

**SONG BA
JOINT STOCK COMPANY**

No. 466 /21/S3-P5

Re: On disclosure of interim
financial statements for the six-
month period ended 30/06/2021.

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom – Happiness

Da Nang, 12 August 2021

**DISCLOSURE OF INFORMATION ON THE STATE SECURITIES
COMMISSION'S PORTAL AND HOCHIMINH STOCK EXCHANGE'S
PORTAL**

To:

- The State Securities Commission;
- HoChiMinh Stock Exchange.

- Organization name: Song Ba Joint Stock Company
- Securities Symbol: SBA
- Head office address: 573 Nui Thanh, Hai Chau District, Da Nang City
- Telephone: 0236.3653592 – 0236.2215592
- Fax: 0236.3653593
- Information disclosure type: Periodic Irregular 24 hours On demand
- Content of Information disclosure:

Interim financial statements for the six-month period ended 30/06/2021 of Song Ba JSC have been reviewed by AAC Auditing and Accounting Co., Ltd.

(Interim financial statements for the six-month period ended 30/06/2021 dated 05 August 2021 attached).

I declare that all information provided in this paper is true and accurate; I shall be legally responsible for any misrepresentation.

Yours truly,

Recipients:

- As above;
- Website SBA;
- Save: P5; Documentary department.



GENERAL DIRECTOR

DINH CHAU HIEU THIEN





SONG BA
JOINT STOCK COMPANY
Interim financial statements
For the six-month period ended 30/06/2021

CONTENTS	Page
Report of the Management	1 - 3
Report on Review of Interim Financial Information	4
Interim financial statements	
• Interim balance sheet	5 - 6
• Interim income statement	7
• Interim statement of cash flows	8
• Notes to the interim financial statements	9 - 32

REPORT OF THE MANAGEMENT

The Management of Song Ba Joint Stock Company is pleased to present this report together with the reviewed interim financial statements for the six-month period ended 30/06/2021.

Overview

Song Ba Joint Stock Company (“the Company”) was incorporated on the basis of converting from Song Ba Electricity Investment and Development Co., Ltd to joint stock company (Song Ba Electricity Investment and Development Co., Ltd was established under the Joint Venture Contract between Power Company No.3 (now being Central Power Corporation) and Vietnam Electricity Construction Joint Stock Corporation). The Company was granted Business Registration Certificate (now being Enterprise Registration Certificate) No. 0400439955 dated 04/07/2007 by Da Nang City Planning and Investment Department. Since the establishment date, the Enterprise Registration Certificate has been amended 11 times and the nearest amendment was made on 01/07/2021. 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 securities code SBA. The official trading date of the shares was 01/06/2010.

Charter capital: VND604,882,610,000

Paid-in capital as at 30/06/2021: 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’ngang Hydropower Plant;
- Branch of Song Ba Joint Stock Company - Dam Safety Testing and Consulting Center.

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 (traffic, 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;

REPORT OF THE MANAGEMENT (cont'd)

- 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 St., Hoa Cuong Nam Ward, Hai Chau Dist., 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 30/06/2021, the Company had 95 employees including 12 managing officers.

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

Board of Directors

- | | | |
|----------------------------|----------|------------------------|
| • Mr. Thai Hong Quan | Chairman | Elected on 25/06/2021 |
| | Member | Elected on 30/06/2020 |
| • Mr. Dinh Chau Hieu Thien | Chairman | Elected on 30/06/2020 |
| | Member | Resigned on 25/06/2021 |
| | Member | Elected on 30/06/2020 |
| • Mr. Pham Phong | Member | Elected on 30/06/2020 |
| • Mr. Nguyen Quang Hung | Member | Elected on 30/06/2020 |
| • Mr. Hoang Nam Son | Member | Elected on 30/06/2020 |

Supervisory Board

- | | | |
|------------------------|---------------------------|-----------------------|
| • Ms. Phan Thi Anh Dao | Head of Supervisory Board | Elected on 30/06/2020 |
| • Ms. Huynh Thi Long | Member | Elected on 30/06/2020 |
| • Mr. Do Dat Quang | Member | Elected on 30/06/2020 |



AAC AUDITING AND ACCOUNTING CO., LTD

AN INDEPENDENT MEMBER OF PRIMEGLOBAL

AUDITING - ACCOUNTING - FINANCE SPECIALITY

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

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

No. 829/2021/BCSX-AAC

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

We have reviewed the interim financial statements which were prepared on 05/08/2021 of Song Ba Joint Stock Company (hereinafter referred to as "the Company") as attached from page 5 to page 32, comprising the interim balance sheet as at 30/06/2021, the interim income statement, interim statement of cash flows and notes to the interim financial statements for the six-month period then ended.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30/06/2021, and its financial performance and its cash flows for the six-month period then ended, in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the interim financial statements.

AAC Auditing and Accounting Co., Ltd.



