

# CONSOLIDATED FINANCIAL STATEMENTS

BINH DUONG WATER - ENVIRONMENT JOINT STOCK COMPANY  
for Quarter 4, 2019

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## **REPORT OF THE BOARD OF GENERAL DIRECTORS**

The Board of Directors of Binh Duong Water - Environment Joint Stock Company (“the Company”) presents its report and the Company’s Consolidated Financial Statements for Quarter 4, 2019.

### **THE COMPANY**

Binh Duong Water - Environment Joint Stock Company was transformed from Binh Duong Water Supply Sewerage and Environment One-member Company Limited under the Decision No. 4259/QD-UBND dated 24 December 2014 of People's Committee of Binh Duong province. The Company operates under the Business Registration Certificate No. 3700145694 on 07 February 2006 by the Department of Planning and Investment of Binh Duong province and the 13th amendment under the Enterprise Registration Certificate of Joint Stock Company dated 12 April 2019.

The Company’s head office is located at No. 11, Ngo Van Tri street, Thu Dau Mot city, Binh Duong province.

### **BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTOR AND SUPERVISORY BOARD**

The members of the Board of Management during the fiscal year and to the reporting date are:

Mr. Nguyen Van Thien	Chairman
Mr. Tran Chien Cong	Member
Mr. Duong Hoang Son	Member
Ms. Nguyen Thi Thu Van	Member
Mr. Nguyen Van Tri	Member
Mr. Nguyen Thanh Phong	Member
Mr. Ta Trong Hiep	Member

The members of the Board of General Directors during the fiscal year and to the reporting date are:

Mr. Tran Chien Cong	General Director	
Mr. Duong Hoang Son	Deputy Director	
Ms. Nguyen Thi Thu Van	Deputy Director	(Retired since 01 June 2019)
Mr. Le Van Gon	Deputy Director	
Mr. Ngo Van Lui	Deputy Director	

The members of the Supervisory Board are:

Ms. Duong Anh Thu	Head
Ms. Tran Thi Kim Oanh	Member
Mr. Nguyen Duc Bao	Member

### **STATEMENT OF THE BOARD OF DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The Board of General Directors is responsible for the Consolidated Financial Statements which give a true and fair view of the financial position of the Company and of results of its operation and its cash flows for the year. In preparing those Consolidated Financial Statements, the Board of General Directors is required to:

- Establish and maintain of an internal control system which is determined necessary by the Board of General Directors and Board of Management to ensure the preparation and presentation of Consolidated Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;

- Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the current requirements relevant to preparation and presentation of consolidated financial statements;
- Prepare the Consolidated Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Consolidated Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirm that the Consolidated Financial Statements give a true and fair view of the financial position as at 31 December 2019, its operation results and cash flows in the year 2019 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

We, the Board of General Directors would like to draw readers' attention to the Note No. 01 of the Notes to the Consolidate Financial Statements, stating at the reporting date, the Company has handed over assets and capital related to: Project Management Unit for Southern Thu Dau Mot Water Supply; Water Supply - Sewerage - Environment Project Management Unit; Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen and South Binh Duong Water Environment Improvement Project Management Unit according to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects unfinished to the Sewerage Project Management Unit in Binh Duong province. Therefore, the Company did not incorporate data of these Project Management Units into the Separate Financial Statements for the Quarter 4, 2019. This led to the value of total assets and total capital on the Consolidated Statement of financial position as at 31 December 2019 has significantly reduced compared to 01 January 2019.

#### **Other commitments**

The Board of General Directors pledges that the Company complies with Decree No. 71/2017/ND-CP dated 06 June 2017 guiding on corporate governance of public companies and the company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on Securities Market.

Binh Duong, 20 January 2020

On behalf of the Board of Directors  
General Director



Tran Chien Cong

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Code	ASSETS	Note	31/12/2019 VND	01/01/2019 VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1.663.757.289.458</b>	<b>1.481.965.311.491</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>74.716.954.777</b>	<b>167.354.846.590</b>
111	1. Cash		74.716.954.777	152.854.846.590
112	2. Cash equivalents		-	14.500.000.000
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>254.290.000.000</b>	<b>176.300.000.000</b>
123	1. Held-to-maturity investments		254.290.000.000	176.300.000.000
<b>130</b>	<b>III. Short-term receivables</b>		<b>841.030.813.940</b>	<b>752.343.290.669</b>
131	1. Short-term trade receivables	6	339.869.023.953	354.301.858.725
132	2. Short-term prepayments to suppliers	7	347.417.794.254	301.883.297.010
135	3. Short-term loan receivables		16.500.000.000	-
136	4. Other short-term receivables	8	156.730.471.751	112.296.326.734
137	5. Provision for short-term doubtful debts		(19.486.476.018)	(16.138.191.800)
<b>140</b>	<b>IV. Inventories</b>	<b>10</b>	<b>484.074.036.789</b>	<b>379.813.778.157</b>
141	1. Inventories		484.074.036.789	379.813.778.157
<b>150</b>	<b>V. Other current assets</b>		<b>9.645.483.952</b>	<b>6.153.396.075</b>
151	1. Short-term prepaid expenses	12	9.559.321.389	4.744.964.183
152	2. Deductible value added tax		85.562.137	606.866.538
153	3. Taxes and other receivables from State budget	19	600.426	801.565.354
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>4.543.656.211.592</b>	<b>12.296.017.829.377</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>907.612.207.078</b>	<b>13.762.623.942</b>
215	1. Long-term loans receivables		(16.500.000.000)	-
216	2. Other long-term receivables	8	924.112.207.078	13.762.623.942
<b>220</b>	<b>II. Fixed assets</b>		<b>2.297.540.076.477</b>	<b>4.298.310.248.382</b>
221	1. Tangible fixed assets	13	2.213.903.250.668	4.213.815.684.281
222	- Historical cost		5.003.645.661.062	6.642.190.458.696
223	- Accumulated depreciation		(2.789.742.410.394)	(2.428.374.774.415)
227	2. Intangible fixed assets	14	83.636.825.809	84.494.564.101
228	- Historical cost		92.345.387.447	92.609.587.447
229	- Accumulated amortization		(8.708.561.638)	(8.115.023.346)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>597.980.565.916</b>	<b>7.280.481.940.607</b>
242	1. Construction in progress	11	597.980.565.916	7.280.481.940.607
<b>250</b>	<b>V. Long-term investments</b>	<b>5</b>	<b>679.720.997.975</b>	<b>653.910.414.816</b>
252	1. Investments in joint-ventures, associates		211.675.137.975	206.850.414.816
253	2. Equity investments in other entities		505.233.600.000	505.233.600.000
254	3. Provision for devaluation of long-term investments		(42.187.740.000)	(58.173.600.000)
255	4. Held-to-maturity investments		5.000.000.000	-
<b>260</b>	<b>VI. Other long-term assets</b>		<b>60.802.364.146</b>	<b>49.552.601.630</b>
261	1. Long-term prepaid expenses	12	60.037.703.532	48.693.343.827
269	2. Goodwill	15	764.660.614	859.257.803
<b>270</b>	<b>TOTAL ASSETS</b>		<b>6.207.413.501.050</b>	<b>13.777.983.140.868</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019  
 (Continued)

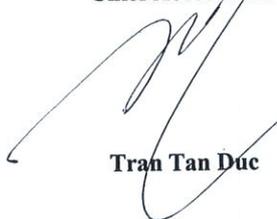
Code CAPITAL	Note	31/12/2019	01/01/2019
		VND	VND
<b>300 C. LIABILITIES</b>		<b>4.007.720.334.196</b>	<b>9.651.608.150.400</b>
<b>310 I. Current liabilities</b>		<b>1.559.932.341.325</b>	<b>2.440.791.323.489</b>
311 1. Short-term trade payables	17	178.462.826.121	410.036.947.286
312 2. Short-term prepayments from customers	18	22.970.387.636	19.361.789.531
313 3. Taxes and other payables to State budget	19	40.108.415.930	31.634.691.955
314 4. Payables to employees		59.355.077.226	95.599.485.772
315 5. Short-term accrued expenses	20	20.724.212.454	12.224.401.270
319 6. Other short-term payments	21	225.581.678.003	1.097.118.744.010
320 7. Short-term borrowings and finance lease liabilities	16	972.249.492.594	762.588.810.394
321 8. Provisions for short-term payables	22	22.879.986.057	9.544.263.676
322 9. Bonus and welfare fund		17.600.265.304	2.682.189.595
<b>330 II. Non-current liabilities</b>		<b>2.447.787.992.871</b>	<b>7.210.816.826.911</b>
337 1. Other long-term payables	21	760.246.170.821	5.563.564.527.309
338 2. Long-term borrowings and finance lease liabilities	16	1.686.000.769.869	1.647.165.773.002
341 3. Deferred income tax payables	34	1.541.052.181	86.526.600
<b>400 D. OWNER'S EQUITY</b>		<b>2.199.693.166.854</b>	<b>4.126.374.990.468</b>
<b>410 I. Owner's equity</b>	<b>23</b>	<b>2.199.693.166.854</b>	<b>4.125.774.573.072</b>
411 1. Contributed capital		1.500.000.000.000	1.500.000.000.000
411a - Ordinary shares with voting rights		1.500.000.000.000	1.500.000.000.000
418 2. Development and investment funds		181.953.713.765	72.324.893.590
421 3. Retained earnings		414.811.097.607	264.805.821.746
421a - Retained earnings accumulated till the end of the previous year		88.613.721.680	44.892.978.313
421b - Retained earnings of the current year		326.197.375.927	219.912.843.433
422 4. Capital expenditure fund		102.230.254.431	2.285.516.359.604
429 5. Non-Controlling Interest		698.101.051	3.127.498.132
<b>430 II. Non-business funds and other funds</b>		-	<b>600.417.396</b>
431 1. Non-business funds		-	520.280.000
432 2. Funds that forming fixed assets		-	80.137.396
<b>440 TOTAL CAPITAL</b>		<b>6.207.413.501.050</b>	<b>13.777.983.140.868</b>

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 January 2020

General Director





Tran Chien Cong

## CONSOLIDATED STATEMENT OF INCOME

Quarter 4, 2019

Code ITEMS	Note	Quarter 4		Accumulated to the end of this quarter	
		Current year	Previous year	Current year	Previous year
		VND	VND	VND	VND
01	25	769.036.565.273	606.136.853.987	2.545.960.560.613	2.197.515.745.549
02		283.807.272	-	283.807.272	-
10		768.752.758.001	606.136.853.987	2.545.676.753.341	2.197.515.745.549
11	26	455.564.998.936	360.734.226.309	1.510.715.243.446	1.326.235.069.961
20		313.187.759.065	245.402.627.678	1.034.961.509.895	871.280.675.588
21	27	9.000.254.605	1.811.384.886	44.179.839.925	20.462.253.034
22	28	38.001.307.946	51.599.028.067	128.531.591.970	185.799.592.411
23		37.578.392.753	54.401.202.592	143.864.874.018	131.581.096.936
24		6.686.054.745	5.981.094.796	16.298.359.523	25.344.549.599
25	29	81.958.829.331	69.993.342.119	309.317.467.193	274.622.236.908
26	30	32.047.371.459	29.680.638.995	107.133.257.085	110.537.370.549
30		176.866.559.679	101.922.098.179	550.457.393.095	346.128.278.353
31	31	11.965.190.488	10.222.647.128	49.859.574.624	37.747.160.854
32	32	6.028.402.369	6.065.881.640	60.420.631.884	21.482.623.882
40		5.936.788.119	4.156.765.488	(10.561.057.260)	16.264.536.972
50		182.803.347.798	106.078.863.667	539.896.335.835	362.392.815.325

**CONSOLIDATED STATEMENT OF INCOME**

Quarter 4, 2019

Code ITEMS	Note	Quarter 4		Accumulated to the end of this quarter	
		Current year VND	Previous year VND	Current year VND	Previous year VND
51	15. Current corporate income tax expenses	19.294.453.464	12.464.227.504	62.265.841.835	37.481.643.572
52	16. Deferred corporate income tax expenses	1.439.525.581	(93.093.245)	1.454.525.581	(93.093.245)
60	17. Profit after corporate income tax	<u>162.069.368.753</u>	<u>93.707.729.408</u>	<u>476.175.968.419</u>	<u>325.004.264.998</u>
61	18. Profit after tax attributable to shareholders of the parent	162.061.576.414	93.668.579.238	476.197.375.927	324.912.843.433
62	20. Profit after tax attributable to non-controlling interests	7.792.339	39.150.170	(21.407.508)	91.421.565
70	21. Basic earnings per share	864	500	2.540	1.733

