

Số/No: 343 /22/S3-TCKT

Đà Nẵng, ngày 19 tháng 08 năm 2022.

Da Nang, 19<sup>th</sup> August 2022.

**CÔNG BỐ THÔNG TIN ĐỊNH KỲ**  
**INFORMATION DISCLOSURE PERIODIC**

Kính gửi/ To:

- Ủy ban Chứng khoán Nhà nước/ *The State Securities Commission;*
- Sở Giao dịch Chứng khoán Việt Nam/ *Vietnam Exchange;*
- Sở Giao dịch chứng khoán TP.HCM/ *HoChiMinh Stock Exchange.*

1. Tên tổ chức/ *Organization name:* Công ty Cổ phần Sông Ba/ *Song Ba Joint Stock Company.*

- Mã chứng khoán/ *Securities Symbol:* **SBA**
- Địa chỉ trụ sở chính/ *Address:* 573 Núi Thành – Q. Hải Châu – TP. Đà Nẵng/ *573 Nui Thanh, Hai Chau District, Da Nang City.*
- Điện thoại/ *Telephone* : 0236.3653592 – 0236.2215592;
- Fax : 0236.3653593
- Email : [sba2007@songba.vn](mailto:sba2007@songba.vn)

2. Nội dung thông tin công bố/ *Contents of disclosure:*

Báo cáo tài chính giữa niên độ cho kỳ kế toán 6 tháng đầu năm 2022 của Công ty Cổ phần Sông Ba đã được soát xét bởi Công ty TNHH Kiểm toán và Kế toán AAC (Bản tiếng Anh)/ *Interim financial statements For the six-month period ended 30/06/2022 of Song Ba Joint Stock Company have been reviewed by AAC Auditing and Accounting Company Ltd (English version).*

3. Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày 19/08/2022 tại đường dẫn/ *This information was published on the company's website on 19/08/2022, as in the link:* <https://songba.vn/quan-he-co-dong>

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố/ *We hereby certify that the information provided is true and correct and we bear the full responsibility to the law.*

Trân trọng/ *Yours truly.*

**Nơi nhận/Recipient**

- Như trên/As above
- TCHC/Administrative Department;
- Lưu: TC-KT, VTh/Save: Financial Accounting department; Documentary department.

**Tài liệu đính kèm/ Attachment:**

- Báo cáo tài chính giữa niên độ cho kỳ kế toán 6 tháng đầu năm 2022 của Công ty cổ phần Sông Ba (Bản tiếng Anh).
- *Interim financial statements For the six-month period ended 30/06/2022 of Song Ba Joint Stock Company (English version).*

**Đại diện tổ chức**

**Organization representative**

Người đại diện theo pháp luật/ *Legal representative*

**TỔNG GIÁM ĐỐC**  
**General Director**



**ĐINH CHÂU HIỆU THIÊN**



**SONG BA**  
**JOINT STOCK COMPANY**  
**Interim financial statements**  
**For the six-month period ended 30/06/2022**

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## REPORT OF THE MANAGEMENT

The Management of Song Ba Joint Stock Company is pleased to present this report together with the reviewed interim financial statements for the six-month period ended 30/06/2022.

### 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 12 times and the nearest amendment was made on 06/04/2022). 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 30/06/2022:** 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 30/06/2022, the Company had 98 employees including 10 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 |
| • Mr. Dinh Chau Hieu Thien | 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. Hoang Xuan Qui   | Member                    | Elected on 29/04/2022                           |
| • Mr. Do Dat Quang     | Member                    | Elected on 30/06/2020<br>Resigned on 29/04/2022 |

## REPORT OF THE MANAGEMENT (cont'd)

### Management and Chief Accountant

- |                            |                                   |                           |
|----------------------------|-----------------------------------|---------------------------|
| • Mr. Dinh Chau Hieu Thien | General Director                  | Appointed on 01/07/2021   |
| • Mr. Nguyen The Duy       | Deputy General Director           | Reappointed on 01/06/2019 |
| • Mr. Phan Dinh Thanh      | Technical Deputy General Director | Reappointed on 01/10/2019 |
| • Mr. Pham Thai Hung       | Chief Accountant                  | Reappointed on 01/07/2019 |

### Independent auditor

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

### The Management's responsibility in preparation and presentation of the interim financial statements

The Management of the Company is responsible for true and fair preparation and presentation of these interim 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 interim financial statements that are free from material misstatement, whether due to fraud or error.

Members of the Company's Management hereby confirm that the accompanying interim financial statements including the interim balance sheet, the interim income statement, the interim statement of cash flows and the notes to the interim financial statements give a true and fair view of the financial position of the Company as at 30/06/2022 and the result of its operations and its cash flows for the six-month period then ended in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the interim financial statements.

On behalf of the Management



Dinh Chau Hieu Thien

General Director

Da Nang City, 10 August 2022



## 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. 808/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 10/08/2022 of Song Ba Joint Stock Company (hereinafter referred to as "the Company") as attached from page 5 to page 33, comprising the interim balance sheet as at 30/06/2022, the interim income statement, the interim statement of cash flows for the six-month period ended 30/06/2022 and notes to the interim financial statements.

#### 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 30/06/2022, and its financial performance and its cash flows for the six-month period ended 30/06/2022, 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.

