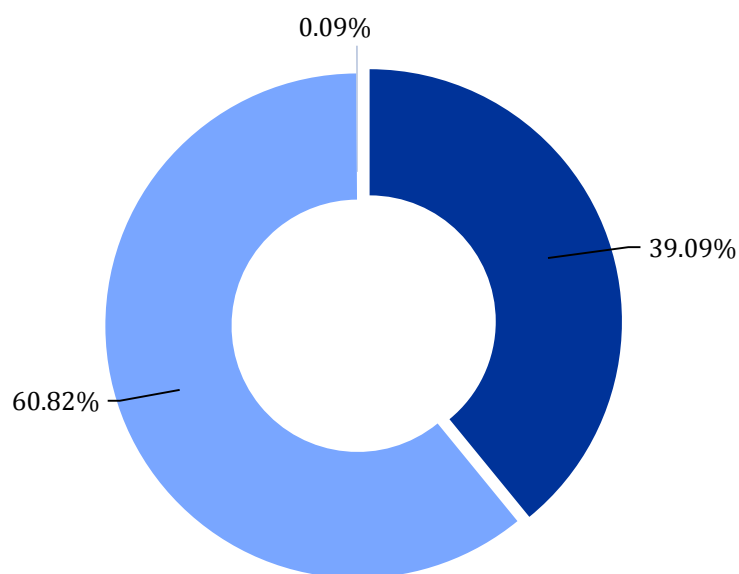
shares. Treasury stocks: 199,930 shares.

Number of freely transferable shares: 60,488,621

shares. Number of restricted shares: 0 share.

Par value shares: 10,000 VND.

Shareholders structure under percentages of ownership



■ State shareholders ■ Domestic shareholders ■ Foreign shareholders

Shareholders structure according to ownership title

Shareholders	Number of shareholders
Domestic shareholder	6,405
Institutional	26
Individual	6,379
Foreign shareholder	11
Institutional	1
Individual	10
Total	6,416



List of major shareholders

Name of organization/ Individual	ID Card/ Passport/ Business license	Address	Number of shares	Rate/ Charter capital
Central Power Corporation	0400101394	78A Duy Tan, Hoa Thuan Dong Ward, Hai Chau District, Da Nang City	23,645,000	39.09%

Change in the owner's equity

In 2016, the Company didn't raise the charter capital.

Transaction of treasure stocks

No.

Other securities

No.

Report related impact of the Company on the environment and society

Water consumption and use

For SBA's main business characteristics, water is the main source of material. Specifically, the situation of water consumption in each plan in year of the Company is as follows:

Time	Total water collected/gained (Unit: m ³)	
	Khe Dien Hydropower Plant	Krong H'nang Hydropower Plant
Jan./2016	4,042,656	27,373,248
Feb./2016	2,184,346	13,129,344
Mar./2016	1,449,792	6,696,000
Apr./2016	1,022,976	2,151,360
May/2016	2,896,992	8,222,688
Jun./2016	5,647,968	34,266,240
Jul./2016	2,952,288	38,676,096
Aug./2016	6,045,408	22,739,616
Sep./2016	14,524,704	46,033,920
Oct./2016	11,397,888	107,162,784
Nov./2016	27,218,592	351,241,920
Dec./2016	83,182,464	515,217,024
Total	162,566,074	1,172,910,240



Water used for power generation

Time	Total water used (m ³)	
	Khe Dien Hydropower Plant	Krong H'nang Hydropower Plant
Jan./2016	3,776,544	11,550,406
Feb./2016	4,735,584	18,722,128
Mar./2016	3,856,896	4,646,064
Apr./2016	3,602,880	17,184,864
May/2016	3,535,488	16,665,135
Jun./2016	10,005,120	18,181,812
Jul./2016	830,304	33,790,455
Aug./2016	4,017,600	47,522,771
Sep./2016	8,916,480	54,069,517
Oct./2016	14,383,008	75,314,304
Nov./2016	17,210,880	118,766,402
Dec./2016	17,891,712	120,899,971,985
Tổng cộng	92,762,496	537,313,835




Electricity consumption

Unit	Total energy usage	2016
Kwh	At the Office of the Company	34,435
	At Krong H'ngang Hydropower Plant	293,820
	At Khe Dien Hydropower Plant	59,900
	Total electricity self-consumption	388,155

The Company's efforts in research, innovation and improvement to improve the quality of activities, minimize negative impacts on the environment:

The company always creates conditions for employees to promote their initiative, improve and rationalize production in order to improve efficiency in production and business activities. In 2016, the company had 03 initiatives, solutions and more than 15 innovations of rationalizing production.

Some typical initiatives:

- 1mm precision water level meter: displaying measurement data on electronic tablet, camera observation, data transmission to computer or smartphone. The device has been granted the utility solution certificate by the National Office of Intellectual Property - Ministry of Science and Technology;
 - Forecasting reasonably inflow discharge for two hydropower reservoirs Khe Dien, Krong H'Nang according to ENSO (El Nino and La Nina) data, which helps operate the plants.
 - From 29/09 to 03/10, the company participated in the Hanoi Technology and Equipment Fair in 2016 to introduce the devices of 1mm precision water level meter, automatic rain gauge and “**Solutions for proper discharge of flood in hydropower reservoirs**” which have been highly appreciated by agencies and units;
- 



- On 17/12, the company was invited by Vietnam Television to participate in the “Vietnam Innovation Program” to introduce a device of 1mm precision water level meter researched and manufactured by the Company.
- Researching, calculating and making investment report of projects to submit to the Board of Directors and General Assembly of Shareholders in 2017 to pass the investment policy:
 - + Project to expand, increase the capacity of Khe Dien Hydropower Plant to 15MW;
 - + 5MW solar power project on Krong H'Nang reservoir.

With the motto of constantly creating and improving, always researching works and projects in order to improve efficiency in production and business activities, in 2017 the Company proposes orientations to implement the work of research, innovation, innovation as follows:

- The Company strives to have 05 initiatives, research topics and 40 improvements and rationalizations of production;
- Completion of provincial level scientific research projects in 2017:
 - + Operation of flood discharge in Vu Gia - Thu Bon valleys;
 - + Prevention of erosion and erosion of Danang sea.
- Research on automatic flood discharge operation in Krong H'Nang Hydropower Plant;
- Design and installation of mini SCADA system in Khe Dien;
- Research installation of inspection structure on the deflection of the gate valve to ensure the safety of the hydraulic cylinder



Song Ba Joint Stock Company and relevant parties

- *For employees:*

Always emphasizing the role of people in the production and business process, the Board of Management always closely care for spiritual and material life for the employees to be peace of mind to work:

- ✓ Organizing the Employee Conference;
- ✓ Organizing sightseeing and relaxation in Cu Lao Cham from 26 to 27/5 and periodical health checks for the employees;
- ✓ Fully implementing the regimes for employees such as social insurance, health insurance, and unemployment insurance with the total amount paid in 2016 to be 1,476 billion VND;
- ✓ Supporting and motivating the employees to support, help worker suffering difficulties, sickness. The total amount of support in 2016 was 55 million VND.
- ✓ The Company issued the Second Democracy Regulation on March 3, 2016;
- ✓ The ownership of employees always encouraged by the company's leaders;
- ✓ The collective labor agreement was signed at the Employee Conference in 2016 and registered at the Department of Labor, Invalids and Social Affairs of Da Nang City.



- ***For shareholders, investors:***

SBA always considered maximizing shareholder value as the company's biggest goal. Therefore, the corporate governance was always aimed at ensuring the highest benefits and fair treatment to shareholders.

Song Ba Joint Stock Company always maintains transparent information policy with shareholders and investors. The audited financial statements, business plans, plan construction... were always communicated quickly and accurately to shareholders through the State Securities Commission, HCMC Stock Exchange, company website and media.

SBA always interacted with Shareholders, Investors to ensure that information was transmitted quickly and accurately through various direct forms (telephone) and indirect forms (website, e-mail ...).

- ***For community – Society - Environment***

Song Ba Joint Stock Company always actively participated and motivated employees to participate in supporting social activities, charity upon request of the labor Union, senior Youth Union and mass organizations.

Total amount of donations in 2016 was over 240 million VND with some typical activities:

- ✓ Offered gifts to compatriots, poor households and victims of Agent Orange;
- ✓ Offered gifts to high school students achieved high achievement in the plant areas;
- ✓ Supported for fishermen in Canh Duong Commune, Quang Trach District, Quang Binh Province damaged during floods in 09/2016;
- ✓ Supported the families of 3 workers injured by labor accidents according to EVNCPC's letter of appeal;
- ✓ Contributed to the gratitude fund of Da Nang City in 2016, etc...





Part III

**REPORT OF THE
BOARD OF MANAGEMENT**



REPORT OF THE BOARD OF MANAGEMENT

Evaluation of operating results

Business environment 2016

The weather in the past year has changed significantly, with El Nino lasting from May 5/2414 was at the end of the cycle and ended, bringing positive results in the last months of the year for hydropower industry in general and SBA in particular.

Specifically, in the first ten months of 2016, Song Ba Joint Stock Company continued to face many difficulties and challenges. El Nino lasted, so the production of the two power plants only reached 54% of the yearly plan, the business situation continues to be difficult. SBA has studied the preparation of financial and technical solutions to operate the Company. By the end of the year, the floods were full of Krong H'Nang reservoir in November and Khe Dien reservoir in December.

The operating results of Song Ba Joint Stock Company were as follows





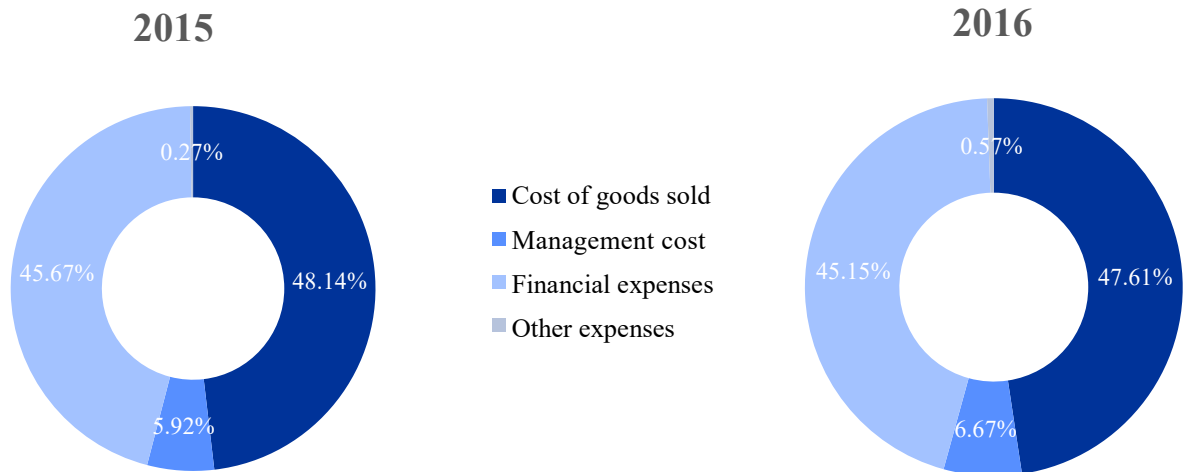
The implementation of the 2016 plan and operating results in 2016

