

CONSOLIDATED FINANCIAL STATEMENTS

**BINH DUONG WATER - ENVIRONMENT
JOINT STOCK COMPANY**

for the fiscal year ended as at 31 December 2019
(Audited)

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Binh Duong Water - Environment Joint Stock Company ("the Company") presents its report and the Company's Consolidated Financial Statements for the fiscal year ended as at 31 December 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 DIRECTORS 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	
Mr. Le Van Gon	Deputy Director	(Resigned on 01 June 2019)
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

AUDITORS

The auditors of the AASC Auditing Firm Company Limited have taken the audit of Consolidated Financial Statements for the Company.

STATEMENT OF THE BOARD OF GENERAL 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:

Binh Duong Water - Environment Joint Stock Company

No. 11, Ngo Van Tri street, Phu Loi ward, Thu Dau Mot city, Binh Duong province

- 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 01 of the Notes to the Consolidated Financial Statements, the Company has handed over assets and liabilities related to: Project Management Unit for Southern Thu Dau Mot Water Supply project; 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 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 to the Sewerage Project Management Unit in Binh Duong province. Therefore, the Company did not incorporate figures of these Project Management Units into the Separate Financial Statements and Consolidated Financial Statements for the fiscal year ended 31 December 2019. This led to the significantly decrease in value of total assets and total capital on the Consolidated Statement of financial position as at 31 December 2019 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 February 2020

On behalf of the Board of General Directors
General Director



Tran Chien Cong

No. : 200220.003/BCTC.KT1

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, the Board of Management and Board of General Directors
Binh Duong Water - Environment Joint Stock Company**

We have audited the Consolidated Financial Statements of Binh Duong Water - Environment Joint Stock Company prepared on 20 February 2020, as set out on pages 6 to 49 including: Consolidated Statement of Financial position as at 31 December 2019, Consolidated Statement of Income, Consolidated Statement of Cash flows and Notes to the Consolidated Financial Statements for the year ended as at 31 December 2019.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of financial statements and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Auditor's opinion

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of Binh Duong Water - Environment Joint Stock Company as at 31 December 2019, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.

Emphasis of Matter

We would like to draw readers' attention to the following issues:

- As presented in Note 01 of the Notes to the Consolidated Financial Statements, the Company has handed over assets and liabilities related to: Project Management Unit for Southern Thu Dau Mot Water Supply project; 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 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 to the Sewerage Project Management Unit in Binh Duong province. Therefore, the Company did not incorporate figures of these Project Management Units into the Separate Financial Statements and Consolidated Financial Statements for the fiscal year ended 31 December 2019. This led to the significantly decrease in value of total assets and total capital on the Consolidated Statement of financial position as at 31 December 2019 compared to 01 January 2019.
- As presented in Note No. 39 of the Notes to the Consolidated Financial Statements, assets which were not included in the value of enterprise under the Decision No. 3782/QD-UBND dated 29 December 2017 on approving finalization of equitization of Binh Duong Water Supply Sewerage and Environment One-member Company Limited as at 31 December 2019 with total amount of VND 41.14 billion, equivalent to liabilities of VND 35.12 billion and capital expenditure fund of VND 6.02 billion. The handover procedures have not been completed because the competent authorities have not had any guidance documents. Therefore, these assets are still recorded on the Consolidated Financial Statements of the Company until they are officially handed over to other entities.
- The audit procedures have been performed solely for the purpose of providing an audit opinion on the Consolidated Financial Statements of Binh Duong Water - Environment Joint Stock Company, but do not include audit procedures required by the Vietnam Standards on Auditing No. 1000 - Audit of settlement project report. Therefore, the figures related to the items of "Construction in progress" and "Fixed assets" on the Consolidated Financial Statements may change after being checked and audited in accordance with the regulations of the State on finalization of construction investment projects.

Our opinion is not modified in respect of these matters.

AASC Auditing Firm Company Limited
Deputy General Director

Cat Thi Ha

Registered Auditor No: 0725-2018-002-1

Hanoi, 20 February 2020

Auditor



Nguyen Dieu Trang

Registered Auditor No.: 0938-2018-002-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Code ASSETS	Note	31/12/2019 VND	01/01/2019 VND
100 A. CURRENT ASSETS		1,647,257,289,458	1,481,965,311,491
110 I. Cash and cash equivalents	4	74,716,954,777	167,354,846,590
111 1. Cash		74,716,954,777	152,854,846,590
112 2. Cash equivalents		-	14,500,000,000
120 II. Short-term investments	5	254,290,000,000	176,300,000,000
123 1. Held-to-maturity investments		254,290,000,000	176,300,000,000
130 III. Short-term receivables		824,530,813,940	752,343,290,669
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
136 3. Other short-term receivables	8	156,730,471,751	112,296,326,734
137 4. Provision for short-term doubtful debts		(19,486,476,018)	(16,138,191,800)
140 IV. Inventories	10	484,074,036,789	379,813,778,157
141 1. Inventories		484,074,036,789	379,813,778,157
150 V. Other current assets		9,645,483,952	6,153,396,075
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
200 B. NON-CURRENT ASSETS		4,560,225,230,825	12,296,017,829,377
210 I. Long-term receivables		924,112,207,078	13,762,623,942
216 1. Other long-term receivables	8	924,112,207,078	13,762,623,942
220 II. Fixed assets		2,297,540,076,477	4,298,310,248,382
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)
240 IV. Long-term assets in progress		597,980,565,916	7,280,481,940,607
242 1. Construction in progress	11	597,980,565,916	7,280,481,940,607
250 V. Long-term investments	5	679,790,017,208	653,910,414,816
252 1. Investments in joint-ventures, associates		211,744,157,208	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	-
260 VI. Other long-term assets		60,802,364,146	49,552,601,630
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
270 TOTAL ASSETS		6,207,482,520,283	13,777,983,140,868

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(Continued)