Preparer

*Nguyễn Thị Mong Thuong*

Nguyen Thi Mong Thuong

Chief Accountant

*Trần Tân Đức*

Tran Chien Cong



## CONSOLIDATED STATEMENT OF CASH FLOWS

*Quarter 4, 2019*  
*(Indirect method)*

Code ITEMS	Note	Accumulated to the end of this quarter	
		Current year	Previous year
		VND	VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Profits before tax</b>	539.896.335.835	362.392.815.325
	<b>2. Adjustments for :</b>		
02	- Depreciation and amortization of fixed assets and investment properties	430.314.879.776	400.716.835.659
03	- Provisions	1.063.433.199	(6.977.311.562)
04	- Exchange gains/losses from retranslation of monetary items denominated in foreign currency	(1.189.741.015)	3.509.392.860
05	- Gains/losses from investment	(59.358.219.224)	(45.727.307.573)
06	- Interest expense	144.516.739.170	131.581.096.936
07	- Other adjustments	12.740.087.772	-
08	<b>3. Operating profit before changes in working capital</b>	<b>1.067.983.515.513</b>	<b>845.495.521.645</b>
09	- Increase/Decrease in receivables	822.869.107.664	20.408.911.944
10	- Increase/Decrease in inventories	(132.423.401.726)	(57.798.394.635)
11	- Increase/Decrease in payables (excluding interest payables, corporate income tax payable)	(87.868.605.741)	1.350.168.500.638
12	- Increase/Decrease in prepaid expenses	(16.158.716.911)	11.961.582.528
14	- Interest paid	(141.343.647.319)	(129.781.705.967)
15	- Corporate income taxes paid	(53.993.390.833)	(40.164.106.641)
16	- Other receipts from operating activities	-	1.425.095.295.238
17	- Other payments on operating activities (i)	(996.167.110.513)	(44.306.746.193)
20	<b>Net cash flow from operating activities</b>	<b>462.897.750.134</b>	<b>3.381.078.858.557</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchase or construction of fixed assets and other long-term assets	(667.725.224.390)	(3.202.642.372.297)
22	2. Proceeds from disposals of fixed assets and other long-term assets	472.727.273	993.000.002
23	3. Loans and purchase of debt instruments from other entities	(209.990.000.000)	(108.500.000.000)
24	4. Collection of loans and resale of debt instrument of other entities	127.000.000.000	110.000.000.000
25	5. Equity investments in other entities	(3.045.510.000)	(292.937.363.423)
27	6. Interest and dividend received	51.490.491.634	26.745.009.180
30	<b>Net cash flow from investing activities</b>	<b>(701.797.515.483)</b>	<b>(3.466.341.726.538)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
32	1. Repayment of contributions capital and repurchase of stock issued	-	(245.088.000)
33	2. Proceeds from borrowings	1.702.862.347.509	1.455.713.014.855
34	3. Repayment of principal	(1.451.313.654.282)	(1.405.424.621.571)
36	4. Dividends or profits paid to owners	(105.000.000.000)	(67.500.000.000)
40	<b>Net cash flow from financing activities</b>	<b>146.548.693.227</b>	<b>(17.456.694.716)</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

*Quarter 4, 2019*  
*(Indirect method)*

Code ITEMS	Note	Accumulated to the end of this quarter	
		Current year	Previous year
		VND	VND
50 Net cash flows in the year		(92.351.072.122)	(102.719.562.697)
60 Cash and cash equivalents at beginning of the year		167.354.846.590	270.025.171.262
61 Effect of exchange rate fluctuations		(286.819.691)	49.238.025
70 Cash and cash equivalents at end of the year	4	<u>74.716.954.777</u>	<u>167.354.846.590</u>

(i) In which:

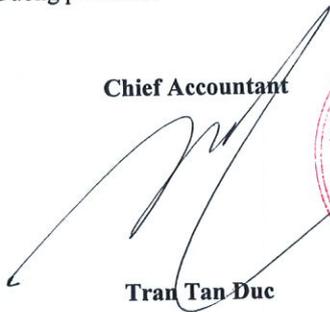
- Refunds to the State budget about the advance of the 2019 estimated budget to implement the Project of Water drainage and Waste water treatment in Di An with the amount of VND 843,003,000,000;
- Reducing cash and cash equivalent balances as at 31 December 2018 of the Project Management Unit for Southern Thu Dau Mot Water Supply; Water Supply - Sewerage - Environment Project Management Unit; Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen and South Binh Duong Water Environment Improvement Project Management Unit with total amount of VND 105,468,705,966 due to the Company has handed over assets, debts of these Project Management Units to the Sewerage Project Management Unit in Binh Duong province according to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects unfinished to the Sewerage Project Management Unit in Binh Duong province.

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 January 2020

General Director



Tran Chien Cong

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*Quarter 4, 2019*

### **1 . CHARACTERISTICS OF OPERATION OF THE COMPANY**

#### **Form of capital ownership**

Binh Duong Water - Environment Joint Stock Company was transformed from Binh Duong Water Supply Sewerage and Environment One-member Company Limited under the Decision No. 4259/QD-UBND dated 24 December 2014 of People's Committee of Binh Duong province. The Company operates under the Business Registration Certificate No. 3700145694 on 07 February 2006 by the Department of Planning and Investment of Binh Duong province and the 13th amendment under the Enterprise Registration Certificate of Joint Stock Company dated 12 April 2019.

The Company's head office is located at No. 11, Ngo Van Tri street, Thu Dau Mot city, Binh Duong province.

The Company's charter capital is VND 1,500,000,000,000 (One thousand five hundred billion dong), equivalent to 150,000,000 shares, with par value of VND 10,000 / share.

#### **Business field**

The main business field of the Company are producing and supplying treated water in Binh Duong province.

#### **Business activities**

Main business activities of the Company are:

- Construction works, repairing water supply and drainage system;
- Collection, transportation and treatment of solid waste (municipal waste, industrial waste and hazardous waste);
- Production of mineral water;
- Trading of materials used for water sector;
- Investing, exploiting, treating and supplying water;
- Wholesale of scrap, metal scrap, non-metal;
- Providing services for urban works such as cleaning canal, sucking cesspool and washing road;
- Plant, cultivation and trading of ornamental trees;
- Compost production.

#### **The Company's operations in the year that affects the Consolidated Financial Statements**

During the 2018, the People's Committee of Binh Duong province has issued Decision No. 04/2018/QD-UBND dated 22 February 2018 on the stipulation of urban domestic water pricing, production and business activities in Binh Duong province from 2018 to 2022. Accordingly, clean water consumption price in the province is increased compared to the previous price. Simultaneously, along with the urbanization rate, the demand for clean water in the province also increased. This led to higher revenue from sales of goods and service provision than the previous year.

Semultaneously, due to the market fluctuations, during the Quarter 4, 2019 the Company made provision for devaluation of long-term financial investments with the total amount of 4.32 billion dong - resulted in item Total net profit before tax is decreased of 11.13 billion dong than the previous year (in 2018, the Company made to reversal of provision for devaluation of these investments with amount of 6.81 billion dong). Beside that, the interest expenses of Quarter 4, 2019 decreases of 16.82 billion dong compared with the Quarter 4, 2018. Other items are not significant increased/decreased. The combination of the above reasons makes the total net profit before tax of Quarter 4 of this year increased VND 76.72 billion dong compared with the same period of the previous year.

- According to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment, which has been approved by the provincial People's Committee established previously to implement projects invested by Binh Duong Water Supply Sewerage and Environment One-member Company Limited (now is Binh Duong Water - Environment Joint Stock Company) to establish the Sewerage Project Management Unit in Binh Duong province; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects unfinished to the Sewerage Project Management Unit in Binh Duong province, the Company has handed over assets and capital related to the Project Management Units:

Project Management Unit for Southern Thu Dau Mot Water Supply was established under Decision No. 3949/QD-CT dated 03 October 2001 of Chairman of the Provincial People's Committee;

Water Supply - Sewerage - Environment Project Management Unit was established under Decision No. 259/2003/QD-UB dated 04 November 2003 of the Provincial People's Committee;

Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen was established under Decision No. 1421/QD-UBND dated 14 June 2016 of Chairman of the Provincial People's Committee;

South Binh Duong Water Environment Improvement Project Management Unit was established under the Decision No. 718/QD.CTN-MT dated 19 June 2007 by the Director of Binh Duong Water Supply Sewerage Environment Company Limited (now is Binh Duong Water - Environment Joint Stock Company).

Accordingly, the data of 04 Project Management Units mentioned above will be handed over to the Sewerage Project Management Unit in Binh Duong province - a public non-business unit of the People's Committee of Binh Duong province, operating under principles of self-financing operation; autonomy in performing tasks, organizational structure, personnel and finance according to the Decree No. 141/2016/ND-CP dated 10 October 2016 of Government. Therefore, the Company did not incorporate data of these Project Management Units into the Separate Financial Statements for the fiscal year ended 31 December 2019 since 30 June 2019. This led to the value of total assets and total capital on the Consolidated Statement of financial position as at 31 December 2019 has significantly reduced compared to 01 January 2019.

#### **The Company's Structure:**

**The Company has one (01) subsidiary which have consolidated in consolidated financial statements as at 31/12/2019 include:**

<u>Name of company</u>	<u>Head office</u>	<u>Proportion of ownership</u>	<u>Voting rights held by the Group</u>	<u>Principal activities</u>
Recycled Green Materials Joint Stock Company	Binh Duong	95,80%	95,80%	Recycle scrap, produce construction materials

Information of associated company of the Company is provided in Note No. 5.

## **2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY**

### **2.1 . Accounting period and accounting currency**

Annual accounting period commences from 01 January and ends as at 31 December.  
 The Company maintains its accounting records in VND.

## **2.2 . Standards and Applicable Accounting Policies**

### *Applicable Accounting Policies*

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance, the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC and the Circular No. 202/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance guiding the preparation and presentation of Consolidated Financial Statements.

### *Declaration of compliance with Accounting Standards and Accounting System*

The Company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and documents guiding the current Accounting Standards and Corporate Accounting System.

## **2.3 . Basis for preparation of Consolidated Financial Statements**

Consolidated financial statements are prepared based upon consolidating Separate Financial Statements of the Company and its subsidiary under its control for Quarter 4, 2019. Control right is in practice when the Company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Financial statements of subsidiary is applied accounting policies in consistence with the Company's financial statements. If necessary, adjustments are made to the Financial statements of subsidiary to bring the accounting policies used in line with those used by the Company and its subsidiaries.

The results from operations of subsidiary acquired during the year is included in the Consolidated Financial Statements from the effective date of acquisition.

The remaining balance, main incomes and expenses, including unrealized profits/loss from intra-group transactions are eliminated in full from Consolidated Financial Statements.

### *Non-controlling interest*

Non-controlling interest is the benefits in profits or losses, and in the net assets of subsidiaries not held by the Company.

## **2.4 . Financial Instruments**

### *Initial recognition*

#### *Financial assets*

Financial assets of the Company include cash and cash equivalents, trade receivables and other receivables, lending loans and long-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

#### *Financial liabilities*

Financial liabilities of the Company include borrowings, common bonds, trade payables and other payables, accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expense directly related to the issuance of those liabilities.

### *Subsequent measurement after initial recognition*

There are currently no regulations on revaluation of financial instruments after initial recognition.

## **2.5 . Foreign currency transactions**

The foreign currency transactions during the year are converted into Vietnam dong with the real exchange rate at the transaction date. Real exchange rates are determined as the following principles:

- When recording receivables, applying the bid rate of the commercial bank stipulated by the Company for customers to make payment at the transaction time;

- When recording payables, applying the offer rate of the commercial bank where the Company expects to conduct transactions at the transaction time;
- When purchasing assets or paying immediately in foreign currency, applying the bid rate of the commercial bank where the Company makes payments.

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Consolidated Financial Statements is determined under the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Company regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Company opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Company regularly conducts transaction.

All exchange differences arising from foreign currency transactions in the year and from revaluation of remaining foreign currency monetary items at the end of the year are recorded immediately to operating results of the accounting year. The Company must not distribute its profit nor pay dividend on the exchange gains arising from the retranslation of the foreign currency balance of the accounts derived from foreign currencies at the end of the year.

## **2.6 . Cash and cash equivalents**

Cash includes cash on hand, demand deposits at Bank and deposits at the Treasury.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

## **2.7 . Business combination and**

All business combinations shall be accounted for by applying the purchase method. The cost of a business combination includes the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities in business combination are measured at their fair values at the at the acquisition date.

Goodwill arises on the business consolidation is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. If the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income. After initial recognition, goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis during its estimated useful life over 10 years. Annually, the Group shall assess impairment loss of goodwill at subsidiaries, whether there is any indication that impaired loss of goodwill is higher than the goodwill allocated, the Group shall recognise the impaired loss immediately in year that incurred.

## **2.8 . Financial investments**

*Investments held to maturity* include: term deposits, loans... held to maturity to earn profits periodically and other held to maturity investments.

*Investments in subsidiary:* During the year, the buyer determines the date of purchase and the cost of investments and implements accounting procedures in accordance with the Accounting Standards on "Business combination". In the Consolidated Financial Statements, investments in joint ventures and associates are accounted for using equity method. Under this method, the investments are initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share in net assets of the associate after acquisition date. Goodwill incurred from the investment in the associates is reflected in the carrying amount of the investment in the associate. The Group will not allocate such goodwill but assess annually to determine whether the goodwill is under impaired loss or not.

