

INTERIM SEPARATE FINANCIAL  
STATEMENTS

BINH DUONG WATER - ENVIRONMENT JOINT STOCK COMPANY  
for Quarter 2, 2020

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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 Interim Separate Financial Statements for Quarter 2, 2020.

### **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/QĐ-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 11 April 2019.

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

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

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

Mr. Tran Chien Cong	General Director	
Mr. Duong Hoang Son	Deputy General Director	
Mr. Le Van Gon	Deputy General Director	(Resigned on 12 March 2020)
Mr. Ngo Van Lui	Deputy General Director	
Mr. Pham Thanh Hung	Deputy General Director	(Appointed on 12 March 2020)

The members of the Supervisory Board are:

Ms. Duong Anh Thu	Head	
Ms. Tran Thi Kim Oanh	Member	(Resigned on 17 March 2020)
Ms. Nguyen Kim Lien	Member	(Appointed on 17 March 2020)
Mr. Nguyen Duc Bao	Member	

### **STATEMENT OF THE BOARD OF GENERAL DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS**

The Board of General Directors is responsible for the Interim Separate 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 period. In preparing those Interim Separate Financial Statements, the Board of General Directors is required to:

- Establish and maintain 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 Interim Separate 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;

**Binh Duong Water - Environment Joint Stock Company**

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

- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Interim Separate Financial Statements;
- Prepare and present the Interim Separate Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of financial statements;
- Prepare the Interim Separate 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 Interim Separate Financial Statements comply with the current State's regulations. 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.

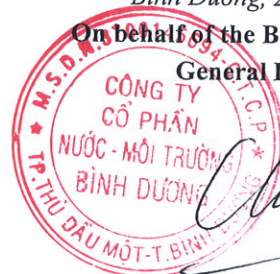
We, The Board of General Directors, confirm that the Interim Separate Financial Statements give a true and fair view of the financial position as at 30 June 2020, its operation results and cash flows for the period from 01 January 2020 to 30 June 2020 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements.

**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 July 2020*

**On behalf of the Board of Directors  
General Director**



*Tran Chien Cong*  
**Tran Chien Cong**

## INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

Code ASSETS	Note	30/06/2020	01/01/2020
		VND	VND
<b>100 A. CURRENT ASSETS</b>		<b>1,551,120,080,270</b>	<b>1,651,901,010,661</b>
<b>110 I. Cash and cash equivalents</b>	<b>3</b>	<b>140,432,394,504</b>	<b>74,621,333,362</b>
111 1. Cash		125,432,394,504	74,621,333,362
112 2. Cash equivalents		15,000,000,000	-
<b>120 II. Short-term investments</b>	<b>4</b>	<b>101,300,000,000</b>	<b>254,290,000,000</b>
123 1. Held-to-maturity investments		101,300,000,000	254,290,000,000
<b>130 III. Short-term receivables</b>		<b>706,727,461,356</b>	<b>844,317,297,996</b>
131 1. Short-term trade receivables	5	248,203,073,171	347,297,465,977
132 2. Short-term prepayments to suppliers	6	302,620,148,276	346,886,603,430
135 3. Short-term loan receivables	7	16,500,000,000	16,500,000,000
136 4. Other short-term receivables	8	166,075,091,428	160,740,711,414
137 5. Provision for short-term doubtful debts		(26,670,851,519)	(27,107,482,825)
<b>140 IV. Inventories</b>	<b>10</b>	<b>561,643,146,693</b>	<b>469,061,006,096</b>
141 1. Inventories		561,643,146,693	469,061,006,096
<b>150 V. Other current assets</b>		<b>41,017,077,717</b>	<b>9,611,373,207</b>
151 1. Short-term prepaid expenses	12	9,028,214,830	9,553,576,206
152 2. Deductible value added tax		31,677,221,794	57,196,575
153 3. Taxes and other receivables from State budget	18	311,641,093	600,426
<b>200 B. NON-CURRENT ASSETS</b>		<b>5,135,571,957,028</b>	<b>4,468,457,027,680</b>
<b>210 I. Long-term receivables</b>		<b>917,045,606,355</b>	<b>924,112,207,078</b>
216 1. Other long-term receivables	8	917,045,606,355	924,112,207,078
<b>220 II. Fixed assets</b>		<b>2,420,553,334,542</b>	<b>2,257,941,415,719</b>
221 1. Tangible fixed assets	13	2,337,343,044,525	2,174,309,256,558
222 - <i>Historical cost</i>		5,334,685,062,946	4,952,364,796,513
223 - <i>Accumulated depreciation</i>		(2,997,342,018,421)	(2,778,055,539,955)
227 2. Intangible fixed assets	14	83,210,290,017	83,632,159,161
228 - <i>Historical cost</i>		92,275,387,447	92,275,387,447
229 - <i>Accumulated amortization</i>		(9,065,097,430)	(8,643,228,286)
<b>240 IV. Long-term assets in progress</b>	<b>11</b>	<b>1,063,950,501,381</b>	<b>597,980,565,916</b>
242 1. Construction in progress		1,063,950,501,381	597,980,565,916
<b>250 V. Long-term investments</b>	<b>4</b>	<b>675,422,875,435</b>	<b>628,385,135,435</b>
251 1. Investments in subsidiaries		19,436,391,019	18,786,391,019
252 2. Investments in joint-ventures and associates		207,096,224,416	141,552,884,416
253 3. Equity investments in other entities		505,233,600,000	505,233,600,000
254 4. Provision for devaluation of long-term investments		(61,343,340,000)	(42,187,740,000)
255 5. Held-to-maturity investments		5,000,000,000	5,000,000,000
<b>260 VI. Other long-term assets</b>		<b>58,599,639,315</b>	<b>60,037,703,532</b>
261 1. Long-term prepaid expenses	12	58,599,639,315	60,037,703,532
<b>270 TOTAL ASSETS</b>		<b>6,686,692,037,298</b>	<b>6,120,358,038,341</b>



**STATEMENT OF INCOME**

*From 01/01/2020 to 30/06/2020*

Code ITEMS	Note	Quarter 2		Accumulated to the end of this quarter	
		Current year VND	Previous year VND	Current year VND	Previous year VND
01	24	690,222,507,800	635,097,769,760	1,420,520,058,490	1,120,174,881,016
10		690,222,507,800	635,097,769,760	1,420,520,058,490	1,120,174,881,016
11	25	392,351,812,438	393,416,719,397	841,486,984,359	663,515,153,125
20		297,870,695,362	241,681,050,363	579,033,074,131	456,659,727,891
21	26	15,544,124,791	17,312,095,674	17,688,936,835	17,979,246,020
22	27	71,073,827,014	26,929,689,488	95,498,750,500	21,751,301,996
23		38,644,648,972	53,859,310,746	73,731,461,242	69,170,923,253
25	28	85,739,308,097	82,288,064,237	166,287,924,424	149,348,264,912
26	29	24,701,657,724	28,131,174,449	54,905,529,399	47,690,986,122
30		131,900,027,318	121,644,217,863	280,029,806,643	255,848,420,881
31	30	11,466,647,665	23,885,523,818	17,951,182,744	32,403,627,818
32	31	8,792,625,065	21,618,138,504	15,862,932,416	49,096,910,122
40		2,674,022,600	2,267,385,314	2,088,250,328	(16,693,282,304)

**STATEMENT OF INCOME**

From 01/01/2020 to 30/06/2020

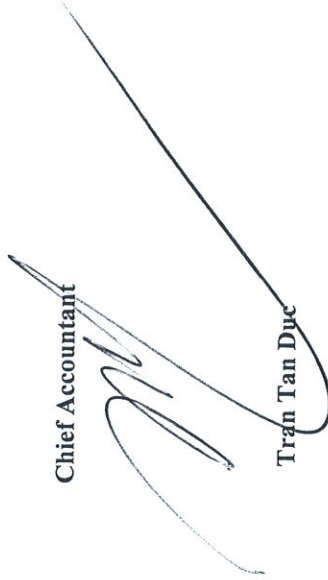
Code ITEMS	Note	Quarter 2		Accumulated to the end of this quarter	
		Current year VND	Previous year VND	Current year VND	Previous year VND
50	13.	134,574,049,918	123,911,603,177	282,118,056,971	239,155,138,577
51	14.	11,734,503,786	18,647,458,448	30,592,098,307	34,779,866,106
60	15.	<u>122,839,546,132</u>	<u>105,264,144,729</u>	<u>251,525,958,664</u>	<u>204,375,272,471</u>

