

SONG BA
JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No.: 372/17/S3-TCKT

Da Nang, 20th November 2017

Re: Explanation for the business result differences between quarter 3/2017 and quarter 3/2016.

Attention to:

- State Securities Commission of Vietnam;
- Ho Chi Minh Stock Exchange.

Pursuant to Circular No.155/2015/TT-BTC, dated 06th October 2015 by the Ministry of Finance on “Guiding the disclosure of information on the stock market”.

Song Ba Joint Stock Company (Stock Code: SBA) hereby reports the profit of quarter 3/2017 and quarter 3/2016 as follows:

- Profit after CIT of quarter 3/2017: 42,746,246,837 VND.
- Profit after CIT of quarter 3/2016: 17,206,275,581 VND.

Profit after CIT of quarter 3/2017 was increased compared to quarter 3/2016 with an amount of **25,539,971,256 VND**.

The main factors are as follows (taken from the Financial report of quarter 3/2017):

No	Content	Q3/2017	Q3/2016	Difference	
				Value	% [(Decrease (-), Increase (+))]
1	Gross sales of merchandise	88,173,342,083	52,188,815,297	35,984,526,786	68.95
2	Cost of goods sold	23,938,929,678	15,530,995,607	8,407,934,071	54.14
3	Gross profit from sales of merchandise	64,234,412,405	36,657,819,690	27,576,592,715	75.23
4	Financial income	47,087,894	4,165,360	42,922,534	1,030.46
5	Financial expenses	14,773,646,844	16,410,302,952	-1,636,656,108	-9.97
6	Administration expenses	4,388,918,371	2,151,558,947	2,237,359,424	103.99
7	Operating profit	45,118,935,084	18,100,123,151	27,018,811,933	149.27
8	Other income	20,379,580	104,044,304	-83,664,724	-80.41
9	Other expenses	69,520,134	90,418,797	-20,898,663	-23.11
10	Other profit	(49,140,554)	13,625,507	-62,766,061	-460.65
11	Net Profit before CIT	45,069,794,530	18,113,748,658	26,956,045,872	148.82
12	Current corporate income tax expense	2,323,547,693	907,473,077	1,416,074,616	156.05

Page 1/2



No	Content	Q3/2017	Q3/2016	Difference	
				Value	% [(Decrease (-), Increase (+))]
13	Net profit after CIT	42,746,246,837	17,206,275,581	25,539,971,256	148.43

The main reason leading to an increase in business result of quarter 3/2017 compared to quarter 3/2016 was as follows:

Quarter 3/2016 was severely affected by El Nino, the incoming water flow into 2 reservoirs was low resulting in the low power generation. Quarter 3/2017 had normal weather conditions according to the average data from many years, the number of rainy-days was evenly spread through the quarter in the area of the two hydropower reservoirs Krong H'ngang and Khe Dien. Therefore, the power output of quarter 3/2017 was **68.86** million kWh, increase of **30.05** million kWh compared to the same period last year, which is equivalent to an increase of **77.42%**. As a result, profit of quarter 3/2017 was **88.17** billion VND, increase of **35.98** billion VND compared to quarter 3/2016, which was equivalent to an increase of **68.95%**.

From the abovementioned factors, the profit after CIT of quarter 3/2017 increased **25.54** billion VND compared to quarter 3/2016, which was equivalent to an increasing rate of **148.43%**.

Song Ba Joint Stock Company hereby reports and pledges that the above explanations are true.

Best regards,

Recipient: *le*

- As above;
- ISO department;
- Website SBA;
- Save: Financial Accounting department;
- Documentary department.

GENERAL DIRECTOR

CÔNG TY
CỔ PHẦN
SÔNG BA

PHẠM PHONG