The share of investor in post-acquisition profits or losses of the associate is recognised in the consolidated income statement, and the share of investor in post-acquisition movements in equity of the associate is recognised in equity. The post-acquisition accumulated changes are adjusted to carrying amount of investments. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. Financial Statements of associates are prepared in the same period with the Group's consolidated financial statements and use the consistent accounting policies with the Group's policies. Adjustment shall be made if necessary to ensure the consistence with the Group's accounting policies.

*Equity investments in other entities* comprise investments in equity instruments of other entities without having control, joint control, or significant influence on the investee. These investments are initially stated at original cost. After initial recognition, these investments are measured at original cost less provision for devaluation of investments.

Provision for devaluation of investments are made at the end of the year as follows:

- *With regard to long-term investments (other than trading securities) without significant influence on the investee:* the provisions shall be made according to the market value of the shares on provision date. The market value of the shares is determined specified as follows:
  - The actual market price of securities listed at the Hanoi Stock Exchange (HNX) and the Ho Chi Minh City Stock Exchange (HOSE) are calculated at the closing price on the dated of provision;
  - For stocks registered for trading in unlisted public companies (Upcom), the actual market price of securities is determined as the average reference price within the latest 30 days trading date before making annual financial statements published by Stock Exchange.
- *With regard to investments held to maturity:* the provisions for doubtful debts shall be made according to the recovery under regulatory requirements.

## **2.9 . Receivables**

The receivables shall be kept records in details according to period receivables, entities receivables, types of currency receivable and other factors according to requirements for management of the Company.

The allowances for doubtful debts is created when: An overdue debt under an economic contract, a loan agreement, a contractual commitment or a promissory note and debts are not due but difficult recovery. Accordingly, the provisions for overdue debts shall be made according to time in which the principal is repaid according to the sale contract, exclusive of the debt rescheduling between contracting parties and the debts are not due but the debtor is close to bankruptcy or undergone procedures for dissolution, or the debtor is missing or makes a getaway.

## **2.10 . Inventories**

Inventories are initially recognized at original cost included: the purchase price, costs of conversion and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the time the financial statements are prepared if the net realizable value is lower than cost, inventories should be measured at the net realizable value.

The cost of inventory is calculated by monthly weighted average method.

Inventory is recorded by perpetual method.

Method for valuation of work in process at the end of the period:

- The value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.
- For the manufactured products such as: water, fertilizer, ... work in progress is obtained based on actual cost incurred for each kind of unfinished products.
- For brick products, the value of work in progress is recorded based on the ratio of the equivalent units of finished product.

Allowances for devaluation of inventories made at the end of the year are the excess of original cost of inventory over their net realizable value.

## **2.11 . Fixed assets**

Tangible and intangible fixed assets are stated at the historical cost. During the useful lives, tangible and intangible fixed assets are recorded at cost, accumulated depreciation and net book value.

Depreciation and amortization is provided on a straight-line basis which are estimated as follows:

- Buildings, structures	07 - 25 years
- Machinery, equipment	06 - 08 years
- Transportation equipment	06 - 30 years
- Management equipment	03 - 08 years
- Perennial plants, working and producing animals	06 - 12 years
- Other tangible assets	05 - 13 years
- Land use rights	49 years
- Computer software	03 years
- Copyrights and patents	02 years
- Other intangible assets	03 years

Permanent land use rights are recorded at historical cost and are not amortized.

## **2.12 . Construction in progress**

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and put into use.

## **2.13 . Prepaid expenses**

The expenses incurred but related to results of business operations of several accounting periods are recorded as prepaid expenses and are amortised to the income statement in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on nature of those expenses to select a reasonable method and allocated factors. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

Goodwill incurred when equitization of state-owned enterprise is allocated gradually for within 10 years.

## **2.14 . Payables**

The payables shall be kept records in details according to period payables, entities payables, types of currency payable and other factors according to requirements for management of the Company.

### **2.15 . Borrowings**

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

### **2.16 . Bonds released**

Bond released shall be recorded on net basis, determining by bond value at Par minus (-) Bond discount and plus (+) Bond premium. At the time of initial record, the cost of issuing bonds is recorded a decrease in par value of the bond. After initial recognition, the cost of issuing bonds is allocated periodically by recording an increase in the par value and recording in financial expense in the year in accordance with the bond life by the straight line method.

### **2.17 . Borrowing costs**

Borrowing costs are recognized into operating costs in the period, except for which directly attributable to the construction or production of unfinished asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in VAS No. 16 "Borrowing costs". Beside, regarding loans serving the construction of fixed assets, investment properties, and the interests shall be capitalized even if the construction duration is under 12 months.

### **2.18 . Accrued expenses**

Payables to goods or services received from the seller or provided for the seller during the year, but payments of such goods or services have not been made and other payables such as accrued expenses of the project which have been recognized revenue, accrued interest expenses and other accrued, ... which are recorded to operating expenses of the year.

The recording of accrued expenses to operating expenses during a period shall be carried out in conformity with revenues and expenses incurring during a period. Accrued expenses payable are settled with actual expenses incurred. The difference between accrual and actual expenses are reverted.

### **2.19 . Provision for payables**

Provision for payables only record when meet all following conditions:

- The Company have a present debt obligation (legal obligation or joint obligation) as a result of past events;
- It is probable that the decrease in economic benefits may lead to the requirement for debt settlement;
- Debt obligation can be estimated reliably.

Value recorded as a provision for payable is the most reasonably estimated amount required to settle the present debt obligation at the end of the accounting year. In which:

- *Provision on insuring the construction*: is made for each project or completed work item and handed over in the year with the rate of 5% of the turnover of each project, work item;
- *Provision on waste and wastewater treatment expenses*: is made based on the carrying amount of wastes to be treated at the end of the year and the average cost of waste treatment in the year.

Only expenses related to the previously recorded provision for payable shall be offset by that provision for payable.

Provisions for payables are recorded as operating expenses of the accounting year. In case provision made for the previous accounting year but not used up exceeds the one made for the current accounting year, the difference is recorded as a decrease in operating expenses. The excess of the provision for payables relating to construction warranty is recorded as other income in the fiscal year.

## **2.20 . Owner's equity**

Owner's equity is stated at actually contributed capital of owners.

Undistributed profit after tax is used to record business results (profit, loss) after corporate income tax and situation of income distribution or loss handling of Company. The distribution of profits are made when the undistributed profit after tax of company shall not exceed the undistributed profit after tax on Consolidated Financial Statements after eliminating the impact of profits recorded from cheap purchase. In case payment of dividends, profits for the owners exceeding the undistributed profit after tax shall be essentially decrease of contributed capital. Undistributed profit after tax can be distributed to investors based on capital contribution rate after approval by General Meeting of Shareholders and after making appropriation to funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

The Company appropriates the following reserve funds from its net profit after tax under the proposal of the Board of Management and is approved by the shareholders at the Annual General Meeting of Shareholders:

- Development investment fund: this fund is set up and used for expansion investment of business and production scale, or for intensive investment of enterprises.
- Bonus and welfare funds: are deducted from post-corporate income tax profits of enterprises to use for reward and encouragement of physical benefits, bringing common benefits and improving the welfare of employees and are presented as a liability on the Separate Financial Statements.

Dividends to be paid to shareholders are recognised as a payable in Consolidated Statement of Financial position after declaration from the Board of Management and announcement closing date receipt dividends of Securities Depository Center of Vietnam.

## **2.21 . Revenues**

### *Sales*

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliable.

### *Services rendered*

Services rendered shall be recognised when all the following conditions have been satisfied:

- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliable.

The stage of the completion of the transaction may be determined by surveys of work completed methods.

### *Revenue from construction contract*

In case the construction contract defines that the contractor shall be entitled to payment basing on value of volume achieved, when achieved results of construction contract are estimated reliably and confirmed by customers, then revenues and expenditures related to the contract recorded in proportion to the completed work confirmed by the customer in period are recorded in the bills set up.

*Financial income*

Revenue arising from interest, dividends, distributed profits and other financial income shall be recognised when both (2) following conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

Dividends, distributed profits shall be recognised when the Company is entitled to receive dividends or profit from the capital contribution.

**2.22 . Costs of good sold**

Cost of goods sold is recognized in accordance with revenue arising and ensure compliance with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned,... are recognized fully and promptly into cost of goods sold in the year.

**2.23 . Financial expenses**

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activity;
- Expenses of capital borrowing;
- Provision for losses from investment in other entities, losses from exchange rate, etc.

The above items are recorded by the total amount arising within the period without compensation to financial revenue.

**2.24 . Corporate income tax**

*a) Deferred income tax liability*

Deferred income tax liability is recognized for taxable temporary differences.

Deferred income tax liability are determined based on prevailing corporate income tax rate.

*b) Current corporate income tax expenses*

Current corporate income tax expenses are determined based on taxable income during year, and current corporate income tax rate.

*c) Tax incentives*

From 2014, the Company is entitled to a preferential corporate income tax rate of 10% on taxable income from socialization activities (clean water supply; collection, transportation and treatment of solid waste, waste water) in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014 of the Ministry of Finance. Other income is subject to

**2.25 . Related Parties**

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Enterprises, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and affiliated companies;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises due to the above-mentioned individuals directly or indirectly hold an important part of the voting rights or have significant influence on the Company.

In considering the relationship of related parties to serve for the preparation and presentation of Consolidated Financial Statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

**2.26 . Partial information**

A part is a separate identifiable component of the Company that engages in the provision of related products or services (business fields), or provides products or services in a specific economic environment (geographical areas). Each of these departments is subject to risks and benefits distinct from other parts.

Segment information is prepared in accordance with the accounting policy applicable to the preparation and presentation of the financial statements of the Company in order to help users of the financial statements to understand and evaluate the financial position of the Company comprehensively.

**3 . BUSINESS COMBINATION**

**Acquisiting additional share of subsidiary and transactions made change the holding interest rate in subsidiary**

During the year, the Company aquisitated additional 14.05% of shares of Recycled Green Materials Joint Stock Company, increasing the Company's interest to 95.80% on 22 January 2019. The cost of acquisition was paid in cash for non-controlled interest with the amount of VND 3,045,510,000. The book value of the Recycled Green Materials Joint Stock Company's net assets at 22 Januay 2019 is VND 17,399,409,601. The difference between acquisition cost and book value of newly aquisited interest is VND 600,936,736 to be recognized to retained earnings on the Consolidated Statement of Financial position.

**4 . CASH AND CASH EQUIVALENTS**

	31/12/2019	01/01/2019
	VND	VND
Cash on hand	1.115.390.317	1.149.293.363
Demand deposits	72.669.328.460	151.598.907.627
Cash in transit	932.236.000	106.645.600
Cash equivalents	-	14.500.000.000
<b>Total</b>	<b><u>74.716.954.777</u></b>	<b><u>167.354.846.590</u></b>

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**5 . FINANCIAL INVESTMENTS**

**a) Held-to-maturity investments**

	31/12/2019		01/01/2019	
	Original cost VND	Book value VND	Original cost VND	Book value VND
<b>Short-term investments</b>				
- Term deposits (i)	254.290.000.000	254.290.000.000	176.300.000.000	176.300.000.000
	254.290.000.000	254.290.000.000	176.300.000.000	176.300.000.000
<b>Long-term investments</b>				
- Bonds (ii)	5.000.000.000	5.000.000.000	-	-
	5.000.000.000	5.000.000.000	-	-
	<u>259.290.000.000</u>	<u>259.290.000.000</u>	<u>176.300.000.000</u>	<u>176.300.000.000</u>

(i) Term deposits from 04 months to 14 months at commercial banks with interest rate of from 5.5% /year to 7.9% /year.

(ii) An investment in purchasing 500 bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong with a term of 07 years; face value of VND 10,000,000 bonds / 01 bond; Bond interest rate is the reference interest rate + 1.0% / year.

**b) Equity investments in associate**

	31/12/2019		01/01/2019					
	Address	Proportion of ownership	Voting rights held by the Group	Value by equity method	Address	Proportion of ownership	Voting rights held by the Group	Accounting book value
- Chanh Phu Hoa Investment - Construction Joint Stock Company	Binh Duong	43,12%	43,12%	211.675.137.975	Binh Duong	43,12%	43,12%	206.850.414.816
				<u>211.675.137.975</u>				<u>206.850.414.816</u>

**Major transactions between the Company and associate during the year: detailed as in Notes 42.**

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	Stock code	31/12/2019			01/01/2019		
		Original cost	Fair value	Provision	Original cost	Fair value	Provision
		VND	VND	VND	VND	VND	VND
<b>c) Investments in other entities</b>							
-	Dong Nai Water Joint Stock Company	273.085.860.000	330.459.000.000	-	273.085.860.000	230.100.000.000	(42.985.860.000)
-	Binh Duong Producing and Trading Goods Corporation	213.760.200.000	179.760.000.000	(34.000.200.000)	213.760.200.000	204.000.000.000	(9.760.200.000)
-	Thanh Le General Import - Export Trading Corporation	18.387.540.000	10.200.000.000	(8.187.540.000)	18.387.540.000	12.960.000.000	(5.427.540.000)
		<b>505.233.600.000</b>	<b>520.419.000.000</b>	<b>(42.187.740.000)</b>	<b>505.233.600.000</b>	<b>447.060.000.000</b>	<b>(58.173.600.000)</b>

The fair value of investments in Dong Nai Water Joint Stock Company ("DNW"), Binh Duong Producing and Trading Goods Corporation ("PRT") and Thanh Le General Import - Export Trading Corporation ("TLP") as at 31 December 2018 are the average trading price in the system on the date of 28 December 2018; as at 31 December 2019 are the average reference price of the nearest 30 trading days at the date of reporting of these stocks in Upcom.