Code CAPITAL	Note	31/12/2019 VND	01/01/2019 VND
300 C. LIABILITIES		4,007,720,334,196	9,651,608,150,400
310 I. Current liabilities		1,457,648,154,825	2,440,791,323,489
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	869,965,306,094	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
330 II. Non-current liabilities		2,550,072,179,371	7,210,816,826,911
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	1,788,284,956,369	1,647,165,773,002
341 3. Deferred income tax payables	34	1,541,052,181	86,526,600
400 D. OWNER'S EQUITY		2,199,762,186,087	4,126,374,990,468
410 I. Owner's equity	23	2,199,762,186,087	4,125,774,573,072
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		414,878,947,586	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		326,265,225,906	219,912,843,433
422 4. Capital expenditure fund		102,230,254,431	2,285,516,359,604
429 5. Non-Controlling Interest		699,270,305	3,127,498,132
430 II. Non-business funds and other funds		-	600,417,396
431 1. Non-business funds		-	520,280,000
432 2. Funds that forming fixed assets		-	80,137,396
440 TOTAL CAPITAL		6,207,482,520,283	13,777,983,140,868

Preparer

Nguyen Thi Mong Thuong

Chief Accountant

Tran Tan Duc

Binh Duong, 20 February 2020

General Director

Tran Chien Cong



CONSOLIDATED STATEMENT OF INCOME

Year 2019

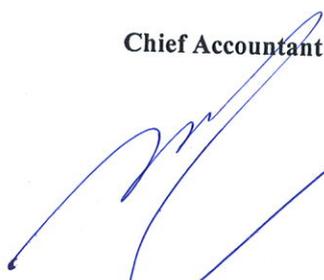
Code	ITEMS	Note	Year 2019 VND	Year 2018 VND
01	1. Revenue from sales of goods and rendering of services	25	2,545,960,560,613	2,197,515,745,549
02	2. Revenue deductions		283,807,272	-
10	3. Net revenues from sales of goods and rendering of services		2,545,676,753,341	2,197,515,745,549
11	4. Cost of goods sold	26	1,510,715,243,446	1,326,235,069,961
20	5. Gross profit from sales of goods and rendering of services		1,034,961,509,895	871,280,675,588
21	6. Financial income	27	44,179,839,925	20,462,253,034
22	7. Financial expenses	28	128,531,591,970	185,799,592,411
23	- In which: Interest expenses		143,864,874,018	131,581,096,936
24	8. Profit or loss in joint ventures and associates		16,367,378,756	25,344,549,599
25	9. Selling expenses	29	309,317,467,193	274,622,236,908
26	10. General and administrative expense	30	107,133,257,085	110,537,370,549
30	11. Net profit from operating activities		550,526,412,328	346,128,278,353
31	12. Other income	31	49,859,574,624	37,747,160,854
32	13. Other expense	32	60,420,631,884	21,482,623,882
40	14. Other profit		(10,561,057,260)	16,264,536,972
50	15. Total net profit before tax		539,965,355,068	362,392,815,325
51	16. Current corporate income tax expenses	33	62,265,841,835	37,481,643,572
52	16. Deferred corporate income tax expenses	34	1,454,525,581	(93,093,245)
60	18. Profit after corporate income tax		476,244,987,652	325,004,264,998
61	19. Profit after tax attributable to shareholders of the parent		476,265,225,906	324,912,843,433
62	20. Profit after tax attributable to non-controlling interests		(20,238,254)	91,421,565
70	21. Basic earnings per share	35	2,540	1,733

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 February 2020

General Director



Tran Chien Cong

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2019

(Indirect method)

Code ITEMS	Note	Year 2019 VND	Year 2018 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profits before tax	539,965,355,068	362,392,815,325
	2. Adjustments for :		
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	(59,427,238,457)	(45,727,307,573)
06	- Interest expense	144,516,739,170	131,581,096,936
07	- Other adjustments	12,740,087,772	-
08	3. Operating profit before changes in working capital	1,067,983,515,513	845,495,521,645
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	Net cash flow from operating activities	462,897,750,134	3,381,078,858,557
II. CASH FLOWS FROM INVESTING ACTIVITIES			
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	Net cash flow from investing activities	(701,797,515,483)	(3,466,341,726,538)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
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	Net cash flow from financing activities	146,548,693,227	(17,456,694,716)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2019

(Indirect method)

Code ITEMS	Note	Year 2019	Year 2018
		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, including:

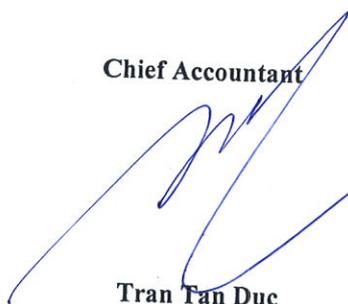
- Refunds to the State budget about the advance of the 2019 estimated budget to implement the Project of Water drainage and Waste water treatment in Di An with the amount of VND 843,003,000,000;
- Decrease in cash and cash equivalent balances as at 31 December 2018 of the Project Management Unit for Southern Thu Dau Mot Water Supply project; 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, liabilities 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 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 to the Sewerage Project Management Unit in Binh Duong province.

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 February 2020

General Director



Tran Chien Cong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 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; waste treatment and waste-water treatment 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

- Since 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, production and business water pricing 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 rendering of services than the previous year.

Simultaneously, due to the market fluctuations, during the year 2019 the Company made the reversal of provision for devaluation of long-term financial investments with the total amount of 15.98 billion dong - resulted in item "Total net profit before tax" an increase of 66.66 billion dong than the previous year (in 2018, the Company made a provision for devaluation of these investments with amount of 50.67 billion dong). Beside that, the dividends or distributed profits and interest expenses of 2019 increase 18.15 billion dong and 12.28 billion dong respectively compared with the year 2018. Other items are not significantly increased/decreased.

The combination of the above reasons makes the total net profit before tax of the current year increased by VND 177.50 billion dong compared with 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 were established previously by the provincial People's Committee 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 project was established under Decision No. 3949/QD-CT dated 03 October 2001 by the 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 by 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 by the 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, called as Binh Duong Water - Environment Joint Stock Company).

Accordingly, the figures 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 figures of these Project Management Units into the Separate Financial Statements and the Consolidated Financial Statements for the fiscal year ended 31 December 2019. This led to significantly decrease in the value of total assets and total capital on the Consolidated Statement of financial position as at 31 December 2019 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

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 the fiscal year ended 31 December 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 monetary items denominated in 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 goodwill

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.

