



HPC THAC BA

Khởi nguồn Thủy điện - thắp sáng tương lai

THAC BA HYDROPOWER JOINT STOCK COMPANY

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ANNUAL REPORT **2018**

THAC BA HYDROPOWER JOINT STOCK COMPANY



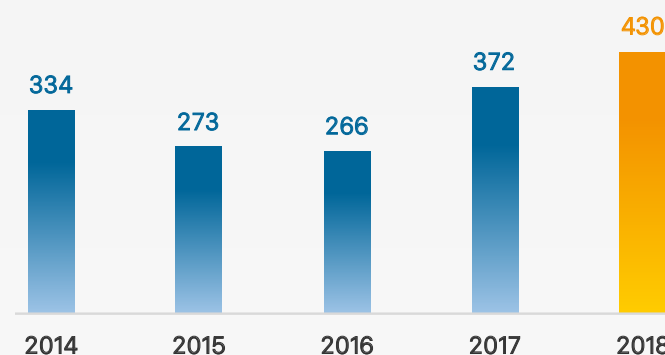
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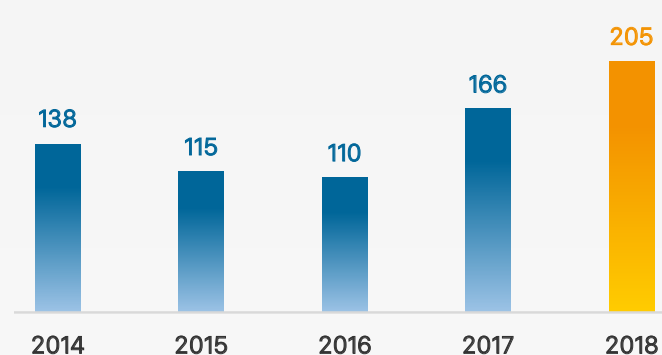
Some key indicators

Indicators	Unit	2014	2015	2016	2017	2018
Total revenue	VND Bil.	334	273	266	372	430
Profit after tax	VND Bil.	138	115	110	166	205
Total assets	VND Bil.	980	872	880	888	1.006
Owner's equity	VND Bil.	923	842	838	862	886
ROE	%	14,99	13,69	13,14	19,32	23,21
ROA	%	14,12	13,22	12,52	18,74	20,43

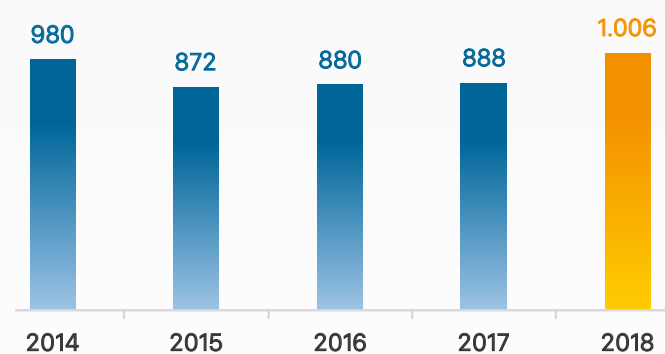
**TOTAL REVENUE
(VND Bil.)**



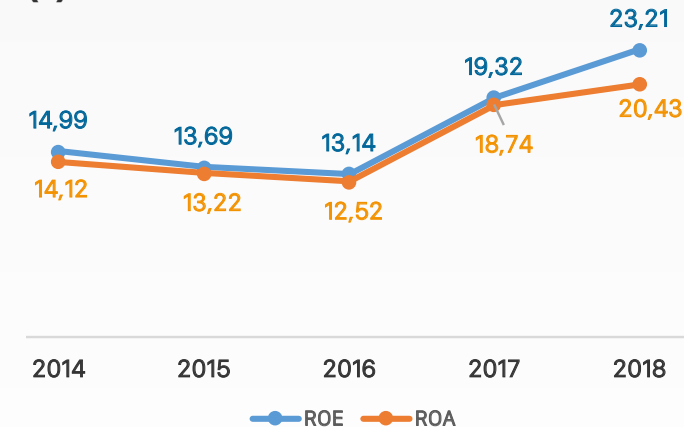
**PROFIT AFTER TAX
(VND Bil.)**



**TOTAL ASSETS
(VND Bil.)**



**ROE & ROA
(%)**





2. Messages from the chairman of the Board of Directors



Dear Shareholders, Customers,
Partners, and all employees,

The year 2018 brought our country great achievements. 12/12 of the socio-economic development targets were satisfied beyond the set targets; GDP growth rate has reached the highest rate of 7.08% since 2008; total import-export turnover reached over USD 482 billion with a surplus of approximately USD 7 billion; CPI was stable with an increase of 3.54%, etc.

In 2018, with a stable and positive macro-economic environment, favorable hydrological conditions and electricity market, best efforts of management board and employees, and the trust and cooperation of the partners, Thac Ba Hydropower Joint Stock Company (TBC) has successfully completed the main targets of production and business: total revenue exceeded VND 430 billion, an increase of 32% of the year plan and an increase of 16% compared to that in the same period last year; profit after tax exceeded VND 205 billion, an increase of 56% over the year plan and 23% compared to that in the same period last year. This has been the highest revenue and profit ever; in addition, the whole plant has been managed and operated safely and stably with high reliability; flood and storm control has been properly implemented. The Branch – Technical Service Center has established a good reputation and trust of customers and partners and achieved the highest revenue and profit, which is equivalent to VND 14.1 billion and VND 7.8 billion, since its start of establishment. The working environment, conditions, spiritual and material life for the employees have been increasingly improved, and employees' health has been given proper attention. The social security was highly appreciated; and the role and the position of the Company within the locality and among the partners were affirmed. The above results are the fruits of all of the employees' continued efforts and dedications, reflecting our shareholders' and our partners' constant trust and advocacy.

Following the successes of 2018, the Company continues to pursue large-scale growth targets in the field of power generation, establish excellent plant operation, commit to continuous improvement of quality, nurture partnerships, appreciate the employees' contributions, create the highest values for our shareholders, use resources effectively, operate responsibly towards the community and the environment, and ensure integrity and transparency in corporate governance.

On behalf of the Board of Directors, I would like to express my gratitude to our Shareholders, our Customers, and our Partners. I would like to express my sincerest thanks to all employees for their dedications and aspiration for the success of the Company in the past time.

Chairman of the Board

Nguyen Trong Hien



CORE
VALUES

VISION

Within the context of extensive and far-reaching globalization and international integration, TBC will establish the highest competitive capacity to overcome the difficulties and challenges, creating opportunities for rapid and sustainable development, striving to become the most prestige company in Vietnam in the fields of power generation and technical services.

MISSION

Ensuring safe production with the highest economic efficiency; participating in regulating reservoirs, preventing floods and draughts for downstream; expanding investment, strengthening the provision of services to increase shareholders' benefits; improving employees' spiritual and material lives; fulfilling obligations towards the State and implementing social security.

QUALITY - TRUST

In the era of knowledge economy, power industry offers not only the source but creates quality products together with the scientific and technological advancements. Bearing this in mind, TBC commits itself to seeking for the trust of customers, partners, and the society.

DEDICATION - WISDOM

TBC staff is strongly dedicated to their work. With firm grasp of specialized knowledge and proficient skills, they tap on the best of their intellectual capacities to achieve the best performance at work. TBC has a burning desire to build its image with devotion and wisdom.

COOPERATION - SHARING

TBC is always willing to listen, share, cooperate and act for the benefit of our customers, partners and employees. These values originate from TBC's working style.

CREATIVITY - EFFICIENCY

Creativity is the ultimate boost for the development. TBC always strives to develop and maintain the most favorable working environment to promote the creativity of employees. TBC is never satisfied with its achieved results, but constantly keeps learning and, master modern technologies, apply advanced management methods along with the power of solidarity in order to achieve the best productivity, quality, and efficiency.

GENERAL INFORMATION

HISTORY OF ESTABLISHMENT AND DEVELOPMENT
BUSINESS LINES, OPERATIONS AND AREAS
INFORMATION ABOUT MANAGEMENT MODEL,
BUSINESS ORGANIZATION AND
MANAGEMENT APPARATUS
POSITION
DEVELOPMENT ORIENTATION
RISKS

THAC BA HYDROPOWER JOINT STOCK COMPANY

- Address: Residential Unit 1, Thac Ba Town, Yen Binh District, Yen Bai Province
- Charter capital: 635.000.000.000 đồng
- Tel: 0216.3884.116
- Fax: 0216.3884.167
- Website: www.thacba.vn
- Stock code: TBC (Ho Chi Minh Stock Exchange)



HISTORY OF ESTABLISHMENT AND DEVELOPMENT



Plant Foundation

The Company was established under the Decision 244 DT-NCQLKT-1 of the Minister of Electricity and Coal. In October 1971, the Plant officially started the generator unit no. 1 and was connected to the national power grid.

Thac Ba Hydropower was transferred to Vietnam Electricity Corporation

The Minister of Energy issued the Decision no. 100/NL/TCCB-LD to transfer Thac Ba Hydropower to Vietnam Electricity Corporation.

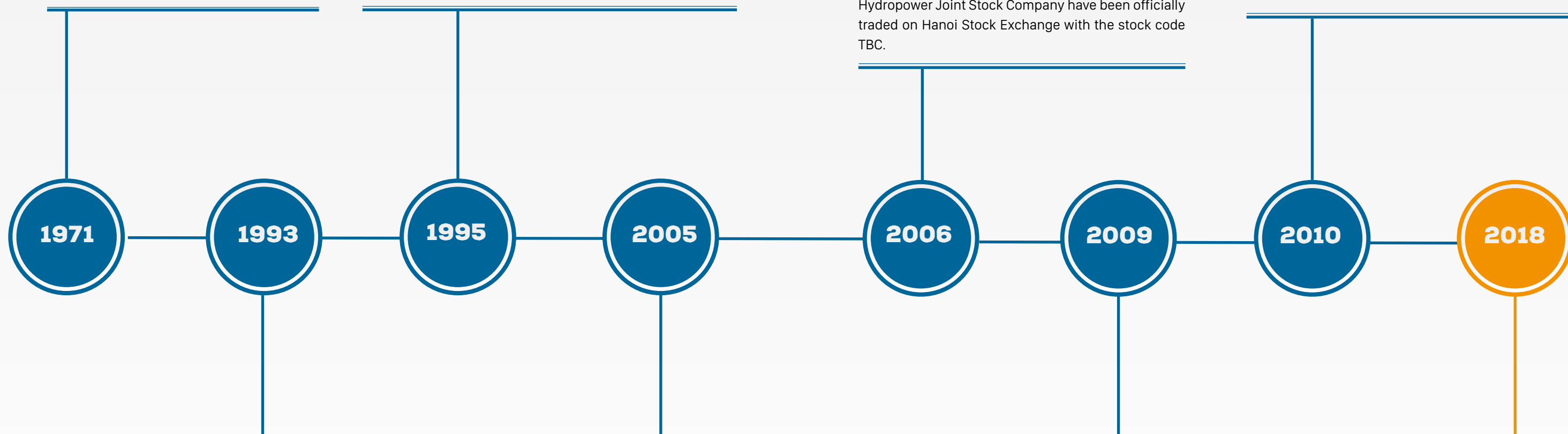
Registered for trading at Hanoi Stock Exchange

The Company officially went into operation under Business Registration Certificate no. 1603000069 issued by the Planning and Investment Department of Yen Bai Province.

Since August 29th, 2006, the shares of Thac Ba Hydropower Joint Stock Company have been officially traded on Hanoi Stock Exchange with the stock code TBC.

Establishment of a Branch - Technical Service Center

The Company established a branch – Technical Service Center specializing in repairing equipment and construction works of Thac Ba hydropower plant and performing technical service contracts with the customers.



Dependent accounting unit of Power Company I

Thac Ba Hydropower Plant was a dependent accounting unit under Power Company I pursuant to the Decision no. 478 NL/TCCB-LD of the Minister of Energy.

Equitization

March 30th, 2005: Thac Ba Hydropower Plant was restructured into Thac Ba Hydropower Company.

October 24th, 2005: Thac Ba Hydropower Company was changed to Thac Ba Hydropower Joint Stock Company

Listed on HOSE

Since October 19th, 2009, the shares of Thac Ba Hydropower Joint Stock Company have been officially listed on Ho Chi Minh Stock Exchange (HOSE) with the stock code TBC

Record revenue and profit

In 2018, the Company reached a record of revenue and profit after 14 years of equitization. The total revenue reached VND 430 billion, profit after tax was more than VND 205 billion.



BUSINESS LINES, OPERATIONS AND AREAS

Business lines



Main business lines: Power generation and trading

Other lines of business:

- Management, operation, repair, maintenance, overhaul, renovation of hydraulic works, architectural works, equipment of hydropower plants transformer switchyards; testing and commissioning of electrical equipment;
- Sales, export and import of materials, equipment;
- Consultancy on development of construction investment projects, construction investment management, construction supervision and installation of electrical works;
- Investment in power grid and power generation works;
- Training on management, operation, maintenance, and repair of power plant equipment;
- Business travel services.

“The electricity output of the company in 2018 was more than 445 million kWh, equaling to 113% of the planned target for the year”.

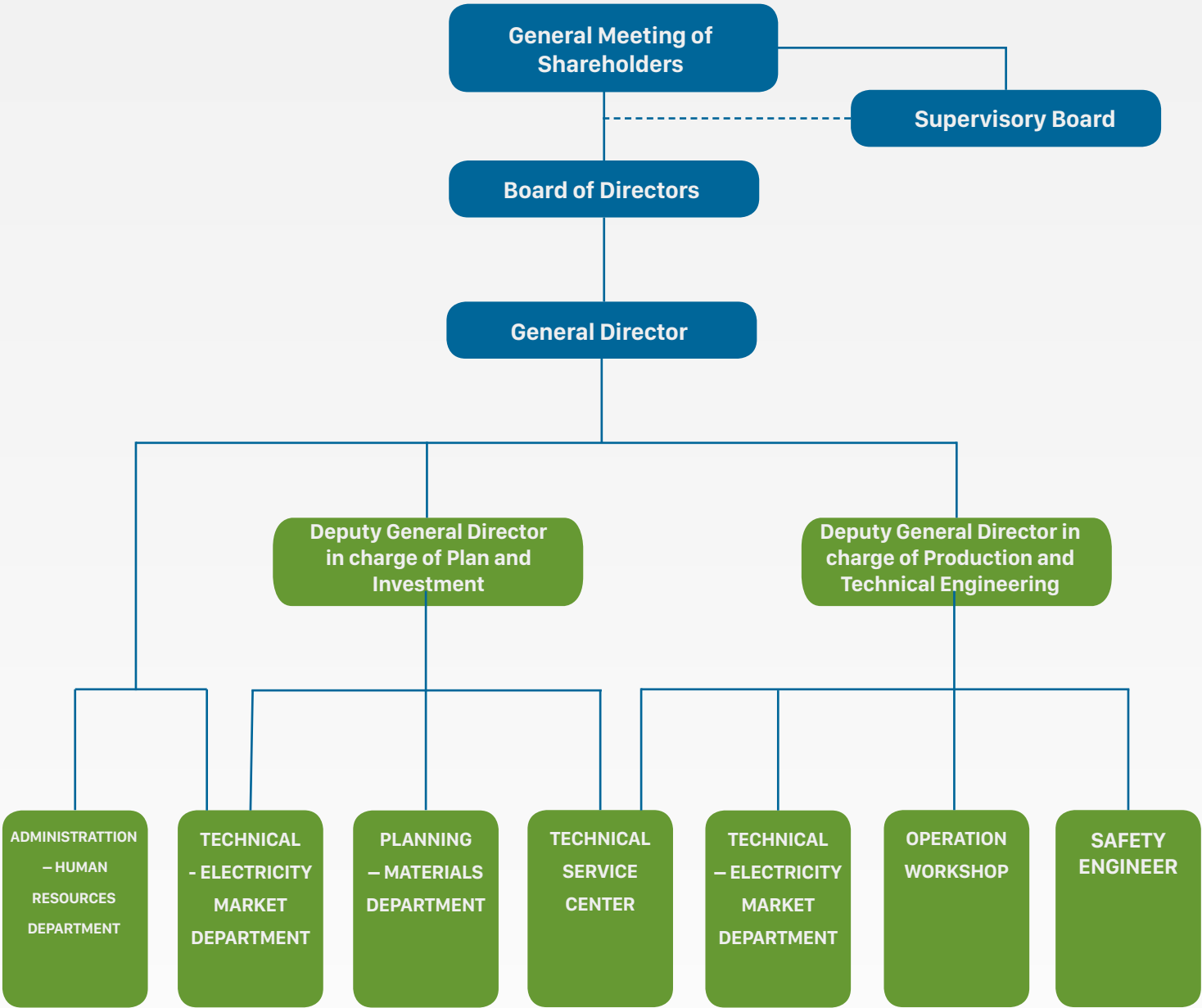
Business location



Thac Ba Hydropower Joint Stock Company directly manages and operates Thac Ba Hydropower Plant in Yen Binh District, Yen Bai Province.



Information about management model, business organization and management apparatus



Management model

General Meeting of Shareholders:

General Meeting of Shareholders is the highest decision-making body and includes all shareholders with voting rights. The General Meeting of Shareholders meets at least once a year to determine the issues stipulated by the Law and the Charter of the Company.

Board of Directors

The Board of Directors (BOD) is elected by the General Meeting of Shareholders, acting on behalf of shareholders to direct all production, business, administration and management activities of the Company. Board of Directors consists 05 members with a term of 5 years. The Board of Directors is the body with full authority to exercise all rights on behalf of the Company, except for the authority of the General Meeting of Shareholders.

Supervisory Board

The Supervisory Board is elected by the General Meeting of Shareholders, acting on behalf of shareholders to controls

all business, administration and management activities of the Company. The Supervisory Board consists of 03 members.

General Director

The General Director is appointed by the Board of Directors to manage the Company business, production, and construction investment approved by the Board of Directors and the General Meeting of Shareholders. The General Director is under the BOD Chairman's direction and supervision and responsible for the implementation of the rights and the assigned tasks before the Board of Directors and the Law.

Deputy General Director

The Deputy General Director is nominated by the Board of Directors and is an assistant of the General Director and responsible for the assigned tasks before the Board of Directors and the General Director. Currently, the Company has 02 Deputy General Directors.

Functional sections

Administration – Human Resources Department :

Consulting the Company leaders on organization of the business-production management apparatus, human resources organization, training and development, labor-salary issues, social insurance, health insurance, labor protection, and Security – Inspection – Legislation.

Technical – Electricity Market Department: Consulting the Company leaders on technical management, operating methods, electricity market, production management, and flood and storm control.

Planning – Materials Department: Consulting the Company leaders on planning, statistics, consolidation, and the estimation of the construction investment and the major repairs of the structures, the equipment of the Company. Directly managing and supplying materials and equipment for business and production.

Finance – Accounting Department: Consulting the Company leaders on financial management, the capital source,

es, and accounting as prescribed Law.

Operation Workshop: Directly managing and operating the electricity production line of the plant in accordance with plans, rules and regulations of the company and according to the instructions given by the power Grid Load Dispatch Centres. To be responsible for management of equipment and assets assigned by the company according to the company's regulations.

Technical Service Center: An independent accounting branch of Thac Ba Hydropower Joint Stock Company with the function of performing repairs and management activities of works and equipment for business-production operations of Thac Ba Hydropower Joint Stock Company and providing technical services including training, operation, repair, testing, calibration, installation, etc. for for customers who are the owners of hydropower plants.