Detailed information on the Company's other entities as at 31 December 2019 as follows:

Name of company	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Dong Nai Water Joint Stock Company	Dong Nai	17,70%	17,70%	Supplying water.
- Binh Duong Producing and Trading Goods Corporation	Binh Duong	4,00%	4,00%	Trading business, industrial zone.
- Thanh Le General Import - Export Trading Corporation	Binh Duong	0,51%	0,51%	Trading petroleum; water transportation and real estate business.

**6 . SHORT-TERM TRADE RECEIVABLES**

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Trade receivables detailed by customers with large account balances</b>				
- Vietnam Construction JSC No. 5	-	-	4.537.492.109	-
- Vietnam - Singapore Industrial Park Joint Venture Co., Ltd	22.422.939.582	-	19.451.911.288	-
- Department of Natural Resources and Environment of Thuan An Town	10.411.494.000	-	49.883.731.712	-
- Others	307.034.590.371	(12.179.154.473)	280.428.723.616	(8.799.773.255)
<b>Tổng</b>	<b>339.869.023.953</b>	<b>(12.179.154.473)</b>	<b>354.301.858.725</b>	<b>(8.799.773.255)</b>
<b>b) Trade receivables from related parties</b> <i>(Detailed as in Notes No. 42)</i>	<b>10.405.541.310</b>	<b>(157.082.800)</b>	<b>11.672.595.398</b>	<b>-</b>

**7 . SHORT-TERM PREPAYMENTS TO SUPPLIES**

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Prepayments to supplies detailed by large account balances</b>				
- Dai Phu Thinh Co., Ltd	-	-	30.806.474.511	-
- Vietnam Construction JSC No. 5	31.000.000.000	-	-	-
- Investment and Industrial Development Corporation - One-member Co., Ltd	85.858.080.000	-	-	-
- Jindal Saw Gulf L.L.C	12.601.256.118	-	-	-
- Land Fund Development Center of Tan Uyen town (i)	115.995.463.750	-	86.721.458.782	-
- Viwaseen - Thiep Moi Joint Ventures	-	-	47.148.108.114	-
- Others	101.962.994.386	(7.307.321.545)	137.207.255.603	(7.307.321.545)
<b>Tổng</b>	<b>347.417.794.254</b>	<b>(7.307.321.545)</b>	<b>301.883.297.010</b>	<b>(7.307.321.545)</b>
<b>b) Prepayments to related parties</b> <i>(Detailed as in Notes No. 42)</i>	<b>86.046.899.532</b>	<b>-</b>	<b>35.350.424.878</b>	<b>-</b>

- (i) This is the advance for the compensation according to Contract No. 01/HD-GPMB dated 20 April 2018 on the implementation of compensation and site clearance of the Project "Tan Hiep Water Plant Expansion" and Decision No. 293/TTPTQD-HC dated 16 August 2018 on the proposal of payment of the compensation and resettlement support for households under the Project.

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**8 . OTHER SHORT-TERM RECEIVABLES**

	31/12/2019		01/01/2018	
	Amount VND	Provision VND	Amount VND	Provision VND
<b>a) Short-term</b>				
- Advances	37.727.539.113	-	46.025.750.620	-
- Mortgages, deposits	2.638.831.463	-	3.206.781.463	-
- Receivables from materials advanced for construction	19.689.812.608	-	5.721.364.127	-
- Receivables from lending materials	55.921.536.155	-	-	-
- Receivables of advance on site clearance and resettlement compensation of the Projects at Project Management Units	4.800.000.000	-	1.631.928.390	-
- Lending capital with non-interest rate	-	-	2.572.000.000	-
- Loan interest receivable, deposit interest receivable	3.290.165.464	-	3.597.641.188	-
- Advance for purchasing land use rights	12.060.000.000	-	9.671.821.832	-
- Receivables from the proceeds of post-equitization treatment	-	-	25.576.525.629	-
- Other receivables	20.602.586.948	-	14.292.513.485	(31.097.000)
	<b>156.730.471.751</b>	-	<b>112.296.326.734</b>	<b>(31.097.000)</b>
<b>b) Long-term</b>				
- Receivables related to the exchange rate difference of the aid at South Binh Duong Water Environment Improvement Project Management Unit	-	-	13.762.623.942	-
- Receivables from the Sewerage Project Management Unit in Binh Duong province (i)	924.112.207.078	-	-	-
	<b>924.112.207.078</b>	-	<b>13.762.623.942</b>	-
	<b>10.650.792.000</b>	-	<b>10.764.917.000</b>	-
<b>c) Other receivables from related parties</b> <i>(Detailed as in Notes No. 42)</i>				

(i) Receivables from the Sewerage Project Management Unit in Binh Duong province due to the Company has handed over assets, debts of units, including: Project Management Unit for Southern Thu Dau Mot Water Supply; Water Supply - Sewerage - Environment Project Management Unit; Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen and South Binh Duong Water Environment Improvement Project Management Unit according to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects unfinished to the Sewerage Project Management Unit in Binh Duong province. Including VND 630.05 billion of receivables which the Company has granted to Project Management Units and VND 294.06 billion from the Project Management Units related to the capital formed of construction in progress at the Project Management Units that were previously included in the valuation of enterprises when equitizing.

**9 . DOUBTFUL DEBTS**

	31/12/2019		01/01/2019	
	Original cost	Recoverable amount	Original cost	Recoverable amount
	VND	VND	VND	VND
Total value of overdue debts	30.481.499.629	10.995.023.611	26.687.680.508	10.549.488.708
- Ngoc Suong Asia Investment and Project Manager JSC	5.444.000.000	-	5.444.000.000	-
- Minh Nhat Trading Construction Co., Ltd	1.770.774.207	-	1.770.774.207	-
- Others	23.266.725.422	10.995.023.611	19.472.906.301	10.549.488.708
<b>Tổng</b>	<b>30.481.499.629</b>	<b>10.995.023.611</b>	<b>26.687.680.508</b>	<b>10.549.488.708</b>

**10 . INVENTORIES**

	31/12/2019		01/01/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw materials	291.660.518.387	-	251.013.332.158	-
Tools, supplies	3.606.237.702	-	2.445.389.930	-
Work in progress (*)	167.428.818.581	-	110.116.525.935	-
Finished goods	21.287.461.045	-	16.191.501.810	-
Goods	91.001.074	-	47.028.324	-
<b>Tổng</b>	<b>484.074.036.789</b>	<b>-</b>	<b>379.813.778.157</b>	<b>-</b>

(\*) Including the Project of social housing and green park in An Phu ward, Thuan An town, Binh Duong province with the accumulated amount until 31 December 2019 of VND 110.991.413.537. Total design capacity of the Project include 12 floors, 262 apartments with the floor area of 17,667.6 m<sup>2</sup>; standard of 25m<sup>2</sup>/person with reception capacity of about 707 peoples. The scale of the project is defined as a construction work - level II, including 01 basement, 01 ground and 11 top floors over the total area of 4,613.6 m<sup>2</sup>. Estimated total investment for the whole project is VND 155,132,005,000. The investment purpose of the project is to build house for students, workers, civil servants, officials, armed forces, and low-income in Binh Duong province.

**11 . CONSTRUCTION IN PROGRESS**

	31/12/2019	01/01/2019
	VND	VND
<b>Procurement of fixed assets</b>	<b>62.881.051.321</b>	<b>63.138.765.739</b>
Land use rights (i)	62.881.051.321	63.138.765.739
<b>Construction in progress (ii)</b>	<b>535.099.514.595</b>	<b>7.217.343.174.868</b>
Head office	417.228.226.110	223.659.555.852
- Incinerator system with capacity of 200 tons / day	43.976.995.590	-
- Construction of domestic waste incubator No. 4B	18.762.939.183	-
- Industrial wastewater treatment plant of 250 m3 / day	38.438.787.581	-
- Water Drainage project	34.003.543.288	34.003.543.288
- The pipeline project under the project of expanding Southern Thu Dau Mot	23.961.687.247	33.742.031.873
- Southern Binh Duong Waste Treatment Complex project	7.092.472.215	28.569.951.789
- Construction investment project to raise the capacity of Tan Hiep Water Plant, the capacity increased by 100,000m3	49.888.230.708	-
- Other constructions	201.103.570.298	127.344.028.902
Water Supply - Sewerage - Environment PMU	-	839.653.207.261
PMU of Tan Hiep Water Factory	117.871.288.485	117.846.088.485
South Binh Duong Water Environment Improvement PMU	-	3.807.331.414.478
PMU for Southern Thu Dau Mot Water Supply project	-	1.569.575.096.989
PMU of Waste Water Drainage and Treatment for Di An, Thuan An, Tan Uyen Areas	-	659.277.811.803
<b>Tổng</b>	<b><u>597.980.565.916</u></b>	<b><u>7.280.481.940.607</u></b>

- (i) Land use rights acquired by employees and registered under their names for the implementation of the project of raw water pipeline from Ho Phuoc Hoa to the Binh Duong urban center. These land use rights were handed over to the Company and in the process of transferring ownership title.
- (ii) In which, assets which excluded from the value of enterprise as at 31 December 2019 with total amount of VND 41,140,054,672 (Note No. 39), upon completion and settlement of investment capital shall be handed over to other units for management according to decisions of competent authorities.

**12 . PREPAID EXPENSES**

	31/12/2019	01/01/2019
	VND	VND
<b>a) Short-term</b>		
Tools and supplies waiting for allocation	6.808.169.049	4.208.664.580
Processing and repairing expenses	734.113.030	151.423.773
Premium expenses	904.025.686	-
Others	1.113.013.624	384.875.830
<b>Tổng</b>	<b><u>9.559.321.389</u></b>	<b><u>4.744.964.183</u></b>
<b>b) Long-term</b>		
Tools and supplies waiting for allocation	16.253.044.077	9.616.829.256
Substantial expenditure on fixed asset overhaul	1.348.012.783	170.172.727
Cost of renovating sidewalks on Ly Thuong Kiet street	2.305.551.466	-
Costs of installing water pipelines	3.682.329.538	2.267.764.355
Land rental costs	25.348.425.773	26.095.059.989
Value of the business advantages of the enterprise	6.835.779.392	7.848.487.448
Others	4.264.560.503	2.695.030.052
<b>Tổng</b>	<b><u>60.037.703.532</u></b>	<b><u>48.693.343.827</u></b>

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**13 . TANGIBLE FIXED ASSETS**

	Buildings, structures		Machine, equipment		Transportation equipment		Management equipment		Perennial and cattle		Others		Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<b>Original cost</b>														
Beginning balance	2.017.445.033.522	768.398.251.883	3.583.706.735.689	17.262.807.721	969.999.773	254.407.630.108	6.642.190.458.696							
- Purchase in the year	-	68.072.348.204	21.657.670.207	1.436.245.353	265.000.000	-	91.431.263.764							
- Completed construction investment	25.787.769.993	-	173.301.889.682	-	-	-	199.089.659.675							
- Reclassified during the year	1.539.929.378	11.258.162.343	(10.719.592.388)	(1.995.874.845)	-	(82.624.488)	-							
- Other increase (ii)	-	126.461.544	-	-	-	-	126.461.544							
Handed over (i)	(669.763.012.973)	(27.455.904.323)	(992.315.187.043)	(4.145.663.268)	-	(200.901.030.201)	(1.894.580.797.808)							
- Liquidation, disposal	-	(921.590.326)	(893.865.598)	-	-	-	(1.815.455.924)							
- Other decrease (ii)	(296.970.959)	(54.088.840)	(32.444.869.086)	-	-	-	(32.795.928.885)							
<b>Ending balance of the year (iii)</b>	<b>1.374.712.748.961</b>	<b>819.423.640.485</b>	<b>2.742.292.781.463</b>	<b>12.557.514.961</b>	<b>1.234.999.773</b>	<b>53.423.975.419</b>	<b>5.003.645.661.062</b>							
<b>Accumulated depreciation</b>														
Beginning balance	834.174.240.479	349.888.685.156	1.197.852.482.279	11.146.442.776	38.741.924	35.274.181.801	2.428.374.774.415							
- Depreciation for the year	97.932.743.924	81.350.757.706	246.025.521.573	1.167.525.340	132.021.335	2.560.966.382	429.169.536.260							
- Reclassified during the year	(114.778.028)	(11.810.231.257)	11.908.960.814	(1.384.273.589)	-	1.400.322.060	-							
- Other increase (ii)	83.632.126	328.278.705	-	-	-	-	411.910.831							
- Handed over (i)	(20.909.050.619)	(287.222.626)	(16.219.090.535)	(3.242.106.684)	-	(6.270.052.864)	(46.927.523.328)							
- Liquidation, disposal	-	(842.429.512)	(570.059.930)	-	-	-	(1.412.489.442)							
- Other decrease (ii)	-	-	(19.873.798.342)	-	-	-	(19.873.798.342)							
<b>Ending balance of the year</b>	<b>911.166.787.882</b>	<b>418.627.838.172</b>	<b>1.419.124.015.859</b>	<b>7.687.587.843</b>	<b>170.763.259</b>	<b>32.965.417.379</b>	<b>2.789.742.410.394</b>							
<b>Net carrying amount</b>														
Beginning of the year	1.183.270.793.043	418.509.566.727	2.385.854.253.410	6.116.364.945	931.257.849	219.133.448.307	4.213.815.684.281							
<b>Ending of the year</b>	<b>463.545.961.079</b>	<b>400.795.802.313</b>	<b>1.323.168.765.604</b>	<b>4.869.927.118</b>	<b>1.064.236.514</b>	<b>20.458.558.040</b>	<b>2.213.903.250.668</b>							

- Cost of fully depreciated tangible fixed assets at the end of the year but still in use is VND 302,865,143,088.

