

CÔNG TY CỔ PHẦN SÔNG BA

SONG BA
JOINT STOCK COMPANY

Số/No: 161 /24/SBA-TCKT

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM

Độc lập - Tự do - Hạnh phúc

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Đà Nẵng, ngày 04 tháng 05 năm 2024.
Da Nang, 4th May 2024.

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

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

Báo cáo thường niên năm 2023 của Công ty cổ phần Sông Ba (Bản tiếng Anh)/
Annual Report 2023 of Song Ba Joint Stock Company (English Version)

3. Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày
..04.../..5../2024 tại đường dẫn/ *This information was published on the company's
website on ..4.../..5../2024, as in the link: <https://songba.vn/quan-he-co-dong>*

Trang 1



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 thường niên năm 2024 của Công ty cổ phần Sông Ba (Bản tiếng Anh).
- Annual Report 2024 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

SBA CREATIVE THINKING-SUSTAINABLE DEVELOPMENT



ANNUAL REPORT 2023

Da Nang, March, 2024

SONG BA JOINT STOCK COMPANY
CREATIVE THINKING, SUSTAINABLE DEVELOPMENT



MESSAGE FROM THE CHAIRMAN OF
THE BOARD OF MANAGEMENT

Dear valued shareholders, Investors and Partners of Song Ba Joint Stock Company.

First of all, on behalf of the Board of Management of Song Ba Joint Stock Company (SBA), I would like to send best wishes and sincere thanks to valued shareholders, partners and investors for their trust in the leadership and staff of the Company.

In 2023, the global economic downturn has affected many of the Company's activities. Furthermore, extreme weather events, prolonged heat, and low water flow to lakes have greatly affected the company's operating situation. The El Nino phenomenon has lasted since May, affecting the production capacity of both Khe Dien and Krong H'ngang hydropower plants. However, with the spirit of overcoming difficulties and promoting current strengths, the plant's staffs and employees were flexible in operation and had many creative and drastic solutions in management and operations, therefore we have successfully completed the planned tasks for 2023 according to the Resolution of the Company's Annual General Meeting of Shareholders.

SBA's total revenue in 2023 reaches 375.9 billion Vietnamese dongs, exceeding 45.7% of the plan, profit after tax reaches 175.3 billion Vietnamese dongs, reaching 173.3% of the plan. The Company continuously promotes research, improvement and rationalization, and deploys many flexible financial solutions to meet good efficiency in SBA's production and business activities. In 2023, the company introduced technical management software, which is a new step on the path to achieving the goal of digital transformation at the Company.

In the past year, Song Ba Joint Stock Company continued to have the honor of receiving Certificate of Merit from the People's Committee of Da Nang City, People's Committee of Quang Nam Province and the Commission for the Management of State Capital at Enterprises. In particular, the Company is proud to receive the Vietnam Sustainable Business Certificate in 2023. These achievements are the result of the creative direction and management of the Board of Management, the Company's Leadership as well as the continuous efforts of the entire staffs and employees.

Currently, challenges from climate change are increasingly complex, it creates difficulties for the hydropower industry in general and Song Ba Joint Stock Company in particular. However, with enthusiasm and continuous efforts to improve professional capacity, along with the great dedication desire of our staffs and employees, SBA believes that it will make even more impressive advances in the future.

On behalf of the Board of Management, I would like to express my deep gratitude to valued shareholders, investors, and all staffs and employees. Proactivity, creativity, cooperation, consensus, and willingness to share have helped us overcome pressures and difficulties, to build Song Ba Joint Stock Company to grow stronger and stronger.

CHAIRMAN OF THE BOARD
OF MANAGEMENT

THAI HONG QUAN



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01 GENERAL INFORMATION

Overview Information

Formation and development process

Some achievements achieved by SBA

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Information about the governance model

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Development orientation

Risk factors





SBA

Company's name: Song Ba Joint Stock Company

Business registration certificate No.: 0400439955, the first registration date 04 July 2007 issued by the Da Nang Department of Planning and Investment, the 12th registration of change dated 06 April 2022

Charter capital: VND 604,882,610,000 as of 31 December 2023

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

Phone number: 0236 3653 592 - 0236 3653 596

Fax: 0236 3653 593

Email: sba2007@songba.vn

Website: www.songba.vn

Stock code: SBA



SOME ACHIEVEMENTS ACHIEVED BY SBA

Emulation flag of the Da Nang City People's Committee according to Decision No. 937/QĐ-UBND dated 09 May 2023;

Certificate of Merit from the Vietnam Chamber of Commerce and Industry (VCCI) according to Decision No. 0338/LDTM-TĐKT dated 13 March 2023;

Certificate of Merit from the People's Committee of Quang Nam province according to Decision No. 814/QĐ-UBND dated 20 April 2023;

Certificate of Merit from the People's Committee of Dak Lak Province according to Decision No. 1151/QĐ-UBND dated 22 June 2023;

Certificate of Merit from the Commission for the Management of State Capital at Enterprises according to Decision No. 560/QĐ-UBQLV dated 04 October 2023;

The title "2023 Sustainable Business" awarded by the Vietnam Business Council for Sustainable Development.



Certificate of Merit according to Decision No. 0338/LDTM-TĐKT dated 13 March 2023 awarded by the Vietnam Chamber of Commerce and Industry - VCCI for having excellent achievements in production and business activities, contributing to the development of the business community in the Central region - Central Highlands – 2022.



The company was recognized as "2023 Sustainable Business" awarded by the Vietnam Business Council for Sustainable Development.



Certificate of Merit from the Commission for the Management of State Capital at Enterprises according to Decision No. 560/QĐ-UBQLV dated 04 October 2023;



Certificate of Merit according to Decision No. 814/QĐ-UBND dated 20 April 2023 of the People's Committee of Quang Nam province for having excellent achievements in work, contributing to the socio-economic development of Quang Nam province in 2022.



The company was awarded the Emulation Flag from the Da Nang City People's Committee according to Decision No. 937/QĐ-UBND dated 09 May 2023.

FORMATION AND DEVELOPMENT PROCESS

On 24 August 2019 SBA was awarded the Certificate of Famous Brand - Competitive Brand 2019 by the Vietnam Intellectual Property Association.

Song Ba Joint Stock Company is a listed enterprise that meets information disclosure standards in 2019 on the Vietnam stock market.

SBA continues to be ranked in the top 100 sustainable businesses of Vietnam 2019.

SBA received the 2020 Sustainable Business Award. Completed the Khe Dien Hydropower Plant expansion project, increasing the total plant capacity from 9MW to 15 MW.

On 06 April 2022: the 12th change of business registration certificate, SBA meets information disclosure standards on the stock market.

On 20 June 2023: SBA was voted as a listed enterprise meeting information disclosure standards at IR Awards 2023.

On 31 August 2023: SBA put into use Technical Management software for Khe Dien and Krong H'ngang Hydropower Plants.

On 13 December 2023: SBA received the 2023 Sustainable Business Award.

Sustainable Business Certificate in 2018 in Vietnam according to Decision No. 2686/PTM-TDKT dated 20 November 2018 of VCCI
Title of "Excellent Labor Collective in 2018" according to Decision No. 72/QD-EVN dated 11 January 2019 of Vietnam Electricity

On 02 January 2003: Song Ba Electricity Development and Investment Company Limited (predecessor of SBA) was established on 02 January 2003 with a charter capital of 10 billion Vietnamese dong, the initial function and mission was to deploy investment in the Krong H'ngang hydropower project (64 MW) located in the two provinces of Dak Lak and Phu Yen.
On 29 September 2003: Commencement of Khe Dien hydropower plant, creating resources to invest in Krong H'ngang hydropower project - SBA organizes groundbreaking for construction of Khe Dien hydropower project.

On 19 May 2005: Commencement of Krong H'ngang hydropower plant - Krong H'ngang hydropower project started construction.

On 22 July 2016: SBA's initiative was granted a patent on Useful Solutions - initiative: SBA's automatic lake water level measurement was granted a patent for Useful Solutions by the Intellectual Property Office of Viet Nam - Ministry of Science and Technology under Decision No. 44636/QD-SHTT.

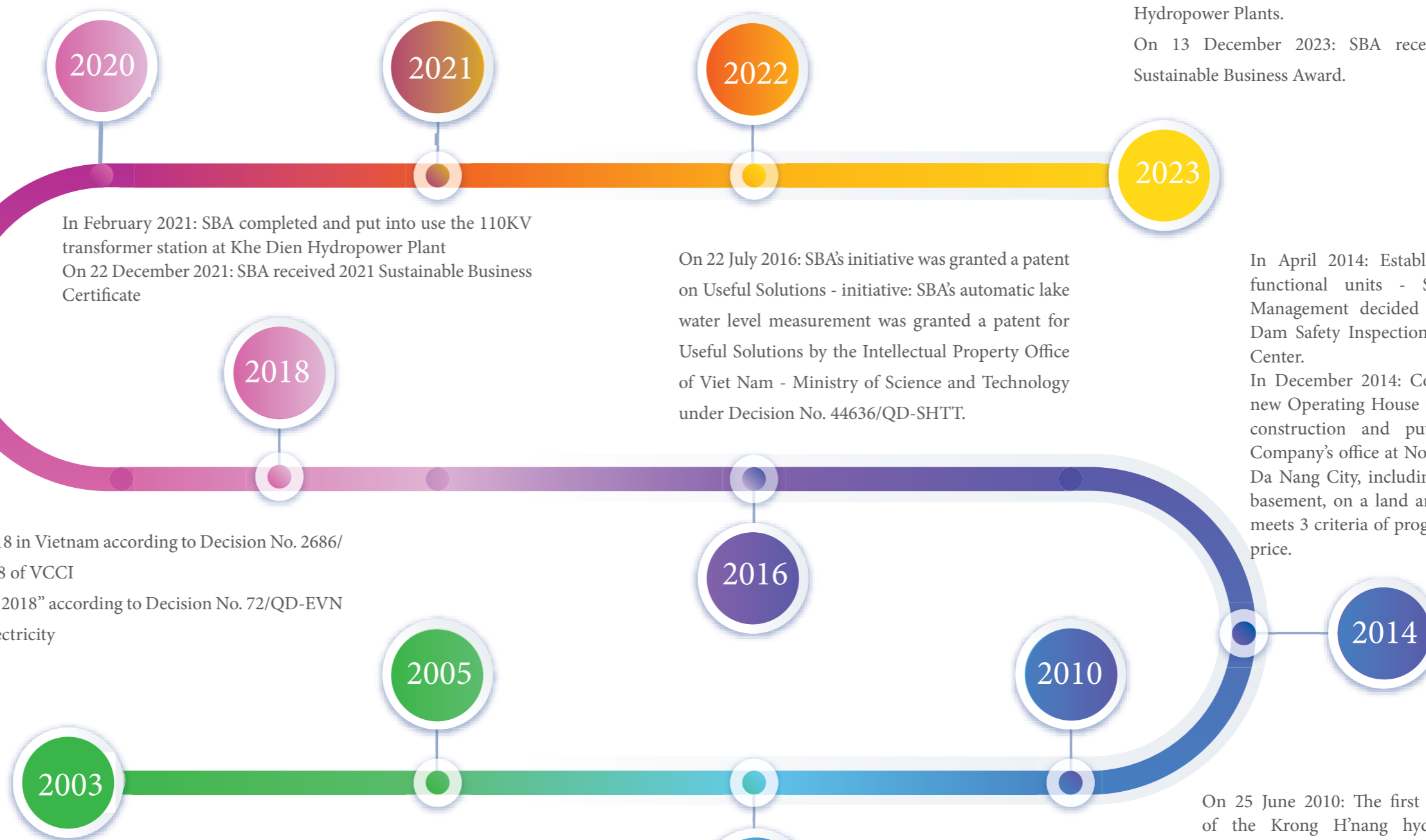
In April 2014: Establishment of new functional units - SBA's Board of Management decided to establish the Dam Safety Inspection and Consulting Center.

In December 2014: Completion of the new Operating House - SBA completed construction and put into use the Company's office at No. 573 Nui Thanh, Da Nang City, including 4 floors and a basement, on a land area of 410 m2, it meets 3 criteria of progress, quality, and price.

On 25 June 2010: The first generating unit of the Krong H'ngang hydropower plant connected to the national grid, by September 2010, the second generating unit was put into operation and connected to the grid.

On 01 June 2010: Listed shares on HOSE with a charter capital of 500 billion Vietnamese dong.

On 26 May 2007: Khe Dien Hydropower Plant generated commercial electricity, officially connected to the national grid, and went into commercial electricity generation operation, this marked an important milestone in the Company's history of formation and development.
On 04 July 2007: The company converted its model to a joint stock company.



Business lines

Production, transmission and distribution of electricity

Details: Production and trading of electricity;

Construction of other civil engineering works.

Details: Investment in construction of hydropower projects; Construction of hydropower projects with capacity up to 30MW, power lines and transformer stations up to 110KV; Repair and maintenance of hydropower plants; Construction of small and medium construction projects;

Architectural activities and related technical consulting.

Consulting on establishing construction investment projects, surveying and designing irrigation and hydropower projects with a capacity of up to 30MW, power lines and transformer stations up to 110KV; Consulting on construction supervision and project management of small and medium hydropower projects, power lines and transformer stations up to 110KV; Supervising the construction of irrigation and hydropower projects; Consulting on inspection and quality assessment of dams and hydropower construction projects; Designing technical infrastructure works (traffic, rural water supply infrastructure); Consulting on investigation, collection, calculation, and forecasting of meteorology and hydrology during construction stages; Consulting on setting up investment projects to build traffic works, civil works, technical infrastructure, aquaculture lakes, riverbank and coastal protection works; Consulting on quality assessment of all types of construction projects; Geodetic survey of construction works;

Business location

SBA mainly deploys and operates in the Central region: Đà Nẵng, Quang Nam, Phu Yen, Dak Lak.

Wholesale of materials and other installation equipment in construction;

Other specialized construction activities.

Details: Dredging the lakebed;

Vocational education.

Details: Vocational training consulting (management and operation of hydropower plants);

Research and develop experiments in natural sciences and engineering.

Details: Research and manufacture mechanical and electrical parts of hydropower plants; Technology transfer on construction techniques and equipment;

Wholesale of other machinery, equipment and spare parts.

Details: Wholesale of materials and electromechanical equipment;

Exploitation of stone, sand, gravel and clay.

Details: Mining;

Installation of other building systems

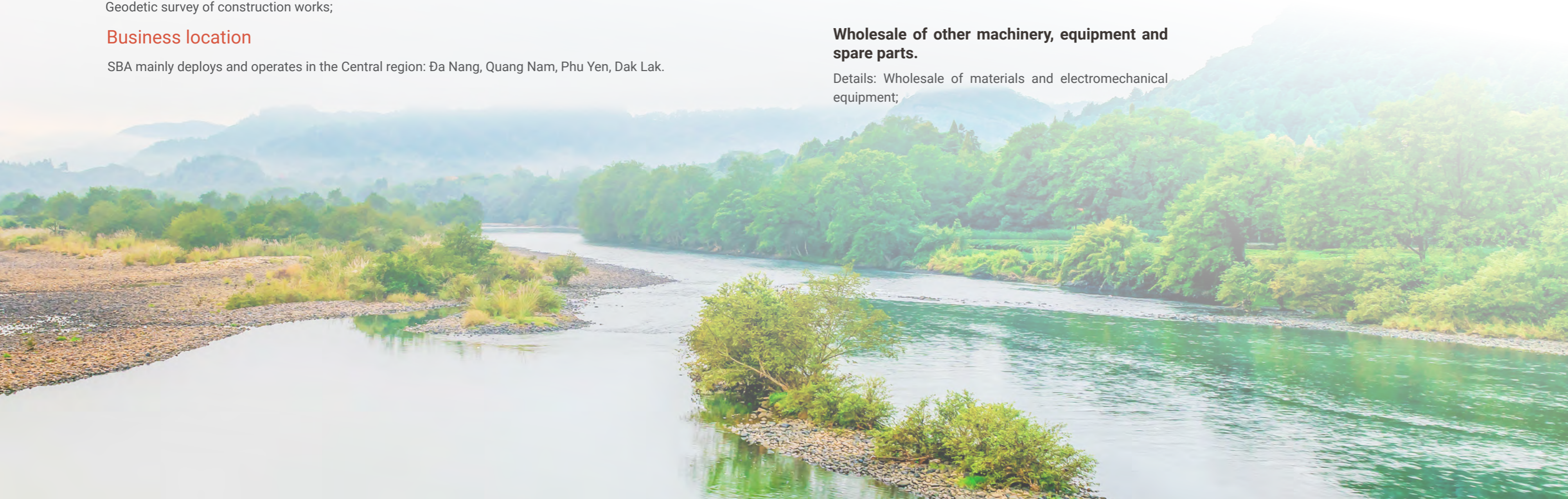
Details: Equipment installation for construction projects

Management consulting activities.

Details: Consulting on environmental solutions, resettlement;

Doing business of real estate, land use rights belonging to the owner, user or lease.

Details: Land, factory, warehouse for rent



INFORMATION ABOUT THE GOVERNANCE MODEL

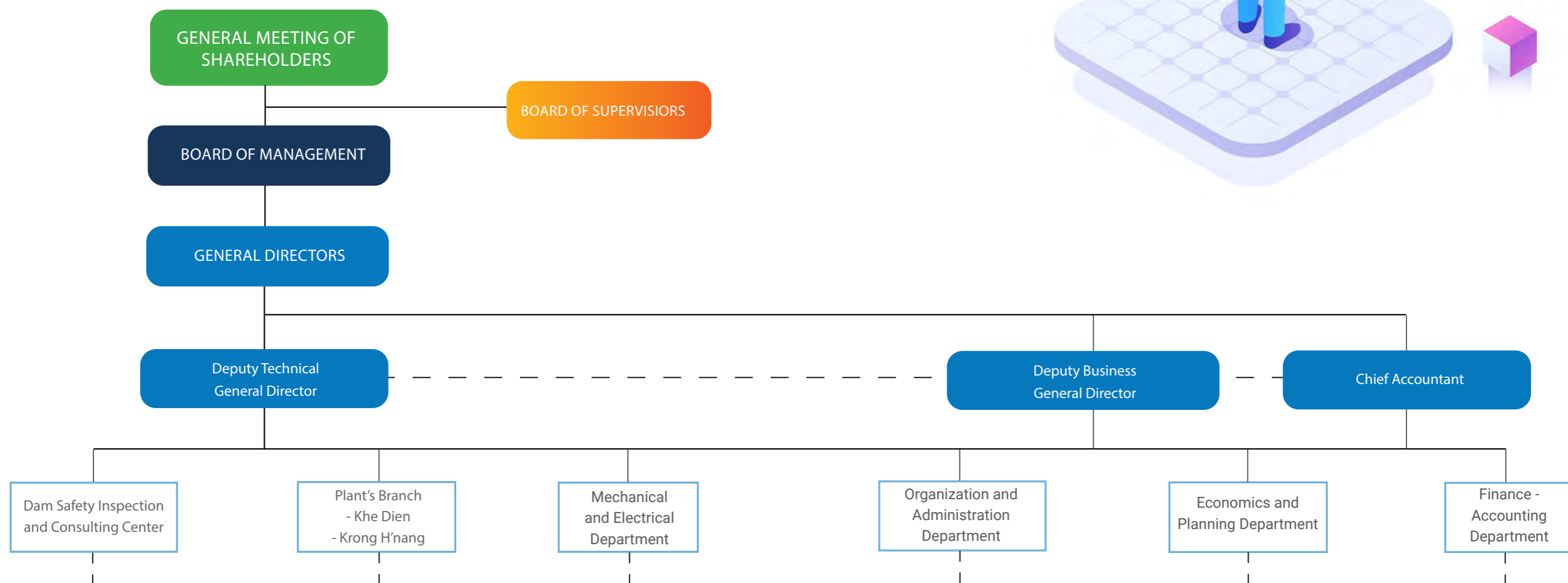
The company operates under the joint stock company model according to the provisions of the Enterprise Law and related legal regulations:

General Meeting of Shareholders (GMS): Includes all shareholders with voting rights, is the highest decision-making body of the Company.

Board of Management (BOM): Is the Company's management agency, with full authority to decide on all issues related to the Company's purposes and interests on behalf of the Company, except for issues falling under the authority of the General Meeting of Shareholders.

Board of General Directors (BOGD): Is the body that manages the Company's daily operations and is responsible to the Board of Management for implementing assigned rights and tasks.

Board of Supervisors (BOS): Performs tasks on behalf of shareholders to control all business activities, management and operations of the Company.



———— Direct Relationship
 - - - - Coordination relationship



Branch of Song Ba Joint Stock Company - Khe Dien Hydropower Plant

Address: Phuoc Ninh Commune, Nong Son District, Quang Nam province

Main business line: Production and trading of electricity



Branch of Song Ba Joint Stock Company - Krong H'ngang Hydropower Plant

Address: Ealy Commune, Song Hinh District, Phu Yen Province.