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 provision date ;
 - 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 trading days before making annual financial statements published by the 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 . Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

2.14 . 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.

2.15 . 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.

2.16 . 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.

2.17 . 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.

2.18 . 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.

2.19 . 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 accrument and actual expenses are reverted.

2.20 . 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.

2.21 . 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 and bonus for the Executive Board: 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 Consolidated 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.

2.22 . 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.

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

2.23 . Revenue deductions

Revenue deductions from sales and service provisions arising in the year include trade discounts.

Trade discounts incurred in the same year of consumption of products, goods and services are adjusted a decrease in revenue in the incurring year. In case products, goods and services are sold from the previous year, until the next year are incurred deductible items, the Consolidated Financial Statements records a decrease in revenue under the principles: If incurred prior to the issuance of the Consolidated Financial Statements then record a decrease in revenue on the Consolidated Financial Statements of the reporting year (the previous year); and if incurred after the release of Consolidated Financial Statements then record a decrease in revenue of incurring year (the next year).

2.24 . 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.

2.25 . 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.

2.26 . 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 CIT rate of 20%.

2.27 . Earning per shares

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund and allowance for Board of Directors) by the weighted average number of ordinary shares outstanding during the year.

2.28 . 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.

2.29 . 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

Addition share acquisition and transactions made change in the proportion of ownership in subsidiary

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

4 . CASH AND CASH EQUIVALENTS

	31/12/2019	01/01/2019
	VND	VND
Cash on hand		
Demand deposits	1,115,390,317	1,149,293,363
Cash in transit	72,669,328,460	151,598,907,627
Cash equivalents	932,236,000	106,645,600
	-	14,500,000,000
	<u>74,716,954,777</u>	<u>167,354,846,590</u>

Binh Duong Water - Environment Joint Stock Company

No. 11, Ngo Van Tri street, Phu Loi ward, Thu Dau Mot city, Binh Duong province

Consolidated Financial Statements
for the fiscal year ended as at 31 December 2019

c) Investments in other entities

Stock code	31/12/2019			01/01/2019	
	Original cost VND	Fair value VND	Provision VND	Original cost VND	Fair value VND
- Dong Nai Water Joint Stock Company	273,085,860,000	330,459,000,000	-	273,085,860,000	230,100,000,000
- 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
- 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
	505,233,600,000	520,419,000,000	(42,187,740,000)	505,233,600,000	447,060,000,000

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, they 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%		
- Binh Duong Producing and Trading Goods Corporation	Binh Duong	4.00%	17.70%	Supplying water.
- Thanh Le General Import - Export Trading Corporation	Binh Duong	0.51%	4.00%	Trading business, industrial zone.
			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
a) Trade receivables detailed by customers with large account balances				
- 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)
	<u>339,869,023,953</u>	<u>(12,179,154,473)</u>	<u>354,301,858,725</u>	<u>(8,799,773,255)</u>
b) Trade receivables from related parties	<u>10,405,541,310</u>	<u>(157,082,800)</u>	<u>11,672,595,398</u>	<u>-</u>

(Detailed as in Notes No. 42)

7 . SHORT-TERM PREPAYMENTS TO SUPPLIES

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Prepayments to supplies detailed by large account balances				
- Dai Phu Thinh Co., Ltd	-	-	30,806,474,511	-
- Vietnam Construction JSC No. 5	31,000,000,000	-	-	-
- Investment and Industrial Development Corporation - JSC (i)	85,858,080,000	-	-	-
- Jindal Saw Gulf L.L.C	12,601,256,118	-	-	-
- Land Fund Development Center of Tan Uyen town (ii)	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)
	<u>347,417,794,254</u>	<u>(7,307,321,545)</u>	<u>301,883,297,010</u>	<u>(7,307,321,545)</u>
b) Prepayments to related parties	<u>86,046,899,532</u>	<u>-</u>	<u>35,350,424,878</u>	<u>-</u>

(Detailed as in Notes No. 42)

(i) This is the first advance according to the Contract No. 98/HDNT/2019 dated 05 November 2019 signed by the Company and Investment and Industrial Development Corporation - Joint Stock Company on transferring land use right at New Urban area of Binh Duong Industry - Urban - Service Complex area with total transfer area of 9,494 m2. The total value of transferring is VND 292.42 billion. The purpose of land use is to build the Trade Center and the Company's Office according to the Meeting Minutes and Resolution of the Board of Management No. 24 / BB-HDQT dated 04 November 2019.

(ii) This is the advance of 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.

8 . OTHER SHORT-TERM RECEIVABLES

	31/12/2019		01/01/2019	
	Amount VND	Provision VND	Amount VND	Provision VND
a) Short-term				
- Advances				
- Mortgages, deposits	37,727,539,113	-	46,025,750,620	-
- Receivables from materials advanced for construction	2,638,831,463	-	3,206,781,463	-
- Receivables from lending materials (i)	19,689,812,608	-	5,721,364,127	-
- Receivables of advance on site clearance and resettlement compensation of the Projects at Project Management Units	55,921,536,155	-	-	-
- Lending capital with non-interest rate	4,800,000,000	-	1,631,928,390	-
- Loan interest receivable, deposit interest receivable	-	-	2,572,000,000	-
- Advance for purchasing land use rights	3,290,165,464	-	3,597,641,188	-
- Receivables from the proceeds of post-equitization treatment	12,060,000,000	-	9,671,821,832	-
- Other receivables	20,602,586,948	-	25,576,525,629	-
	156,730,471,751	-	112,296,326,734	(31,097,000)
b) Long-term				
- 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 (ii)	924,112,207,078	-	-	-
	924,112,207,078	-	13,762,623,942	-
c) Other receivables from related parties <i>(Detailed as in Notes No. 42)</i>	10,650,792,000	-	10,764,917,000	-

(i) Receivables from lending materials to Vietnam Construction Joint Stock Company No. 5 for construction of the package: Construction and installation of the raw water pipeline D1500mm of the water supply project in Binh Duong Complex Area (Tan Hiep Water Plant) with a capacity of 100,000 m³/day in Tan Uyen town, Binh Duong province under Contract No. 09/HD-TCXD dated 04 November 2019 signed between the Company and Vietnam Construction Joint Stock Company No. 5.