T.N.H.H

KIỂM TOÁN VÀ KẾ TOÁN  
AAC

Tran Thi Thu Hien – Deputy General Director

Audit Practicing Registration Certificate

No. 0753-2018-010-1

Da Nang City, 10 August 2022

■ Branch in Ho Chi Minh City  
47 - 49 Hoang Sa St. (4th Floor, Hoang Dan Building), Dist. 1, HCM City  
Tel: +84 (28) 3910 2235; Fax: +84 (28) 3910 2349

■ Branch in Ha Noi  
09 Duy Tan St., (6th Floor, Viet A Building), Cau Giay Dist., Ha Noi  
Tel: +84 (24) 3224 2403; Fax: +84 (24) 3224 2402



**INTERIM BALANCE SHEET**  
As at 30/06/2022

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

ASSETS	Code	Note	30/06/2022 VND	01/01/2022 VND
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>159,632,426,006</b>	<b>142,541,282,461</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>87,821,270,935</b>	<b>40,865,726,393</b>
1. Cash	111		12,821,270,935	40,865,726,393
2. Cash equivalents	112		75,000,000,000	-
<b>II. Short-term financial investments</b>	<b>120</b>		-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>68,433,469,761</b>	<b>96,592,203,415</b>
1. Short-term trade receivables	131	6	59,931,907,170	92,396,147,925
2. Short-term prepayments to suppliers	132	7	4,518,454,230	2,669,994,272
3. Other short-term receivables	136	8.a	3,983,108,361	1,526,061,218
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>2,174,367,278</b>	<b>1,946,458,898</b>
1. Inventories	141		2,174,367,278	1,946,458,898
2. Provision for decline in value of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>1,203,318,032</b>	<b>3,136,893,755</b>
1. Short-term prepaid expenses	151	10.a	102,149,845	2,435,042,137
2. Deductible VAT	152		821,399,796	701,851,618
3. Taxes and amounts receivable from the State	153	16	279,768,391	-
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>1,126,132,255,526</b>	<b>1,153,138,953,744</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>2,004,000,000</b>	<b>2,004,000,000</b>
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	8.b	2,004,000,000	2,004,000,000
<b>II. Fixed assets</b>	<b>220</b>		<b>1,110,434,887,131</b>	<b>1,137,437,360,938</b>
1. Tangible fixed assets	221	11	1,105,259,625,331	1,132,262,099,138
- Cost	222		1,688,876,793,848	1,689,258,148,089
- Accumulated depreciation	223		(583,617,168,517)	(556,996,048,951)
2. Intangible fixed assets	227	12	5,175,261,800	5,175,261,800
- Cost	228		5,478,061,800	5,478,061,800
- Accumulated amortization	229		(302,800,000)	(302,800,000)
<b>III. Investment properties</b>	<b>230</b>		-	-
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>9,354,917,736</b>	<b>8,867,514,787</b>
1. Long-term work in process	241		-	-
2. Construction in progress	242	13	9,354,917,736	8,867,514,787
<b>V. Long-term financial investments</b>	<b>250</b>		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>4,338,450,659</b>	<b>4,830,078,019</b>
1. Long-term prepaid expenses	261	10.b	4,338,450,659	4,830,078,019
2. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>1,285,764,681,532</b>	<b>1,295,680,236,205</b>

**INTERIM BALANCE SHEET (cont'd)**  
As at 30/06/2022

RESOURCES	Code	Note	30/06/2022 VND	01/01/2022 VND
<b>C. LIABILITIES</b>	<b>300</b>		<b>343,149,927,603</b>	<b>440,258,319,127</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>105,844,226,798</b>	<b>176,684,059,846</b>
1. Short-term trade payables	311	14	3,051,095,783	2,102,735,177
2. Short-term advances from customers	312	15	1,199,535,700	1,166,000,000
3. Taxes and amounts payable to the State budget	313	16	12,084,583,537	26,335,447,965
4. Payables to employees	314		4,371,595,285	5,263,004,702
5. Short-term accrued expenses	315	17	3,491,665,582	1,329,235,505
6. Other short-term payables	319	18	8,948,367,401	33,204,650,037
7. Short-term loans and finance lease liabilities	320	19.a	69,797,835,012	106,387,613,505
8. Reward and welfare fund	322		2,899,548,498	895,372,955
<b>II. Long-term liabilities</b>	<b>330</b>		<b>237,305,700,805</b>	<b>263,574,259,281</b>
1. Long-term trade payables	331		-	-
2. Long-term loans and finance lease liabilities	338	19.b	237,305,700,805	263,574,259,281
<b>D. EQUITY</b>	<b>400</b>		<b>942,614,753,929</b>	<b>855,421,917,078</b>
<b>I. Owners' equity</b>	<b>410</b>		<b>942,614,753,929</b>	<b>855,421,917,078</b>
1. Share capital	411	20	604,882,610,000	604,882,610,000
- Common shares with voting rights	411a		604,882,610,000	604,882,610,000
- Preferred shares	411b		-	-
2. Treasury shares	415	20	(2,405,771,754)	(2,405,771,754)
3. Investment and development fund	418	20	59,837,880,081	53,979,929,268
4. Undistributed profit after tax	421	20	280,300,035,602	198,965,149,564
- Undistributed profit after tax up to prior year-end	421a	20	189,360,516,263	81,806,133,306
- Undistributed profit after tax this period	421b	20	90,939,519,339	117,159,016,258
<b>II. Budget sources and other funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>1,285,764,681,532</b>	<b>1,295,680,236,205</b>