Main business line: Production and trading of electricity



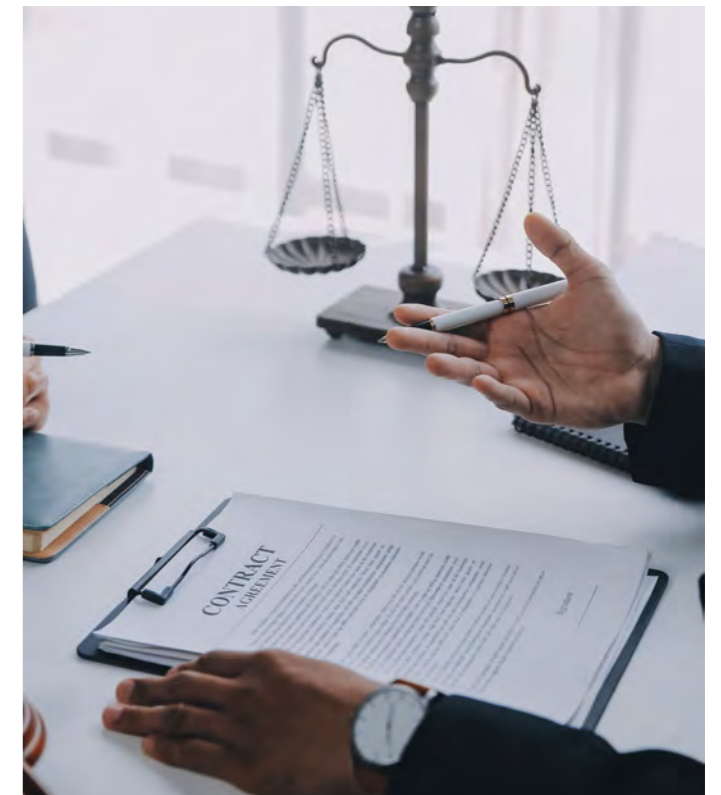
Branch of Song Ba Joint Stock Company - Dam Safety Inspection and Consulting Center

Address: No. 573 Nui Thanh (3rd floor), Hoa Cuong Nam Ward, Hai Chau District, Da Nang City, Vietnam.

Main business lines:

+ Architectural activities and related technical consulting: Consulting on establishing construction investment projects, surveying and designing hydropower projects with a capacity of up to 30MW, power lines and transformer stations up to 110KV; Consulting on project management of small and medium hydropower projects, power lines and transformer stations up to 110KV; Consulting on inspection and quality assessment of dams and hydropower construction projects.

+ Management consulting activities: Consulting on environmental solutions, resettlement;



Main goals of the company

Production and business activities

Ensure the safe and stable operation of existing hydropower plants, strive to exceed the planned electricity output; Always prepare to respond to floods and storms at Plants when there is rain or flood.

Consulting activities

Continue to research and develop consulting services, make the most of existing quality human resources to bring the highest efficiency.

Continue to implement contracts signed with Investors: Design consulting, project management of hydropower projects, construction supervision, project management of small and medium hydropower projects.

Relation with partners

When working with partners both at home and abroad, SBA always considers partners as companions, friendly and equal relations, harmonizes interests for mutual development, SBA's staffs and employees affirm the Company's role and position through working professionally, punctually, on schedule, and complying with the law.

When dealing with work, SBA competes healthily on the basis of intelligence, advanced technology, and quality products.

Relation with employees

SBA creates a safe, green, clean, and beautiful working environment, ensures stable jobs, and employees are cared for in both their material and spiritual lives.

Reasonable salary and bonus policy to attract quality human resources and clear, fair and transparent promotion path. Encourage employees to contribute ideas, promote creative ideas, and apply initiatives to help the company develop more sustainably.

Relation with customers

All SBA's activities are always aimed at mutual benefit and satisfy customer needs because customers are the important factor determining SBA's existence and sustainable development.

Relation with shareholders

SBA's goal is to rationalize dividend value, to bring long-term benefits to shareholders. Therefore, SBA commits that all activities of the Company ensure the rights and future value for shareholders. SBA is always transparent in management and administration, honestly answers shareholders' opinions, and publishes information promptly and accurately.



Medium and long-term development strategies

For Khe Dien and Krong H'ngang Hydropower Plants:

Effective exploitation of water resources; safe operation of project and equipment; at the same time, minimize production costs, bring good revenue

Service development:

Develop in depth, make a difference, focus on the following areas:

- + Related to water resources: Monitor, calculate and operate water regulation; Do a good job of operating single-reservoir and inter-reservoir flood discharges, ensure full reservoir water storage ready to generate electricity for next year's dry season, ensure safe operation and reasonable flood discharge
- + Related to hydropower plants: Inspect dams; automate monitoring and operation of reservoirs, dams and plant's equipment operations; localize the device; consult on electricity market operations.
- + Carry out in-depth training for forces operating hydropower plants, operating the electricity market, constructing and installing hydropower equipment, organizing construction supervision and installation of machines for irrigation and hydropower projects.

Calculate optimal exploitation of reservoirs to achieve maximum output:

Further development of the lakebed area of Krong H'Nang and Khe Dien hydropower plants: install solar energy on the lake; fish farming combined with ecotourism.

Electricity market research:

Provide appropriate directions and strategies to improve competitiveness with businesses in the same industry

Human resources:

Employees are always proud of the Company, proud of the work they do; stick with and contribute to the long-term development of the Company.

Research and prepare procedures for investment and construction of new projects, focusing on renewable energy projects such as wind power and solar power in the vicinity of Krong H'Nang hydropower plant

Bring good dividends to shareholders, reaching over 10%/year, paid in cash, SBA stock code has good liquidity.



VISION - MISSION - CORE VALUES - SLOGAN



VISION

SBA is committed to pursuing the goal of sustainable development, aiming to become a reputable company in the field of investment, management and implementation of power projects. We provide professional consulting services on single reservoir, inter-reservoir operation and environmental tasks related to hydropower, contributing to environmental protection and socio-economic development.



MISSION

We take the harmonious interests of customers, shareholders, employees and the community as a guideline, SBA constantly improves the efficiency of management, production and business activities. We aim to become the leading company in Vietnam in providing national flood regulation services and providing electricity and related services. By increasingly meeting the demand for electricity and related services, SBA contributes to the country's economic, cultural, social and national security development.

SLOGAN

"CREATIVE THINKING, SUSTAINABLE DEVELOPMENT"

CORE VALUES



ECONOMIC RISKS

The world economy in 2023 continues to develop complicatedly and has many unfavorable factors. According to the General Statistics Office, in 2023, gross domestic product (GDP) increased by 5.05% compared to 2022 and it is only higher than the growth rate of 2020 and 2021 in the period 2011-2023. However, this is still a positive number in the context of a difficult global economy and experts say it will be even more difficult in 2024.

In 2023, the entire industry will continue to maintain a stable increase, the added value of the entire industry in 2023 increased by 3.02% compared to 2022. This is an important factor to boost the national economy in 2023. The electricity production and distribution industry alone increased by 3.79%, contributing 0.14 percentage. The electricity production and supply situation of the entire system in 2023 has many shortcomings across the country, especially in the Northern region where there is a shortage of electricity, electricity must be cut intermittently. Power cuts have more or less affected

people's lives and production situation. Facing the economic situation with many complicated developments, SBA needs to proactively implement better financial management plans to respond to different economic scenarios. Besides, with the increasing demand for energy in Vietnam, the electricity industry in general and SBA in particular need to fully meet the domestic demand for electricity, this is an opportunity as well as challenge for the entire industry.



INTEREST RATE RISKS

With high initial investment capital and long capital recovery period, interest rate is an important factor affecting the performance of hydropower enterprises. High interest rate will increase the financial burden, reduce profits and reinvestment ability of the Company. On the contrary, reasonable interest rate will help the Company reduce capital costs, improve business efficiency and create motivation for investment activities, contributing to national energy security. In 2023, the State Bank of Vietnam has repeatedly cut interest rates to promote the return of production and economic recovery. With the interest rate adjustments of the State Bank of Vietnam, deposit interest rate at commercial banks has decreased significantly but interest rate still remains high.

SBA borrows capital in Vietnamese Dong (VND) so the Company is greatly affected by fluctuations in domestic interest rate. These fluctuations could negatively impact SBA's ability to raise capital and business operations. However, this is a factor beyond the company's control. To minimize interest rate risk, SBA regularly monitors and updates changes in market interest rate. From there, the company makes reasonable loan decisions, ensures benefits for business goals and saving financial costs.

INDUSTRY-SPECIFIC RISKS

The hydropower industry depends on weather and climate. Electricity output depends on local water sources and rainfall. Climate change changes rainfall, it affects the hydrological cycle, flow, and water reserves, thereby affects electricity output. Prolonged drought and reduced rainfall cause the water capacity in the reservoir to be lower than the design, affecting electricity generation. Natural disasters such as flash floods and heavy rains also affect roads and dams in the plant.

In the face of climate fluctuations, the electricity industry is forced to adapt and develop. SBA always updates climate and hydrological information to proactively respond to adverse situations. The company prepares plans to prevent storms and floods, ensures safety for dams and hydropower projects. In addition, SBA invests heavily in hydrological research to accurately forecast hydrological cycle and weather, thereby ensures safe electricity supply and meets growing demand.

ENVIRONMENTAL RISKS

Environmental risks are potential or actual threatening factors that impact the environment through wastewater, emissions and waste. As an electricity production enterprise, SBA always understands the importance of electricity and water. To limit environmental risks, the Company has policies aimed at the environment such as: respond and participate in protecting upstream forests and protecting the environment in the hydropower plant area to always be green, clean and beautiful; perform well the work of occupational safety and hygiene; the operation of hydropower plants fully complies with the State's regulations on environmental protection; constantly strive to improve production processes to meet standards for a clean, green and beautiful environment.

As an electricity production enterprise, SBA is always aware of the importance of the environment.

Environmental risks from wastewater, emissions and waste. SBA is always committed to sustainable development, accompanying the environment. The company proactively responds to environmental risks with practical policies such as: protect upstream forests, maintain a green environment at hydropower plants, ensure labor safety, and operate the plant in compliance with environmental protection regulations, and constantly improve production processes towards a green, clean, and beautiful environment.



MONOPOLY RISKS

Vietnam's electricity industry with its high monopoly poses many challenges for SBA. Electricity Power Trading Company (EPTC), under Vietnam Electricity (EVN), is the only unit allowed to buy electricity from all power generation units in the market, and wholesale to electricity distribution companies, so SBA is bound by electricity prices and depends on EVN's decisions. To overcome this barrier, SBA needs to improve competitiveness through minimizing production costs and optimizing business operations. At the same time, the company needs to proactively seek new markets and partners, diversify its customer portfolio and reduce dependence on EVN. Signing a long-term contract with the official electricity price will help SBA ensure a stable revenue source and plan for more effective development.

OTHER RISKS

In addition to common risks, SBA is always concerned about force majeure risks such as natural disasters, fires, explosions, epidemics, etc. Although these risks are rare, they have terrible destructive power, causing huge damage to people and property, severely affecting the company's business operations.

LEGAL RISKS

Under the joint stock company model, listed on the Ho Chi Minh City Stock Exchange, SBA is influenced by the legal system and related policies such as the Enterprise Law, Securities Law, Tax Law, Law on Natural Resources and Environment, Labor Law, etc. Failure to comply or delay in updating changes in the law can lead to legal risks, affecting the company's business operations.

To minimize legal risks, SBA implements proactive solutions such as: continuously update changes in policies and legal documents, ensure strict compliance with legal regulations. At the same time, the company develops goals and plans appropriate to its operating situation, creates a foundation for effective business operations and sustainable development.

SBA always proactively responds to force majeure risks by closely monitoring, contingency planning and implementing effective defense measures. Thanks to this, the company can maintain stable business operations, comply with regulations on rescue and fire prevention, and protect workers and property through preventive and insurance measures.

02 OPERATIONAL SITUATION

Operational situation

Project investment and implementation situation

Organization and personnel

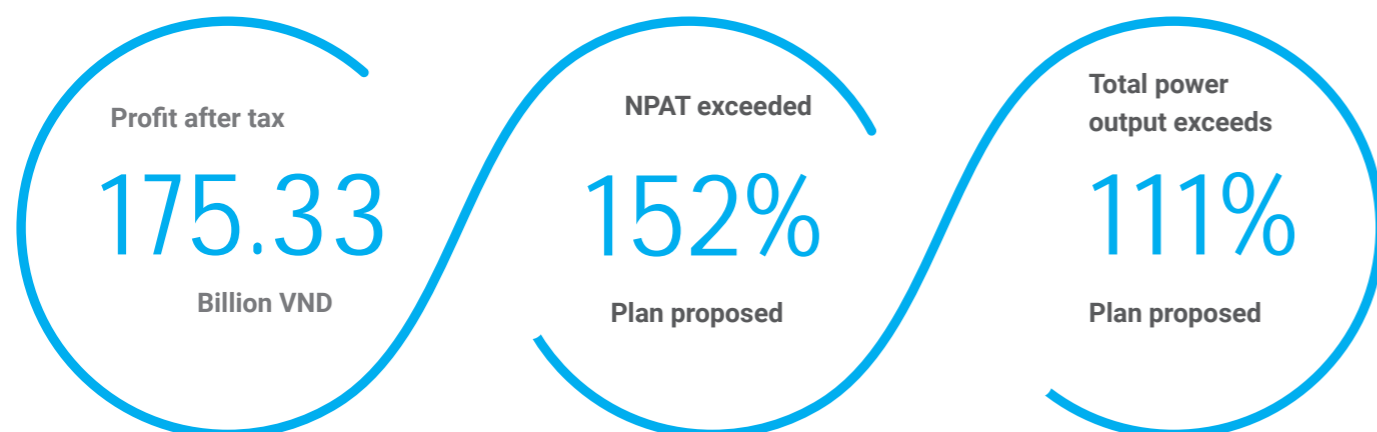
Financial situation

Shareholder structure



Operational, production and business situation

No.	Criteria	Unit	2022 implementation	2023 implementation	2023 plan	2023 Im./ 2022 im.	2023 Im./ 2023 plan
1	Electricity output	Million kWh	333.53	270.38	244	81%	111%
-	<i>Khe Dien</i>	<i>Million kWh</i>	66.46	49.03	44	74%	111%
-	<i>Krong H'ngang</i>	<i>Million kWh</i>	267.07	221.35	200	83%	111%
2	Total revenue:	Billion VND	451.96	341.09	279.16	75%	122%
a	Electricity production revenue	Billion VND	446.02	334.38	274.16	75%	122%
-	<i>Khe Dien</i>	<i>Billion VND</i>	78.31	64.94	60.93	83%	107%
-	<i>Krong H'ngang</i>	<i>Billion VND</i>	367.72	269.44	213.23	73%	126%
b	Service revenue and other revenue	Billion VND	5.94	6.71	5	113%	134%
3	Total cost	Billion VND	192.32	144.82	150.06	75%	97%
4	Profit before tax	Billion VND	259.64	196.27	129.1	76%	152%
5	Profit after tax	Billion VND	244.55	175.33	115.61	72%	152%
6	Earnings per share	VND	4,056	2,899	1,911	71%	152%


The company's business management cost structure

No.	Criteria	Unit	2022 implementation	2023 implementation
1	Cost of raw materials, materials, tools	Billion VND	0.40	0.48
2	Labor cost	Billion VND	19.26	14.84
3	Fixed asset depreciation cost	Billion VND	0.35	0.65
4	Outside purchasing services cost	Billion VND	1.83	1.73
5	Other costs	Billion VND	3.83	4.14
6	Total administrative Cost	Billion VND	25.67	21.84

2023 is a year that marks a challenging period for the hydropower industry in general and Song Ba Joint Stock Company in particular. Over the past year, the El Nino weather phenomenon that began to occur in the middle months of 2023 has caused the water flow to the Company's reservoir to be lower than in 2022, causing electricity production to be lower than the previous year. (18.93% lower). Total electricity generation output reached 270.39 million kWh, total revenue was 341.09 billion VND (of which electricity sales revenue was 334.38 billion VND, consulting service revenue and other revenue was 6.71 billion VND), profit after corporate income tax is 175.33 billion VND and earnings per share is VND 2,899/share.


PROJECT INVESTMENT AND IMPLEMENTATION SITUATION

Song Tranh 1 Hydropower Project: Approved by the General Meeting of Shareholders to permanently stop the Project according to regulations.

Krong H'ngang 2 Hydropower Project: The company has sent many documents to the People's Committee and Department of Planning and Investment of Phu Yen province asking to receive the project deposit back and seek official opinions on project investment to handle further procedures according to regulations. However, up to now, relevant departments and agencies of Phu Yen province have not yet officially responded. The company is continuing its efforts to completely resolve this issue this year.

Renovation and upgrade project of the cafeteria and shift rest area of Khe Dien hydropower plant: The General Meeting of Shareholders approved the investment policy; The company has resolved related procedures for construction investment, contractor selection, signing construction contracts and commencement of construction from June 2023. Currently, the basic construction work has been completed and is in the completion stage. When the project is completed and put into use, it will contribute to improving the daily life of Khe Dien Hydropower Plant's staffs and employees. Project implementation duration and progress: completed, accepted and put into use before 31 March 2024.

List of Board of Management, Executive Board, Board of Supervisors

No.	Full name	Position	Number of shares owned	Share ownership ratio (%)	Remark
BOARD OF MANAGEMENT					
1	Thai Hong Quan	Chairman of the Board	-	-	
2	Dinh Chau Hieu Thien	Member of the Board of Management - cum General Director of the Company	21,600	0.0357	
3	Pham Phong	Member of the Board of Management	325,175	0.5376	
4	Hoang Nam Son	Independent Member of the Board of Management	44,909	0.0742	
5	Hoang Xuan Qui	Member of the Board of Management	34,500	0.0570	Elected as a member of the Board of Management on 21 April 2023
BOARD OF SUPERVISORS					
1	Phan Thi Anh Dao	Head of the Board of Supervisors	2,550	0.0042	
2	Huynh Thi Long	Member of the Board of Supervisors	-	-	
3	Tran Nguyen Anh Thu	Member of the Board of Supervisors	-	-	Appointed to the position of Member of the Board of Supervisors from 21 April 2023.
BOARD OF GENERAL DIRECTORS					
1	Dinh Chau Hieu Thien	Member of the Board of Management - cum General Director of the Company	21,600	0.0357	
2	Nguyen The Duy	Deputy Business General Director	4,596	0.0076	
3	Phan Dinh Thanh	Deputy Technical General Director	8,350	0.0138	
CHIEF ACCOUNTANT					
1	Pham Thai Hung	Chief Accountant – cum authorized person to disclose information	3,600	0.0060	

Curriculum vitae of the Executive Board


Mr. Dinh Chau Hieu Thien
Member of the Board of Management cum General Director of the Company

Qualification:

- Master of Business Administration (MBA)
- Electrical engineer - Major in Automation

Working process:

- February 1992 - July 2002: Electrical engineer - Electrical Experiment Center - Electricity Company No. 3
- August 2002 - September 2005: Deputy Head of Hydropower Management Department - Electricity Company No. 3
- October 2005 - April 2010: Head of Hydropower Management Department - Electricity Company No. 3
- April 2010 - November 2014: Head of Hydropower Management Board - Central Power Corporation
- November 2014 - May 2015: Head of Construction Management Board - Central Power Corporation
- June 2015 - March 2018: Deputy Director - Central High Voltage Grid Company
- April 2018 - June 2021: Chairman of the Board of Management - Song Ba Joint Stock Company
- July 2021 to present: General Director - Song Ba Joint Stock Company

Number of shares held: 21,600 shares

Percentage of shares held: 0.0357% of shares

Number of shares to represent EVNCP's capital: 7,093,500 shares (11.7271%)



Mr. Nguyen The Duy
Deputy Business General Director

Qualification:

- Electrical Engineer
- Master of Business Administration

Working process:

- May 2004 - August 2008: Specialist of Technical Department - Song Ba Joint Stock Company
- September 2008 - January 2008: Deputy Head of Mechanical and Electrical Department - Song Ba Joint Stock Company
- February 2008 - April 2010: Deputy Steering Committee of Krong H'ngang 2 Hydropower Project
- May 2010 - April 2014: Head of Economics and Planning Department - Song Ba Joint Stock Company
- May 2014 to present: Deputy Business General Director - Song Ba Joint Stock Company

Number of shares held: 4,596 shares

Percentage of shares held: 0.0076% of shares



Mr. Phan Dinh Thanh
Deputy Technical General Director

Qualification:

- Mechanical Engineer

Working process:

- August 2005 – September 2007: Specialist of Technical Department – Song Ba Joint Stock Company
- September 2007 - March 2010: Specialist of Mechanical and Electrical Department - Song Ba Joint Stock Company
- April 2010 - September 2010: Specialist of Krong H'ngang Hydropower Plant - Song Ba Joint Stock Company
- January 2011 - July 2011: Leader of Mechanical Team - Mechanical and Electrical Department - Song Ba Joint Stock Company
- August 2011 - February 2015: Head of Mechanical and Electrical Department - Song Ba Joint Stock Company
- March 2015 - June 2016: Head of Economics and Planning Department - Song Ba Joint Stock Company
- July 2016 - September 2018: Director of Krong H'ngang Hydropower Plant - Song Ba Joint Stock Company
- October 2018 - present: Deputy Technical General Director - Song Ba Joint Stock Company

Number of shares held: 8,350 shares

Percentage of shares held: 0.0138% of shares



Mr. Pham Thai Hung
Chief Accountant

Qualification:

- Master of Finance - Banking
- Bachelor of Economics - Major in Corporate Accounting

Working process:

- 2003 – 2004: Chief Accountant - My Anh Company Limited, Quang Binh
- 2004 – June 2009: Chief Accountant - Central Cotton Fabric Joint Stock Company
- July 2009 - August 2009: Deputy Head of Finance - Accounting Department - Song Ba Joint Stock Company
- September 2009 - December 2009: Officer in charge of Finance - Accounting Department - Song Ba Joint Stock Company
- January 2010 to present: Chief Accountant - Song Ba Joint Stock Company

Number of shares held: 3,600 shares

Percentage of shares held: 0.0060% of shares

Number of officers and employees

As of 31 December 2023, total number of employees: 103 employees

No.	Classification properties	Quantity	Proportion (%)
I	Classification by gender	103	100.00%
1	Male	98	95.15%
2	Female	5	4.85%
II	Classification by qualification	103	100.00%
1	Bachelor's degree, Associate degree	57	55.34%
2	Intermediate Degree	37	35.92%
3	Unskilled Labor	9	8.74%
III	Classification according to the nature of labor	103	100.00%
1	Direct production	72	69.90%
2	Non-direct production	31	30.10%

Average salary of employees over the years

Criteria	Unit	In 2020	In 2021	In 2022	In 2023
Average income	Million VND/person/month	16.43	16.96	20.36	19.13

SBA is always a pioneer in taking care of the lives of officers and employees. In recent years, the employees' average income at SBA has been continuously proposed to increase, this salary is high compared to the industry's average salary. This is a testament to SBA's efforts in applying effective salary and bonus policies to retain talents, ensure benefits and improve living standards for employees.