(ii) Receivables from the Sewerage Project Management Unit in Binh Duong province after the Company handed over assets, liabilities of units, including: Project Management Unit for Southern Thu Dau Mot Water Supply project; 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 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 to the Sewerage Project Management Unit in Binh Duong province. In which, receivable of VND 630.05 billion which the Company has granted to Project Management Units and VND 294.06 billion from the Project Management Units related to the capital that form assets in progress at the Project Management Units which were previously included in the valuation report when equitizing.

9 . DOUBTFUL DEBTS

	31/12/2019		01/01/2019	
	Original cost VND	Recoverable amount VND	Original cost VND	Recoverable amount 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
	30,481,499,629	10,995,023,611	26,687,680,508	10,549,488,708

10 . INVENTORIES

	31/12/2019		01/01/2019	
	Original cost VND	Provision VND	Original cost VND	Provision 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	-
	484,074,036,789	-	379,813,778,157	-

(*) 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 is VND 110,991,413,537. Total design capacity of the Project include 12 floors, 262 apartments with the floor area of 17,667.6 m²; standard of 25m²/person with reception capacity of about 707 people. 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 m². Estimated total investment for the whole project is VND 155,132,005,000. The main invested capital is the borrowing capital from the Binh Duong Development Investment Fund and the Company's own capital. The investment purpose of the project is to build house for students, workers, civil servants, officials, armed forces, and people with low-income in Binh Duong province. At the reporting date, the project has completed the crude construction and is in the process of interior finishing, and other auxiliary items. The project is expected to be completed and put into use in 2020.

11 . CONSTRUCTION IN PROGRESS

	31/12/2019	01/01/2019
	VND	VND
Procurement of fixed assets		
Land use rights (i)	62,881,051,321	63,138,765,739
	62,881,051,321	63,138,765,739
Construction in progress (ii)	535,099,514,595	7,217,343,174,868
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 of Thu Dau Mot town - Phase 1	34,042,968,844	34,042,968,844
- 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 (iii)	49,888,230,708	-
- Other constructions	201,064,144,742	127,304,603,346
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
	597,980,565,916	7,280,481,940,607

- (i) Including land use rights purchased to expanding and upgrading the capacity of the Complex Area Water Supply Enterprise; expanding Uyen Hung Water Plant; Southern Binh Duong Waste Treatment Complex project and Tan Hiep Water Factory. Land use rights acquired by employees and registered under their names and were handed over to the Company and in the process of transferring ownership titles.
- (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.
- (iii) Construction investment project to raise the capacity of Tan Hiep Water Plant, the capacity increased by 100,000m3 was implemented under Decision No. 863/QD-CPN.MT dated 09 July 2018 by General Director of the Company on approving the project's construction. The investor of this project is Binh Duong Water - Environment Joint Stock Company. The goal of the project is to supplement water supply capacity to Thu Dau Mot, Tan Uyen and Ben Cat to the year 2030 with an additional capacity of 100,000 m3 /day. The total estimated investment of the project is VND 1,052.43 billion. The main invested capital is the borrowing capital from the banks and the Company's own capital; the time estimated for implementation is 24 months.

12 . PREPAID EXPENSES

	31/12/2019	01/01/2019
	VND	VND
a) Short-term		
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
	<u>9,559,321,389</u>	<u>4,744,964,183</u>
b) Long-term		
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
	<u>60,037,703,532</u>	<u>48,693,343,827</u>



13 . TANGIBLE FIXED ASSETS

	Buildings, structures		Machine, equipment		Transportation equipment		Management equipment		Perennial plant and working animals		Others		Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	
Original cost													
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	-	-	-	-	-						
- Handed over (i)	(669,763,012,973)	(27,455,904,323)	(992,315,187,043)	(4,145,663,268)	-	(200,901,030,201)	126,461,544						
- Liquidation, disposal	-	(921,590,326)	(893,865,598)	-	-	-	-						
- Other decrease (ii)	(296,970,959)	(54,088,840)	(32,444,869,086)	-	-	-	(1,815,455,924)						
Ending balance of the year (iii)	1,374,712,748,961	819,423,640,485	2,742,292,781,463	12,557,514,961	1,234,999,773	53,423,975,419	5,003,645,661,062						
Accumulated depreciation													
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	-	-	-	-	-						
- Handed over (i)	(20,909,050,619)	(287,222,626)	(16,219,090,535)	(3,242,106,684)	-	-	411,910,831						
- Liquidation, disposal	-	(842,429,512)	(570,059,930)	-	-	-	(46,927,523,328)						
- Other decrease (ii)	-	-	(19,873,798,342)	-	-	-	(1,412,489,442)						
Ending balance of the year	911,166,787,882	418,627,838,172	1,419,124,015,859	7,687,587,843	170,763,259	32,965,417,379	2,789,742,410,394						
Net carrying amount													
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						
Ending of the year	463,545,961,079	400,795,802,313	1,323,168,765,604	4,869,927,118	1,064,236,514	20,458,558,040	2,213,903,250,668						
- Cost of fully depreciated tangible fixed assets at the end of the year but still in use is VND 302,865,143,088.													

(i) Decrease in the total value of fixed assets of the South Binh Duong Water Environment Improvement Project according to the Official Dispatch No. 822/CPN.MT-TCKT dated 24 June 2019 due to the Company has handed over these assets 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 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 to the Sewerage Project Management Unit in Binh Duong province.