Lam Quang Tu – Deputy General Director

Audit Practicing Registration Certificate

No. 1031-2018-010-1

Da Nang City, 6 August 2021

INTERIM BALANCE SHEET
As at 30/06/2021

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

ASSETS	Code	Note	30/06/2021 VND	01/01/2021 VND
A. CURRENT ASSETS	100		52,216,808,215	106,732,921,842
I. Cash and cash equivalents	110	5	9,955,229,403	12,017,851,625
1. Cash	111		2,455,229,403	12,017,851,625
2. Cash equivalents	112		7,500,000,000	-
II. Short-term financial investments	120		-	-
III. Short-term receivables	130		33,775,233,630	86,848,505,035
1. Short-term trade receivables	131	6	30,079,021,460	78,514,138,212
2. Short-term prepayments to suppliers	132	7	1,868,665,180	2,323,003,416
3. Other short-term receivables	136	8.a	1,827,546,990	6,011,363,407
IV. Inventories	140	9	2,539,358,270	2,852,848,983
1. Inventories	141		2,539,358,270	2,852,848,983
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		5,946,986,912	5,013,716,199
1. Short-term prepaid expenses	151	10.a	4,517,195,064	1,623,991,926
2. Deductible VAT	152		1,429,791,848	3,352,474,310
3. Taxes and amounts receivable from the State	153	16	-	37,249,963
B. LONG-TERM ASSETS	200		1,196,902,548,718	1,210,615,222,697
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		1,171,105,104,652	1,182,480,556,838
1. Tangible fixed assets	221	11	1,165,929,842,852	1,177,305,295,038
- Cost	222		1,689,189,493,544	1,680,852,603,981
- Accumulated depreciation	223		(523,259,650,692)	(503,547,308,943)
2. Intangible fixed assets	227	12	5,175,261,800	5,175,261,800
- Cost	228		5,478,061,800	5,478,061,800
- Accumulated amortization	229		(302,800,000)	(302,800,000)
III. Investment properties	230		-	-
IV. Long-term assets in progress	240		14,017,494,524	8,721,214,787
1. Long-term work in process	241		-	-
2. Construction in progress	242	13	14,017,494,524	8,721,214,787
V. Long-term financial investments	250		-	-
VI. Other long-term assets	260		9,775,949,542	17,409,451,072
1. Long-term prepaid expenses	261	10.b	9,775,949,542	17,409,451,072
2. Other long-term assets	268		-	-
TOTAL ASSETS	270		1,249,119,356,933	1,317,348,144,539

INTERIM BALANCE SHEET (cont'd)
As at 30/06/2021

RESOURCES	Code	Note	30/06/2021 VND	01/01/2021 VND
C. LIABILITIES	300		412,278,320,540	513,080,977,264
I. Current liabilities	310		114,509,528,212	186,794,762,808
1. Short-term trade payables	311	14	1,297,759,536	2,280,124,938
2. Short-term advances from customers	312	15	1,166,000,000	1,166,000,000
3. Taxes and amounts payable to the State budget	313	16	5,195,228,747	28,619,932,327
4. Payables to employees	314		1,693,828,322	7,211,570,682
5. Short-term accrued expenses	315	17	1,094,179,545	4,595,566,188
6. Other short-term payables	319	18	9,189,954,930	38,251,795,100
7. Short-term loans and finance lease liabilities	320	19.a	89,861,046,068	102,823,995,530
8. Reward and welfare fund	322		5,011,531,064	1,845,778,043
II. Long-term liabilities	330		297,768,792,328	326,286,214,456
1. Long-term trade payables	331		-	-
2. Long-term loans and finance lease liabilities	338	19.b	297,768,792,328	326,286,214,456
D. EQUITY	400		836,841,036,393	804,267,167,275
I. Owners' equity	410		836,841,036,393	804,267,167,275
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. Treasury shares	415	20	(2,405,771,754)	(2,405,771,754)
3. Investment and development fund	418	20	53,979,929,268	48,955,973,929
4. Undistributed profit after tax	421	20	180,384,268,879	152,834,355,100
- Undistributed profit after tax up to prior year-end	421a	20	142,091,304,306	50,957,901,931
- Undistributed profit after tax this period	421b	20	38,292,964,573	101,876,453,169
II. Budget sources and other funds	430		-	-
TOTAL RESOURCES	440		1,249,119,356,933	1,317,348,144,539



[Signature]
Đình Châu Hiếu Thiên
General Director

Da Nang City, 05 August 2021

[Signature]
Phạm Thái Hưng
Chief Accountant

[Signature]
Trương Ngọc Hưng
Preparer

INTERIM STATEMENT OF CASH FLOWS
For the six-month period ended 30/06/2021

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

ITEMS	Code	Note	First 6 months of	First 6 months of
			2021	2020
			VND	VND
1. Revenue from sales and service provision	01	21	120,804,360,030	64,923,308,381
2. Deductions	02		-	-
3. Net revenue from sales and service provision	10		120,804,360,030	64,923,308,381
4. Cost of goods sold	11	22	54,493,498,303	29,613,927,984
5. Gross profit from sales and service provision	20		66,310,861,727	35,309,380,397
6. Financial income	21	23	76,610,693	2,778,908
7. Financial expenses	22	24	17,882,359,852	20,273,996,049
<i>Including: Interest expense</i>		23	17,708,425,402	20,273,996,049
8. Selling expenses	25		-	-
9. Administrative expenses	26	25	6,811,238,268	4,581,495,448
10. Operating profit	30		41,693,874,300	10,456,667,808
11. Other income	31	26	151,377,152	157,564,990
12. Other expenses	32	27	489,687,534	245,481,293
13. Other profit	40		(338,310,382)	(87,916,303)
14. Accounting profit before tax	50		41,355,563,918	10,368,751,505
15. Current corporate income tax expense	51	28	3,062,599,345	1,556,140,977
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		38,292,964,573	8,812,610,528
18. Basic earnings per share	70	29	635	146
19. Diluted earnings per share	71	29	635	146