Safety engineer: Consulting the company leaders on safety technique management, labor protection, fire and explosion control, and environmental protection.

Subsidiaries and affiliates

The Company has no subsidiaries and affiliates.



POSITION



**ORIGINALLY TO BE THE
FIRST HYDROPOWER PLANT
IN THE NORTH**

**A JOINT STOCK COMPANY
WITH
EFFECTIVE OPERATIONS**

**A PRESTIGIOUS SUPPLIER
OF ELECTRICAL
ENGINEERING SERVICES**

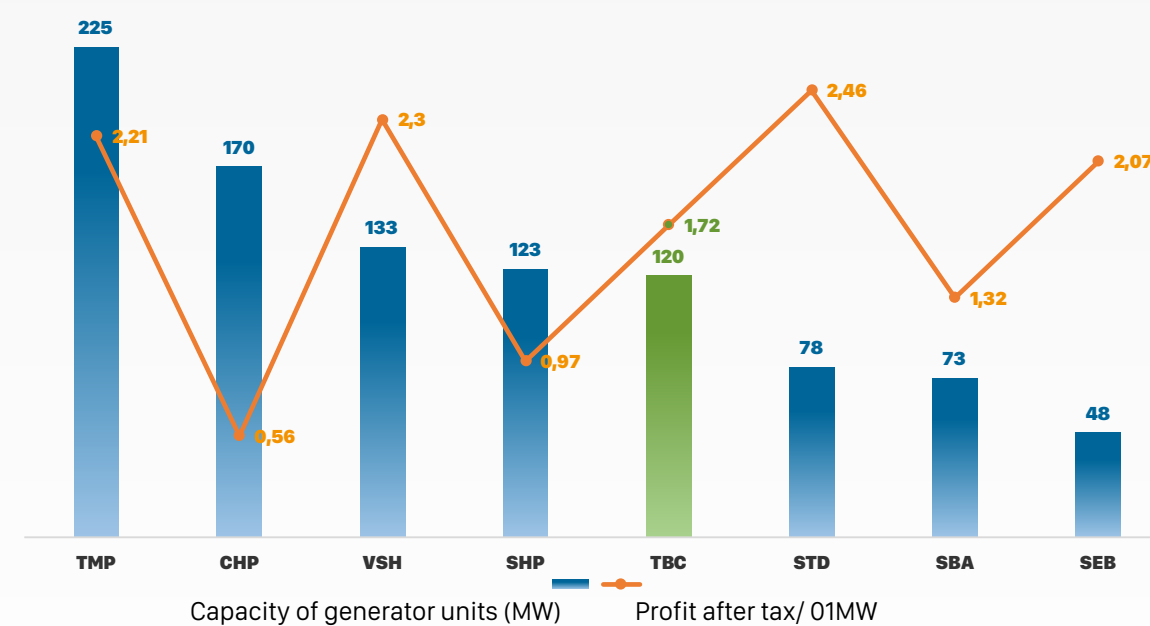
First hydropower plant in the North

Thac Ba Hydropower Plant is proud to be the first hydropower plant in the North. The construction of the plant started in 1964 and it was a key structure in the first five-year socio-economic development plan of Vietnam (1960–1965). The plant was officially completed and the first generator unit was officially brought into operation in October 1971. For over 47 past years of operation, from the years of resistance war against the USA to the reform period, Thac Ba Hydropower has always affirmed its role and position as one of the main power sources of the national power grid along with great contribution to the socio-economic development of the country.

A joint stock company with effective operations and prestigious electrical engineering services

Thac Ba Hydropower Plant has 03 generator units of 40 MW, which were undertaken and completed by Bacu Hydro-Energy Design Institute under the Ministry of Energy of the Union of Soviet Socialist Republics (USSR). With the total capacity of 120 MW, Thac Ba Hydropower Plant is considered the large hydropower plant (based on the classification by the Hydropower Association of the United Nations). Over its long history of operation, the plant has been renovated, rehabilitated and upgraded; thus ensuring the safety and high efficiency.

Comparisons between the scale and the efficiency of Thac Ba Hydropower and those of other listed hydropower companies



Based on the accumulated figures of the financial statements 2018 of the Companies



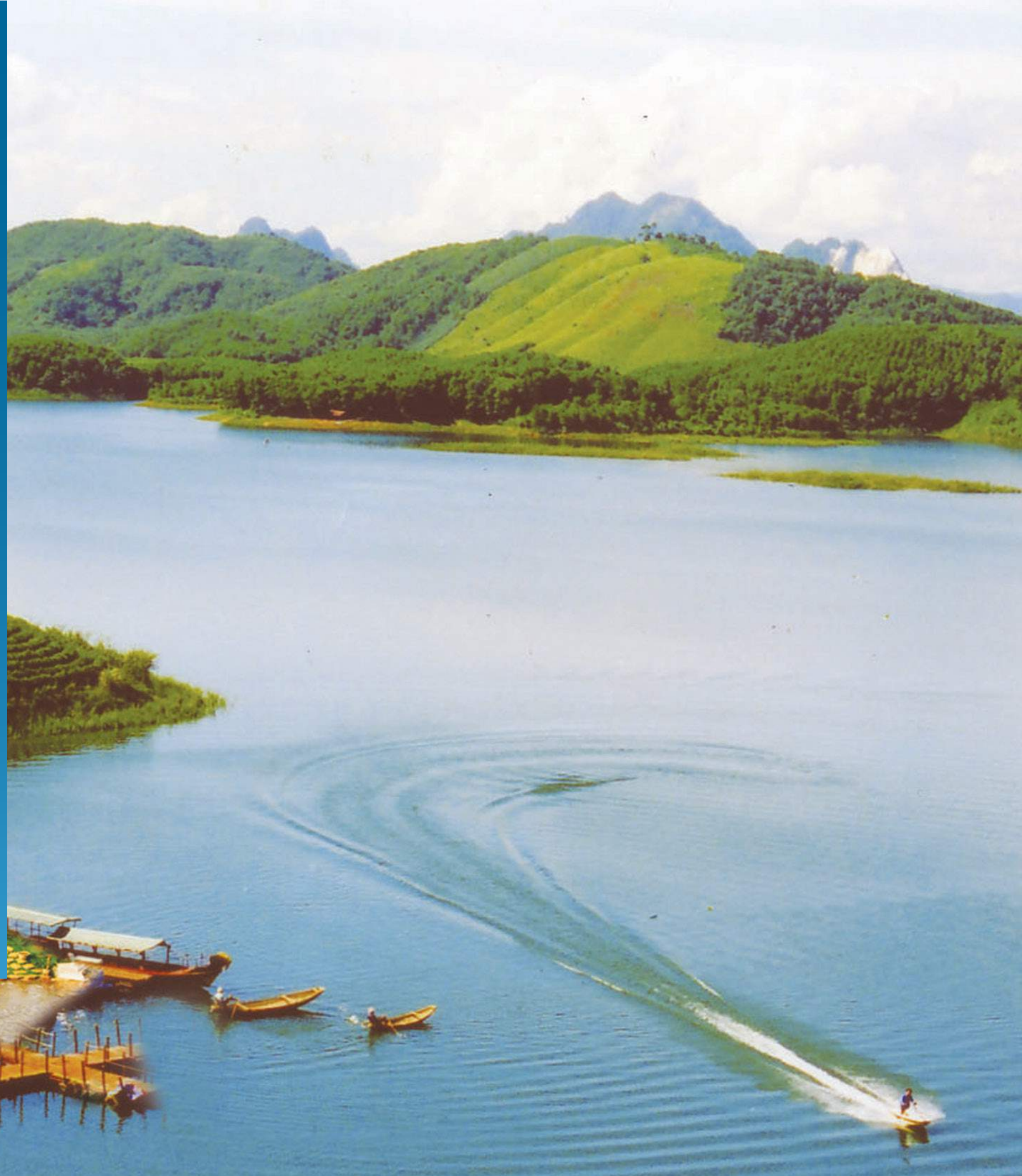


DEVELOPMENT ORIENTATION

- Reaching the planned targets approved by the General Meeting of Shareholders, and this is an important goal in 2019.
- Ensuring the stable, safe and efficient operation of generator units and optimal utilization of water volume from Thac Ba Lake.
- Adopting appropriate and effective strategies when joining the competitive power generation market and the competitive electricity wholesale market.
- Investing in new equipment and in overhaul of the hydraulic works and the dam system.
- Improving the professionalism and the quality of operation management, repair, and maintenance of equipment so that the generator units are ready for power generation as mobilized by the National Load Dispatch Center A0.
- Using and regulating lake water properly, ensuring compliance with the inter-reservoir operation process in the Red River basin as well as coordinating to dispatch the system in order to mobilize the generator units to operate with maximum capacity, minimizing the discharge of regulated water through the spillway, thereby contributing to the increase in power output.
- Transforming Technical Service Center into one of the leading providers in Vietnam in the provision of training service, operation service, and repair service for hydropower plants.
- Applying advanced technologies and scientific and technological innovations in the production process while aiming at effective and efficient operations and minimizing environmental impacts.
- Continuing to study and to search for investment opportunities, giving priorities to small

and medium-sized hydropower construction works. Regularly updating and studying the service market, developing the customer network in the North, and expanding the market in the Central region.

- Developing the policies to improve the employees' spiritual and material lives on the basis of productivity and performance improvement.
- Implementing the quality management in order to optimize costs in business and production. Maintaining and promoting the corporate culture in the electricity sector in general and that of the company in particular, creating a transparent and reliable environment in order to gain the trust of customers, partners, and employees.
- Fulfilling social and community obligations, controlling all wastes generated in the production process, propagandizing, popularizing the awareness of environmental protection for all staff and employees in the company.
- Developing the scale of the development of the company constantly, maintaining revenue and profit growth to enhance shareholders' values, optimizing assets and costs, and boosting investment in the power sector.
- Operating the plant excellently: Operating structures, safety equipment, bringing the highest efficiency in output and revenue. Timely development and delivery of various types of services are TBC's strengths by using efficient resources to bring about added values and sustainable development;
- Strengthening TBC's position in hydropower sector in Vietnam.





RISKS

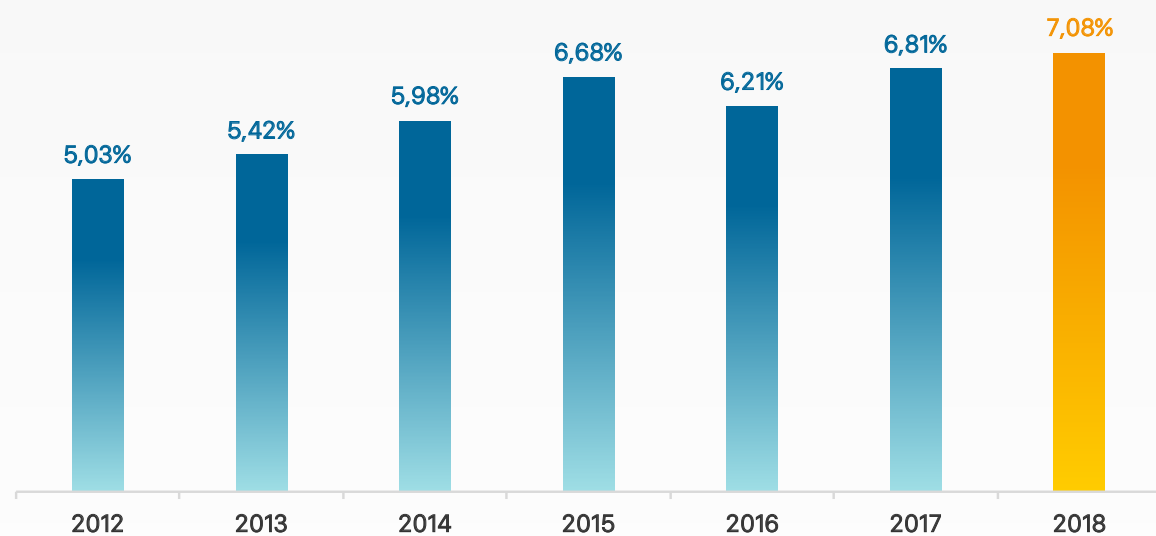


Economic risks

The fluctuations in the macro economic situation within and outside the country have profound and extensive impacts on the development of the socio-economic sectors and indirect impacts on the power production and consumption capacities of businesses and people. According to many experts, Vietnam's economy in 2019 is forecasted to maintain its steady growth, thereby boosting export and economic growth.

The rapid economic growth of a country leads to a strong increase in electricity demand. Over the past time, the growth rate of electricity consumption in Vietnam is usually double the GDP growth rate. However, the power generation and the power transmission system have been unable to meet this demand. Currently, three (03) main power sources in Vietnam are Hydropower, Gas-fired thermal power, and Coal-fired thermal power, accounting for 90% of the total power output each year. In particular, hydropower is the main power source, accounting for nearly 40% of the total installed output of the power source (according to FPTs analysis reports). However, the impacts of the electricity sector in general and hydropower sector in particular on the fluctuations of economic growth will be lower than those of other sectors. Above all, hydropower is a section which the government still encourages the investment in.

Economic growth over recent years



Source: General Statistics Office of Vietnam

Weather and environmental risks

With weather-dependent characteristics, hydropower sector will face risks from the changing rainfall between seasons. Climate change is becoming more and more unpredictable while the accuracy of the hydro-meteorological forecasts greatly affects the output and the profit of the hydropower plants.

Climate change will change the rainfall, hydrological circles and flows of rivers, thus affecting the generation output of hydropower plant. The increased amount of sediments may increase the rate of sedimentation in the lakebed and make the turbines deteriorate quickly, leading to a decrease in power generation. In case of prolonged draughts, the rainfall drops and the water contained in the lake is lower than the design capacity, which affects the production output of the plant. In addition, other natural disasters such as flash floods and heavy rains may damage roads and dams, causing incidents in the power generation and the increased operation and maintenance costs.

In 2018, the regional hydrological situation is favorable, and the average flow rate to the lake in 2018 reached 183 m³/s; although this rate is lower than that in 2017 (248 m³/s), it was still an appropriate flow rate to make the most of the capacities of the generator units.

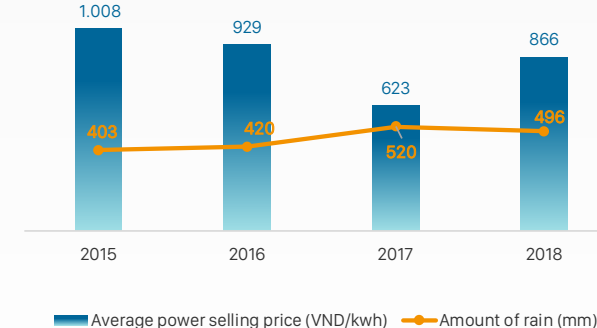
In addition to the weather risks which may directly affect flow rate and generated power output, hydropower plants generally face potential environmental risks including flow rate and water quality changes, floods, etc. During the operation, the management of Thac Ba Hydropower always puts the first priority to the reservoir safety and minimizes the adverse impacts of the plant on the surrounding environment.

Electricity price fluctuation risk

Currently, the Electricity of Vietnam (EVN), as the sole buyer of electricity in the competitive electricity generation market, is responsible for calculating the average selling price of the electricity, adjusting the average selling price of the electricity, and reporting to the Ministry of Industry and Trade (item 3, Article 8, Decision no. 24 – Regulations on the mechanism to adjust average retail selling price); and at the same time, EVN can increase or decrease the average selling price of the electricity within the price bracket prescribed by the Prime Minister (Clause 6, Article 3, Decision no. 24).

The Ministry of Industry and Trade authorizes EVN to calculate the fluctuations of input parameters in all stages (power generation, transmission, distribution – retail sales, sector administration – management, and auxiliary services for power systems) compared to the parameters used to determine the existing average selling price of electricity (Clause 1, Article 3, Decision no. 24) to serve as the basis to adjust the selling price of electricity, and this authorization has considerable effects on the expectations of businesses and investors.

Power selling price and rainfall situations in the first 09 months of 2018



According to FPTs Power Industry Assessment Report

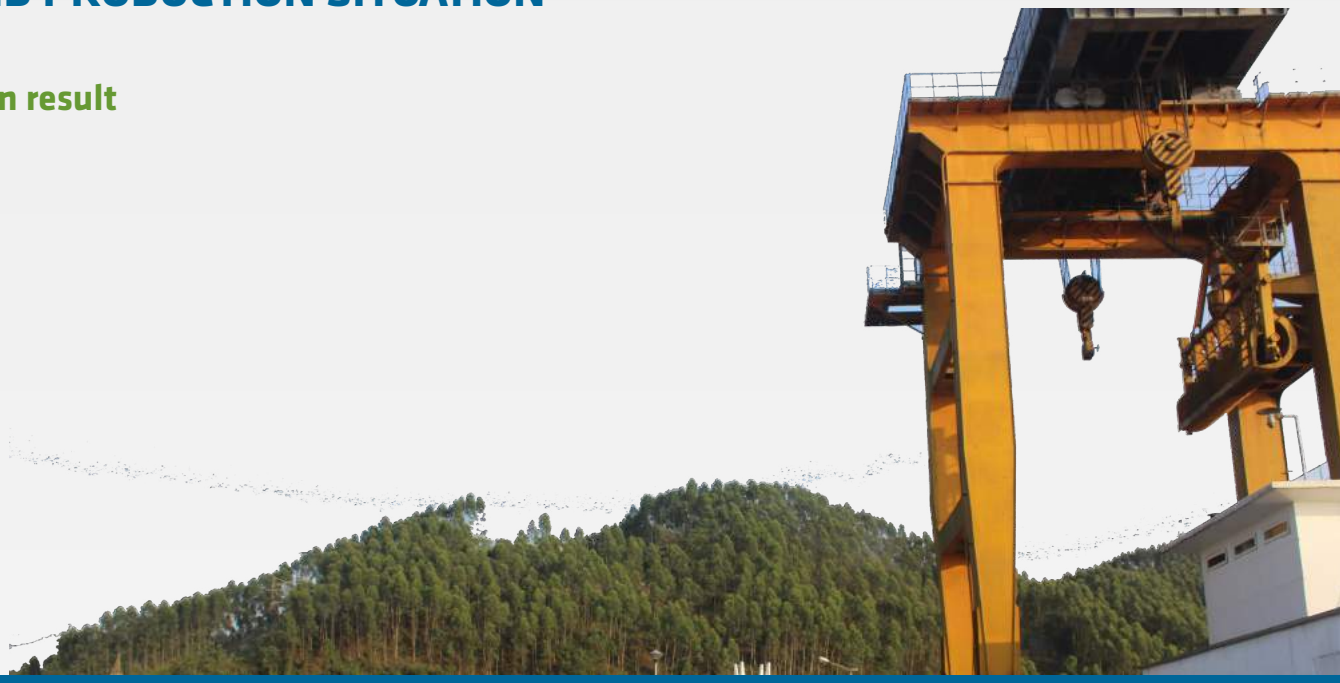
OPERATION PERFORMANCE 2018

BUSINESS AND PRODUCTION SITUATION
ORGANIZATION AND PERSONNEL
INVESTMENT SITUATION AND PROJECT IMPLEMENTATION
FINANCIAL SITUATION
SHAREHOLDER AND CHANGES IN OWNER'S EQUITY



BUSINESS AND PRODUCTION SITUATION

Business and production result



In 2018, the total revenue, in accordance with the financial statements of the company, was more than VND 430 billion and the profit after tax was more than VND 205 billion – the highest figures after 47 years of plant operation. Both indicators in 2018 showed positive signs with the growth rates were 16% and 23% respectively. These achievements were because that the power production of the whole industry was lower than that of the previous year, and this made the average selling price of the electricity about 19% higher than that of 2017, thereby increasing the company’s