**Dinh Chau Hieu Thien**  
General Director

Da Nang City, 10 August 2022

**Pham Thai Hung**  
Chief Accountant

**Truong Ngoc Hung**  
Preparer

**INTERIM STATEMENT OF CASH FLOWS**  
For the six-month period ended 30/06/2022

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
			2022	2021
			VND	VND
1. Revenue from sales and service provision	01	21	190,406,573,968	120,804,360,030
2. Revenue deductions	02		-	-
3. Net revenue from sales and service provision	10		190,406,573,968	120,804,360,030
4. Cost of goods sold	11	22	68,830,287,977	54,493,498,303
<b>5. Gross profit from sales and service provision</b>	<b>20</b>		<b>121,576,285,991</b>	<b>66,310,861,727</b>
6. Financial income	21	23	583,584,545	76,610,693
7. Financial expenses	22	24	14,885,993,471	17,882,359,852
<i>Including: Interest expense</i>		23	14,795,670,109	17,708,425,402
8. Selling expenses	25		-	-
9. Administrative expenses	26	25	9,918,033,620	6,811,238,268
<b>10. Operating profit</b>	<b>30</b>		<b>97,355,843,445</b>	<b>41,693,874,300</b>
11. Other income	31	26	353,819,107	151,377,152
12. Other expenses	32	27	268,684,199	489,687,534
<b>13. Other profit</b>	<b>40</b>		<b>85,134,908</b>	<b>(338,310,382)</b>
<b>14. Accounting profit before tax</b>	<b>50</b>		<b>97,440,978,353</b>	<b>41,355,563,918</b>
15. Current corporate income tax expense	51	28	6,501,459,014	3,062,599,345
16. Deferred corporate income tax expense	52		-	-
<b>17. Profit after tax</b>	<b>60</b>		<b>90,939,519,339</b>	<b>38,292,964,573</b>
18. Basic earnings per share	70	29	1,508	635
19. Diluted earnings per share	71	29	1,508	635



*[Signature]*  
**Đình Châu Hieu Thien**  
General Director

*[Signature]*  
**Pham Thai Hung**  
Chief Accountant

*[Signature]*  
**Truong Ngoc Hung**  
Preparer

Da Nang City, 10 August 2022

INTERIM STATEMENT OF CASH FLOWS  
For the six-month period ended 30/06/2022

Form B 03 - 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
			2022	2021
			VND	VND
<b>I. Cash flows from operating activities</b>				
1. Cash receipts from sales and service provision	01		219,745,047,917	164,793,459,865
2. Cash paid to suppliers	02		(39,470,350,201)	(44,957,963,857)
3. Cash paid to employees	03		(14,565,029,551)	(12,580,529,058)
4. Cash paid for borrowing interest	04	17, 24	(13,359,144,427)	(17,829,444,504)
5. Corporate income tax paid	05	16	(6,056,738,702)	(5,788,113,485)
6. Other cash receipts from operating activities	06		21,274,743,093	18,091,644,103
7. Other payments for operating activities	07		(32,878,754,561)	(24,272,678,691)
<b>Net cash provided by operating activities</b>	<b>20</b>		<b>134,689,773,568</b>	<b>77,456,374,373</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases, construction of fixed assets and other long-term assets	21		(862,517,499)	(8,967,112,936)
2. Disposals, sale of fixed assets and other long-term assets	22		14,409,091	-
3. Dividends, profit, interest received	27	23	259,694,132	76,610,693
<b>Net cash used in investing activities</b>	<b>30</b>		<b>(588,414,276)</b>	<b>(8,890,502,243)</b>
<b>III. Cash flows from financing activities</b>				
1. Repayments of borrowings	34	19	(62,907,200,605)	(41,480,371,590)
2. Dividends, profit paid to owners	36	18,20	(24,238,614,145)	(29,148,122,762)
<b>Net cash used in financing activities</b>	<b>40</b>		<b>(87,145,814,750)</b>	<b>(70,628,494,352)</b>
<b>Net cash flows for the period</b>	<b>50</b>		<b>46,955,544,542</b>	<b>(2,062,622,222)</b>
Cash and cash equivalents at the beginning of the period	60	5	40,865,726,393	12,017,851,625
Impact of exchange rate fluctuations	61		-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>70</b>	<b>5</b>	<b>87,821,270,935</b>	<b>9,955,229,403</b>



*[Signature]*  
Đình Chau Hieu Thien  
General Director

*[Signature]*  
Pham Thai Hung  
Chief Accountant

*[Signature]*  
Truong Ngoc Hung  
Preparer

Da Nang City, 10 August 2022

## 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 12 times and the nearest amendment was made on 06/04/2022). 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 30/06/2022, 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 2022 (from 01/01/2022 to 30/06/2022).

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

## 3. Applied accounting standards and accounting system

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

## 4. Summary of significant accounting policies

### 4.1 Cash and cash equivalents

Cash includes cash on hand, 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

### 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:



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

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

- Cost of tools and instruments being put into use are amortized in accordance with the straight-line method for a period ranging from 12 months 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.

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.

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

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

### 4.10 Owners' equity

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

#### *Share premium*

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

#### *Treasury shares*

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

#### *Profit distribution*

Profit after corporate income tax is available for appropriation to funds and to 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 24/02/2022 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 05/03/2022 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, 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 that the Company is applying

- Value Added Tax (VAT): tax rate of 10% is applicable to sales of commercial electricity; Other activities are subject to tax rates in accordance with the current regulations. Besides, from 01/01/2022 to 31/12/2022, the Company is eligible for 2% reduction of VAT for some goods stipulated in Resolution No. 43/2022/QH15 dated 11/01/2022 of the National Assembly.
- 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. 2022 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 2022 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

	30/06/2022	01/01/2022
Cash on hand	1,862,346,849	862,644,044
Bank demand deposit	10,958,924,086	40,003,082,349
Bank deposit of no more than 3 months	75,000,000,000	-
<b>Total</b>	<b>87,821,270,935</b>	<b>40,865,726,393</b>

## 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

	30/06/2022	01/01/2022
Central Power Corporation	9,138,846,007	9,621,260,750
Electricity Power Trading Company	47,162,945,980	80,289,822,660
Others	3,630,115,183	2,485,064,515
<b>Total</b>	<b><u>59,931,907,170</u></b>	<b><u>92,396,147,925</u></b>

### In which: trade receivables from related parties

	Relationship	30/06/2022	01/01/2022
Central Power Corporation	Investor	9,138,846,007	9,621,260,750
Electricity Power Trading Company	Fellow-subsiary of the investor	47,162,945,980	80,289,822,660
<b>Total</b>		<b><u>56,301,791,987</u></b>	<b><u>89,911,083,410</u></b>