(i) Reducing the total value of temporary increase in fixed assets of the South Binh Duong Water Environment Improvement Project according to the Dispatch No. 822/CPN.MT-TCKT dated 24 June 2019 due to handed over to the Sewerage Project Management Unit in Binh Duong province under Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects unfinished to the Sewerage Project Management Unit in Binh Duong province.

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(ii) Other increase/ decrease during the year is adjustments, handling of adjustments related to fixed assets upon equitization but no longer in the list of fixed assets as at 31 December 2019.

(iii) Including the total value of assets which excluded from the value of enterprise as at 31 December 2019 at Tan Hiep Water Factory Project Management Unit with total original cost and accumulated depreciation at 31 December 2019 are VND 2,038,914,199.

**14 . INTANGIBLE FIXED ASSETS**

	Land use rights VND	Copyrights and patents VND	Computer software VND	Other intangible fixed assets VND	Total VND
<b>Original cost</b>					
Beginning balance	85.027.713.161	49.937.500	7.287.365.536	244.571.250	92.609.587.447
- Handed over (i)	-	-	(264.200.000)	-	(264.200.000)
<b>Ending balance of the year</b>	<b>85.027.713.161</b>	<b>49.937.500</b>	<b>7.023.165.536</b>	<b>244.571.250</b>	<b>92.345.387.447</b>
<b>Accumulated amortization</b>					
Beginning balance	1.489.710.542	49.937.500	6.330.804.054	244.571.250	8.115.023.346
- Amortization in the year	589.348.800	-	268.389.492	-	857.738.292
- Handed over (i)	-	-	(264.200.000)	-	(264.200.000)
<b>Ending balance of the year</b>	<b>2.079.059.342</b>	<b>49.937.500</b>	<b>6.334.993.546</b>	<b>244.571.250</b>	<b>8.708.561.638</b>
<b>Ending balance of the year</b>	<b>83.538.002.619</b>	<b>-</b>	<b>956.561.482</b>	<b>-</b>	<b>84.494.564.101</b>
Beginning of the year	<b>82.948.653.819</b>	<b>-</b>	<b>688.171.990</b>	<b>-</b>	<b>83.636.825.809</b>
<b>Ending of the year</b>	<b>82.948.653.819</b>	<b>-</b>	<b>688.171.990</b>	<b>-</b>	<b>83.636.825.809</b>

- Cost of fully depreciated intangible fixed assets at the end of the year but still in use is VND 744,508,750.

(i) Handed over assets from Project Management Unit for Southern Thu Dau Mot Water Supply to the Sewerage Project Management Unit in Binh Duong province  
(Detailed as in Note No. 01).

**15 . GOODWILL**

	Year 2019 VND	Year 2018 VND
Beginning balance	859.257.803	-
Goodwill arising on acquisition of a subsidiary during the year	-	945.971.893
Goodwill allocated during the year	(94.597.189)	(86.714.090)
<b>Goodwill at the end of the year</b>	<b>764.660.614</b>	<b>859.257.803</b>

**16 . BORROWINGS**

	01/01/2019		During the year		31/12/2019	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
<b>a) Short-term borrowings</b>						
Short-term debts	447.286.816.783	447.286.816.783	1.242.924.983.543	1.158.709.894.209	531.501.906.117	531.501.906.117
- Vietnam Maritime Commercial Joint Stock Bank	-	-	100.958.432.109	-	100.958.432.109	100.958.432.109
- Ho Chi Minh Branch	74.529.463.461	74.529.463.461	148.695.666.173	223.225.129.634	-	-
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	309.329.773.398	309.329.773.398	819.267.576.575	744.553.875.965	384.043.474.008	384.043.474.008
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	27.000.000.000	27.000.000.000	18.000.000.000	45.000.000.000	-	-
- Nam A Commercial Joint Stock Bank - Binh Duong Branch	36.427.579.924	36.427.579.924	-	36.427.579.924	-	-
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	-	-	100.900.000.000	54.400.000.000	46.500.000.000	46.500.000.000
- Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch	-	-	15.000.000.000	15.000.000.000	-	-
- Orient Commercial Joint Stock Bank	-	-	40.103.308.686	40.103.308.686	-	-
- Vietnam Export Import Commercial Joint Stock Bank - Binh Duong Branch	310.101.993.611	310.101.993.611	418.370.516.990	292.494.902.860	435.977.607.741	435.977.607.741
Current portion of long-term debts - Parent Company	5.200.000.000	5.200.000.000	4.769.978.736	5.200.000.000	4.769.978.736	4.769.978.736
Current portion of long-term debts - Subsidiary						
	<b>762.588.810.394</b>	<b>762.588.810.394</b>	<b>1.666.065.479.269</b>	<b>1.456.404.797.069</b>	<b>972.249.492.594</b>	<b>972.249.492.594</b>

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	01/01/2019		During the year		31/12/2019	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
<b>b) Long-term borrowings</b>						
Long-term debts	1.962.467.766.613	1.962.467.766.613	263.487.354.441	297.694.902.860	1.928.260.218.194	1.928.260.218.194
- Vietnam Development Bank - Binh Duong Branch	527.540.484.262	527.540.484.262	1.627.113.884	67.981.793.044	461.185.805.102	461.185.805.102
- Asian Development Bank	479.697.959.006	479.697.959.006	18.937.089.022	27.339.235.616	471.295.812.412	471.295.812.412
- World Bank	407.773.104.643	407.773.104.643	-	21.462.000.000	386.311.104.643	386.311.104.643
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	40.320.000.000	40.320.000.000	-	13.440.000.000	26.880.000.000	26.880.000.000
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	95.565.919.000	95.565.919.000	-	24.276.164.000	71.289.755.000	71.289.755.000
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	59.107.355.195	59.107.355.195	-	12.443.710.200	46.663.644.995	46.663.644.995
- Binh Duong Development Investment Fund - at Parent Company	310.026.653.594	310.026.653.594	224.465.740.644	120.000.000.000	414.492.394.238	414.492.394.238
- Binh Duong Development Investment Fund - at Subsidiary	9.969.978.736	9.969.978.736	-	5.200.000.000	4.769.978.736	4.769.978.736
- Binh Duong Environmental Protection Fund	21.528.312.177	21.528.312.177	18.457.410.891	3.364.000.000	36.621.723.068	36.621.723.068
- Vietnam Environmental Protection Fund	10.938.000.000	10.938.000.000	-	2.188.000.000	8.750.000.000	8.750.000.000
Common bond	-	-	198.488.138.152	-	198.488.138.152	198.488.138.152
Amount due for settlement within 12 months	<u>1.962.467.766.613</u>	<u>1.962.467.766.613</u>	<u>461.975.492.593</u>	<u>297.694.902.860</u>	<u>2.126.748.356.346</u>	<u>2.126.748.356.346</u>
Amount due for settlement after 12 months	(315.301.993.611)	(315.301.993.611)	(423.140.495.726)	(297.694.902.860)	(440.747.586.477)	(440.747.586.477)
<b>Detail information on Short-term debts:</b>	<u>1.647.165.773.002</u>	<u>1.647.165.773.002</u>			<u>1.686.000.769.869</u>	<u>1.686.000.769.869</u>
	Currency	Currency	Interest rate	Guarantee	31/12/2019	01/01/2019
					VND	VND
- Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch	VND	VND	6,96%	Unsecured	100.958.432.109	-
- JSC Bank for Foreign Trade of Vietnam - Binh Duong Branch	VND	VND	6,60%	Pledge of trust	-	74.529.463.461
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	VND	VND	6,50%	Claim for debts	384.043.474.008	309.329.773.398
- Nam A Commercial Joint Stock Bank - Binh Duong Branch	VND	VND	8,70%	Pledge of trust	-	27.000.000.000
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	VND	VND	8,90%	Claim for debts	-	36.427.579.924
- Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch	VND	VND	7,80%	Term deposits	46.500.000.000	-
					<u>531.501.906.117</u>	<u>447.286.816.783</u>

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**Detail information on Long-term loans**

Terms and conditions of long-term loans is as follows:

	Currency	Interest rate	Year maturity	Guarantee	31/12/2019		01/01/2019
					Long-term debts	In which, current portion of long-term debts	Long-term debts
					VND	VND	VND
- Vietnam Development Bank - Binh Duong Branch	VND	5,80%	2026	Pledge of trust	293.694.762.984	47.091.388.002	340.834.762.984
- Vietnam Development Bank - Binh Duong Branch	EUR	0,20%	2025	Pledge of trust	167.491.042.118	18.084.777.900	186.705.721.278
- Asian Development Bank	USD	LIBOR + 0,5%	2026	Pledge of trust	471.295.812.412	25.236.397.401	479.697.959.006
- World Bank	VND	6,95%	2038	Pledge of trust	386.311.104.643	21.462.000.000	407.773.104.643
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	VND	8,40%	2020	Stock formed from loan (DNW)	26.880.000.000	13.440.000.000	40.320.000.000
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	VND	8,70%	2020	Stock formed from loan (DNW)	71.289.755.000	24.259.940.000	95.565.919.000
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	VND	Floating	2023	Assets formed from projects	46.663.644.995	12.443.710.200	59.107.355.195
- Binh Duong Development Investment Fund - at Parent Company	VND	7,00%	2021	Assets formed from projects	414.492.394.238	264.492.394.238	310.026.653.594
- Binh Duong Development Investment Fund - at Subsidiary	VND	7,00%	2020	Right to receive dividends	4.769.978.736	4.769.978.736	9.969.978.736
- Binh Duong Environmental Protection Fund	VND	5,40%	2021	Pledge of trust	36.621.723.068	7.279.000.000	21.528.312.177
- Vietnam Environmental Protection Fund	VND	2,60%	2024	Pledge of trust	8.750.000.000	2.188.000.000	10.938.000.000
					<u>1.928.260.218.194</u>	<u>440.747.586.477</u>	<u>1.962.467.766.613</u>
Amount due for settlement within 12 months					(440.747.586.477)		(315.301.993.611)
<b>Amount due for settlement after 12 months</b>					<u>1.487.512.631.717</u>		<u>1.647.165.773.002</u>

Loans from banks and other credit institutions are secured by the mortgage contract/ pledging with the lender and registered fully secured transactions.

**Detailed information on common bond**

	31/12/2019	01/01/2019
	VND	VND
Par minus	200.000.000.000	-
Cost of issuing bonds	(1.511.861.848)	-
	<u>198.488.138.152</u>	<u>-</u>

Release agent	Bondholders	Quantity	Value	Interest rate	Maturity	Purpose	Secured
			VND				
Tien Phong Commercial Joint Stock Bank	Tien Phong Commercial Joint Stock Bank	2.000	200.000.000.000	The interest rate applicable to interest payment periods will be determined by the Payment Agent at the date of interest rate determination and equal to the reference interest rate plus (+) the amplitude of 3.5%/ year. The interest rate for the first interest period is 9.5%/ year.	Year 2022	Supplement the mobilizing capital of the Company	(*)

(\*) This common bond is secured by:

- Land plot No. 278 with area of 1,806.6 m2 of industrial park land (expiry date until July 2048) in An Phu ward, Thuan An town, Binh Duong province; land plot No. 175 with area of 2,357.5 m2 of industrial park land (expiry date to July 2048) and land plot No. 176 with area of 288.5 m2 of industrial park land (expiry date to July 2048) in Binh Hoa ward, Thuan An town, Binh Duong province according to the Certificate of land use right CL470476, the number recorded in the Certificate of CT22189 issued by the Department of Natural Resources and Environment of Binh Duong province on 26 December 2017.
- Shares and rights and benefits arising from these shares include:
  - Shares of Binh Duong Producing and Trading Goods Corporation - Joint Stock Company (Stock code: PRT, listed in UpCom): the volume of pledged shares is 12,000,000 shares;
  - Shares of Thanh Le General Import - Export Trading Corporation (Stock code: TLP, listed in UpCom): the volume of pledged shares is 1,200,000 shares;
  - Shares of Dong Nai Water Joint Stock Company (Stock code: DNW, listed in UpCom): the volume of pledged shares is 2,700,000 shares.
- Receivables arising from the Complex Area Water Supply Enterprise (excluding the minimum value of the receivables of VND 100,000,000,000 from the output customers including Vietnam - Singapore Industrial Park Joint Venture Company Limited, Vina Kraft Paper Company Limited, Panko Vina Company Limited and Kumho Vietnam Tire Company Limited); receivables arising from Thu Dau Mot Water Supply Enterprise and Thuan An Water Supply Enterprise.
- Land plots are land use rights formed during the 09 months of additional mortgage commitment, including:
  - The land area of 45,139.7 m2 of the Tan Hiep Water Plant Expansion Project which is owned by the Company and is located in Tan Uyen town, Binh Duong province;
  - The land area of 7,000 m2 of supplementing land fund to expected to build the Company's office, located in Phu Tan ward, Thu Dau Mot city, Binh Duong province;
  - The land area of 20,000 m2 of supplementing land fund to expected to build a commercial housing area for employees, located in My Phuoc 3 Residential Area, Ben Cat town, Binh Duong province.

