

SONG BA
JOINT STOCK COMPANY

No.: 222/20/S3-TCKT

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Da Nang, 20th April 2020

Re: Explanation for the business result differences between quarter 1/2020 and quarter 1/2019.

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 1/2020 and quarter 1/2019 as follows:

- Profit after CIT of quarter 1/2020: 6,123,640,245 VND.
- Profit after CIT of quarter 1/2019: 26,857,855,558 VND.

Profit after CIT of quarter 1/2020 was decreased compared to the one of quarter 1/2019 with an amount of **20,734,215,313 VND**.

Financial indicators are as follows (Extracted from the Financial Statement of quarter 1/2020):

No	Items	Q1/2020	Q1/2019	Difference	
				Value	% [(Decrease (-), Increase (+))]
1	Gross sales of merchandise	33,502,863,978	64,274,880,341	-30,772,016,363	-47.88
2	Cost of goods sold	13,983,073,129	19,528,179,066	-5,545,105,937	-28.40
3	Gross profit from sales of merchandise	19,519,790,849	44,746,701,275	-25,226,910,426	-56.38
4	Financial income	1,597,365	214,809,019	-213,211,654	-99.26
5	Financial expenses	10,222,987,767	11,929,211,133	-1,706,223,366	-14.30
6	Administration expenses	2,191,077,380	4,143,381,505	-1,952,304,125	-47.12
7	Operating profit	7,107,323,067	28,888,917,656	-21,781,594,589	-75.40
8	Other income	81,810,243	352,893,745	-271,083,502	-76.82
9	Other expenses	136,554,010	20,263,782	116,290,228	573.88
10	Other profit	-54,743,767	332,629,963	-387,373,730	-116.46
11	Net Profit before CIT	7,052,579,300	29,221,547,619	-22,168,968,319	-75.87
12	Current corporate income tax expense	928,939,055	2,363,692,061	-1,434,753,006	-60.70
13	Net profit after CIT	6,123,640,245	26,857,855,558	-20,734,215,313	-77.20

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SONG BA JOINT STOCK COMPANY

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The main reason for the decrease in revenues of quarter 1/2020 in comparison to the of quarter 1/2019:

In the quarter 1/2020, the weather was abnormal, the number of rainy days was less than that of the first quarter of 2019. So the electricity output decreased by 54.74% and the corresponding decrease in revenue was VND 30.77 billion.

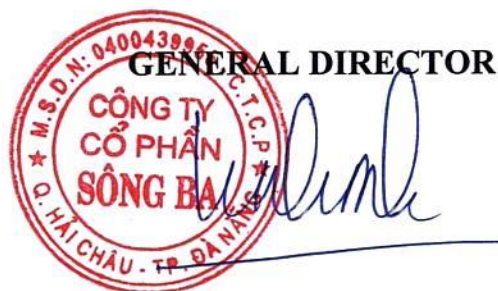
From the above mentioned factors, profit after CIT of quarter 1/2020 has been decreased 20.73 billion VND, compared to quarter 1/2019, which was equivalent to a decreased rate of 77.20%.

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