### 7. Short-term prepayments to suppliers

	30/06/2022	01/01/2022
Water Resources Research Center	909,150,000	-
Dong Huong Co., Ltd	674,179,650	-
Infrastructure and Electric Energy Investment Consultancy JSC	900,000,000	540,000,000
Others	2,035,124,580	2,129,994,272
<b>Total</b>	<b><u>4,518,454,230</u></b>	<b><u>2,669,994,272</u></b>

### 8. Other receivables

#### a. Short-term

	30/06/2022		01/01/2022	
	Amount	Provision	Amount	Provision
Advances	2,850,499,759	-	810,281,033	-
Accrued interest	323,890,413	-	-	-
Other receivables	808,718,189	-	715,780,185	-
<b>Total</b>	<b><u>3,983,108,361</u></b>	<b><u>-</u></b>	<b><u>1,526,061,218</u></b>	<b><u>-</u></b>

#### b. Long-term

	30/06/2022		01/01/2022	
	Amount	Provision	Amount	Provision
Deposits, collaterals	2,004,000,000	-	2,004,000,000	-
<b>Total</b>	<b><u>2,004,000,000</u></b>	<b><u>-</u></b>	<b><u>2,004,000,000</u></b>	<b><u>-</u></b>

**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**

	30/06/2022		01/01/2022	
	Cost	Provision	Cost	Provision
Materials	933,460,526	-	934,687,250	-
Tools, instruments	819,265,800	-	837,185,800	-
Work in process	421,640,952	-	174,585,848	-
<b>Total</b>	<b>2,174,367,278</b>	<b>-</b>	<b>1,946,458,898</b>	<b>-</b>

- There are no inventories which are unsold, in poor quality at 30/06/2022.
- There are no inventories which were pledged, mortgaged as security for debts as at 30/06/2022.

**10. Prepaid expenses**

**a. Short-term**

	30/06/2022	01/01/2022
Insurance expense	102,149,845	131,137,518
Other prepaid expenses	-	2,303,904,619
<b>Total</b>	<b>102,149,845</b>	<b>2,435,042,137</b>

**b. Long-term**

	30/06/2022	01/01/2022
Costs of repairing operation path of Khe Dien Plant	2,268,524,148	-
Costs of repairing the Head Office	544,862,588	-
Unit repair, maintenance costs - Khe Dien Plant	370,819,773	1,897,622,931
Nong Son Coal Mine Bypass - Khe Dien Plant	433,251,167	1,299,753,495
Costs of tools, instruments pending amortization	636,245,180	341,653,067
Other prepaid expenses	84,747,803	1,291,048,526
<b>Total</b>	<b>4,338,450,659</b>	<b>4,830,078,019</b>

## 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
<b>Cost</b>					
Beginning balance	1,216,155,098,472	390,511,534,924	81,836,738,864	754,775,829	1,689,258,148,089
New purchases	-	-	-	78,781,784	78,781,784
Disposal, sale	-	-	250,719,286	209,416,739	460,136,025
<b>Ending balance</b>	<b>1,216,155,098,472</b>	<b>390,511,534,924</b>	<b>81,586,019,578</b>	<b>624,140,874</b>	<b>1,688,876,793,848</b>
<b>Depreciation</b>					
Beginning balance	272,395,820,705	232,005,021,540	52,093,094,767	502,111,939	556,996,048,951
Charge for the period	13,035,568,685	11,600,504,428	2,395,201,991	49,980,487	27,081,255,591
Decrease in the period	-	-	250,719,286	209,416,739	460,136,025
<b>Ending balance</b>	<b>285,431,389,390</b>	<b>243,605,525,968</b>	<b>54,237,577,472</b>	<b>342,675,687</b>	<b>583,617,168,517</b>
<b>Net book value</b>					
Beginning balance	943,759,277,767	158,506,513,384	29,743,644,097	252,663,890	1,132,262,099,138
<b>Ending balance</b>	<b>930,723,709,082</b>	<b>146,906,008,956</b>	<b>27,348,442,106</b>	<b>281,465,187</b>	<b>1,105,259,625,331</b>

- As at 30/06/2022, tangible fixed assets with a carrying value of VND1,101,386,001,719 have been mortgaged as collateral for borrowings granted to the Company.
- Cost of tangible fixed assets fully depreciated but still in active use at 30/06/2022 is VND26,683,964,113.
- 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
<b>Cost</b>			
Beginning balance	5,175,261,800	302,800,000	5,478,061,800
New purchases	-	-	-
Disposal, sale	-	-	-
<b>Ending balance</b>	<b>5,175,261,800</b>	<b>302,800,000</b>	<b>5,478,061,800</b>
<b>Amortization</b>			
Beginning balance	-	302,800,000	302,800,000
Charge for the period	-	-	-
Disposal, sale	-	-	-
<b>Ending balance</b>	<b>-</b>	<b>302,800,000</b>	<b>302,800,000</b>
<b>Net book value</b>			
Beginning balance	5,175,261,800	-	5,175,261,800
<b>Ending balance</b>	<b>5,175,261,800</b>	<b>-</b>	<b>5,175,261,800</b>

(\*) This 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 30/06/2022 is VND302,800,000.

### 13. Construction in progress

	30/06/2022	01/01/2022
Capital construction	9,354,917,736	8,867,514,787
- Krong H'ngang 2 Hydropower Plant	3,475,284,736	3,475,284,736
- Song Tranh 1 Hydropower Plant	5,245,930,051	5,245,930,051
- Digital transformation system	633,702,949	146,300,000
<b>Total</b>	<b>9,354,917,736</b>	<b>8,867,514,787</b>

The total investment capital of Krong H'ngang 2 Hydropower Plant Project is VND407,915,000,000. The documentations of this project are being completed for submission to the Ministry of Industry and Trade for approval to adjust the planning.