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**17 . SHORT-TERM TRADE PAYABLES**

	31/12/2019		01/01/2019	
	Outstanding VND	Amount can be paid VND	Outstanding VND	Amount can be paid VND
<b>a) Trade payables detailed by large account balances</b>				
- Vietnam Construction Joint Stock Company No. 5	23.327.915.600	23.327.915.600	17.814.241.500	17.814.241.500
- N.T.P Trade Company Limited	10.292.015.271	10.292.015.271	10.292.015.271	10.292.015.271
- Land Fund Development Center of Ben Cat district	-	-	87.010.818.147	87.010.818.147
- Kolon Global Corporation	-	-	38.106.588.062	38.106.588.062
- Bach Dang Construction Corporation	-	-	30.589.320.827	30.589.320.827
- Kobelco Eco Solution Company Limited	5.602.838.802	5.602.838.802	7.238.735.461	7.238.735.461
- Tien Phong Plastic South Joint Stock Company	31.355.702.775	31.355.702.775	29.865.231.794	29.865.231.794
- Thu Dau Mot Water Joint Stock Company	107.884.353.673	107.884.353.673	77.427.867.711	77.427.867.711
- Others				
	<u>178.462.826.121</u>	<u>178.462.826.121</u>	<u>410.036.947.286</u>	<u>410.036.947.286</u>
	<u>32.352.453.562</u>	<u>32.352.453.562</u>	<u>32.591.071.053</u>	<u>32.591.071.053</u>

**b) Trade payables from related parties**  
(Detailed as in Notes No. 42)

**18 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS**

**a) Prepayments from customers detailed by large account balances**

- Quynh Phuc Production and Trading Company Limited	7.000.000.000	4.000.000.000
- Others	15.970.387.636	15.361.789.531
	<u>22.970.387.636</u>	<u>19.361.789.531</u>

**b) Prepayment from related parties**  
(Detailed as in Notes No. 42)

		4.000.000.000
		15.361.789.531
	<u>8.608.692.692</u>	<u>4.000.000.000</u>

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**19 . TAXES AND OTHER PAYABLES TO STATE BUDGET**

	Tax receivable at beginning of the year VND	Tax payable at beginning of the year VND	Tax payable in the year VND	Increase from business combination VND	Other decrease (*) VND	Tax receivable end of the year VND	Tax payable end of the year VND
Value added tax	764.071.507	-	43.192.946.106	42.000.813.971	-	-	428.060.628
Corporate income tax	-	14.655.194.905	62.265.841.835	53.993.390.833	-	-	22.927.645.907
Personal income tax	35.329.163	482.038.589	3.524.694.344	3.948.754.263	5.590.771	600.426	17.659.162
Natural resource tax	-	317.641.900	10.068.450.060	9.963.717.160	-	-	422.374.800
Land tax and land rental	-	-	35.224.783	35.224.783	-	-	-
Other taxes	2.164.684	3.494.222.398	4.329.368	2.164.684	3.494.222.398	-	-
Fees, charges and other payables	-	12.685.594.163	70.981.438.142	67.354.356.872	-	-	16.312.675.433
	<b>801.565.354</b>	<b>31.634.691.955</b>	<b>190.072.924.638</b>	<b>177.298.422.566</b>	<b>3.499.813.169</b>	<b>600.426</b>	<b>40.108.415.930</b>

(\*) Reducing due to the Company has handed over assets, debts of units, including: Project Management Unit for Southern Thu Dau Mot Water Supply; Water Supply - Sewerage - Environment Project Management Unit; Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen and South Binh Duong Water Environment Improvement Project Management Unit to the Sewerage Project Management Unit in Binh Duong province according to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects unfinished to the Sewerage Project Management Unit in Binh Duong province.

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the Consolidated Financial Statements could be changed at a later date upon final determination by the tax authorities.

**20 . SHORT-TERM ACCRUED EXPENSES**

	31/12/2019 VND	01/01/2019 VND
Accrued interest	11.337.892.569	6.652.938.870
Accrued expense for implementation of construction works	1.145.800.084	3.590.328.987
Accrued expenses of the project which have been recognized revenue	6.684.919.193	-
Accrued expense of wastewater treatment	-	437.008.996
Other accrued expenses	1.555.600.608	1.544.124.417
	<b>20.724.212.454</b>	<b>12.224.401.270</b>

**21 . OTHER PAYABLES**

	31/12/2019	01/01/2018
	VND	VND
<b>a) Short-term</b>		
Surplus of assets awaiting resolution	-	34.559.790.191
Trade union fee, social insurance, unemployment insurance	6.866.092.025	5.341.742.308
Short-term deposits, collateral received	5.641.420.432	6.577.814.969
Payables on non-interest borrowings	5.250.000.000	5.250.000.000
- <i>Tu Hai Company Limited</i>	4.250.000.000	4.250.000.000
- <i>Mr. Nguyen Van Hoang</i>	1.000.000.000	1.000.000.000
Other payables	207.824.165.546	1.045.389.396.542
- <i>Depreciation of assets under the project of Thu Dau Mot wastewater treatment plant - payables to State Budget</i>	50.000.000.000	87.000.000.000
- <i>Dividends payables</i>	150.000.000.000	105.000.000.000
- <i>Payables to Department of Finance of Binh Duong province</i>	-	843.003.000.000
- <i>Other payables</i>	7.824.165.546	10.386.396.542
	<b>225.581.678.003</b>	<b>1.097.118.744.010</b>
<b>b) Long-term (*)</b>		
Long-term deposits, collateral received	5.213.005.000	3.080.660.240
Borrowings received from foreign entities without debt covenant (i)	41.744.453.323	71.473.640.647
Borrowing from the World Bank at Project Management Unit for Southern Thu Dau Mot Water Supply - Di An project (ii)	-	258.398.550.000
Foreign capital funding for the Project Management Units (ii)	-	4.926.102.974.133
Payables on clearance compensation and resettlement of the Projects - payables to State Budget (ii)	-	43.789.137.210
Payables to State Budget for completed investment capital at the Project Management Unit - Fixed assets was finalized and handed over to the Company	-	67.370.143.060
Payables to Project Management Units on capital formed fixed assets which was temporary increased, but not yet approved for final settlement	678.728.922.307	-
Surplus of assets awaiting resolution	34.559.790.191	-
Others	-	193.349.422.019
<b>Tổng</b>	<b>760.246.170.821</b>	<b>5.563.564.527.309</b>

(i) Amount advanced or direct disbursement from lender to the suppliers. However, debt covenant has not been made between the Company and the Banks.

(ii) These payables is decreased compare with the outstanding on 01 January 2019, due to the Company has handed over the Project Management Units to the Sewerage Project Management Unit in Binh Duong province (*Detailed as in Note No. 01*).

(\*) Other short-term payables excluded from enterprise value as at 31 December 2019 is VND 35,123,228,844, include VND 34,042,968,844 is payables which formed excluded assets of the Water Drainage System in Thu Dau Mot town - Phase 1 and VND 1,080,260,000 is payables which formed excluded assets of Thay Tho Pagoda Project.

After the construction settlements is approved by the provincial People's Committee, the assets formed from these funding will be transferred to other units for management.

**22 . SHORT-TERM PROVISIONS FOR PAYABLES**

	31/12/2019	01/01/2019
	VND	VND
Provision for construction warranty	3.844.538.848	2.397.606.059
Waste and wastewater treatment expenses	19.035.447.209	7.146.657.617
	<b>22.879.986.057</b>	<b>9.544.263.676</b>

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**23 . OWNER'S EQUITY**

**a) Changes in owner's equity**

	Contributed capital VND	Investment and development fund VND	Undistributed profit after tax VND	Capital expenditure fund (i) VND	Non-Controlling Interest VND	Total VND
<b>Beginning balance of previous year</b>	1.500.000.000.000	-	186.675.685.027	1.703.424.064.366	-	3.390.099.749.393
Profit of the previous year	-	-	324.912.843.433	-	91.421.565	325.004.264.998
Increase in capital expenditure fund at PMUs	-	-	-	629.769.608.811	-	629.769.608.811
Increase from business combination	-	-	46.081.877.082	-	7.813.673.798	53.895.550.880
Owner's equity transactions during the year	-	-	(1.188.898.769)	-	(4.777.597.231)	(5.966.496.000)
Profit distribution in 2017	-	72.324.893.590	(186.675.685.027)	-	-	(114.350.791.437)
Temporary dividend payment in 2018	-	-	(105.000.000.000)	-	-	(105.000.000.000)
Finalization of completed investment capital at the PMUs	-	-	-	(43.913.956.060)	-	(43.913.956.060)
Payment of advance funding, funding granted to the State budget	-	-	-	(3.763.357.513)	-	(3.763.357.513)
<b>Ending balance of previous year</b>	<b>1.500.000.000.000</b>	<b>72.324.893.590</b>	<b>264.805.821.746</b>	<b>2.285.516.359.604</b>	<b>3.127.498.132</b>	<b>4.125.774.573.072</b>
Profit of the current year	-	-	476.197.375.927	-	(21.407.508)	476.175.968.419
Decrease in capital of this year (i)	-	-	-	(2.183.286.105.173)	-	(2.183.286.105.173)
Purchased additional shares of subsidiary (ii)	-	-	(637.520.427)	-	(2.407.989.573)	(3.045.510.000)
Other changes in equity investments in associate	-	-	267.517.580	-	-	267.517.580
Profit distribution in 2018 at the Parent (iii)	-	-	(172.273.860.275)	-	-	(62.645.040.100)
Temporary dividend payment in 2019 (iv)	-	109.628.820.175	(150.000.000.000)	-	-	(150.000.000.000)
Associated distribution bonus and welfare funds and executive bonus funds	-	-	(3.548.236.944)	-	-	(3.548.236.944)
<b>Ending balance of current year</b>	<b>1.500.000.000.000</b>	<b>181.953.713.765</b>	<b>414.811.097.607</b>	<b>102.230.254.431</b>	<b>698.101.051</b>	<b>2.199.693.166.854</b>

- (i) The Company's capital expenditure fund allocated by the State capital to the Project Management Units for implementation of capital construction which were assigned by the People's Committee of Binh Duong province. When the final settlement of investment capital is approved, the assets formed from this fund will be transferred to other units under Decision of the People's Committee of Binh Duong province. The outstanding balance of capital expenditure fund as at 31 December 2019 is capital expenditure fund allocated by the State capital to Tan Hiep Water Factory Project Management Unit.

The Company's capital expenditure fund decrease during the year due to the Company has handed over assets, debts from Project Management Units (*excluding Tan Hiep Water Factory Project Management Unit*) to the Sewerage Project Management Unit in Binh Duong province according to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects unfinished to the Sewerage Project Management Unit in Binh Duong province. Therefore, the Company did not incorporate data of these Project Management Units into the Separate Financial Statements for the Quarter 4, 2019.

- (ii) Acquisiting additional share of subsidiary - Recycled Green Materials Joint Stock Company after achieving control (Detailed at Note No. 03).
- (iii) According to Resolution No. 10/NQ-HDQT dated 15 March 2019 issued by General Meeting of shareholders, the Company announced its profit distribution plan of year 2018 as follows:

	According to Resolution No. 10/NQ-HDQT VND	Temporary distribution in 2018 VND	Additional distribution in this period VND
<b>Profit after corporate income tax in Separate Financial Statements of 2018</b>	<b>313.225.200.500</b>		
<b>Profit distribution</b>			
- Development and investment fund	109.628.820.175	-	109.628.820.175
- Dividend payment of 7% of chartered capital (equivalent to VND 700 per share)	105.000.000.000	105.000.000.000	-
- Bonus fund	43.851.528.070	-	43.851.528.070
- Welfare fund	3.132.252.005	-	3.132.252.005
- Bonus fund for Executive Board	15.661.260.025	-	15.661.260.025
	<b>277.273.860.275</b>	<b>105.000.000.000</b>	<b>172.273.860.275</b>
<b>Retained earnings in 2018 in Separate Financial Statements</b>	<b>35.951.340.225</b>		

- (iv) Dividends for 2019 must be paid according to the Resolution of the Board of Management No. 24/NQ-HDQT dated 17 October 2019 on the approval of business results in the first 09 months of 2019. Accordingly, the advance payment of dividends in 2019 is 10% of charter capital (one share receives VND 1,000); expected time to payment in 19 March 2020.