Target	Unit	P 2016	A 2016	A/P
Commercial electricity production	Million Kwh	175.00	17164	98.08%
<i>Khe Dien Hydropower Plant</i>	Million Kwh	35.00	32.82	93.77%
<i>Krong H'nang Hydropower Plant</i>	Million Kwh	140.00	138.82	99.16%
Total revenue	Billion VND	208.21	211.90	101.77%
From power production	Billion VND	203.21	206.89	101.81%
<i>Khe Dien Hydropower Plant</i>	Billion VND	40.81	39.99	97.99%
<i>Krong H'nang Hydropower Plant</i>	Billion VND	162.40	166.89	102.76%
From consulting services	Billion VND	5.00	5.01	100.20%
Total expenses	Billion VND	141.66	141.80	100.10%
EBT	Billion VND	66.56	69.61	104.58%
EAT	Billion VND	61.29	64.20	104.75%
EPS	VND/Share	1,013	1,065	105.13%
Dividend	VND/Share	1,000	1,000	100.00%

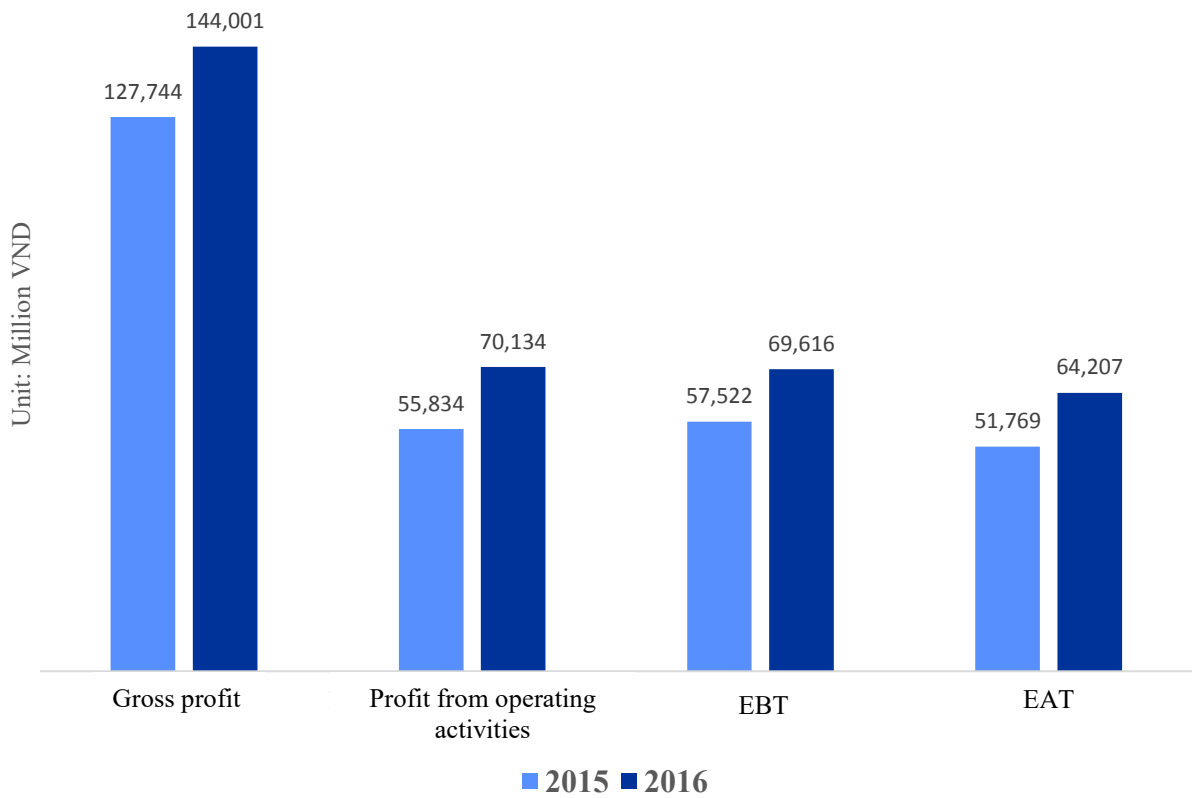
Structure of revenue



Structure of operating cost



Profit targets



Situation of activities during the year

Management and operation of hydropower plants

Repairing and maintaining work, equipment troubleshooting and construction items were well done:

Khe Dien Hydropower Plant:

- Overhauled the Unit 2 H2, pipelines, disc valves in the valve house;
- Maintained the Unit 1 H1, technical water system; Transformer Station 35kV, metering system, painted and recoverably welded inside the pressure pipe;
- Troubleshooting: Insulated the Unit 1 H1; Oil leakage of MBA cooling fins 5,600kVA-6.3/38.5kV;
- Repair of roadway to the valve house; Reinforcement of Tam Phuc left-hand downstream valve; Treatment of infiltration, tunnel leakage; Sedimentation of the intake gate.

Krong H'nang Hydropower Plant



- Maintained periodically each 3,000 hours, before and after the rainy season; Upgraded communications systems;
 - Troubleshooting: Governor system excitation; UPS system equipment, unit protection relay;
 - Ensured technical specifications for self-consumption, loss and oil consumption at the plant under planned targets.
- Performed well the following tasks: Re-negotiated the selling price of Krong H'Nang Hydropower plant to increase from 940.78 VND to 1,040/kW VND; The forecast of water flow to 02 reservoirs was increasingly accurate and reliable; Research and manufacture of measuring device of 1mm precision water level meter for reservoir and installed in 02 plants; Planted additional 3.3 hectares of forest in Phu Yen Province.



Labor safety, fire prevention and fighting and environmental hygiene at plants

In 2016, there wasn't any problem of occupational safety. Every quarter, the rehearsal on fire prevention and fighting was always well appreciated by inspection teams;

Periodic reports on implementation of regulations: Dam safety report; Report on surface water exploitation, etc...

Flood and storm prevention and fighting

In 2016, the situation of weather developed abnormally, flood was late and prolonged, plants have completed the preparation, rehearsal on flood and storm prevention and fighting, preparation of forces and materials ready for flood and storm prevention and fighting:

Krong H'Nang Hydropower plant: There were 02 floods from 01/11 to 13/11 and from 01/12 to 15/12, the water flow to the reservoir reached 1,650 m³/s; the plant actively implemented flood control activities for downstream areas under Process 1077 and under the guidance of the Steering Committee of Phu Yen province for natural disaster prevention and control and search and rescue.

Khe Dien Hydropower plant: The flood occurred from 13 – 15/12, the water overflowed on 14/12, the operation and notification of flood discharge through the spillway was implemented fully and promptly according to regulations. There were some landslides, damage on the route of operation, took temporary corrections to move for operations. At the end of the flood season in 2016, the water was full of two lakes and the construction works were ensured safety.



Consulting services



In 2016, the company has gained trust from customers and contracted to implement many new projects. The total value of consulting service contracts in 2016 was 21.77 billion VND of which, advance and payment was 5.3 billion VND. This is a significant figure for a power generation company doing extra services.

Some of the main contracts the company has been implementing:

Project management and design consultancy for Tam Phuc, Song Bung 3A;

Supervision of equipment installation and examination of design dossiers of Dak Pring hydropower construction;

Consulting to raise the volume of Lake A and building landscaping constructions behind the dam of B reservoir of Dak Pone Hydropower plant.



Financial situation

Work of finance, share holders, dividends:

- The company has balanced the finance to pay dividends of 2015 in November, 2016: So far has paid 45.75/48.25 billion VND, reaching 94.82%. Shareholders who have not yet received were 2.51 billion VND.
- Dividends from 2014 forwards: Shareholders who have not yet received were 3.95 billion VND (2014: 1.56 billion VND, 2013: 1.39 billion VND and 2011 and forwards was 1.0 billion VND).
- Worked with Orient Commercial Joint Stock Bank of Vietnam - Quang Nam Branch to adjust loan repayment schedule towards the end of the year to ensure operating cash flow of the Company and no bad debts.

The Company's achievements in year

- The repair and maintenance of the two plants were carried out in a positive way, increasing the efficiency of operation.
- Development of consulting services, with the total contract value of 21.77 billion VND.
- Research and innovation was focused on many valuable projects such as: reasonable forecast of water flow according to ENSO method; Design and installation of precision water level meter for hydropower reservoir; Design and installation of automatic rain gauge to participate in Hanoi technology and equipment fair in 2016 (Techmart Hanoi).
- “Vietnam Innovation” program organized by VTV invited the Company to present the device of precision water level meter for hydropower reservoir.



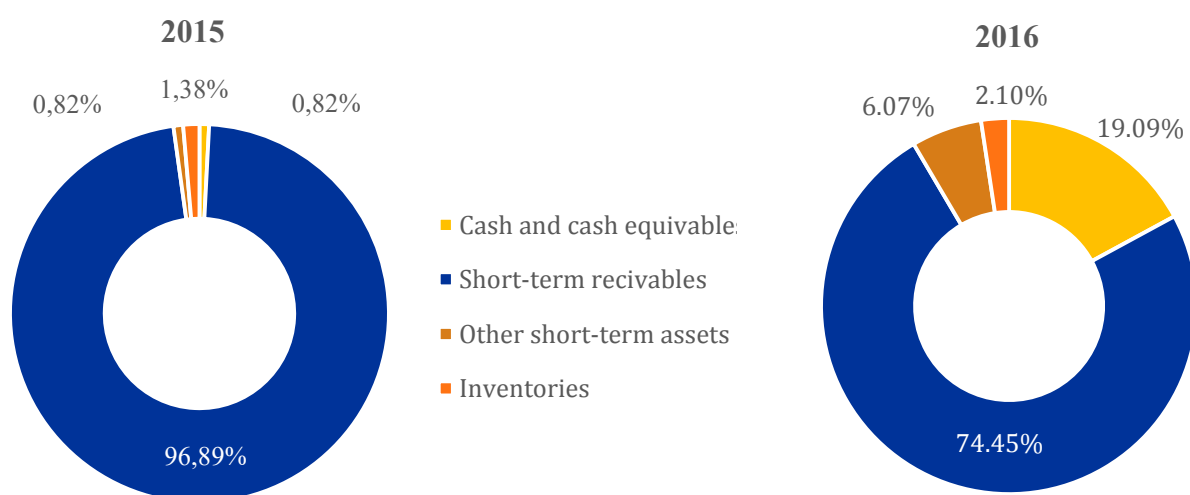
Asset situation

Target	Unit	2015	2016	% Increase/Decrease
Short-term assets	Million VND	102,432.61	86,738.89	-15.32%
Long-term assets		1,354,124.52	1,316,146.02	-2.80%
Total assets		1,456,557.13	1,402,884.91	-3.68%