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 July 2020

General Director



Tran Chien Cong

## STATEMENT OF CASH FLOWS

From 01/01/2020 to 30/06/2020

(Indirect method)

Code ITEMS	Note	Accumulated to the end of this quarter	
		Current year VND	Previous year VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	1. Profits before tax	282,118,056,971	239,155,138,577
	2. Adjustments for:		
02	- Depreciation and amortization of fixed assets and investment properties	221,533,589,286	218,743,173,810
03	- Provisions	20,905,718,921	(46,179,272,934)
04	- Exchange gains/losses from retranslation of monetary items denominated in foreign currency	1,274,067,859	4,079,596,023
05	- Gains/losses from investment	(17,461,254,897)	(18,190,994,297)
06	- Interest expense	74,096,483,674	69,457,765,973
07	- Other adjustments	-	12,740,087,772
08	3. Operating profit before changes in working capital	582,466,661,814	479,805,494,924
09	- Increase/Decrease in receivables	100,743,497,676	867,637,865,672
10	- Increase/Decrease in inventories	(92,582,140,597)	(149,178,613,527)
11	- Increase/Decrease in payables (excluding interest payables, corporate income tax payable)	74,177,652,970	62,824,980,409
12	- Increase/Decrease in prepaid expenses	1,963,425,593	(9,733,963,350)
14	- Interest paid	(71,254,340,587)	(65,852,550,350)
15	- Corporate income taxes paid	(25,740,161,720)	(31,066,290,831)
17	- Other payments on operating activities	(63,759,535,662)	(986,435,439,642)
20	Net cash flow from operating activities	506,015,059,487	168,001,483,305
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchase or construction of fixed assets and other long-term assets	(830,023,427,047)	(228,389,500,296)
22	2. Proceeds from disposals of fixed assets and other long-term assets	636,363,636	290,909,091
23	3. Loans and purchase of debt instruments from other entities	(22,000,000,000)	(190,000,000,000)
24	4. Collection of loans and resale of debt instrument of other entities	174,990,000,000	33,000,000,000
25	5. Equity investments in other entities	(99,274,957,500)	(3,045,510,000)
27	6. Interest and dividend received	29,160,438,534	24,653,663,519
30	Net cash flow from investing activities	(746,511,582,377)	(363,490,437,686)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	1. Proceeds from borrowings	1,285,754,879,155	1,042,559,967,890
34	2. Repayment of principal	(829,447,298,559)	(742,143,155,923)
36	3. Dividends or profits paid to owners	(150,000,000,000)	(105,000,000,000)
40	Net cash flows from financing activities	306,307,580,596	195,416,811,967
50	Net cash flows in the period	65,811,057,706	(72,142,414)

## STATEMENT OF CASH FLOWS

*From 01/01/2020 to 30/06/2020*

*(Indirect method)*

Code ITEMS	Note	Accumulated to the end of this quarter	
		Current year	Previous year
		VND	VND
60 Cash and cash equivalents at the beginning of the period		74,621,333,362	166,745,863,786
61 Effect of exchange rate fluctuations		3,436	(116,671,825)
70 Cash and cash equivalents at the end of the period	3	140,432,394,504	166,557,049,547

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

General Director




Tran Chien Cong

**The Company's structure:**

<u>The Company's member entities</u>	<u>Address</u>	<u>Principal activities</u>
1. Head Office	Thu Dau Mot city, Binh Duong province	General management; supplying treated water.
2. Di An Water Supply Enterprise	Thuan An Town, Binh Duong Province	Supplying treated water; Investigation services, construction of water supply
3. Thu Dau Mot Water Supply Enterprise	Thu Dau Mot city, Binh Duong province	Supplying treated water; construction of water supply system.
4. Complex Area Water Supply Enterprise	Tan Uyen Town, Binh Duong Province	Supplying treated water; Investigation services, construction of water supply
5. Tan Uyen Water Supply Enterprise	Tan Uyen district, Binh Duong province	Supplying treated water; Investigation services, construction of water supply system; Trading of materials used for
6. Thuan An Water Supply Enterprise	Thuan An Town, Binh Duong Province	Supplying treated water; Investigation services, construction of water supply system; Trading of materials used for
7. Bau Bang Water Supply Enterprise	Bau Bang district, Binh Duong province	Supplying treated water; Trading of materials used for water sector.
8. Phuoc Vinh Water Supply Enterprise	Phu Giao district, Binh Duong province	Supplying treated water; Trading of materials used for water sector.
9. Dau Tieng Water Supply Enterprise	Dau Tieng district, Binh Duong province	Supplying treated water; Trading of materials used for water sector.
10. Chon Thanh Water Supply Enterprise	Chon Thanh district, Binh Duong province	Supplying treated water; Trading of materials used for water sector.
11. Waste Treatment Enterprise	Ben Cat district, Binh Duong province	Collect, transport and treat solid waste; Compost production; Provide service for urban works; etc.
12. Thu Dau Mot Sewage Treatment Enterprise	Thu Dau Mot city, Binh Duong province	Collecting and treating municipal waste; Providing sewerage service, treating waste water based on requirements from
13. Thuan An Sewage Treatment Enterprise	Thuan An Town, Binh Duong Province	Collecting and treating municipal waste; installation, connection, maintenance, operation, waste water treatment.
14. Di An Sewage Treatment Enterprise	Di An Town, Binh Duong Province	Collecting and treating municipal waste; installation, connection, maintenance, operation, waste water treatment.
15. Tan Uyen Sewage Treatment Enterprise	Tan Uyen Town, Binh Duong Province	Collecting and treating municipal waste; installation, connection, maintenance, operation, waste water treatment.
16. Civil Construction - Mechanical and Electrical Technology	Thu Dau Mot city, Binh Duong province	Design and construction of electric and automatic system.
17. Urban Work Enterprise	Thu Dau Mot city, Binh Duong province	Manufacturing and trading bottled pure water with Biwase brand; Plant, cultivate and sell ornamental trees.
18. Water Supply Sewerage Consulting Enterprise	Thu Dau Mot city, Binh Duong province	Environmental consulting service; investigation service, making design of
19. Con Voi Commerce Enterprise	Ben Cat Town, Binh Duong province	Trading compost production.

Besides that, as at 30 June 2020, the Company also has Tan Hiep Water Factory Project Management Unit ("PMU") which operates with the capital of the Company and borrowings for implementation of construction investment projects for business purpose. The figures of this PMU is also included in the Separate Financial Statements for the Quarter 2, 2020 of the Company.

Information of subsidiary, associated company of the Company are provided in Note No. 4.

## **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 Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Minister of Finance and 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.

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

The Company applies Vietnamese Accounting Standards and supplement documents issued by the State. Interim Separate Financial Statements are prepared in accordance with regulations of each standard and supplement documents as well as with current Accounting Standards and Accounting System.

### **2.3 . Basis for preparation of Interim Separate Financial Statements**

Interim Separate Financial Statements are presented based on historical cost principle.

Interim Separate Financial Statements of the Company are prepared based on summarization of transactions incurred, then recorded into accounting books of dependent accounting entities, at the offices of the Company and dependent Project Management Unit.

In the Interim Separate Financial Statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payable are eliminated in full.

The Users of this Interim Separate Financial Statements should study the Interim Separate Financial Statements combined with the Interim Consolidated Financial Statements of the Company and its subsidiaries ("Group") for the Quarter 2, 2020 of the Company in order to gain enough information regarding the financial position, results of operations and cash flows of the Group.

### **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 period 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 Interim Separate 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
- 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 period and from revaluation of remaining foreign currency monetary items at the end of the period are recorded immediately to operating results of the accounting period. The Company must not distribute its profit nor pay dividend on the exchange gains arising from the retranslation of the foreign currency balance of the accounts derived from foreign currencies at the end of the period.

## **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 . Financial investments**

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

*Investments in subsidiary, associates* are initially recognized in the ledger according to original cost. After initial recognition, the value of these investments is determined at original cost less provision for devaluation of investments.

*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 is made at the end of the period as follows:

- *With regard to investments in subsidiary, associates:* provision for devaluation of investments is made when the investee has incurred a loss, based on the Financial Statements of subsidiary, associate on provision date.
- *With regard to long-term investments (other than trading securities) without significant influence on the investee:* the provisions shall be made according to the market value of the shares on provision date. The market value of the shares is determined specified as follows:
  - The actual market price of securities listed at the Hanoi Stock Exchange (HNX) and the Ho Chi Minh City Stock Exchange (HOSE) are calculated at the closing price on the dated of provision;

- For stocks registered for trading in unlisted public companies (Upcom), the actual market price of securities is determined as the average reference price within the latest 30 days trading date before making annual financial statements published by Stock Exchange.
- *With regard to investments held to maturity:* the provisions for doubtful debts shall be made according to the recovery under regulatory requirements.