The total investment capital of Song Tranh 1 Hydropower Plant Project is VND552,646,106,000. Currently, the People's Committee of Quang Nam Province has a general policy on stopping the licensing of hydropower investment projects in the province. The Company has sent a written request for official opinions on this issue to have a suitable solution. Up to the time of preparing these financial statements, the Company is continuing to monitor information, waiting for the official response of the People's Committee of Quang Nam Province on this content.



## 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

	30/06/2022	01/01/2022
VIDANA Technological Development Co., Ltd	2,035,969,400	9,300,000
VINACOMIN - Nong Son Coal & Power Joint Stock Company	328,207,820	361,028,601
Others	686,918,563	1,732,406,576
<b>Total</b>	<b>3,051,095,783</b>	<b>2,102,735,177</b>

### 15. Short-term advances from customers

	30/06/2022	01/01/2022
Truong Thinh Hydropower Joint Stock Company	259,600,000	-
Science and Technology Department of Phu Yen Province	864,935,700	482,000,000
Others	75,000,000	684,000,000
<b>Total</b>	<b>1,199,535,700</b>	<b>1,166,000,000</b>

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

	Beginning balance		Amount to be paid	Actual amount paid in the period	Ending balance	
	Receivable	Payable			Receivable	Payable
VAT	-	9,957,791,693	15,100,085,114	21,249,878,420	-	3,807,998,387
CIT	-	2,901,784,058	6,501,459,014	6,056,738,702	-	3,346,504,370
PIT	-	2,101,271,879	264,774,976	2,645,815,246	279,768,391	-
Natural resources tax	-	7,718,768,223	10,933,847,012	15,509,474,231	-	3,143,141,004
Land and house tax, land rent	-	-	15,174,000	15,174,000	-	-
License fee	-	-	6,000,000	6,000,000	-	-
Forest environment service fee	-	3,655,832,112	4,222,377,684	6,091,270,020	-	1,786,939,776
Fee for water resource exploitation license	-	-	2,557,189,000	2,557,189,000	-	-
<b>Total</b>	<b>-</b>	<b>26,335,447,965</b>	<b>39,600,906,800</b>	<b>54,131,539,619</b>	<b>279,768,391</b>	<b>12,084,583,537</b>

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

	30/06/2022	01/01/2022
Loan interest payable	66,340,352	180,742,341
Interest on bonds issued	1,645,479,452	9,041,096
Construction supervision cost of Tam Phuc Hydropower Project	738,521,055	-
Survey expenses for preparing cost estimate and managing Song Bung 3A Project	821,877,432	822,297,432
Others	219,447,291	317,154,636
<b>Total</b>	<b>3,491,665,582</b>	<b>1,329,235,505</b>

## 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

	30/06/2022	01/01/2022
Dividend payable	8,857,564,332	33,096,178,477
Other payables	90,803,069	108,471,560
<b>Total</b>	<b>8,948,367,401</b>	<b>33,204,650,037</b>

### 19. Loans and finance lease liabilities

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

	Beginning balance	Increase in the period	Decrease in the period	Ending balance
Commercial JS Bank-Trung Viet Branch	14,066,567,437	-	14,066,567,437	-
- Agreement No. 0158/CTV/HĐTDHM	14,066,567,437	-	14,066,567,437	-
Current portion of long-term loan from Orient Commercial JS Bank-Trung Viet Branch	92,321,046,068	26,317,422,112	48,840,633,168	69,797,835,012
- Agreement No. 024/2015/HĐTD-DN	72,000,000,000	21,600,000,000	36,000,000,000	57,600,000,000
- Agreement No. 0058/2019/HĐTD-OCB-DN	16,641,000,000	2,951,000,000	10,191,000,000	9,401,000,000
- Agreement No. 0057/2019/HĐTD-OCB-DN	3,680,046,068	1,766,422,112	2,649,633,168	2,796,835,012
<b>Total</b>	<b>106,387,613,505</b>	<b>26,317,422,112</b>	<b>62,907,200,605</b>	<b>69,797,835,012</b>

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

	Beginning balance	Increase in the period	Decrease in the period	Ending balance
Long-term loan from Orient Commercial JS Bank-Trung Viet	326,286,214,440	-	48,840,633,168	277,445,581,272
- Agreement No. 024/2015/HĐTD-DN	228,000,000,000	-	36,000,000,000	192,000,000,000
- Agreement No. 0058/2019/HĐTD-OCB-DN	33,223,000,000	-	10,191,000,000	23,032,000,000
- Agreement No. 0057/2019/HĐTD-OCB-DN	65,063,214,440	-	2,649,633,168	62,413,581,272
Issued bonds (SBAH2125001)	29,609,090,909	48,863,636	-	29,657,954,545
<b>Total</b>	<b>355,895,305,349</b>	<b>48,863,636</b>	<b>48,840,633,168</b>	<b>307,103,535,817</b>
<b>Trong đó:</b>				
- Current portion of long-term loans	92,321,046,068			69,797,835,012
<b>Long-term loans and finance lease liabilities</b>	<b>263,574,259,281</b>			<b>237,305,700,805</b>

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

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

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

- Long-term loan agreement No. 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.
- 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.