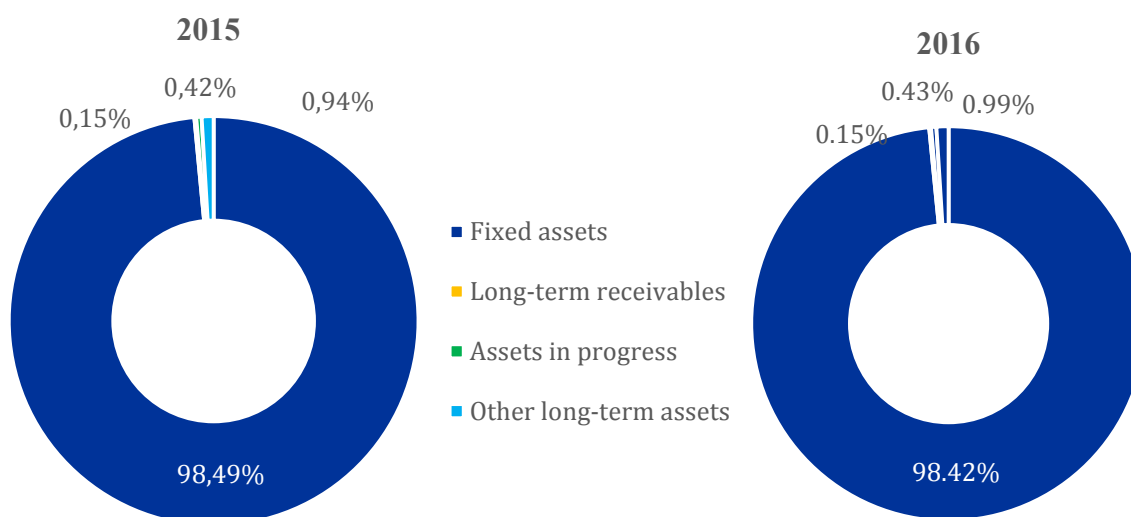
As of 31/12/2016, the total value of assets reached 86 billion VND, decreased by 15.32% as compared to 2015. The Short-term assets/total assets ratio accounted for 6.18%, decreased by 0.85% as compared to 2015.

In the short-term asset structure, the Company's receivables accounted for 74.45%, followed by cash and other short-term assets, and these items accounted for 17.09% and 6.07% respectively.

For long-term assets, due to the characteristics of electricity production, fixed assets accounted for the highest proportion with 98.42%. The remaining items such as long-term receivables, assets in progress and assets in progress accounted for a negligible propor-



Long-term asset structure:



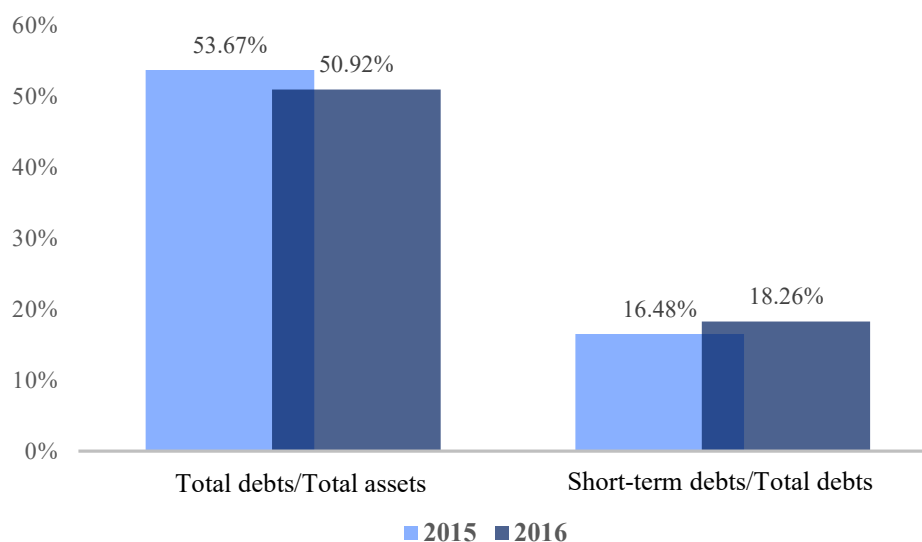
Liabilities

Target	Unit	2015	2016	% Increase/Decrease
Short-term debts		128,870.29	130,397.34	1.18%
Long-term debts		652,874.00	583,904.00	-10.56%
Total liabilities	Million VND	781,744.29	714,301.34	-8.63%
Owner's equity		674,812.84	688,583.57	2.04%
Total equity		1,456,557.13	1,402,884.91	-3.68%

As of 31/12/2016, the Company's debt was VND 714 billion, accounting for 50.92% of SBA's capital structure. As compared to 2015, total debt of the Company decreased by 8.63% of which, short-term debt accounted for 18.26% of total debt, reaching VND130 billion VND, increased by 1.52 billion VND as compared to 2015. Long-term debt was 583 billion VND, decreased by 68 billion VND as compared to 2015.



Structure of debt and equity



Explanation of financial instrument

Target	Debt age less than 1 year (Million VND)			Debt age more than 1 year (Million VND)		
	2015	2016	+/-	2015	2016	+/-
Payables to seller	6,714	5,910	-11.97%	-	-	-
Expense payables	4,734	8,779	85.45%	-	-	-
Loans and financial leases	59,830	67,720	13.19%	652,874	583,904	10.56%
Other payables	28,561	25,391	-11.10%	-	-	-
Total	99,840	107,801	7.97%	-	-	-

In fact, the company always attached importance to risk management in general and especially to solvency risk in particular. The board of management always supervised risk management activities by regularly monitoring current and expected payment requirements in the future to maintain an adequate amount of money and loans, supervising actual cash flows which expected to minimize the effect of fluctuations in cash flow of the Company.

Impact of interest rate differences

Target	Unit	2015	2016
Short-term loan	Million dong	59,830.00	67,720.00
Long-term loan	Million dong	652,874.00	583,904.00
Cost of borrowing	Million dong	61,747.83	64,181.39
Cost of borrowing/Net revenue	%	31.68%	30.29%

In 2016, the company's interest expense was 64.18 billion VND, slightly higher than the interest rate in 2015. The ratio of interest expense to net revenue achieved 30.29%. Due to the characteristics of the business sector, the Company needs a large amount of capital to finance its investment activities. Specifically, it is necessary to make up for the own fund to participate in the investment of Khe Dien and Krong H'nang hydropower plants.

More than 80% of SBA's debt was long-term loans with low fixed margin interest rates (Krong H'Nang Hydropower Plant and Khe Dien Hydropower Plant), which helped the company operate relatively stable.

Improvements in organization structure, policies, management

In 2016, SBA has issued the Charter of organization and operation of the Song Ba Joint Stock Company to replace the old regulations promulgated from 2013 that were no longer suitable. The new regulation would help the Company operate effectively and in line with changes in the Law of Enterprises No. 68/2014/QH13 dated 26/11/2014.

The company refined the processes and documentation system from ISO 9001-2015 to ISO 9001 - 2018 to ensure systematic and rigorous control of company operations.



Development plans in the future

Targets of business plan in 2017

No.	Contents of target	Unit	Plan	Note
1	Commercial electricity production	Million Kwh	209.0	
-	<i>Khe Dien</i>	Million Kwh	39.0	
-	<i>Krong H'ngang</i>	Million Kwh	170.0	
2	Rate of self-consumption, loss of power			
-	<i>Khe Dien</i>	%	2.53	<i>Loss: 2,27%; Self-consumption: 0,26%</i>
-	<i>Krong H'ngang</i>	%	2.22	<i>Loss: 2,00%; Self-consumption: 0,22%</i>
3	Total revenue:		235.00	
3.1	From electricity generation	Billion VND	230.00	
-	<i>Khe Dien</i>		43.00	
-	<i>Krong H'ngang</i>		187.00	
3.2	From consulting services		5.00	
4	Total expenses	Billion VND	155.63	
5	EBT	Billion VND	79.37	
6	EAT	Billion VND	72.57	
7	EPS	VND/Share	1,205	



Development plans in the future

Objectives – orientations of operating activities in 2017

Management and operation of Khe Dien and Krong H'ngang Hydropower plants:

Krong H'ngang plant: Implementing well regular and periodic repair and maintenance;

- Periodic testing of counting equipment systems with strict safety requirements;
- Organizing the care of plantation forest under regulations;

Khe Dien plant:

- Regular and periodic repair and maintenance of equipment of machine assemblies, TBA Turbo Pressure Blowers;
- Repairing, renovating control system of disc valve; excitation system ; SF6 gas cutter; equipment of water intake gate; repairing damaged road after flood season; Treating leakage of surge tank;
- Building the bypass of Nong Son coal mine road to the plant;
- Periodically testing of the metering equipment system with strict safety requirements.

Consulting services:

- Consulting services are always the target of the development of Song Ba Joint Stock Company to bring creativity, good income for employees and the company. In 2017, revenue will reach over 5 billion.
- Continuing to execute the signed consulting contracts: Project Management, Consultancy and Design of Tam Phuc Hydropower plant, Song Bung 3A; Upgrading reservoir A and creating a landscape behind the dam of reservoir B of Dak Pôné Hydropower plant; Supervision and verification of E&M equipment of Dak Pring hydropower plant, etc...
- Studying the social issues that are needed to develop in the following years.



Building constructions:

Adding Song Tranh 1 hydropower project to the planning, adjusting the planning of Krong H'Nang 2 hydropower plant;

To submit to the Board of Directors and the General Meeting of Shareholders for approval the investment plan: project of expansion, construction of a 6MW machine assembly, increasing the capacity of Khe Di-en Hydropower plant to 15MW; 5MW solar power project on Krong H'Nang reservoir.

Explanation of the Board of Directors for auditor's opinions

No.



REPORT OF THE BOARD OF DIRECTORS

Evaluation of the Board of Management on the Company's operation

After 1 year of performing the task, the company's activities have the following highlights:

Operating results in 2016

Target	Unit	P 2016	A 2016	A/P
Total revenue	Billion VND	208.21	211.90	101.77%
Total expenses		141.66	141.80	100.10%
EAT		61.29	64.20	104.75%

Overview evaluation of the results in 2016 shows that SBA has completed the plan set out in the General Meeting of Shareholders' resolutions in 2016 on revenue growth and cost management to bring profit to the Company.

Summary of work performance

- The management and operation of hydropower plants was executed well, handled equipment failures and maintained machine assemblies, ensured the technical specifications of self-consumption, losses and oil consumption at the plants under plans.
- Labor safety, fire prevention and fighting at plants was regularly organized as prescribed, no incidents of occupational safety during the year.
- The prevention of floods and storms during the year was directed to prepare sufficient forces, materials and preventive rehearsals. At the end of the flood season in 2016, the water was full of two lakes and the construction works were secured.
- Consulting services with a total contract value of 21.77 billion VND, a significant figure for a power generation company providing additional services and the Company has gained a lot of trust from customers and expected to continue to develop services in the coming time.
- Financial work, dividend payment was balanced by the company to pay, to ensure shareholder benefits. In addition, the Company has worked with the Orient Commercial



Joint Stock Bank of Vietnam - Quang Nam Branch to adjust the debt repayment plan towards the end of the year to ensure the cash flow of the Company and no bad debts.

- Personnel affairs were fully implemented on health and welfare policies in accordance with the law, ensuring working environment and living standards for employees.