## 2.8 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

## 2.9 . Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

The cost of inventory is calculated by mobile 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 accounting period.
- 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.

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

## 2.10 . Fixed assets

Tangible fixed assets and intangible fixed assets are stated at the historical cost. During the useful lives, tangible fixed assets 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.

#### **2.11 . 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.

#### **2.12 . 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.

#### **2.13 . Prepaid expenses**

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

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

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

#### **2.14 . Payables**

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

#### **2.15 . Borrowings**

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

#### **2.16 . Bonds released**

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

#### **2.17 . Borrowing costs**

Borrowing costs are recognized as operating expenses in the period, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

#### **2.18 . Accrued expenses**

Accrued expenses include payables to goods or services received from the seller or provided for the seller during the period, 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 period.

The recording of accrued expenses as operating expenses during the period shall be carried out under the matching principle between revenues and expenses during the period. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

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

The provision for payables included payables provision on insuring the construction, payables provision on waste and wastewater treatment expenses. Provision for payables is only recognized when meeting all of the 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 period. 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 wastes treatment expenses*: is made based on the carrying amount of wastes to be treated at the end of the period and the average cost of waste treatment in the period.

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 period. In case provision made for the previous accounting period but not used up exceeds the one made for the current accounting period, 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 period.

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

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

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

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

- Development investment fund: this fund is set up and used for expansion investment of business and production scale, or for intensive investment of enterprises.
- Bonus and welfare funds 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 Interim Separate Statement of financial position.

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

### **2.21 Revenues**

#### *Sales*

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company 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 Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

*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 Company;
- 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 reliably.

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

*Revenue from construction contract*

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

*Financial income*

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

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

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

**2.22 . Costs of good sold**

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

**2.23 . Financial expenses**

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Provision for losses from investment in other entities, losses from exchange rate, etc.

The above items are recorded by the total amount arising in the period without offsetting against financial income.

**2.24 . Corporate income tax**

*a) Current corporate income tax expenses*

Current corporate income tax expenses are determined based on taxable income during the period and current corporate income tax rate.

*b) Tax incentives*

From 2014, the Company is entitled to a preferential corporate income tax rate of 10% on taxable income from socialization activities (water supply; collect, transport and treat solid waste, waste water) in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014 of the Ministry of Finance. The remaining was applied with tax rate of 20%.

## 2.25 . Related Parties

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

- Enterprises, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- 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 that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

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

## 2.26 . Partial information

A segment is a distinguishable component of the Company that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other components.

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 . CASH AND CASH EQUIVALENTS

	<u>30/06/2020</u>	<u>01/01/2020</u>
	VND	VND
Cash on hand	1,330,951,038	1,030,694,051
Demand deposits	121,290,055,684	72,658,403,311
Cash in transit	2,811,387,782	932,236,000
Cash equivalents (*)	15,000,000,000	-
	<u><u>140,432,394,504</u></u>	<u><u>74,621,333,362</u></u>

(\*) As at 30 June 2020, the cash equivalent is term deposits with term of 03 months deposited at Tien Phong Commercial Joint Stock Bank with interest of 4.25% / year.

## 4 . FINANCIAL INVESTMENTS

### a) Held-to-maturity investments

	<u>30/06/2020</u>		<u>01/01/2020</u>	
	<u>Original cost</u>	<u>Provision</u>	<u>Original cost</u>	<u>Provision</u>
	VND	VND	VND	VND
<b>Short-term investments</b>	<b>101,300,000,000</b>	-	<b>254,290,000,000</b>	-
Term deposits (i)	101,300,000,000	-	254,290,000,000	-
<b>Long-term investments</b>	<b>5,000,000,000</b>	-	<b>5,000,000,000</b>	-
Bonds (ii)	5,000,000,000	-	5,000,000,000	-
	<u><u>106,300,000,000</u></u>	<u><u>-</u></u>	<u><u>259,290,000,000</u></u>	<u><u>-</u></u>

(i) Term deposits from 04 months to 13 months at commercial banks with interest rate of from 5,5% /year to 8.1% /year. At 30 June 2020, the term deposits value at 90 billion dong was used as collateral for borrowings from the commercial banks.

(ii) An investment in purchasing 500 bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong with a term of 07 years (maturity date of 27 September 2026); face value of VND 10,000,000 bonds / 01 bond; Bond interest rate is the reference interest rate + 1.0%/year.

**b) Equity investments in other entities**

Stock Code	30/06/2020			01/01/2020		
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
<b>Investments in subsidiary (*)</b>	<b>19,436,391,019</b>		-	<b>18,786,391,019</b>		-
- Recycled Green Materials Joint Stock Company (i)	19,436,391,019		-	18,786,391,019		-
<b>Investments in associates (*)</b>	<b>207,096,224,416</b>		-	<b>141,552,884,416</b>		-
- Chanh Phu Hoa Investment - Construction Joint Stock	207,096,224,416		-	141,552,884,416		-
<b>Investments in others entities</b>	<b>505,233,600,000</b>	<b>466,164,300,000</b>	<b>(61,343,340,000)</b>	<b>505,233,600,000</b>	<b>520,419,000,000</b>	<b>(42,187,740,000)</b>
- Dong Nai Water Joint Stock Company	273,085,860,000	295,359,900,000	-	273,085,860,000	330,459,000,000	-
- Binh Duong Producing and Trading Goods Corporation	213,760,200,000	160,644,000,000	(53,116,200,000)	213,760,200,000	179,760,000,000	(34,000,200,000)
- Thanh Le General Import - Export Trading Corporation	18,387,540,000	10,160,400,000	(8,227,140,000)	18,387,540,000	10,200,000,000	(8,187,540,000)
	<b>731,766,215,435</b>	<b>466,164,300,000</b>	<b>(61,343,340,000)</b>	<b>665,572,875,435</b>	<b>520,419,000,000</b>	<b>(42,187,740,000)</b>

The fair value of investments in Dong Nai Water Joint Stock Company ("DNW"), Binh Duong Producing and Trading Goods Corporation ("PRT") and Thanh Le General Import - Export Trading Corporation ("TLP") as at 31 December 2019 and 30 June 2020, they are the average reference price of the nearest 30 trading days at the date of reporting of these stocks in Upcom.

(\*) The Company has not determined the fair value of financial investments because Viet Nam Accounting Standards, Vietnamese Corporate Accounting System has not guided in detail on the determination of the fair value.

(i) During the period, the Company was performing transactions to purchased 50,000 shares of Recycled Green Materials Joint Stock Company from other investors, equivalent to total par value of VND 500,000,000 with the purchase cost of VND 650,000,000. After above transactions, as at 30 June 2020, the Company owns 1,647,432 shares of Recycled Green Materials Joint Stock Company, equivalent to the total par value of VND 16,474,320,000, the investment cost of these shares is VND 19,436,391,019.

(ii) The Company also purchased 3,277,167 shares of Chanh Phu Hoa Investment - Construction Joint Stock Company, equivalent to the total par value of VND 32,771,670,000 with the investment cost of VND 65,543,340,000. After the above transactions, as at 30 June 2020, the Company owns 13,927,959 shares of Chanh Phu Hoa Investment - Construction Joint Stock Company with the total investment cost of VND 207,096,224,416, the rate of interest of the Company at Chanh Phu Hoa Investment - Construction Joint Stock Company is 43.12%.

**Investments in subsidiary**

Detailed information on the Company's subsidiary as at 30 June 2020 as follows:

Name of subsidiary	Place of establishment and operation	Rate of interest	Rate of voting	Principle activities
- Recycled Green Materials Joint Stock Company	Binh Duong	98.80%	98.80%	Recycle scrap, produce construction materials

**Investments in associate**

Detailed information on the Company's associate as at 30 June 2020 as follows:

Name of associate	Place of establishment and operation	Rate of interest	Rate of voting	Principle activities
- Chanh Phu Hoa Investment - Construction Joint Stock Company	Binh Duong	43.12%	43.12%	Invested in the construction of technical infrastructure of memorial park; Trading cemeteries, funeral homes; Funeral services; ...

Major transactions between the Company and the Company's subsidiaries and associates during the period: Details as in Notes No. 39.