[Signature]
Đình Châu Hiếu Thiên
General Director

[Signature]
Phạm Thái Hưng
Chief Accountant

[Signature]
Trương Ngọc Hưng
Preparer

Da Nang City, 05 August 2021

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

Form B 09 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

1. Nature of operations

1.1. Overview

Song Ba Joint Stock Company (“the Company”) was incorporated on the basis of converting from Song Ba Electricity Investment and Development Co., Ltd to joint stock company (Song Ba Electricity Investment and Development Co., Ltd was established under the Joint Venture Contract between Power Company No.3 (now being Central Power Corporation) and Vietnam Electricity Construction Joint Stock Corporation). The Company was granted Business Registration Certificate (now being Enterprise Registration Certificate) No. 0400439955 dated 04/07/2007 by Da Nang City Planning and Investment Department. Since the establishment date, the Enterprise Registration Certificate has been amended 11 times and the nearest amendment was made on 01/07/2021). The Company is an independent accounting entity, operating in observance of the Enterprise Law, its Charter and other relevant regulations.

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

1.3. Operating activities

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

- Research and experimental development on natural sciences and engineering. Detail: Research and manufacture of mechanical and electrical parts of hydropower plant; Transfer of technology for construction techniques, equipment;
- Real estate activities with own or leased property. Detail: Leasing land, workshop, 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 30/06/2021, 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'ngang 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. These interim financial statements were prepared for the first 6 months of the year 2021 (starting from 01/01/2021 and ending on 30/06/2021).

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 and other receivables:

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

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for overdue receivables which the

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

Company has claimed many times but still have not collected yet or which have not been overdue but the debtor is in the state of insolvency, winding up, missing or running away.

4.3 Inventories

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

Value of inventories is calculated using the First-In, First-Out method and accounted for using the perpetual method with cost 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 for each kind of inventory when the net realizable value of that kind of inventory is less than cost.

4.4 Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Depreciation

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

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

In which, the depreciation period of the fixed assets of Krong H'ngang 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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

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

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

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 2003 and being granted with certificate of land use right by the competent authority.

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

Amortization

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

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

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

4.6 Prepaid expenses

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

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

4.7 Payables

Payables include: trade payables and other payables:

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

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

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

4.8 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.

4.9 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 original 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

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.

4.10 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.

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 generated to the national power grid and unit price stated in the following Economic Contracts:
 - ✓ For Khe Dien Hydropower Plant: Pursuant to Contract No. 05/2011/KHEDIEN/EVNCPC-SBA dated 31/05/2011 and Appendix No. 12 dated 24/02/2021 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 Hydropower Plant: Pursuant to Economic Contract No. 06/2012/HD-NMD-KRH dated 10/06/2012 and Contract for Amendment and Supplementation No. 08 dated 05/03/2021 with Viet Nam Electricity: competitive electricity price is applied.
- Revenue from sales and service provision is recognized to the extent that it is probable to obtain economic benefits, it can be reliably measured and the following conditions are also met:
 - ✓ 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

- 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 other expenses attributable to 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

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

- Value Added Tax (VAT): tax rate of 10% is applicable to sales of electricity; other activities are subject to tax rates in accordance with the current regulations.
- Corporate Income Tax (CIT):

✓ For Khe Dien Hydropower Plant: Applicable tax rate is 20%.

✓ For the expanded Khe Dien Hydropower Plant: tax rate of 20% is applied, exempted from tax for 4 years and entitled to 50% reduction of tax amount payable for the next 9 years as from the time the expansion investment project is completed and put into operation generating taxable income. 2021 was the first year the expansion investment project has made taxable income. Accordingly, income from the expanded Khe Dien Hydropower Plant is exempted from CIT from 2021 to 2024 and entitled to 50% reduction of CIT from 2025 to 2033.

The aforesaid CIT incentives are indicated in Clause 4, Article 10 and Article 12, Circular No. 96/2015/TT-BTC dated 22/06/2015 of the Ministry of Finance.

✓ 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 above-mentioned 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 and cash equivalents

	30/06/2021	01/01/2021
Cash on hand	611,917,087	854,816,211
Bank demand deposit	1,843,312,316	11,163,035,414
1-month deposit in bank	7,500,000,000	-
Total	9,955,229,403	12,017,851,625

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

6. Short-term trade receivables

	30/06/2021	01/01/2021
Central Power Corporation	7,150,011,017	13,662,965,831
Electricity Power Trading Company	19,001,884,900	61,901,083,909
Others	3,927,125,543	2,950,088,472
Total	30,079,021,460	78,514,138,212

In which: trade receivables from related parties

	Relationship	30/06/2021	01/01/2021
Central Power Corporation	Investor	7,150,011,017	13,662,965,831
Electricity Power Trading Company	Cùng Tập đoàn với Investor	19,001,884,900	61,901,083,909
Total		26,151,895,917	75,564,049,740

7. Short-term prepayments to suppliers

	30/06/2021	01/01/2021
Infrastructure and Electric Energy Investment Consultancy JSC	850,000,000	-
Phu An Duong JSC	438,014,847	438,014,847
Dai Loc Construction JSC	300,012,933	-
Branch of Saigontourist Travel Service Company Limited in Da Nang	204,917,300	-
Others	75,720,100	1,884,988,569
Total	1,868,665,180	2,323,003,416

8. Other receivables

a. Short-term

	30/06/2021		01/01/2021	
	Amount	Provision	Amount	Provision
Advances	654,729,874	-	3,595,447,738	-
Deposits, collaterals	-	-	682,258,046	-
Other receivables	1,172,817,116	-	1,733,657,623	-
Total	1,827,546,990	-	6,011,363,407	-

b. Long-term

	30/06/2021		01/01/2021	
	Amount	Provision	Amount	Provision
Deposits, collaterals	2,004,000,000	-	2,004,000,000	-
Total	2,004,000,000	-	2,004,000,000	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

9. Inventories

	30/06/2021		01/01/2021	
	Cost	Provision	Cost	Provision
Materials	931,446,471	-	953,015,946	-
Tools, instruments	696,735,800	-	841,075,800	-
Work in process	911,175,999	-	1,058,757,237	-
Total	2,539,358,270	-	2,852,848,983	-

- There are no inventories which are unsold, in poor quality at 30/06/2021.
- There are no inventories which were pledged, mortgaged as security for debts as at 30/06/2021.