(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	Copyrights and	Computer software	Other intangible	Total
	VND	patents	VND	fixed assets	VND
Original cost					
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)
Ending balance of the year	85,027,713,161	49,937,500	7,023,165,536	244,571,250	92,345,387,447
Accumulated amortization					
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)
Ending balance of the year	2,079,059,342	49,937,500	6,334,993,546	244,571,250	8,708,561,638
Ending balance of the year	83,538,002,619		956,561,482		84,494,564,101
Beginning of the year	82,948,653,819		688,171,990		83,636,825,809
Ending of the year					
- 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	Year 2018
	VND	VND
Beginning balance		
Goodwill arising on acquisition of a subsidiary during the year	859,257,803	-
Goodwill allocated during the year	(94,597,189)	945,971,893
Goodwill at the end of the year	764,660,614	859,257,803

16 . BORROWINGS

	01/01/2019		During the year		31/12/2019	
	Outstanding balance VND	Amount can be paid VND	Increase VND	Decrease VND	Outstanding balance VND	Amount can be paid VND
a) Short-term borrowings						
Short-term debts						
- Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch	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
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	74,529,463,461	74,529,463,461	100,958,432,109	-	100,958,432,109	100,958,432,109
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	309,329,773,398	309,329,773,398	148,695,666,173	223,225,129,634	-	-
- Nam A Commercial Joint Stock Bank - Binh Duong Branch	27,000,000,000	27,000,000,000	819,267,576,575	744,553,875,965	384,043,474,008	384,043,474,008
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	36,427,579,924	36,427,579,924	18,000,000,000	45,000,000,000	-	-
- Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch	-	-	-	36,427,579,924	-	-
- Orient Commercial Joint Stock Bank	-	-	100,900,000,000	54,400,000,000	46,500,000,000	46,500,000,000
- Vietnam Export Import Commercial Joint Stock Bank - Binh Duong Branch	-	-	15,000,000,000	15,000,000,000	-	-
Current portion of long-term debts - Parent Company	310,101,993,611	310,101,993,611	316,086,330,490	292,494,902,860	333,693,421,241	333,693,421,241
Current portion of long-term debts - Subsidiary	5,200,000,000	5,200,000,000	4,769,978,736	5,200,000,000	4,769,978,736	4,769,978,736
	762,588,810,394	762,588,810,394	1,563,781,292,769	1,456,404,797,069	869,965,306,094	869,965,306,094



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	01/01/2019		During the year		31/12/2019	
	Outstanding balance VND	Amount can be paid VND	Increase VND	Decrease VND	Outstanding balance VND	Amount can be paid VND
b) Long-term borrowings						
Long-term debts						
- Vietnam Development Bank - Binh Duong Branch	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
- Asian Development Bank	527,540,484,262	527,540,484,262	1,627,113,884	67,981,793,044	461,185,805,102	461,185,805,102
- World 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
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	407,773,104,643	407,773,104,643	-	21,462,000,000	386,311,104,643	386,311,104,643
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	40,320,000,000	40,320,000,000	-	13,440,000,000	26,880,000,000	26,880,000,000
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	95,565,919,000	95,565,919,000	-	24,276,164,000	71,289,755,000	71,289,755,000
- Binh Duong Development Investment Fund - at Parent Company	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 Subsidiary	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 Environmental Protection Fund	9,969,978,736	9,969,978,736	-	5,200,000,000	4,769,978,736	4,769,978,736
- Vietnam 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
Common bond	10,938,000,000	10,938,000,000	-	2,188,000,000	8,750,000,000	8,750,000,000
	<u>1,962,467,766,613</u>	<u>1,962,467,766,613</u>	<u>198,488,138,152</u>	<u>-</u>	<u>198,488,138,152</u>	<u>198,488,138,152</u>
Amount due for settlement within 12 months	<u>(315,301,993,611)</u>	<u>(315,301,993,611)</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	<u>1,647,165,773,002</u>	<u>1,647,165,773,002</u>	<u>(320,856,309,226)</u>	<u>(297,694,902,860)</u>	<u>(338,463,399,977)</u>	<u>(338,463,399,977)</u>
Detail information on Short-term debts:						
- Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch		Currency	Interest rate	Guarantee	31/12/2019	01/01/2019
- JSC Bank for Foreign Trade of Vietnam - Binh Duong Branch		VND	6.96%	Unsecure	VND	VND
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch		VND	6.60%	Pledge of trust	100,958,432,109	-
- Nam A Commercial Joint Stock Bank - Binh Duong Branch		VND	6.50%	Claim for debts	-	74,529,463,461
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch		VND	8.70%	Pledge of trust	384,043,474,008	309,329,773,398
- Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch		VND	8.90%	Claim for debts	-	27,000,000,000
		VND	7.80%	Term deposits	46,500,000,000	36,427,579,924
					<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	Maturity year	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	47,165,514,052	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%	2021	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%	2021 - 2027	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 - 2026	Assets formed from projects; right to receivables from water supply	414,492,394,238	161,009,081,688	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	8,404,000,000	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
Amount due for settlement within 12 months					1,928,260,218,194	338,463,399,977	1,962,467,766,613
Amount due for settlement after 12 months					(338,463,399,977)		(315,301,993,611)
					1,589,796,818,217		1,647,165,773,002

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 value		
Cost of issuing bonds	200,000,000,000	-
	(1,511,861,848)	-
	<u>198,488,138,152</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 expect 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 expect to build a commercial housing area for employees, located in My Phuoc 3 Residential Area, Ben Cat town, Binh Duong province.

17 . SHORT-TERM TRADE PAYABLES

	31/12/2019		01/01/2019	
	Outstanding balance VND	Amount can be paid VND	Outstanding balance VND	Amount can be paid VND
a) Trade payables detailed by large account balances				
- Vietnam Construction Joint Stock Company No. 5	23,327,915,600	-	111,692,128,513	111,692,128,513
- N.T.P Trade Company Limited	10,292,015,271	23,327,915,600	17,814,241,500	17,814,241,500
- Land Fund Development Center of Ben Cat district	-	10,292,015,271	10,292,015,271	10,292,015,271
- Kolon Global Corporation	-	-	87,010,818,147	87,010,818,147
- Bach Dang Construction Corporation	-	-	38,106,588,062	38,106,588,062
- Kobelco Eco Solution Company Limited	5,602,838,802	-	30,589,320,827	30,589,320,827
- Tien Phong Plastic South Joint Stock Company	31,355,702,775	5,602,838,802	7,238,735,461	7,238,735,461
- Thu Dau Mot Water Joint Stock Company	107,884,353,673	31,355,702,775	29,865,231,794	29,865,231,794
- Others		107,884,353,673	77,427,867,711	77,427,867,711
	178,462,826,121	178,462,826,121	410,036,947,286	410,036,947,286
b) Trade payables from related parties				
<i>(Detailed as in Notes No. 42)</i>	32,352,453,562	32,352,453,562	32,591,071,053	32,591,071,053