**Investments in other entities**

Detailed information on the Company's other entities as at 30 June 2020 as follows:

Name of investee company	Place of establishment and operation	Rate of interest	Rate of voting	Principle activities
- Dong Nai Water Joint Stock Company	Dong Nai	17.70%	17.70%	Supplying clean water.
- Binh Duong Producing and Trading Goods Corporation	Binh Duong	4.00%	4.00%	Trading business, industrial zone.
- Thanh Le General Import - Export Trading Corporation	Binh Duong	0.51%	0.51%	Trading petroleum; water transportation and real estate business.

**5 . SHORT-TERM TRADE RECEIVABLES**

	30/06/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Trade receivables detailed by customers with large account balances</b>				
- Recycled Green Materials Joint Stock Company	16,646,880,639	(7,705,260,907)	15,803,580,935	(7,705,260,907)
- Vietnam - Singapore Industrial Park Joint Venture Company Limited	18,223,994,179	-	22,422,939,582	-
- Natural Resources and Environment Office of Thuan An	-	-	10,411,494,000	-
- Others	213,332,198,353	(11,658,269,067)	298,659,451,460	(12,094,900,373)
	<u>248,203,073,171</u>	<u>(19,363,529,974)</u>	<u>347,297,465,977</u>	<u>(19,800,161,280)</u>
<b>b) Trade receivables from related parties</b>	<u>28,522,413,144</u>	<u>(7,862,343,707)</u>	<u>25,396,944,142</u>	<u>(7,862,343,707)</u>
<i>(Detailed as in Notes No. 39)</i>				

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

	30/06/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>a) Prepayments to supplies detailed by large account balances</b>				
- Vietnam Construction JSC No. 5	-	-	31,000,000,000	-
- Investment and Industrial Development Corporation - Joint Stock Company (i)	85,858,080,000	-	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	-	115,995,463,750	-
- Others	100,766,604,526	(7,307,321,545)	101,431,803,562	(7,307,321,545)
	<u>302,620,148,276</u>	<u>(7,307,321,545)</u>	<u>346,886,603,430</u>	<u>(7,307,321,545)</u>
<b>b) Prepayments to related parties</b>	<u>90,546,060,533</u>	<u>-</u>	<u>86,046,899,532</u>	<u>-</u>
<i>(Detailed as in Notes No. 39)</i>				

- (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 m<sup>2</sup>. 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 Board of Management No. 24 / BB-HDQT dated 04 November 2019.
- (ii) This is an advance of the compensation fund 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 transferring funds of compensation and resettlement support to pay households affected by the Project.

## 7 . SHORT-TERM LOAN RECEIVABLES

	30/06/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Recycled Green Materials Joint Stock Company (*)	16,500,000,000	-	16,500,000,000	-
	<u>16,500,000,000</u>	<u>-</u>	<u>16,500,000,000</u>	<u>-</u>
<b>Loan receivables from related parties</b>	<u>16,500,000,000</u>	<u>-</u>	<u>16,500,000,000</u>	<u>-</u>

(Detailed as in Notes No. 39)

- (\*) Loan receivables from Recycled Green Materials Joint Stock Company under Loan contracts No. 11/2014/ HD.CTN dated 26 November 2014 and Contract No. 01/2018/HD.CPN dated 24 January 2018, combined by Appendix No. 02/2018/HD.CTN dated 01 December 2018. Accordingly, the total balance of 02 contracts mentioned above with an amount of VND 16.5 billion is applied with the same interest rate of 6.5% per year and loan term is extended to 31 December 2020. The loan purpose is to pay for design contracts and supply of construction materials for tunnel bricks with a capacity of 35-40 million bricks /year.

**Binh Duong Water - Environment Joint Stock Company**

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

**Interim Separate Financial Statements**  
for Quarter 2, 2020

**8 . OTHER SHORT-TERM RECEIVABLES**

	30/06/2020		01/01/2020	
	Amount VND	Provision VND	Amount VND	Provision VND
<b>a) Short-term</b>				
- Advances	67,574,930,649	-	32,522,237,635	-
- Mortgages, deposits	3,051,331,463	-	2,638,831,463	-
- Receivables from materials advanced for construction	8,388,135,386	-	19,689,812,608	-
- Receivables from lending materials	6,188,158,850	-	55,921,536,155	-
- Receivables of advance on site clearance and resettlement compensation of	4,800,000,000	-	4,800,000,000	-
- Loan interest receivable, deposit interest receivable	3,535,419,563	-	4,356,129,262	-
- Dividend receivable	-	-	10,650,792,000	-
- Advance for purchasing land use rights	16,940,000,000	-	12,060,000,000	-
- Receivables from invested in purchasing shares of Gia Tan Water Joint Stock Company (ii)	33,081,617,500	-	-	-
- Other receivables	22,515,498,017	-	18,101,372,291	-
	<b>166,075,091,428</b>	-	<b>160,740,711,414</b>	-
<b>b) Long-term</b>				
- Receivables from the Sewerage Project Management Unit in Binh Duong province (i)	917,045,606,355	-	924,112,207,078	-
	<b>917,045,606,355</b>	-	<b>924,112,207,078</b>	-
<b>c) Other receivables from related parties</b> (Detailed as in Notes No. 39)	<b>6,274,724,186</b>	-	<b>12,011,098,849</b>	-

(i) 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 622.98 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.

(ii) According to Meeting Minutes and Resolution No. 03/BB-HDQT dated 09 January 2020 of the Board of Management of Binh Duong Water - Environment Joint Stock Company, the Board of Management has agreed on investing in Gia Tan Water Joint Stock Company by receiving shares transferred from the shareholders of Gia Tan Water Joint Stock Company. Accordingly, during the period, the Company was performing transactions to receive shares transferred from D&B Trading and Technical Services Company Limited and other individual shareholders with total shares of 1,797,234 shares and 601,665 shares respectively, equivalent to total par value of VND 17,972,340,000 and VND 6,016,650,000; with the purchase cost of VND 23,559,140,000 and VND 9,552,477,500 respectively. After above transactions, as at 30 June 2020, the Company owns 2,398,899 shares of Gia Tan Water Joint Stock Company, rate of interest is 23.99% and the total investment cost of these shares is VND 33,081,617,500.

Under the Share transfer contracts, the Company is entitled all benefits and bears the risks associated to these shares transferred mention above since the time of fully settlement of shares purchasing to transfer parties. Up to the date of Interim Separate Financial Statements, the procedure to transfer ownership of these shares to the Company has not been completed.

## 9 . DOUBTFUL DEBTS

	30/06/2020		01/01/2020	
	Original cost	Recoverable amount	Original cost	Recoverable amount
	VND	VND	VND	VND
Total value of overdue debts	42,479,550,818	15,808,699,299	42,927,320,102	15,819,837,277
- Ngoc Suong Asia Investment and Project Manager Joint Stock	5,444,000,000	-	5,444,000,000	-
- Minh Nhat Trading Construction Company	1,770,774,207	-	1,770,774,207	-
- Recycled Green Materials Joint Stock Company	12,530,074,573	4,824,813,666	12,530,074,573	4,824,813,666
- Others	22,734,702,038	10,983,885,633	23,182,471,322	10,995,023,611
	<b>42,479,550,818</b>	<b>15,808,699,299</b>	<b>42,927,320,102</b>	<b>15,819,837,277</b>

## 10 . INVENTORIES

	30/06/2020		01/01/2020	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw materials	234,477,758,849	-	282,601,481,383	-
Tools, supplies	870,637,310	-	729,946,768	-
Work in progress (*)	293,416,864,582	-	167,428,818,581	-
Finished goods	24,451,421,289	-	18,209,758,290	-
Goods	8,426,464,663	-	91,001,074	-
	<b>561,643,146,693</b>	<b>-</b>	<b>469,061,006,096</b>	<b>-</b>

(\*) Including the Project of social housing and green park in An Phu ward, Thuan An town, Binh Duong province with the accumulated amount until 30 June 2020 is VND 150,132,917,494. Total design capacity of the Project include 12 floors, 262 apartments with the floor area of 17,667.6 m<sup>2</sup>; standard of 25m<sup>2</sup>/person with reception capacity of about 707 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 m<sup>2</sup>. Estimated total investment for the whole project is VND 207,113,593,074. 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