10. Prepaid expenses

a. Short-term

	30/06/2021	01/01/2021
Costs of repairing assets	4,112,956,889	1,482,846,979
Insurance expense	105,578,765	141,144,947
Costs of planting and caring forest of Khe Dien Hyropower Plan	298,659,410	-
Total	4,517,195,064	1,623,991,926

b. Long-term

	30/06/2021	01/01/2021
Cost of installing the monitoring equipment system of Krong H'ngang Hydropower Project	662,878,789	1,060,606,061
Construction costs of drainage works downstream of the dam - Krong H'ngang Hydropower Plant	380,616,728	608,986,764
Costs for treating water leakage in tunnels of Krong H'ngang Hydropower Project	1,655,680,460	2,558,778,894
Cost of installing concrete sun block of Khe Dien Hydropower Plant	564,175,963	871,908,305
Cost of improving Tam Phuc Stream to increase capacity of Khe Dien Hyropower Plant	461,566,436	738,506,300
Cost of installing the monitoring equipment system of Khe Dien Hydropower Project	280,965,833	449,545,333
Costs of repairing the unit	2,806,984,367	6,042,487,463
Bypass - Nong Son Coal Mine - Khe Dien Hydropower Plant	2,166,255,823	3,032,758,151
Costs of dredging channel to intake of Krong H'ngang Hydropower Project	552,834,364	1,216,235,590
Costs of tools, instruments pending amortization	234,449,506	358,503,079
Other prepaid expenses	9,541,273	471,135,132
Total	9,775,949,542	17,409,451,072

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

11. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	1,213,202,011,691	385,265,913,961	81,836,738,864	547,939,465	1,680,852,603,981
Increase in the year	2,953,086,781	5,245,620,963	-	138,181,819	8,336,889,563
Decrease in the year	-	-	-	-	-
Ending balance	1,216,155,098,472	390,511,534,924	81,836,738,864	686,121,284	1,689,189,493,544
Depreciation					
Beginning balance	246,648,228,381	209,484,374,114	47,005,404,598	409,301,850	503,547,308,943
Charge for the year	9,835,332,081	7,987,870,973	1,839,604,102	49,534,593	19,712,341,749
Decrease in the year	-	-	-	-	-
Ending balance	256,483,560,462	217,472,245,087	48,845,008,700	458,836,443	523,259,650,692
Net book value					
Beginning balance	966,553,783,310	175,781,539,847	34,831,334,266	138,637,615	1,177,305,295,038
Ending balance	959,671,538,010	173,039,289,837	32,991,730,164	227,284,841	1,165,929,842,852

- As at 30/06/2021, tangible fixed assets with a carrying value of VND1,161,797,442,122 have been mortgaged as collateral for borrowings granted to the Company.
- Cost of tangible fixed assets fully depreciated but still in active use at 30/06/2021 is VND18,618,286,547.
- 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'nanh 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 written notification of such to the Tax Department (Official Letter No. 223/11/S3-TC dated 09/06/2011).
- On 25/04/2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC guiding the management, use and depreciation of fixed assets. According to Clause c, Point 2, Article 13, one of the conditions for applying the method of depreciation based on volume is that the actual capacity per month in the fiscal year is not less than 100% of design capacity. On 31/07/2013, the Company sent Official Letter No. 279/13/S3-TCKT to the Ministry of Finance asking for the guidance on applying the regulations of Circular 45/2013/TT-BTC to the Company's actual operations. On 14/10/2013, the Ministry of Finance issued Official Letter No. 13633/BTC-TCDN to permit Song Ba Joint Stock Company to keep applying the method of depreciation based on volume to the fixed assets directly participating in the electricity generation which the Company registered with Da Nang City Tax Department in case of failure to reach 100% of design capacity provided that Song Ba Joint Stock Company must ensure sufficient resources to repay investment loans of credit institutions and the depreciation period does not exceed the technical life of the assets.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

12. Intangible fixed assets

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

(*) This represents the indefinite lived land use rights at 573 Nui Thanh Street, Hai Chau District, Da Nang City of 410.5m² which is used as the Company's Head Office.

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

Cost of intangible fixed assets fully amortized but still in active use at 30/06/2020 is VND302,800,000.