18 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	31/12/2019		01/01/2019	
	Outstanding balance VND	Amount can be paid VND	Outstanding balance VND	Amount can be paid VND
a) Prepayments from customers detailed by large account balances				
- Quynh Phuc Production and Trading Company Limited	7,000,000,000	-	4,000,000,000	4,000,000,000
- Others	15,970,387,636	-	15,361,789,531	15,361,789,531
	22,970,387,636	22,970,387,636	19,361,789,531	19,361,789,531
b) Prepayment from related parties				
<i>(Detailed as in Notes No. 42)</i>	8,608,692,692	8,608,692,692	4,000,000,000	4,000,000,000

Binh Duong Water - Environment Joint Stock Company

No. 11, Ngo Van Tri street, Phu Loi ward, Thu Dau Mot city, Binh Duong province

Consolidated Financial Statements
for the fiscal year ended as at 31 December 2019

19 . TAXES AND OTHER PAYABLES TO STATE BUDGET

	Tax receivable at beginning of the year	Tax payable at beginning of the year	Tax payable in the year	Tax paid in the year	Other decrease (*)	Tax receivable end of the year	Tax payable end of the year
	VND	VND	VND	VND	VND	VND	VND
Value added tax	764,071,507	-	43,192,946,106	42,000,813,971	-	-	-
Corporate income tax	-	14,655,194,905	62,265,841,835	53,993,390,833	-	-	428,060,628
Personal income tax	35,329,163	482,038,589	3,524,694,344	3,948,754,263	-	600,426	22,927,645,907
Natural resource tax	-	317,641,900	10,068,450,060	9,963,717,160	5,590,771	-	17,659,162
Land tax and land rental	-	-	35,224,783	35,224,783	-	-	422,374,800
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
	801,565,354	31,634,691,955	190,072,924,638	177,298,422,566	3,499,813,169	600,426	40,108,415,930

(*) 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	01/01/2019
	VND	VND
Accrued interest	-	-
Accrued expense for implementation of construction works	11,337,892,569	6,652,938,870
Accrued expenses of the project which have been recognized revenue	1,145,800,084	3,590,328,987
Accrued expense of wastewater treatment	6,684,919,193	-
Other accrued expenses	1,555,600,608	437,008,996
	20,724,212,454	12,224,401,270



21 . OTHER PAYABLES

	31/12/2019	01/01/2018
	VND	VND
a) Short-term		
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
- Tu Hai Company Limited	4,250,000,000	4,250,000,000
- Mr. Nguyen Van Hoang	1,000,000,000	1,000,000,000
Other payables	207,824,165,546	1,045,389,396,542
- Depreciation of assets under the project of Thu Dau Mot wastewater treatment plant - payables to State Budget	50,000,000,000	87,000,000,000
- Dividends payables (i)	150,000,000,000	105,000,000,000
- Payables to Department of Finance of Binh Duong province	-	843,003,000,000
- Other payables	7,824,165,546	10,386,396,542
	225,581,678,003	1,097,118,744,010
b) Long-term (*)		
Long-term deposits, collateral received	5,213,005,000	3,080,660,240
Borrowings received from foreign entities without debt covenant (ii)	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 (iii)	-	258,398,550,000
Foreign capital funding for the Project Management Units (iii)	-	4,926,102,974,133
Payables on clearance compensation and resettlement of the Projects - payables to State Budget (iii)	-	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 (iii)	-	193,349,422,019
	760,246,170,821	5,563,564,527,309

(i) Detailed as in Note (iii) - Note No. 23.

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

(iii) These payables is decreased compared with the outstanding on 01 January 2019, as 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 long-term payables excluded from enterprise value as at 31 December 2019 is VND 35,123,228,844, including: the amount of VND 34,042,968,844 is payable which formed excluded assets of the Water Drainage System in Thu Dau Mot town - Phase 1 and, the amount of 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
	22,879,986,057	9,544,263,676

23 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Development an investment fund	Retained earnings	Capital expenditure fund (i)	Non-Controlling Interest	Total
	VND	VND	VND	VND	VND	VND
Beginning balance of previous year	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	-	-	53,895,550,880
Owner's equity transactions during the year	-	-	(1,188,898,769)	-	7,813,673,798	(5,966,496,000)
Profit distribution in 2017	-	72,324,893,590	(186,675,685,027)	-	(4,777,597,231)	(114,350,791,437)
Temporary dividend payment in 2018 (iii)	-	-	(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)
Ending balance of previous year	1,500,000,000,000	72,324,893,590	264,805,821,746	2,285,516,359,604	3,127,498,132	4,125,774,573,072
Profit of the current year	-	-	476,265,225,906	-	(20,238,254)	476,244,987,652
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)	-	109,628,820,175	(172,273,860,275)	-	-	(62,645,040,100)
Temporary dividend payment in 2019 (iv)	-	-	(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)
Ending balance of current year	1,500,000,000,000	181,953,713,765	414,878,947,586	102,230,254,431	699,270,305	2,199,762,186,087

- (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, liabilities 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 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 to the Sewerage Project Management Unit in Binh Duong province. Therefore, the Company did not incorporate figures of these Project Management Units into the Consolidated Financial Statements for the fiscal year ended 31 December 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 the current year VND
Profit after corporate income tax in Separate Financial Statements of 2018	313,225,200,500		
Profit distribution			
- 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
	277,273,860,275	105,000,000,000	172,273,860,275
Retained earnings in 2018 in Separate Financial Statements	35,951,340,225		

- (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 - Joint Stock Company	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
	1,500,000,000,000	100.00	1,500,000,000,000	100.00