	30/06/2020	01/01/2020
	VND	VND
<b>Procurement of fixed assets</b>	<b>142,250,651,321</b>	<b>62,881,051,321</b>
Land use rights (i)	142,250,651,321	62,881,051,321
<b>Construction in progress</b>	<b>919,833,649,159</b>	<b>535,099,514,595</b>
Head office	809,159,446,502	417,228,226,110
- Construction investment project to raise the capacity of Tan Hiep Water Plant, the capacity increased by 100,000 m <sup>3</sup> / day (iii)	169,547,337,186	49,888,230,708
- Water supply system project in Becamex - Binh Phuoc Industrial and Urban Complex and surrounding areas	19,759,514,205	-
- Construction investment project to raise the capacity of Nam Tan Uyen Water Plant, the capacity increased by 29,500 m <sup>3</sup> / day	58,149,572,579	-
- The pipeline project under the project of expanding Southern	41,453,310,090	33,183,616,678
- Southern Binh Duong Waste Treatment Complex project	5,798,896,449	7,092,472,215
- Investment project on manufacturing, installing compost 3 factory - capacity of 840 tons / day	81,839,447,633	19,445,807,087
- Incinerator system with capacity of 200 tons / day	68,287,269,714	43,976,995,590
- Construction of domestic waste incubator No. 4B	-	18,762,939,183
- Industrial wastewater treatment plant of 250 m <sup>3</sup> / day	46,018,422,600	38,438,787,581
- Water Drainage project of Thu Dau Mot town - Phase 1 (ii)	-	34,042,968,844
- Other constructions	318,305,676,046	172,396,408,224
Project Management Unit of Tan Hiep Water Factory	110,674,202,657	117,871,288,485
<b>Major repairs of fixed assets</b>	<b>1,866,200,901</b>	-
Other repairs	1,866,200,901	-
	<b><u>1,063,950,501,381</u></b>	<b><u>597,980,565,916</u></b>

(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; Tan Hiep Water Factory and build the Trade Center and the Company's Office of the Company at New Urban area of Binh Duong Industry - Urban - Service Complex.

(ii) - *Name of Project:* Project of construction investment to raise the capacity of Tan Hiep Water Plant, the capacity increased by 100,000 m<sup>3</sup>/day;  
 - *Investor:* Binh Duong Water - Environment Joint Stock Company;  
 - *Construction site:* Tan Hiep ward, Tan Uyen town, Binh Duong province;  
 - *The goal of the project:* Supplement water supply capacity to Thu Dau Mot, Tan Uyen and Ben Cat to the year 2030 with an additional capacity of 100,000 m<sup>3</sup>/day;  
 - *Total estimated investment budget:* 1,052.43 billion dong;

- *Invested capital:* from the Company's own capital and borrowing capital from the banks;
- *The time estimated for implementation:* 24 months;
- *Construction status:* the volume of work in progress as at 30 June 2020 including: 73.59 billion dong for item of water treatment plant technology; 72.11 billion dong for item of raw water pumping stations; 9.12 billion dong for item of Scada electrical system and chlorine equipment; 6.41 billion dong for value of centrifugal pumps; 5.7 billion dong for interest expenses and 2.62 billion dong for other general expenses.

**12 . PREPAID EXPENSES**

	30/06/2020	01/01/2020
	VND	VND
<b>a) Short-term</b>		
Tools and supplies waiting for allocation	4,348,802,330	6,802,423,866
Processing and repairing expenses	1,234,597,543	734,113,030
Premium expenses	979,754,916	904,025,686
Others	2,465,060,041	1,113,013,624
	<b>9,028,214,830</b>	<b>9,553,576,206</b>
<b>b) Long-term</b>		
Tools and supplies waiting for allocation	15,245,241,308	16,253,044,077
Substantial expenditure on fixed asset overhaul	1,467,946,952	1,348,012,783
Cost of renovating sidewalks on Ly Thuong Kiet street	1,683,815,458	2,305,551,466
Costs of installing water pipelines	3,371,176,098	3,682,329,538
Land rental costs	24,975,108,665	25,348,425,773
Value of the business advantages of the enterprise	6,329,425,364	6,835,779,392
Others	5,526,925,470	4,264,560,503
	<b>58,599,639,315</b>	<b>60,037,703,532</b>

**13 . TANGIBLE FIXED ASSETS**

	Buildings		Machine, equipment		Transportation equipment		Management equipment		Perennial and cattle		Others		Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<b>Original cost</b>													
Beginning balance	1,352,802,499,547	794,151,674,120	2,738,745,617,238	12,467,514,961	1,234,999,773	52,962,490,874	4,952,364,796,513	-	-	-	-	-	
- Purchase in the period	-	1,017,980,181	18,899,515,224	-	-	-	19,917,495,405	-	-	-	-	-	
- Completed construction investment	56,598,393,286	9,286,438,074	299,223,006,840	-	-	-	365,107,838,200	-	-	-	-	-	
- Liquidation, disposal	-	-	(2,705,067,172)	-	-	-	(2,705,067,172)	-	-	-	-	-	
<b>Ending balance of the period</b>	<b>1,409,400,892,833</b>	<b>804,456,092,375</b>	<b>3,054,163,072,130</b>	<b>12,467,514,961</b>	<b>1,234,999,773</b>	<b>52,962,490,874</b>	<b>5,334,685,062,946</b>						
<b>Accumulated depreciation</b>													
Beginning balance	907,772,400,437	412,391,143,954	1,417,232,028,273	7,612,237,843	170,763,259	32,876,966,189	2,778,055,539,955	-	-	-	-	-	
- Depreciation for the period	49,202,588,186	38,732,730,950	131,498,136,362	595,174,378	67,916,670	1,030,953,518	221,127,500,064	-	-	-	-	-	
- Liquidation, disposal	-	-	(1,841,021,598)	-	-	-	(1,841,021,598)	-	-	-	-	-	
<b>Ending balance of the period</b>	<b>956,974,988,623</b>	<b>451,123,874,904</b>	<b>1,546,889,143,037</b>	<b>8,207,412,221</b>	<b>238,679,929</b>	<b>33,907,919,707</b>	<b>2,997,342,018,421</b>						
<b>Net carrying amount</b>													
Beginning of the period	445,030,099,110	381,760,530,166	1,321,513,588,965	4,855,277,118	1,064,236,514	20,085,524,685	2,174,309,256,558	-	-	-	-	-	
<b>Ending of the period</b>	<b>452,425,904,210</b>	<b>353,332,217,471</b>	<b>1,507,273,929,093</b>	<b>4,260,102,740</b>	<b>996,319,844</b>	<b>19,054,571,167</b>	<b>2,337,343,044,525</b>						

- Cost of fully depreciated tangible fixed assets at the end of the period but still in use is VND 355,612,694,569

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**14 . INTANGIBLE FIXED ASSETS**

	Land use rights	Copyrights and patents	Computer software	Other intangible fixed assets	Total
	VND	VND	VND	VND	VND
<b>Original cost</b>					
Beginning balance	85,027,713,161	49,937,500	6,953,165,536	244,571,250	92,275,387,447
<b>Ending balance of the period</b>	<b>85,027,713,161</b>	<b>49,937,500</b>	<b>6,953,165,536</b>	<b>244,571,250</b>	<b>92,275,387,447</b>
<b>Accumulated amortization</b>					
Beginning balance	2,079,059,342	49,937,500	6,269,660,194	244,571,250	8,643,228,286
- Amortization in the period	294,674,400	-	127,194,744	-	421,869,144
<b>Ending balance of the period</b>	<b>2,373,733,742</b>	<b>49,937,500</b>	<b>6,396,854,938</b>	<b>244,571,250</b>	<b>9,065,097,430</b>
<b>Net carrying amount</b>					
Beginning of the period	82,948,653,819	-	683,505,342	-	83,632,159,161
<b>Ending of the period</b>	<b>82,653,979,419</b>	<b>-</b>	<b>556,310,598</b>	<b>-</b>	<b>83,210,290,017</b>

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

**15 . BORROWINGS**

	01/01/2020		During the period		30/06/2020	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
<b>a) Short-term borrowings</b>						
Short-term debts						
- Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch	531,501,906,117	531,501,906,117	899,774,594,691	620,161,690,405	811,114,810,403	811,114,810,403
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	100,958,432,109	100,958,432,109	113,160,622,079	135,958,432,109	78,160,622,079	78,160,622,079
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	-	-	150,248,448,877	250,000,000	149,998,448,877	149,998,448,877
- Military Commercial Joint Stock Bank - Binh Duong Branch	384,043,474,008	384,043,474,008	288,368,511,479	412,225,088,146	260,186,897,341	260,186,897,341
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	-	-	102,545,636,016	-	102,545,636,016	102,545,636,016
- Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch	46,500,000,000	46,500,000,000	87,938,205,740	-	87,938,205,740	87,938,205,740
- Vietnam Export Import Commercial Joint Stock Bank - Binh Duong Branch	-	-	125,228,170,500	25,228,170,150	100,000,000,350	100,000,000,350
- Others	333,693,421,241	333,693,421,241	219,122,947,953	312,874,955,522	239,941,413,672	239,941,413,672
Current portion of long-term debts	865,195,327,358	865,195,327,358	1,118,897,542,644	933,036,645,927	1,051,056,224,075	1,051,056,224,075