13. Construction in progress

	30/06/2021	01/01/2021
Construction in progress	14,017,494,524	8,721,214,787
- Krong H'nang 2 Hydropower Plant	3,475,284,736	3,475,284,736
- Song Tranh 1 Hydropower Plant	5,245,930,051	5,245,930,051
- Working item of dealing with damage caused by rain and flood in 2020 Khe Dien Hydropower Plant	5,121,965,237	-
- Other repair, improvement costs	174,314,500	-
Total	14,017,494,524	8,721,214,787

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

14. Short-term trade payables

	30/06/2021	01/01/2021
6.3 Joint Stock Company	534,390,293	754,689,703
Song Tien Construction Joint Stock Company	395,019,426	395,019,426
Hung Trang Joint Stock Company	270,804,462	270,804,462
Others	97,545,355	859,611,347
Total	1,297,759,536	2,280,124,938

15. Short-term advances from customers

	30/06/2021	01/01/2021
Science and Technology Department of Phu Yen Province	482,000,000	482,000,000
Science and Technology Department of Quang Nam Province	684,000,000	684,000,000
Total	1,166,000,000	1,166,000,000

16. Taxes and amounts payable to the State

	Beginning balance		Amount to be paid	Actual amount paid in the period	Ending balance	
	Payable	Receivable			Payable	Receivable
VAT	10,884,489,739	-	8,018,582,474	17,309,114,983	1,593,957,230	-
CIT	3,789,438,392	-	3,062,599,345	5,788,113,485	1,063,924,252	-
PIT	-	37,249,963	1,752,196,578	1,549,895,337	165,051,278	-
Natural resources tax	10,060,782,244	-	7,510,433,506	16,011,083,867	1,560,131,883	-
License fee	-	-	6,000,000	6,000,000	-	-
Forest environment service fee	3,885,221,952	-	2,900,341,188	5,973,399,036	812,164,104	-
Fee for water resource exploitation license	-	-	2,557,189,000	2,557,189,000	-	-
Total	28,619,932,327	37,249,963	25,807,342,091	49,194,795,708	5,195,228,747	-

The Company's tax returns 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

	30/06/2021	01/01/2021
Loan interest payable	92,671,121	213,690,223
Interest on late payment of dividend	-	90,796,800
Survey expenses for preparing cost estimate and managing Song Bung 3A Project	823,070,763	828,292,043
Others	178,437,661	3,462,787,122
Total	1,094,179,545	4,595,566,188

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

18. Other short-term payables

	30/06/2021	01/01/2021
Trade union fees	9,692,592	-
Dividend payable	9,092,285,213	38,240,407,975
Other payables	87,977,125	11,387,125
Total	9,189,954,930	38,251,795,100

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
Commercial JS Bank-Trung Viet Branch	7,896,949,478	-	7,896,949,478	-
- Agreement No. 0158/CTV/HĐTDHM	7,896,949,478	-	7,896,949,478	-
Current portion of long-term loan from Orient Commercial JS Bank-Trung Viet Branch	94,927,046,052	28,517,422,128	33,583,422,112	89,861,046,068
- Agreement No. 024/2015/HĐTD-DN	72,000,000,000	21,600,000,000	21,600,000,000	72,000,000,000
- Agreement No. 0058/2019/HĐTD-OCB-DN	19,247,000,000	5,151,000,000	10,217,000,000	14,181,000,000
- Agreement No. 0057/2019/HĐTD-OCB-DN	3,680,046,052	1,766,422,128	1,766,422,112	3,680,046,068
Total	102,823,995,530	28,517,422,128	41,480,371,590	89,861,046,068

b. Long-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Long-term loan from Orient Commercial JS Bank-Trung Viet	421,213,260,508	-	33,583,422,112	387,629,838,396
- Agreement No. 024/2015/HĐTD-DN	300,000,000,000	-	21,600,000,000	278,400,000,000
- Agreement No. 0058/2019/HĐTD-OCB-DN	52,470,000,000	-	10,217,000,000	42,253,000,000
- Agreement No. 0057/2019/HĐTD-OCB-DN	68,743,260,508	-	1,766,422,112	66,976,838,396
Total	421,213,260,508	-	33,583,422,112	387,629,838,396
In which:				
- Amount due within 1 year	94,927,046,052			89,861,046,068
Long-term loans and finance lease liabilities	326,286,214,456			297,768,792,328

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

The Company is borrowing from Orient Commercial Joint Stock Bank (OCB) under the following loan agreements:

- Long-term loan agreement No. 024/2015/HDTD-DN dated 26/03/2015 with maximum credit amount of VND620,000,000,000 and the loan period of 120 months as from the first drawdown date at OCB – Quang Nam Branch. This loan was transferred to Orient Commercial Joint Stock Bank – Trung Viet Branch according to the Notice dated 01/04/2017 about transferring transaction of Song Ba Joint Stock Company to Orient Commercial Joint Stock Bank – Trung Viet Branch. The interest rate shall be adjusted as announced 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 at Viet Nam Development Bank – Phu Yen Branch) and is secured by Krong H'ngang Hydropower Plant.
- Long-term loan agreement No. 0058/2019/HDTD-OCB-DN dated 26/03/2019 with maximum credit amount of VND90,734,000,000 and the loan period of 61 months as from the first drawdown date at OCB – Trung Viet Branch. Interest rate shall be adjusted as announced every six months. The loan is used to refinance the loan borrowed from Vietcombank for the purpose of reimbursing the capital which the Company invested in Khe Dien Hydropower Plant Project under Credit Agreement No. 34/2013/VCB/KHDN dated 07/02/2013 and No. 162/2014/VCB-KHDN dated 14/05/2014 with respective balance of VND22,100,000,000 and VND68,634,000,000. The loan is secured by the indefinite lived land use rights at 573 Nui Thanh Street, Hai Chau District, Da Nang City and Khe Dien Hydropower Plant.
- Long-term loan agreement No. 0057/2019/HDTD-OCB-DN dated 26/03/2019 with maximum credit amount of VND72,000,000,000 and the loan period of 132 months as from the day following the first drawdown date at OCB – Trung Viet Branch. Interest rate is agreed in the promissory notes and subject to change every six months. The loan is for the purpose of investing in the project on expansion of Khe Dien Hydropower Plant from design capacity of 9MW to 15MW. The loan is secured by the indefinite lived land use rights at 573 Nui Thanh Street, Hai Chau District, Da Nang City, Khe Dien Hydropower Plant and Krong H'ngang Hydropower Plant.