### c. Issued bonds

	30/06/2022					
	Original price of bond	Total issuance costs	Accumulated amortization of issuance costs	Decrease in the period	Value at the end of the period	Lãi suất
Bond issued at par value	30,000,000,000	390,909,091	48,863,636	-	29,657,954,545	
- Bond SBAH2125001 with the 4-year term	30,000,000,000	390,909,091	48,863,636	-	29,657,954,545	Fixed 11%/year

## 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 01/01/2021	604,882,610,000	(2,405,771,754)	48,955,973,929	152,834,355,100	804,267,167,275
Increase in the period	-	-	5,023,955,339	117,159,016,258	122,182,971,597
Decrease in the period	-	-	-	71,028,221,794	71,028,221,794
As at 31/12/2021	<u>604,882,610,000</u>	<u>(2,405,771,754)</u>	<u>53,979,929,268</u>	<u>198,965,149,564</u>	<u>855,421,917,078</u>
As at 01/01/2022	604,882,610,000	(2,405,771,754)	53,979,929,268	198,965,149,564	855,421,917,078
Increase in the period	-	-	5,857,950,813	90,939,519,339	96,797,470,152
Decrease in the period	-	-	-	9,604,633,301	9,604,633,301
As at 30/06/2022	<u>604,882,610,000</u>	<u>(2,405,771,754)</u>	<u>59,837,880,081</u>	<u>280,300,035,602</u>	<u>942,614,753,929</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 2022	First 6 months of 2021
<b>Share capital</b>		
- Beginning balance	604,882,610,000	604,882,610,000
- Increase in the period	-	-
- Decrease in the period	-	-
- Ending balance	604,882,610,000	604,882,610,000
<b>Dividend paid</b>	-	-

### c. Shares

	30/06/2022 Shares	01/01/2022 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 2022	First 6 months of 2021
Profit brought forward	198,965,149,564	152,834,355,100
Profit after corporate income tax of current period	90,939,519,339	38,292,964,573
Distribution of profit	9,604,633,301	10,743,050,794
- Distribution of profit of previous period (*)	9,604,633,301	10,743,050,794
+ Investment and development fund	5,857,950,813	5,023,955,339
+ Reward and welfare fund	3,514,770,488	3,014,373,204
+ Reward fund for the Management	231,912,000	1,307,375,867
+ Remunerations for the Board of Directors and Supervisory	-	1,397,346,384
<b>Undistributed profit after tax at the end of the period</b>	<b>280,300,035,602</b>	<b>180,384,268,879</b>

(\*) The 2021 profit after tax was distributed in accordance with Resolution of the 2022 Annual Shareholders' Meeting No. 01/2022/NQ-DHDCD dated 29/04/2022.

## 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 2022 Annual General Shareholders' Meeting No. 01/2022/NQ-DHDCD dated 29/04/2022, it was resolved to approve the plan for paying dividend of 2021 in cash at 15% of the charter capital (equivalent to VND90,427,756,500). This amount was expected to be paid in the 3<sup>rd</sup> quarter of the year 2022.

### 21. Revenue from sales and service provision

	First 6 months of 2022	First 6 months of 2021
Revenue from selling electricity	189,239,637,942	118,452,082,823
Revenue from rendering services	1,166,936,026	2,352,277,207
<b>Total</b>	<b>190,406,573,968</b>	<b>120,804,360,030</b>

### 22. Cost of goods sold

	First 6 months of 2022	First 6 months of 2021
Cost of electricity sold	67,707,112,052	52,227,424,926
Cost of services rendered	1,123,175,925	2,266,073,377
<b>Total</b>	<b>68,830,287,977</b>	<b>54,493,498,303</b>

### 23. Financial income

	First 6 months of 2022	First 6 months of 2021
Loan interest, deposit interest	583,584,545	76,610,693
<b>Total</b>	<b>583,584,545</b>	<b>76,610,693</b>

### 24. Financial expenses

	First 6 months of 2022	First 6 months of 2021
Loan interest	13,159,231,753	17,708,425,402
Bond interest	1,636,438,356	-
Bond issuance expenses	48,863,636	-
Interest on late payment of dividend	41,459,726	173,934,450
<b>Total</b>	<b>14,885,993,471</b>	<b>17,882,359,852</b>

## 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 2022	First 6 months of 2021
Materials, tools expenses	153,489,766	135,144,941
Labor costs	7,468,155,155	5,075,609,872
Depreciation expenses	149,953,059	150,021,165
Outside service expenses	686,432,413	635,944,950
Others	1,460,003,227	814,517,340
<b>Total</b>	<b>9,918,033,620</b>	<b>6,811,238,268</b>

### 26. Other income

	First 6 months of 2022	First 6 months of 2021
Proceeds from disposal of fixed assets	14,409,091	-
Received fee for using electricity of K'rong H'nang Plant, Khe Dien Plant	260,643,334	151,377,152
Others	78,766,682	-
<b>Total</b>	<b>353,819,107</b>	<b>151,377,152</b>

### 27. Other expenses

	First 6 months of 2022	First 6 months of 2021
Expenses for using electricity of K'rong H'nang Plant, Khe Dien Plant	240,363,985	151,377,152
Penalty for late payment of tax, fee	28,320,214	338,310,382
<b>Total</b>	<b>268,684,199</b>	<b>489,687,534</b>

## 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 2022	First 6 months of 2021
Accounting profit before tax	97,440,978,353	41,355,563,918
- From principal activities of Khe Dien Hydropower Plant	17,229,843,250	10,723,610,701
- From principal activities of K'rong H'nang Hydropower Plant	79,585,402,439	30,499,585,175
- From principal activities of Head Office and Consulting Center	625,732,664	132,368,042
Adjustment to taxable income	395,661,796	596,912,650
- Increasing adjustments (unqualified, improper expenses)	395,661,796	596,912,650
+ Khe Dien Hydropower Plant	71,865,879	13,352,335
+ K'rong H'nang Hydropower Plant	228,214,058	494,397,585
+ Head Office and Consulting Center	95,581,859	89,162,730
- Decreasing adjustments	-	-
Total taxable income	97,836,640,149	41,952,476,568
- From activities of Khe Dien Hydropower Plant	17,301,709,129	10,736,963,036
- From activities of K'rong H'nang Hydropower Plant	79,813,616,497	30,993,982,760
- From activities of Head Office and Consulting Center	721,314,523	221,530,772
Corporate income tax	11,585,966,380	5,291,097,037
+ Khe Dien Hydropower Plant	3,460,341,826	2,147,392,608
+ K'rong H'nang Hydropower Plant	7,981,361,650	3,099,398,275
+ Head Office and Consulting Center	144,262,904	44,306,154
Reduced, exempted corporate income tax	5,084,507,366	2,228,497,692
+ Khe Dien Hydropower Plant (tax incentives for new investment project)	1,093,826,540	678,798,553
+ K'rong H'nang Hydropower Plant (50%)	3,990,680,826	1,549,699,139
<b>Current corporate income tax expense</b>	<b>6,501,459,014</b>	<b>3,062,599,345</b>
<i>In which:</i>		
- Current corporate income tax expense arising this period	6,501,459,014	3,062,599,345
+ Khe Dien Hydropower Plant	2,366,515,286	1,468,594,055
+ K'rong H'nang Hydropower Plant	3,990,680,824	1,549,699,136
+ Head Office and Consulting Center	144,262,904	44,306,154