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	01/01/2020		During the period		30/06/2020	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
<b>b) Long-term borrowings</b>						
Long-term debts	1,923,490,239,458	1,923,490,239,458	490,802,212,215	312,874,955,522	2,101,417,496,151	2,101,417,496,151
- Vietnam Development Bank - Binh Duong Branch	461,185,805,102	461,185,805,102	-	32,374,182,984	428,811,622,118	428,811,622,118
- Asian Development Bank	471,295,812,412	471,295,812,412	9,650,774,801	13,401,441,200	467,545,146,013	467,545,146,013
- World Bank	386,311,104,643	386,311,104,643	-	10,731,000,000	375,580,104,643	375,580,104,643
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	26,880,000,000	26,880,000,000	68,455,900,167	6,720,000,000	88,615,900,167	88,615,900,167
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	71,289,755,000	71,289,755,000	-	12,138,082,000	59,151,673,000	59,151,673,000
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	46,663,644,995	46,663,644,995	48,000,000,000	6,221,855,100	88,441,789,895	88,441,789,895
- Binh Duong Development Investment Fund	414,492,394,238	414,492,394,238	233,354,537,247	225,992,394,238	421,854,537,247	421,854,537,247
- Binh Duong Environmental Protection Fund	36,621,723,068	36,621,723,068	-	4,202,000,000	32,419,723,068	32,419,723,068
- Vietnam Environmental Protection Fund	8,750,000,000	8,750,000,000	-	1,094,000,000	7,656,000,000	7,656,000,000
- Thu Dau Mot Water Joint Stock Company	-	-	50,000,000,000	-	50,000,000,000	50,000,000,000
- Chanh Phu Hoa Investment - Construction Joint Stock Company	-	-	52,600,000,000	-	52,600,000,000	52,600,000,000
- Others	-	-	28,741,000,000	-	28,741,000,000	28,741,000,000
Common bond	198,488,138,152	198,488,138,152	365,022,432	-	198,853,160,584	198,853,160,584
	<b>2,121,978,377,610</b>	<b>2,121,978,377,610</b>	<b>491,167,234,647</b>	<b>312,874,955,522</b>	<b>2,300,270,656,735</b>	<b>2,300,270,656,735</b>
Amount due for settlement within 12 months	(333,693,421,241)	(333,693,421,241)	(219,122,947,953)	(312,874,955,522)	(239,941,413,672)	(239,941,413,672)
<b>Amount due for settlement after 12 months</b>	<b>1,788,284,956,369</b>	<b>1,788,284,956,369</b>			<b>2,060,329,243,063</b>	<b>2,060,329,243,063</b>

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**Detail information on Short-term debts:**

	Currency	Interest rate	Guarantee	30/06/2020		01/01/2020	
				VND	VND	VND	VND
- Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch	VND	6.96%	Unsecured	78,160,622,079	100,958,432,109		
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	VND	6.60%	Inventories; DNW shares	149,998,448,877	-		
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	VND	6.50%	Claim for debts	260,186,897,341	384,043,474,008		
- Military Commercial Joint Stock Bank - Binh Duong Branch	VND	6.50%	Assets formed from loans	102,545,636,016	-		
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	VND	6.50%	Claim for debts	87,938,205,740	46,500,000,000		
- Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch	VND	7.80%	Agreement on fixed deposit	-	-		
- Vietnam Export Import Commercial Joint Stock Bank - Binh Duong Branch	VND	6.80%	Unsecured	100,000,000,350	-		
- Others	VND	7,57% - 8,22%	Unsecured	32,285,000,000	-		
				<b>811,114,810,403</b>	<b>531,501,906,117</b>		

**Detail information on Long-term debts**

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

	Currency	Interest rate	Loan Fees	Year maturity	Guarantee	30/06/2020		01/01/2020
						Long-term debts	In which, current portion of long-term debts	
- Vietnam Development Bank - Binh Duong Branch	VND	0,00% - 7,18%	0.20%	2020 - 2028	Pledge of trust	270,124,762,984	45,095,514,052	293,694,762,984
- Vietnam Development Bank - Binh Duong Branch	EUR	0.00%	0.20%	2025 - 2032	Pledge of trust	158,686,859,134	18,084,777,900	167,491,042,118
- Asian Development Bank	USD	LIBOR + 0,5%	0.20%	2037	Pledge of trust	467,545,146,013	25,307,011,513	471,295,812,412
- World Bank	VND	6.75%	0.20%	2037	Pledge of trust	375,580,104,643	21,464,000,000	386,311,104,643
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	VND	8.40%		2021	Stock formed from loan (DNW)	88,615,900,167	16,178,236,007	26,880,000,000
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	VND	7,00% - 8,70%		2021 - 2027	Stock formed from loan (DNW)	59,151,673,000	24,276,164,000	71,289,755,000
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	VND	Thả nổi		2023	Assets formed from projects	88,441,789,895	12,443,710,200	46,663,644,995
- Binh Duong Development Investment Fund	VND	3,60% - 7,00%		2021 - 2026	Assets formed from projects; right to receivables from water supply	421,854,537,247	66,500,000,000	414,492,394,238
- Binh Duong Environmental Protection Fund	VND	4.20%		2021 - 2025	Pledge of trust	32,419,723,068	8,404,000,000	36,621,723,068
- Vietnam Environmental Protection Fund	VND	2.60%		2023	Pledge of trust	7,656,000,000	2,188,000,000	8,750,000,000
- Thu Dau Mot Water Joint Stock Company	VND	8.22%		2021	Unsecured	50,000,000,000	-	-
- Chanh Phu Hoa Investment - Construction Joint Stock Company	VND	8,05% - 8,22%		2021	Unsecured	52,600,000,000	-	-
- Others	VND	8,15% - 8,22%		2021	Unsecured	28,741,000,000	-	-
<b>Amount due for settlement within 12 months</b>						<b>1,970,076,496,151</b>	<b>239,941,413,672</b>	<b>1,923,490,239,458</b>
<b>Amount due for settlement after 12 months</b>						<b>(239,941,413,672)</b>		<b>(333,693,421,241)</b>
						<b>1,730,135,082,479</b>		<b>1,589,796,818,217</b>

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

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**Detail information on common bond**

	30/06/2020	01/01/2020
	VND	VND
Par value	200,000,000,000	200,000,000,000
Cost of issuing bonds	(1,146,839,416)	(1,511,861,848)
	<b>198,853,160,584</b>	<b>198,488,138,152</b>

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.

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**c) Borrowings from relevant entities are as follows:**

Relation	30/06/2020		01/01/2020	
	Principal VND	Interest payables VND	Principal VND	Interest payables VND
- Thu Dau Mot Water Joint Stock Company	50,000,000,000	1,013,424,658	-	-
- Chanh Phu Hoa Investment - Construction Joint Stock	52,600,000,000	717,044,055	-	-
- Tan Thanh Company Limited	5,000,000,000	72,236,164	-	-
- Mr. Nguyen Van Thien	2,000,000,000	37,676,877	-	-
- Ms. Dang Thi Muoi	1,000,000,000	19,142,466	-	-
- Mr. Duong Hoang Son	1,000,000,000	18,466,849	-	-
- Ms. Nguyen Thi Dien	200,000,000	2,795,890	-	-
- Mr. Ngo Van Lui	500,000,000	9,071,233	-	-
- Mr. Nguyen Thanh Phong	1,500,000,000	19,821,370	-	-
- Ms. Duong Anh Thu	500,000,000	7,319,178	-	-
	<b>114,300,000,000</b>	<b>1,916,998,740</b>		