Policies for employees

Salary, bonus, benefits.

In 2023, the company has well implemented policies and collective labor agreements and taken care of employees' lives.

- Fully pay social insurance, health insurance, and unemployment insurance according to the provisions of law
- The company ensures that salary is paid in full and on time according to the provisions of law, creates conditions for employees to develop their full potential, enjoy good salary and bonus policy, and stimulate maximum work efficiency.
- Carry out the deduction and payment of trade union fees according to regulations.
- The company always has public, transparent and clear annual reward regimes such as excellent individual and collective bonuses; unexpected rewards for excellent completion of assigned tasks, bonuses on holidays, New Year, etc.
- Visit employees when they get married, have children, or are sick; Celebrate birthdays every quarter; Support for Employees when they encounter unexpected difficulties, Employees or employees' relatives pass away, etc.

- Visit and give gifts to employees' relatives on Vietnam's War Invalids and Martyrs Day.
- Give gifts for employees' child(ren) on the occasion of International Children's Day, Mid-Autumn Festival and achieve high academic achievements every year.
- Organize sightseeing, entertainment, and relaxation for Plant's employees and relatives in Cam Ranh, Khanh Hoa.
- Repair the Company's office furniture, create a modern and dynamic working environment, gradually improve the working environment at the Company's Office.
- Build a play-field at Krong H'Nang Hydropower Plant, put into use from November 2023, create a place for the plant's employees to exchange and exercise after hard working hours.
- In 2023, after studying the relevant provisions of the Labor Law, the Company has revised and promulgated the Collective Labor Agreement, which has expanded a number of policies and benefits for employees. The Company's collective labor agreement is rated A by the Vietnam Electricity's Trade Union (EVN) in the 2023 evaluation period according to Decision No. 433/QĐ-CDDVN dated 22 December 2023 of the EVN's Trade Union.

Fostering and training.

- Training and fostering are considered the golden key to improve the quality of human resources, promote the Company's sustainable development. Recognizing that importance, in recent years, the Company has always focused on investing in training and fostering to ensure a professional, high-quality labor source to meet the increasing demands of work and production and business efficiency.
- SBA has cooperated with the Central Region College of Technology, Economics and Water Resources and signed a contract to train and improve the capacity and expertise in dam and reservoir management and exploitation for 07 hydrological engineers who are employees of the Company.
- In order to improve organizational and individual capacity in exploiting dams and lakes, as well as consolidating knowledge about bidding and organizing contractor selection, the Company sent a number of officers and employees to participate in in-depth training courses.

- During the year, the Company also sent employees to participate in training courses on labor law, social insurance, taxes to improve leadership capacity for middle managers, etc. to ensure the quality of professional and high-quality labor resources, increase labor productivity in accordance with the Company's development orientation.
- Forms of training: Self-training (Leaders at all levels train lower-level employees; highly qualified and specialized employees tutor, train newbies) and outsource training for professional classes.
- Every year, the Company develops training plans and sends employees to participate in training courses on construction operations, labor law, social insurance, taxes, management capacity, etc. to update and foster knowledge, improve professional capacity, and contribute to increasing work efficiency.
- At SBA, job rotation is also a form of employee training and development.



Policies for employees

Working facilities and tools and digital transformation.

- In order to create a safe, civilized and convenient working environment for employees, the Company always focuses on facilities; provides quality and safe working facilities and tools, specifically:
 - Labor protection equipment is provided fully, reasonably, and ensures quality. The management and implementation of Occupational Safety and Health has been carried out seriously and in accordance with regulations.
 - Equip or support costs for employees to equip their own computers for work.
 - Inspect on time for equipment with strict safety requirements during use; Equip medical cabinets with full medicines and basic medical tools for first aid; Organize fire prevention drills and inspect Occupational Safety and Hygiene at the workplace periodically.
- Regularly maintain 5S work at units, organize periodic inspection and evaluation, as a result, 100% of units are evaluated and graded as good. At the plants, materials, equipment, and records have been neatly arranged; The Company's office is airy and clean.
- Provide guidance on risk management according to ISO 9001-2015 standard, approve and issue the Company's risk management documents according to regulations.
- Digital transformation: Put into use Technical Management software at two Plants, the Company's Electronic Office software and Shareholder Management software. The management and processing of work is done online, so it saves time and costs in handling work.



Emulation and initiative movement.

- With the desire to further improve the material and spiritual lives of the Company's employees, in addition to changes in facilities, accommodation for living, exercise, and sports, in 2023 the Company has coordinated with the Trade Union to launch many emulation movements to improve the cultural and spiritual life of the Company's employees:
 - Improvement initiative movement: In 2023, the company has 04 improvements and 15 production rationalization solutions which are recognized and applied, this contributed to the overall efficiency of the Company's operations.
 - 5S practice emulation movement: All units in the Company are rated A according to the Company's periodic 5S maintenance evaluation program.
 - Outstanding Labor Movement, promptly recognize contributions and encourage the spirit of hard work of employees, as a result, there were 14 individuals at units recognized by the Company.

- Website Writing Movement; Beautiful photo videos about the Company's activities, etc. create a bond between employees and the Company, create an environment for employees to promote their own interests and contribute to promoting the Company's image.
- Launch the "Book Introduction" contest, create opportunities for learning exchanges and spreading the spirit and reading movement among the Company's employees. By the end of 31 December 2023, 15 employees participated in introducing a variety of book content from history, novels, culture, psychology, etc.
- Organize employees to practice tennis and other sports to interact, practice, and improve health to contribute to strengthening solidarity and attachment among the Company's employees.
- Launch the "First SBA Virtual Run Tournament", the movement was responded to and actively participated by all employees of the Company, it contributed to spreading the movement of physical exercise and sports to each family of the Company's employee. The total running distance completed by more than 70 employees of Song Ba in 45 days is 8,860.36 km.



Basic financial targets

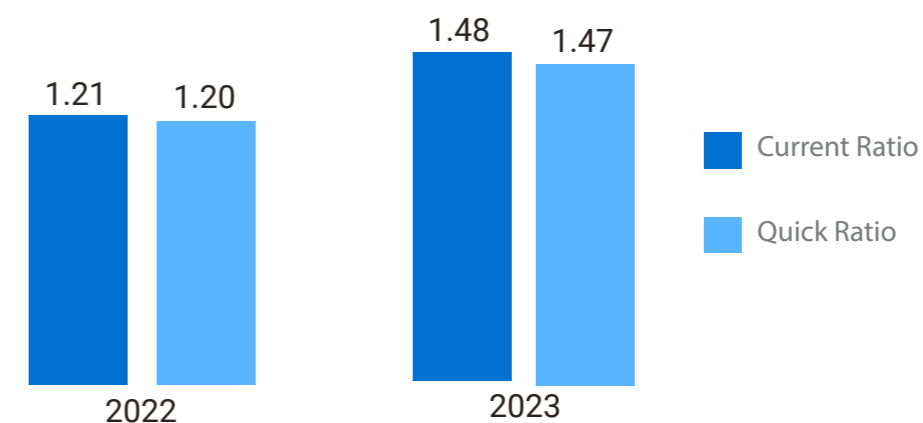
No.	Targets	Unit	In 2022	In 2023
1	Solvency			
-	Current Ratio (Short-term assets/Short-term liabilities)	Time	1.21	1.48
-	Quick Ratio (Short-term assets - Inventory)/Short-term liabilities)	Time	1.20	1.47
2	Capital structure			
-	Total-Debt-to-Total-Assets Ratio	%	28.38%	18.34%
-	Debt-to-Equity Ratio	%	39.63%	22.46%
3	Operation capacity			
-	Inventory Turnover (Cost of goods sold/Average inventory)	Turnover	84.32	68.76
-	Total Asset Turnover (Net revenue/Average total assets)	Turnover	0.38	0.29
4	Profitability			
-	Return On Sales (ROS)	%	49.34%	46.63%
-	Return On Average Equity (ROEA)	%	27.09%	17.92%
-	Return on Average Assets (ROAA)	%	18.65%	13.70%
-	Ratio from Net profit from production and business activities/ Net revenue	%	53.47%	51.88%



Solvency

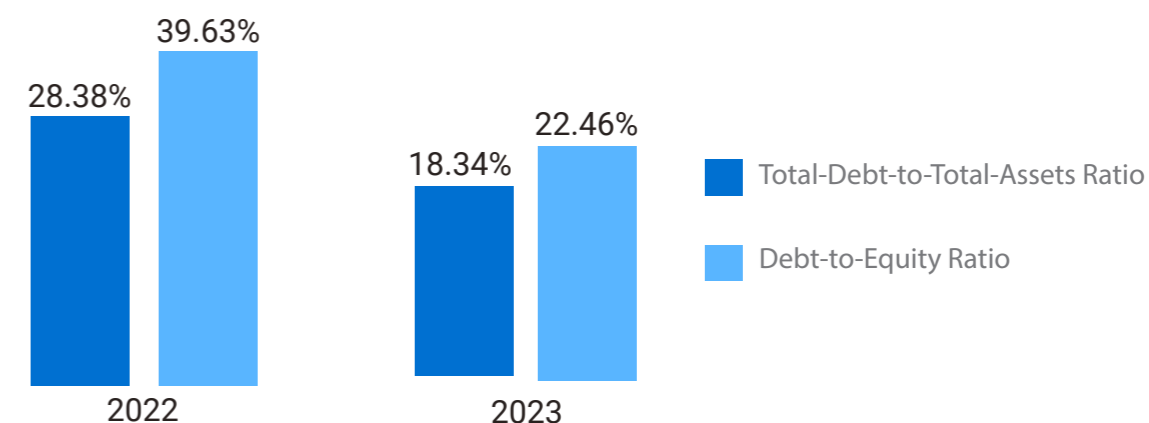
The company's solvency in recent years has remained at a safe level, enough to pay off short-term loans. The Current ratio increased from 1.21 times to 1.48 times and the quick ratio increased from 1.20 times to 1.47 times. The Company's short-term assets decreased significantly from 243.09 billion VND in 2022 to only 196.83 billion VND at the end of 2023. The reason comes from the sharp decline in cash and cash equivalents, decreasing from 80.68 billion VND in 2022 to 16.65 billion VND in 2023.

Positive signs of the Company when short-term debts decreased from 201.23 billion VND to 133.02 billion VND. The main reason comes from the reduction of payables and other payables, which decreased by about 58 billion VND compared to the previous year, the rest comes from reducing short-term financial loans.



Capital structure

The decrease in the Company's liabilities contributed to a significant reduction in the capital structure of the Company. Specifically, long-term loans decreased sharply from 175.21 billion VND to 93.15 billion VND, this loan mainly came from Orient Commercial Joint Stock Bank - Trung Viet branch to invest in expanding the Khe Dien hydropower project and refinance two Khe Dien and Krong H'ngang hydropower projects. Undistributed profit after tax in 2023 increased by 175.33 billion VND, this helped to increase equity capital. Total assets decreased slightly from 1,326 billion VND in 2022 to only 1,233 billion VND, equivalent to a decrease of 7.03%, this decrease is quite small compared to the 39.92% decrease in liabilities. Therefore, the capital structure of the Company decreased significantly, it contributed to reducing the financial burden on the Company.



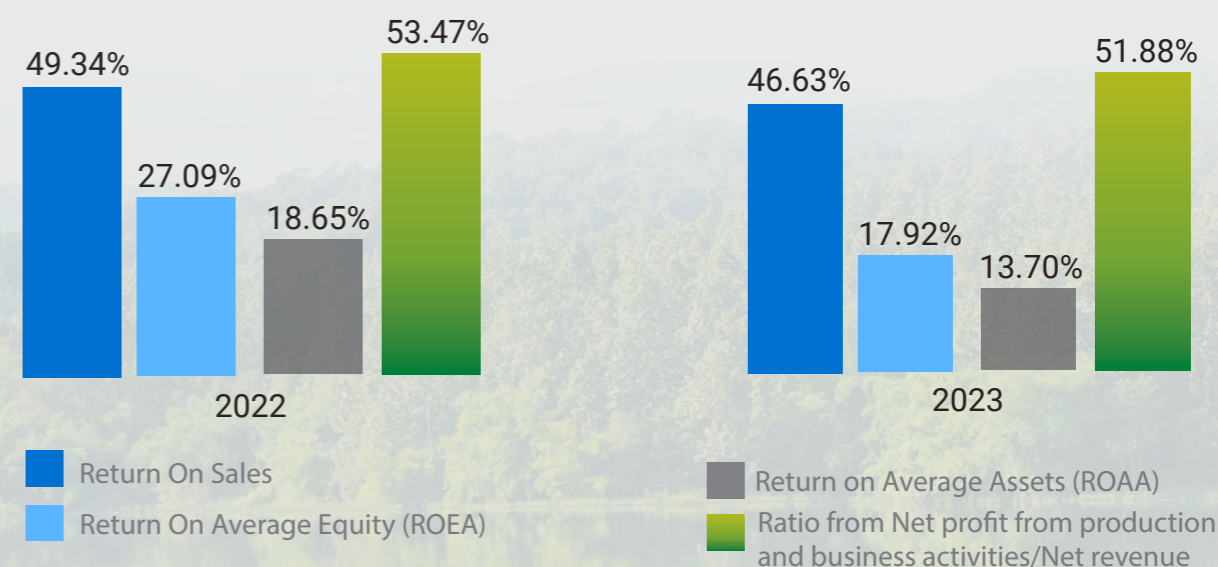
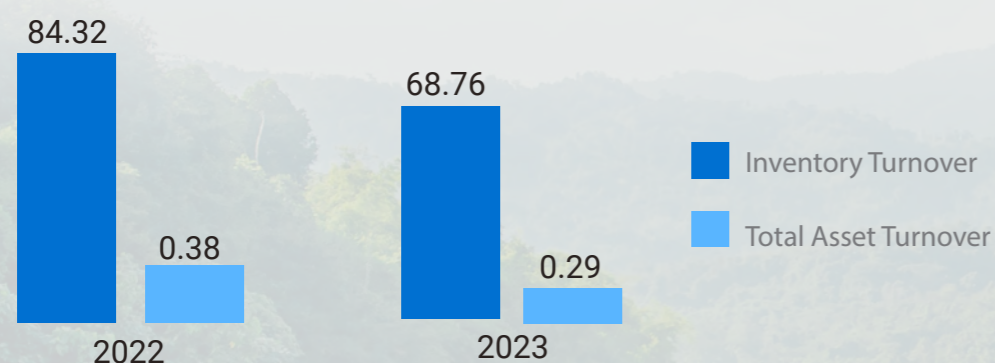
Operation capacity

Operational capacity indicators all decreased significantly, showing a slowdown in production and business activities in 2023 due to harsh climatic conditions and unpredictable changes. Specifically, inventory turnover decreased from 84.32 turnovers to 68.76 turnovers and total asset turnover decreased from 0.38 turnover to 0.29 turnover.

Inventory, especially hydropower plant, accounts for the majority of a Company's total assets, with a value far exceeding revenue. Therefore, effective inventory turnover management plays an important role in optimizing capital resources and improving profits for the Company. SBA's operation capacity indicators show a decrease in business performance compared to the previous year. This result comes from the fact that the hydrological situation in 2023 is not favorable for hydropower company. Therefore, net revenue and cost of goods sold in 2023 are both recorded to decrease compared to 2022.

Profitability

2023 marks a challenging period for the hydropower industry in general and Song Ba Joint Stock Company in particular. Harsh climate changes, scarce rainfall and the impact of El Nino phenomenon have negatively impacted electricity output, prolonged intense heat has pushed reservoir water levels to record lows, this has caused many difficulties in operating the plant. With the unfavorable hydrological situation for the Company, the profitability of the Company in 2023 is lower than in 2022. Profit after tax decreased sharply by about 28.30%, ROEA and ROAA in 2023 both decreased compared to 2022, by 17.92% and 13.70% respectively, equivalent to a decrease of 33.85% and 26.55%.



STOCK INFORMATION


Song Ba Joint Stock Company:
 Charter capital: 604,882,610,000 VND
 Number of shares issued: 60,488,261 shares
 Par value: 10,000 VND/share

Common shares: 60,488,261 shares
 Preferred shares: 0 shares
 Number of outstanding shares: 60,488,261 shares
 Number of treasury shares: 0 shares

Shareholder structure

No.	Subject	Number of shareholders	Number of shares held	Ownership ratio (%)
1	Government	1	23,645,000	39.09
2	Domestic shareholder	6,063	36,653,194	60.6
+	Organization	17	578,716	1.00
+	Individual	6,046	36,074,478	59.6
3	Foreign shareholder	22	190,067	0.31
+	Organization	8	154,042	0.25
+	Individual	14	36,025	0.06
Total		6,086	60,488,261	100.00%

Situation of changes in owner's investment capital:

In 2023, there will be no change in equity.

List of major shareholders

Name of organization/ individual	ID card/Passport/Business registration certificate number	Address	Number of shares	Ratio/ Charter capital
Central Power Corporation	0400101394	78A Duy Tan, Hoa Thuan Dong Ward, Hai Chau District, Da Nang City	23,645,000	39.090%



03 REPORT OF THE BOARD OF GENERAL DIRECTORS

Business performance evaluation

Financial situation

Production targets in 2024

Explanation of the Board of Directors on the Audit Opinion



Business performance evaluation

At the 2023 production and business plan, the Company's General Meeting of Shareholders assigned Song Ba Joint Stock Company the key tasks of managing and operating the two hydropower plants: Khe Dien and Krong H'ngang safely and effectively, ensuring total commercial electricity output of 224 million kWh, total revenue of 341.09 billion VND (of which electricity sales revenue is 334.38 billion VND, consulting service revenue and other revenue is 6.71 billion VND), profit after corporate income tax of 175.33 billion VND and basic profit per share of VND 2,899/share.

The situation of production and business activities in 2023 took place under unfavorable conditions when the hydrological situation of the two reservoirs of Khe Dien and Krong H'ngang hydropower plants was good from the first months of the year but starting in the middle months of the year, the El Nino phenomenon has reduced water flow to the reservoir and lasted until the end of the year. The average annual electricity price reached 1,214 VND/kWh, an increase of 13.83% compared to the contract price, the additional revenue from the electricity market was about 32.56 billion VND.

With the spirit of solidarity and effort, overcoming difficulties, promoting advantages, the Company has been flexible in operating plants and has many creative and drastic solutions in management and operations. Therefore, we have promptly completed the planned tasks for 2023 according to the Resolution of the Annual General Meeting of Shareholders assigned by the Company, and the results achieved are as follows:

No.	Target	Unit	2023 implementation	2023 plan	Implementation/plan
1	Electricity output	Million kWh	270.38	244.00	111%
-	Khe Dien	Million kWh	49.03	44.00	111%
-	Krong H'Nang	Million kWh	221.35	200.00	111%
2	Total revenue:	Billion VND	341.09	279.16	122%
a	Electricity production revenue	Billion VND	334.38	274.16	122%
-	Khe Dien	Billion VND	64.94	60.93	107%
-	Krong H'Nang	Billion VND	269.44	213.23	126%
b	Service revenue and other revenue	Billion VND	6.71	5.00	134%
3	Total cost	Billion VND	144.82	150.06	97%
4	Profit before tax	Billion VND	196.27	129.10	152%
5	Profit after tax	Billion VND	175.33	115.61	152%
6	Earnings per share	VND	2,899	1,911	152%



Evaluation of operations at plants

In 2023, despite many difficulties, the Company has performed well the operation management, repair and maintenance of equipment and construction items, ensures that 02 hydropower plants: Krong H'Nang and Khe Dien operate stably, safely and effectively. The operation of the Krong H'Nang Hydropower Plant electricity market has achieved good results.

The plants operate flexibly, generate electricity in accordance with the water situation and the electricity market, achieving high electricity price efficiency. The electricity market work at Krong H'ngang Hydropower Plant operates well, the average electricity price reaches 1,214 VND/kWh, an increase of 13.83%, revenue from the electricity market for the whole year 2023 has increased by 21.97%. Khe Dien Hydropower Plant operated effectively, exceeding the plan by 11.43%, reaching an output of 49.04 million kWh.