**b) Details of Contributed capital**

	31/12/2019 VND	Rate %	01/01/2019 VND	Rate %
Investment and Industrial Development Corporation - One- member Company Limited	375.000.000.000	25,00	615.000.000.000	41,00
Thu Dau Mot Water Joint Stock Company	577.500.000.000	38,50	577.500.000.000	38,50
Other shareholders	547.500.000.000	36,50	307.500.000.000	20,50
<b>Total</b>	<b>1.500.000.000.000</b>	<b>100,00</b>	<b>1.500.000.000.000</b>	<b>100,00</b>

**c) Capital transactions with owners and distribution of dividends and profits**

	Year 2019 VND	Year 2018 VND
Owner's invested capital		
- At the beginning of the year	1.500.000.000.000	1.500.000.000.000
- <b>At the end of the year</b>	<b>1.500.000.000.000</b>	<b>1.500.000.000.000</b>
Dividends and profit		
- Dividends, profit payable at the beginning of the year	105.000.000.000	-
- Dividends, profit payable during the year	150.000.000.000	172.500.000.000
+ <i>Dividends distributed on last year profit</i>	-	67.500.000.000
+ <i>Dividends distributed on this year profit</i>	150.000.000.000	105.000.000.000
- Dividends, profits paid in money	105.000.000.000	67.500.000.000
+ <i>Dividends distributed on last year profit</i>	105.000.000.000	67.500.000.000
	<b>150.000.000.000</b>	<b>105.000.000.000</b>

**d) Share**

	31/12/2019	01/01/2019
Quantity of authorized issuing shares	150.000.000	150.000.000
Quantity of issued shares	150.000.000	150.000.000
- <i>Common shares</i>	150.000.000	150.000.000
Quantity of outstanding shares in circulation	150.000.000	150.000.000
- <i>Common shares</i>	150.000.000	150.000.000
Par value per stock: VND 10,000/stock		

**e) Company's funds**

	31/12/2019 VND	01/01/2019 VND
Development and investment funds	181.953.713.765	72.324.893.590
	<b>181.953.713.765</b>	<b>72.324.893.590</b>

**24 . OFF STATEMENT OF FINANCIAL POSITION ITEMS**

**a) Operating leased assets**

The Company signed Land lease Contract at Nam Tan Uyen Industrial Zone, Vietnam - Singapore Industrial Zone, Complex Area and Chon Thanh district with the purpose of installing raw water pumping stations and booster stations. The lease term is from 22 years to 49 years. Land rental is paid once for the entire term of the lease.

**b) Foreign currencies**

	31/12/2019	01/01/2019
USD	9.516,24	634.434,63
EUR	197,30	3.536,40

**c) Doubtful debts written-offs**

Doubtful debts written-offs as at 01 January 2019 and 31 December 2019 are receipts from selling water meter with total amount of VND 695,980,200 and VND 1,061,266,800 respectively.

**25 . TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	Year 2019	Year 2018
	VND	VND
Revenue from sales of goods	1.771.610.791.987	1.539.078.887.013
Revenue from rendering of services	658.512.713.741	553.191.688.023
Revenue from construction contracts	115.837.054.885	105.245.170.513
<b>Tổng</b>	<b><u>2.545.960.560.613</u></b>	<b><u>2.197.515.745.549</u></b>
<b>Revenue from relevant parties</b> <i>(Detailed as in Notes No. 42)</i>	<b><u>75.234.345.313</u></b>	<b><u>66.091.032.941</u></b>

**26 . COST OF GOODS SOLD**

	Year 2019	Year 2018
	VND	VND
Cost of goods sold	909.425.114.708	879.777.213.377
Cost of rendering of services	502.115.577.251	353.809.392.512
Cost of construction contracts	99.174.551.487	92.648.464.072
<b>Tổng</b>	<b><u>1.510.715.243.446</u></b>	<b><u>1.326.235.069.961</u></b>

**27 . FINANCIAL INCOME**

	Year 2019	Year 2018
	VND	VND
Interest income	17.761.555.256	13.382.253.034
Dividends or profits received	25.228.543.654	7.080.000.000
Unrealised gain from foreign exchange differences	1.189.741.015	-
<b>Total</b>	<b><u>44.179.839.925</u></b>	<b><u>20.462.253.034</u></b>
<b>Revenue from relevant parties</b> <i>(Detailed as in Notes No. 42)</i>	<b><u>9.465.497.161</u></b>	<b><u>14.190.000.566</u></b>

**28 . FINANCIAL EXPENSES**

	Year 2019	Year 2018
	VND	VND
Interest expenses	143.864.874.018	131.581.096.936
Realised losses from foreign exchange difference	-	35.502.615
Unrealised losses from foreign exchange differences	-	3.509.392.860
Provision/ (Reversal of provision) for impairment of investment	(15.985.860.000)	50.673.600.000
Cost of issuing bonds allocation and other financial expenses	652.577.952	-
<b>Total</b>	<b><u>128.531.591.970</u></b>	<b><u>185.799.592.411</u></b>

**29 . SELLING EXPENSES**

	Year 2019	Year 2018
	VND	VND
Raw materials	11.747.355.619	8.059.324.453
Labour expenses	56.759.045.951	40.785.569.923
Depreciation and amortisation expenses	210.693.176.356	193.464.069.662
Expenses of outsourcing services	14.602.268.299	27.108.055.324
Other expenses in cash	15.515.620.968	5.205.217.546
	<b><u>309.317.467.193</u></b>	<b><u>274.622.236.908</u></b>

**30 . GENERAL AND ADMINISTRATIVE EXPENSE**

	Year 2019	Year 2018
	VND	VND
Raw materials	14.267.212.298	3.761.363.859
Labour expenses	53.386.373.300	68.549.107.303
Depreciation and amortisation expenses	6.952.884.857	6.824.507.198
Tax, Charge, Fee	24.256.216	7.175.229
Provision (Reversal of provision) expenses	3.713.570.818	26.575.092
Expenses of outsourcing services	7.473.525.374	20.281.655.341
Other expenses in cash	21.315.434.222	11.086.986.527
	<b><u>107.133.257.085</u></b>	<b><u>110.537.370.549</u></b>

**31 . OTHER INCOME**

	Year 2019	Year 2018
	VND	VND
Electricity sold to the rental units	22.787.491.301	17.645.422.640
Proceeds from bike racing and sewerage meetings	4.960.000.000	4.059.538.415
Proceeds from sponsorship of the Biogas power generation project	9.814.521.040	-
Reversal of provision on insuring the construction	2.368.136.231	1.331.813.099
10% of environmental protection fee being held	6.184.232.068	4.958.403.088
Other income supported by customers for construction of water supply pipe 150, D100 road DT742	1.001.636.362	-
Reversal of provision on accrued expenses of the project which have been recognized revenue fully	-	7.723.491.376
Others	2.743.557.622	2.028.492.236
<b>Total</b>	<b><u>49.859.574.624</u></b>	<b><u>37.747.160.854</u></b>

**32 . OTHER EXPENSES**

	Year 2019	Year 2018
	VND	VND
Electricity consumed by the rental units	20.996.520.982	16.977.868.618
Cost of bicycle race and water supply and sewerage meetings	5.609.999.190	3.894.177.168
Fines for administrative violations and tax arrears	270.661.607	119.192.103
Handling losses after the equitization of enterprises	32.510.376.547	-
Others	1.033.073.558	491.385.993
	<b><u>60.420.631.884</u></b>	<b><u>21.482.623.882</u></b>

**33 . CURRENT CORPORATE INCOME TAX EXPENSES**

	Year 2019	Year 2018
	VND	VND
Binh Duong Water - Environment Joint Stock Company	62.265.841.835	37.367.677.176
Recycled Green Materials Joint Stock Company	-	113.966.396
<b>Current corporate income tax expense</b>	<b>62.265.841.835</b>	<b>37.481.643.572</b>
Tax payable at the beginning of year	14.655.194.905	17.325.537.838
Tax payable increase from business combination	-	12.120.136
Tax paid in the year	(53.993.390.833)	(40.164.106.641)
<b>Corporate income tax payable at the end of the year</b>	<b>22.927.645.907</b>	<b>14.655.194.905</b>

**34 . DEFERRED INCOME TAX**

**a) Deferred income tax payable**

	31/12/2019	01/01/2019
	VND	VND
Corporate income tax rate used to determine the value of Deferred income tax payable	20%	20%
Deferred income tax payable raised from taxable temporary difference	1.541.052.181	86.526.600
<b>Deferred income tax payable</b>	<b>1.541.052.181</b>	<b>86.526.600</b>

**b) Deferred corporate income tax expenses**

	Year 2019	Year 2018
	VND	VND
Deferred CIT expense relating to taxable temporary difference	1.454.525.581	(93.093.245)
<b>Tổng</b>	<b>1.454.525.581</b>	<b>(93.093.245)</b>

**35 . BASIC EARNING PER SHARE**

Basic earnings per share distributed to common shareholders of the Company are calculated as follows:

	Year 2019	Year 2018
	VND	VND
Profit after corporate income tax	476.197.375.927	324.912.843.433
Adjustments:	(95.239.475.185)	(64.982.568.687)
- Bonus and welfare fund is distributed from the profit after tax (*)	(95.239.475.185)	(64.982.568.687)
Profit distributed for common shares	380.957.900.742	259.930.274.746
Average circulated common shares in the year	150.000.000	150.000.000
<b>Basic earnings per share</b>	<b>2.540</b>	<b>1.733</b>

(\*) According to the Resolution No. 10/NQ-HDQT dated 15 March 2019, the Company plans to appropriate bonus and welfare funds and Reward fund for executive management at the rate of 20% of profit in 2019.

**36 . BUSINESS AND PRODUCTIONS COST BY ITEMS**

	Year 2019	Year 2018
	VND	VND
Raw materials	822.016.419.300	611.353.921.612
Labour expenses	418.244.833.026	346.885.984.821
Depreciation and amortisation expenses	429.897.499.760	402.254.867.389
Provision expenses	3.713.570.818	(58.717.734.694)
Expenses of outsourcing services	242.398.778.097	339.816.733.005
Other expenses in cash	100.090.511.137	48.872.182.379
<b>Tổng</b>	<b><u>2.016.361.612.138</u></b>	<b><u>1.690.465.954.512</u></b>

**37 . FINANCIAL INSTRUMENTS**

The types of financial instruments of the Company:

	Carrying amount			
	31/12/2019		01/01/2019	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
<b>Financial Assets</b>				
Cash and cash equivalents	74.716.954.777	-	167.354.846.590	-
Trade and other receivables	1.420.711.702.782	(12.179.154.473)	480.360.809.401	(8.830.870.255)
Lending loans	275.790.000.000	-	176.300.000.000	-
Long-term investments	505.233.600.000	(42.187.740.000)	505.233.600.000	(58.173.600.000)
<b>Total</b>	<b><u>2.276.452.257.559</u></b>	<b><u>(54.366.894.473)</u></b>	<b><u>1.329.249.255.991</u></b>	<b><u>(67.004.470.255)</u></b>

	Carrying amount	
	31/12/2019	01/01/2019
	VND	VND
<b>Financial Liabilities</b>		
Borrowings and debts	2.658.250.262.463	2.409.754.583.396
Trade and other payables	1.164.290.674.945	7.070.720.218.605
Accrued expenses	20.724.212.454	12.224.401.270
<b>Total</b>	<b><u>3.843.265.149.862</u></b>	<b><u>9.492.699.203.271</u></b>

Financial assets and financial liabilities are not revalued according to fair value at the year ended because Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and additional note for financial instruments but do not provide any relevant instructions for assessment and recognition of fair value of financial assets and liabilities, excluding provisions for bad debts and provision for devaluation of long-term investments which are presented in relevant notes.

**Financial risk management**

The Company's financial risks include market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

**Market risk**

The Company's business operations will bear the risks of changes on prices, exchange rates and interest rates.

**Price Risk:**

The Company bears price risk of equity instruments from short-term and long-term security investments due to uncertainty on future prices of the securities. Long-term securities are held for long-term strategies, at the end of the fiscal year, the Company has no plans to sell these investments.

	More than 5 years VND	Total VND
<b>As at 31/12/2019</b>		
Long-term investment	463.045.860.000	463.045.860.000
<b>Total</b>	<b>463.045.860.000</b>	<b>463.045.860.000</b>
<b>As at 01/01/2019</b>		
Long-term investment	447.060.000.000	447.060.000.000
<b>Total</b>	<b>447.060.000.000</b>	<b>447.060.000.000</b>

**Exchange rate risk:**

The Company bears the risk of exchange rate due to fluctuation in fair value of future cash flows of a financial instrument according to changes in exchange rates if loans, revenues and expenses of the Company are done in foreign currencies other than VND.