**16 . SHORT-TERM TRADE PAYABLES**

	30/06/2020		01/01/2020	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
<b>a) Trade payables detailed by large account balances</b>				
- Vietnam Construction Joint Stock Company No. 5	19,149,290,321	19,149,290,321	-	-
- N.T.P Trading Company Limited	13,854,178,140	13,854,178,140	23,327,915,600	23,327,915,600
- Land Fund Development Center of Ben Cat district	10,292,015,271	10,292,015,271	10,292,015,271	10,292,015,271
- Minh Hung plastics Joint Stock company	14,759,447,475	14,759,447,475	3,075,039,125	3,075,039,125
- Thu Dau Mot Water Joint Stock Company	18,988,743,780	18,988,743,780	31,355,702,775	31,355,702,775
- BMS Engineering Solutions & Technologies Pte	44,169,683,558	44,169,683,558	-	-
- Others	155,351,792,106	155,351,792,106	100,985,300,275	100,985,300,275
	<b>276,565,150,651</b>	<b>276,565,150,651</b>	<b>169,035,973,046</b>	<b>169,035,973,046</b>
<b>b) Trade payables from related parties</b>	<b>36,587,133,979</b>	<b>36,587,133,979</b>	<b>55,920,788,953</b>	<b>55,920,788,953</b>
<i>(Detailed as in Notes No. 39)</i>				

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

	30/06/2020		01/01/2020	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
<b>a) Prepayments from customers detailed by large account balances</b>				
- Thu Dau Mot Water Joint Stock Company	2,262,425,987		574,000,000	574,000,000
- Quynh Phuc Production and Trading Company Limited	7,000,000,000		7,000,000,000	7,000,000,000
- Others	12,483,159,931		14,491,695,762	14,491,695,762
	<b>21,745,585,918</b>		<b>22,065,695,762</b>	<b>22,065,695,762</b>
<b>b) Prepayment from related parties</b>	<b>10,606,601,279</b>		<b>8,608,692,692</b>	<b>8,608,692,692</b>
<i>(Detailed as in Notes No. 39)</i>				

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

	Tax receivable at beginning of the VND	Tax payable at beginning of the VND	Tax payable in the period VND	Tax paid in the period VND	Tax receivable end of the period VND	Tax payable end of the period VND
Value added tax	-	256,038,349	7,215,059,052	7,769,432,862	298,335,461	-
Corporate income tax	-	22,927,645,907	30,592,098,307	25,740,161,720	-	27,779,582,494
Personal income tax	600,426	308,718	8,825,093,318	8,832,076,048	10,305,632	3,031,194
Natural resource tax	-	422,374,800	9,233,957,782	9,276,860,702	-	379,471,880
Fees, charges and other payables	-	16,312,675,433	40,609,287,994	37,243,922,237	3,000,000	19,681,041,190
	<u>600,426</u>	<u>39,919,043,207</u>	<u>96,475,496,453</u>	<u>88,862,453,569</u>	<u>311,641,093</u>	<u>47,843,126,758</u>

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 Interim Separate Financial Statements could be changed at a later date upon final determination by the tax authorities.

**19 . SHORT-TERM ACCRUED EXPENSES**

	30/06/2020 VND	01/01/2020 VND
Accrued interest	13,815,013,224	11,337,892,569
Accrued expense for implementation of construction works	1,927,414,692	1,145,800,084
Accrued expenses of the project which have been recognized revenue	10,248,280,666	6,684,919,193
Other accrued expenses	150,555,081	162,713,636
	<u>26,141,263,663</u>	<u>19,331,325,482</u>

**20 . OTHER PAYABLES**

	30/06/2020	01/01/2018
	VND	VND
<b>a) Short-term</b>		
Trade union fee, social insurance, health insurance, unemployment	1,840,233,812	6,754,979,425
Short-term deposits, collateral received	7,379,713,141	5,641,420,432
Payables on non-interest borrowings	5,250,000,000	5,250,000,000
- <i>Tu Hai Company Limited</i>	4,250,000,000	4,250,000,000
- <i>Mr. Nguyen Van Hoang</i>	1,000,000,000	1,000,000,000
Other payables	65,595,144,247	207,797,210,383
- <i>Depreciation of assets under the project of Thu Dau Mot wastewater treatment plant - payables to State Budget</i>	50,000,000,000	50,000,000,000
- <i>Dividends payables</i>	-	150,000,000,000
- <i>Other payables</i>	15,595,144,247	7,797,210,383
	<b><u>80,065,091,200</u></b>	<b><u>225,443,610,240</u></b>
<b>b) Long-term (*)</b>		
Long-term deposits, collateral received	6,934,364,688	5,213,005,000
Borrowings received from foreign entities without debt covenant (ii)	41,785,944,235	41,744,453,323
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	678,728,922,307
Surplus of assets awaiting resolution	-	34,559,790,191
	<b><u>727,449,231,230</u></b>	<b><u>760,246,170,821</u></b>

(i) Detailed as in Note No. 22

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

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

	30/06/2020	01/01/2020
	VND	VND
Provision for construction warranty	6,031,289,075	3,844,538,848
Waste and wastewater treatment expenses	19,035,447,209	19,035,447,209
	<u>25,066,736,284</u>	<u>22,879,986,057</u>

**22 . OWNER'S EQUITY**

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

	Contributed capital	Development an investment fund	Retained earnings	Capital expenditure fund (i)	Total
	VND	VND	VND	VND	VND
<b>Beginning balance of previous period</b>	1,500,000,000,000	72,324,893,590	208,225,200,500	2,285,516,359,604	4,066,066,453,694
Profit of the previous period	-	-	204,375,272,471	-	204,375,272,471
Increase in capital expenditure fund at PMUs	-	-	-	(2,183,286,105,173)	(2,183,286,105,173)
Profit distribution in 2018	-	109,628,820,175	(172,273,860,275)	-	(62,645,040,100)
<b>Ending balance of previous period</b>	<u>1,500,000,000,000</u>	<u>181,953,713,765</u>	<u>240,326,612,696</u>	<u>102,230,254,431</u>	<u>2,024,510,580,892</u>
<b>Beginning balance</b>	1,500,000,000,000	181,953,713,765	351,266,172,602	102,230,254,431	2,135,450,140,798
Profit of this period	-	-	251,525,958,664	-	251,525,958,664
Profit distribution (ii)	-	258,203,206,126	(351,266,172,602)	-	(93,062,966,476)
Others decrease	-	-	-	(6,016,825,828)	(6,016,825,828)
<b>Ending balance of this period</b>	<u>1,500,000,000,000</u>	<u>440,156,919,891</u>	<u>251,525,958,664</u>	<u>96,213,428,603</u>	<u>2,287,896,307,158</u>

(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 30 June 2020 is capital expenditure fund allocated by the State capital to Tan Hiep Water Factory Project Management Unit.

(ii) According to Resolution No. 19/NQ-HDQT dated 17 March 2020 issued by General Meeting of shareholders, the Company announced its profit distribution plan as follows:

	According to Resolution No. VND	Temporary distribution in VND	Additional distribution in this period VND
Retained earning in 2018	35,951,340,225		
Profit after corporate income tax in 2019	465,314,832,377		
<b>Total profit distributable</b>	<b>501,266,172,602</b>		
<b>Profit distribution</b>			
- Development and investment fund	258,203,206,126	-	258,203,206,126
- Dividend payment of 10% of chartered capital ( <i>equivalent to VND 1.000 per share</i> )	150,000,000,000	150,000,000,000	-
- Bonus fund	65,144,076,533	-	65,144,076,533
- Welfare fund	4,653,148,324	-	4,653,148,324
- Bonus fund for Executive Board	23,265,741,619	-	23,265,741,619
	<b>501,266,172,602</b>	<b>150,000,000,000</b>	<b>351,266,172,602</b>
<b>Retained earnings</b>	<b>-</b>		

**b) Details of Contributed capital**

	30/06/2020 VND	Rate %	01/01/2020 VND	Rate %
Investment and Industrial Development Corporation - Joint	375,000,000,000	25.00	615,000,000,000	41.00
Thu Dau Mot Water Joint Stock	577,500,000,000	38.50	577,500,000,000	38.50
Other shareholders	547,500,000,000	36.50	307,500,000,000	20.50
	<b>1,500,000,000,000</b>	<b>100.00</b>	<b>1,500,000,000,000</b>	<b>100.00</b>

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

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
<b>Owner's invested capital</b>		
- At the beginning of the period	1,500,000,000,000	1,500,000,000,000
- <b>At the end of the period</b>	<b>1,500,000,000,000</b>	<b>1,500,000,000,000</b>
<b>Dividends and profit</b>		
- Dividends, profit payable at the beginning of the period	150,000,000,000	105,000,000,000
- Dividends, profits paid in money	150,000,000,000	105,000,000,000
+ <i>Dividends distributed on last period profit</i>	150,000,000,000	105,000,000,000
- <b>At the end of the period</b>	<b>-</b>	<b>-</b>