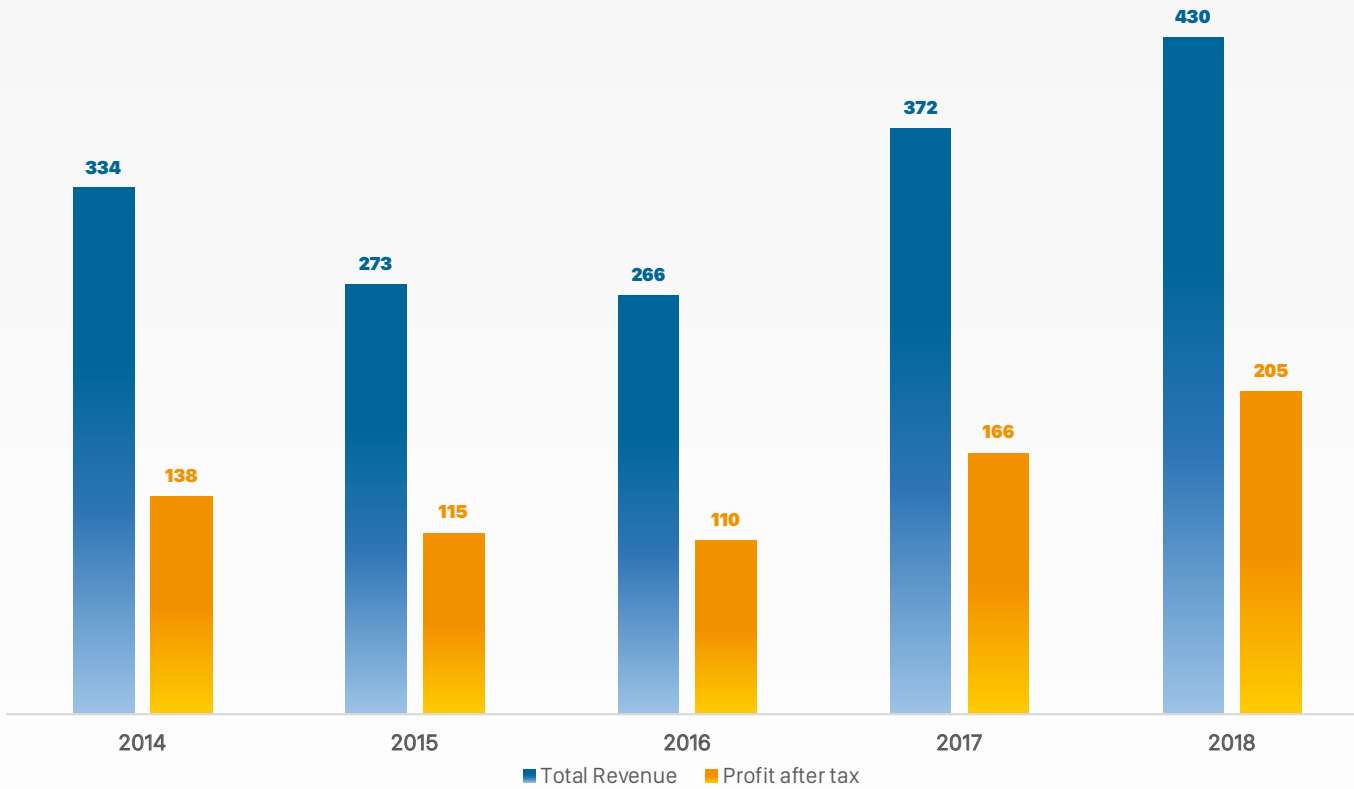
revenue and profit.

On December 31, 2018, the total assets of the Company were VND 1,006 billion, an increase of 13% compared to that in the same period last year and the owner’s equity was VND 885 billion, an increase of 3%.

Performance indicators such as ROE and ROA remained stable and positive. ROA at the end of 2018 reached 20%, an increase of 9% compared to that of 2017, and ROE reached 23%, an increase of 20% compared to that of 2017.

BUSINESS RESULTS OVER RECENT YEARS (VND Bil.)

Business results over recent years							
Indicators	Unit	2014	2015	2016	2017	2018	Growth in 2018 (%)
Total revenue	VND Bil.	334	273	266	372	430	16%
Profit after tax	VND Bil.	138	115	110	166	205	23%
Total assets	VND Bil.	980	872	880	888	1.006	13%
Owner’s equity	VND Bil.	923	842	838	861	885	3%
ROE	%	14,99	13,69	13,14	19,32	23,21	20 %
ROA	%	14,12	13,22	12,52	18,74	20,43	9 %



Introduction about the management

ORGANIZATION AND PERSON-



BOARD OF DIRECTORS (BOD)

01

Mr. Nguyen Trong Hien

BOD Chairman

Year of birth: 1976

Qualifications: Master of Business Administration

Total number of shares with voting rights: Individual: 0 stock – Representative: 0 stock with voting rights.

Positions held in other organizations:

- Sales Director at Refrigeration Electrical Engineering Corporation
- BOD Member of Binh Dien Hydropower JSC
- BOD Member of Tra Vinh Agricultural Electricity JSC
- BOD Member of Song Da Water Investment JSC
- BOD Member of Song Ba Ha Hydropower JSC

02

Mr. Nguyen Van Quyen

BOD Member – General Director

Year of birth: 1966

Qualifications: Electrical System Engineer – Bachelor of Business Administration

Total number of shares with voting rights: Individual: 0 share – Representative: 11,430,000 shares, equivalent to 18% of the shares with voting rights.

Positions held in other organizations: None

04

Mr. Ho Van Trung

BOD Member

Year of birth: 1977

Qualifications: Master of Business Administration – Electrical and Electronic Engineer

Total number of shares with voting rights: Individual: 0 share – Representative: 7,620,000 shares, equivalent to 12% of the shares with voting rights.

Positions held in other organizations: Vice Chief of Investment – Construction Division of Power Generation Corporation 3 – JSC

03

Mr. Le Tuan Hai

BOD Member

Year of birth: 1970

Qualifications: Engineer of Electrical System

Total number of shares with voting rights: Individual: 0 share – Representative: 0 share with voting rights.

Positions held in other organizations:

- Technical Director at Refrigeration Electrical Engineering Corporation (REE)
- BOD Member of Pha Lai Thermal Power Joint Stock Company
- BOD Member of Tra Vinh Agricultural Electricity JSC
- BOD Member of Vinh Son – Song Hinh Hydropower JSC
- BOD Member of Southern Hydropower JSC
- BOD Member of Thac Mo Hydropower JSC

05

Mr. Nguyen Quang Quyen

BOD Member

Year of birth: 1972

Qualifications: Master of Business Administration

Total number of shares with voting rights: Individual: 0 share – Representative: 0 share with voting rights.

Positions held in other organizations:

- Investment Director at Refrigeration Electrical Engineering Corporation (REE)
- BOD Member of Thac Mo Hydropower JSC
- BOD Member of Song Ba Ha Hydropower JSC
- BOD Member of Pha Lai Thermal Power JSC
- BOD Member of Central Hydropower JSC
- BOD Member of Thermal Power JSC

02

Mr. Pham Hoang Giang

Member of Supervisory Board

Year of birth: 1985

Qualifications: Bachelor of Economics specializing in Accounting

Total number of shares with voting rights: Individual: 0 share – Representative: 0 share with voting rights.

Positions held in other organizations: Internal Auditor at Refrigeration Electrical Engineering Corporation (REE)

03

Ms. Tran Nguyen Khanh Linh

Member of Supervisory Board

Year of birth: 1991

Qualifications: Bachelor of Finance - Banking

Total number of shares with voting rights: Individual: 0 share – Representative: 0 share with voting rights.

Positions held in other organizations: Finance – Accounting Division of Power Generation Corporation 3 – Joint Stock Company

02

Mr. Nguyen Manh Cuong

Deputy General Director

Year of birth: 1979

Qualifications: Technical and Industrial Information Science Engineer

Total number of shares with voting rights: Individual: 0 share – Representative: 0 share with voting rights.

Positions held in other organizations: None

03

Mr. Nguyen Thanh Hai

Deputy General Director

Year of birth: 1967

Qualifications: Electrical Engineer

Total number of shares with voting rights: Individual: 1900 shares – Representative: 0,003% shares with voting rights.

Positions held in other organizations: None

04

Mr. Le Hong Minh

Chief Accountant

Year of birth: 1985

Qualifications: Bachelor of Economics – Major: Accounting

Total number of shares with voting rights: Individual: 0 share – Representative: 0 share with voting rights.

Positions held in other organizations: None

01

SUPERVISORY BOARD

Ms. Nguyen Thi Huynh Phuong

Chairman of Supervisory Board

Year of birth: 1973

Qualifications: Bachelor of Economics

Total number of shares with voting rights: Individual: 0 share – Representative: 0 share with voting rights.

01

EXECUTIVE BOARD

Mr. Nguyen Van Quyen

General Director

See the introduction about BOD Members



ORGANIZATION AND PERSONNEL

Change of personnel in management in 2018

Pursuant to the Resolutions no. 2098 and no. 2099/NQ-TDTB-HDQT dated November 13rd, 2018, the Board of Directors decided:

- To re-appoint Mr. Nguyen Manh Cuong as the Deputy General Director for a four-year term.
- To re-appoint Mr. Le Hong Minh as the Chief Accountant for a four-year term.

Pursuant to the Resolution 848/NQ-TDTB-HDQT dated May 28th, 2018, the Board of Directors appointed Mr. Nguyen Thanh Hai, the Operation Workshop Manager to hold the position of the Deputy General Director as of June 01st, 2018.



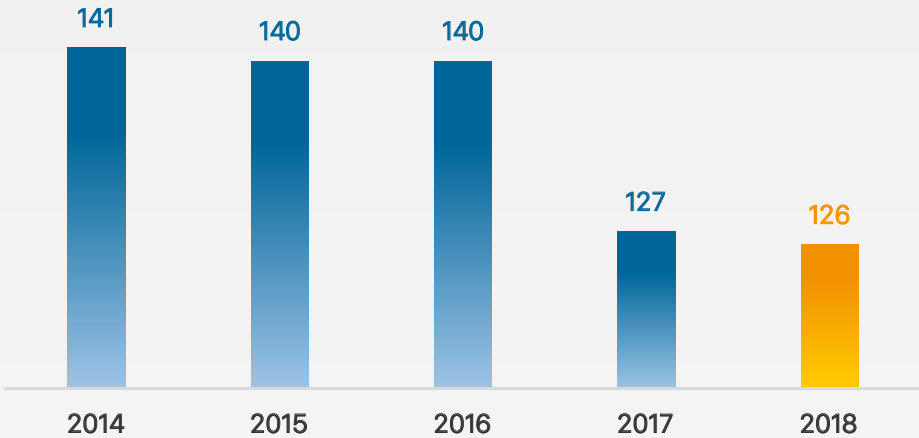
Trade Union of Yen Binh District gave flowers to the Executive Board



The staff and the employees of the Company present at the Laborer's

Human resources statistics

HUMAN RESOURCES STATISTICS OVER RECENT YEARS
(person)



Most of the Company's employees directly take part in the operation of Thac Ba Hydropower Plant. The personnel policy of the Company always aims to be streamlined and effective. In 2018, the number of the employees of the Company was 126 – remained stable compared to that in 2017.

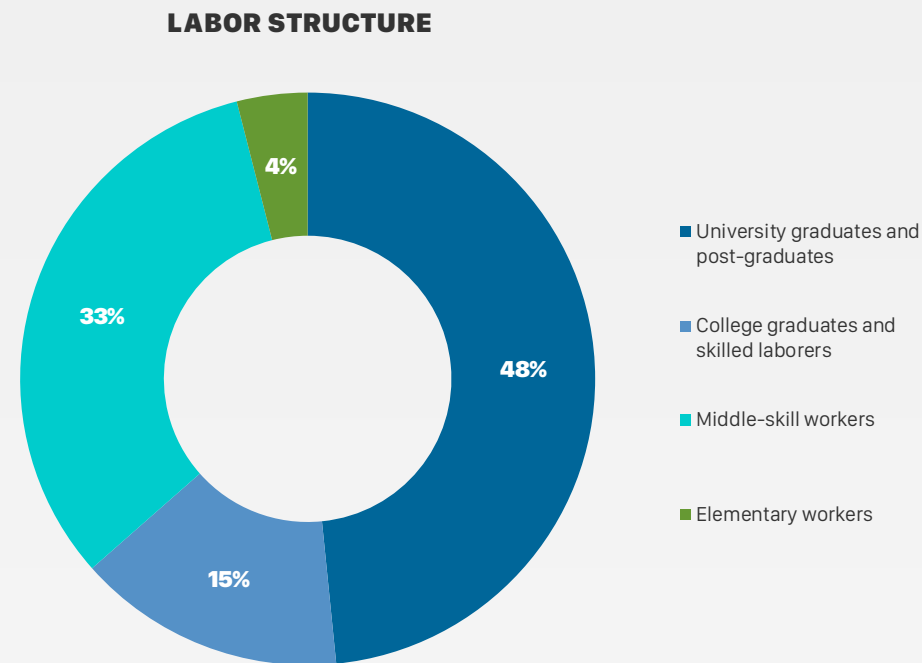
Measurement parameter	Description	2017	2018
Sex	Total number of people	127	126
	Male	98	97
	Female	29	29
Qualifications	University graduates and post-graduates	55	61
	College graduates and skilled laborers	25	19
	Middle-skill workers	40	41
	Elementary workers	7	5
Position	Managers	16	16
	Office staff	42	42
	Workers	69	68





ORGANIZATION AND PERSONNEL

Personnel structure



Regarding the structure of the human resources, there were significant changes in highly qualified personnel when employees with university degrees increased and the employees with high education level decreased. Specifically, the people who were university graduates and post-graduates accounted for about 48%, followed by intermediate, college and general workers, accounting for 33%, 15% and 4% respectively.

Category	Plan 2018	Implementation 2018
Salary fund (million VND)	27.209	34.011
Average salary (million VND/person/month)	17,9	22,6
Average income (million VND/person/month)	19,7	23,4

Human resources policy

Working regime: The Company fully implements applicable regimes beneficial to the employees in accordance with the Labor law, collective agreements, and typical features of the employees working in the electricity sector.

Training policy: With 48 years of management and operation of hydropower plants, the Company always attaches great importance to the human resources training, re-training, and developing individual capacities. Annually, the Company offers at-site training courses and sends its staff to learn about and to gain more knowledge about the professional operations within and outside the countries. Apart from the training which meets the business-production needs, the Company also provides the training service in management, operation, and servicing for other hydro-

power plants.

Recruitment policy: The Company is headquartered in a location far from the cities, so the recruitment of the company has encountered certain difficulties in the past years. At present, the company is implementing incentive policies and encouraging the skilled and experienced employees to work for the Company for a long term.

Policy of salary, bonus and welfare: The Company has a good policy of salary, bonus, and welfare to encourage the employees, especially the experienced and skilled ones to work for the company for a long term.

INVESTMENT SITUATION AND PROJECT IMPLEMENTA-

Investment situation and project implementation

In 2018, the Company has VND 408,676,500,000 of term deposit including deposit amounts in VND with a term of 6 to 12 months and the interest rate of 5.8%/year (for the deposit amounts with the 6-month term) and from 6.4% to 7.1%/year (for the deposit amounts with a 12-month term).

As at December 31, 2018:

The Company is holding 3,000,000 shares, equivalent

to 0.6% of the charter capital of Hai Phong Thermal Power Joint Stock Company. The shares of this company are being traded in the Upcom market in 2018 at the average price of VND 9,960/share at the end of December 2018.

The Company is holding 200,000 shares, equivalent to 5% of the charter capital of Thai An Hydropower Joint Stock Company.





FINANCIAL SITUATION

Basic financial indicators

Indicators	Unit	2017	2018	Change (%)
1. Solvency ratio				
Current ratio	times	16,02	4,84	-69,79 %
Quick ratio	times	15,03	4,80	-68,06 %
2. Capital structure Ratio				
Debt/Total assets ratio	times	0,03	0,12	300,00 %
Debt/Owners' Equity ratio	times	0,03	0,14	366,67 %
3. Operation capability Ratio				
Inventory turnover	times	26,39	31,24	18,38 %
Receivables turnover	times	6,99	5,32	-23,89 %
Net revenue/ TotalAssets	times	0,39	0,39	0,00 %
4. Target on Profitability				
ROS	times	0,49	0,52	6,88 %
ROE	times	0,19	0,23	20,13 %
ROA	times	0,19	0,20	9,02 %
Operating profit/ Net revenue Ratio	times	0,59	0,64	8,45 %

Regarding the Company's solvency: The liquidity ratios of the Company fell sharply in 2018: The short-term payment ratio reduced from 16.02 to 4.84, while the quick payment ratio reduced from 15.03 to 4.80, equivalent to a decrease of 69.79% and 68.06%, respectively. The main reason was that the company only had about VND 95.2 billion for advance payment of the first dividend in 2018, 15% of the Charter capital, of which VND 86 billion of the dividend was payable to two major shareholders (REE – VND 57.55 billion and Power Generation Corporation 3 – VND 28.58 billion). This made the short-term liabilities of the Company increased by 355% in 2018 (from VND 26.45 billion to VND 120.40 billion). Nonetheless, the solvency of the Company

were still well-guaranteed.

Regarding the capital structure: Both of the debt/total assets ratio and the debt/owner's equity ratio sharply increased compared to those in the same periods: The debt/total assets ratio increased 300% (from 0.03 to 0.12 times), and the debt/owner's equity ratio also increased 366.67% (from 0.03 to 0.14 times). However, these ratios of the Company lied within the safe ranges, and the financial independence of the Company was still nice. The main reason came from the debt of the dividend payments to the big shareholders, which led to a big increase in the total payable liabilities.

FINANCIAL SITUATION

Basic financial indicators

Regarding the operating capacities: The inventory turnover of the Company in 2018 was rather high and improved in 2018 – with an increase of 18.38% compared to that in 2017 (from 26.39 to 31.24 turns). Meanwhile, the receivables turnover witnessed a decrease of 23.89% in 2018 (from 6.99 to 5.32 turns), and this resulted from the increase in the short-term receivables with the Electricity Power Trading Company – Vietnam Electricity (ENV) from VND 43.93 billion at the beginning of 2018 to VND 75.78 billion at the end of the year. The net revenue against the total assets of

the Company remained at 039 turns compared to that in 2017.

Regarding the profitability: All of the ratios about the profitability of the Company in 2018 were improved with the record Revenue and Profit in 2018 (the net revenue was VND 396 billion, the profit after tax was VND 205 billion). The goals about the profitability of the Company was rather good compared to those of some other hydropower plants listed on the stock exchange.