In 2023, the company has carried out a number of main works at hydropower plants:

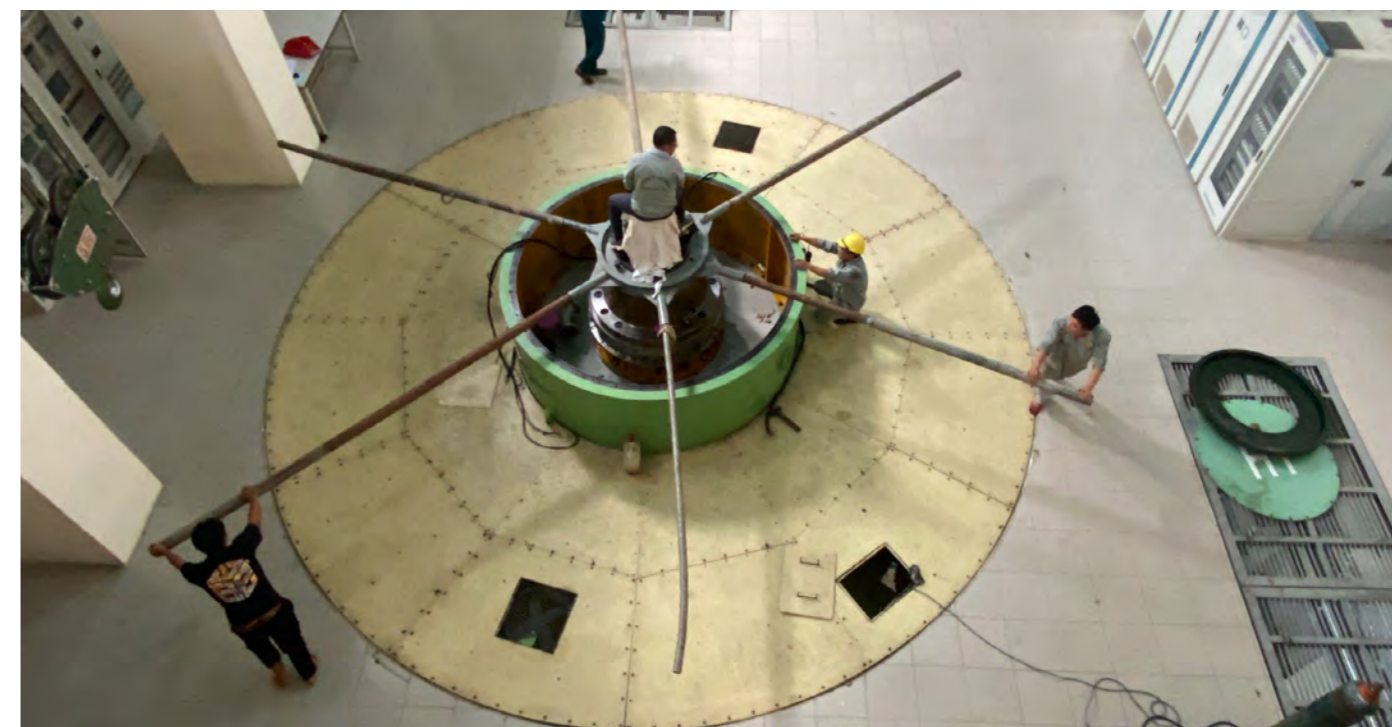
Krong H'Nang: Restore H1 unit and maintain 3,000 hours of H2 unit; Renovate the Krong H'Nang 110kV distribution transformer control system.

Khe Dien: Second equipment overhaul of H2 unit; 3000 hours maintenance of equipment for H1, H3 units; Install 02 additional relays to protect Khe Dien 110 kV transformer station and complete SCADA signal at compartments No. 172 and 173 Nong Son; Maintain and change 35kV voltage step of Khe Dien 110kV Transformer to stabilize the 22kV voltage in Nong Son area.

Implement occupational safety and hygiene well, do not allow occupational accidents, no subjective incidents, coordinate well with local authorities, ensure security and order in the plant's areas.

Flood and storm prevention at plants must ensure safety and compliance with regulations, no human damage occurs, and construction items operate safely and stably.

Plants fully comply with State regulations on environmental protection, dam safety, fire and explosion prevention, natural disaster prevention, search and rescue, and comply with legal regulations in electricity generation activities. Periodic information and reporting work is carried out seriously, fully and promptly according to regulations. In 2023, there will be 08 inspection teams coming to work at Krong H'Nang Hydropower Plant and 07 inspection teams at Khe Dien Hydropower Plant. Result: The inspection teams highly appreciated the management, administration and implementation of legal regulations of the Plants.



Construction and investment:

Krong H'ngang 2 hydropower project:

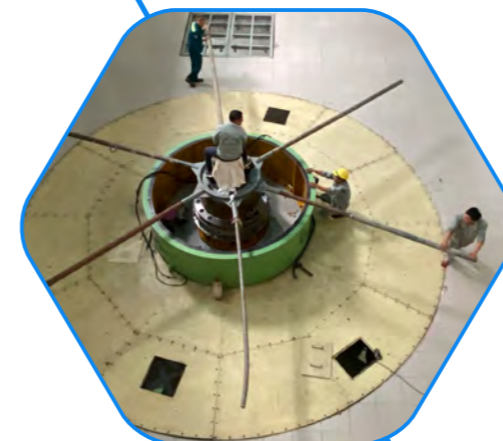
The company has sent many documents to the People's Committee and Department of Planning and Investment of Phu Yen province asking to receive the project deposit back and seek official opinions on project investment to handle further procedures according to regulations. However, up to now, relevant departments and agencies of Phu Yen province have not yet officially responded. The company is continuing its efforts to completely resolve this issue this year.

Song Tranh 1 Hydropower Project:

Implement the Resolution of the General Meeting of Shareholders at the 2023 annual meeting related to the Song Tranh 1 Hydropower Project. The Board of Management has agreed to permanently stop the Song Tranh 1 Hydropower Project according to the content stated in Report No. 14/23/TTr-S3-HĐQT dated 31 March 2023 of the Board of Management. The Company has organized and resolved related procedures to permanently stop the project according to regulations.

Renovation and upgrade project of the cafeteria and shift rest area of Khe Dien hydropower plant:

The General Meeting of Shareholders approved the investment policy; The company has resolved related procedures for construction investment, contractor selection, signing construction contracts and commencement of construction from June 2023. Currently, the basic construction work has been completed and is in the completion stage. When the project is completed and put into use, it will contribute to improving the daily life of Khe Dien Hydropower Plant's staffs and employees. Project implementation duration and progress: completed, accepted and put into use before 31 March 2024.



Consulting and research services.

In 2023, the Company sets the theme as “The Year of Consulting”. With that spirit, the Leadership, TTTV and other units have made efforts to promote and work with Investors to sign 12 new consulting service contracts, with a total contract value after tax of 3.22 billion VND, including contracts signed before 2023, total service revenue and other revenues in 2023 reached 6.71 billion VND.

In addition, the Company is implementing the following contracts: Lease of Khe Dien 35kV line infrastructure to serve the common Tam Phuc 22kV line and management and operation of Khe Dien 22kV NXT lease.

In addition to consulting services, the Company has carried out related consulting work to serve the management and operation of the two plants instead of having to hire an outside unit.

The total value of these self-performed works is about more than 8.0 billion VND. Some main works carried out in 2023 include: Dam inspection; Construction monitoring; Preparation of plans to respond to emergency situations; Dam protection plan; Design, construction supervision, equipment repair and maintenance work, etc.

Capital, finance and shareholder management

KrongH’NangHydropowerPlant’selectricitybillpayment has encountered many difficulties due to procedural problems in unifying the monthly contract output, the Company has actively worked and up to now EPTC has paid the electricity bill until the end of December 2023. Currently, EPTC still owes about 26.4 billion VND for SBA’s electricity bill for 2023 and earlier. Thanks to good cash flow balance, the Company’s financial situation is stable, ensures safety for production and business activities, pays dividends to shareholders, and pays to the State budget in accordance with regulations. The total amount paid to the state budget in 2023 is 99.22 billion VND.

Capital structure, payment ratio, and capital use

Other tasks

In 2023, the Company’s website has 44 articles, of which the direct production block of 02 plants has 15 articles and the Company’s Office has 29 articles. Thereby, the Company’s operating situation was updated promptly to shareholders and the public.

Actively participate in learning exchanges and sports competitions with businesses and organizations in the area, this contributed to introducing and promoting the image and people of SBA, such as: Sports Festival of Business Emulation Block I - Quang Nam province; Football tournament celebrating the 20th anniversary of OCB- Trung Viet.

The company always actively participates and mobilizes employees to support social activities of the Trade Union, the Youth Union at higher levels and external organizations such as: Giving Tet gifts to households in the resettlement area of the Krong H’Nang hydropower project and students of preschools and primary schools in the area of 2 hydropower plants; Giving Tet gifts to especially difficult households in 02 communes of Que Trung and Phuoc Ninh, Quang Nam province; Giving gifts to poor students overcoming difficulties in the area of Khe Dien Hydropower Plant and Krong H’Nang Hydropower Plant; Supporting social organizations (Vietnam Association for Victims of Agent Orange; Association for People with Disabilities; Vietnam Association for Promoting Education, etc.) in Quang Nam province and Danang City; Supporting for the Women’s Union of Nong Son district, Quang Nam province to help poor women in the district overcome difficulties and rise in life... Total amount of social activities in 2023 is more than 625 million VND.

efficiency are well maintained. The company preserves and develops capital well.

Dividends from 2021 onwards continue to be paid an additional 0.931 billion VND, the remaining shareholders who have not yet received is 9.03 billion VND, the Company announced on the Company website, Tuoi Tre Newspaper but there are still some shareholders who have not yet come to receive. Dividends in 2022 were paid at a rate of 28% in cash, by the end of 2023, VND 166.69/169.26 billion VND was paid.

Prepare financial statements, annual reports; Disclose information fully and promptly in accordance with regulations

Organize the 2023 Annual General Meeting of Shareholders on 21 April 2023.

Other tasks (con’t)



The annual employee conference is held from the grassroots level to the Company. All comments and recommendations of the Employees have been summarized and reported by the Trade Union at the Labor Conference and answered fully and transparently at the Conference.

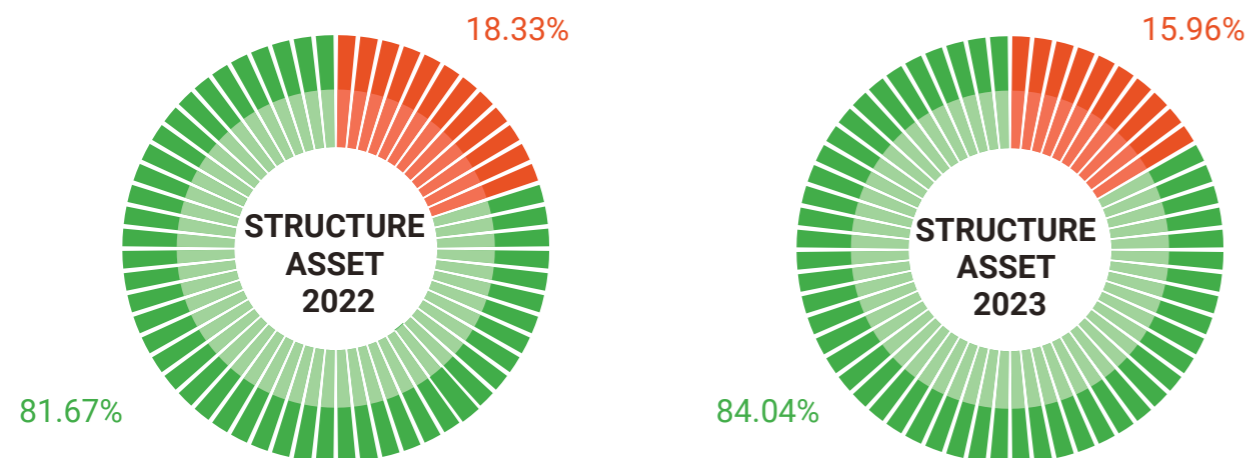


Asset situation

(Currency: Billion VND)

Criteria	In 2022	In 2023	2023 im./2022 im.	Proportion 2022	Proportion 2023
Short-term assets	243.10	196.83	80.97%	18.33%	15.96%
Long-term assets	1,083.13	1,036.23	95.67%	81.67%	84.04%
Total assets	1,326.23	1,233.06	92.97%	100%	100%



 Long-term assets
 Short-term assets

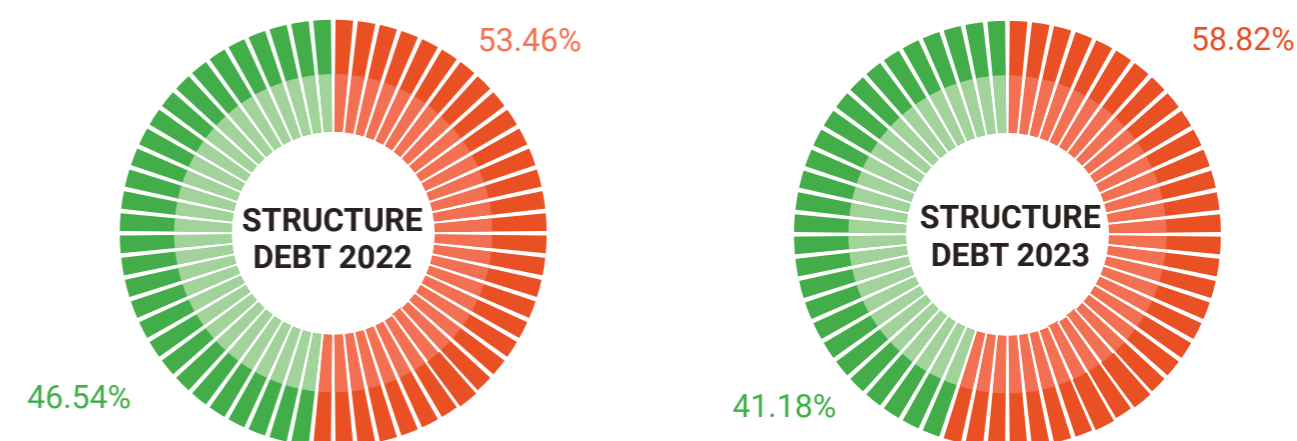


Liabilities situation

(Currency: Billion VND)

Criteria	In 2022	In 2023	2023 im./2022 im.	Proportion 2022	Proportion 2023
Short-term Liabilities	201.23	133.02	66.11%	53.46%	58.82%
Long term Liabilities	175.21	93.15	53.16%	46.54%	41.18%
Total liabilities	376.44	226.17	60.08%	100%	100%

 Long-term Liabilities
 Short-term Liabilities



The Company's total assets in 2023 are 1,233.06 billion VND, a decrease of 93.17 billion VND compared to 2022, equivalent to a decrease of 7.03%. Of which, short-term assets decreased by 19.03%, equivalent to 46.27 billion VND. The main reason for this decrease mainly comes from the decrease in cash and cash equivalent of more than 64.03 billion VND.

Long-term assets account for a large proportion in the total asset structure with 84.04%, due to the specific characteristics of the hydropower industry, it is a large investment with the initial investment capital being tangible fixed assets (machinery, equipment, management tools, etc.) to operate the hydropower plant. In 2023, long-term assets decreased by 4.33%. This mainly comes from depreciation of fixed assets and there were no expansion construction investment projects during the year.

In general, in the past year, the Company's short-term assets decreased mainly to pay dividends to shareholders.

In 2023, total liabilities decreased by 39.92% compared to 2022, from 376.44 billion VND to 226.17 billion VND. The reason is that the Company paid part of the long-term loan of Orient Commercial Joint Stock Bank - Trung Viet Branch because it has already come due. Therefore, long-term liabilities were accounted for as short-term liabilities. This loan decreased from 175.21 billion VND to 93.15 billion VND at the end of 2023. Regarding short-term liabilities, the Company made 2022 dividend payments to shareholders, so other short-term payables decreased from 70.69 billion VND to 12.59 billion VND at the end of this year. In general, the decline in SBA's loans and finance lease liabilities is a good sign as the Company is reducing the pressure on interest expenses.

Production and business plan in 2024

The El Nino phenomenon is forecast to continue and last until 2024, which will prevent the amount of water flowing into the reservoir from remaining at a high level. After analyzing hydrological forecasts, the electricity market situation, the operating situation of hydropower plants, the investment development situation of projects, and consulting services, the Company develops a production and business plan for 2024 as follows:

No.	Products	Unit	2024 plan
1	Total power output	Million kWh	220.00
-	<i>Khe Dien Hydropower Plant</i>		40.00
-	<i>Krong H'ngang Hydropower Plant</i>		180.00
2	Total revenue	Billion VND	255.83
2.1	Electricity production revenue		250.83
-	<i>Khe Dien Hydropower Plant</i>		58.23
-	<i>Krong H'ngang Hydropower Plant</i>		192.60
2.2	Consulting service revenue		5.00
3	Total costs	Billion VND	132.70
4	Profit before tax	Billion VND	123.13
5	LProfit after tax	Billion VND	110.22

(**) Electricity sales revenue and costs in 2024 do not include natural resources tax, forest environmental service fees and resource exploitation rights fees.*

Consulting services:

The company continues to determine the theme of 2024 as the Year of Consulting to continue maintaining and developing consulting services, contribute to creating jobs and increasing income for employees, strive to achieve consulting service revenue and other revenue in 2024 of 5.0 billion VND.

Actively seek and participate in bidding on related packages with strengths: Dam inspection; Preparation of plans to respond to emergency situations for dams and reservoirs, and dam protection plans for hydropower plants; design consulting, supervision of electrical projects, etc.

Apply for re-issue of Electricity Operation License for consulting service fields, complete the Company profile, expand participation in bidding for consulting packages in the fields of Agriculture and Rural Development, etc.

Continue to self-implement consulting packages for the two plants: Khe Dien and Krong H'Nang in accordance with the Company's capacity: Prepare flood maps for the downstream area and plans for: natural disaster prevention and response to emergency situations in the downstream area of the dam; Monitor dam displacement, assess current dam safety status, etc.

Administration and other tasks:

Continue to edit and compile the Company's document system in accordance with actual work, to better serve management and administration.

Regularly maintain 5S work at units; Organize internal inspection and evaluation of ISO, 5S and and evaluate to re-issue the ISO 9001:2015 quality management certificate according to regulations.

Promote the movement of innovation, innovation and scientific research.

Proactively control and balance cash flow, ensure stability of production and business activities and pay dividends to shareholders in 2023 according to plan.

Digital transformation: Complete arrangement of record storage; Classify and digitize important records and documents in archives; Equip with some specialized software to improve the Company's production and business efficiency.

Project investment and construction:

Krong H'Nang 2 hydropower project: Continue to monitor and work with relevant agencies and units to ask to receive the project deposit back and seek official opinions on project investment, in case it is not possible continue to invest according to regulations, it will be reported to the Board of Management and the General Meeting of Shareholders on the policy of stopping project investment.

Renovation and upgrade project of the cafeteria and shift rest area of Krong H'Nang hydropower plant: The company is working with a consulting unit to survey, design and create architectural plans and overall design documents to report to the Board of Management and submit to the Company's General Meeting of Shareholders to approve the policy of renovation and upgrade project of the cafeteria and shift rest area of Krong H'Nang hydropower plant. Construction is expected to start in the third quarter of 2024 and the project will be completed before 30 April 2025 to celebrate the 15th anniversary of commercial operation of Krong H'Nang Hydropower Plant.



The company expects the dividend rate in 2023 to be 22%.

Regarding the 2024 dividend advance: if production and business results are good and cash flow is favorable, the Company will calculate a reasonable rate and time of payment. Therefore, in order to be proactive, we respectfully submit to the Company's General Meeting of Shareholders to authorize the SBA's Board of Management to decide on the rate, time, dividend advance method and decide on procedures related to the 2024 dividend advance.

Management and operation:

Continue to research hydrological forecasts, plan the operation of Krong H'ngang hydropower plant proactively and flexibly according to the electricity market, Khe Dien hydropower plant according to the avoidable electricity prices and costs to bring good price efficiency and electricity revenue, reservoirs and construction items are operated safely according to regulations.

Carry out periodic repair and maintenance work at the 2 plants, ensure that there are no subjective damage incidents; Incident rate does not exceed the target according to the assigned plan. And some important work as follows:

Krong H'Nang hydropower plant:

- Repair and maintenance for 3000 hours of H1 and H2 units.
- Replace Krong H'Nang - EaKar 110kV line insulation.
- Install the 902 cutter contact temperature monitoring system.
- Repair and paint (inner part) of tunnel lining steel, valve house's disc valve and pressure conduits.
- Tile the floors in the plant's basements to reduce dust.
- Apply for re-issue of the license to exploit and use Krong H'Nang surface water.
- Continue to resolve discrepancies in coordinates, locations of land, works and applications for certification of assets attached to land, and resolve replacement forestry work according to regulations.

Khe Dien hydropower plant:

- Overhaul the second time equipment of H1 unit.
- Renovate the governor and excitation system and test the H2 unit system to meet the regulations in Decision No. 25/QD-DTDL dated 26 March 2019 of the Electricity Regulatory Authority of Vietnam.
- Repair, filter oil and degas the T1 transformer of 35kV power line column lease revenue transformer station.
- Replace insulation and improve grounding of 35kV line; Renovate the pillar distance at positions 55-56 of the extended Khe Dien 35kV line.
- Repair and paint to protect (outer part) of conduits.
- Renovate and upgrade the 0.4kV power supply line from the plant to the spillway and inlet opening into a 35kV line to ensure stable and safe power supply requirements and limit incidents.
- Continue to concretize operating roads, it is expected to: Build 01 1m wide concrete lane on the positive slope of Nong Son coal mine bypass, total length of 1,584 m; Build 01 1m wide concrete lane from VH2 road to the surge tank, total length of 470m.

Basis for plan completion:

1. Management and operation:

- The operation of the Electricity Market in 2024 will face many difficulties due to binding market regulations, monthly contract output adjustments...; regulations on operating and regulating reservoirs in the dry season according to the inter-reservoir process: The Company will continue to research solutions, coordinate and work with relevant agencies, update and re-analyze the hydrological situation to control efficient operation.

- Regularly check, evaluate and control equipment status; Prepare adequate plans, human resources, and backup equipment to repair, maintain, and promptly handle construction and equipment incidents at hydropower plants.