20. Owners' equity

a. Statement of changes in owners' equity

	Share capital	Treasury shares	Investment and development fund	Undistributed profit after tax	Total
As at 01/01/2020	604,882,610,000	(2,381,126,754)	39,282,271,715	138,298,908,452	780,082,663,413
Increase in the year	-	(24,645,000)	9,673,702,214	101,876,453,169	111,525,510,383
Decrease in the year	-	-	-	87,341,006,521	87,341,006,521
As at 31/12/2020	<u>604,882,610,000</u>	<u>(2,405,771,754)</u>	<u>48,955,973,929</u>	<u>152,834,355,100</u>	<u>804,267,167,275</u>
As at 01/01/2021	604,882,610,000	(2,405,771,754)	48,955,973,929	152,834,355,100	804,267,167,275
Increase in the year	-	-	5,023,955,339	38,292,964,573	43,316,919,912
Decrease in the year	-	-	-	10,743,050,794	10,743,050,794
As at 30/06/2021	<u>604,882,610,000</u>	<u>(2,405,771,754)</u>	<u>53,979,929,268</u>	<u>180,384,268,879</u>	<u>836,841,036,393</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

b. Capital transactions with the owners and distribution of dividend

	First 6 months of 2021	First 6 months of 2020
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	-	-

c. Shares

	30/06/2021 Shares	01/01/2021 Shares
Number of shares registered to be issued	60,488,261	60,488,261
Number of shares issued publicly	60,488,261	60,488,261
- Common shares	60,488,261	60,488,261
- Preferred shares (classified as owners' equity)	-	-
Number of shares bought back (treasury shares)	203,090	203,090
- Common shares	203,090	203,090
- Preferred shares (classified as owners' equity)	-	-
Number of outstanding shares	60,285,171	60,285,171
- Common shares	60,285,171	60,285,171
- Preferred shares (classified as owners' equity)	-	-
Par value of outstanding shares: VND10,000 each		

d. Undistributed profit after tax

	First 6 months of 2021	First 6 months of 2020
Profit brought forward	152,834,355,100	138,298,908,452
Profit after corporate income tax of current period	38,292,964,573	8,812,610,528
Distribution of profit	10,743,050,794	14,998,801,321
- Distribution of profit of previous period (*)	10,743,050,794	14,998,801,321
+ Investment and development fund	5,023,955,339	9,673,702,214
+ Reward and welfare fund	3,014,373,204	2,902,110,664
+ Reward fund for the Management	1,307,375,867	1,382,588,443
+ Paying dividend	-	-
+ Remunerations for the Board of Directors and Supervisory Board	1,397,346,384	1,040,400,000
- Distribution of profit of reporting period	-	-
Undistributed profit after tax at the end of the year	180,384,268,879	132,112,717,659

(*) The 2020 profit after tax was distributed in accordance with Resolution of the 2021 Annual Shareholders' Meeting No. 01/2021/NQ-DHDCD dated 25/06/2021.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

e. Dividend

According to Resolution of the 2021 Annual General Shareholders' Meeting No. 01/2021/NQ-DHDCD dated 25/06/2021, it was resolved to approve the plan for paying dividend of 2020 in cash at 10% of the charter capital (equivalent to VND60,285,171,000). Up to now, this amount of dividend has not been paid yet.

21. Revenue from sales and service provision

	First 6 months of 2021	First 6 months of 2020
Revenue from selling electricity	118,452,082,823	64,146,944,745
Revenue from rendering services	2,352,277,207	776,363,636
Total	120,804,360,030	64,923,308,381

22. Cost of goods sold

	First 6 months of 2021	First 6 months of 2020
Cost of electricity sold	52,227,424,926	28,866,677,984
Cost of services rendered	2,266,073,377	747,250,000
Total	54,493,498,303	29,613,927,984

23. Financial income

	First 6 months of 2021	First 6 months of 2020
Loan interest, deposit interest	76,610,693	2,778,908
Total	76,610,693	2,778,908

24. Financial expenses

	First 6 months of 2021	First 6 months of 2020
Loan interest	17,708,425,402	20,273,996,049
Interest on late payment of dividend	173,934,450	-
Total	17,882,359,852	20,273,996,049

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

25. Administrative expenses incurred in the period

	First 6 months of 2021	First 6 months of 2020
Materials, tools expenses	135,144,941	55,002,505
Labor costs	5,075,609,872	2,887,885,319
Depreciation expenses	150,021,165	133,921,816
Outside service expenses	635,944,950	469,060,656
Others	814,517,340	1,035,625,152
Total	6,811,238,268	4,581,495,448

26. Other income

	First 6 months of 2021	First 6 months of 2020
Received fee for using electricity of K'rong H'nang Plant	151,377,152	139,010,924
Others	-	18,554,066
Total	151,377,152	157,564,990

27. Other expenses

	First 6 months of 2021	First 6 months of 2020
Expenses for using electricity of K'rong H'nang Plant	151,377,152	139,010,924
Penalty for late payment of tax, fee	338,310,382	106,470,068
Other expenses	-	301
Total	489,687,534	245,481,293