SHAREHOLDERS AND CHANGES IN OWNER'S EQUITY

Stocks

Charter capital: VND 635,000,000,000

Number of shares being circulated: 63,500,000 shares

Number of listed shares: 63,500,000 shares

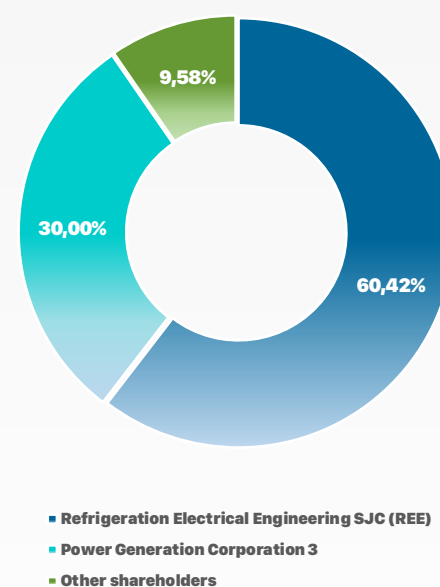
Treasury stock transaction: 0

Total number of shares: 63,500,000 shares

Capital increases in 2018: nil

Treasury stock transactions in 2018: nil

SHAREHOLDER STRUCTURE



Capital increases in 2018: nil

Treasury stock transactions in 2018: nil

Shareholder composition

Name of Shareholder	Number of Shares	Percentage (%)
Big shareholders	57.415.168	90,42%
Refrigeration Electrical Engineering JSC (REE)	38.365.168	60,42%
Power Generation Corporation 3	19.050.000	30,00%
Other shareholders	6.084.832	9,58%
Treasury shares	-	-
Total	63.500.000	100%
Name of Shareholder	Number of Shares	Percentage (%)
Domestic shareholders	63.183.966	99,5%
Organizational	59.044.053	92,98%
Individual	4.139.333	6,52%
Foreign shareholders	316.034	0,5%
Organizational	169.530	0,27%
Individual	147.084	0,23%
Treasury shares	-	-
Total	63.500.000	100%





REPORT BY BOARD OF MANAGEMENT

BUSINESS AND PRODUCTION RESULTS

ASSESSMENT

FINANCIAL SITUATION

IMPROVEMENTS IN MANAGEMENT POLICIES AND STRUCTURE

DEVELOPMENT ORIENTATION 2019



Business and production results

Hydrographic situation

Category	Unit	Implementation 2017	Plan 2018	Implementation 2018	Implementation 2018/Plan 2018	Implementation 2018/Plan 2017
Hydrographic						
Average water flow rate to lake	m ³ /s	248	175	183	104%	74%
Electricity Production						
Produced electricity output	mil.kWh	490	395	445	113%	91%
Forwarded electricity output	mil.kWh	484	389	440	113%	91%
Average selling price of electricity	VND/kWh	682	728	866	118%	127%

“The hydrographic conditions for the Company in 2018 were quite favorable”

The year 2018 was the year in which the company had the produced electricity output beyond the planned target and the record revenue and profit after 14 years of equitization. These results were because of the favorable weather and hydrographic conditions and that the equipment was checked, maintained, and operated stably and reliably, the number of the incidents of the generator units was low, and the company made the most of its advantages when it joined the Electricity market.

The water level of the lake at the beginning of the year was 58.07m, 2.95m higher than that of the same period in 2017, but the average flow rate to the lake was 183m³/s, 65.1m³/s lower than that of the same period in 2017, equivalent to

74%. Therefore, the water level on December 31, 2018 was 57.15m, 0.92m lower than that of the same period. Anyway, this water level was quite good for the business and production plan 2019.

The water level of the lake at the beginning of the year was 58.07m, 2.95m higher than that of the same period in 2017, but the average flow rate to the lake was 183m³/s, 65.1m³/s lower than that of the same period in 2017, equivalent to 74%. Therefore, the water level on December 31, 2018 was 57.15m, 0.92m lower than that of the same period. Anyway, this water level was quite good for the business and production plan 2019.

Electricity market:

In 2018, the revenue from the electricity market increased, and the average selling price of the electricity was beyond the planned target. The average selling price of electricity of the Company in 2018 was VND 866, 19% higher than the planned price and 27% higher than that of the same period in 2017.

Increase in the revenues from all of the operations of the company:

The total revenue was VND 430 billion, VND 58 billion higher than that of the same period, equaling to 132% of the planned target for the year and 116% of that of the same period. Of which:

The revenue from the electricity production increased 31% compared to the planned target for the year, an increase of 15% of that of the same period. The revenue from the electricity market increased with the record value of VND 117.5 billion, VND 68 billion higher than that of the same period, equivalent to 137%.

The revenue from the financial operations was VND 33 billion,

equaling to 126% of the planned target and 133% of that of the same period.

The revenue from the service operations was VND 14 billion, equaling to 177% of the planned target for the year and 120% of that of the same period. The revenue was higher than that of the same period mainly because of:

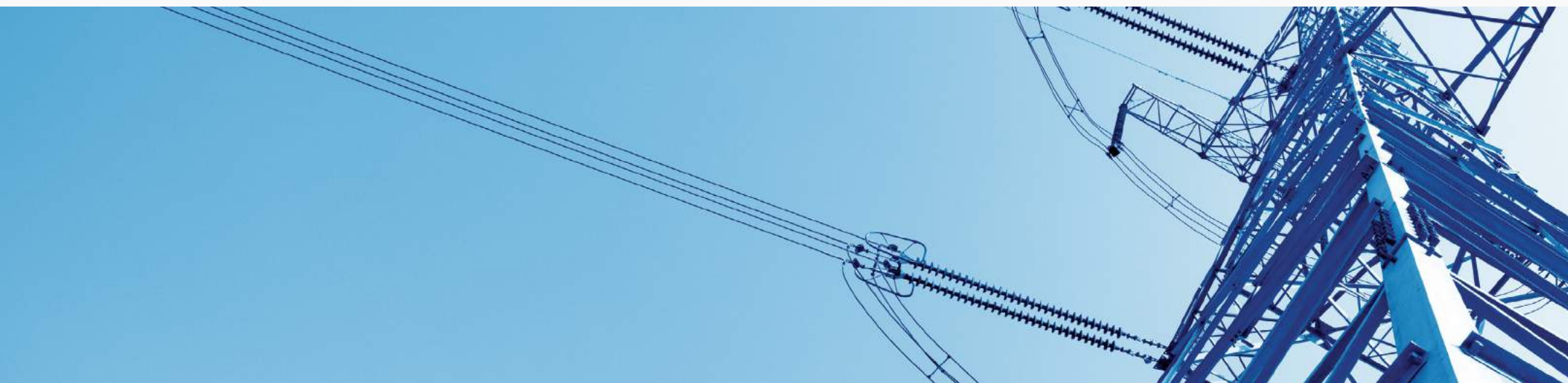
- An increase of VND 68 billion in the revenue from the electricity market;
- An increase of VND 2.4 billion in the revenue from the service operations;
- An increase of 8.3 billion in the financial revenue.

Category	Unit	Implementation 2017	Plan 2018	Implementation 2018	Implementation 2018/Plan 2018	Implementation 2018/Plan 2017
Total revenue	VND Bil.	372	325	430	132%	116%
Power generation revenue	VND Bil.	330	290	381	131%	115%
Total expenses	VND Bil.	164	160	174	109%	106%
Natural resources tax	VND Bil.	39	33	37	113%	96%
Environmental protection fee	VND Bil.	10	14	15	113%	156%
Depreciation of fixed assets	VND Bil.	43	44	44	99%	100%
Total pre-tax profit	VND Bil.	207	164	256	156%	123%

“

The plant was managed and operated safely without any major incident. The operation results were good, and the profit after tax equaled to 123 % of that of the same period and 156 % of the planned target for 2018

”





Business and production results

There is an increase in the total cost due to a rise in the payment for the forest environment protection services, the application of granting fees for the right of water use, and the financial expenses.

The total cost was VND 174.9 billion, equaling to 109% of the planned target for the year and an increase of 6% of that of the same period. The reasons for the increase in the cost:

- The charge over the forest environment protection services increased VND 5.6 billion, equaling to 113% of the planned target and 56% higher than that of the same period (due to the increase in the unit price of the charge);
- The charge for granting water right in 2018 was 3.2 billion higher than that of the year 2017. The reason for this increment is that the imposition of granting fee of water right started to come into effect from the 4th quarter of the year 2017. This amount was not recognized in the company's reports because a supplementary Appendix of Power Purchase Contract between the company and the Buyer had not yet been signed for an agreement on the amount of granting fee to be paid.

- The financial cost increased VND 2.7 billion because of the extraction for the provisional expenses on the financial investment in Hai Phong Thermal Power Joint Stock Com-

pany on December 31, 2018.

- The salary cost increased 15% compared to the planned target for the year and 10% compared to that of the same period.
- The cost of the auxiliary materials increased VND 825 million compared to the planned target for the year, mainly because the Executive Board equipped the Guest House, the Canteen, and the Meeting Hall with tools, devices, and equipment in accordance with a Resolution by the Board of Directors.
- VND 1.057 billion was extracted for a provisional fund for bad debt receivables from service contracts.
- The cost increased VND 800 million because of the financial support to the People's Committee of Yen Bai Province in its 60th anniversary of Uncle Ho's visit to Yen Bai.

Accordingly, the profit after tax in 2018 was VND 205.5 billion, equaling to 156% of the planned target for 2018 and 123% of that of the same period.

Operating technical management

Managing and operating effectively all the pieces of machinery and equipment in the plant; Ensuring the safety for all the operators, employees, pieces of machinery and equipment; Making sure of full compliance with the operation guidelines of power grid system and with the competitive generation market

CMaking sure of full compliance with the power generation instructions given by and the Power Load Charts drawn up by the superior Load Dispatch Centres. Solving timely and correctly all the malfunctions, defects or failures that may come up during the operation of all pieces of machinery and equipment in the plant so that they can be brought back to proper operation as quickly as possible. Performing effective operation methods of all the generator units in the plant in order to ensure the full water supply for the downstream river basin during the winter-spring seasons. Ensuring the power generation of all the units in the plant in accordance with the company's scheduled plans and fully complying with the instructions of the Load Dispatch

Centres for generation or condenser modes of generator units.

Applying the useful methods of monitoring on the operation and coordinating the troubleshooting procedures to fix the shortcomings or failures of machinery and equipment in order to prevent the incidents caused by subjective reasons and to promptly solve the incidents caused by objective reasons.

Organizing the quarterly practices on the incidents for for the operators in the plant.

In 2018, the generator units were operated safely and stably without any incident.



Operating time of machine as at December 31, 2018:

Generator unit	Generating time (hours)		Makeup time (hours)		Suspended time (hours)	
	2017	2018	2017	2018	2017	2018
H1	5.008	4.429	3.261	3.670	491	661
H2	4.291	4.456	4.088	2.266	381	2.038
H3	4.751	4.254	3.494	3.849	515	657
Total	14.050	13.139	10.843	9.785	1.387	3.356

Effective operations of TBCSC branch

In 2018, TBCSC signed 18 contracts with the value of about VND 11.6 billion; therefore, the revenue for the service operations was VND 14.1 billion, equaling to 177% of the planned target and 20% higher than that of the same period. In 2018, the TBCSC operations continued to be maintained and developed. The revenue from the Economic service operations mainly fell into three fields including Testing, Training, and Repair-Installation.

The performance of the contracts met the quality requirements was satisfactory, beyond the scheduled, and highly appreciated by the customers, and the prestige of the Company and the Service Center in the market was ensured.

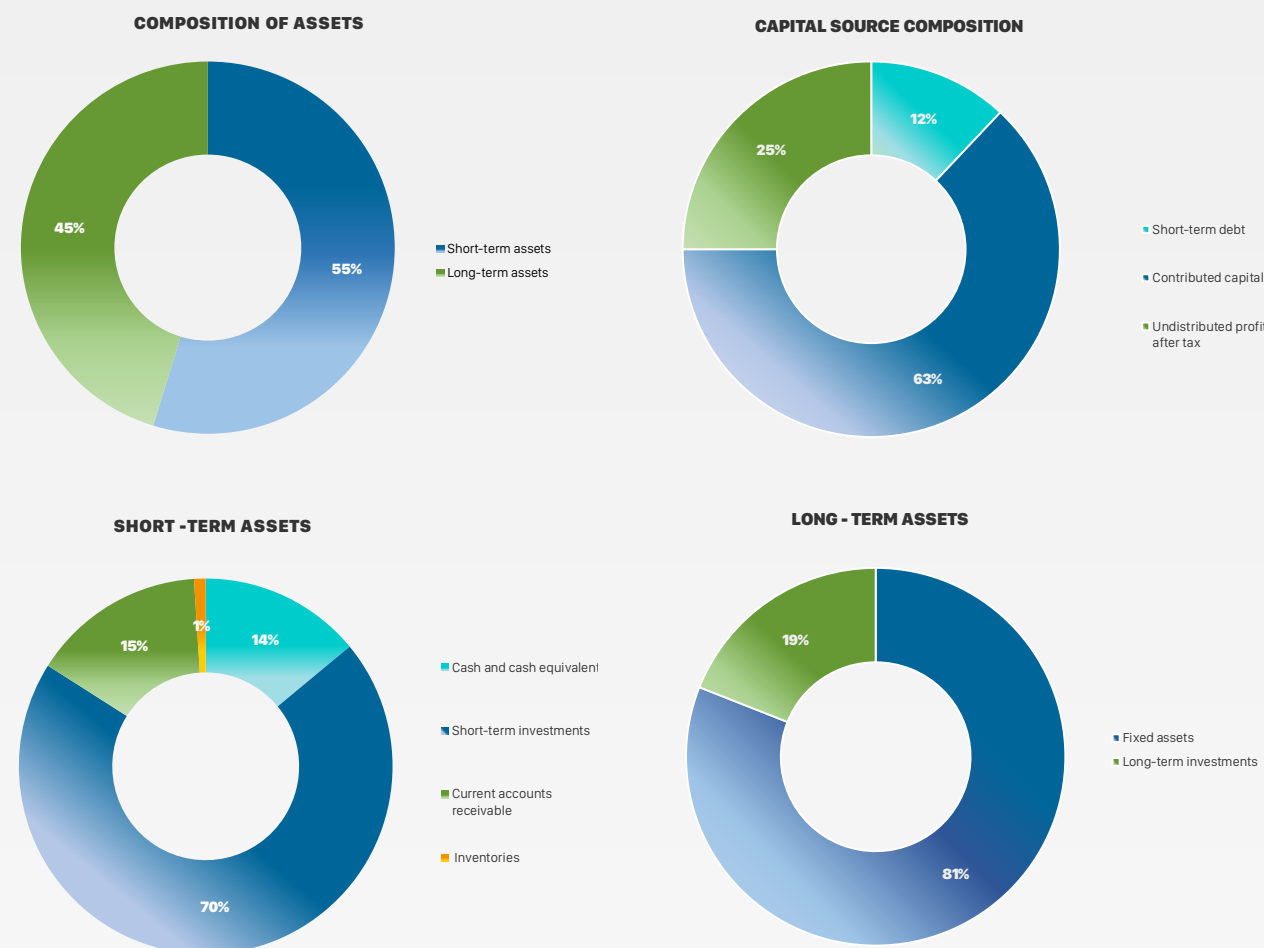
Especially, TBCSC completed some contracts with high values and performed for the first time, namely the Contract on the installation of Suoi Chan 2 Hydropower Plant– Lao Cai; the Contract on the synchronous testing of Nam Na 3 Hydropower Plant – Lai Chau; the Contract on the major maintenance of the generator unit H1 – Su Pan 2 Hydropower Plant.





FINANCIAL SITUATION

Composition of assets and capital source



Comments:

Composition of assets

From the above graph, we can see that the owner's equity accounts for the major proportion, which is 63%, in the capital source composition. The proportions of the contributed capital and the profit after tax of Thac Ba Hydropower were 9 times of the payable debts, and this proved that the capital used for the operation of the company was mostly the company's own capital. This helped the company reduce the financial risks during its operation.

The asset composition was relatively balanced as the short-term assets accounted for 42% and the long-term assets accounted for 58%.

Specifically, in the short-term assets, the short-term financial investments accounted for the highest proportion, which was 70% of the short-term assets, followed by the short-term receivables with 15%, the cash equivalents with 14%, and the inventories with 1% of the short-term assets. Most of the short-term financial statements were deposit amounts with 6 to 12 month terms opened with the banks, and there were small parts coming from the shares of Hai

Phong Thermal Power Joint Stock Company and Thai An Hydropower Joint Stock Company.

In the long-term asset composition, the highest proportion belonged to the fixed assets which accounted for over 80% of the long-term assets. This is understandable for a manufacturing company which uses lots of equipment, generator units, and hydropower lakes like Thac Ba Hydropower. About 19% of the long-term assets were for the long-term financial investments, mainly the capital contributions to other units.

Capital source composition

The above graph reveals that the owner's equity accounted for 63%, the biggest proportion in the capital source composition. The profit after tax also accounted for a quite big proportion which is 25%. The remaining proportion, 12%, was for the payable debts. The proportions of the contributed capital and the profit after tax of Thac Ba Hydropower were 9 times of the payable debts, and this shows that the company was using its own capital to operate. This helped the company minimize the financial risks during its operation.

IMPROVEMENTS IN MANAGEMENT POLICIES AND STRUC-

Apparatus organization:

The organization and the functions and the tasks of the Board of Management and the units within the Company have been improved. At present, the Company has 01 General Director, 02 Deputy General Directors, 04 Departments in charge of professional operations, 01 Operation Workshop, and 01 Branch.

Personnel appointment and supply to the Board of Management:

The Board of Directors held the recruiting tests, selected and appointed Mr. Nguyen Thanh Hai as the Deputy General Director to care for the planning, investment, and finance matters.

Within the year, Mr. Nguyen Manh Cuong was re-appointed as the Deputy General Director in charge of technical matters, Mr. Le Hong Minh was re-appointed as the Chief Accountant, Mr. Nguyen Hung Cuong was re-appointed as the Vice Chief of Technical – Electricity Market Department, and Mr. Ta Ba Hung was discharged from the position of the Vice Chief of Technical – Electricity Market Department – Mr. Ta Ba Hung was in charge of the Safety under the Board of Management.

Completion of institutional documents for internal management:

– The Charter and the Regulations on the internal management in the corporate management were issued pursuant to the Decree 74 and the Circular 95/2017/TT-BTC.

– All of the internal institutional documents were reviewed, amended, and re-issued like: Regulations on internal expenditure and financial management; Regulations on BOD

operations; Regulations on salary payments and salary tables and scales; Regulations on development and implementation of business – production plans; Regulations on human resources management; Organizational structure, functions, and tasks of each unit, etc.

Improving the capacities in making plans, bidding, and controlling the expenditure:

– The Board of Directors approved the business – production plan 2018 and the bidder selection plan 2018. The Company should comply with the Regulations on the preparation and the implementation of the business plans, the plans for 2018 approved by the Board of Directors.

– The business and production plan 2019 should be made in accordance with the requirements of the Board of Directors of the Company. The business – production plan 2019 shall be submitted to the Board of Directors for the approval in accordance with the regulations.

Strengthening the coordination with the local authorities and expanding the relationships with the partners.

Improving the employees' lives. Caring for the training in order to improve the personnel at all the positions within the Company in order to meet the new requirements of the work.

Ensuring the application and the implementation of the management systems. Currently, we have ISO and 5S which are very good.