**Interest rate risk:**

The Company bears the risk of interest rates due to fluctuation in fair value of future cash flow of a financial instrument according to changes in market interest rates if the Company has time or demand deposits, loans and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain any interest profitable for its operation purpose.

**Credit Risk**

Credit risk is risk in which the potential loss may be incurred if a counterpart fails to perform its obligations under contractual terms or financial instruments. The Company has credit risk from operating activities (mainly for trade receivables) and financial activities (including bank deposits, borrowings and other financial instruments), detailed as follows:

	Up to 1 year VND	From 1 to 5 years VND	More than 5 years VND	Total VND
<b>As at 31/12/2019</b>				
Cash and cash equivalents	74.716.954.777	-	-	74.716.954.777
Trade and other receivables	484.420.341.231	924.112.207.078	-	1.408.532.548.309
Lending	275.790.000.000	-	-	275.790.000.000
<b>Total</b>	<b>834.927.296.008</b>	<b>924.112.207.078</b>	<b>-</b>	<b>1.759.039.503.086</b>
<b>As at 01/01/2019</b>				
Cash and cash equivalents	167.354.846.590	-	-	167.354.846.590
Trade and other receivables	457.767.315.204	13.762.623.942	-	471.529.939.146
Lending loans	176.300.000.000	-	-	176.300.000.000
<b>Total</b>	<b>801.422.161.794</b>	<b>13.762.623.942</b>	<b>-</b>	<b>815.184.785.736</b>

**Liquidity Risk**

Liquidity risk is the risk in which the Company has trouble in settlement of its financial obligations due to lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Từ 1 năm trở xuống VND	Trên 1 năm đến 5 năm VND	Trên 5 năm VND	Cộng VND
<b>As at 31/12/2019</b>				
Borrowings and debts	972.249.492.594	693.240.565.466	992.760.204.403	2.658.250.262.463
Trade and other payables	404.044.504.124	760.246.170.821	-	1.164.290.674.945
Accrued expenses	20.724.212.454	-	-	20.724.212.454
<b>Total</b>	<b><u>1.397.018.209.172</u></b>	<b><u>1.453.486.736.287</u></b>	<b><u>992.760.204.403</u></b>	<b><u>3.843.265.149.862</u></b>
<b>As at 01/01/2019</b>				
Borrowings and debts	762.588.810.394	716.982.068.227	930.183.704.775	2.409.754.583.396
Trade and other payables	1.507.155.691.296	5.563.564.527.309	-	7.070.720.218.605
Accrued expenses	12.224.401.270	-	-	12.224.401.270
<b>Total</b>	<b><u>2.281.968.902.960</u></b>	<b><u>6.280.546.595.536</u></b>	<b><u>930.183.704.775</u></b>	<b><u>9.492.699.203.271</u></b>

The Company believes that risk level of loan repayment is can be controlled. The Company has the ability to pay debts matured from cash flows from its operating activities and cash received from matured financial assets.

**38 . ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS**

**a) Proceeds from borrowings during the year**

	Year 2019 VND	Year 2018 VND
Proceeds from ordinary contracts	1.702.862.347.509	1.455.713.014.855

**b) Actual repayments on principal during the year**

	Year 2019 VND	Year 2018 VND
Repayment on principal from ordinary contracts	1.451.313.654.282	1.405.424.621.571

**39 . OTHER INFORMATION**

During the year, the Company has handed over assets, debts from: Project Management Unit for Southern Thu Dau Mot Water Supply; Water Supply - Sewerage - Environment Project Management Unit; Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen and South Binh Duong Water Environment Improvement Project Management Unit according to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects unfinished to the Sewerage Project Management Unit in Binh Duong province.

Until 31 December 2019, some of assets excluded from the value of enterprise has been no specific guidance of competent authorities on the handling and transfer, thus the Company still monitors and records these assets and capital in the Consolidated Financial Statements for Quarter 4, 2019. Detailed as follows:

	Code	Amount as at 31/12/2019 VND	Amount as at 30/09/2016 VND	Difference VND
<b>A. ASSETS</b>				
<b>I. Assets excluded from the value of enterprise (i)</b>				
1. Cash	111	-	30.521.841.900	(30.521.841.900)
2. Short-term prepayments to suppliers	132	-	212.272.501.010	(212.272.501.010)
3. Other short-term receivables	136	-	1.486.991.403	(1.486.991.403)
4. Inventories	141	-	22.932.152.855	(22.932.152.855)
5. Deductible value added tax	152	-	18.119.867	(18.119.867)
8. Tangible fixed assets	221	-	1.702.865.977.298	(1.702.865.977.298)
9. Construction in progress	242	41.140.054.672	1.809.711.225.703	(1.768.571.171.031)
10. Long-term prepaid expenses	261	-	46.000.000	(46.000.000)
		<b>41.140.054.672</b>	<b>3.779.854.810.036</b>	<b>(3.738.714.755.364)</b>
<b>II. Damaged assets not in used</b>				
1. Inventories	141	-	15.666.840	(15.666.840)
2. Tangible fixed assets	221	-	7.722.915.180	(7.722.915.180)
		-	<b>7.738.582.020</b>	<b>(7.738.582.020)</b>
<b>TOTAL EXCLUSIVE ASSETS</b>		<b>41.140.054.672</b>	<b>3.787.593.392.056</b>	<b>(3.746.453.337.384)</b>
<b>B. CAPITAL</b>				
<b>I. Liabilities</b>				
1. Other long-term payables	337	35.123.228.844	2.661.081.320.499	(2.625.958.091.655)
<b>II. Capital</b>				
1. Capital expenditure fund	422	6.016.825.828	1.126.512.071.557	(1.120.495.245.729)
<b>TOTAL EXCLUSIVE CAPITAL</b>		<b>41.140.054.672</b>	<b>3.787.593.392.056</b>	<b>(3.746.453.337.384)</b>

- (i) The total value of excluded assets and capital as at 31 December 2019 are decreased compared with 30 September 2016 - the time when the Company was officially transformed into a joint stock company with total amount of VND 3,746,453,337,384, with the significant reason is during the year 2019, the Company has handed over assets, debts from: Project Management Unit for Southern Thu Dau Mot Water Supply; Water Supply - Sewerage - Environment Project Management Unit; Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen and South Binh Duong Water Environment Improvement Project Management Unit according to Decision No. 340/QD-UBND dated 13 February 2019; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province.

**Binh Duong Water - Environment Joint Stock Company**  
No. 11, Ngo Van Tri street, Phu Loi ward, Thu Dau Mot city, Binh Duong province

**40 . SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Consolidated Financial Statements.

**41 . SEGMENT REPORTING**

**a) Under business fields:**

	Production and trading of water VND	Waste treatment VND	Waste-water treatment VND	Others VND	Grant total VND
Net revenue from sales to external customers	1.606.850.426.493	561.936.203.767	44.358.702.369	332.531.420.712	2.545.676.753.341
<b>Net revenue from business activities</b>	<b>829.547.302.587</b>	<b>123.411.967.622</b>	<b>12.505.538.005</b>	<b>69.496.701.681</b>	<b>1.034.961.509.895</b>
The total cost to acquire fixed assets	-	-	-	-	483.857.079.279
Segment assets	1.754.905.592.433	846.976.627.650	43.688.451.216	203.088.159.174	2.848.658.830.473
Unallocated assets					3.358.754.670.577
<b>Total assets</b>	<b>1.754.905.592.433</b>	<b>846.976.627.650</b>	<b>43.688.451.216</b>	<b>203.088.159.174</b>	<b>6.207.413.501.050</b>
Segment liabilities	15.978.711.122	77.025.787.991	6.798.979.211	93.129.652.570	192.933.130.894
Unallocated liabilities					3.814.787.203.302
<b>Total liabilities</b>	<b>15.978.711.122</b>	<b>77.025.787.991</b>	<b>6.798.979.211</b>	<b>93.129.652.570</b>	<b>4.007.720.334.196</b>

**b) Under geographical areas**

The Company's operations are carried out in territory of Vietnam, therefore the Company does not present segment reporting according to geographic area.

**42 . TRANSACTION AND BALANCES WITH RELATED PARTIES**

The list related parties and the relationship between the related parties and the Company are detailed as follows:

<u>Related parties</u>	<u>Relation</u>
- Investment and Industrial Development Corporation - One-member Co., Ltd	Major shareholder
- Thu Dau Mot Water Joint Stock Company	Major shareholder
- Chanh Phu Hoa Investment - Construction Joint Stock Company	Associate
- Quynh Phuc Production and Trading Company Limited	Related parties of the Board of Management
- Dai Phu Thinh Company Limited	Related parties of the Board of Management
- Board of Management, Supervisory Board and General Director	Key management personnel

The Company has the transactions during the year and balances with related parties as follows:

Transactions during the year:

	Year 2019 VND	Year 2018 VND
<b>Revenues from sales of goods and rendering of services</b>	<b>75.234.345.313</b>	<b>66.091.032.941</b>
- Investment and Industrial Development Corporation - One-member Company Limited	14.481.274.818	12.166.705.235
- Thu Dau Mot Water Joint Stock Company	48.040.188.814	16.533.255.069
- Chanh Phu Hoa Investment - Construction Joint Stock Company	8.108.110.147	8.019.329.298
- Quynh Phuc Production and Trading Company Limited	3.995.466.633	29.047.461.888
- Dai Phu Thinh Company Limited	609.304.901	324.281.451
	<b>9.465.497.161</b>	<b>14.190.000.566</b>
<b>Financial income (loan interests)</b>		586.666.666
- Thu Dau Mot Water Joint Stock Company	28.931.507	
- Chanh Phu Hoa Investment - Construction Joint Stock Company	9.436.565.654	13.603.333.900
	<b>21.023.580.650</b>	<b>16.202.692.303</b>
<b>Other income (Electricity)</b>		16.202.692.303
- Thu Dau Mot Water Joint Stock Company	20.875.615.400	
- Chanh Phu Hoa Investment - Construction Joint Stock Company	147.965.250	-
	<b>404.895.287.170</b>	<b>284.339.469.791</b>
<b>Purchase of goods, services</b>		282.856.767.973
- Thu Dau Mot Water Joint Stock Company	345.653.806.728	
- Quynh Phuc Production and Trading Company Limited	59.241.480.442	1.482.701.818

Outstanding balances up to the reporting date are as follows:

	31/12/2019 VND	01/01/2019 VND
<b>Short-term trade receivables</b>	<b>10.405.541.310</b>	<b>11.672.595.398</b>
- Investment and Industrial Development Corporation - One-member Company Limited	2.864.637.800	3.035.791.240
- Thu Dau Mot Water Joint Stock Company	2.941.467.612	1.462.895.795
- Chanh Phu Hoa Investment - Construction Joint Stock Company	2.422.513.987	2.482.181.712
- Quynh Phuc Production and Trading Company Limited	2.176.921.911	4.691.726.651
	<b>86.046.899.532</b>	<b>35.350.424.878</b>
<b>Short-term prepayments to suppliers</b>		-
- Investment and Industrial Development Corporation - One-member Company Limited	85.858.080.000	
- Quynh Phuc Production and Trading Company Limited	188.819.532	4.543.950.367
- Dai Phu Thinh Company Limited	-	30.806.474.511

	31/12/2019	01/01/2019
	VND	VND
<b>Other short-term receivables</b>	<b>10.650.792.000</b>	<b>10.764.917.000</b>
- Chanh Phu Hoa Investment - Construction Joint Stock Company	10.650.792.000	8.192.917.000
- Quynh Phuc Production and Trading Company Limited	-	2.572.000.000
<b>Short-term trade payables</b>	<b>32.352.453.562</b>	<b>32.591.071.053</b>
- Investment and Industrial Development Corporation - One-member Company Limited	-	1.866.480.000
- Thu Dau Mot Water Joint Stock Company	31.523.094.303	29.865.231.794
- Quynh Phuc Production and Trading Company Limited	-	30.000.000
- Dai Phu Thinh Company Limited	829.359.259	829.359.259
<b>Short-term prepayments from customers</b>	<b>8.608.692.692</b>	<b>4.000.000.000</b>
- Investment and Industrial Development Corporation - One-member Company Limited	1.034.692.692	-
- Thu Dau Mot Water Joint Stock Company	574.000.000	-
- Quynh Phuc Production and Trading Company Limited	7.000.000.000	4.000.000.000
Transactions with other related parties:		
	Year 2019	Year 2018
	VND	VND
- Remuneration to General Director	711.000.000	555.000.000
- Remuneration to others members of Board of Management and Board of General Directors	2.655.318.320	3.727.663.500

#### 43 . COMPARATIVE FIGURES

The comparative figures on the Consolidated Statement of Financial position and Note are taken from the Consolidated Financial Statements for the fiscal year ended as at 31 December 2018, which was audited by AASC Auditing Firm Company Limited. The comparative figures on the Consolidated Statement of Income, Consolidated Statement of Cash flows and Notes are taken from the Consolidated Financial Statements for Quarter 4, 2018 which have been prepared and disclosed by the Company.

**Preparer**



**Nguyen Thi Mong Thuong**

**Chief Accountant**



**Tran Tan Duc**

Binh Duong, 20 January 2020

**General Director**



**Tran Chien Cong**