Evaluation of Board of Directors on Board of Management' performance

Achievement

- The General Director of the Company has performed well the functions of production and business management, promptly reported the proposed contents and submitted to the Board of Directors for consideration, approval and serious implementation of the resolutions of the Board of Directors.
- Organized the implementation of regulations on employees in the company such as social insurance, health insurance, and unemployment insurance, ...; Paid salary based on the fixed rate 6.5% of total revenue.
- The Board of Directors highly appreciated the management capacity of the General Director. In 2016, it was a time of financial difficulties, dry weather caused by El Nino, but the General Director of the Company was very active, creative and flexible to solve and bring efficiency and dividend to the Shareholders.

Shortcomings which need the Board of Management to focus on improvement in the coming time

- The logical thinking of some middle managers was not scientific, so the design consultancy of projects was still slow;
- About ISO: Not yet fully utilized, still fragmented, lacked logic and was not really going deep into company activities;
- New researches and innovations have been only implemented by some staff

Plans, orientations of the Board of Directors

- Upholding internal strength: Having self-analysis to find the shortcomings, building solutions to perform well tasks such as: Calculating to correct the hydrological series; Self-training; Studying the operation of automatic flood discharge; Recalculating Khe Dien reservoir volume to have suitable solution to increase revenue; Krong H'Nang operates on an efficient electricity market...
- Encouraging creativity and learning: Shown by studies on the amount of water in the reservoir according to the ENSO method, developing the flood map for Phu Yen province, designing, manufacturing devices of mm water level meter, automatic rain gauge.
- Solidarity: Mobilizing staff to support each other when overhauling equipment of two plants; Designing, manufacturing and installing of mm water level meter for domestic hydropower reservoirs; Actively handling M&E equipment of plants.
- Always considering the interests of investors as the driving force for creativity and development of the Company when carrying out consulting services: Projects of Dak Po, A Roang, Tac Phuc, Song Bung 3A, etc...



REPORT OF THE INSPECTION COMMITTEE

Members and structure of the Inspection Committee

INSPECTION COMMITTEE



Ms. Phan Thi Anh Dao
Head of IC

Holds 1,000 share, representing 0.002% of SBA's chartered capital



Ms. Nguyen Thi Tran Thao
Member of IC

Holds 0 share, representing 0% of SBA's chartered capital



Mr. Tran Quang Can
Member of IC

Holds 0 share, representing 0% of SBA's chartered capital

Summary of the activities of the Inspection Committee

No.	Date of Meeting	Contents
1 st time	17-18/03/2016	Reviewing of the Financial Statement of 2015; Evaluating the management of the Board of Directors, the Board of Management in 2016; Passing the report of the activities of the Inspection Committee in 2015; Preparing the Annual General Meeting of Shareholders in 2016.
2 nd time	21/04/2016	Electing the Head of Inspection Committee
3 rd time	04-05/08/2016	Checking the situation of production and business activities in the first 6 months of the year; Reviewing of the Semi-Annual Financial Statement of 2016; Situation of implementation of the resolutions of the General Meeting of Shareholders of 2016.
4 th time	10/11/2016	Assigning specific tasks to the inspectors; Approving the draft of regulations on organization and operation of the Inspection Committee of Song Ba Joint Stock Company, taking opinions of the member of the Board of Directors before issuing; Reviewing the Financial Statement of Quarter 3/2016; Human resources, labor contracts and employee regimes in 2016.



The Inspection Committee regularly conducted quarterly meeting to hear the report on the evaluation of the activities of the inspectors as well as to review the quarterly, biannual and annual financial statements of the Company.

In 2016, the Inspection Committee held 04 meetings. In addition, the Inspection Committee also participated in two regular meetings of the Board of Directors. Supervisors regularly communicated by phone and email, so that members could ensure the smooth operation of the Company's policies and timely support each other in the work to achieve the highest efficiency.

Evaluation of the Inspection Committee on the operating results of the Company and the implementation of the resolutions of the General Meeting of Shareholders 2016

Key targets:

No.	Target	Unit	Plan	Actual	% A/P
1	Commercial electricity production	Million Kwh	175.00	171.62	98.07%
2	Total revenue	Billion VND	208.21	212.23	101.93%
3	Total expenses	Billion VND	141.66	142.61	100.67%
4	EBT	Billion VND	66.55	69.62	104.61%
5	EAT	Billion VND	61.29	64.21	104.76%
6	EPS	VND/share	1.013	1.065	105.13%

Evaluation of the Inspection Committee:

In the first ten months of 2016, the company continued the difficult period, El Nino lasted, and the electricity production of two plants was low. However, SBA has studied the preparation of financial and technical solutions to operate the Company. By the end of the year, the floods were full of Krong H'Nang and Khe Dien.

The operating results of the company in 2016: Electricity production reached 98.07%; The revenue reached 101.93% of the plan in 2016 and increased by 7.7% as compared to 2015. EBT reached 104.76% of the year plan and increased by 21.04% as compared to 2015.



The implementation of objectives in the resolutions of the General Meeting of Shareholders:

- The Company has completed funds under regulations of the law, ensured the obligation to pay the State budget in full;
- The company paid 8% dividend by cash in 2015 for shareholders in 11/2016;
- Implemented to pay remunerations to the Board of Directors, the Inspection Committee: In 2016, the Company paid full remuneration to members of the Board of Directors and the Inspection Committee according to the norm approved by the Annual General Meeting of Shareholders in 2016;
- Krong H'Nang 2 Hydropower Project: The AGM in 2016 passed the investment project of Krong H'ngang 2 Hydropower Plant which was expected to commence in December 2016. However, up to now, the Company has not implemented because the Prime Minister declared to close the door of natural forest in the Central Highlands. Therefore, the restart of Krong H'Nang 2 Hydropower Project has encountered many difficulties. The company has been working hard to adjust Krong H'Nang 2 Hydropower planning.

Supervisory results for the Board of Directors, the Board of Management and managers

In 2016, the Board of Directors held regular meetings in accordance with the Charter of the Company and the Board of Directors. The Inspection Committee evaluated the activities of the Board of Directors in the year in accordance with the law and the Charter of the Company, meeting the requirements of production and business activities of the Company on time.

The Board of Directors has issued many resolutions and decisions related to the Company's activities within the scope of its responsibilities and authority. Resolutions and decisions of the Board of Directors issued in accordance with the order, in accordance with the authority and in accordance with the resolution of the General Meeting of Shareholders, fully complied with the Charter of the Company, the Law on Enterprises and other provisions of the law.

The Board of Directors, the Board of Management has implemented the policies that the Board of Directors has set out in accordance with the functions, duties and powers of the Board of Directors stipulated in the Charter of the Company. Results of the implementation of the policies, resolutions of the Board of Directors were reported fully at the Board of Directors meetings.



The Board of Directors has implemented flexible, suitable solutions in the management work to help companies achieve the highest level of business plan.


The Company has disclosed information, periodic serious reports in accordance with the law, ensuring that the information was transparent and ensured the interests of shareholders and investors.

Evaluation of coordination between the IC, BOD and BOM during the year

- In 2016, the Inspection Committee was facilitated by the Board of Directors and the Board of Management to provide sufficient information on the company's business and financial status.
- The Inspection Committee was attended all the Board of Directors' meetings, expressed opinions on the functions and duties of the Inspection Committee.
- Head of the Inspection Committee was attending monthly meetings to catch up with the situation of the Company.
- The Inspection Committee, the Board of Directors and the Board of Management closely cooperated to timely solve obstacles in the inspection and control process of the Inspection Committee.
- The Inspection Committee has periodic reports and recommendations in writing to the Board of Directors and the Board of Management. The recommendations of the Inspection Committee were recognized and implemented.

Other operation:

In 12/2016, the Inspection Committee issued the regulation on organization and operation of the Inspection Committee of Song Ba Joint Stock Company to replace the old one issued in 2008 which was no longer suitable. The new regulation would help the Inspection Committee to operate effectively and in line with changes in the Law of Enterprises No. 68/2014/QH13 dated 26/11/2014.



Some recommendations and orientations for the operation of the Inspection Committee in 2017

Some recommendations of the Inspection Committee:

Through the actual supervision of the Company's operations, the Inspection Committee has some recommendations as follows:

- Expediently compiling and adjusting the procedures and document system in accordance with ISO 9001-2015 to ensure systematic and rigorous control, in line with the company's activities;
- In 2016, the company has developed in the field of consulting services. In 2017, the Company needs to improve the consultancy to confirm the company's value, especially the solution for proper flood discharge operation in hydropower reservoirs which have been highly appropriated by agencies and units;
- For new investment projects, careful analysis should be maintained to ensure the effectiveness of the project when it comes into operation.

Operation orientations of the Inspection Committee in 2017

In order to complete the inspection and supervision tasks in accordance with the Charter of the Company and the General Meeting of Shareholders, the work plan of the Inspection Committee in 2017 focuses on the following key tasks:

- The Inspection Committee continues to perform duties on behalf of shareholders to control all business, management and operation of the Company;
- The Inspection Committee will maintain and intensify the periodical control in accordance with the Company's Charter and the regulation of operation of the Inspection Board, ensuring that the Company's activities comply with the provisions of law, contributing to the development of the company, ensuring the interests of shareholders and employee;
- Improving the quality and performance of each Inspector;



- Regularly and periodically inspecting and supervising the implementation, compliance with the Charter of the Company, resolutions of the General Meeting of Shareholders and other resolutions and decisions issued by the Board of Directors;
- Participating in meetings of the Board of Directors, Head of the Inspection Committee participates in the monthly meeting of the Company to follow the situation of the Company. Maintaining close coordination between the Inspection Committee and the Board of Directors, the Board of Management of the Company and other affiliated units;
- Appraising the quarterly, biannual and annual financial statements of the Company. Evaluating the analysis of the financial situation as well as the preservation and development of equity in an honest and objective manner;

Reporting to the General Meeting of Shareholders on the results of activities in the year and report on request of the results of inspection

- Performing other tasks required by shareholders in accordance with the law and the Charter of the company;
- Based on the inspection of performance of the whole company, the Inspection Committee will propose to the Board of Directors and Board of Management to adjust and supplement the solutions to ensure the management to be strict, avoid risks during operation;
- Coordinating with independent auditors in auditing financial statements. Supervising the implementation of the contents proposed and commented by the independent auditor;
- Supervising the implementation of new investment projects.



Part IV

**CORPORATE
GOVERNANCE**



Members and structure of the Board of Directors

BOARD OF DIRECTORS



Mr. Nguyen Thanh
Chairman of BOD

Holds 2,100 shares, representing 0.0003% of SBA chartered capital



Mr. Thai Van Thang
Vice Chairman of BOD

Holds 84,000 shares, representing 0.14% of SBA chartered capital



Mr. Pham Phong
Member of BOD

Holds 312,175 shares, representing 0.52% of SBA chartered capital



Mr. Truong Thanh Nam
Member of BOD

Holds 0 shares, representing 0% of SBA chartered capital



Mr. Nguyen Luong Minh
Member of BOD

Holds 4,935 shares, representing 0.01% of SBA chartered capital

Committee under the Board of Directors

The Board of Directors doesn't establish any committees.