2. Consulting services:

Work with relevant agencies to apply for re-issuance of Electricity Operation License for consulting fields; Complete the Company profile in appropriate consulting fields according to regulations and meet the conditions for participating in bidding; Continue professional training and capacity improvement for relevant employees.

3. Continue to promote and enhance SBA's reputation and brand.

Focus on editing and writing articles on the Company's website, combine articles on EVNCP website and other newspapers and radio stations.

4. Periodically and unexpectedly inspect and evaluate to regularly maintain 5S activities at the Company according to regulations. Continue to revise and promulgate the Company's documents in a direction that is simple, clear, easy to apply, consistent with actual work, convenient in solving tasks to improve efficiency and adaptability, in accordance with trends, digital environment, and information technology applications.

5. Continue to organize extracurricular activities, train and self-train, improve working conditions, facilities, and spiritual life for employees throughout the Company.

6. Regularly check and control the updating and compliance with relevant legal regulations in the management and operation of plants and in financial management and information disclosure according to regulations.



EXPLANATION OF THE BOARD OF DIRECTORS ON THE AUDIT OPINION

According to the 2023 audited financial statements, the independent auditor, AAC Auditing And Accounting Company, has given a fully acceptable audit opinion on Song Ba Joint Stock Company's 2023 financial statements. Therefore, the Board of Directors has no further explanation.

04 REPORT OF THE BOARD OF MANAGEMENT

Evaluation of the Board of Management on the company's operations

Evaluation of the activities of the Board of

Directors

Plans and orientations of the Board of Management





EVALUATION OF THE BOARD OF MANAGEMENT ON THE COMPANY'S OPERATIONS

Prolonged heat and drought in the first 9 months of the year affected the operation of plants; The operation of the Electricity Market at Krong H'Nang Hydropower Plant was affected by low water flow to the reservoir in the dry season and was simultaneously bound by electricity market regulations and inter-reservoir operating procedures.

However, water to the reservoirs improved well from October 2023; The high increase in electricity selling prices on the market during the dry season months contributed to increasing revenue for Krong H'Nang Hydropower Plant and with the spirit of solidarity, overcoming difficulties, being flexible in operating plants and being creative and drastic in management and operation, Song Ba Joint Stock Company successfully completed the 2023 plan tasks according to the Resolution of the Company's Annual General Meeting of Shareholders. The results are as follows:

Evaluation of the implementation of planned targets for 2023

Criteria	Unit	2023 plan	2023 implementation	% im. /plan
Total commercial electricity output	Million kWh	244.00	270.38	111%
Revenue from electricity production	Billion VND	274.16	334.38	122%
Revenue from consulting services and other revenues	Billion VND	5.00	6.71	134%
Total revenue	Billion VND	279.16	341.09	122%
Total cost	Billion VND	150.06	144.81	97%
Profit before corporate income tax	Billion VND	129.10	196.27	152%
Profit after corporate income tax	Billion VND	115.61	175.33	152%
Earnings per share	VND	1,911	2,899	152%

- Total commercial electricity output of 02 plans: 270.38 million kWh, reaching 111% of the plan;
- Total revenue: 341.09 billion VND, reaching 122% of the plan (of which: revenue from electricity production is 334.38 billion VND and from consulting services and other revenues is 6.71 billion VND);
- Profit after corporate income tax: 175.33 billion VND, reaching 152% of the plan;
- Earnings per share: VND2,899/share, reaching 152% of the plan;
- Perform well the management and operation, repair and maintenance of equipment and construction items, ensure that the 02 hydropower plants: Krong H'ngang and Khe Dien operate stably, safely with high efficiency. Occupational safety and hygiene is good, no occupational accidents and no subjective incidents occur.

Evaluation of corporate governance

Corporate governance is always paid attention, focused and directed by the Board of Management in all aspects of the Company's operations to improve quality, work efficiency and reasonably save operating costs.

In 2023, the Company ensures stable jobs and income for employees. Fully and promptly resolve regimes, ensure benefits for employees, pay salaries and bonuses on time, employee' average income in 2023 is 19.13 million VND/ person/month.

The company has fully complied with the State's regulations in electricity production and business activities, related regulations on environmental protection, dam safety, fire and explosion prevention, natural disaster prevention, search and rescue. In 2023, there were 08 inspection teams coming to work at Krong H'Nang Hydropower Plant and 07 inspection teams coming to work at Khe Dien Hydropower Plant. As a result, the inspection teams highly appreciated the management, administration and implementation of legal regulations of the plants.

The Board of Management disclosed complete, accurate and timely information about production and business activities to relevant authorities and shareholders of the Company in accordance with regulations.

Preserve and develop capital sources, balance cash flow, and pay to the state budget in accordance with regulations. The total amount paid to the state budget in 2023 is 99.22 billion VND.

Pay dividends to shareholders fully and according to plan: Dividends from 2021 onwards, continue to pay an additional 0.931 billion VND, the remaining amount that shareholders have not received is 9.03 billion VND. Dividends in 2022 were paid at a rate of 28% in cash, and by the end of 2023, 166.69/169.36 billion VND was paid. The total amount of unpaid dividends until the end of 2023 is 11.70 billion VND.



Evaluation of consulting services

Consulting activities are always cared for and encouraged to contribute to increasing the Company's revenue and enhancing the SBA brand. In 2023, despite many difficulties due to the general fluctuations of the economic situation, the Company has made efforts and promoted working with investors to sign 12 new consulting service contracts, total contract value after tax is 3.22 billion VND. Including contracts signed before 2023, total service revenue and other revenues in 2023 reached 6.71/5.0 billion VND (up 34.20% compared to plan).

Construction and investment

The Company organizes implementation in accordance with the Resolution of the General Meeting of Shareholders at the 2023 annual meeting, specifically:

For Song Tranh 1 Hydropower Project:

In 2023, the Board of Management agreed to permanently stop the Song Tranh 1 Hydropower Project according to the content stated in Report No. 14/23/TTr-S3-HĐQT dated 31 March 2023 of the Board of Management. The Company organized and resolved related procedures to permanently stop the project according to regulations.

For Krong H'Nang 2 Project (Capacity 13-15MW, in Phu Yen province):

Krong H'Nang 2 hydropower project, capacity 15MW, located in Ealy Commune, Song Hinh District, Phu Yen Province, was granted an Investment Certificate by the People's Committee of Phu Yen province in 2009. However, because the project affects 78.05 hectares of forest land, of which 19.57 hectares are in EaSo commune, EaKar district, Dak Lak province and 58.48 hectares are in EaLy commune, Song Hinh district, Phu Yen province. So over the past 10 years, SBA has made many efforts to work with the Province People's Committee and relevant agencies and units of Dak Lak and Phu Yen provinces to change the land use purpose as a basis for submitting to the Ministry of Industry and Trade for approval of planning adjustments, but up to now it has not been resolved, the project has been paused until now.

Carry out the tasks assigned by the 2023 General Meeting of Shareholders on continuing to monitor and resolve procedures related to the Krong H'Nang 2 Hydropower Project, the Company has sent many documents to the People's Committee of Phu Yen province, the Department of Industry and Trade, and the Department of Finance, the Department of Planning and Investment of Phu Yen Province to consider to give official opinions on the project and receive back the deposit paid from 2008 (2.0 billion VND) to have a basis for resolving further procedures, but up to now it has not been resolved.

Through working with relevant units of the province, because the project has not had the main opinion of the person with investment authority regarding stopping investment in the project, there is no basis to refund the deposit to the Company. Therefore, at this General Meeting of Shareholders, the Company respectfully reports and submits to the General Meeting of Shareholders for approval the policy of permanently stopping the project according to regulations.

Renovation and upgrade project of the cafeteria and shift rest area of Khe Dien hydropower plant

After the General Meeting of Shareholders approved the investment policy in Resolution No. 01/2023/NQ-DHDCD dated 21 April 2023. The Company's Board of Management issued Decision No. 05/23/QD-HĐQT dated 16 May 2023 on approving the scale and total investment after tax of VND 6,595,774,046. The company resolved related procedures for construction and investment, selected contractors, signed construction contracts and started construction from June 2023. By March 2024, the project was completed and put into use, it contributed to improving the material and spiritual life of Khe Dien Hydropower Plant's employees.

The Company's General Director well performed the functions and tasks of managing production and business, organized and seriously implemented the contents of the Resolutions of the Board of Management; properly implemented regulations on benefits for the Company's employees such as: social insurance, health insurance, unemployment insurance, etc. The Company's Board of Management highly appreciates the leadership and management capacity of the Company's General Director. End of 2023, the Company's main business targets all exceeded the plan assigned by the General Meeting of Shareholders.

In addition to the General Director, the Company's management staff include: 02 Deputy General Directors, Chief Accountant and leaders of departments: Department of Organization - Administration, Department of Economics - Planning, Department of Finance - Planning Audit, Mechanical and Electrical Engineering Department and 03 affiliated branches (Khe Dien Hydropower Plant, Krong H'Nang Hydropower Plant and Dam Safety Inspection and Consulting Center). The Board of Directors evaluates that the Company's managers have strictly complied with the law, the Charter and the Company's internal management regulations. The managers have strived to fulfill their roles well, contributing to bringing good results to the Company.

Main business targets in 2024:

The Board of Management continues to strengthen its leadership role and direct the Company's Executive Board in the Company's production and business activities in accordance with regulations, strives to complete the main goals and plans for 2024 as follows:

- Regarding the operation of Krong H'Nang and Khe Dien Hydropower Plants: Organize safe operation of plants, effectively exploit water sources and electricity prices; Total commercial electricity output reached 220.0 million kWh, total electricity sales reached 250.83 billion VND.
- Reasonably reduce costs, take advantage of every opportunity to increase revenue, strive to achieve earnings per share of VND 1,822/share or more.
- Control and balance cash flow well, ensure stability of production and business activities and pay dividends in 2023 to shareholders as planned; Preserve and develop well the Company's capital resources.
- Regarding Krong H'Nang 2 Hydropower Project: Submit to the General Meeting of Shareholders to approve the policy of permanently stopping the project according to regulations; work with relevant agencies and units to ask to receive the project's deposit back; finalize the investment capital of the project to stop permanently according to regulations.
- Consulting services: Expand search and participate in bidding packages related to dam inspection, surface water exploitation license, dam protection plan, operation training, etc. for hydropower plants. Strive for revenue in 2024 to reach over 5.0 billion VND, enhance the reputation and brand of the Company.

Plan implementation solutions

Operational management of hydropower plants:

- Continue to research and upgrade hydrological forecasting to improve operational efficiency; Apply software and digital technology to management and operation.
- Self-perform major repairs to plants and construction items.
- Regularly review, inspect, and evaluate the hydrological situation, monitor market developments to operate plants effectively.
- Research, renovate and replace equipment systems of plants in a reasonable, long-term manner.

Development of consulting services:

- Promote the SBA brand through seminars, newspapers, and radio to introduce products and enhance reputation.
- Standardize design and production processes, save costs and improve efficiency. Consider customers' benefits as the Company's benefits.
- Develop a cost-fixing mechanism for each contract. Implement copyright policy for created products.
- Expanded research to: Develop and lease software to operate automatic flood discharge in single reservoir, inter-reservoir, efficient operation of hydropower plants, etc.

Employee management and training:

- Review and re-evaluate employees at units to ensure compliance with workload. Upgrade management staff and arrange them appropriately to fully utilize the capacity and creativity of each person.
- Train, coach, and upgrade to ensure that each employee adapts and uses digital technology well to improve work efficiency and meet the Company's development strategy.
- Research digital technology, 4.0 technology to develop and gradually implement digital transformation at the Company, apply electronic office, use digital signatures.
- Build the Company's culture: Workflows are adaptive and consistent with digital transformation trends and environments.

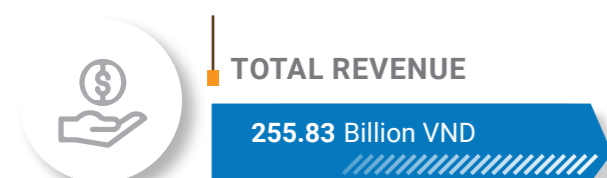


PLANS AND ORIENTATIONS OF THE BOARD OF MANAGEMENT

Main business targets in 2024:

Based on the Company's research and analysis of forecasts, combined with forecasts of the National Centre for Hydro - Meteorological Forecasting and international forecasting agencies, in 2024, it is forecast that the El Nino phenomenon will continue in the first months of 2024, the electricity market will still have many difficulties. The company builds a production and business plan for 2024 as follows:

No.	Contents	Unit	Plan
1	Commercial electricity output	Million kWh	220.00
	<i>Khe Dien</i>	<i>Million kWh</i>	<i>40.00</i>
	<i>Krong H'Nang</i>	<i>Million kWh</i>	<i>180.00</i>
2	Total revenue:	Billion VND	255.83
2.1	From electricity production	Billion VND	250.83
	<i>Khe Dien</i>	<i>Billion VND</i>	<i>58.23</i>
	<i>Krong H'Nang</i>	<i>Billion VND</i>	<i>192.60</i>
2.2	From consulting services and other revenues	Billion VND	5.00
3	Total cost	Billion VND	132.70
4	Profit before tax	Billion VND	123.13
5	Profit after tax	Billion VND	110.22
6	Earnings per share	VND	1,822



05 SUSTAINABLE DEVELOPMENT

Sustainable development orientation Specific goals

Efficient use of energy sources

Human resource development, safety assurance for employees

Social responsibility

Compliance with environmental protection laws



2023 is a year of significant success in the business field of Song Ba Joint Stock Company. Besides, the Company still maintains a strong sense of the importance of sustainable development goals. Sustainable development is not only a part of the strategy, but also a guiding principle throughout every aspect of production and business activities at SBA.

Song Ba Joint Stock Company focuses on every stage of the operating process, from production to distribution, to ensure that each stage meets high standards of sustainable development. Special attention is paid to waste treatment processes and environmental hygiene maintenance around production plants and operating areas.

The company not only aims to optimize benefits for shareholders, customers and State management agencies, but also aims to increase and balance benefits for all stakeholders, including staffs and employees. This balance not only creates economic prosperity but also ensures that everyone involved benefits from the Company's sustainable development.



Economic benefits:

- The Company's production and business activities always aim at the goal of sustainable development, and are associated with economic benefits. We are committed to providing sufficient power output for domestic activities, contributing to promoting sustainable economic development through core business activities.
- Regularly organize training classes to help improve the skills and expertise of the young workforce.
- Improve the quality of governance at all levels of management and operation committees, be ready resources for the goal of sustainable and stable economic growth.

Environmental protection:

- Strictly comply with regulations on environmental protection, landscape and ecosystem protection in the operating areas.
- Raise awareness of savings, waste prevention and environmental protection for all employees.
- Use natural resources economically.
- Continuously strive to improve production processes to meet standards for a clean, green and beautiful environment.

EFFICIENT USE OF ENERGY SOURCES

Energy is a key factor for the Company's operations. To operate machinery and equipment at plants and to serve work at the office, the main source of energy that the Company uses is electricity. Besides, during operations, the Company also uses a number of other necessary energy sources such as gasoline, gas oil, and gas. Efficient and economical use of energy is one of the Company's top priorities, it contributes to environmental protection and ensures sustainable development.

Total energy classified by each source	Unit	In 2023
Total energy consumed	kWh	540,100
Electricity used in office management	kWh	43,517
Electricity used in production	kWh	496,583

Saving energy is an important task given top priority by SBA. In the context of increasingly depleted energy sources, efficient energy use is the key to the Company's sustainable development. SBA has been investing in advanced, energy-saving machinery and equipment. At the same time, the company also regularly checks and monitors energy use and implements energy saving policies during the production process. Thanks to these efforts, SBA has achieved significant efficiency in energy use, benefiting the company and contributing to environmental protection.

Initiatives for efficient energy use

During the operation of plants, SBA always monitors, researches and proposes many innovative solutions to increase the efficiency of electricity production operations, typically: Optimal operating solutions for high reservoir water levels to achieve highest efficiency; effective exploitation solutions to increase the useful capacity of Krong H'ngang and Khe Dien reservoirs; Improvement solutions of downstream discharge channels to improve power generation efficiency; Hydrological research, effective flood forecasting and regulation, they have helped effectively exploit incoming water and reduce overflow.

Initiatives for efficient energy use	Location of operation	Purpose
Anti-abrasion material solution to replace center shaft sealing of turbine shaft of H2 unit - Khe Dien Plant	Khe Dien Hydropower Plant	Thoroughly handle damage to turbine shaft sealing assemblies of hydropower plants to provide long-term, safe and reliable operation, avoid machine stoppage risks related to this shaft sealing assemblies. Save repair and adjustment costs after operation
Monitor the temperature of contact points in enclosed spaces	Krong H'ngang Hydropower Plant	Install a wireless temperature sensor system for the purpose of online monitoring of heat generation at contact points to monitor the heat generation process and prevent large heat generation over a long period of time due to poor contact causing damage to the device.
Install additional charging control circuit and low voltage breaker to protect the battery of Krong H' Nang Hydropower Plant's rain gauge station	Krong H'ngang Hydropower Plant	The XH-M604 charging circuit is responsible for charging when the battery has a voltage drop and stopping charging when the battery is fully charged. XH-M609 low voltage cut-off circuit is responsible for separating the battery from the device to protect the battery from discharging too deeply, causing irreversible battery damage. This helps increase battery life, saves money on purchasing new batteries."

Initiatives for efficient energy use	Location of operation	Purpose
Change the operation of removing and assembling the spillway radial gate operating floor to facilitate the repair and maintenance of the spillway radial gate	Krong H'ngang Hydropower Plant	Install 4 operating floor panels at 1 time compared to the old solution of 1 operating floor panel per move. Reduce travel time and install 04 operating floor panels on the radial gate and do not use human force to pull.
Solution to refill water for the cooling water system of the H3 unit by air compression method	Khe Dien Hydropower Plant	Install the pressure tank using the air compression method to reduce time and not cause equipment errors.
Solution to improve the mounting surface of the bottom of the volute of the H2 unit	Khe Dien Hydropower Plant	Renovate the surface with stainless steel to minimize surface corrosion, ensure that the equipment operates well.
Solution for removing and assembling bolts with large sizes using a force multiplier.	Khe Dien Hydropower Plant	Disassemble and install large bolts at a lower cost while still ensuring tightening force standards, ensuring equipment safety
Clean the generator using dry ice	Khe Dien Hydropower Plant	Reduce cleaning time, clean positions that are difficult to reach when using manually
Renovate the internal wiring circuit of the thyristor of the unit excitation system	Krong H'ngang Hydropower Plant	Help shorten time and simplify disassembly and installation of the thyristor of the excitation system when maintenance and repair are needed.
Install spring lock for roof cover mounted on cabinet fans of Excitation cabinet H1, H2 of Krong H'Nang Hydropower Plant	Krong H'ngang Hydropower Plant	Quickly install when you need to open the cabinet lid to check, troubleshoot, clean, and maintain
Renovate and install additional wiring cabinets for H1 and H2 technical water flow sensors at Krong H' Nang Hydropower Plant.	Krong H'ngang Hydropower Plant	Save time disassembling sensors, avoid wasting electric tape, solder, and signal wires to reconnect each time you have to cut wires.
Control solution for turbine well cleaning pumps and disc valve decks	Khe Dien Hydropower Plant	Reduce travel time when you need to operate, change working positions, and operate quickly





EFFICIENT USE OF ENERGY SOURCES

Water consumption situation during the year

No.	Water sources	Unit	Total amount of water collected/ achieved in 2023
1	Krong H'hang reservoir	m3	1,063,393,920
2	Khe Dien reservoir	m3	152,949,600
Total		m3	1,544,158,882

Water use situation during the year at plants

No.	Activity type	Unit	Total amount of water used
1	Use for electricity generation	m3	967,511,331
-	<i>Krong H'hang Plant</i>	<i>m3</i>	<i>832,443,432</i>
-	<i>Khe Dien Plant</i>	<i>m3</i>	<i>135,067,899</i>
2	Use for daily life	m3	1,540
-	<i>Krong H'hang Plant</i>	<i>m3</i>	<i>940</i>
-	<i>Khe Dien Plant</i>	<i>m3</i>	<i>600</i>



HUMAN RESOURCE DEVELOPMENT, SAFETY ASSURANCE FOR EMPLOYEES

- Human resources are a key factor for SBA's sustainable development. We understand that only high-quality human resources can help the company grow strongly and achieve its goals. Therefore, SBA is always committed to providing all employees with a professional and safe working environment so they can develop their full potential.
- SBA regularly organizes training courses, seminars, and workshops to improve knowledge, skills, and professional qualifications for employees. In addition, the company also creates conditions for employees to participate in short-term and long-term training programs at home and abroad.
- SBA is committed to ensuring benefits for employees, including social insurance, health insurance, unemployment insurance and other benefits according to state regulations, along with bonus and annual holiday and travel activities. At the same time, the company also focuses on the quality of spiritual life of employees, which is demonstrated through connection activities and building a spirit of solidarity.
- The company always focuses on investing in safety equipment systems, organizing training sessions on labor safety and fire prevention for employees. In addition, SBA also built a kitchen system to ensure food hygiene and safety, and regularly organized periodic health examinations and cancer screenings for employees.
- The salary, bonus and welfare policy is built flexibly to reflect each individual's abilities and contributions, keep working spirit and long-term commitment to the Company.

COMPLIANCE WITH ENVIRONMENTAL PROTECTION LAWS

In 2023, Song Ba Company maintained its reputation without any violations of environmental protection laws. All obligations related to payment of taxes and forest protection service fees are strictly implemented, in compliance with the provisions of law. Active participation in upstream forest protection activities has kept the environment around the Company's hydroelectric plant always in a green, clean and beautiful state.