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
- At the end of the year	<u>1,500,000,000,000</u>	<u>1,500,000,000,000</u>
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
+ Dividends distributed on last year profit	-	67,500,000,000
+ Dividends distributed on this year profit	150,000,000,000	105,000,000,000
- Dividends, profits paid in money	105,000,000,000	67,500,000,000
+ Dividends distributed on last year profit	105,000,000,000	67,500,000,000
- Balance at the end of the year	<u>150,000,000,000</u>	<u>105,000,000,000</u>
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
- Common shares	150,000,000	150,000,000
Quantity of outstanding shares in circulation	150,000,000	150,000,000
- Common shares	150,000,000	150,000,000
Par value per stock: VND 10,000/stock	150,000,000	150,000,000
e) Company's funds		
	31/12/2019 VND	01/01/2019 VND
Development and investment fund	181,953,713,765	72,324,893,590
	<u>181,953,713,765</u>	<u>72,324,893,590</u>

24 . OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Operating leased assets

The Company signed Land lease contracts 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		
EUR	9,516.24	634,434.63
	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 VND	Year 2018 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
	2,545,960,560,613	2,197,515,745,549
Revenue from relevant parties <i>(Detailed as in Notes No. 42)</i>	75,234,345,313	66,091,032,941

26 . COST OF GOODS SOLD

	Year 2019 VND	Year 2018 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
	1,510,715,243,446	1,326,235,069,961
Cost of goods sold from related parties <i>(Detailed as in Notes No. 42)</i>	345,653,806,728	282,856,767,973

27 . FINANCIAL INCOME

	Year 2019 VND	Year 2018 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	-
	44,179,839,925	20,462,253,034
Revenue from relevant parties <i>(Detailed as in Notes No. 42)</i>	9,465,497,161	14,190,000,566

28 . FINANCIAL EXPENSES

	Year 2019 VND	Year 2018 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	-
	128,531,591,970	185,799,592,411

29 . SELLING EXPENSES

	Year 2019 VND	Year 2018 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	20,138,533,832	27,108,055,324
Other expenses in cash	9,979,355,435	5,205,217,546
	309,317,467,193	274,622,236,908

30 . GENERAL AND ADMINISTRATIVE EXPENSE

	Year 2019 VND	Year 2018 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	18,580,973,340	20,281,655,341
Other expenses in cash	10,207,986,256	11,086,986,527
	107,133,257,085	110,537,370,549

31 . OTHER INCOME

	Year 2019 VND	Year 2018 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
	49,859,574,624	37,747,160,854
Revenue from relevant parties (Detailed as in Notes No. 42)	21,023,580,650	16,202,692,303

32 . OTHER EXPENSES

	Year 2019 VND	Year 2018 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
	60,420,631,884	21,482,623,882

33 . CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2019 VND	Year 2018 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
Current corporate income tax expense	62,265,841,835	37,481,643,572
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)
Corporate income tax payable at the end of the year	22,927,645,907	14,655,194,905

34 . DEFERRED INCOME TAX

a) Deferred income tax payable

	31/12/2019 VND	01/01/2019 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
Deferred income tax payable	1,541,052,181	86,526,600

b) Deferred corporate income tax expenses

	Year 2019 VND	Year 2018 VND
Deferred CIT expense relating to taxable temporary difference	1,454,525,581	(93,093,245)
	1,454,525,581	(93,093,245)

35 . BASIC EARNING PER SHARE

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

	Year 2019 VND	Year 2018 VND
Profit after corporate income tax	476,265,225,906	324,912,843,433
Adjustments:		
- Bonus and welfare fund is distributed from the profit after tax (*)	(95,253,045,181)	(64,982,568,687)
Profit distributed for common shares	(95,253,045,181)	(64,982,568,687)
Average circulated common shares in the year	381,012,180,725	259,930,274,746
	150,000,000	150,000,000
Basic earnings per share	2,540	1,733

(*) 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 VND	Year 2018 VND
Raw materials	833,039,328,305	611,353,921,612
Labour expenses	418,244,833,026	346,885,984,821
Depreciation and amortisation expenses	429,890,992,856	402,254,867,389
Provision expenses	3,713,570,818	(58,717,734,694)
Expenses of outsourcing services	259,042,491,596	339,816,733,005
Other expenses in cash	72,430,395,537	48,872,182,379
	<u>2,016,361,612,138</u>	<u>1,690,465,954,512</u>

37 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company:

	Carrying amount			
	31/12/2019		01/01/2019	
	Original Cost VND	Provision VND	Original Cost VND	Provision VND
Financial Assets				
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)
Lendings	259,290,000,000	-	176,300,000,000	-
Long-term investments	505,233,600,000	(42,187,740,000)	505,233,600,000	(58,173,600,000)
	<u>2,259,952,257,559</u>	<u>(54,366,894,473)</u>	<u>1,329,249,255,991</u>	<u>(67,004,470,255)</u>
Financial Liabilities				
Borrowings and debts				
Trade and other payables			2,658,250,262,463	2,409,754,583,396
Accrued expenses			1,164,290,674,945	7,070,720,218,605
			20,724,212,454	12,224,401,270
			<u>3,843,265,149,862</u>	<u>9,492,699,203,271</u>

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
As at 31/12/2019		
Long-term investment	463,045,860,000	463,045,860,000
	463,045,860,000	463,045,860,000
As at 01/01/2019		
Long-term investment	447,060,000,000	447,060,000,000
	447,060,000,000	447,060,000,000

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

	Up to 1 year VND	From over 1 year to 5 years VND	More than 5 years VND	Total VND
As at 31/12/2019				
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
Lendings	259,290,000,000	-	-	259,290,000,000
	818,427,296,008	924,112,207,078	-	1,742,539,503,086
As at 01/01/2019				
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
Lendings	176,300,000,000	-	-	176,300,000,000
	801,422,161,794	13,762,623,942	-	815,184,785,736

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:

	Up to 1 year VND	From over 1 year to 5 years VND	More than 5 years VND	Total VND
As at 31/12/2019				
Borrowings and debts	869,965,306,094	796,649,751,966	991,635,204,403	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
	<u>1,294,734,022,672</u>	<u>1,556,895,922,787</u>	<u>991,635,204,403</u>	<u>3,843,265,149,862</u>
As at 01/01/2019				
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
	<u>2,281,968,902,960</u>	<u>6,280,546,595,536</u>	<u>930,183,704,775</u>	<u>9,492,699,203,271</u>

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, liabilities 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 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 to the Sewerage Project Management Unit in Binh Duong province.