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

28. Current corporate income tax expense

	First 6 months of 2021	First 6 months of 2020
Accounting profit before tax	41,355,563,918	10,368,751,505
- From principal activities of Khe Dien Hydropower Plant	10,723,610,701	6,774,340,002
- From principal activities of K'rong H'nang Hydropower Plant	30,499,585,175	3,548,814,599
- From principal activities of Head Office and Consulting Center	132,368,042	45,596,904
Adjustment to taxable income	596,912,650	152,868,993
- Increasing adjustments (unqualified expenses)	596,912,650	152,868,993
+ Khe Dien Hydropower Plant	13,352,335	495,651
+ K'rong H'nang Hydropower Plant	494,397,585	105,739,549
+ Head Office and Consulting Center	89,162,730	46,633,793
- Decreasing adjustments	-	-
Total taxable income	41,952,476,568	10,521,620,498
- From activities of Khe Dien Hydropower Plant	10,736,963,036	6,774,835,653
- From activities of K'rong H'nang Hydropower Plant	30,993,982,760	3,654,554,148
- From activities of Head Office and Consulting Center	221,530,772	92,230,697
Corporate income tax	5,291,097,037	1,738,868,686
+ Khe Dien Hydropower Plant	2,147,392,607	1,354,967,131
+ K'rong H'nang Hydropower Plant	3,099,398,276	365,455,416
+ Head Office and Consulting Center	44,306,154	18,446,139
Reduced, exempted corporate income tax	2,228,497,692	182,727,709
+ Khe Dien Hydropower Plant (tax incentives for new investment project)	678,798,553	-
+ K'rong H'nang Hydropower Plant (50%)	1,549,699,139	182,727,709
Current corporate income tax expense	3,062,599,345	1,556,140,977
<i>In which:</i>		
- Current corporate income tax expense this period	3,062,599,345	1,556,140,977
+ Khe Dien Hydropower Plant	1,468,594,054	1,354,967,131
+ K'rong H'nang Hydropower Plant	1,549,699,137	182,727,707
+ Head Office and Consulting Center	44,306,154	18,446,139

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

29. Basic, diluted earnings per share

	First 6 months of 2021	First 6 months of 2020
Profit after corporate income tax	38,292,964,573	8,812,610,528
Adjustments increasing or decreasing profit after tax	-	-
Profit or loss attributable to common shareholders	38,292,964,573	8,812,610,528
Weighted average number of outstanding common shares	60,285,171	60,286,695
Basic, diluted earnings per share	635	146

(*) Basis, diluted earnings per share 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. Accordingly, this figure can be changed upon the Profit Distribution Decision of the General Shareholder Meeting later.

30. Operating expenses by elements

	First 6 months of 2021	First 6 months of 2020
Materials expenses	886,309,582	1,314,846,868
Labor costs	9,493,570,722	5,773,225,027
Depreciation expenses	19,712,341,749	11,897,814,146
Outside service expenses	7,013,819,557	7,887,393,253
Other cash expenses	24,051,113,723	7,403,175,740
Total	61,157,155,333	34,276,455,034

31. Segment reporting

According to Vietnamese Accounting Standard No. 28 and the Circular guiding this Standard, the Company is required to have segment reporting. Accordingly, a segment is a distinguishable component of the Company that is engaged in providing related products or service (business segment) or providing goods or services in a specific economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

Geographical segments	Khe Dien Hydropower Plant - Quang Nam Province		Krong H'nang Hydropower Plant - Dak Lak and Phu Yen Province		Head Office & Dam Safety Testing and Consulting Center		Total	
	First 6 months of 2020	First 6 months of 2021	First 6 months of 2020	First 6 months of 2021	First 6 months of 2020	First 6 months of 2021	First 6 months of 2020	First 6 months of 2021
	VND	VND	VND	VND	VND	VND	VND	VND
Revenue from sales and service provision	35,279,250,738	21,067,281,309	83,172,832,085	43,079,663,436	2,352,277,207	776,363,636	120,804,360,030	64,923,308,381
Revenue deductions	-	-	-	-	-	-	-	-
Cost of goods sold	17,055,772,079	9,425,832,479	35,171,652,847	19,440,845,505	2,266,073,377	747,250,000	54,493,498,303	29,613,927,984
Financial income	85,800	41,900	95,400	192,500	76,429,493	2,544,508	76,610,693	2,778,908
Financial expenses	5,264,637,216	3,372,089,943	12,599,190,790	16,901,906,106	18,531,846	-	17,882,359,852	20,273,996,049
Selling expenses	-	-	-	-	-	-	-	-
Administrative expenses	2,221,964,207	1,494,565,134	4,582,035,538	3,082,551,057	7,238,523	4,379,257	6,811,238,268	4,581,495,448
Operating profit	10,736,963,036	6,774,835,653	30,820,048,310	3,654,553,268	136,862,954	27,278,887	41,693,874,300	10,456,667,808
Other income	-	-	-	880	151,377,152	157,564,110	151,377,152	157,564,990
Other expenses	13,352,335	495,651	320,463,135	105,739,549	155,872,064	139,246,093	489,687,534	245,481,293
Other profit (loss)	(13,352,335)	(495,651)	(320,463,135)	(105,738,669)	(4,494,912)	18,318,017	(338,310,382)	(87,916,303)
Profit before tax	10,723,610,701	6,774,340,002	30,499,585,175	3,548,814,599	132,368,042	45,596,904	41,355,563,918	10,368,751,505
Corporate income tax	1,468,594,054	1,354,967,131	1,549,699,137	182,727,707	44,306,154	18,446,139	3,062,599,345	1,556,140,977
Profit after tax	9,255,016,647	5,419,372,871	28,949,886,038	3,366,086,892	88,061,888	27,150,765	38,292,964,573	8,812,610,528
Fixed assets	30/06/2021	01/01/2021	30/06/2021	01/01/2021	30/06/2021	01/01/2021	30/06/2021	01/01/2021
Tangible fixed assets	167,406,440,864	164,701,266,482	994,598,190,500	1,008,667,491,722	3,925,211,488	3,936,536,834	1,165,929,842,852	1,177,305,295,038
- Cost	279,903,523,021	271,740,315,277	1,401,489,956,556	1,401,454,456,556	7,796,013,967	7,657,832,148	1,689,189,493,544	1,680,832,603,981
- Accumulated depreciation	112,497,082,157	107,039,048,795	406,891,766,056	392,786,964,834	3,870,802,479	3,721,295,314	523,259,650,692	503,547,308,943
Intangible fixed assets	-	-	-	-	5,175,261,800	5,175,261,800	5,175,261,800	5,175,261,800
- Cost	-	-	-	-	5,478,061,800	5,478,061,800	5,478,061,800	5,478,061,800
- Accumulated amortization	-	-	-	-	302,800,000	302,800,000	302,800,000	302,800,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