In the past year, the vision "Unity is strength" has permeated all activities of the Company. Solidarity and attachment have been strongly demonstrated among each officer and employee at the plant. This is not only an opportunity for people to show their sense of responsibility towards the environment, but also an opportunity for them to contribute their strength and will to the sustainable development of the Company.

SOCIAL RESPONSIBILITY



The company always actively participates and mobilizes employees to support social activities of the Trade Union, the Youth Union at higher levels and external organizations such as: Giving Tet gifts to households in the resettlement area of the Krong H'Nang hydropower project and students of preschools and primary schools in the area of 2 hydropower plants; Giving Tet gifts to especially difficult households in 02 communes of Que Trung and Phuoc Ninh, Quang Nam province; Giving gifts to poor students overcoming difficulties in the area of Khe Dien Hydropower Plant and Krong H'Nang Hydropower Plant; Supporting social organizations (Vietnam Association for Victims of Agent Orange; Association for People with Disabilities; Vietnam Association for Promoting Education, etc.) in Quang Nam province and Danang City; Supporting for the Women's Union of Nong Son district, Quang Nam province to help poor women in the district overcome difficulties and rise in life... Total amount of social activities in 2023 is more than 625 million VND.

In 2023, the Company continued to mobilize employees to contribute to the "Loving Arms" Fund and deduct from the Company's Welfare Fund with a total amount of 90 million VND to support orphans with difficult family circumstances in the Krong H'Nang Hydropower Plant area: 02 students, each 1.5 million VND/month; Khe Dien Hydropower Plant, the Company also supported 03 students in previous years, each 1 million VND/month, but now these students have stopped going to school so the Company does not continue to support.



06 COMPANY GOVERNANCE

Board of Management

Board of Supervisors

Transactions, remuneration and benefits



List of Board of Management



Mr. THAI HONG QUAN – Chairman of the Board of Management

- Number of shares held: 0 share
- Number of shares to represent EVNCP's capital: 11,822,500 shares (19.5451%)

Mr. DINH CHAU HIEU THIEN – Member of the Board of Management

- (See information in the executive board list).

Mr. PHAM PHONG - Member of the Board of Management

- Number of shares held: 325,175 shares (0.5376%).

Mr. HOANG XUAN QUI - Member of the Board of Management

- Number of shares held: 34,500 shares (0.0570%)
- Number of shares to represent EVNCP's capital: 4,729,000 shares (7.8180%)

Mr. HOANG NAM SON - Member of the Board of Management

- Number of shares held: 44,909 shares (0.0742%)

Activities of the Board of Management:

The Board of Directors consists of 5 members. The Board of Directors has held regular meetings according to regulations (once/quarter) and other extraordinary meetings to resolve regular and urgent matters. The Board of Directors invites the Company's Supervisory Board to attend all meetings. Therefore, the direction and management work are carried out quickly, meeting the Company's operational requirements. Information about the Company's Board of Directors members and Board of Directors meetings:

No.	Members of the Board of Management	Position	Number of meetings attended by the board of management	Meeting attendance rate	Reason for not attending the meeting
01	Mr. Thai Hong Quan	Board of Management	5	100%	
02	Mr. Dinh Chau Hieu Thien	Member of the Board of Management	5	100%	
03	Mr. Pham Phong	Member of the Board of Management	5	100%	
04	Mr. Nguyen Quang Hung	Member of the Board of Management	2	100%	Resigned as a member of the board of management on 21 April 2023
05	Mr. Hoang Nam Son	Member of the Board of Management	5	100%	
06	Mr. Hoang Xuan Qui	Member of the Board of Management	3	100%	Elected as member of the Board of Management on 21 April 2023

During the past year, the Company's Board of Management issued 08 Resolutions, 18 Decisions and many documents to resolve important issues in production, business and construction investment activities. The contents of the Board of Management's resolutions are 100% agreed upon by members. The specific content of the meetings and the corresponding Resolutions issued are as follows:

No.	Resolution/ Decision number	Date	Content
1	01/23/NQ-HĐQT	17/02/2023	Approve production and business results for the fourth Quarter of 2022, 2022 and plan for the first Quarter of 2023
2	02/23/NQ-HĐQT	30/03/2023	Agree on the program content expected to be submitted to the General Meeting of Shareholders at the 2023 annual meeting
3	03/23/NQ-HĐQT	10/04/2023	Agree on the content of reports and statements at the 2023 annual meeting.
4	04/23/NQ-HĐQT	12/06/2023	Approve production and business results for the first quarter of 2023, plans for the second quarter of 2023 and other related contents.
5	05/23/NQ-HĐQT	18/09/2023	Approve production and business results for the second quarter of 2023, plans for the third quarter of 2023 and other related contents
6	06/23/NQ-HĐQT	02/10/2023	Approve bond trading registration on the individual corporate bond trading system

No.	Resolution/ Decision number	Date	Content
7	07/23/NQ-HĐQT	09/11/2023	Approve the plan to adjust the type of securities from conditionally transferable securities to freely transferable securities for the Company's employees.
8	08/23/NQ-HĐQT	27/11/2023	Approve production and business results for the third quarter of 2023, plans for the fourth quarter of 2023 and other related contents.
9	01/23/QĐ-S3-HĐQT	03/03/2023	Organize the 2023 Annual General Meeting of Shareholders
10	02/23/QĐ-S3-HĐQT	13/04/2023	Approve the consulting contract to prepare the Technical and Economic Report for the renovation of the pillar distance at positions 55-56 of 35kV line - Khe Dien Hydroelectric Plant with Central Electricity Consulting Company Limited
11	03/23/QĐ-S3-HĐQT	20/04/2023	Approve the lease contract for Khe Dien 35kV line infrastructure so that the 22kV line at Tam Phuc Hydropower Plant shares the same column and corridor with Bao Phuc Tam Company Limited
12	04/23/QĐ-S3-HĐQT	21/04/2023	Approve the 2023 major repair cost plan at Khe Dien Hydropower Plant, Krong H'ngang Hydropower Plant - Song Ba Joint Stock Company
13	04a/23/QĐ-S3-HĐQT	12/05/2023	Approve the plan to organize the selection of contractors to audit the financial statements of Song Ba Joint Stock Company in 2023
14	05/23/QĐ-S3-HĐQT	16/05/2023	Approve related contents to implement the project: Renovating and upgrading the cafeteria and shift rest area for employees of Khe Dien Hydropower Plant
15	06/23/QĐ-S3-HĐQT	26/05/2023	Pay dividends in 2022, round 2 in cash for shares of Song Ba Joint Stock Company
16	07/23/QĐ-S3-HĐQT	30/05/2023	Re-appoint Deputy Business General Director - Song Ba Joint Stock Company
17	08/23/QĐ-S3-HĐQT	01/06/2023	Company executive management bonus in 2022
18	10/23/QĐ-S3-HĐQT	13/06/2023	Select the unit to audit the financial statements of Song Ba Joint Stock Company in 2023
19	11/23/QĐ-S3-HĐQT	19/06/2023	Re-appoint Branch Director of Song Ba Joint Stock Company - Khe Dien Hydropower Plant
20	12/23/QĐ-S3-HĐQT	19/06/2023	Re-appoint Chief Accountant - Song Ba Joint Stock Company

No.	Resolution/ Decision number	Date	Content
21	13/23/QĐ-S3-HĐQT	26/07/2023	Approve the 2023 salary plan of the General Director of Song Ba Joint Stock Company
22	14/23/QĐ-S3-HĐQT	01/08/2023	Approve the 2023 internal audit plan at Song Ba Joint Stock Company
23	15/23/QĐ-S3-HĐQT	15/08/2023	Assign responsibilities among members of the Board of Management of Song Ba Joint Stock Company
24	16/23/QĐ-S3-HĐQT	22/08/2023	Approve the final settlement of investment capital for the completed Song Tranh 1 Hydropower Project
25	17/23/S3-HĐQT	25/12/2023	Agree to approve the policy of liquidating fixed assets of Mitsubishi Pajero car, License plate 43H - 1860
18	18/23/QĐ-S3-HĐQT	26/12/2023	Approve the 2023 internal audit results at Song Ba Joint Stock Company

Activities of independent members of the Board of Management.

Independent members evaluated the Company's Board of Management: work carefully and effectively, closely monitor the Company's activities, show a high sense of responsibility for the overall development of the Company and the interests of shareholder; The Company's Board of Management monitored and directed the Executive Board in the Company's activities in a flexible and effective manner; supervised the General Director, other managers and all aspects of the Company's operations according to the Company's Charter and the Board of Management' operating regulations; members of the Board of Management also performed well their leadership role in the Company's production and business activities.

Results of supervision for the General Director and Managers of the Company:

The General Director of the Company performed well the functions and tasks of managing production and business, organizing and seriously implementing the contents of the Resolutions of the Board of Management; properly implemented regulations on benefits for the Company's employees such as: social insurance, health insurance, unemployment insurance, etc. The Company's Board of Management highly appreciates the leadership and management capacity of the Company's General Director.

By the end of 2023, the Company's main business targets have all exceeded the plan assigned by the General Meeting of Shareholders.

In addition to the General Director, the Company's management staff include: 02 Deputy General Directors, Chief Accountant and leaders of departments: Organization - Administration Department; Department of Economics and Planning; Financial Accounting Department; Department of Mechanical and Electrical Engineering and 03 affiliated branches (Khe Dien hydropower plant, Krong H'ngang hydropower plant and Dam Safety Inspection and Consulting Center). The Board of Management evaluates that the Company's managers have strictly complied with the law, the Charter and the Company's internal management regulations. The managers have strived to fulfill their roles well, contributing to bringing good results to the Company

List and activities of the Board of Supervisors

No.	Members of the Board of Supervisors	Position	Number of meetings	Meeting attendance rate	Remark
1	Phan Thi Anh Dao	Head of the Supervisory Board	3/3	100%	
2	Huynh Thi Long	Member	3/3	100%	
3	Hoang Xuan Qui	Member	1/1	100%	Resigned on 21 April 2023
4	Tran Nguyen Anh Thu	Member	2/2	100%	Elected on 21 April 2023

• In 2023, the Board of Supervisors implemented the function of supervising compliance with the provisions of law, the Company's Charter, and Resolutions of the General Meeting of Shareholders in the management and administration of production and business activities, specifically as follows:

- Supervise the activities of the Board of Management and the Board of General Directors in managing and operating production and business activities in accordance with the provisions of Law and the Company's Charter. Supervise the implementation of the Annual General Meeting of Shareholders' Resolutions.
- Check the reasonableness, legality, honesty in management and administration of production and business activities in accordance with the provisions of law and the Company's charter.
- Control the company's compliance with regulations on information disclosure according to the provisions of the Securities Law, review the transparency of the information disclosure process to ensure the rights of shareholders.
- Participate in inspection and supervision of audit and internal control activities at the Company and specialized departments, ensure compliance with legal regulations.
- Appraise the Company's quarterly, six-month, and annual financial statements, preserve and develop equity capital honestly and objectively. Check economic contracts, control operating costs, revenue, and use of capital in construction investment work.



Meetings of the Board of Supervisors

On 07 March 2023: Organize a meeting to approve the monitoring and inspection report on the Company's operations in 2022

On 25 April 2023: Organize a meeting to approve the assignment of the Board of Supervisors' tasks, evaluate the Company's operations in the first Quarter of 2023 and review the Financial Statement for the first Quarter 1 of 2023

On 05 September 2023: Organize a meeting to approve the thematic inspection report on financial and accounting management in the first 6 months of 2023.



Supervise the management and administration of the Board of Management and the Board of General Directors:

In 2023, the Board of Management and Board of General Directors of the Company took many proactive measures to direct and manage to implement the targets set out in the Resolution of the 2023 Annual General Meeting of Shareholders, profit after tax reached 152% of the plan, maintained and preserved shareholders' capital. The activities of the Board of Management are conducted in accordance with the provisions of law, the Company's Charter, and the Board of Management's operating regulations. The Board of Management held regular meetings, discussed collectively, and the Company's Secretary recorded all contents in minutes and issued them into Resolutions. The tasks that need to be implemented according to the Resolution of the Board of Management are fully implemented by the Board of General Directors of the Company, in accordance with regulations. The Board of General Directors has performed its duties and powers in accordance with the provisions of law and the Company's charter, and the regulations on decentralization between the Board of Management and the Board of General Director.

Coordination between the Board of Supervisors and the activities of the Board of Management, General Directors and other managers:

Perform supervisory functions and tasks: The Board of Supervisors was invited and attended all meetings of the Board of Management, fully supervised the executive activities of the Board of Management in implementing the Resolutions of the General Meeting of Shareholders. During the meetings, the Board of Supervisors promptly recommended to the Board of Management issues that needed to be resolved to make management and operation activities more effective. The recommendations of the Board of Supervisors are reviewed and promptly handled by the Board of Management so that the Company's operations comply with legal regulations, to improve management efficiency and ensure shareholder's rights. During its operation, the Board of Supervisors always receives the coordination and support of the Board of Management, the Board of General Directors as well as the Company's affiliated units so that the Board of Supervisors can carry out the tasks assigned by the General Meeting of Shareholders.

TRANSACTIONS, REMUNERATION AND BENEFITS

Salary, bonus, remuneration and benefits 2023

(Currency: Vietnamese Dong)

No.	Full name	Title	Remuneration	Salary	Bonuses and non-salary benefits	Total
1	Board of Management		364,320,000	699,840,000	165,128,000	1,229,288,000
	Thai Hong Quan	Chairman of the BOM	-	699,840,000	110,480,000	810,320,000
	Pham Phong	Member of the BOM	119,232,000	-	14,904,000	134,136,000
	Nguyen Quang Hung	Member of the BOM	39,744,000	-	14,904,000	54,648,000
	Hoang Nam Son	Independent member of the BOM	119,232,000	-	14,904,000	134,136,000
	Hoang Xuan Qui	Member of the BOM, appointed on 21 April 2023	86,112,000	-	9,936,000	96,048,000
2	The Board of Supervisors - the Company's Secretary		231,840,000	518,400,000	144,664,000	894,904,000
	Pham Thi Anh Dao	Head of the Board of Supervisors	-	518,400,000	129,760,000	648,160,000
	Huynh Thi Long	Member of the Board of Supervisors	119,232,000	-	14,904,000	134,136,000
	Tran Nguyen Anh Thu	Member, appointed on 21 April 2023	79,488,000	-	-	79,488,000
	Hoang Xuan Qui	Member, resigned on 21 April 2023	33,120,000	-	-	33,120,000
3	Executive Board		-	1,870,555,240	1,347,516,145	3,218,071,385
	Dinh Chau Hieu Thien	The Company's General Director	-	673,920,000	130,233,000	804,153,000
	Nguyen The Duy	Deputy General Director of Sales	-	396,141,640	407,448,001	803,589,641
	Pham Dinh Thanh	Deputy General Director of Engineering	-	390,467,960	415,919,585	806,387,545
	Pham Thai Hung	Chief Accountant	-	410,025,640	393,915,559	803,941,199

Stock trading by insiders:

No.	Transacted by	Relation	Number of shares owned at the beginning of the period	Number of shares owned at the end of the period	Reasons for increase or decrease (buy, sell, convert, bonus...)
1	Mr. Hoang Xuan Qui - Member of the Company's BOM	The Company's insider	10,000	34,500	Purchase of SBA shares
2	Ms. Pham Thi Mai Hoa	Related person of Mr. Phan Dinh Thanh - Deputy General Director of the Company	5,400	0	Sale of SBA shares



TRANSACTIONS, REMUNERATION AND BENEFITS

Contracts or transactions with insiders:

No.	Name of organization/ individual	Relevant relationship with the company	Number of Securities Registration Certificate*, date of issue, place of issue of Certificate	Head office address/ Contact address	Transaction time with the company	Number of Resolutions/Decisions passed by the General Meeting of Shareholders/Board of Management, etc.	Content, quantity, total transaction value	Remark
1	Central Power Corporation (EVNCPC) (Affiliated subsidiary: Vietnam Electricity (EVN))	Investment company Major shareholder, State shareholder	Business registration certificate: 0400101394, issued on 24 March 2010	78A - Duy Tan - Hoa Thuan Dong Ward - Hai Chau District - Da Nang City	Arising based on daily electricity output in 2023	Resolution No. 01/2023/NQ-ĐHDCD dated 21 April 2023 of the General Meeting of Shareholders	Electricity sales revenue: VND 71,925,354,243	Signed contract No. 05/2011/ KHEDIEN/ EVNCPC-S3 on 31 May 2011
						Resolution No. 08/2022/NQ-HDQT, dated 24 November 2022 of the Board of Management;	Dividends paid: VND 23,645,000,000	
						Resolution No. 01/2023/NQ-DHDCD dated 21 April 2023 of the General Meeting of Shareholders.	Dividends paid: VND 42,561,000,000	
2	Electricity Power Trading Company (Affiliated unit: EVN)	The affiliated unit of the same parent company (EVN) with the major shareholder and state shareholder is EVNCPC.	Business Registration Certificate No. 0100100079 -073	No. 11, Cua Bac Street, Truc Bach Ward, Ba Dinh District, Hanoi City.	Arising based on daily electricity output in 2023	Resolution No. 01/2023/NQ-DHDCD dated 21 April 2023 of the General Meeting of Shareholders	Electricity sales revenue: VND 300,813,264,080	Signed contract No. 06/2012/ HD-NMD-KRH on 10 June 2012
3	Bao Phuc Tam Company Limited	Related companies Member of the Board of Management: Mr. Pham Phong	Business Registration Certificate No.: 0401736541	Xuan Hoa 2 Village, Phuoc Ninh Commune, Nong Son District, Quang Nam Province	In 2023	Decision No. 03/23/QD-S3-HDQT dated 20 April 2023 of the Company's Board of Management	DZ 35kV column lease revenue: VND 384,395,858	
4	Quang Nam Power Company	The affiliated unit Parent company EVNCPC	Business Registration Certificate No.: 0400101394-005	05 Tran Hung Dao, Tan Thanh Ward, Tam Ky City, Quang Nam Province	In 2023	Resolution No. 08/22/NQ-HDQT, dated 24 November 2022	Revenue from management and operation of Khe Dien 110kV transformer station's compartment: VND 52,823,100	
5	Central Power Engineering Consulting Company - Branch of Central Power Corporation	The affiliated unit Parent company EVNCPC	Business Registration Certificate No.: 0400101394-031	No. 30, Le Thanh Ton - Hai Chau 1 Ward, Hai Chau District, Da Nang City.	In 2023	Decision No. 02/23/QD-S3-HĐQT dated 13 April 2023 of the Company's Board of Management	Consulting and design costs for renovating 55-56 DZ 35kV pillar distance: VND 77,431,995	

07 AUDITED FINANCIAL STATEMENTS 2023

Financial report

Notes to the financial statements





The Management of Song Ba Joint Stock Company is pleased to present this report together with the audited financial statements for the year ended 31/12/2023.

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 code SBA. The official transaction date of shares was 01/06/2010.

Charter capital: VND604,882,610,000

Paid-in capital as at 31/12/2023: 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.

Principal activities

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

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

Head office

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

Employees

As at 31/12/2023, the Company had 101 employees, including 10 managing officers.

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

Board of Directors

- | | | |
|----------------------------|----------|---|
| • Mr. 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. Hoang Nam Son | Member | Elected on 30/06/2020 |
| • Mr. Hoang Xuan Qui | Member | Elected on 21/04/2023 |
| • Mr. Nguyen Quang Hung | Member | Elected on 30/06/2020
Resigned on 21/04/2023 |

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 |
| • Ms. Tran Nguyen Anh Thu | Member | Elected on 21/04/2023 |
| • Mr. Hoang Xuan Qui | Member | Elected on 29/04/2022
Resigned on 21/04/2023 |



Management and Chief Accountant

- | | | |
|----------------------------|---------------------------------|---------------------------|
| • Mr. Dinh Chau Hieu Thien | General Director | Appointed on 01/07/2021 |
| • Mr. Nguyen The Duy | Vice General Director | Reappointed on 01/06/2023 |
| • Mr. Phan Dinh Thanh | Technical Vice General Director | Reappointed on 01/10/2022 |
| • Mr. Pham Thai Hung | Chief Accountant | Reappointed on 01/07/2023 |

Independent auditor

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

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

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

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

The members of the Company's Management hereby confirm that the accompanying financial statements including the balance sheet, the income statement, the statement of cash flows and the notes thereto give a true and fair view of the financial position of the Company as at 31/12/2023 and of the result of its operations and its cash flows for the year then ended in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of financial statements.

On behalf of the Management

Dinh Chau Hieu Thien
General Director

Da Nang City, 24 February 2024



No. 107/2024/BCKT-AAC

INDEPENDENT AUDITORS' REPORT

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

We have audited the financial statements which were prepared on 24/02/2024 of Song Ba Joint Stock Company ("the Company") as set out on pages 5 to 34, which comprise the balance sheet as at 31/12/2023, the income statement, the statement of cash flows for the year then ended and the notes thereto.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31/12/2023, and its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of financial statements.

