

SONG BA
JOINT STOCK COMPANY

No.: 594/20/S3-TCKT

Re: Explanation for the business result differences between quarter 3/2020 and quarter 3/2019.

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Da Nang, 22nd October 2020

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 3/2020 and quarter 3/2019 as follows:

- Profit after CIT of quarter 3/2020: 32,357,949,633 VND.
- Profit after CIT of quarter 3/2019: 5,173,914,490 VND.

Profit after CIT of quarter 3/2020 was increased compared to the quarter 3/2019 with an amount of **27,184,035,143 VND**.

Financial indicators are as follows (Extracted from the Financial Statement of quarter 3/2020):

| No | Items | Q3/2020 | Q3/2019 | Difference | |
|----|--|-----------------------|----------------------|-----------------------|----------------------------------|
| | | | | Value | % [(Decrease (-), Increase (+))] |
| 1 | Gross sales of merchandise | 73,351,532,406 | 30,304,831,050 | 43,046,701,356 | 142.05 |
| 2 | Cost of goods sold | 25,178,160,519 | 11,227,606,750 | 13,950,553,769 | 124.25 |
| 3 | Gross profit from sales of merchandise | 48,173,371,887 | 19,077,224,300 | 29,096,147,587 | 152.52 |
| 4 | Financial income | 1,424,389 | 4,264,370 | -2,839,981 | -66.60 |
| 5 | Financial expenses | 9,818,677,494 | 12,000,021,357 | -2,181,343,863 | -18.18 |
| 6 | Administration expenses | 4,243,611,104 | 2,260,800,935 | 1,982,810,169 | 87.70 |
| 7 | Operating profit | 34,112,507,678 | 4,820,666,378 | 29,291,841,300 | 607.63 |
| 8 | Other income | 73,811,092 | 932,723,038 | -858,911,946 | -92.09 |
| 9 | Other expenses | 121,537,269 | 63,159,035 | 58,378,234 | 92.43 |
| 10 | Other profit | -47,726,177 | 869,564,003 | -917,290,180 | -105.49 |
| 11 | Net Profit before CIT | 34,064,781,501 | 5,690,230,381 | 28,374,551,120 | 498.65 |
| 12 | Current corporate income tax expense | 1,706,831,868 | 516,315,891 | 1,190,515,977 | 230.58 |
| 13 | Net profit after CIT | 32,357,949,633 | 5,173,914,490 | 27,184,035,143 | 525.41 |



The main reason leading to an increase in business result of quarter 3/2020 compared to quarter 3/2019 was as follows:

In quarter 3/2020, the weather was favorable, the number of rainy days was more than that of the quarter 3/2019, so electricity generation and revenue increased respectively by 163.98% and 43.05 billion VND over the same period in 2019.

From the above mentioned factors, profit after CIT of quarter 3/2020 has been increased **27.18** billion VND, compared to quarter 3/2019, which was equivalent to an increase rate of **525.41%**.

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