32. Risk management

a. Capital risk management

Through capital management, the Company considers and decides to maintain the appropriate balance of capital and debts in each period to ensure that it will be able to continue as a going concern while maximizing the return to the shareholders.

b. Financial risk management

Financial risks include market risk (interest rate risk, exchange rate risk and 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 in operating activities is low.

Credit risk management

The Company's major 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.

For the customers operating in the field of consultancy, design, training and running of dam safety, the Company requests advance payment as defined in terms of contract. Thus, the Management assumes that the Company has almost no significant exposure to credit risk with such 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 that can be generated within that period,...

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

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

30/06/2021	Within 1 year	Over 1 year	Total
Trade payables	1,297,759,536	-	1,297,759,536
Accrued expenses	1,094,179,545	-	1,094,179,545
Loans and finance lease liabilities	89,861,046,068	297,768,792,328	387,629,838,396
Other payables	9,180,262,338	-	9,180,262,338
Total	101,433,247,487	297,768,792,328	399,202,039,815

01/01/2021	Within 1 year	Over 1 year	Total
Trade payables	2,280,124,938	-	2,280,124,938
Accrued expenses	4,595,566,188	-	4,595,566,188
Loans and finance lease liabilities	102,823,995,530	326,286,214,456	429,110,209,986
Other payables	38,251,795,100	-	38,251,795,100
Total	147,951,481,756	326,286,214,456	474,237,696,212

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:

30/06/2021	Within 1 year	Over 1 year	Total
Cash and cash equivalents	9,955,229,403	-	9,955,229,403
Trade receivables	30,079,021,460	-	30,079,021,460
Other receivables	1,172,817,116	2,004,000,000	3,176,817,116
Total	41,207,067,979	2,004,000,000	43,211,067,979

01/01/2021	Within 1 year	Over 1 year	Total
Cash and cash equivalents	12,017,851,625	-	12,017,851,625
Trade receivables	78,514,138,212	-	78,514,138,212
Other receivables	2,415,915,669	2,004,000,000	4,419,915,669
Total	92,947,905,506	2,004,000,000	94,951,905,506

33. Related party information

a. Related parties

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

b. Material related-party transactions arising in the period

	Transactions	First 6 months of 2021	First 6 months of 2020
Central Power Corporation	Sales of electricity	35,279,250,738	21,067,281,309
	Paid dividend	28,374,000,000	-
	Interest on late payment of dividend	264,731,250	-
Electricity Power Trading Company	Sales of electricity	83,172,832,085	43,079,663,436

c. Income of key managing officers

	Position	Description	First 6 months of 2021	First 6 months of 2020
Mr. Thai Hong Quan	Chairman of BOD	Remuneration	37,260,000	-
	Deputy General Director	Salary, reward	199,858,568	-
Mr. Dinh Chau Hieu Thien	Chairman of BOD	Remuneration	229,200,000	243,000,000
	Member of BOD	Remuneration	37,260,000	48,600,000
Mr. Pham Phong	General Director	Salary, reward	1,272,186,343	645,361,848
	Member of BOD	Remuneration	37,260,000	-
Mr. Nguyen Quang Hung	Member of BOD	Remuneration	37,260,000	-
Mr. Hoang Nam Son	Member of BOD	Remuneration	37,260,000	-
Mr. Thai Van Thang	Member of BOD	Remuneration	-	48,600,000
Mr. Pham Si Huan	Member of BOD	Remuneration	-	48,600,000
Mr. Truong Thanh Nam	Member of BOD	Remuneration	-	48,600,000
Mr. Nguyen The Duy	Deputy General Director	Salary, reward	731,549,299	302,060,051
Mr. Phan Dinh Thanh	Technical Deputy	Salary, reward	660,987,118	245,558,745
	General Director			

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 interim financial statements.

35. Corresponding figures

Corresponding figures of the interim balance sheet were taken from the financial statements for the year ended 31/12/2020. Corresponding figures of the interim income statement and of the interim statement of cash flows were taken from the financial statements for the first 6 months of the year 2020. These financial statements were audited and reviewed by AAC.



Dinh Chau Hieu Thien
Dinh Chau Hieu Thien
General Director

Pham Thai Hung
Pham Thai Hung
Chief Accountant

Truong Ngoc Hung
Truong Ngoc Hung
Preparer

Da Nang City, 05 August 2021