Operation of the Board of Directors

In 2016, the Board of Directors held five meetings. Specifically:

Member of BOD	Position	Number of meeting participated by the BOD	Rate
Nguyen Thanh	Chairman	5	100%
Thai Van Thang	Vice Chairman	5	100%
Pham Phong	Member	5	100%
Nguyen Luong Minh	Member	5	100%
Truong Thanh Nam	Member	5	100%



And issued the following resolutions and decisions:

No.	Resolution	Date	Contents
1	01/16/QĐ-S3-HĐQT	16/03/2016	Establishment of the Team for verification of investment capital for Construction: Office of Song Ba Joint Stock Company.
2	02/16/QĐ-S3-HĐQT	25/03/2016	Approval of final settlement of capital for construction: Office of Song Ba Joint Stock Company.
3	03/16/QĐ-S3-HĐQT	08/06/2016	Dismissed the position of Branch Director of Song Ba Joint Stock Company - Krong H'ngang Hydropower Plant.
4	04/16/QĐ-S3-HĐQT	08/06/2016	Appointed the Branch Director of Song Ba Joint Stock Company - Krong H'ngang Hydropower Plant.
5	05/16/QĐ-S3-HĐQT	09/06/2016	Decision on the salary coefficient of Head of the Inspection Committee of Song Ba Joint Stock Company
6	06/16/QĐ-S3-HĐQT	09/08/2016	Passed the remuneration of Secretary of the company
7	07/16/QĐ-S3-HĐQT	18/10/2016	Payment of dividends in 2015 by cash of Song Ba Joint Stock Company
8	01/16/NQ-HĐQT	19/04/2016	Passed the business results of Quarter 4 in 2015; Business Plan of 2016, Quarter 1/2016 and other related contents.
9	02/16/NQ-HĐQT	19/08/2016	Borrowed short-term loans and used assets to secure loans at the Orient Commercial Joint Stock Bank.
10	03/16/NQ-HĐQT	26/08/2016	Passed the results of the company's performance in the second quarter, first 6 beginning month of the year and the plan for the third quarter of 2016.

Corporate Governance training

Mr. Nguyen The Duy - Company Secretary attended corporate management training for public companies from 14/04/2016 to 15/04/2016 by Securities Research and Training Center of Ho Chi Minh City - State Securities Commission of Vietnam (Certificate of completion of the course No. 11QTCT42 / QĐ-TTNC dated 29/04/2016).

Transactions, remuneration and interests of the Board of Directors, Board of Management and Inspection Committee

Salary, bonus, remuneration, benefits:

No.	Full nam	2016			Note
		Remuneration	Salary (VND/Year)	Bonus (VND/Year)	
1	Board of Directors	432,000,000	466,230,000	313,500,000	
	Nguyen Thanh	120,000,000		91,000,000	
	Thai Van Thang	96,000,000		72,500,000	
	Pham Phong	72,000,000	466,230,000	82,000,000	
	Nguyen Luong Minh	72,000,000		34,000,000	
	Truong Thanh Nam	72,000,000		34,000,000	
2	Inspection Committee	182,180,000		48,356,018	
	Phan Thi Anh Dao	58,480,000		48,356,018	
	Nguyen Thi Tran Thao	63,700,000			
	Tran Quang Can	60,000,000			
3	Board of Management	48,000,000	470,360,500	90,000,000	
	Pham Phong				As the same content of members of BOD
	Nguyen The Duy	48,000,000	248,285,500	45,000,000	Vice General Director cum Secretary of the company
	Pham Thai Hung		222,075,000	45,000,000	

Share transaction of internal shareholders

Transacted by	Relationship to internal shareholders	Number of holding share at the beginning of the period		Number of holding share at the end of the period		Reason of increase, decrease
		Quantity	Rate	Quantity	Rate	
Phan Thi Anh Dao		0	0%	1,000	0%	Bought

Contracts or transactions with internal shareholders: No.

Implementation of regulations on corporate governance

Joined the stock market since 2010, the Company always maintained up-to-date regulations promulgated by the State Securities Commission of Vietnam and seriously applied it to the internal management of the company.



Part V

**FINANCIAL
STATEMENT**



-
- Report of Board of Management
 - Independent Auditor's Report
 - Audited Financial Statement
-



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 31/12/2016.

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 No. 0400439955 dated 04/07/2007 by Da Nang City Planning and Investment Department (since the establishment date, the Business Registration Certificate has been amended 9 times and the nearest amendment was made on 06/01/2015). 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 31/12/2016: 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’ nang 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);
- 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, 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 31/12/2016, the Company had 94 employees including 9 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. Nguyen Thanh | Chairman | Reappointed on 10/04/2015 |
| • Mr. Thai Van Thang | Vice Chairman | Reappointed on 10/04/2015 |
| • Mr. Pham Phong | Member | Reappointed on 10/04/2015 |
| • Mr. Nguyen Luong Minh | Member | Appointed on 10/04/2015 |
| • Mr. Truong Thanh Nam | Member | Appointed on 10/04/2015 |

Supervisory Board

- | | | |
|----------------------------|---------------------------|---------------------------|
| • Ms. Phan Thi Anh Dao | Head of Supervisory Board | Appointed on 22/04/2016 |
| • Ms. Nguyen Thi Tran Thao | Member | Appointed on 22/04/2016 |
| | Head of Supervisory Board | Appointed on 10/04/2015 |
| | | Resigned on 22/04/2016 |
| • Mr. Tran Quang Can | Member | Reappointed on 10/04/2015 |
| • Mr. Tran Ngoc Tuan | Member | Reappointed on 10/04/2015 |
| | | Resigned on 21/04/2016 |

Management and Chief Accountant

- Mr. Pham Phong General Director Reappointed on 10/04/2015
- Mr. Nguyen The Duy Deputy General Director Reappointed on 02/05/2015
- Mr. Pham Thai Hung Chief Accountant Reappointed on 01/06/2015

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, Danang City; Tel: (84) 236.3655886; Fax: (84) 236.3655887; 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 31/12/2016 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 preparation and presentation of the financial statements.

On behalf of the Management



[Handwritten signature]

Pham Phong
General Director



No: 222/2017/BCKT-AAC

INDEPENDNT AUDITOR’S REPORT

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

We have audited the accompanying financial statements of Song Ba Joint Stock Company (“the Company”) as prepared on 07/02/2017 and set out on pages 5 to 33, which comprise the balance sheet as at 31/12/2016, the income statement, statement of cash flows, and notes to the financial statements for the year then ended.

The 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 the statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as the Management determines is necessary to enable the preparation and presentation 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 Company’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 31/12/2016, 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 preparation and presentation of financial statements.

AAC Auditing and Accounting Co., Ltd.



Lam Quang Tu – Deputy General Director
Audit Practicing Registration Certificate
No. 1031-2013-010-1

Dang Xuan Loc – Auditor
Audit Practicing Registration Certificate
No. 1324-2013-010-1



BALANCE SHEET

As at 31/12/2016

ASSETS	Code	Note	31/12/2016 VND	01/01/2016 VND
A. CURRENT ASSETS	100		86,738,892,153	102,432,608,228
I. Cash and cash equivalents	110		14,819,783,143	838,160,183
1. Cash	111	5	14,819,783,143	838,160,183
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	-
III. Short-term receivables	130		64,573,199,461	99,337,177,587
1. Short-term trade receivables	131	6	48,425,521,593	86,672,043,422
2. Short-term prepayments to suppliers	132	7	3,358,851,758	4,171,207,271
3. Other short-term receivables	136	8.a	12,788,826,110	8,493,926,894
IV. Inventories	140	9	2,077,928,466	1,414,039,493
1. Inventories	141		2,077,928,466	1,414,039,493
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		5,267,981,083	843,230,965
1. Short-term prepaid expenses	151	10.a	4,846,684,290	86,173,344
2. Deductible VAT	152		421,296,793	757,057,621
B. LONG-TERM ASSETS	200		1,316,146,018,494	1,354,124,521,680
I. Long-term receivables	210		2,004,000,000	2,004,000,000
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	8.b	2,004,000,000	2,004,000,000
II. Fixed assets	220		1,295,414,238,228	1,333,725,596,192
1. Tangible fixed assets	221	11	1,290,232,698,669	1,328,523,028,612
- Cost	222		1,600,087,543,741	1,600,062,846,380
- Accumulated depreciation	223		(309,854,845,072)	(271,539,817,768)
2. Intangible fixed assets	227	12	5,181,539,559	5,202,567,580
- Cost	228		5,478,061,800	5,478,061,800
- Accumulated amortization	229		(296,522,241)	(275,494,220)
III. Investment properties	230		-	-
IV. Long-term assets in progress	240		5,691,273,761	5,691,273,761
1. Long-term work in process	241		-	-
2. Construction in progress	242	13	5,691,273,761	5,691,273,761
V. Long-term financial investments	250		-	-
VI. Other long-term assets	260		13,036,506,505	12,703,651,727
1. Long-term prepaid expenses	261	10.b	13,036,506,505	12,703,651,727
2. Other long-term assets	268		-	-
TOTAL ASSETS	270		1,402,884,910,647	1,456,557,129,908

BALANCE SHEET (cont'd)

As at 31/12/2016

RESOURCES	Code	Note	31/12/2016 VND	01/01/2016 VND
C. LIABILITIES	300		714,301,340,927	781,744,291,775
I. Current liabilities	310		130,397,340,927	128,870,291,775
1. Short-term trade payables	311	14	5,910,174,163	6,714,570,291
2. Short-term advances from customers	312	15	1,134,215,089	105,622,386
3. Taxes and amounts payable to the State budget	313	16	18,771,430,469	23,695,695,874
4. Payables to employees	314		1,169,557,865	3,852,637,356
5. Short-term accrued expenses	315	17	8,779,658,446	4,734,120,365
6. Other short-term payables	319	18	25,391,903,134	28,561,582,185
7. Short-term loans and finance lease liabilities	320	19.a	67,720,000,000	59,830,000,000
8. Reward and welfare fund	322		1,520,401,761	1,376,063,318
II. Long-term liabilities	330		583,904,000,000	652,874,000,000
1. Long-term trade payables	331		-	-
2. Long-term loans and finance lease liabilities	338	19.b	583,904,000,000	652,874,000,000
D. EQUITY	400		688,583,569,720	674,812,838,133
I. Owners' equity	410		688,583,569,720	674,812,838,133
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)	(95,000,000)
3. Other owners' equity	414	20	7,260,810,603	6,749,952,910
4. Treasury shares	415	20	(1,588,920,333)	(1,588,920,333)
5. Investment and development fund	418	20	13,916,957,675	13,094,426,199
6. Undistributed profit	421	20	64,207,111,775	51,769,769,357
- Undistributed profit up to prior year-end	421a	20	-	-
- Undistributed profit this period	421b	20	64,207,111,775	51,769,769,357
II. Budget sources and other funds	430		-	-
TOTAL RESOURCES	440		1,402,884,910,647	1,456,557,129,908