Plan

ORIENTATION

- Making suitable plans to optimize the reservoirs.
- Boosting the electricity market operations.
- Optimizing the expenses; assessing each stage of production.
- Enhancing the efficiency of the cash flow management and searching for opportunities to invest in small and medium-sized hydropower plants.
- Building the corporate culture with its own identity

PLAN 2019
Total revenue: VND 323 billion
Profit after tax: VND 136 billion

Major tasks and solutions

Category	Implementation 2018	Plan 2019	Plan 2019/ Implementation 2018
Hydrographic			
Average water flow rate to lake (m ³ /s)	183	172	94%
Electricity Production			
Produced electricity output (mil.kWh)	445	368	83%
Forwarded electricity output (mil.kWh)	440	363	82%
Average selling price of electricity (VND/ kWh)	866	750	87%
TOTAL REVENUE (VND Bil.)	430	323	75%
TOTAL COSTS (VND Bil.)	174	153	89%
PROFIT AFTER TAX (VND Bil.)	205	136	65%

Major tasks and solutions

Corporate organization and management:

- Organizing the management and the execution system in accordance with the real situation.
- Effectively applying the quality management system in accordance with ISO 9001:2015 standards, the environmental management system in accordance with ISO 14001:2015, the 5S Program, and the KPIs system.
- Improving the administrative procedures, cutting the intermediate stages in order to make the apparatus lean and flexible.
- Scanning and screening the labor force and making it lean.
- Paying salaries to the employees based on their ranks, positions, and performance at work. Empowering the employees to make them responsible for the tasks assigned to them.
- Improving the entire system of the internal management regulations.
- Applying information technology to the management and the execution: email, document management software, technical management system, finance – accounting management software, etc.

Labor, recruitment, training:

- Recruiting the people who are healthy enough, qualified, and enthusiastic to replace and to add to the positions vacant because of the staff's retirement.
- Developing and implementing the training programs in diversified forms, focusing on the improvement of the corporate management capacities for the managers, and the deep training for the skilled technicians and workers in accordance with the targets and the needs.

Business and production:

- Making suitable power generation plans to make the most of the water of the reservoirs. Implementing the plans synchronously from the beginning of the year. Reviewing, adjusting, and supplementing the plans timely.
- Boosting the electricity market operations, completing the infrastructure, improving the personnel's qualifications and capacities, increasing economic efficiency of the electricity market.
- Having good technical management, carrying out major repairs and periodic maintenance for the equipment to ensure that the equipment is always ready to operate stably,

safely, and effectively.

- Optimizing the expenses, assessing each stage of production in order to introduce the cost saving methods (in the matters of manpower, materials, technology, repairs, provisional fund for equipment, etc.)
- Strictly applying the measures to ensure the production safety and the fire and explosion control

Technical service business:

- Regularly updating and researching the service market, developing the customer network.
- Strengthening the contacts with the customers, the customer care, the relationships with the strategic partners in the Northern region, promoting the brands in order to widen the customer network.
- Performing the technical service contracts signed with the partners well, building the trust and the trademark of Thac Ba Hydropower Joint Stock Company and the Technical Service Center in the market, and improving the competitiveness.

Investment:

- Investing in the upgration of the controlling, measuring, and security systems. It's required that suitable, modern, highly safe and effective, and automatic equipment and technologies which require less manpower to operate should be selected.
 - Completing a Detailed Project on the investment in, the renovation, the upgration of all of the technical equipment system in order to build the trust and to improve the safety and the operation efficiency of the existing plant.
 - More actively searching for investment opportunities, focusing on small and medium-sized hydropower projects.
 - Enhancing the cash flow management within the company, aiming the cash flow at effective investment and development.
- ### Details about other operations:
- Holding cultural and sports events to improve the employees' health and spirits.
 - Building a corporate culture with the company's own identity by promoting the traditional values of the electricity sector, creating a healthy working environment, so the employees would be more engaged to the Company.
 - Implementing charity programs and supporting the local people to show the company's responsibilities for the community.



An aerial photograph of a large dam and hydroelectric power plant. The dam is a long, curved structure with a yellowish-brown concrete or masonry finish, spanning a wide river. To the right of the dam, there is a large electrical substation with numerous tall metal pylons and power lines. The surrounding landscape is lush green with dense forests. In the background, there are rolling hills and mountains, some with patches of brown, possibly indicating deforestation or erosion. A small town or village is visible in the distance, with some buildings and smoke rising from them. The sky is blue with some light clouds.

REPORT OF THE BOARD OF DIRECTORS

ASSESSMENT OF BUSINESS AND PRODUCTION RESULTS

SUPERVISORY RESULTS FOR BOARD OF MANAGEMENT AND MANAGERS

BUSINESS AND PRODUCTION PLAN 2019



ASSESSMENT OF BUSINESS AND PRODUCTION RESULTS

Business and production results

SUPERVISORY RESULTS FOR BOARD OF MANAGEMENT AND MANAGERS

Category	Unit	Implementation 2017	Plan 2018	Implementation 2018	Implementation 2018/ Plan 2018
Electricity Production					
Produced electricity output	(mil.kWh)	490	395	445	113%
Forwarded electricity output	(mil.kWh)	485	389	440	113%
Average selling price of electricity	(VND/kWh)	682	728	866	119%
Total Revenue	VND Bil.	372	325	430	132%
Total Costs	VND Bil.	165	161	174	109%
Profit before tax	VND Bil.	208	164	256	156%
Profit after tax	VND Bil.	166	131	205	156%

The plant was managed and operated safely and stably without any major incident. The hydrographic conditions were favorable, the equipment was checked and maintained well, the confidence ratio was high, the number of the incidents for the generator units was low, and the advantages of the Company were taken when the company participated in the electricity market.

The commercial electricity output was 440 million kWh, 45 million kWh lower than that of the same period, equivalent to 91%, but equaling to 113% of the planned target for 2018.

The total revenue was more than VND 430 billion, equaling to 132% of the planned target for the year and increasing 16% of that of the same period; the revenue increased in

all three sectors of operation including power generation, finance, and provision of technical services.

The total cost was VND 174 billion, equaling to 109% of the planned target for the year and increasing 6% of that of the same period. The cost increased mainly due to the increase in the forest environment charge, the charge over the license to exploit the water resources, and the extraction for the provisional fund for the investments in Hai Phong Thermal Hydropower Plant.

The profit after tax in 2018 was 205 billion, equaling to 156% of the planned target for 2018 and 123% of that of the same period. This was the highest profit after tax since the year the company was capitalized.

For Board of Management

The Board of Directors supervised the General Director through the main following contents:

- Making plans and reaching the targets approved by the Board of Directors/the General Meeting of Shareholders;
- (1) Managing finance, costs, and human resources;
- (2) Implementing the Resolutions of the Board of Directors.
- The Board of Directors supervised the above contents fully through the agendas at the BOD meetings. About the validity, the efficiency, and the suitability, the Board of Directors exchanged thoughts, discussed, and queried the General Director and the Executive Board at the quarterly BOD meetings, the monthly reports, via the email, the phone, and the meetings. The difficulties/obstacles were all determined and solved entirely and timely.
- The Board of Directors closely coordinated with the Supervisory Board to supervise and to support the Executive

For managers

The managers had the qualifications and the professional operations suitable for the assigned tasks; they should have capacities, obey the code of ethics, and have necessary enthusiasm to do and to complete the tasks. The coordination and the internal unity among the managers created a professional, friendly, and engaging working environment and helped the Company to reach the assigned goals.

Board to improve the efficiency of the supervisory system, the suitability and the reliability of the financial support as well as the corporate management. The contributive opinions of the Supervisory Board were all reviewed and considered carefully in the decisions by the BOD.

- The Board of Director discussed and passed the decisions by the Resolutions/the Minutes after each meeting about the matters of the following quarter and the relevant matters for the General Director's implementation.
- Under the direction and the execution of the Executive Board, the Company made achievements beyond the business targets for 2018. The investments in the purchases of the assets were carried out and adjusted in accordance with the real needs of the Company. The Executive Board successfully completed the tasks assigned in 2018 and complied with the regulations of the existing laws and the Charter and the Regulations of the Company.





BUSINESS AND PRODUCTION PLAN 2019

General goals

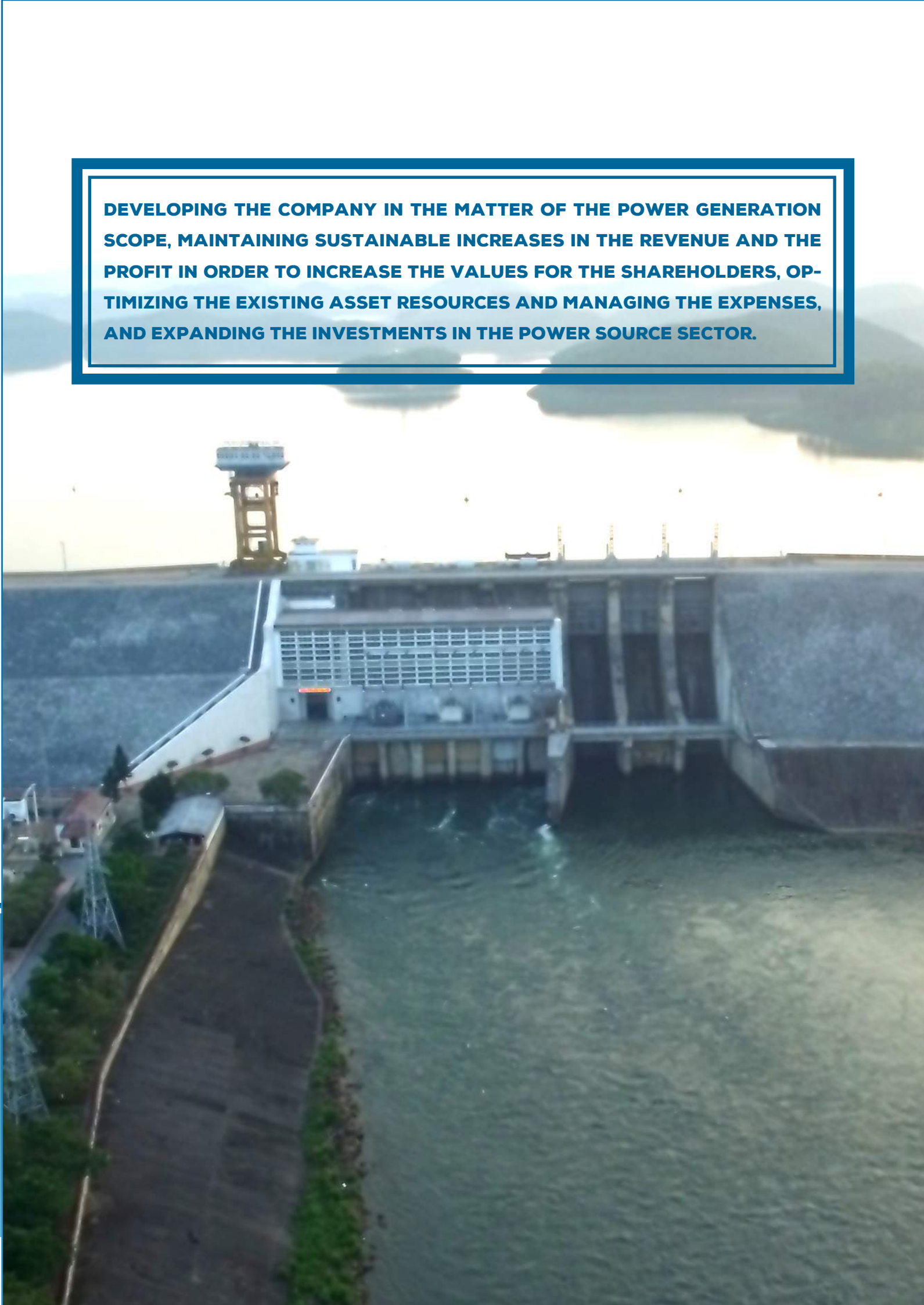
Developing the Company in the matter of the power generation scope, maintaining sustainable increases in the revenue and the profit in order to increase the values for the shareholders, optimizing the existing asset resources and managing the expenses, and expanding the investments in the power source sector.

Operating the plant excellently: The structures and the equipment were managed and operated safely and offered the highest revenue and profit. Using the resources effectively to develop the services which are the strengths of the Company.

Main goals in business plan 2019

Category	Unit	Implementation 2018	Plan 2019	Plan 2019/ Implementation 2018
Electricity Production				
Produced electricity output	(mil.kWh)	445	368	93%
Forwarded electricity output	(mil.kWh)	440	363	93%
Total Revenue	VND Bil.	430	323	99,6%
Total Costs	VND Bil.	174	153	95%
Profit before tax	VND Bil.	256	171	104%
Profit after tax	VND Bil.	205	136	104%

DEVELOPING THE COMPANY IN THE MATTER OF THE POWER GENERATION SCOPE, MAINTAINING SUSTAINABLE INCREASES IN THE REVENUE AND THE PROFIT IN ORDER TO INCREASE THE VALUES FOR THE SHAREHOLDERS, OPTIMIZING THE EXISTING ASSET RESOURCES AND MANAGING THE EXPENSES, AND EXPANDING THE INVESTMENTS IN THE POWER SOURCE SECTOR.





COMPANY MANAGEMENT

BOARD OF DIRECTORS

SUPERVISORY BOARD

TRANSACTION AND REMUNERATION PACKAGES FOR BOARD OF DIRECTORS, SUPERVISORY BOARD, AND BOARD OF MANAGEMENT





BOARD OF DIRECTORS

Activities of BOD in 2018

Member of BOD	Position	Number of attendance	Percentage	Reasons for absence
Mr Nguyen Trong Hien	Chairman	3	100%	
Mr Le Tuan Hai	Member	3	100%	
Mr Nguyen Quang Quyen	Member	3	100%	
Mr Nguyen Van Quyen	Member	3	100%	
Mr Ho Van Trung	Member	3	100%	

Main topics of meetings:

- Choosing the date of the General Meeting of Shareholders
- Approving the business – production results 2017 and the business – production plan 2018.
- Approving the Internal regulations on the corporate management.
- Appointing Mr. Le Tuan Hai as the Deputy General Director in charge of technical matters.
- Retaining the profit undistributed before December 31, 2017 to make re-investments.
- Appointing the Chief Accountant.
- Appointing the Deputy General Director.

BOD's supervision over the Board of Management:

The Board of Directors regularly and closely supervises, directs, and orients the Board of Management to carry out the business – production plan 2018 and in compliance with the medium/long-term development strategies of the Company, the Resolutions by the General Meeting of Shareholders, the Resolutions and the Decisions by the Board of Directors, and the Regulations on the internal management of the Company.

In accordance with the authorization of the General Meeting of Shareholders 2018, the Board of Directors issued the internal regulations on the corporate management in accordance with the Decree 71/2017 of the Government and the Circular 95/2017/TT-BTC of the Ministry of Finance.

The Board of Directors held recruiting tests, selected, and appointed Mr. Nguyen Thanh Hai as the Deputy General Director in charge of planning, investment, and finance.

The Board of Directors re-appointed the Deputy General Director in charge of technical matters and the Chief Accountant.

The Board of Directors improved all of the organization, the functions, and the tasks of the Board of Management and the units within the Company and amended and re-issued the internal institutional documents like: Regulations on internal expenditure and financial management of the Branch – the Technical Service Center (TBCSC); Regulations on salary payments and salary tables and scales; Regulations on development and implementation of business – production plans; Regulations on human resource management; Organizational structure, functions, and tasks of each unit, etc.

Operations of sub-divisions under Board of Directors:

The Board of Directors of the Company hadn't established its Sub-divisions yet.

Decisions of the Board of Directors in 2018

No.	Resolution/ Decision No.	Date	Contents
1	96/NQ-TĐTB-HĐQT	17/1/2018	- Choosing the date of the General Meeting of Shareholders 2018
2	130/NQ-TĐTB-HĐQT	22/1/2018	- Issuing the Financial regulations and the internal expenses of TBCSC.
3	186/NQ-TĐTB-HĐQT	05/2/2018	- Approving the business – production results 2017 and the business – production plan 2018
4	237/NQ-TĐTB-HĐQT	23/2/2018	- Approving the main contents of the Project on recruiting tests for the positions of Deputy General Director in charge of planning, finance, and investment.
5	347/NQ-TĐTB-HĐQT	06/3/2018	- Approving the main contents and the documents presented to the General Meeting of Shareholders 2018. - Approving the Bidder Selection Plan 2018.
6	558/NQ-TĐTB-HĐQT	11/4/2018	- Approving the Recruitment Plan 2018. - Support to the local people: investing in the construction of Cam Nhan Primary & Middle School.

No.	Resolution/ Decision No.	Date	Contents
7	705/NQ-TĐTB-HĐQT	09/5/2018	- Selecting the auditor for the financial statements 2018. - Supplementing the plan on the fixed asset purchases 2018.
8	807/NQ-TĐTB-HĐQT	18/5/2018	- Approving the Regulations on salary payment, salary table and scale.
9	808/NQ-TĐTB-HĐQT	18/5/2018	- Approving the Internal regulation on the corporate management.
10	848/NQ-TĐTB-HĐQT	28/5/2018	- Appointing the Deputy General Director.
11	969/NQ-TĐTB-HĐQT	12/6/2018	- Approving the Draft of the contract no. 05 on amendments, supplements to the Electricity Sales and Purchase Contract.
12	1221/NQ-TĐTB-HĐQT	04/7/2018	- Approving the Regulations on the authorized representative's operations.
13	1267/NQ-TĐTB-HĐQT	11/7/2018	- Approving the asset liquidation alternatives. - Approving the amended and supplemented Bidder Selection Plan.
14	1350/NQ-TĐTB-HĐQT	19/7/2018	- Approving the targets of the business – production results for the first 06 months of the year. - Assigning the General Director to make a report on the investment in DCS project to submit the Board of Directors in August 2018. - Assigning the General Director to propose the alternatives and the costs of the trips of the remaining employees of the company to Taiwan. - Approving the recruitment results. Assigning the General Director to sign the contracts in accordance with the regulations.
15	1432/NQ-TĐTB-HĐQT	31/7/2018	- Approving the Plan on the organization of the employees' excursion to Taiwan. - Approving a bonus of VND 300 million for the Technical Service Center.
16	1612/NQ-TĐTB-HĐQT	10/9/2018	- Retaining the profit undistributed before December 31, 2017 to make re-investments.
17	1660/NQ-TĐTB-HĐQT	17/7/2018	- Approving the supplements to the plan and the Bidder Selection Plan for the purchases of the meters and the electricity measuring and data collection software. - Approving the second asset liquidation and disposal alternatives for 2018.
18	1675/NQ-TĐTB-HĐQT	18/9/2018	- Agreeing upon the financial support to Yen Bai Province for the 60th anniversary of Uncle Ho's visit to Yen Bai.
19	1744/NQ-TĐTB-HĐQT	01/10/2018	- Paying bonuses for the performance at work upon the occasion of the traditional day of the company. - Approving the additional expenses on the construction of Cam Nhan Commune Primary & Middle School.
20	1915/NQ-TĐTB-HĐQT	26/10/2018	- Approving the main goals of the business – production results for the first 9 months of 2018. - Assigning the General Director to complete the preparation for the investment in the project on dredging the riverbed and clearing the flow. - Assigning the General Director to complete the preparation for the investment in DCS project. - Assigning the General Director to complete the Project on the investment and the upgrade of all of the equipment and the structures. - Assigning the General Director to complete the Draft of the business – production plan 2019 to supplement the alternative of the hydro meteorological frequency of 70%. - Approving the additional expenses and the Bidder Selection Plan for the bidding package of termite treatment at dykes. - Approving the guidelines on calculating, adjusting the average electricity output for many years.
21	2098/NQ-TĐTB-HĐQT	13/11/2018	- Appointing the Chief Accounting
22	2099/NQ-TĐTB-HĐQT	13/11/2018	- Appointing the Deputy General Director
23	2115/NQ-TĐTB-HĐQT	16/11/2018	- Approving the replacement of the equipment and the repairs of the Guest House, the Meeting Hall, and the Canteen. - Approving the office equipment and purchases of tools and devices used for the production.
24	2199/NQ-TĐTB-HĐQT	04/12/2018	- Approving the first advance payment of dividend 2018.
25	2244/NQ-TĐTB-HĐQT	12/12/2018	- Approving the Draft of the contract no. 06 on amendments, supplements to the Electricity Sales and Purchase Contract.
26	2290/NQ-TĐTB-HĐQT	20/12/2018	- Fixing the date of the General Meeting of Shareholders 2019





SUPERVISORY BOARD

Information about members of supervisory

Member of Supervisory Board	Position	Number of attendance	Percentage	Reasons for absence
Ms Nguyen Thi Huynh Phuong	Chairman	2	100%	
Mr Pham Hoang Giang	Member	2	100%	
Ms Tran Nguyen Khanh Linh	Member	2	100%	

Supervision of Supervisory Board over Board of Directors, Executive Board, and shareholders :

- Checking and supervising to ensure the Company complies with the Companies Law, the Charter of the Company, and the Resolutions of the General Meeting of Shareholders.

