

SONG BA
JOINT STOCK COMPANY

No.: ~~168~~/19/S3-TCKT

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Da Nang, 10th May 2019

Re: Explanation for the business result differences between quarter 1/2019 and quarter 1/2018.

To:

- The State Securities Commission;
- 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 1/2019 and quarter 1/2018 as follows:

- Profit after CIT of quarter 1/2019: 26,857,855,558 VND.
- Profit after CIT of quarter 1/2018: 38,834,538,585 VND.

Profit after CIT of quarter 1/2019 was decreased compared to the one of quarter 1/2018 with an amount of **11,976,683,027 VND**.

Financial indicators are as follows (Extracted from the Financial Statement of quarter 1/2019):

No	Items	Q1/2019	Q1/2018	Difference	
				Value	% [(Decrease (-), Increase (+))]
1	Gross sales of merchandise	64,274,880,341	80,524,233,074	-16,249,352,733	-20.18
2	Cost of goods sold	19,528,179,066	20,454,389,506	-926,210,440	-4.53
3	Gross profit from sales of merchandise	44,746,701,275	60,069,843,568	-15,323,142,293	-25.51
4	Financial income	214,809,019	255,833,616	-41,024,597	-16.04
5	Financial expenses	11,929,211,133	13,336,477,411	-1,407,266,278	-10.55
6	Administration expenses	4,143,381,505	4,654,656,034	-511,274,529	-10.98
7	Operating profit	28,888,917,656	42,334,543,739	-13,445,626,083	-31.76
8	Other income	352,893,745	49,521,488	303,372,257	612.61
9	Other expenses	20,263,782	48,495,488	-28,231,706	-58.22
10	Other profit	332,629,963	1,026,000	331,603,963	32,320.07
11	Net Profit before CIT	29,221,547,619	42,335,569,739	-13,114,022,120	-30.98
12	Current corporate income tax expense	2,363,692,061	3,501,031,154	-1,137,339,093	-32.49
13	Net profit after CIT	26,857,855,558	38,834,538,585	-11,976,683,027	-30.84



The main reason for the decrease in revenues of quarter 1/2019 in comparison to those of quarter 1/2018:

Quarter 1/2019, dry weather due to the return of El Nino phenomenon makes the number of rainy days less than that of the first quarter of 2018, so the electricity output decreased by 14.81 million kWh and the corresponding decrease in revenues was VND 16.25 billion.

From the above mentioned factors, profit after CIT of quarter 1/2019 decreased 11.97 billion VND, compared to quarter 1/2018, which was equivalent to an decreasing rate of 30.84%.

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

Best regards

Recipient:

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

GENERAL DIRECTOR



PHAM PHONG