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

	Code	Amount as at 31/12/2019 VND	Amount as at 30/09/2016 VND	Difference VND
A. ASSETS				
I. Assets excluded from the value of enterprise (i)				
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	-		
4. Inventories	141	-	1,486,991,403	(1,486,991,403)
5. Deductible value added tax	152	-	22,932,152,855	(22,932,152,855)
8. Tangible fixed assets	221	-	18,119,867	(18,119,867)
9. Construction in progress	242	41,140,054,672	1,702,865,977,298	(1,702,865,977,298)
10. Long-term prepaid expenses	261	-	1,809,711,225,703	(1,768,571,171,031)
		-	46,000,000	(46,000,000)
		41,140,054,672	3,779,854,810,036	(3,738,714,755,364)
II. Damaged assets not in used				
1. Inventories	141	-	15,666,840	(15,666,840)
2. Tangible fixed assets	221	-	7,722,915,180	(7,722,915,180)
		-	7,738,582,020	(7,738,582,020)
TOTAL EXCLUSIVE ASSETS		41,140,054,672	3,787,593,392,056	(3,746,453,337,384)
B. CAPITAL				
I. Liabilities				
1. Other long-term payables	337	35,123,228,844	2,661,081,320,499	(2,625,958,091,655)
		35,123,228,844	2,661,081,320,499	(2,625,958,091,655)
II. Capital				
1. Capital expenditure fund	422	6,016,825,828	1,126,512,071,557	(1,120,495,245,729)
		6,016,825,828	1,126,512,071,557	(1,120,495,245,729)
TOTAL EXCLUSIVE CAPITAL		41,140,054,672	3,787,593,392,056	(3,746,453,337,384)

(i) The total value of excluded assets and capital as at 31 December 2019 are decreased compared to 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, due to during the year 2019, the Company has handed over assets, debts from: Project Management Unit for Southern Thu Dau Mot Water Supply project; 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.

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	Waste treatment	Waste-water treatment	Others	Grant total
	VND	VND	VND	VND	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
Net revenue from business activities	829,547,302,587	123,411,967,622	12,505,538,005	69,496,701,681	1,034,961,509,895
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	-	-	-	-	3,358,823,689,810
Total assets	1,754,905,592,433	846,976,627,650	43,688,451,216	203,088,159,174	6,207,482,520,283
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
Total liabilities	15,978,711,122	77,025,787,991	6,798,979,211	93,129,652,570	4,007,720,334,196

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

Related parties	Relation
- Investment and Industrial Development Corporation - Joint Stock Company	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 Directors	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
Revenues from sales of goods and rendering of services		
- Investment and Industrial Development Corporation - Joint Stock Company	75,234,345,313	66,091,032,941
- Thu Dau Mot Water Joint Stock Company	14,481,274,818	12,166,705,235
- Chanh Phu Hoa Investment - Construction Joint Stock Company	48,040,188,814	16,533,255,069
- Quynh Phuc Production and Trading Company Limited	8,108,110,147	8,019,329,298
- Dai Phu Thinh Company Limited	3,995,466,633	29,047,461,888
	609,304,901	324,281,451
Financial income		
- Thu Dau Mot Water Joint Stock Company	9,465,497,161	14,190,000,566
- Chanh Phu Hoa Investment - Construction Joint Stock Company	28,931,507	586,666,666
	9,436,565,654	13,603,333,900
Other income (Electricity selling)		
- Thu Dau Mot Water Joint Stock Company	21,023,580,650	16,202,692,303
- Chanh Phu Hoa Investment - Construction Joint Stock Company	20,875,615,400	16,202,692,303
	147,965,250	-
Cost of goods sold from related parties		
- Thu Dau Mot Water Joint Stock Company	345,653,806,728	282,856,767,973
	345,653,806,728	282,856,767,973
Purchase of goods, services		
- Thu Dau Mot Water Joint Stock Company	404,895,287,170	284,339,469,791
- Quynh Phuc Production and Trading Company Limited	345,653,806,728	282,856,767,973
	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
Short-term trade receivables		
- Investment and Industrial Development Corporation - Joint Stock Company	10,405,541,310	11,672,595,398
- Thu Dau Mot Water Joint Stock Company	2,864,637,800	3,035,791,240
- Chanh Phu Hoa Investment - Construction Joint Stock Company	2,941,467,612	1,462,895,795
- Quynh Phuc Production and Trading Company Limited	2,422,513,987	2,482,181,712
	2,176,921,911	4,691,726,651
Short-term prepayments to suppliers		
- Investment and Industrial Development Corporation - Joint Stock Company	86,046,899,532	35,350,424,878
- Quynh Phuc Production and Trading Company Limited	85,858,080,000	-
- Dai Phu Thinh Company Limited	188,819,532	4,543,950,367
	-	30,806,474,511
Other short-term receivables		
- Chanh Phu Hoa Investment - Construction Joint Stock Company	10,650,792,000	10,764,917,000
- Quynh Phuc Production and Trading Company Limited	10,650,792,000	8,192,917,000
	-	2,572,000,000
Short-term trade payables		
- Investment and Industrial Development Corporation - Joint Stock Company	32,352,453,562	32,591,071,053
- Thu Dau Mot Water Joint Stock Company	-	1,866,480,000
- Quynh Phuc Production and Trading Company Limited	31,523,094,303	29,865,231,794
- Dai Phu Thinh Company Limited	-	30,000,000
	829,359,259	829,359,259
Short-term prepayments from customers		
- Investment and Industrial Development Corporation - Joint Stock Company	8,608,692,692	4,000,000,000
- Thu Dau Mot Water Joint Stock Company	1,034,692,692	-
- Quynh Phuc Production and Trading Company Limited	574,000,000	-
	7,000,000,000	4,000,000,000
Transactions with other related parties:		
- Remuneration to General Director	Year 2019 VND	Year 2018 VND
- Remuneration to others members of Board of Management and Board of General Directors	780,000,000	555,000,000
	3,181,318,380	3,727,663,500

43 . COMPARATIVE FIGURES

The comparative figures are figures in the Consolidated Financial Statements for the fiscal year ended as at 31 December 2018, which was audited by AASC Auditing Firm Company Limited.

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 February 2020

General Director



Tran Chien Cong