- Checking and verifying the business – production report and the financial statements of the year of the Company.

Coordination between operations of Supervisory Board and operations of Board of Directors, Executive Board, and

other managers

The Supervisory Board took the initiative in closely coordinating the Board of Directors, the Board of Management in checking, supervising all of the business – production operations of the Company and regularly exchanging the relevant information and documents.

The Board of Directors and the Board of Management regularly created favorable conditions for the Supervisory Board in collecting the information and the documents relating to the business – production operations of the Company.

TRANSACTION AND REMUNERATION PACKAGES FOR BOARD OF DIRECTORS, SUPERVISORY BOARD, AND BOARD OF MANAGEMENT

Indemnification for Board of Directors, Supervisory Board and Board of Management

Member	Position	Salary / Remuneration(VND)
Board of Directors		288.000.000
Mr Nguyen Trong Hien	Chairman	72.000.000
Mr Le Tuan Hai	Member	72.000.000
Mr Nguyen Quang Quyen	Member	72.000.000
Mr Ho Van Trung	Member	72.000.000
Supervisory Board		192.000.000
Ms Nguyen Thi Huynh Phuong	Chairman	72.000.000
Mr Pham Hoang Giang	Member	60.000.000
Ms Tran Nguyen Khanh Linh	Member	60.000.000
Board of Management		1.080.000.000
Mr Nguyen Van Quyen	Genera Director	1.080.000.000
Secretary		36.000.000
Mr Nguyen Huu Hung	Secretary	36.000.000
Total		1.596.000.000

Stock transactions of in-house person and inhouse person’s relevant parties: nil

Contracts, transactions with in-house shareholders: nil



An aerial photograph of a town situated in a lush, green valley. A river flows along the bottom left corner, bordered by a stone wall. The town is densely packed with buildings, mostly with red roofs, and is surrounded by dense tropical forest. In the background, rolling mountains are visible under a clear sky. A large, multi-story building with a red roof is prominent in the center of the town. The overall scene depicts a harmonious blend of urban development and natural environment.

REPORT ON SUSTAINABLE DEVELOPMENT

GENERAL INFORMATION
SUSTAINABLE DEVELOPMENT CATEGORIES



GENERAL INFORMATION



Introduction about report

The Sustainable Development Report of Thac Ba Hydropower Joint Stock Company is integrated into the Annual Report in order to avoid the repetition of the information, bringing short and simple information of high quality to the shareholders and the stakeholders. The purpose of the sustainable development report is providing the information about the development orientation and guidelines of the Company, the policies relating to the environment, the society, the community, the employees, and other relevant parties.

Goals

The sustainable development report is an important part in the Annual Report. It helps the investors, the shareholders, and the relevant parties to get access to the information about the development strategies and the business operations of TBC in the sustainable development aspect. The contents of the reports focus on summarizing and analyzing sustainable development operations of the Company.

Scope

This report is made within the scope of operation of the Company, the member units in the electricity sector and within the territory of Vietnam. The data in the report is updated for the financial year 2018, starting from January 01, 2018 until December 31, 2018.

Basis for preparation of report

The report is made based on the guidelines on the preparation of annual reports provided in the Circular 155/2012/TT-BTC, based on the standard guidelines of the Global Reporting Initiative – GRI, G4 guidelines, in accordance with the “Core” option, and based on the vision, the development orientation, and the business strategies of the Company.

Contact address

Thac Ba Hydropower Joint Stock Company

Address: Residential unit 1, Thac Ba Town, Yen Binh District, Yen Bai Province.

Telephone: 0216 388 4116

Fax: 0216 388 4167

SUSTAINABLE DEVELOPMENT CATEGORIES

Energy consumption

Energy	Unit	2017	2018
Electricity	kWh	1.198.522	1.100.790
Petrol	liter	19.433	11.048
DO oil	liter	14.075	17.002

Energy consumption for business and production

The main energies used by the Company for the business and production operations were electricity, petrol A95, DO oil, of which, electricity accounted for the highest proportion which was 80% of the total quantity of consumed energy. The energy consumption in 2018 reduced 521,046,317 KJ, equivalent to a decrease of 9.52% compared to that in 2017. This originated from the company's implementation of the saving methods like replacing the equipment of high capacities with the equipment of suitable capacities, replacing the incandescent light bulbs, the high voltage lights with led lights, etc.; liquidating 02 old vehicles out of date with new ones with high fuel efficiency. Especially, the Company had central management solutions for oil and gas.

Energy converted to identity unit (KJ)

Energy	2017	2018	Change		Proportion (%)
			+/-	%	
Electricity	4.314.679.200	3.962.844.000	-351.825.200	-8,15%	80%
Petrol A95	642.103.475	365.047.043	-277.056.432	-43,15%	7%
DO oil	518.593.375	626.438.690	107.845.315	20,8%	13%
Total	5.475.376.050	4.954.329.733	-521.046.317	-9,52%	100%



Electricity



Petrol A95



DO Oil

1.100.790 Khw

Electricity consumption in
2018 8.15% reduction

11.048 Liter

Petrol A95 consumption in
2018 43,15% reduction

17.022 Liter

DO Oil consumption in 2018
9,42% reduction





SUSTAINABLE DEVELOPMENT CATEGORIES

Energy saving

Saving the energy through initiatives of effective energy use

- Stipulating the regulations on electricity saving.
- Replacing all of the incandescent light bulbs, the high voltage lights with led lights with high efficiency.
- Propagandizing to raise the Laborer’s awareness of emerge saving.
- Propagandizing about and raising the awareness of energy saving.
- In the past year, the Company continued to propagandize to raise its customers’ and its staff’s awareness of energy saving. Solutions implemented by the company:
- Propagandizing about electricity saving at the customer contact offices of the Company. Introducing w.w.tiet-kiemnangluong.vn, a website about the energy saving of the electricity sector, on the website of the Company.
- Consulting and supporting big enterprises in applying measures to use the electricity safely and effectively.

- Propagandizing the Company staff about the serious compliance of the electricity saving guidelines. Each of them shall be a propagandizer who gives instructions on electricity saving to his/her family, his/her friends, and his/her other near and dear ones.
- Propagandizing about the use of electricity saving equipment, for example, the use of energy saving compact lights instead of the incandescent light bulbs and led lights with high capacities.
- Reducing the electricity losses during the business and production operations.
- In 2018, the Company continued to implement the measures to reduce the electricity losses in the business and production operations.
- Assessing the reasons and giving the solutions for the transformer stations with high electricity losses.
- Enhancing the power grid operation management, measuring and dealing with the temperatures at the connectors, the contact points, and the leakage/electricity discharge points.

Water consumption

The Company is an electricity manufacturer, trader, and distributor, so the water is mainly consumed to meet the needs of the production.

The water source of the Company is the water source from Chay River. The Company does not use recycled water or recycle water.

Table of total quantity of water consumed in 2018

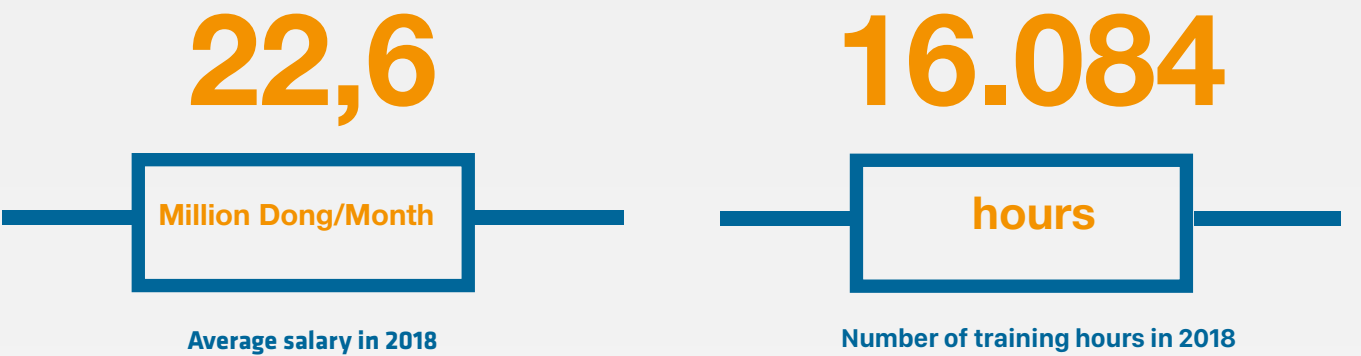
Category	Total quantity of collected water	Total quantity of consumed water
2018	5.800.999.680 liter	5.686.951.680 liter



Compliance with laws on environmental protection

The Company always has high awareness of environmental protection. The Company always ensures the compliance with the laws and the standards on environmental protection. The Company has never been fined due to the infringements of the environment law.

Policies for employees



Policies for employees

From its commitments with the employees, the company has developed the policies to ensure the employees’ interests; to be more specific:

- The policies on the social insurance, the health insurance, and the unemployment insurance are in compliance with the laws.
- The salary and bonus policies ensure the employees’ interests and living standards and encourage the senior and experienced employees to work for the company for a long time.
- The policies on periodical health checks: twice a year; and the labor protection tools are in compliance with the regulations of the law.

Number of training hours and average salary

Category	Term-end quantity	Average salary (VND million/person)	Number of training hours (hours/person)
Sex-based			
Male	97	22,9	15.788
Female	29	17,6	296
University graduate and postgraduates			
College graduates and skilled laborers	61	25,7	14.144
Middle-skill workers	16	18,5	600
Full time			
Part time	49	17,7	1.340
Full time			
Part time	126	22,6	16.084
Part time			
0			



SUSTAINABLE DEVELOPMENT CATEGORIES

Some significant events for employees in 2018

- Renovating, upgrading the playground for the kindergarten of the Company.

To improve the quality of the early childhood education, to implement the educational and childcare operations well, to create favorable conditions for the employees of the Company to focus on their work, and with the approval and the support of the Communist Party's Committee, the Board of Management of the Company, and Ho Chi Minh Youth union, Thac Ba Hydropower Joint Stock Company repaired and upgraded the playground for the kindergarten of the Company.

The members of the youth union has actively participated in the following jobs: Widening the playground within the campus of the kindergarten; building the fences around the roots of the trees, applying concrete to the extended areas and the degraded areas of the yard; putting the carpets of artificial grass in the concrete yard, installing outdoor equipment and toys in place of the existing old/broken toys; installing an indoor playground with balls, slides, and others for the kids.

- Thac Ba Hydropower Joint Stock Company organized the training courses to improve the management capacities and the qualifications for the employees.

To develop the resources, to improve the management capacities, the professional knowledge and skills for the employees, to be independent in the management of the equipment of the company, Thac Ba Hydropower Joint Stock Company coordinated with Hanoi University of Technology and Electric Power University to offer training and coaching classes for the employees to improve the management capacities and to provide the knowledge about DCS system of the Company.

The classes on the improvement of the management capacities are for the leaders and the managers from the unit level upwards.

- The Board of Director of Thac Ba Hydropower Joint Stock Company gave gifts to support and to encourage the employees with fatal diseases and the disadvantaged employees.

On May 28, 2018, on behalf of the Board of Directors of Thac Ba Hydropower Joint Stock Company, Mr. Nguyen Trong Hien, the Chairman of the Board of Directors, gave gifts to the disadvantaged employees; 02 gifts were given to Mr. Nguyen Cong Hue, a mechanical worker with laryngeal cancer and Mr. Bui Quang Thang, a driver who had an accident while working.



A training day at the Company in 2018



Company staff actively taking part in sports activities





Responsibilities for local people



The Company supported the construction of an eight classroom building for Cam Nhan Commune Primary and Middle School

As a tradition, in 2018, Thac Ba Hydropower Joint Stock Company continued to have many activities like helping the poor and the families eligible for the State policies, building the local school, etc. Specifically, within the year, the Company had the following activities:

Activity	Bonuses/gifts
Constructing and handing over the construction works fully equipped for the purpose of teaching at Cam Nhan Commune Primary and Middle School in Yen Binh District, Yen Bai Province for the local people.	1.939.000.000 VND
Supporting the People’s Committee of Yen Bai Province in the 60th anniversary of Uncle Ho’s visit to Yen Bai.	800.000.000 VND
Contributing to the social support fund 2018 and supporting the disadvantaged employees and the employees with fatal diseases within the sector.	82.425.000 VND
Supporting local socio-political activities, the grand openings, the anniversaries of the partners (supporting the longevity ceremonies of the elderly union of Thac Ba Town, supporting the people of Mu Cang Chai to overcome the heavy rains and floods, supporting Yen Binh youth union to hold lantern festivals, etc.)	111.425.000 VND
Spending on charity within the locality (Yen Binh District Union of Agent orange victims, Thuan Thanh District war invalids nursing, Thac Ba Town elderly nursing fund, disadvantaged families in Thac Ba Town)	31.000.000 VND
Contributing to the social support fund 2018 and supporting the disadvantaged employees and the employees with fatal diseases within the sector.	48.900.000 VND
Joining hands to build new rural areas in the surrounding communes with rollers, excavators, etc.	

Some significant activities:

- Lunar new-year visits to disadvantaged people and families eligible for State policies

Annually, with the spirits “love others like love yourself”, “remember the one who grows the tree when you eat the fruit”, Thac Ba Hydropower Joint Stock Company pays regular visits and gives gifts to the disadvantaged households and families and the families eligible for the State policies within the locality. Before “Tet Nguyen Dan” (Lunar New Year) 2018, the Company visited and gave gifts to 02 disadvantaged households, 02 families of war martyrs, 03 families of Vietnamese heroic mothers, 03 families of ill elderly people, 123 families of retired staff of Thac Ba Retirement Club, and also gave 10 gifts to the disadvantaged families in Yen Binh District with the total amount of more than VND 97 million.

- Many meaningful activities in Youth Month

On March 20, 2018, the Youth Union of Thac Ba Hydropower Joint Stock Company coordinated with the Youth Union of Yen Binh District to repair the house of Ms. Hoang Thi Kinh in Cay Tre Village, Xuan Lai Commune, Yen Binh District, Yen Bai Province.

On March 22, 2018, the Youth Union of the company coordinated with the Youth Union of Yen Binh District and the Youth Union of Yen Bai Power Company to implement the Countryside Road Lightening Work within the locality.

- Support to disadvantaged people

In April, the Company visited and encouraged Mr. Pham Duc Quoc’s family which unfortunately had an accident in Tien Phong Village, Han Da Commune, Yen Binh District, Yen Bai Province. The Company gave a gift of VND 10 million to support the man’s family and hoped that his family would overcome the difficulties soon.

- Support to local people in construction of new rural areas

To boost the national target program on the construction of new rural areas, recently, Thac Ba Hydropower Joint Stock Company has supported Han Da Commune and Ngoc Chan Commune in Yen Binh District to build medical and welfare facilities with a contribution of VND 70 million.

- Activities in 71st anniversary of War Invalids and Martyrs’ Day

Among the activities in the 71st anniversary of War Invalids and Martyrs’ Day (July 27, 1947 – July 27, 2018), Thac Ba Hydropower Joint Stock Company held thanksgiving activities in the spirits of “Remember the source of the water

you drink”, “remember the one who grows the tree when you eat the fruit”. These activities are the Company’s annual ones, and it’s a tradition observed by all of the staff of the Company on holidays and anniversaries. Upon the occasion of the 71st anniversary of War Invalids and Martyrs’ Day (July 27, 1947 – July 27, 2018), the representatives of the Communist Party’s Committee, the Board of Directors, and the heads of the units, the Trade Union, the Youth Union, and the Women’s Union of the Company burned incense at the Memorial located at Thac Ba Hydropower and at the Cemetery in Quarter 4, Thac Ba Town.

- Inaugurating and handing over 08 classrooms together with the school facilities at Cam Nhan Primary and Middle School, Yen Binh District, Yen Bai Province.

Cam Nhan Commune is one of the communes in Area III of Yen Binh District, and it’s home to many migrants who came to build Thac Ba Hydropower. In the commune, there is little cultivation land, the infrastructure is still poor, and the schools are not so good. Seeing that, the Company asked the government of Yen Binh District to invest in the construction of the classrooms for Cam Nhan Commune Primary and Middle School. On October 18, 2018, Thac Ba Hydropower Joint Stock Company held the inauguration ceremony and handed over the classrooms and all of the facilities serving the teaching and learning activities of Cam Nhan Commune Primary and Middle School, Yen Binh District, Yen Bai Province, and they were brought into operation.



FINANCIAL REPORT

Independent Auditor's report

Balance sheet

Income statement

Cash flow statement

Notes to the Financial statements

Thac Ba Hydropower Joint Stock Company

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Thac Ba Hydropower Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Thac Ba Hydropower Joint Stock Company (“the Company”) is a joint stock company incorporated in accordance with the Law on Enterprise of Vietnam under the Business Registration Certificate No. 1603000069 issued for the first time on 31 March 2006 by the Department of Planning and Investment of Yen Bai Province. The Company also received the amended Business Registration Certificates with the latest amendment at the 6th time issued on 28 March 2017.

The current principal activities of the Company in the fiscal year are to produce and trade electricity, provide repair, maintenance and renovation services for hydropower plants.

The head office of the Company is located in Zone 8, Thac Ba Town, Yen Binh District, Yen Bai Province.

The Company also has an independent accounting branch which being the Technical Service Center.

BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of this report are as follows:

Mr. Nguyen Trong Hien	Chairman
Mr. Nguyen Van Quyen	Member
Mr. Ho Van Trung	Member
Mr. Nguyen Quang Quyen	Member
Mr. Le Tuan Hai	Member

BOARD OF SUPERVISION

The members of the Board of Supervision during the year and at the date of this report are as follows:

Mrs. Nguyen Thi Huynh Phuong	Chief of the Board
Mr. Pham Hoang Giang	Member
Mrs. Tran Nguyen Khanh Linh	Member

BOARD OF MANAGEMENT

The members of the Board of Management during the year and at the date of this report are as follows:

Mr. Nguyen Van Quyen	General Director	
Mr. Nguyen Manh Cuong	Deputy General Director	
Mr. Nguyen Thanh Hai	Deputy General Director	Appointed on 1 June 2018

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and on the date of preparing this report is Mr. Nguyen Van Quyen.

AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited.

Thac Ba Hydropower Joint Stock Company

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Thac Ba Hydropower Joint Stock Company (“the Company”) is pleased to present its report and the Company's financial statements for the year ended on 31 December 2018.