Phạm Phong
General Director

Da Nang City, 7 February 2017

Phạm Thái Hưng
Chief Accountant

Trương Ngọc Hưng
Preparer



INCOME STATEMENT

For the year ended 31/12/2016

ITEMS	Code	Note	Year 2016 VND	Year 2015 VND
1. Revenue from sales and service provision	01	21	211,905,171,350	194,925,779,987
2. Deductions	02		-	-
3. Net revenue from sales and service provision	10		211,905,171,350	194,925,779,987
4. Cost of goods sold	11	22	<u>67,903,953,844</u>	<u>67,181,704,847</u>
5. Gross profit from sales and service provision	20		<u>144,001,217,506</u>	<u>127,744,075,140</u>
6. Financial income	21	23	33,271,356	87,212,324
7. Financial expenses	22	24	64,384,939,106	63,738,080,830
<i>Including: Interest expense</i>		23	<i>64,181,390,598</i>	<i>61,747,829,453</i>
8. Selling expenses	25		-	-
9. Administration expenses	26	25	<u>9,515,198,946</u>	<u>8,259,071,801</u>
10. Operating profit	30		<u>70,134,350,810</u>	<u>55,834,134,833</u>
11. Other income	31	26	293,935,090	2,064,776,664
12. Other expenses	32	27	<u>811,458,232</u>	<u>376,211,991</u>
13. Other profit	40		<u>(517,523,142)</u>	<u>1,688,564,673</u>
14. Accounting profit before tax	50		<u>69,616,827,668</u>	<u>57,522,699,506</u>
15. Current corporate income tax expense	51	28	5,409,715,893	5,752,930,149
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		<u>64,207,111,775</u>	<u>51,769,769,357</u>
18. Basic earnings per share	70	29	1,065	822
19. Diluted earnings per share	71	29	1,065	822



Phạm Phong
General Director

Da Nang City, 7 February 2017

Phạm Thái Hùng
Chief Accountant

Trương Ngọc Hùng
Preparer

STATEMENT OF CASH FLOWS

For the year ended 31/12/2016

ITEMS	Code	Note	Year 2016 VND	Year 2015 VND
I. Cash flows from operating activities				
1. Cash receipts from sales and service provision	01		246,259,882,759	158,368,508,530
2. Cash paid to suppliers	02		(24,760,519,175)	(24,983,045,091)
3. Cash paid to employees	03		(15,344,209,688)	(10,834,732,993)
4. Cash paid for borrowing interest	04	17, 24	(64,085,675,264)	(62,352,323,919)
5. Corporate income tax paid	05	16	(5,623,744,468)	(2,577,028,486)
6. Other cash receipts from operating activities	06		45,449,235,331	31,147,804,023
7. Other payments for operating activities	07		(55,024,663,592)	(30,504,629,674)
Net cash provided by operating activities	20		126,870,305,903	58,264,552,390
II. Cash flows from investing activities				
1. Purchases of fixed assets and other long-term assets	21		(410,349,329)	(2,013,180,050)
2. Dividends, profit, interest received	27	23	33,271,356	86,186,919
Net cash used in investing activities	30		(377,077,973)	(1,926,993,131)
III. Cash flows from financing activities				
1. Proceeds from borrowings	33	19	12,750,300,077	632,454,000,000
2. Repayments of borrowings	34	19	(73,830,300,077)	(651,344,909,612)
3. Dividends, profit paid to owners	36		(51,431,604,970)	(41,129,995,487)
Net cash used in financing activities	40		(112,511,604,970)	(60,020,905,099)
Net cash flows for the period	50		13,981,622,960	(3,683,345,840)
Cash and cash equivalents at the beginning of the year	60	5	838,160,183	4,521,506,023
Impact of exchange rate fluctuations	61		-	-
Cash and cash equivalents at the end of the year	70	5	14,819,783,143	838,160,183

Phạm Phong
General Director

Da Nang City, 7 February 2017

Phạm Thái Hùng
Chief Accountant

Trương Ngọc Hùng
Preparer



NOTES TO THE FINANCIAL STATEMENT

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

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 No. 0400439955 dated 04/07/2007 by Da Nang City Planning and Investment Department (since the establishment date, the Business Registration Certificate has been amended 9 times and the nearest amendment was made on 06/01/2015). 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.

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;
- 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, 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 31/12/2016, 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 Vietnam 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, cash at bank 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 includes: trade receivables, other receivables and intra-company receivables:

- Trade receivables are trade-related amounts arising from trading activities between the Company and its customers;



- Intra-company receivables are receivables between superior organizations and affiliated organizations having no legal status and dependent cost-accounting;
- 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. Provision for doubtful debts represents the amounts of outstanding receivables at the balance sheet date, which have been overdue for 6 months or which have not been overdue but the debtor is in the state of insolvency, winding up, missing or running away... Provision is made as guided by Circular No. 228/2009/TT-BTC dated 7/12/2009 of the Ministry of Finance.

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, goods: 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 when the net realizable value of inventories is less than cost. The provision is made in accordance with Circular No. 228/2009/TT-BTC dated 7/12/2009 by the Ministry of Finance.

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 the fixed assets of Krong H'nang Hydropower Plant applied at 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 the depreciation in accordance with the actual use and the seasonal nature of hydropower production, the fixed assets used directly at Khe Dien Hydropower Plant and Krong H'nang Hydropower Plant are depreciated in accordance with the method of depreciation based on volume. Details are as follows:

$$\begin{array}{l}
 \text{Depreciation rate in the period} = \frac{\text{Cost of fixed assets with tax authority}}{\text{Depreciation period of fixed assets registered with tax authority}} \times \frac{\text{Volume of electricity actually generated in the period}}{\text{Average design capacity of each year}}
 \end{array}$$

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	5

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 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 care are amortized with the straightline method for 12 months from inspection test forest care.
- 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 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.

Capitalisation 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. 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.



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.

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.


Profit distribution

Profit after corporate income tax is available for appropriation to funds and to owners 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. 03 dated 12/10/2016 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'ngang: According to Economic Contract No. 06/2012/HD-NMD-KRH dated 10/06/2012 and Contract for Amendment and Supplementation No. 03 dated 24/08/2016 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.
 - ✓ 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 are 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 expenses of other investing activities.

4.14 Administrative expenses

Administrative 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

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, short-term 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 0% 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'nang Hydropower Plant has made taxable income, the Company 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

	31/12/2016	01/01/2016
Cash on hand	787,921,797	189,884,955
Cash in bank	14,031,861,346	648,275,228
Total	14,819,783,143	838,160,183



6. Short-term trade receivables

	31/12/2016	01/01/2016
Central Power Corporation	8,214,963,977	12,685,682,691
Electricity Power Trading Company	39,229,787,178	73,957,305,704
Other customers	980,770,438	29,055,027
Total	48,425,521,593	86,672,043,422

In which: trade receivables from related parties

	Relationship	31/12/2016	01/01/2016
Central Power Corporation	Investor	8,214,963,977	12,685,682,691
Electricity Power Trading Company	Affiliate of Viet Nam Electricity	39,229,787,178	73,957,305,704
Total		47,444,751,155	86,642,988,395

7. Short-term prepayments to suppliers

	31/12/2016	01/01/2016
Thuy Loi Technology Transfer and Consulting JSC	2,969,766,000	2,969,766,000
Phu An Duong Joint Stock Company	210,440,000	-
Hung Binh Construction and Cadastre Joint Stock Company	-	981,850,000
Other suppliers	178,645,758	219,591,271
Total	3,358,851,758	4,171,207,271

8. Other receivables

a. Short-term

	31/12/2016		01/01/2016	
	Amount	Provision	Amount	Provision
Advances	12,074,364,614	-	7,792,820,444	-
- Tra Quang Huu	-	-	2,500,000,000	-
- Nguyen Dang Hung	1,156,913,078	-	1,714,140,078	-
- Tran Van Tan	1,155,883,000	-	946,953,000	-
- Phan Dinh Thanh	4,422,223,160	-	1,618,853,160	-
- Others	5,339,345,376	-	1,012,874,206	-
Other receivables	714,461,496	-	701,106,450	-
Total	12,788,826,110	-	8,493,926,894	-



b. Long-term

	31/12/2016		01/01/2016	
	Amount	Provision	Amount	Provision
Deposits	2,004,000,000	-	2,004,000,000	-
Total	2,004,000,000	-	2,004,000,000	-

9. Inventories

	31/12/2016		01/01/2016	
	Cost	Provision	Cost	Provision
Materials	933,460,018	-	229,992,395	-
Tools, instruments	895,760,000	-	836,450,000	-
Work in process	248,708,448	-	347,597,098	-
Total	2,077,928,466	-	1,414,039,493	-

- There are no inventories which are unsold, in poor quality at 31/12/2016.
- There are no inventories which were pledged, mortgaged as security for debts as at 31/12/2016.

10. Prepaid expenses

a. Short-term

	31/12/2016	01/01/2016
Insurance expense	52,016,018	31,594,754
Costs of checking, repairing assets	1,917,314,361	54,578,590
Forest tending costs of Krong H'ngang Project	1,558,091,547	-
Costs of repairing assets of Krong H'ngang Project	1,319,262,364	-
Total	4,846,684,290	86,173,344

**b. Long-term**

	31/12/2016	01/01/2016
Costs of tools, instruments pending amortization	246,650,381	319,785,493
Overhaul costs of units	3,317,406,333	4,068,852,425
Costs of experimental materials	55,666,668	113,689,665
Costs of planting landmark in lake of Krong H'ngang Project	2,048,464,083	-
Costs of planting landmark in lake of Khe Dien Project	1,287,721,591	-
Costs of repairing transformers, assets	29,198,125	92,336,125
Costs of building flood map, other expenses	57,899,755	117,655,259
Afforestation costs of Krong H'ngang Hydropower Project	5,993,499,569	7,991,332,760
Total	<u>13,036,506,505</u>	<u>12,703,651,727</u>



11. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	1,184,082,070,885	334,580,065,801	81,158,664,955	242,044,739	1,600,062,846,380
Increase in the year	-	-	-	51,159,090	51,159,090
Decrease in the year	26,461,729	-	-	-	26,461,729
Ending balance	1,184,055,609,156	334,580,065,801	81,158,664,955	293,203,829	1,600,087,543,741
Depreciation					
Beginning balance	131,119,974,240	117,698,405,490	22,479,393,299	242,044,739	271,539,817,768
Charge for the year	19,365,358,846	14,944,489,316	4,005,179,142	-	38,315,027,304
Decrease in the year	-	-	-	-	-
Ending balance	150,485,333,086	132,642,894,806	26,484,572,441	242,044,739	309,854,845,072
Net book value					
Beginning balance	1,052,962,096,645	216,881,660,311	58,679,271,656	-	1,328,523,028,612
Ending balance	1,033,570,276,070	201,937,170,995	54,674,092,514	51,159,090	1,290,232,698,669

- As at 31/12/2016, fixed assets with a carrying value of VND 1,285,583,859,784 have been mortgaged as collateral for borrowings granted to the Company.
- Cost of tangible fixed assets fully depreciated but still in active use at 31/12/2016 is VND 3,336,662,318.
- There are no amounts of tangible fixed assets pending disposal.
- There are no commitments to repurchase fixed assets of high value in 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 Official Letter No. 223/11/S3-TC dated 09/06/2011 to notify the Tax Department of this, yet the Company has not received written response from Da Nang City Tax Department.
- 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.