## 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 2022	First 6 months of 2021
Profit after corporate income tax	90,939,519,339	38,292,964,573
Adjustments increasing or decreasing profit after tax	-	-
- Increase	-	-
- Decrease (appropriated for reward and welfare fund, remunerations for the board of executives, remunerations for the Board of Directors and Supervisory Board)	-	-
Profit or loss attributable to common shareholders	90,939,519,339	38,292,964,573
Weighted average number of outstanding common shares	60,285,171	60,285,927
<b>Basic, diluted earnings per share</b>	<b>1,508</b>	<b>635</b>

(\*) Basis, diluted earnings per share of the first 6 months of 2022 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 2022	First 6 months of 2021
Materials expenses	440,328,256	886,309,582
Labor costs	15,437,360,182	9,493,570,722
Depreciation expenses	27,081,255,591	19,712,341,749
Outside service expenses	6,553,720,909	7,013,819,557
Other cash expenses	29,482,711,763	24,051,113,723
<b>Total</b>	<b>78,995,376,701</b>	<b>61,157,155,333</b>

### 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)

	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	
	First 6 months of 2022		First 6 months of 2022		First 6 months of 2022		First 6 months of 2022	
	VND	VND	VND	VND	VND	VND	VND	VND
Revenue from sales and service provision	46,605,437,588	35,279,250,738	142,634,200,354	83,172,832,085	1,166,936,026	2,352,277,207	190,406,573,968	120,804,360,030
Revenue deductions	-	-	-	-	-	-	-	-
Cost of goods sold	21,964,689,740	17,055,772,079	45,742,422,312	35,171,652,847	1,123,175,925	2,266,073,377	68,830,287,977	54,493,498,303
Financial income	32,900	85,800	160,100	95,400	583,391,545	76,429,493	583,584,545	76,610,693
Financial expenses	4,246,489,513	5,264,637,216	10,626,600,690	12,599,190,790	12,903,268	18,531,846	14,885,993,471	17,882,359,852
Selling expenses	-	-	-	-	-	-	-	-
Administrative expenses	3,216,365,514	2,221,964,207	6,698,221,165	4,582,035,538	3,446,941	7,238,523	9,918,033,620	6,811,238,268
<b>Operating profit</b>	<b>17,177,925,721</b>	<b>10,736,963,036</b>	<b>79,567,116,287</b>	<b>30,820,048,310</b>	<b>610,801,437</b>	<b>136,862,954</b>	<b>97,355,843,445</b>	<b>41,693,874,300</b>
Other income	110,843,850	-	46,606,363	-	196,368,894	151,377,152	353,819,107	151,377,152
Other expenses	58,926,321	13,352,335	28,320,211	320,463,135	181,437,667	155,872,064	268,684,199	489,687,534
<b>Other profit (loss)</b>	<b>51,917,529</b>	<b>(13,352,335)</b>	<b>18,286,152</b>	<b>(320,463,135)</b>	<b>14,931,227</b>	<b>(4,494,912)</b>	<b>85,134,908</b>	<b>(338,310,382)</b>
Profit before tax	17,229,843,250	10,723,610,701	79,585,402,439	30,499,585,175	625,732,664	132,368,042	97,440,978,353	41,355,563,918
Corporate income tax	2,366,515,286	1,468,594,055	3,990,680,824	1,549,699,136	144,262,904	44,306,154	6,501,459,014	3,062,599,345
<b>Profit after tax</b>	<b>14,863,327,964</b>	<b>9,255,016,646</b>	<b>75,594,721,615</b>	<b>28,949,886,039</b>	<b>481,469,760</b>	<b>88,061,888</b>	<b>90,939,519,339</b>	<b>38,292,964,573</b>
<b>Fixed assets</b>	<b>30/06/2022</b>	<b>01/01/2022</b>	<b>30/06/2022</b>	<b>01/01/2022</b>	<b>30/06/2022</b>	<b>01/01/2022</b>	<b>30/06/2022</b>	<b>01/01/2022</b>
Tangible fixed assets	151,173,862,243	159,485,893,954	950,306,316,398	968,925,587,219	3,779,446,690	3,850,617,965	1,105,259,625,331	1,132,262,099,138
- Cost	279,590,031,692	279,903,523,021	1,401,459,956,556	1,401,489,956,556	7,826,805,600	7,864,668,512	1,688,876,793,848	1,689,258,148,089
- Accumulated depreciation	128,416,169,449	120,417,629,067	451,153,640,158	432,564,369,337	4,047,358,910	4,014,050,547	583,617,168,517	556,996,048,951
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,...