RESPONSIBILITIES OF THE BOARD OF MANAGEMENT IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for the financial statements for each fiscal year which give a true and fair view of the state of affairs and the results of its operations and its cash flows for the year. In preparing these financial statements, the Board of Management is required to:

- ▶ select appropriate accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ clearly state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Board of Management is responsible for ensuring that proper accounting books are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that accounting records comply with the applied accounting system. It is also responsible for safeguarding the Company's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT OF THE BOARD OF MANAGEMENT

In the opinion of the Board of Management, the accompanying financial statements give a true and fair view of the Company's financial situation as at 31 December 2018, of the financial position of the Company and of the results of operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System for Enterprises and the statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of the Board of Management:

(Signed)

Nguyen Van Quyen
General Director

Yen Bai, Vietnam
Date: 15 February 2019





Reference No.: 61201381/20159773

INDEPENDENT AUDITOR’S REPORT

To: The Shareholders of Thac Ba Hydropower Joint Stock Company

We have audited the accompanying financial statements of Thac Ba Hydropower Joint Stock Company (“the Company”) as prepared on 15 February 2019 and presented from pages 5 to 29 which comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the fiscal year ended and the notes thereto.

Responsibilities of the Board of Management

The Board of Management is responsible for the preparation and fair presentation of these Company’s financial statements in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the statutory requirements related to preparation and presentation of financial statements and for such internal control as the Board of 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.

Responsibilities of the Auditor

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 Company’s financial statements are free from material misstatement.

An auditing 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 mistatement of the financial statements whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the entity’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 auditing also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2018, and of the results of its operation and its cash flows for the fiscal year ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the statutory requirements related to the preparation and presentation of financial statements.

Ernst & Young Vietnam Limited

(Signed)

(Signed)

Le Duc Truong
Deputy General Director
Audit Practicing Registration Certificate No.: 0816-
2018-004-1

Tran Thu Ha
Auditor
Audit Practicing Registration Certificate No.: 2499-
2018-004-1

Hanoi, Vietnam

Date: 15 February 2019





Thac Ba Hydropower Joint Stock Company

B01-DN

BALANCE SHEET
As at 31 December 2018

Unit: VND

Code	ASSETS	Notes	Opening balance	Closing balance
100	A. CURRENT ASSETS		582.281.076.283	423.683.716.280
			79.328.695.146	15.155.055.207
110	I. Cash and cash equivalents	4	28.268.695.146	15.155.055.207
111	1. Cash		51.060.000.000	-
112	2. Cash equivalents			
			408.676.500.000	323.577.281.448
120	II. Short-term investments		408.676.500.000	323.577.281.448
123	1. Held to maturity investments	5.1		
			90.092.415.994	58.759.275.036
130	III. Current accounts receivable		79.632.459.686	50.683.766.667
131	1. Trade receivables	6	841.277.110	338.210.874
132	2. Advances to suppliers		11.387.655.949	8.449.025.034
136	3. Other receivables	7	(1.768.976.751)	(711.727.539)
137	4. Provision for doubtful debts	6		
			4.183.465.143	4.397.682.691
140	IV. Inventories	8	4.183.465.143	4.397.682.691
141	1. Inventories			
			-	21.794.421.898
150	V. Other current assets		-	10.688.431.901
152	1. Value added tax deductible		-	11.105.989.997
153	2. Taxes and other receivables from the State			
			423.727.674.667	464.391.942.478
200	B. NON-CURRENT ASSETS		344.425.784.719	383.076.266.254
			327.383.457.505	365.619.793.424
220	I. Fixed assets		1.461.989.223.503	1.457.612.756.267
221	1. Tangible fixed assets	9	(1.134.605.765.998)	(1.091.992.962.843)
222	Cost		17.042.327.214	17.456.472.830
223	Accumulated depreciation		20.635.322.400	20.635.322.400
227	2. Intangible fixed assets	10	(3.592.995.186)	(3.178.849.570)
228	Cost			
229	Accumulated depletion			
			78.430.000.000	81.169.000.000
250	II. Long-term investments		81.169.000.000	81.169.000.000
253	1. Investments in other entities	5.2	(2.739.000.000)	-
254	2. Provision for long-term investments			
			871.889.948	146.676.224
260	III. Other long-term assets		871.889.948	146.676.224
261	1. Long-term prepaid expenses			
			1.006.008.750.950	888.075.658.758
270	TOTAL ASSETS		582.281.076.283	423.683.716.280

Thac Ba Hydropower Joint Stock Company

B01-DN

BALANCE SHEET (continued)
As at 31 December 2018

Unit: VND

Code	RESOURCES	Notes	Opening balance	Closing balance
300	C. LIABILITIES		120.402.315.195	26.449.442.348
			120.402.315.195	26.449.442.348
310	I. Current liabilities		3.536.782.945	5.993.971.018
311	1. Trade payables	11	2.353.290.631	2.845.205.379
312	2. Advances from customer		1.225.392.596	-
313	3. Taxes and other payables to Government budget	12	10.421.570.172	10.427.859.234
314	4. Payables to employees		2.487.077.894	1.092.049.016
315	5. Accrued expenses		99.227.343.572	6.090.357.701
319	6. Other short-term payables	13	1.150.857.385	-
322	7. Bonus and welfare fund	14		
			885.606.435.755	861.626.216.410
400	D. OWNERS' EQUITY		885.606.435.755	861.626.216.410
			635.000.000.000	635.000.000.000
410	I. Owners' equity	15	635.000.000.000	635.000.000.000
411	1. Contributed capital		635.000.000.000	635.000.000.000
411a	- Ordinary shares with voting rights		250.606.435.755	226.626.216.410
421	2. Undistributed profit after tax		140.309.192.410	136.359.582.432
421a	- Undistributed profit after tax accrued to the previous period		110.297.243.345	90.266.633.978
421b	- Undistributed profit after tax this period			
			1.006.008.750.950	888.075.658.758
440	TOTAL RESOURCES		120.402.315.195	26.449.442.348

(Signed)

(Signed)

(Signed)

 Nguyen Trung Hieu
 Preparer

 Le Hong Minh
 Chief Accountant

 Nguyen Van Quyen
 General Director

Yen Bai, Vietnam

Date: 15 February 2019



Thac Ba Hydropower Joint Stock Company

B02-DN

INCOME STATEMENT

For the fiscal year ended on 31 December 2018

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sales and services rendered	17.1	396.075.329.219	342.841.574.218
02	2. Revenue deductions	17.1	-	-
10	3. Net revenues from sales and services rendered	17.1	396.075.329.219	342.841.574.218
11	4. Costs of goods sold and services rendered	18	(134.013.647.511)	(124.755.937.861)
20	5. Gross profit from sales and services rendered		262.061.681.708	218.085.636.357
21	6. Financial income	17.2	33.434.184.502	25.070.794.100
22	7. Financial expenses		(2.739.000.000)	(37.916.667)
25	8. Selling expenses		-	-
26	9. General administration expenses	19	(37.631.163.273)	(39.505.704.065)
30	10. Net profits from operating activities		255.125.702.937	203.612.809.725
31	11. Other income		1.150.739.384	4.440.672.860
32	12. Other expenses		(507.835.359)	(397.908.815)
40	13. Other profits		642.904.025	4.042.764.045
50	14. Total accounting profit before tax		255.768.606.962	207.655.573.770
51	15. Current CIT expenses	21.1	(50.221.363.617)	(41.188.939.792)
60	16. Profit after CIT		205.547.243.345	166.466.633.978
70	17. Basic earnings per share	24	3.237	2.566
71	18. Diluted earnings per share	24	3.237	2.566

(Signed)

(Signed)

(Signed)

Nguyen Trung Hieu
Preparer_____
Le Hong Minh
Chief Accountant_____
Nguyen Van Quyen
General Director

Yen Bai, Vietnam

Date: 15 February 2019

Thac Ba Hydropower Joint Stock Company

B03-DN

CASH FLOW STATEMENT

For the fiscal year ended on 31 December 2018

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		255.768.606.962	207.655.573.770
	Adjustments for:			
02	Depreciation and depletion of fixed assets and investment properties		45.045.978.360	44.733.851.572
03	Provisions		3.796.249.212	461.155.459
05	Gain from investing activities		(34.127.709.816)	(29.354.920.966)
06	Interest expenses		-	37.916.667
08	Operating profit before changes in working capital		270.483.124.718	223.533.576.502
09	Increase in receivables		(7.554.287.065)	(22.014.078.770)
10	Increase in inventories		214.217.548	658.646.748
11	Decrease in payables		(6.283.921.612)	(13.575.766.808)
12	(Increase)/decrease in prepaid expenses		(725.213.724)	1.241.050.050
14	Interest paid		-	(37.916.667)
15	Corporate income tax paid		(49.049.385.588)	(43.963.075.530)
16	Other receipts from operating activities		21.580.000	178.660.370
17	Other payments on operating activities		(2.196.169.569)	(3.744.983.727)
20	Net cash flows from operating activities		204.909.944.708	142.276.112.168
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Expenditures on purchase and construction of fixed assets		(4.616.049.557)	(5.993.345.134)
22	Proceeds from disposal or transfer of fixed assets		897.725.000	4.426.581.818
23	Expenditures on purchase of held to maturity investments		(408.676.500.000)	(323.736.828.648)
24	Recovery of held to maturity investments		323.577.281.448	353.726.192.973
25	Equity investments in other entities		-	(48.550.000.000)
27	Proceeds from interests, dividends and profits shared		30.393.038.778	27.130.816.643
30	Net cash flows (used in)/from investing activities		(58.424.504.331)	7.003.417.652



Thac Ba Hydropower Joint Stock Company

B03-DN

CASH FLOW STATEMENT (continued)
For the fiscal year ended on 31 December 2018

Unit: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCIAL ACTIVITIES			
33	Proceeds from borrowings		-	5.000.000.000
34	Repayment of principal		-	(5.000.000.000)
36	Dividends and profits paid to owners		(82.311.800.438)	(158.353.575.780)
40	Net cash flows used in financial activities		(82.311.800.438)	(158.353.575.780)
50	Net cash flows during the fiscal year		64.173.639.939	(9.074.045.960)
60	Cash at the beginning of the fiscal year		15.155.055.207	24.229.101.167
61	Effects of fluctuations in exchange rates		-	-
70	Cash and cash equivalents at the end of the fiscal year	4	79.328.695.146	15.155.055.207

(Signed)

(Signed)

(Signed)

Nguyen Trung Hieu
Preparer

Le Hong Minh
Chief Accountant

Nguyen Van Quyen
General Director

Yen Bai, Vietnam

Date: 15 February 2019

Thac Ba Hydropower Joint Stock Company

B09-DN

NOTES TO THE FINANCIAL STATEMENTS
As at 31 December 2018 and for the fiscal year then ended

1. COMPANY INFORMATION

Thac Ba Hydropower Joint Stock Company (“the Company”) is a joint stock company incorporated in accordance with the Law on Enterprise of Vietnam under the Business Registration Certificate No. 1603000069 issued for the first time on 31 March 2006 by the Department of Planning and Investment of Yen Bai Province. The Company also received the amended Business Registration Certificates with the latest amendment at the 6th time issued on 28 March 2017.

The current principal activities of the Company in the fiscal year are to produce and trade electricity, provide repair, maintenance and renovation services for hydropower plants.

The normal production and business cycle of the Company is 12 months starting from 01 January and ending on 31 December.

The head office of the Company is located in Zone 8, Thac Ba Town, Yen Binh District, Yen Bai Province.

The Company also has an independent accounting branch being the Technical Service Center.

The number of employees of the Company as at 31 December 2018 is: 126 (on 31 December 2017: 127).

2. BASIS OF PRESENTATION

2.1 Accounting convention

The Company has an independent accounting branch (“the Branch”) as shown in Note 1.

The Company’s financial statements are prepared on the basis of synthesizing the financial statements of the Company Office and the branch. The financial statements of the branch are prepared for the same year and apply consistent accounting policies.

The items of the financial statements are made by combining the corresponding items of the branch’s financial statements.

Transactions and balances of capital investment, goods supply, collection and expenditures between the branch and the Company Office are deducted in accordance with the corresponding items in the financial statements.

2.2 Accounting standards and system

The Company’s financial statements are presented in Vietnamese Dong (“VND”) in line with the Vietnamese Accounting System for Enterprises and Vietnamese Accounting Standards issued by the Ministry of Finance:

- ▶ Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the issuance and promulgation of Four Vietnamese Accounting Standards (Phase 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the issuance and promulgation of Six Vietnamese Accounting Standards (Phase 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the issuance and promulgation of Six Vietnamese Accounting Standards (Phase 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the issuance and promulgation of Six Vietnamese Accounting Standards (Phase 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the issuance and promulgation of Four Vietnamese Accounting Standards (Phase 5).

Accordingly, the accompanying financial statements and the use are not intended for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the financial situation and results of its operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.



NOTES TO THE FINANCIAL STATEMENTS
As at 31 December 2018 and for the fiscal year then ended

Accordingly, the accompanying financial statements and the use are not intended for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial situation and results of its operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

3. SUMMARY OF MAJOR ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Fixed assets are stated at cost less accumulated depreciation.
The cost of a tangible fixed asset includes its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.
Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the the income statement as incurred.
When tangible fixed assets are sold or retired, any gains or losses resulting from their disposal of assets (the difference between the net revenue from the sale of assets and the carrying amount of assets) is included in the income statement.

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated depletion.
The cost of an intangible asset comprises of its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.
Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the the income statement as incurred.
When intangible fixed assets are sold or retired, any gains or losses resulting from their disposal of assets (the difference between the net revenue from the sale of assets and the carrying amount of assets) is included in the income statement.

Land use rights

Land use rights including long-term land use rights are issued with a Certificate of land use rights and recognized as intangible fixed assets in accordance with Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013, guiding the regime of management, use and depreciation of fixed assets.

3.6 *Depreciation and depletion*

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight line basis over the estimated useful life of each asset as follows:

Buildings and structures	10 - 50 years
Machinery and equipment	5 - 20 years
Means of transport	9 - 15 years
Office equipment	3 - 10 years
Other fixed assets	10 years
Land use rights	50 years

3.7 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits is generated in relation to these expenses.

**3. SUMMARY OF MAJOR ACCOUNTING POLICIES (continued)****3.4 Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset includes its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

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3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated depletion.

The cost of an intangible asset comprises of its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gains or losses resulting from their disposal of assets (the difference between the net revenue from the sale of assets and the carrying amount of assets) is included in the income statement.

Land use rights

Land use rights including long-term land use rights are issued with a Certificate of land use rights and recognized as intangible fixed assets in accordance with Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013, guiding the regime of management, use and depreciation of fixed assets.

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Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight line basis over the estimated useful life of each asset as follows:

Buildings and structures	10 - 50 years
Machinery and equipment	5 - 20 years
Means of transport	9 - 15 years
Office equipment	3 - 10 years
Other fixed assets	10 years
Land use rights	50 years

3.7 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits is generated in relation to these expenses.

3. SUMMARY OF MAJOR ACCOUNTING POLICIES (continued)**3.11 Profit distribution**

Net profit after corporate income tax is available for appropriation to shareholders after approval in the annual general meeting and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriate from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Bonus and welfare fund

This fund is set up for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employee's benefits, and is presented as an account payable on the balance sheet.

3.12 Recognition of revenues

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount (if any). The following specific recognition condition criteria must also be satisfied before revenue is recognized:

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Revenue from electricity sales for the fiscal year ended on 31 December 2018 is determined according to the Power Purchase Contract No. 06/2012/HD-NMDTB of 28 June 2012 and the amended Contract No. 03 of 14 January 2015 signed between the Company and Vietnam Electricity Corporation ("EVN").

Rendering of services

When the contract results can be determined reliably, revenue will be recognized based on the level of work completion. The level of work completion is determined by the volume of work confirmed by customers.

If the contract results cannot be determined reliably, revenue will only be recognized at the recoverable level of the recognized expenses.

Interests

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Revenue is recognized when the Company's entitlement as an investor to receive the dividend is established.

**3. SUMMARY OF MAJOR ACCOUNTING POLICIES (continued)****3.13 Taxes***Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or payable to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax

Deferred income tax is determined for the temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purpose.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- ▶ where deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forwards unused tax credit and unused tax losses can be utilized, except:

- ▶ where the deferred tax assets in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporary differences arising from investments in subsidiaries and associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary difference will reserve in the foreseeable future and taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets must be reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Previously unrecognized deferred income tax assets and re-assessed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

3. SUMMARY OF MAJOR ACCOUNTING POLICIES (continued)**3.13 Taxes (continued)***Deferred income tax (continued)*

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the deferred income tax is also recognized directly into equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current income tax assets the current income tax liabilities and when they relate to income taxes levied by the same taxation authority:

- ▶ On either the same taxable entity; or
- ▶ when the Company intends to pay current tax liabilities and assets on a net basis or recover assets and liabilities simultaneously, in each future period when the significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

3.14 Earnings per share

Basic earnings per share are calculated by dividing profit or loss after tax attributed to ordinary shareholders of the Company (after appropriation for bonus and welfare funds) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit or loss after tax attributed to the ordinary shareholders of the Company (after appropriation for dividends of convertible preferred shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.15 Segment information

The Company has characteristics such as electricity production and business activities account for more than 96% of the total revenue from sales and service supply and all production and business activities of the Company take place in the territory of Vietnam. Therefore, the Company's risks and profitability are not much affected by differences in products the Company produces or related to the Company's operation in many different geographical areas. Accordingly, the Company does not need to present segment information.

3.16 Stakeholders

The parties are considered stakeholders of the Company if one party has the ability to directly or indirectly control the other party or significantly influence the other party in making financial and operating decisions, or when the Company and the other party are under common control or common significant influence. Stakeholders can be companies or individuals, including intimate members in families of individuals considered relevant.



Thac Ba Hydropower Joint Stock Company

B09-DN

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

4. CASH AND CASH EQUIVALENTS

	<i>Closing balance</i>	<i>Unit: VND</i> <i>Opening balance</i>
Cash	186.143.543	418.608.944
Cash in banks	28.082.551.603	14.736.446.263
Cash equivalents (*)	51.060.000.000	-
TOTAL	79.328.695.146	15.155.055.207

(*) This is a deposit with the term of 1 to 3 months in VND at commercial banks with an interest rate of 5%/year to 5.3%/year.

5. LONG-TERM AND SHORT-TERM INVESTMENTS

5.1 Held to maturity short-term investments

	<i>Closing balance</i>		<i>Unit: VND</i> <i>Opening balance</i>	
	<i>Cost</i>	<i>Book value</i>	<i>Cost</i>	<i>Book value</i>
Term deposits	408.676.500.000	408.676.500.000	323.577.281.448	323.577.281.448
TOTAL	408.676.500.000	408.676.500.000	323.577.281.448	323.577.281.448

Term deposits as at 31 December 2018 include deposits in VND with terms of 6 to 12 months at commercial banks at an interest rate of 5.8%/year (for 6-month term deposits) and from 6.4%/year to 7.1%/year (for 12-month term deposits).

Thac Ba Hydropower Joint Stock Company

B09-DN

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

5. LONG-TERM AND SHORT-TERM INVESTMENTS (continued)

5.2 Investments in other entities

	<i>Closing balance</i>			<i>Unit: VND</i> <i>Opening balance</i>		
	<i>Ownership ratio</i>	<i>Cost</i>	<i>Provision</i>	<i>Ownership ratio</i>	<i>Cost</i>	<i>Fair value</i>
Hai Phong Thermal Power Joint Stock Company (i)	0,6%	32.619.000.000	(2.739.000.000)	0,6%	32.619.000.000	-
Thai An Hydropower Joint Stock Company (ii)	5%	48.550.000.000	-	5%	48.550.000.000	(ii)
TOTAL		81.169.000.000	(2.739.000.000)		81.169.000.000	-

(i) As at 31 December 2018, the Company holds 0.6% of the voting right equivalent to 3,000,000 shares at Hai Phong Thermal Power Joint Stock Company. Shares of this company are traded on the UPCOM market in 2018 with the average transaction price on the last transaction day in December 2018 of VND 9,960/share.