12. Intangible fixed assets

	Land use rights (*)	Computer software	Total
Cost			
Beginning balance	5,175,261,800	302,800,000	5,478,061,800
Increase in the year	-	-	-
Sale, disposals	-	-	-
Ending balance	5,175,261,800	302,800,000	5,478,061,800
Amortization			
Beginning balance	-	275,494,220	275,494,220
Charge for the year	-	21,028,021	21,028,021
Sale, disposals	-	-	-
Ending balance	-	296,522,241	296,522,241
Net book value			
Beginning balance	5,175,261,800	27,305,780	5,202,567,580
Ending balance	5,175,261,800	6,277,759	5,181,539,559

(*) Long-term land use right at 573 Nui Thanh Street, Hai Chau District, Da Nang City. This land use right is mortgaged for the long-term loan borrowed from JSC Bank for Foreign Trade of Vietnam - Da Nang Branch (presented in Note 19).

- Cost of intangible fixed assets fully amortized but still in active use at 31/12/2016 is VND100,000,000.

13. Construction in progress

	31/12/2016	01/01/2016
Construction in progress	5,691,273,761	5,691,273,761
- Krong H'ngang 2 Hydropower Plant (*)	1,291,509,910	1,291,509,910
- Song Tranh 1 Hydropower Plant (*)	4,399,763,851	4,399,763,851
Total	5,691,273,761	5,691,273,761

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



14. Trade payables

a. Short-term

	31/12/2016	01/01/2016
Power Engineering Consulting Joint Stock Company 4	1,000,000,000	1,320,000,000
Management Board of Hydropower Project 3	3,459,345,969	3,459,345,969
Infrastructure and Electric Energy Investment Consultancy Joint Stock Company	763,636,364	1,095,000,000
Other suppliers	687,191,830	840,224,322
Total	5,910,174,163	6,714,570,291

b. Trade payables to related parties

	Relationship	31/12/2016	01/01/2016
Power Engineering Consulting Joint Stock Company 4	Subsidiary of Viet Nam Electricity	1,000,000,000	1,320,000,000
Management Board of Hydropower Project 3	Affiliate of Viet Nam Electricity	3,459,345,969	3,459,345,969
Total		4,459,345,969	4,779,345,969

15. Short-term advances from customers

	31/12/2016	01/01/2016
Bao Phuc Tam Co., Ltd	925,371,821	-
Other customers	208,843,268	105,622,386
Total	1,134,215,089	105,622,386

16. Taxes and amounts payable to the State

	Beginning balance	Amount to be paid	Amount paid in the period	Ending balance
VAT	11,050,859,081	20,736,765,180	24,761,556,131	7,026,068,130
CIT	4,249,914,743	5,409,715,893	5,623,744,468	4,035,886,168
PIT	24,787,809	1,466,626,376	1,484,254,180	7,160,005
Natural resources tax	6,261,523,601	13,394,561,271	13,962,378,346	5,693,706,526
License fee	-	6,000,000	6,000,000	-
Forest environment service fee	2,108,610,640	3,432,663,300	3,532,664,300	2,008,609,640
Total	23,695,695,874	44,446,332,020	49,370,597,425	18,771,430,469

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

	31/12/2016	01/01/2016
Loan interest payable	2,762,951,840	2,667,236,506
Interest for late payment of dividend	1,057,982,388	855,160,833
Expenses for implementing general map for Ba River's lowland	242,761,418	214,145,973
Expenses for testing dam Dak Psi 5	8,252,013	104,315,187
Supervision and installation expenses of A Roang HP	43,421,980	721,092,976
Consulting expenses for mapping Ry Ninh HP	19,783,676	19,783,676
Consulting expenses for flood prevention and dam protection of An Diem Hydropower Plant	16,239,543	10,445,395
Consulting expenses for dam protection of A Roang HP	72,231,488	72,643,761
Expenses for mapping lowland of Dak Pone HP	-	9,296,058
Expenses for protecting river bed of Krong H'nang HP	106,666,400	60,000,000
Survey expenses for preparing Song Bung 3A Investment P	3,354,407,321	-
Expenses for preparing plan for flood prevention and dam protection in raining season for Dray H'linh HP	250,745,971	-
Supervision and installation expenses of Dak Pring HP	188,553,693	-
Survey expenses for preparing investment project of Tam Phuc Hydropower Plant	483,433,043	-
Expenses for preparing plan for flood prevention of Zahung Hydropower Plant	106,881,612	-
Expenses for preparing additional plan for flood prevention in lowland of Ry Ninh Hydropower Dam	52,912,613	-
Expenses for protecting Ry Ninh Dam	12,433,447	-
Total	8,779,658,446	4,734,120,365

18. Other short-term payables

	31/12/2016	01/01/2016
Dividend payable	24,626,277,308	27,827,217,478
Other payables	765,625,826	734,364,707
Total	25,391,903,134	28,561,582,185

In which: Other short-term payables to related party

	Relationship	31/12/2016	01/01/2016
Dividend payable - Central Power Corporation	Investor	18,916,000,000	23,645,000,000
Total		18,916,000,000	23,645,000,000



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
Short-term loan	13,000,000,000	12,750,300,077	25,750,300,077	-
- Orient Bank - Q.Nam Branch	13,000,000,000	12,750,300,077	25,750,300,077	-
Current portion of long-term loans	46,830,000,000	68,970,000,000	48,080,000,000	67,720,000,000
- Orient Bank - Da Nang Branch	5,830,000,000	6,970,000,000	7,080,000,000	5,720,000,000
- Orient Bank - Q.Nam Branch	41,000,000,000	62,000,000,000	41,000,000,000	62,000,000,000
Cộng	59,830,000,000	81,720,300,077	73,830,300,077	67,720,000,000

b. Long-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Long-term loans	699,704,000,000	-	48,080,000,000	651,624,000,000
- Vietcombank - Da Nang Branch	110,704,000,000	-	7,080,000,000	103,624,000,000
- Orient Bank - Q.Nam Branch	589,000,000,000	-	41,000,000,000	548,000,000,000
Total	699,704,000,000	-	48,080,000,000	651,624,000,000
In which:				
- Amount due within one year	46,830,000,000			67,720,000,000
Long-term loans and finance lease liabilities	652,874,000,000			583,904,000,000

The Company is borrowing from JSC Bank for Foreign Trade of Vietnam - Da Nang Branch under 2 loan agreements:

- On 07/02/2013, the Company entered into long-term borrowing contract No. 34/2013/VCB-KHDN with maximum credit amount of VND50,000,000,000. The loan period is 120 months as from the first drawdown date. This loan bears interest at the rate announced by JSC Bank for Foreign Trade of Vietnam – Da Nang Branch and shall be changed once a quarter.
- On 14/05/2014, the Company entered into long-term borrowing contract No. 162/2014/VCB-KHDN with maximum credit amount of VND77,650,000,000. The loan period is 120 months as from the first drawdown date. This loan bears interest at the rate announced by JSC Bank for Foreign Trade of Vietnam – Da Nang Branch and shall be changed once a quarter.

These loans are for the purpose of reimbursing the capital which the Company invested in Khe Dien Hydropower Plant Project. They are secured by the long-term land use right at 573 Nui Thanh Street, Hai Chau District, Da Nang City and Khe Dien Hydropower Plant.



The Company is borrowing from Orient Commercial Joint Stock Bank - Quang Nam Branch under long-term borrowing contract No. 024/2015/HĐTD-DN dated 26/03/2015 with maximum credit amount 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	Investment and development fund	Undistributed profit
As at 01/01/2015	604,882,610,000	(95,000,000)	4,692,172,664	(1,588,920,333)	10,420,123,594	67,535,565,155
Increase in the year	-	-	2,057,780,246	-	2,674,302,605	51,769,769,357
Decrease in the year	-	-	-	-	-	67,535,565,155
As at 31/12/2015	<u>604,882,610,000</u>	<u>(95,000,000)</u>	<u>6,749,952,910</u>	<u>(1,588,920,333)</u>	<u>13,094,426,199</u>	<u>51,769,769,357</u>
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
Increase in the year	-	-	510,857,693	-	822,531,476	64,207,111,775
Decrease in the year	-	-	-	-	-	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>

b. Share capital

	31/12/2016	01/01/2016
Central Power Corporation	236,450,000,000	236,450,000,000
Other shareholders	366,433,310,000	366,433,310,000
Par value of treasury shares	1,999,300,000	1,999,300,000
Total	<u>604,882,610,000</u>	<u>604,882,610,000</u>

c. Capital transactions with owners and distribution of dividend

	Year 2016	Year 2015
Share capital		
- Beginning balance	604,882,610,000	604,882,610,000
- Increase in the year	-	-
- Decrease in the year	-	-
- Ending balance	604,882,610,000	604,882,610,000
Dividend paid	48,230,664,800	60,288,331,000



d. Shares

	31/12/2016	01/01/2016
	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
- <i>Common shares</i>	<i>60,488,261</i>	<i>60,488,261</i>
- <i>Preferred shares (classified as owners' equity)</i>	-	-
Number of shares bought back (treasury shares)	199,930	199,930
- <i>Common shares</i>	<i>199,930</i>	<i>199,930</i>
- <i>Preferred shares (classified as owners' equity)</i>	-	-
Number of outstanding shares	60,288,331	60,288,331
- <i>Common shares</i>	<i>60,288,331</i>	<i>60,288,331</i>
- <i>Preferred shares (classified as owners' equity)</i>	-	-
Par value of outstanding shares: VND10,000 each		

e. Dividend

Resolution of the 2016 General Shareholders' Meeting No. 01/2016/NQ-DHDCD dated 21/04/2016 approved the plan for paying dividend of 2015 in cash at 8% of the charter capital (equivalent to VND48,230,664,800). The Company has paid this amount of dividend in the year 2016.

f.

g. Undistributed profit

	Year 2016	Year 2015
Profit brought forward	51,769,769,357	67,535,565,155
Profit after corporate income tax of current year	64,207,111,775	51,769,769,357
Distribution of profit	51,769,769,357	67,535,565,155
- Distribution of prior-year profit (*)	51,769,769,357	67,535,565,155
+ <i>Additional reserve fund</i>	<i>510,857,693</i>	<i>2,057,780,246</i>
+ <i>Investment and development fund</i>	<i>822,531,476</i>	<i>2,674,302,605</i>
+ <i>Reward and welfare fund</i>	<i>1,021,715,388</i>	<i>1,337,151,304</i>
+ <i>Reward fund for the Management</i>	<i>500,000,000</i>	<i>500,000,000</i>
+ <i>Paying dividend</i>	<i>48,230,664,800</i>	<i>60,288,331,000</i>
+ <i>Remunerations for the Board of Directors and Supervisory Board</i>	<i>684,000,000</i>	<i>678,000,000</i>
- Temporary distribution of current-year profit	-	-
Undistributed profit	<u>64,207,111,775</u>	<u>51,769,769,357</u>

(*) The 2015 profit was distributed in accordance with Resolution of the 2016 General Shareholders' Meeting No. 01/2016/NQ-DHDCD dated 21/04/2016.