Lam Quang Tu – Deputy General Director
Audit Practicing Registration Certificate
No. 1031-2023-010-1

Da Nang City, 24 February 2024

Thai Thi Anh Nhung – Auditor
Audit Practicing Registration Certificate
No. 3313-2020-010-1

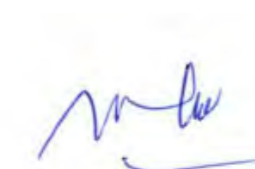
ASSETS	Code	Note	31/12/2023 VND	01/01/2023 VND
A. CURRENT ASSETS	100		196,828,572,250	243,097,061,591
I. Cash and cash equivalents	110	5	16,653,945,530	80,679,709,655
1. Cash	111		11,653,945,530	25,679,709,655
2. Cash equivalents	112		5,000,000,000	55,000,000,000
II. Short-term financial investments	120		-	-
III. Short-term receivables	130		176,457,658,586	159,155,424,760
1. Short-term trade receivables	131	6	171,732,442,669	156,061,822,561
2. Short-term prepayments to suppliers	132	7	2,881,614,382	891,746,525
3. Other short-term receivables	136	8.a	1,843,601,535	2,201,855,674
IV. Inventories	140	9	1,756,007,407	2,281,624,849
1. Inventories	141		1,756,007,407	2,281,624,849
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		1,960,960,727	980,302,327
1. Short-term prepaid expenses	151	10.a	1,009,174,152	18,660,537
2. Deductible VAT	152		951,786,575	961,641,790
3. Taxes and amounts receivable from the State	153	15	-	-
B. LONG-TERM ASSETS	200		1,036,227,532,184	1,083,132,130,266
I. Long-term receivables	210		2,024,000,000	2,024,000,000
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	8.b	2,024,000,000	2,024,000,000
II. Fixed assets	220		1,014,820,602,492	1,068,643,399,688
1. Tangible fixed assets	221	11	1,009,223,346,392	1,062,990,695,801
- Cost	222		1,687,388,609,330	1,690,867,288,828
- Accumulated depreciation	223		(678,165,262,938)	(627,876,593,027)
2. Intangible fixed assets	227	12	5,597,256,100	5,652,703,887
- Cost	228		6,021,967,408	5,971,967,408
- Accumulated amortization	229		(424,711,308)	(319,263,521)
III. Investment properties	230		-	-
IV. Long-term assets in progress	240		7,382,131,997	3,475,284,736
1. Long-term work in process	241		-	-
2. Construction in progress	242	13	7,382,131,997	3,475,284,736
V. Long-term financial investments	250		-	-
VI. Other long-term assets	260		12,000,797,695	8,989,445,842
1. Long-term prepaid expenses	261	10.b	10,491,931,695	8,989,445,842
2. Long-term equipment, supplies, spare parts	263		1,508,866,000	-
TOTAL ASSETS	270		1,233,056,104,434	1,326,229,191,857

RESOURCES	Code	Note	31/12/2023 VND	01/01/2023 VND
C. LIABILITIES	300		226,172,068,476	376,439,749,420
I. Current liabilities	310		133,023,520,322	201,228,808,935
1. Short-term trade payables	311	14	3,128,142,983	1,498,995,690
2. Taxes and amounts payable to the State budget	313	15	26,707,371,913	29,108,458,288
3. Payables to employees	314		7,321,237,336	10,890,922,570
4. Short-term accrued expenses	315	16	1,424,954,006	1,335,948,074
5. Other short-term payables	319	17	12,592,703,655	70,690,228,379
6. Short-term loans and finance lease liabilities	320	18a	78,359,119,603	86,431,046,068
7. Reward and welfare fund	322		3,489,990,826	1,273,209,866
II. Long-term liabilities	330		93,148,548,154	175,210,940,485
1. Long-term trade payables	331		-	-
2. Long-term loans and finance lease liabilities	338	18b	93,148,548,154	175,210,940,485
D. EQUITY	400		1,006,884,035,958	949,789,442,437
I. Owners' equity	410		1,006,884,035,958	949,789,442,437
1. Share capital	411	19	604,882,610,000	604,882,610,000
- Common shares with voting rights	411a		604,882,610,000	604,882,610,000
- Preferred shares	411b		-	-
2. Share premium	412	19	2,076,396,829	2,076,396,829
3. Investment and development fund	418	19	59,837,880,081	59,837,880,081
4. Undistributed profit after tax	421	19	340,087,149,048	282,992,555,527
- Undistributed profit after tax up to prior period-end	421a	19	164,756,540,251	38,444,498,763
- Undistributed profit after tax this period	421b	19	175,330,608,797	244,548,056,764
II. Budget sources and other funds	430		-	-
TOTAL RESOURCES	440		1,233,056,104,434	1,326,229,191,857



Dinh Chau Hieu Thien
General Director

Da Nang City, 24 February 2024



Pham Thai Hung
Chief Accountant



Truong Ngoc Hung
Preparer

ITEMS	Code	Note	Year 2023 VND	Year 2022 VND
1. Revenue from sales and service provision	01	20	375,994,952,103	495,630,568,017
2. Revenue deductions	02		-	-
3. Net revenue from sales and service provision	10		375,994,952,103	495,630,568,017
4. Cost of goods sold	11	21	138,817,006,491	178,248,248,235
5. Gross profit from sales and service provision	20		237,177,945,612	317,382,319,782
6. Financial income	21	22	1,869,336,825	1,274,252,467
7. Financial expenses	22	23	22,124,072,335	27,955,749,065
<i>Including: Interest expense</i>	23		22,026,345,063	27,816,562,067
8. Selling expenses	25		-	-
9. Administrative expenses	26	24	21,840,017,026	25,670,115,521
10. Operating profit	30		195,083,193,076	265,030,707,663
11. Other income	31	25	1,587,644,262	712,348,209
12. Other expenses	32	26	396,587,154	6,099,279,196
13. Other profit	40		1,191,057,108	(5,386,930,987)
14. Accounting profit before tax	50		196,274,250,184	259,643,776,676
15. Current corporate income tax expense	51	27	20,943,641,387	15,095,719,912
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		175,330,608,797	244,548,056,764
18. Basic earnings per share	70	28	2,899	3,900
19. Diluted earnings per share	71	28	2,899	3,900



Dinh Chau Hieu Thien
General Director

Da Nang City, 24 February 2024

Pham Thai Hung
Chief Accountant

Truong Ngoc Hung
Preparer



Dinh Chau Hieu Thien
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Da Nang City, 24 February 2024

Pham Thai Hung
Chief Accountant

Truong Ngoc Hung
Preparer

ITEMS	Code	Note	Year 2023 VND	Year 2022 VND
I. Cash flows from operating activities				
1. Cash receipts from sales, service provision and other income	01		360,447,375,066	436,913,017,760
2. Cash paid to suppliers	02		(76,845,070,404)	(92,156,422,362)
3. Cash paid to employees	03		(31,254,348,309)	(29,951,428,408)
4. Cash paid for borrowing interest	04	17, 24	(22,091,035,290)	(27,869,501,083)
5. Cash paid for corporate income tax	05	16	(18,811,064,750)	(12,360,733,252)
6. Other cash receipts from operating activities	06		35,961,237,177	42,828,256,326
7. Other payments for operating activities	07		(52,265,088,454)	(58,143,701,257)
Net cash provided by operating activities	20		195,142,005,036	259,259,487,724
II. Cash flows from investing activities				
1. Purchases of fixed assets and other long-term assets	21		(4,525,431,236)	(3,043,019,978)
2. Disposals of fixed assets and other long-term assets	22		1,158,533,743	14,409,091
3. Dividends, profit, interest received	27	23	2,060,364,223	1,080,279,864
Net cash used in investing activities	30		(1,306,533,270)	(1,948,331,023)
III. Cash flows from financing activities				
1. Proceeds from share issuance, capital contribution	31		-	4,482,168,583
2. Repayments of borrowings	34	18	(90,232,046,068)	(108,417,613,505)
3. Dividends, profit paid to owners	36	17, 19	(167,629,189,823)	(113,561,728,517)
Net cash used in financing activities	40		(257,861,235,891)	(217,497,173,439)
Net cash flows for the year	50		(64,025,764,125)	39,813,983,262
Cash and cash equivalents at the beginning of the year	60	5	80,679,709,655	40,865,726,393
Impact of exchange rate fluctuations	61		-	-
Cash and cash equivalents at the end of the year	70	5	16,653,945,530	80,679,709,655



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 06/04/2023). The Company is an independent accounting entity, operating in observance of the Enterprise Law, its Charter and other relevant regulations.

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

1.3. Operating activities

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

- Real estate activities with own or leased property. Detail: Leasing land, workshop, and warehouse.

1.4. Normal course of business cycle

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

1.5. Business structure

As at 31/12/2023, 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.

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

3. Applied accounting standards and accounting system

The Company adopts the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System which is guided in Circular No. 200/2014/TT-BTC dated 22/12/2014 and Circular No. 53/2016/TT-BTC dated 21/3/2016 amending and adding some articles of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance.

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

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

All short-term investments which are collectible or mature of 3 months or less as from purchasing date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date shall be recognized as cash equivalents.

4.2 Receivables

Receivables include trade receivables and other receivables:

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

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for overdue receivables which the Company has claimed many times but still has not collected yet or which have not been overdue but the debtor has been in the state of insolvency, doing dissolution procedures, 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, tools, instruments: Cost comprises costs of purchase, costs of conversion and any directly attributable costs of bringing the inventories to their present location and condition.
- Finished products: Cost comprises cost of direct materials and labour plus attributable overhead based on the normal level of activities.

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

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

4.4 Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Depreciation

Depreciation of tangible fixed assets is calculated on a straight-line basis over their estimated useful lives. The depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

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

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

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

In order to ensure that the depreciation method is in line with the actual use and seasonal nature of hydropower production, the fixed assets used directly at Khe Dien Hydropower Plant and Krong H'ngang Hydropower Plant are depreciated in accordance with the method of depreciation based on volume. Details are as follows:

$$\text{Depreciation rate in} = \frac{\text{Cost of fixed assets}}{\text{Volume of electricity actually generated}} \times$$

$$\text{the period} = \frac{\text{Depreciation period of fixed assets registered with tax authority} \times \text{Average design capacity of each year}}{\text{in the period}}$$

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 period complies 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>Kinds of asset</u>	<u>Amortization period (years)</u>
Indefinite lived land use rights	Not amortized
Computer software	5

4.6 Prepaid expenses

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

- Cost of tools and instruments being put into use and repair costs are amortized in accordance with the straight-line method for a period ranging from 12 to 36 months;
- Insurance premiums 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.

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

Share premium

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

Treasury shares

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

Profit distribution

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

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

4.11 Recognition of revenue and other income

- Revenue from sales of electricity is recognized based on the documents on confirming the power capacity sold to the national power grid and unit price stated in the following Economic Contracts:
 - ✓ For Khe Dien Hydropower Plant Branch: According to Economic Contract No. 05/2011/KHEDIEN/EVNCPC-SBA dated 31/05/2011 and Appendix No. 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: According 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: using competitive electricity price.
- 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.
- 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, payment discounts for buyers, expenses and loss on liquidating, transferring investments; provision for diminution in value of trading securities, provision for loss from investment in other entities, loss from sale of foreign currency, foreign exchange loss and other expenses attributable to other investing activities.

4.14 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.

4.17 Tax rate and charges paid to the State which the Company is applying

- 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.
- Besides, from 01/07/2023 to 31/12/2023, the Company is entitled to 2% VAT reduction on certain goods as stipulated in Resolution No. 101/2023/QH15 dated 24/06/2023 of the National Assembly.
- Corporate Income Tax (CIT):
 - ✓ For Khe Dien Hydropower Plant: Applicable tax rate is 20%.

- ✓ For expanded Khe Dien Hydropower Plant: Applicable tax rate is 20%. Income from expanded Khe Dien Hydropower Plant is exempted from corporate income tax for 4 years and entitled to 50% reduction of corporate income tax for the next 9 years as from the time the expanded Khe Dien Hydropower Plant is completed and put into operation and business income is generated. Since 2021 was the first year the expanded Khe Dien Hydropower Plant has made taxable income, income from expanded Khe Dien Hydropower Plant is exempted from corporate income tax from 2021 to 2024 and entitled to 50% reduction of corporate income tax from 2025 to 2033.

These incentives are stipulated in Point 4, Article 10 and Article 12 of 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 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 charges 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

	31/12/2023	01/01/2023
Cash on hand	523,101,933	207,650,005
Bank demand deposits	11,130,843,597	25,472,059,650
Bank deposits of no more than 3 months	5,000,000,000	55,000,000,000
Total	16,653,945,530	80,679,709,655

6. Short-term trade receivables

	31/12/2023	01/01/2023
Central Power Corporation	12,743,627,100	23,853,336,683
Electricity Power Trading Company	158,843,716,719	128,948,242,986
Others	145,098,850	3,260,242,892
Total	171,732,442,669	156,061,822,561

In which: trade receivables from related parties



	Relationship	31/12/2023	01/01/2023
Central Power Corporation	Investor	12,743,627,100	23,853,336,683
Electricity Power Trading Company	Fellow subsidiary of investor Investor	158,843,716,719	128,948,242,986
Quang Nam Power Company	Fellow subsidiary of investor Investor	57,577,179	8,699,965
Bao Phuc Tam Company Limited	Related party of member of the Board of Directors	27,480,526	1,734,247,625
Total		171,672,401,524	154,544,527,259

7. Short-term prepayments to suppliers

	31/12/2023	01/01/2023
Sai Gon Ban Mai Commercial Company Limited	917,280,000	-
Nguyen Nguyen Phat Company Limited	504,388,024	-
Phuc Dai Nam Construction And Service Company Limited	392,074,964	-
Savina Power Joint Stock Company	567,553,451	-
Others	500,317,943	891,746,525
Total	2,881,614,382	891,746,525

8. Other receivables

a. Short-term

	31/12/2023		01/01/2023	
	Amount	Provision	Amount	Provision
Advances	606,526,541	-	864,942,357	-
Accrued interest receivable	2,945,205	-	193,972,603	-
Other receivables	1,234,129,789	-	1,142,940,714	-
Total	1,843,601,535	-	2,201,855,674	-

b. Long-term

	31/12/2023		01/01/2023	
	Amount	Provision	Amount	Provision
Deposits, collaterals	2,024,000,000	-	2,024,000,000	-
Total	2,024,000,000	-	2,024,000,000	-

9. Inventories

	31/12/2023		01/01/2023	
	Cost	Provision	Cost	Provision
Materials	584,516,764	-	1,621,392,258	-
Tools, instruments	1,130,910,709	-	656,093,800	-
Work in process	40,579,934	-	4,138,791	-
Total	1,756,007,407	-	2,281,624,849	-

- There are no inventories which are unsold, in poor quality at 31/12/2023.
- There are no inventories which were pledged, mortgaged as security for debts as at 31/12/2023.

10. Prepaid expenses

a. Short-term

	31/12/2023	01/01/2023
Periodic maintenance costs for equipment systems of unit H2 - Krong H'ngang Hydropower Plant	930,075,168	-
Unexpired insurance	14,585,764	18,660,537
Other prepaid expenses	64,513,220	-
Total	1,009,174,152	18,660,537

b. Long-term

	31/12/2023	01/01/2023
Costs of overhaul of electromechanical equipment Spill dam	536,912,158	894,853,598
Costs of repairing operation path VH1 of Khe Dien Plant	3,223,205,086	5,348,765,262
Unit repair, maintenance costs - Khe Dien Plant	467,522,745	977,547,561
Costs of renovating the control and monitoring system of 110kV distribution station - Krong H'ngang Plant	1,829,722,222	-
Costs of overhaul of unit H2 2023	1,714,420,400	-
Costs of tools, instruments pending amortization	571,588,316	814,894,142
Costs of repairing operation path VH2 of Khe Dien Plant	518,170,341	-
Other prepaid expenses	1,630,390,427	953,385,279
Total	10,491,931,695	8,989,445,842

11. Tangible fixed assets



	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	1,216,155,098,472	390,511,534,924	83,366,482,985	834,172,447	1,690,867,288,828
Newly-purchased	-	-	-	428,709,364	428,709,364
Sold, disposed	-	-	3,907,388,862	-	3,907,388,862
Ending balance	1,216,155,098,472	390,511,534,924	79,459,094,123	1,262,881,811	1,687,388,609,330
Depreciation					
Beginning balance	305,568,009,293	263,705,543,462	58,192,449,295	410,590,977	627,876,593,027
Charge for the year	26,564,538,651	22,440,219,526	5,012,171,574	179,129,022	54,196,058,773
Decrease in the year	-	-	3,907,388,862	-	3,907,388,862
Ending balance	332,132,547,944	286,145,762,988	59,297,232,007	589,719,999	678,165,262,938
Net book value					
Beginning balance	910,587,089,179	126,805,991,462	25,174,033,690	423,581,470	1,062,990,695,801
Ending balance	884,022,550,528	104,365,771,936	20,161,862,116	673,161,812	1,009,223,346,392

- As at 31/12/2023, tangible fixed assets with a carrying value of VND1,007,132,860,398 have been mortgaged as collateral for borrowings granted to the Company.
- Cost of tangible fixed assets fully depreciated but still in active use at 31/12/2023 is VND84,520,156,091.
- There are no tangible fixed assets pending disposal.
- There are no commitments to repurchase fixed assets of high value in the future.
- Pursuant to Decision No. 293/QĐ – STC dated 29/06/2011 of Da Nang City Finance Department on “Approving the plan for changing useful lives of fixed assets”, the Company has changed the useful lives of most of the fixed assets of Krong H'ngang Hydropower Plant since 2011. Other than that, the Company also changed the depreciation method (from the straight-line method to the method based on volume) of the fixed assets directly serving the electricity generation and sent an official letter (No. 223/11/S3-TC dated 09/06/2011) to notify the Tax Department of such change.
- On 25/04/2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC guiding the management, use and depreciation of fixed assets. According to Clause c, Point 2, Article 13, one of the conditions for applying the method of depreciation based on volume is that the actual capacity per month in the fiscal year is not less than 100% of design capacity. On 31/07/2013, the Company sent Official Letter No. 279/13/S3-TCKT to the Ministry of Finance asking for the guidance on applying the regulations of Circular 45/2013/TT-BTC to the Company's actual operations. On 14/10/2013, the Ministry of Finance issued Official Letter No. 13633/BTC-TCDN to permit Song Ba Joint Stock Company to keep applying the method of depreciation based on volume to the fixed assets directly participating in the electricity generation which the Company registered with Da Nang City Tax Department in case of failure to reach 100% of design capacity provided that Song Ba Joint Stock Company must ensure sufficient resources to repay investment loans of credit institutions, and the depreciation period does not exceed the technical life of the assets.

12. Intangible fixed assets

	Land use rights (*)	Computer software	Total
Cost			
Beginning balance	5,175,261,800	796,705,608	5,971,967,408
Newly purchased	-	50,000,000	50,000,000
Sold, disposed	-	-	-
Ending balance	5,175,261,800	846,705,608	6,021,967,408
Amortization			
Beginning balance	-	319,263,521	319,263,521
Charge for the year	-	105,447,787	105,447,787
Sold, disposed	-	-	-
Ending balance	-	424,711,308	424,711,308
Net book value			
Beginning balance	5,175,261,800	477,442,087	5,652,703,887
Ending balance	5,175,261,800	421,994,300	5,597,256,100

(*) This is long-term land use right at 573 Nui Thanh Street, Hai Chau District, Da Nang City; area: 410.5 m2, used for the Company's Head Office.

This land use right is mortgaged for the long-term loan borrowed from Orient Commercial Joint Stock Bank – Trung Viet Branch (presented in Note 18).

Cost of intangible fixed assets fully amortized but still in active use at 31/12/2023 is VND302,800,000.

13. Construction in progress

	31/12/2023	01/01/2023
Construction in progress	7,382,131,997	3,475,284,736
- Krong H'ngang 2 Hydropower Plant	3,475,284,736	3,475,284,736
- Landscape improvement project - Khe Dien Hydropower Plant	3,881,847,261	-
- Other repair costs	25,000,000	-
Total	7,382,131,997	3,475,284,736

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.

14. Short-term trade payables



	31/12/2023	01/01/2023
VIDANA Technological Development Company Limited	2,166,148,000	-
Vinacomin - Nong Son Coal & Power Joint Stock Company	354,464,446	-
Others	607,530,537	1,498,995,690
Total	3,128,142,983	1,498,995,690

15. Taxes and amounts payable to the State

	Beginning balance		Amount to be paid	Actual amount paid	Ending balance	
	Payable	Receivable			Payable	Receivable
VAT	-	10,813,164,791	30,248,731,832	34,087,881,007	-	6,974,015,616
CIT	-	5,636,770,718	20,943,641,387	18,811,064,750	-	7,769,347,355
Personal Income Tax	-	691,370,074	7,085,832,682	7,091,332,747	-	685,870,009
Natural resources tax	-	7,686,882,989	26,065,583,093	26,342,969,877	-	7,409,496,205
Land and house tax, land rent	-	-	41,798,400	41,798,400	-	-
License fee	-	-	6,000,000	6,000,000	-	-
Forest environment service fee	-	4,280,269,716	9,733,847,220	10,145,474,208	-	3,868,642,728
Fees for granting rights to exploit water resources	-	-	2,557,189,000	2,557,189,000	-	-
Total	-	29,108,458,288	96,682,623,614	99,083,709,989	-	26,707,371,913

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.