(ii) As at 31 December 2018, the Company holds 5% of the voting right equivalent to 200,000 shares at Thai An Hydropower Joint Stock Company. The Company does not evaluate the reasonable value of shares held in this company because this share has not been listed on the stock exchange.





Thac Ba Hydropower Joint Stock Company

B09-DN

NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

6. TRADE RECEIVABLES

		<i>Unit: VND</i>	
		<i>Closing balance</i>	<i>Opening balance</i>
Receivables from customers		3.850.312.770	6.755.619.681
- <i>Electrical Testing and Research Joint Stock Company</i>		-	3.226.275.807
- <i>Hung Hai Construction Company Limited</i>		2.519.715.223	3.019.715.223
- <i>Power Construction Joint Stock Company No.1</i>		910.225.467	-
- <i>Other companies</i>		420.372.080	509.628.651
Receivables from stakeholders (Note 22)		75.782.146.916	43.928.146.986
TOTAL		79.632.459.686	50.683.766.667
Provision for doubtful receivables		(1.768.976.751)	(711.727.539)

7. OTHER SHORT-TERM RECEIVABLES

		<i>Unit: VND</i>	
		<i>Closing balance</i>	<i>Opening balance</i>
Deposit interest receivable		10.193.320.979	6.252.175.255
Advance for employees		188.650.000	10.000.000
Other receivables		1.005.684.970	2.186.849.779
TOTAL		11.387.655.949	8.449.025.034

8. INVENTORIES

		<i>Unit: VND</i>			
		<i>Closing balance</i>		<i>Opening balance</i>	
		<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Materials		3.978.602.884	-	4.118.293.085	-
Tools and instruments		204.862.259	-	279.389.606	-
TOTAL		4.183.465.143	-	4.397.682.691	-

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As at 31 December 2018 and for the fiscal year then ended

9. TANGIBLE FIXED ASSETS

		<i>Unit: VND</i>			
		<i>Buildings, structures</i>	<i>Machinery and equipment</i>	<i>Means of transport</i>	<i>Office equipment</i>
Cost:					
Opening balance		649.743.636.449	783.313.885.031	19.040.218.935	5.397.561.307
- Purchases during the year		-	3.206.707.636	1.243.010.454	166.636.364
- Completed investments in capital construction		2.157.895.103	-	-	-
- Liquidation, transfer		-	(570.088.364)	(1.326.615.240)	(422.629.729)
- Asset destruction		(143.147.520)	-	-	-
- Other increases		-	-	64.698.532	-
Closing balance		651.758.384.032	785.950.504.303	19.021.312.681	5.141.567.942
<i>In which:</i>					
<i>Fully depreciated</i>		3.608.871.255	428.319.946.905	9.242.430.484	4.497.126.883
Accumulated depreciation:					
Opening balance		453.159.561.494	619.961.823.597	13.852.925.268	4.951.995.843
- Depreciation during the year		21.700.904.469	22.078.906.911	876.008.526	140.562.852
- Liquidation, transfer		-	(409.794.545)	(1.298.826.802)	(406.512.300)
- Asset destruction		(143.147.520)	-	-	-
- Other increases		-	-	64.698.532	-
Closing balance		474.717.318.443	641.630.935.963	13.494.805.524	4.686.046.395
Carrying amount:					
Opening balance		196.584.074.955	163.352.061.434	5.187.293.667	445.565.464
Closing balance		177.041.065.589	144.319.568.340	5.526.507.157	455.521.547





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NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

10. INTANGIBLE FIXED ASSETS

	Unit: VND		
	Land use rights	Computer softwares	Total
Cost:			
Opening and closing balance	20.558.322.400	77.000.000	20.635.322.400
<i>In which:</i>			
<i>Fully depleted</i>	-	77.000.000	77.000.000
Accumulated depletion:			
Opening balance	3.104.828.730	74.020.840	3.178.849.570
Depletion during the year	411.166.456	2.979.160	414.145.616
Closing balance	3.515.995.186	77.000.000	3.592.995.186
Carrying amount:			
Opening balance	17.453.493.670	2.979.160	17.456.472.830
Closing balance	17.042.327.214	-	17.042.327.214

11. TRADE PAYABLES

	<i>Unit: VND</i>			
	<i>Closing balance</i>		<i>Opening balance</i>	
	<i>Amount</i>	<i>Balance to be paid</i>	<i>Amount</i>	<i>Balance to be paid</i>
Trade payables to	3.536.782.945	3.536.782.945	5.928.065.333	5.928.065.333
- Sai Gon Ban Mai Commercial Company Limited	1.425.600.000	1.425.600.000	-	-
- Trung Son Technology Company Limited	732.600.000	732.600.000	-	-
- Toan Viet Construction Investment Consulting Joint Stock Company	-	-	2.967.764.868	2.967.764.868
- Services and Automation for Energy Joint Stock Company	-	-	1.384.020.000	1.384.020.000
- Other trade payables	1.378.582.945	1.378.582.945	1.576.280.465	1.576.280.465
Payables to stakeholders	-	-	65.905.685	65.905.685
TOTAL	3.536.782.945	3.536.782.945	5.993.971.018	5.993.971.018

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12. TAXES AND OTHER PAYABLES TO GOVERNMENT BUDGET

	<i>Unit: VND</i>			
	<i>Opening balance</i>	<i>Balance to be paid during the year</i>	<i>Balance paid during the year</i>	<i>Closing balance</i>
Corporate income tax (Note 21.2)	(537.852.579)	50.221.363.617	49.049.385.588	634.125.450
Natural resources tax	(9.687.131.216)	37.915.702.342	28.026.106.015	202.465.111
Value added tax	(10.688.431.901)	40.110.647.118	29.059.130.603	363.084.614
Personal income tax	(881.006.202)	1.627.210.777	720.487.154	25.717.421
Charge for granting water exploitation right	-	4.825.493.000	4.825.493.000	-
Other taxes	-	212.783.436	212.783.436	-
TOTAL	(21.794.421.898)	134.913.200.290	111.893.385.796	1.225.392.596
<i>In which:</i>				
<i>Tax payable</i>	-			1.225.392.596
<i>Tax receivable</i>	(21.794.421.898)			-

13. OTHER SHORT-TERM PAYABLES

	<i>Unit: VND</i>	
	<i>Closing balance</i>	<i>Opening balance</i>
Dividends payable	95.404.042.064	151.962.690
Forest environment fee	3.692.458.188	3.231.530.368
Expenses for hiring teachers and transporting equipment	-	1.205.000.000
Expenses for supporting the construction of primary and secondary schools in Cam Nhan commune	-	1.000.000.000
Others	130.843.320	501.864.643
TOTAL	99.227.343.572	6.090.357.701
<i>In which:</i>		
<i>Short-term payables to other parties</i>	13.104.591.572	6.090.357.701
<i>Short-term payables to stakeholders (Note 22)</i>	86.122.752.000	-

14. BONUS AND WELFARE FUND

	<i>Unit: VND</i>	
	<i>Closing balance</i>	<i>Opening balance</i>
Opening balance	-	729.443.634
Deduction for bonus and welfare fund in the year (Note 15.1)	3.500.000.000	3.000.000.000
Use of bonus and welfare fund in the year	(2.349.142.615)	(3.729.443.634)
Closing balance	1.150.857.385	-



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NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

15. OWNER'S EQUITY

15.1 Increase and decrease in equity

	Unit: VND		
	Contributed capital	Undistributed profit after tax	Total
<i>Previous year</i>			
Opening balance	635.000.000.000	203.178.886.045	838.178.886.045
- Net profit for the year	-	166.466.633.978	166.466.633.978
- Deduction for bonus and welfare fund			
(Note 14)	-	(3.000.000.000)	(3.000.000.000)
- Dividends declared	-	(139.700.000.000)	(139.700.000.000)
- Remuneration for Non-executive members of the Board of Directors	-	(267.024.000)	(267.024.000)
- Adjustments according to inspection conclusions by People's Committee of Yen Bai Province	-	(52.279.613)	(52.279.613)
Closing balance	635.000.000.000	226.626.216.410	861.626.216.410
<i>Current year</i>			
Opening balance	635.000.000.000	226.626.216.410	861.626.216.410
- Net profit for the year	-	205.547.243.345	205.547.243.345
- Deduction for bonus and welfare fund (Note 14)	-	(3.500.000.000)	(3.500.000.000)
- Dividends declared (*)	-	(177.800.000.000)	(177.800.000.000)
- Remuneration for Non-executive members of the Board of Directors	-	(267.024.000)	(267.024.000)
Closing balance	635.000.000.000	250.606.435.755	885.606.435.755

(*) Including the dividend value of phase 2 from undistributed profits in 2017 and the dividend advance value of phase 1 from the undistributed profit after tax in 2018

The deduction for setting up funds, dividend payment of phase 2 and deduction for remuneration for non-executive members of the Board of Directors from the profit after tax in 2017 is carried out in accordance with Resolution No. 438/NQ-TDTB-DHDCD on 23 March 2018 of the Annual General Meeting of Shareholders in 2018. The dividend advance of phase 1 from profit after tax in 2018 is carried out in accordance with Resolution No. 2199/NQ-TDTB-HDQT on 4 December 2018 of the Company's Board of Directors.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

15. OWNER'S EQUITY (continued)

15.2 Details of owners' investment capital

	Closing balance			Opening balance		
	Common		Preferred	Common		Preferred
	Total	share	share	Total	share	share
Shareholders' capital contribution	63.500.000	63.500.000	-	63.500.000	63.500.000	-
TOTAL	63.500.000	63.500.000	-	63.500.000	63.500.000	-

Face value per outstanding share: VND 10,000/share (on 31 December 2017: VND 10,000/share).

Details of owners' investment capital as at 31 December 2018 are as follows:

	Charter capital contributed (VND)	Ratio (%)
<i>Shareholders</i>		
Refrigeration Electrical Mechanical Joint Stock Company (parent company)	383.651.680.000	60,42%
Power Generation Corporation 3 – Joint Stock Company	190.500.000.000	30,00%
Other shareholders	60.848.320.000	9,58%
TOTAL	635.000.000.000	100%

15.3 Dividends

	Unit: VND	
	Current year	Previous year
Dividends declared during the year		
<i>Dividends on common stock</i>		
Dividends advance for 2018 phase 1: VND 1,500/share	95.250.000.000	-
Dividends for 2017 phase 2: VND 1,300/share	82.550.000.000	-
Dividends advance for 2017 phase 1: VND 1,200/share	-	76.200.000.000
Dividends for 2016 phase 2: VND 1,000/share	-	63.500.000.000

Dividends declared after the end date of the fiscal year and not recognized as liabilities as at 31 December 2018





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NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

15. OWNER'S EQUITY (continued)**15.4 Shares**

	<i>Closing balance</i>		<i>Opening balance</i>	
	<i>Quantity</i>	<i>VND</i>	<i>Quantity</i>	<i>VND</i>
Approved shares	63.500.000	635.000.000.000	63.500.000	635.000.000.000
Number of issued shares				
Number of issued shares and full capital contribution	63.500.000	635.000.000.000	63.500.000	635.000.000.000
<i>Common share</i>	63.500.000	635.000.000.000	63.500.000	635.000.000.000
<i>Preferred share</i>	63.500.000	635.000.000.000	63.500.000	635.000.000.000
Number of outstanding shares	-	-	-	-
<i>Common share</i>	63.500.000	635.000.000.000	63.500.000	635.000.000.000
<i>Preferred share</i>	63.500.000	635.000.000.000	63.500.000	635.000.000.000

16. OFF BALANCE SHEET ITEMS

	<i>Closing balance</i>	<i>Opening balance</i>
Foreign currencies		
- U.S. dollar (USD)	363	363

17. REVENUES**17.1 Revenues from sale of goods and rendering of services**

	<i>Unit: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Total revenues	396.075.329.219	342.841.574.218
<i>In which</i>		
<i>Revenues from electricity sales</i>	381.583.540.412	330.789.728.981
<i>Revenues from services rendered</i>	14.491.788.807	12.051.845.237
Revenue deductions	-	-
Net revenue	396.075.329.219	342.841.574.218
<i>In which:</i>		
<i>Revenue from other parties</i>	14.491.788.807	12.051.845.237
<i>Revenue from stakeholders</i>		
<i>(Note 22)</i>	381.583.540.412	330.789.728.981

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NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

17. REVENUES (continued)**17.2 Financial income**

	<i>Current year</i>	<i>Unit: VND</i> <i>Previous year</i>
Deposit interest	27.884.184.502	22.668.180.500
Distributed dividends and profit	5.550.000.000	2.400.000.000
Gain from exchange rate differences	-	2.613.600
TOTAL	33.434.184.502	25.070.794.100

18. COSTS OF GOODS SOLD AND SERVICES RENDERED

	<i>Current year</i>	<i>Unit: VND</i> <i>Previous year</i>
Cost of electricity selling activities	128.982.127.208	118.508.444.686
Cost of services rendered	5.031.520.303	6.247.493.175
TOTAL	134.013.647.511	124.755.937.861

19. GENERAL ADMINISTRATION EXPENSES

	<i>Current year</i>	<i>Unit: VND</i> <i>Previous year</i>
Labor cost	15.667.236.334	13.717.220.642
Depreciation and depletion costs	2.071.078.127	2.219.915.946
Outsourcing service cost	8.667.720.673	9.952.130.747
Other expenses	11.225.128.139	13.616.436.730
TOTAL	37.631.163.273	39.505.704.065

20. PRODUCTION AND BUSINESS COSTS BY FACTORS

	<i>Current year</i>	<i>Unit: VND</i> <i>Previous year</i>
Cost of materials	4.056.130.528	4.033.824.647
Labor cost	40.455.248.957	35.378.014.019
Depreciation and depletion costs	45.045.978.360	44.733.851.572
Outsourcing service cost	14.551.903.649	14.202.409.357
Other expenses	67.535.549.290	65.913.542.331
TOTAL	171.644.810.784	164.261.641.926

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NOTES TO THE FINANCIAL STATEMENTS (continued)
As at 31 December 2018 and for the fiscal year then ended

21. CORPORATE INCOME TAX

The tax rate of Corporate Income Tax (“CIT”) applied to the Company is 20% of taxable profit.

The Company’s tax reports will be subject to examination by the tax authorities. Since the application of tax laws and regulations can be explained in different ways, the tax amount presented in the financial statements may be changed according to the final decision of the tax authorities.

21.1 CIT expenses

	<i>Unit: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expenses	50.330.988.903	41.188.939.792
Tax adjustment of excess deduction from previous years	(109.625.286)	-
TOTAL	50.221.363.617	41.188.939.792

21.2 Current CIT expenses

Current CIT payable is based on taxable profit for the current year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company’s liability for current CIT is calculated using tax rates that have been enacted by the balance sheet date.

The reconciliation between the taxable profit and accounting profit as reported in the consolidated income statement is presented below:

	<i>Unit: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Total accounting profit before tax	255.768.606.962	207.655.573.770
CIT at the rate of 20% applied to the Company	51.153.721.393	41.531.114.754
<i>Increase adjustments:</i>		
Non-deductible support expenses	160.000.000	-
Handling debt of PIT arrears	-	60.443.038
Other non-deductible expenses	127.267.510	77.382.000
<i>Decrease adjustments:</i>		
Distributed dividends and profit	(1.110.000.000)	(480.000.000)
CIT expenses	50.330.988.903	41.188.939.792

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As at 31 December 2018 and for the fiscal year then ended

22. TRANSACTION WITH STAKEHOLDERS

Major transactions of the Company with stakeholders during the year include:

<i>Unit: VND</i>				
<i>Stakeholders</i>	<i>Relation</i>	<i>Transaction contents</i>	<i>Current year</i>	<i>Previous year</i>
Electricity Trading Company – Vietnam Electricity Corporation	Stakeholders with major shareholders	Revenues from electricity sales	381.583.540.412	330.789.728.981
Refrigeration Electrical Mechanical Joint Stock Company	Parent company	Dividends declared	107.422.470.400	84.403.369.600
Power Generation Corporation 3 – Joint Stock Company	Major shareholders	Dividends declared	53.340.000.000	41.910.000.000

Sales and purchase transactions with stakeholders are carried out at the regular price and listing terms in the market. Balances of receivables and payables as at 31 December 2018 are unsecured, interest free and will be paid in cash. For the fiscal year ended on 31 December 2018, the Company has not set up any provision for bad debts related to the amount of debts owed by stakeholders to the Company (as at 31 December 2017: not setting up). This assessment is carried out for each year by examining the financial position of the stakeholders and the market in which such stakeholders operate.

At the end date of the accounting period, the balances of receivables and payables with stakeholders are as follows:

<i>Unit: VND</i>				
<i>Stakeholders</i>	<i>Relation</i>	<i>Transaction contents</i>	<i>Closing balance</i>	<i>Opening balance</i>
Short-term trade receivables (Note 6)				
Electricity Trading Company - Vietnam Electricity Corporation	Stakeholders with major shareholders	Electricity sales receivable	75.782.146.916	43.928.146.986
			75.782.146.916	43.928.146.986
Other short-term payables (Note 13)				
Refrigeration Electrical Mechanical Joint Stock Company	Parent company	Dividends payable	57.547.752.000	-
Power Generation Corporation 3 – Joint Stock Company	Major shareholders	Dividends payable	28.575.000.000	-
			86.122.752.000	-

Transactions with other stakeholders

Income of members of the Board of Directors and the Board of Management:

	<i>Unit: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salary and bonus	2.117.356.854	1.438.689.608
TOTAL	2.117.356.854	1.438.689.608





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23. COMMITMENTS

Commitments related to investment costs

As at 31 December 2018, the Company has a commitment of approximately VND 2.4 billion mainly related to investments in construction, procurement of new machinery and equipment for production activities of the Company.

24. EARNINGS PER SHARE

The Company uses the following information to calculate basic interest and declining interest on shares.

	<i>Unit: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Profit after CIT	205.547.243.345	166.466.633.978
Bonus and welfare fund set up in the year	-	(3.500.000.000)
Profit after tax allocated to shareholders owning common shares (*)	205.547.243.345	162.966.633.978
Weighted average of the number of common shares used to calculate basic earnings per share	63.500.000	63.500.000
Weighted average of the number of common shares for calculating basic earnings per share	63.500.000	63.500.000
Basic earnings per share	3.237	2.566
Diluted earnings per share	3.237	2.566

(*) The profit for calculating earnings per share for 2017 has been adjusted in comparison with the figures presented in the 2017 financial statements to reflect the real deduction for bonus and welfare fund from the undistributed profit after tax in 2017. The Company has not had a plan to deduct the bonus and welfare fund from the undistributed profit after tax in 2018 for the fiscal year ended on 31 December 2018.

No transactions of common shares or potential common shares occur from the balance sheet date to the completion date of the financial statements.

26. 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.

(Signed)	(Signed)	(Signed)
_____ Nguyen Trung Hieu Preparer	_____ Le Hong Minh Chief Accountant	_____ Nguyen Van Quyen General Director

Yen Bai, Vietnam
Date: 15 February 2019

THAC BA HYDROPOWER JOINT STOCK COMPANY

THE COMPANY'S LEGAL REPRESENTATIVE

Nguyen Van Quyen
General Director