21. Revenue from sales and service provision

	Year 2016	Year 2015
Revenue from selling electricity	206,893,448,519	192,868,359,754
Revenue from rendering services	5,011,722,831	2,057,420,233
Total	211,905,171,350	194,925,779,987

22. Cost of goods sold

	Year 2016	Year 2015
Cost of electricity sold	63,014,974,372	65,203,416,162
Cost of services rendered	4,888,979,472	1,978,288,685
Total	67,903,953,844	67,181,704,847

23. Financial income

	Year 2016	Year 2015
Loan interest, deposit interest	33,271,356	86,186,919
Realized foreign exchange gains	-	1,025,405
Total	33,271,356	87,212,324

24. Financial expenses

	Year 2016	Year 2015
Loan interest	64,181,390,598	61,747,829,453
Realized foreign exchange losses	-	1,123,533,712
Interest on late payment of dividend	202,821,555	855,160,833
Others	726,953	11,556,832
Total	64,384,939,106	63,738,080,830



25. Administrative expenses

	Year 2016	Year 2015
Materials, tools expenses	486,498,940	266,587,621
Labor costs	6,739,102,595	5,824,019,983
Depreciation expenses	356,053,898	406,018,895
Outside service expenses	960,894,822	846,042,534
Other cash expenses	972,648,691	916,402,768
Total	9,515,198,946	8,259,071,801

26. Other income

	Year 2016	Year 2015
Received fee for using electricity of K'rong H'nang Plant	222,336,648	158,322,474
Forest environment fee of 2011, 2012 paid back	-	1,259,952,000
Unclaimed forest environment fee of 2011	-	357,023,560
Others	71,598,442	289,478,630
Total	293,935,090	2,064,776,664

27. Other expenses

	Year 2016	Year 2015
Electricity expenses of Krong H'nang Plant	222,336,647	158,322,472
Listing management fee	66,291,408	67,021,821
Fine for late payment	476,163,777	-
Others	46,666,400	150,867,698
Total	811,458,232	376,211,991

28. Current corporate income tax expense

	Year 2016	Year 2015
Accounting profit before tax	69,616,827,668	57,522,699,506
- From principal activities of Khe Dien Hydropower Plant	12,408,238,287	16,328,076,106
- From principal activities of Krong H'nang Plant	57,120,791,534	41,120,762,400
- From principal activities of the Consulting Center	3,355,495	1,391,463
- From principal activities of Head Office	84,442,352	72,469,537
Adjustment to taxable income	747,891,740	1,175,152,988
- Increasing adjustments (unqualified expenses)	747,891,740	1,175,152,988
+ Khe Dien Hydropower Plant	41,718,332	94,543,533
+ Krong H'nang Hydropower Plant	634,061,723	1,000,398,770
+ The Consulting Center	-	1,546,149
+ Head Office	72,111,685	78,664,536
- Decreasing adjustments	-	-
Total taxable income	70,364,719,408	58,697,852,494
- From principal activities of Khe Dien Hydropower Plant	12,449,956,619	16,422,619,639
- From principal activities of Krong H'nang Plant	57,754,853,257	42,121,161,170
- From principal activities of the Consulting Center	3,355,495	2,937,612
- From principal activities of Head Office	156,554,037	151,134,073
Corporate income tax as regulated	8,297,458,556	7,858,988,208
+ Khe Dien Hydropower Plant	2,489,991,324	3,612,976,320
+ Krong H'nang Hydropower Plant	5,775,485,326	4,212,116,117
+ The Consulting Center	671,099	646,275
+ Head Office	31,310,807	33,249,496
Reduced, exempted corporate income tax	2,887,742,663	2,106,058,059
+ Khe Dien Hydropower Plant	-	-
+ Krong H'nang Hydropower Plant (50%)	2,887,742,663	2,106,058,059
Current corporate income tax expense	5,409,715,893	5,752,930,149
<i>In which:</i>		
- Current corporate income tax expense this year	5,409,715,893	5,752,930,149
+ Khe Dien Hydropower Plant	2,489,991,324	3,612,976,320
+ Krong H'nang Hydropower Plant	2,887,742,663	2,106,058,058
+ The Consulting Center	671,099	646,275
+ Head Office	31,310,807	33,249,496



29. Basic, diluted earnings per share

	Year 2016	Year 2015
Accounting profit after corporate income tax	64,207,111,775	51,769,769,357
Adjustments increasing or decreasing accounting profit	-	(2,205,715,388)
- Increase	-	-
- Decrease (appropriated for reward and welfare fund, reward fund of the Management, Remunerations for the Board of Directors and Supervisory Board)	-	2,205,715,388
Profit or loss attributable to common shareholders	64,207,111,775	49,564,053,969
Weighted average number of outstanding common shares	60,288,331	60,288,331
Basic, diluted earnings per share	1,065	822

(*) Basis, diluted earnings per share of the year 2016 is 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 can be changed upon the Decision on distribution of profit of the General Shareholders' Meeting later.

30. Operating expenses by elements

	Year 2016	Year 2015
Materials expenses	10,881,945,511	8,701,945,831
Labor costs	14,930,355,670	13,960,925,069
Depreciation and amortization expenses	38,336,055,325	37,225,591,748
Outside service expenses	5,100,323,582	6,936,042,818
Other cash expenses	8,071,584,052	8,860,545,256
Total	77,320,264,140	75,685,050,722

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.



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 of the activity of purchasing and selling electricity in Vietnam, the Management assumes that the Company has no significant exposure to credit risk with 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,...



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

31/12/2016	Within 1 year	Over 1 year	Total
Trade payables	5,910,174,163	-	5,910,174,163
Accrued expenses	8,779,658,446	-	8,779,658,446
Loans and finance lease liabilities	67,720,000,000	583,904,000,000	651,624,000,000
Other payables	25,391,903,134	-	25,391,903,134
Total	107,801,735,743	583,904,000,000	691,705,735,743
01/01/2016	Within 1 year	Over 1 year	Total
Trade payables	6,714,570,291	-	6,714,570,291
Accrued expenses	4,734,120,365	-	4,734,120,365
Loans and finance lease liabilities	59,830,000,000	652,874,000,000	712,704,000,000
Other payables	28,561,582,185	-	28,561,582,185
Total	99,840,272,841	652,874,000,000	752,714,272,841

The Management assumes that the Company has high exposure to liquidity risk but 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:

31/12/2016	Within 1 year	Over 1 year	Total
Cash and cash equivalents	14,819,783,143	-	14,819,783,143
Trade receivables	48,425,521,593	-	48,425,521,593
Other receivables	714,461,496	2,004,000,000	2,718,461,496
Total	63,959,766,232	2,004,000,000	65,963,766,232
01/01/2016	Within 1 year	Over 1 year	Total
Cash and cash equivalents	838,160,183	-	838,160,183
Trade receivables	86,672,043,422	-	86,672,043,422
Other receivables	701,106,450	2,004,000,000	2,705,106,450
Total	88,211,310,055	2,004,000,000	90,215,310,055

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

b. Significant transactions with related parties in the year

	Transactions	Year 2016	Year 2015
Central Power Corporation	Sales of electricity	39,976,782,809	46,555,739,380
	Dividend payable	18,916,000,000	23,645,000,000
	Dividend paid	23,645,000,000	5,000,000,000
	Purchasing electricity	550,684,860	657,471,298
Electricity Power Trading Company	Sales of electricity	166,894,736,469	146,291,543,153

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

	Year 2016	Year 2015
Remunerations, bonus for the Board of Directors	745,500,000	932,000,000
Income of the Management	1,863,470,868	1,406,084,281

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 31/12/2015 which had been audited by AAC.



Phạm Phong
General Director

Da Nang City, 7 February 2017



Phạm Thái Hùng
Chief Accountant



Trương Ngọc Hùng
Preparer



Geographical segments	Khe Dien Hydropower Plant - Quang Nam Province		Krong H'ngang Hydropower Plant - Dak Lak and Phu Yen Province		Head Office & Dam Safety Testing and Consulting Center		Total	
	Year 2016	Year 2015	Year 2016	Year 2015	Year 2016	Year 2015	Year 2016	Year 2015
	VND	VND	VND	VND	VND	VND	VND	VND
Revenue from sales and service provision	39,998,712,050	46,576,816,601	166,894,736,469	146,291,543,153	5,011,722,831	2,057,420,233	211,905,171,350	194,925,779,987
Revenue deductions	-	-	-	-	-	-	-	-
Cost of goods sold	15,043,224,161	19,060,469,376	47,971,750,211	46,142,946,786	4,888,979,472	1,978,288,685	67,903,953,844	67,181,704,847
Financial income	345,700	873,800	764,100	769,500	32,161,556	85,569,024	33,271,356	87,212,324
Financial expenses	10,243,240,044	10,414,815,310	54,141,699,062	53,323,265,520	-	-	64,384,939,106	63,738,080,830
Selling expenses	-	-	-	-	-	-	-	-
Administrative expenses	2,267,226,126	2,343,224,029	7,230,019,594	5,672,644,234	17,953,226	243,203,538	9,515,198,946	8,259,071,801
Operating profit	12,445,367,419	14,759,181,686	57,552,031,702	41,153,456,113	136,951,689	(78,502,966)	70,134,350,810	55,834,134,833
Other income	4,589,200	1,621,079,560	-	-	289,345,890	443,697,104	293,935,090	2,064,776,664
Other expenses	41,718,332	52,185,140	431,240,168	32,693,713	338,499,732	291,333,138	811,458,232	376,211,991
Other profit (loss)	(37,129,132)	1,568,894,420	(431,240,168)	(32,693,713)	(49,153,842)	152,363,966	(517,523,142)	1,688,564,673
Profit before tax	12,408,238,287	16,328,076,106	57,120,791,534	41,120,762,400	87,797,847	73,861,000	69,616,827,668	57,522,699,506
Corporate income tax	2,489,991,324	3,612,976,320	2,887,742,663	2,106,058,058	31,981,906	33,895,771	5,409,715,893	5,752,930,149
Profit after tax	9,918,246,963	12,715,099,786	54,233,048,871	39,014,704,342	55,815,941	39,965,229	64,207,111,775	51,769,769,357
Fixed assets	31/12/2016	01/01/2016	31/12/2016	01/01/2016	31/12/2016	01/01/2016	31/12/2016	01/01/2016
Tangible fixed assets	115,064,833,524	122,309,639,813	1,170,519,026,260	1,201,254,221,398	4,648,838,885	4,959,167,401	1,290,232,698,669	1,328,523,028,612
- Cost	191,229,990,673	191,229,990,673	1,401,454,456,556	1,401,454,456,556	7,403,096,512	7,378,399,151	1,600,087,543,741	1,600,062,846,380
- Accumulated depreciation	76,165,157,149	68,920,350,860	230,935,430,296	200,200,235,158	2,754,257,627	2,419,231,750	309,854,845,072	271,539,817,768
Intangible fixed assets	-	-	-	-	5,181,539,559	5,202,567,580	5,181,539,559	5,202,567,580
- Cost	-	-	-	-	5,478,061,800	5,478,061,800	5,478,061,800	5,478,061,800
- Accumulated amortization	-	-	-	-	296,522,241	275,494,220	296,522,241	275,494,220



CERTIFICATION OF THE LEGAL REPRESENTATIVE OF THE COMPANY

On behalf of the Management



Phạm Phong

Phạm Phong
General Director



SONG BA JOINT STOCK COMPANY

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