16. Short-term accrued expenses

	31/12/2023	01/01/2023
Loan interest payable	63,113,098	127,803,325
Interest on bonds issued	9,041,096	9,041,096
Costs for appraisal of bidding documents, costs for flood and storm prevention - Krong H'ngang Hydropower Plant	692,439,168	-
Other accrued expenses	660,360,644	1,199,103,653
Total	1,424,954,006	1,335,948,074

17. Other short-term payables

	31/12/2023	01/01/2023
Dividend payable	11,700,147,437	70,450,467,460
Other payables	892,556,218	239,760,919
Total	12,592,703,655	70,690,228,379

18. Loan and finance lease liabilities

a. Short-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Current portion of long-term loans from Orient Bank – Trung Viet Branch	86,431,046,068	78,359,119,603	86,431,046,068	78,359,119,603
- Contract No. 024/2015/HDTD-DN	72,000,000,000	72,000,000,000	72,000,000,000	72,000,000,000
- Contract No. 0058/2019/HDTD-OCB-DN	10,751,000,000	-	10,751,000,000	-
- Contract No. 0057/2019/HDTD-OCB-DN	3,680,046,068	6,359,119,603	3,680,046,068	6,359,119,603
Total	86,431,046,068	78,359,119,603	86,431,046,068	78,359,119,603

b. Long-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Long-term loans from Orient Bank – Trung Viet Branch	231,935,168,372	-	90,232,046,068	141,703,122,304
- Contract No. 024/2015/HDTD-DN	156,000,000,000	-	72,000,000,000	84,000,000,000
- Contract No. 0058/2019/HDTD-OCB-DN	14,552,000,000	-	14,552,000,000	-
- Contract No. 0057/2019/HDTD-OCB-DN	61,383,168,372	-	3,680,046,068	57,703,122,304
Issued bonds (SBAH2125001)	29,706,818,181	97,727,272	-	29,804,545,453
Total	261,641,986,553	97,727,272	90,232,046,068	171,507,667,757
In which:				
- Amount due within one year	86,431,046,068			78,359,119,603
Long-term loans and finance lease liabilities	175,210,940,485			93,148,548,154

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

- The Company is borrowing from Orient Commercial Joint Stock Bank - Quang Nam Branch under long-term borrowing contract No. 024/2015/HDTD-DN dated 26/03/2015 with the credit line of VND620,000,000,000. The loan period is 120 months as from the first drawdown date at OCB – Quang Nam Branch. This loan is transferred to Orient Commercial Joint Stock Bank – Trung Viet Branch in accordance with the Announcement dated 01/04/2017 on transferring the borrowing transaction of Song Ba Joint Stock Company to Orient Commercial Joint Stock Bank – Trung Viet Branch. The interest rate is adjusted once a quarter. The loan is to re-finance the Krong H'ngang Hydropower Project (giving loan to purchase debt of Song Ba Joint Stock Company in Viet Nam Development Bank – Phu Yen Branch) and is secured by Krong H'ngang Hydropower Plant.
- Long-term loan agreement No. 0057/2019/HDTD-OCB-DN dated 26/03/2019 with the credit line of VND72,000,000,000. The loan period is 132 months as from the first drawdown date at OCB – Trung Viet Branch. The interest rate is agreed in the indebtedness and adjusted every 6 months. The loan is for the purpose of investing in the Khe Dien Hydropower Plant expansion project from the designed capacity of 9MW to 15MW. The loan is secured by the long-term land use right at 573 Nui Thanh



Street, Hai Chau District, Da Nang City; Khe Dien Hydropower Plant and Krong H'ngang Hydropower Plant.

c. Issued bonds

	31/12/2023					
	Original price of bond	Total issuance costs	Accumulated amortization of issuance costs	Decrease in the period	Value at the end of the period	Interest rate
Bond issued at par value	30,000,000,000	390,909,091	195,454,544	-	29,804,545,453	
- Bond SBAH2125001 with the 4-year term	30,000,000,000	390,909,091	195,454,544	-	29,804,545,453	Fixed 11%/year

	01/01/2022					
	Original price of bond	Total issuance costs	Accumulated amortization of issuance costs	Decrease in the period	Value at the end of the period	Interest rate
Bond issued at par value	30,000,000,000	390,909,091	-	-	29,609,090,909	
- Bond SBAH2125001 with the 4-year term	30,000,000,000	390,909,091	-	-	29,609,090,909	Fixed 11%/year

19. Owners' equity

a. Statement of changes in owners' equity

	Share capital	Share premium	Treasury shares	Development investment fund	Undistributed profit after tax	Total
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 year	-	2,076,396,829	-	5,857,950,813	244,548,056,764	252,482,404,406
Decrease in the year	-	-	(2,405,771,754)	-	160,520,650,801	158,114,879,047
As at 31/12/2022	604,882,610,000	2,076,396,829	-	59,837,880,081	282,992,555,527	949,789,442,437
As at 01/01/2023	604,882,610,000	2,076,396,829	-	59,837,880,081	282,992,555,527	949,789,442,437
Increase in the year	-	-	-	-	175,330,608,797	175,330,608,797
Decrease in the year	-	-	-	-	118,236,015,276	118,236,015,276
As at 30/06/2023	604,882,610,000	2,076,396,829	-	59,837,880,081	340,087,149,048	1,006,884,035,958

b. Capital transactions with owners and distribution of dividend

	Year 2023	Year 2022
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	108,878,869,800	150,916,017,500

c. Shares

	31/12/2023 Shares	01/01/2023 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)	-	-
- Common shares	-	-
- Preferred shares (classified as owners' equity)	-	-
Number of outstanding shares	60,488,261	60,488,261
- Common shares	60,488,261	60,488,261
- Preferred shares (classified as owners' equity)	-	-
Par value of outstanding shares: VND10,000 each		

d. Undistributed profit after tax

	Year 2023	Year 2022
Profit brought forward	282,992,555,527	198,965,149,564
Profit after corporate income tax of current period	175,330,608,797	244,548,056,764
Distribution of profit	118,236,015,276	160,520,650,801
- Distribution of prior-year profit (*)	118,236,015,276	100,032,389,801
+ Development investment fund	-	5,857,950,813
+ Reward and welfare fund	9,033,145,476	3,514,770,488
+ Remunerations for executive Board	324,000,000	231,912,000
+ Paying dividends	108,878,869,800	90,427,756,500
- Temporary distribution of current-year profit	-	60,488,261,000
+ Paying dividends	-	60,488,261,000
Undistributed profit after tax	340,087,149,048	282,992,555,527

(*) The 2022 profit after tax was distributed in accordance with Resolution of the 2023 General Shareholders' Meeting No. 01/2023/NQ-DHDCD dated 21/04/2023.

e. Dividend

Resolution of the 2023 General Shareholders' Meeting No. 01/2023/NQ-DHDCD dated 21/04/2023 approved the plan for paying dividend of the year 2022 in cash at 28% of the charter capital (equivalent to VND169,367,130,800). The first payment was temporarily made at 10% (equivalent to VND60,488,261,000) in 2022 and the second payment was made at 18% (equivalent to VND108,878,869,800) in Quarter III/2023.



NOTES TO THE FINANCIAL STATEMENTS

20. Revenue from sales and service provision

	Year 2023	Year 2022
Revenue from selling electricity	372,738,618,323	491,680,327,546
Revenue from rendering services	3,256,333,780	3,950,240,471
Total	<u>375,994,952,103</u>	<u>495,630,568,017</u>

21. Cost of goods sold

	Year 2023	Year 2022
Cost of electricity sold	136,052,441,242	174,446,131,783
Cost of services rendered	2,764,565,249	3,802,116,452
Total	<u>138,817,006,491</u>	<u>178,248,248,235</u>

22. Financial income

	Year 2023	Year 2022
Loan interest, deposit interest	1,869,336,825	1,274,252,467
Total	<u>1,869,336,825</u>	<u>1,274,252,467</u>

23. Financial expenses

	Year 2023	Year 2022
Loan interest	18,726,345,063	24,516,562,067
Bond interest	3,300,000,000	3,300,000,000
Bond issuance expenses	97,727,272	97,727,272
Interest on late payment of dividend	-	41,459,726
Total	<u>22,124,072,335</u>	<u>27,955,749,065</u>

24. Administrative expenses incurred in the year

	Year 2023	Year 2022
Materials, tool expenses	482,155,908	399,277,374
Labor costs	14,842,425,409	19,260,846,011
Depreciation and amortization expenses	650,554,320	348,616,434
Outside service expenses	1,727,168,609	1,834,582,161
Others	4,137,712,780	3,826,793,541
Total	<u>21,840,017,026</u>	<u>25,670,115,521</u>

25. Other income

	Year 2023	Year 2022
Proceeds from disposal of fixed assets	1,214,897,379	14,409,091
Others	372,746,883	697,939,118
Total	<u>1,587,644,262</u>	<u>712,348,209</u>

26. Other expenses

	Year 2023	Year 2022
Expenses for finalizing investment capital of Song Tranh 1 Hydropower Plant Project	-	5,549,728,384
Penalty for late payment of tax, fee	25,356,809	28,320,211
Others	371,230,345	521,230,601
Total	<u>396,587,154</u>	<u>6,099,279,196</u>



27. Current corporate income tax expense

	Year 2023	Year 2022
Accounting profit before tax	196,274,250,184	259,643,776,676
- From principal activities of Khe Dien Hydropower Plant	20,200,785,689	17,416,957,700
- From principal activities of Krong H'nang Hydropower Plant	172,535,444,904	246,263,142,824
- From principal activities of the Head Office and Consulting	3,538,019,591	(4,036,323,848)
Adjustment to taxable income	1,489,374,479	6,446,383,990
- Increasing adjustments (Unqualified, improper expenses)	1,478,114,342	6,446,383,990
+ Khe Dien Hydropower Plant	371,592,498	175,923,258
+ K'rong H'nang Hydropower Plant	825,391,142	470,707,772
+ Head Office and Consulting Center	281,130,702	5,799,752,960
- Decreasing adjustments	(11,260,137)	-
+ Head Office	(11,260,137)	-
Total taxable income	197,763,624,663	266,090,160,666
- From principal activities of Khe Dien Hydropower Plant	20,572,378,187	17,592,880,958
- From principal activities of Krong H'nang Hydropower Plant	173,360,836,046	246,733,850,596
- From principal activities of the Head Office and Consulting Center	3,830,410,430	1,763,429,112
Corporate income tax	22,216,641,328	28,544,647,074
+ Khe Dien Hydropower Plant	4,114,475,637	3,518,576,192
+ K'rong H'nang Hydropower Plant	17,336,083,605	24,673,385,060
+ Head Office and Consulting Center	766,082,086	352,685,822
Reduced, exempted corporate income tax	1,300,600,597	13,448,927,162
+ Khe Dien Hydropower Plant (tax exemption for new investment project)	1,300,600,597	1,112,234,632
+ K'rong H'nang Hydropower Plant	-	12,336,692,530
Current corporate income tax expense	20,943,641,387	15,095,719,912
In which:		
- Current corporate income tax expense this period	20,916,040,731	15,095,719,912
+ Khe Dien Hydropower Plant	2,813,875,040	2,406,341,560
+ K'rong H'nang Hydropower Plant	17,336,083,605	12,336,692,530
+ Head Office and Consulting Center	766,082,086	352,685,822
- Adjusting current CIT expense of previous year into current CIT expense of current year	27,600,656	-

28. Basic, diluted earnings per share

	Year 2023	Year 2022
Profit after corporate income tax	175,330,608,797	244,548,056,764
Adjustments increasing or decreasing profit after tax	-	(9,357,145,476)
- Increase	-	-
- Decrease (appropriated to reward welfare fund, reward fund of Executive Board)	-	9,357,145,476
Profit or loss attributable to common shareholders	175,330,608,797	235,190,911,288
Weighted average number of outstanding common shares	60,488,261	60,300,123
Basic, diluted earnings per share	2,899	3,900

- The 2023 basic, 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 the fund. Annually, the Management Board will propose a specific rate for appropriating reward and welfare fund based on the business results at the end of the year. Accordingly, this data can be changed upon the Profit Distribution Decision of the General Shareholder Meeting later.

- The 2022 basic, diluted earnings per share was recalculated on the basis of the profit distribution figures which were approved in accordance with Resolution of the 2023 General Shareholder Meeting No. 01/2023/NQ-DHDCD dated 21/04/2023. Accordingly, the approved amount for appropriation to the reward welfare fund, reward fund of the Executive Board was VND9,357,145,476.

29. Operating expenses by elements

	Year 2023	Year 2022
Materials expenses	7,296,249,839	8,436,400,940
Labor costs	30,094,379,911	40,142,118,818
Depreciation and amortization expenses	54,301,506,560	71,357,143,622
Outside service expenses	10,128,102,637	21,166,272,005
Other cash expenses	58,873,225,713	62,645,981,314
Total	160,693,464,660	203,747,916,699

30. 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 (segment by geographical area) and that is subject to risks and returns that are different from those of other business segment.

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



NOTES TO THE FINANCIAL STATEMENTS

Geographical segments	Khe Dien Hydropower Plant - Quang Nam Province		Krong H'ngang Hydropower Plant - Dak Lak and Phu Yen Province		Head Office & Dam Safety Testing and Consulting Center		Total	
	Year 2023		Year 2022		Year 2023		Year 2022	
	VND	VND	VND	VND	VND	VND	VND	VND
Revenue from sales and service provision	71,925,354,243	87,383,384,982	300,813,264,080	404,296,942,564	3,256,333,780	3,950,240,471	375,994,952,103	495,630,568,017
Revenue deductions	-	-	-	-	-	-	-	-
Cost of goods sold	38,440,355,884	53,998,606,483	97,612,085,358	120,447,525,300	2,764,565,249	3,802,116,452	138,817,006,491	178,248,248,235
Financial income	245,300	232,900	833,900	621,300	1,868,257,625	1,273,398,267	1,869,336,825	1,274,252,467
Financial expenses	7,117,747,403	8,056,294,615	15,006,324,932	19,886,551,182	-	12,903,268	22,124,072,335	27,955,749,065
Selling expenses	-	-	-	-	-	-	-	-
Administrative expenses	6,166,710,567	7,943,397,265	15,656,925,754	17,718,630,710	16,380,705	8,087,546	21,840,017,026	25,670,115,521
Operating profit	20,200,785,689	17,385,319,519	172,538,761,936	246,244,856,672	2,343,645,451	1,400,531,472	195,083,193,076	265,030,707,663
Other income	-	161,699,760	-	46,606,363	1,587,644,262	504,042,086	1,587,644,262	712,348,209
Other expenses	-	130,061,579	3,317,032	28,320,211	393,270,122	5,940,897,406	396,587,154	6,099,279,196
Other profit (loss)	-	31,638,181	(3,317,032)	18,286,152	1,194,374,140	(5,436,855,320)	1,191,057,108	(5,386,930,987)
Profit before tax	20,200,785,689	17,416,957,700	172,535,444,904	246,263,142,824	3,538,019,591	(4,036,323,848)	196,274,250,184	259,643,776,676
Corporate income tax	2,798,643,031	2,406,341,560	17,323,663,588	12,336,692,530	821,334,768	352,685,822	20,943,641,387	15,095,719,912
Profit after tax	17,402,142,658	15,010,616,140	155,211,781,316	233,926,450,294	2,716,684,823	(4,389,009,670)	175,330,608,797	244,548,056,764
Fixed assets	31/12/2023	01/01/2023	31/12/2023	01/01/2023	31/12/2023	01/01/2023	31/12/2023	01/01/2023
Tangible fixed assets	129,441,119,098	140,855,075,130	875,155,544,430	917,349,962,188	4,626,682,864	4,785,658,483	1,009,223,346,392	1,062,990,695,801
- Cost	280,425,704,692	280,340,031,692	1,398,190,009,208	1,401,459,956,556	8,772,895,430	9,067,300,580	1,687,388,609,330	1,690,867,288,828
- Accumulated depreciation	150,984,585,594	139,484,956,562	523,034,464,778	484,109,994,368	4,146,212,566	4,281,642,097	678,165,262,938	627,876,593,027
Intangible fixed assets	-	-	-	-	5,597,256,100	5,652,703,887	5,597,256,100	5,652,703,887
- Cost	-	-	-	-	6,021,967,408	5,971,967,408	6,021,967,408	5,971,967,408
- Accumulated amortization	-	-	-	-	424,711,308	319,263,521	424,711,308	319,263,521

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31. Risk management

a. Capital risk management

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

b. Financial risk management

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

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

Interest rate risk management

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

Price risk management

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

Credit risk management

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

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

Liquidity risk management

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



NOTES TO THE FINANCIAL STATEMENTS

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

31/12/2023	Within 1 year	Over 1 year	Total
Trade payables	3,128,142,983	-	3,128,142,983
Accrued expenses	1,424,954,006	-	1,424,954,006
Loans and finance lease liabilities	78,359,119,603	93,148,548,154	171,507,667,757
Other payables	12,592,703,655	-	12,592,703,655
Total	95,504,920,247	93,148,548,154	188,653,468,401
01/01/2023	Within 1 year	Over 1 year	Total
Trade payables	1,498,995,690	-	1,498,995,690
Accrued expenses	1,335,948,074	-	1,335,948,074
Loans and finance lease liabilities	86,431,046,068	175,210,940,485	261,641,986,553
Other payables	70,690,228,379	-	70,690,228,379
Total	159,956,218,211	175,210,940,485	335,167,158,696

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

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

31/12/2023	Within 1 year	Over 1 year	Total
Cash and cash equivalents	16,653,945,530	-	16,653,945,530
Trade receivables	171,732,442,669	-	171,732,442,669
Other receivables	1,237,074,994	2,024,000,000	3,261,074,994
Total	189,623,463,193	2,024,000,000	191,647,463,193
01/01/2023	Within 1 year	Over 1 year	Total
Cash and cash equivalents	80,679,709,655	-	80,679,709,655
Trade receivables	156,061,822,561	-	156,061,822,561
Other receivables	1,336,913,317	2,024,000,000	3,360,913,317
Total	238,078,445,533	2,024,000,000	240,102,445,533

32. Related party information

a. Related parties

	Relationship
Central Power Corporation	Investor, subsidiary of Vietnam Electricity
Electricity Power Trading Company	Affiliate of Vietnam Electricity
Quang Nam Power Company	Affiliate of Vietnam Electricity
Central Power Consulting Company – Branch of Central Power Corporation	Affiliate of Vietnam Electricity
Bao Phuc Tam Company Limited	Related party of member of Board of Directors

b. Material related-party transactions arising in the year

	Transactions	Year 2023	Year 2022
Central Power Corporation	Sales of electricity	71,925,354,243	87,383,384,982
	Dividend payable	42,561,000,000	59,112,500,000
	Dividend paid	66,206,000,000	59,112,500,000
Electricity Power Trading Company	Sales of electricity	300,813,264,080	404,296,942,564
Quang Nam Power Company	Operation management service revenue	52,823,100	-
	Operating line pole rental revenue	384,395,858	-
Bao Phuc Tam Company Limited	Operating line pole rental revenue	384,395,858	-
Central Power Consulting Company – Branch of Central Power Corporation	Consulting expenses for technical and economic reports	77,431,995	-



c. Income of key managing officers

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

Year 2023						Year 2022			
No.	Full name	Full-time salary	Remuneration	Other income (bonus, bonus for public holidays, Tets, titles)	Total	Full-time salary	Remuneration	Other income (bonus, bonus for public holidays, Tets, titles)	Total
I	Board of Directors	699,840,000	364,320,000	165,128,000	1,229,288,000	524,880,000	268,272,000	354,987,775	1,148,139,775
1	Thai Hong Quan	699,840,000	-	110,480,000	810,320,000	524,880,000	-	60,394,000	585,274,000
2	Pham Phong	-	119,232,000	14,904,000	134,136,000	-	89,424,000	272,237,775	361,661,775
3	Hoang Nam Son	-	119,232,000	14,904,000	134,136,000	-	89,424,000	11,178,000	100,602,000
4	Hoang Xuan Qui	-	86,112,000	9,936,000	96,048,000	-	-	-	-
5	Nguyen Quang Hung	-	39,744,000	14,904,000	54,648,000	-	89,424,000	11,178,000	100,602,000
II	Supervisory Board	518,400,000	231,840,000	144,664,000	894,904,000	466,560,000	178,848,000	139,400,000	784,808,000
1	Phan Thi Anh Dao	518,400,000	-	129,760,000	648,160,000	466,560,000	-	117,800,000	584,360,000
2	Huynh Thi Long	-	119,232,000	14,904,000	134,136,000	-	89,424,000	10,800,000	100,224,000
3	Hoang Xuan Qui	-	33,120,000	-	33,120,000	-	59,616,000	-	59,616,000
4	Tran Nguyen Anh Thu	-	79,488,000	-	79,488,000	-	-	-	-
5	Do Dat Quang	-	-	-	-	-	29,808,000	10,800,000	40,608,000

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

Year 2023						Year 2022		
No.	Full name	Position	Salary from electricity generation	Other income (consulting services, bonus for public holidays, tets, titles)	Total income	Salary from electricity generation	Other income (consulting services, bonus for public holidays, tets, titles)	Total income
	Management and Chief Accountant		1,870,555,240	1,347,516,145	3,218,071,385	1,655,284,960	1,289,829,609	2,945,114,569
1	Dinh Chau Hieu Thien	Total GĐ	673,920,000	130,233,000	804,153,000	505,440,000	136,704,000	642,144,000
2	Nguyen The Duy	Phó TGD KD	396,141,640	407,448,001	803,589,641	386,381,640	369,654,996	756,036,636
3	Phan Dinh Thanh	Phó TGD KT	390,467,960	415,919,585	806,387,545	366,197,680	403,840,948	770,038,628
4	Pham Thai Hung	Kế toán trưởng	410,025,640	393,915,559	803,941,199	397,265,640	379,629,665	776,895,305



33. Events after the balance sheet date

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

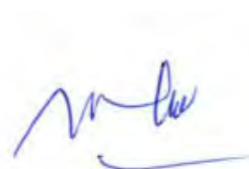
34. Corresponding figures

Corresponding figures were taken from the financial statements for the year ended 31/12/2022 which were audited by AAC.



Dinh Chau Hieu Thien
General Director

Da Nang City, 24 February 2024



Pham Thai Hung
Chief Accountant



Trung Ngoc Hung
Preparer

ANNUAL REPORT 2023


SONG BA JOINT STOCK COMPANY

Da Nang, March 22, 2024
LEGAL REPRESENTATIVE
GENERAL DIRECTOR



DINH CHAU HIEU THIEN



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