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

30/06/2022	Within 1 year	Over 1 year	Total
Trade payables	3,051,095,783	-	3,051,095,783
Accrued expenses	3,491,665,582	-	3,491,665,582
Loans and finance lease liabilities	69,797,835,012	237,305,700,805	307,103,535,817
Other payables	8,948,367,401	-	8,948,367,401
<b>Total</b>	<b>85,288,963,778</b>	<b>237,305,700,805</b>	<b>322,594,664,583</b>

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

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

01/01/2022	Within 1 year	Over 1 year	Total
Trade payables	2,102,735,177	-	2,102,735,177
Accrued expenses	1,329,235,505	-	1,329,235,505
Loans and finance lease liabilities	106,387,613,505	263,574,259,281	369,961,872,786
Other payables	33,204,650,037	-	33,204,650,037
<b>Total</b>	<b>143,024,234,224</b>	<b>263,574,259,281</b>	<b>406,598,493,505</b>

The Management assumes that the Company has no exposure to liquidity risk in the short term and 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:

30/06/2022	Within 1 year	Over 1 year	Total
Cash and cash equivalents	87,821,270,935	-	87,821,270,935
Trade receivables	59,931,907,170	-	59,931,907,170
Other receivables	1,132,608,602	2,004,000,000	3,136,608,602
<b>Total</b>	<b>148,885,786,707</b>	<b>2,004,000,000</b>	<b>150,889,786,707</b>

01/01/2022	Within 1 year	Over 1 year	Total
Cash and cash equivalents	40,865,726,393	-	40,865,726,393
Trade receivables	92,396,147,925	-	92,396,147,925
Other receivables	715,780,185	2,004,000,000	2,719,780,185
<b>Total</b>	<b>133,977,654,503</b>	<b>2,004,000,000</b>	<b>135,981,654,503</b>

### 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

#### b. Material related-party transactions arising in the period

	Transactions	First 6 months of 2022	First 6 months of 2021
Central Power Corporation	Sales of electricity	46,605,437,588	35,279,250,738
	Paid dividend	23,645,000,000	28,374,000,000
	Interest on late payment of dividend	41,459,726	264,731,250
Electricity Power Trading Company	Sales of electricity	142,634,200,354	83,172,832,085

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

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

**c. Income of key managing officers**

➤ **Remunerations of the Board of Directors, Supervisory Board**

No.	Full name	First 6 months of 2022			First 6 months of 2021		
		Full-time salary	Other income (bonus, holidays, Tets, titles)	Total	Full-time salary	Other income (bonus, holidays, Tets, titles)	Total
<b>I</b>	<b>Board of Directors</b>	<b>218,700,000</b>	<b>111,780,000</b>	<b>452,308,000</b>	<b>218,700,000</b>	<b>149,040,000</b>	<b>378,240,000</b>
1	Thai Hong Quan	218,700,000	-	273,094,000	-	37,260,000	37,260,000
2	Dinh Chau Hieu Thien (*)	-	-	-	218,700,000	-	229,200,000
3	Pham Phong (**)	-	37,260,000	82,338,000	-	37,260,000	37,260,000
4	Hoang Nam Son	-	37,260,000	48,438,000	-	37,260,000	37,260,000
5	Nguyen Quang Hung	-	37,260,000	48,438,000	-	37,260,000	37,260,000
<b>II</b>	<b>Supervisory Board</b>	<b>194,400,000</b>	<b>74,520,000</b>	<b>332,520,000</b>	<b>180,000,000</b>	<b>72,000,000</b>	<b>258,000,000</b>
1	Phan Thi Anh Dao	194,400,000	-	236,400,000	180,000,000	-	186,000,000
2	Huynh Thi Long	-	37,260,000	48,060,000	-	36,000,000	36,000,000
3	Do Dat Quang	-	24,840,000	35,640,000	-	36,000,000	36,000,000
4	Hoang Xuan Qui	-	12,420,000	12,420,000	-	-	-

➤ **Income of the Management and Chief Accountant**

No.	Full name	Position	First 6 months of 2022			First 6 months of 2021		
			Salary from electricity generation	Other income (consulting services, holidays, Tets, titles)	Total income	Salary from electricity generation	Other income (consulting services, holidays, Tets, titles)	Total income
<b>Management and Chief Accountant</b>			<b>779,257,150</b>	<b>865,417,455</b>	<b>1,644,674,605</b>	<b>687,061,676</b>	<b>1,595,907,025</b>	<b>2,282,968,701</b>
1	Dinh Chau Hieu Thien	General Director	210,600,000	123,583,000	334,183,000	-	-	-
2	Thai Hong Quan	Deputy General Director	-	-	-	136,639,196	63,219,372	199,858,568
3	Nguyen The Duy	Business Deputy General Director	191,425,490	235,925,874	427,351,364	182,690,820	548,858,479	731,549,299
4	Phan Dinh Thanh	Technical Deputy General Director	180,098,840	264,797,304	444,896,144	175,098,840	485,888,278	660,987,118
5	Pham Thai Hung	Chief Accountant	197,132,820	241,111,277	438,244,097	192,632,820	497,940,896	690,573,716

(\*) Mr. Dinh Chau Hieu Thien is a member of the Board of Directors, concurrently the General Director of the Company, appointed from 01/07/2021 according to Decision No. 07/21/QD-S3-HDQT dated 28/06/2021 of the Board of Directors.

(\*\*) Mr. Pham Phong is a member of the Board of Directors and former General Director of the Company. From 01/07/2021, the Board of Directors of the Company has dismissed him from the position of General Director of the Company according to Decision No. 06/21/QD-S3-HDQT dated 28/06/2021. Mr. Pham Phong's salary and bonus income in the first 6 months of 2021 is VND1,272,186,343.

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

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

### 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 31/12/2021. 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 2021. These financial statements were audited and reviewed by AAC.



*Dinh Chau Hieu Thien*  
**Dinh Chau Hieu Thien**  
General Director

*Da Nang City, 10 August 2022*

**Pham Thai Hung**  
Chief Accountant

**Truong Ngoc Hung**  
Preparer