**d) Share**

	<u>30/06/2020</u>	<u>01/01/2020</u>
Quantity of authorized issuing shares	150,000,000	150,000,000
Quantity of issued shares	150,000,000	150,000,000
- <i>Common shares</i>	<i>150,000,000</i>	<i>150,000,000</i>
Quantity of outstanding shares in circulation	150,000,000	150,000,000
- <i>Common shares</i>	<i>150,000,000</i>	<i>150,000,000</i>
Par value per stock: VND 10,000 /stock		

**e) Company's funds**

	<u>30/06/2020</u>	<u>01/01/2020</u>
	VND	VND
Development and investment funds	440,156,919,891	181,953,713,765
	<b><u>440,156,919,891</u></b>	<b><u>181,953,713,765</u></b>

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

**a) Operating leased assets**

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

**b) Foreign currencies**

	<u>30/06/2020</u>	<u>01/01/2020</u>
- USD	9,321.22	9,516.24
- EUR	197.30	197.30

**c) Doubtful debts written-offs**

Doubtful debts written-offs as at 31 December 2019 and 30 June 2020 are receipts from selling water meter with total amount of VND 1,061,266,800 and VND 1,523,025,644 respectively.

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

	<u>From 01/01/2020 to 30/06/2020</u>	<u>From 01/01/2019 to 30/06/2019</u>
	VND	VND
Revenue from sales of goods	1,100,662,634,554	824,510,590,194
Revenue from rendering of services	245,488,054,959	261,116,644,335
Revenue from construction contracts	74,369,368,977	34,547,646,487
	<b><u>1,420,520,058,490</u></b>	<b><u>1,120,174,881,016</u></b>
<b>Revenue from relevant parties</b>	<b><u>41,244,698,108</u></b>	<b><u>13,132,669,179</u></b>
<i>(Detailed as in Notes No. 39)</i>		

**25 . COST OF GOODS SOLD**

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Cost of goods sold	589,640,163,748	422,164,974,591
Cost of rendering of services	194,190,642,663	210,677,043,412
Cost of construction contracts	57,656,177,948	30,673,135,122
	<b>841,486,984,359</b>	<b>663,515,153,125</b>
<b>Cost of goods sold from related parties</b> <i>(Detailed as in Notes No. 39)</i>	<b>180,825,480,183</b>	<b>165,344,130,301</b>

**26 . FINANCIAL INCOME**

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Interest income	9,168,303,235	8,542,680,366
Dividends or profits received	8,520,633,600	9,436,565,654
	<b>17,688,936,835</b>	<b>17,979,246,020</b>
<b>Revenue from relevant parties</b> <i>(Detailed as in Notes No. 39)</i>	<b>9,055,414,422</b>	<b>9,979,709,491</b>

**27 . FINANCIAL EXPENSES**

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Interest expenses	73,731,461,242	69,170,923,253
Realised losses from foreign exchange difference	972,268,637	-
Foreign exchange differences revaluation at the end fiscal year	1,274,067,859	4,079,596,023
Provision/ (Reversal of provision) for impairment of investment	19,155,600,000	(51,786,060,000)
Other financial expenses	365,352,762	286,842,720
	<b>95,498,750,500</b>	<b>21,751,301,996</b>

**28 . SELLING EXPENSES**

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Raw materials	5,572,131,524	4,527,663,750
Labour expenses	28,774,126,100	20,836,912,082
Depreciation and amortisation expenses	116,126,872,526	109,046,813,473
Expenses of outsourcing services	8,035,438,094	9,304,642,671
Other expenses in cash	7,779,356,180	5,632,232,936
	<b>166,287,924,424</b>	<b>149,348,264,912</b>

**29 . ENTERPRISE ADMINISTRATIVE EXPENSES**

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Raw materials	9,694,464,402	6,916,443,385
Labour expenses	28,282,012,043	22,520,279,932
Depreciation and amortisation expenses	3,222,711,510	3,216,466,671
Tax, Charge, Fee	18,000,000	17,000,000
Provision (Reversal of provision) expenses	-	181,271,281
Expenses of outsourcing services	2,972,646,475	7,015,651,535
Other expenses in cash	10,715,694,969	7,823,873,318
	<b><u>54,905,529,399</u></b>	<b><u>47,690,986,122</u></b>

**30 . OTHER INCOME**

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Electricity sold to the rental units	10,087,157,534	12,367,376,509
Proceeds from bike racing and sewerage meetings	3,750,000,000	4,050,000,000
Proceeds from sponsorship of the Biogas power generation project	-	9,814,521,040
Reversal of provision on insuring the construction	793,315,138	1,526,806,101
10% of environmental protection fee being held	3,148,076,738	3,285,399,846
Other income supported by customers for construction of water supply pipe 150, D100 road DT742	-	792,545,454
Others	172,633,334	566,978,868
	<b><u>17,951,182,744</u></b>	<b><u>32,403,627,818</u></b>
<b>Revenue from relevant parties</b> <i>(Detailed as in Notes No. 39)</i>	<b><u>9,985,717,884</u></b>	<b><u>10,580,333,586</u></b>

**31 . OTHER EXPENSES**

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Electricity consumed by the rental units	10,097,297,912	11,710,190,968
Cost of bicycle race and water supply and sewerage meetings	3,750,000,000	4,360,227,690
Fines for administrative violations and tax arrears	9,370,795	41,890,464
Handling losses after the equitization of enterprises	-	32,510,376,547
Liquidation and disposal cost	227,681,938	-
Material liquidation	878,950,423	-
Others	899,631,348	474,224,453
	<b><u>15,862,932,416</u></b>	<b><u>49,096,910,122</u></b>

**32 CURRENT CORPORATE INCOME TAX EXPENSES**

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Total profit before tax	282,118,056,971	239,155,138,577
Increase	525,782,225	32,887,586,052
- <i>Ineligible expenses</i>	525,782,225	32,887,586,052
Decrease	(8,520,633,600)	(9,436,565,654)
- <i>Dividend</i>	(8,520,633,600)	(9,436,565,654)
Taxable income	274,123,205,596	262,606,158,975
- <i>Taxable income with tax rate of 10%</i>	242,325,428,119	177,413,656,891
- <i>Taxable income with tax rate of 20%</i>	31,797,777,477	85,192,502,084
<b>Current corporate income tax expense</b>	<b><u>30,592,098,307</u></b>	<b><u>34,779,866,106</u></b>
Tax payable at the beginning of the period	22,927,645,907	14,541,228,509
Tax paid in the period	(25,740,161,720)	(31,066,290,831)
<b>Corporate income tax payable at the end of the period</b>	<b><u>27,779,582,494</u></b>	<b><u>18,254,803,784</u></b>

**33 BUSINESS AND PRODUCTIONS COST BY ITEMS**

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Raw materials	423,735,493,141	371,976,205,057
Labour expenses	225,921,076,588	167,574,597,898
Depreciation and amortisation expenses	221,514,555,912	218,432,917,453
Provision expenses	-	181,271,281
Expenses of outsourcing services	109,695,690,670	111,665,698,844
Other expenses by cash	48,620,609,565	49,636,157,991
	<b><u>1,029,487,425,876</u></b>	<b><u>919,466,848,524</u></b>

**34 FINANCIAL INSTRUMENTS**

The types of financial instruments of the Company:

	Carrying amount			
	30/06/2020		01/01/2020	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
<b>Financial Assets</b>				
Cash and cash equivalents	140,432,394,504	-	74,621,333,362	-
Trade and other receivables	1,331,323,770,954	(19,363,529,974)	1,432,150,384,469	(19,800,161,280)
Loans	122,800,000,000	-	275,790,000,000	-
Long-term investments	505,233,600,000	(61,343,340,000)	505,233,600,000	(42,187,740,000)
	<b><u>2,099,789,765,458</u></b>	<b><u>(80,706,869,974)</u></b>	<b><u>2,287,795,317,831</u></b>	<b><u>(61,987,901,280)</u></b>

	Carrying amount	
	30/06/2020	01/01/2020
	VND	VND
<b>Financial Liabilities</b>		
Borrowings and debts	3,111,385,467,138	2,653,480,283,727
Trade and other payables	1,084,079,473,081	1,154,725,754,107
Accrued expenses	26,141,263,663	19,331,325,482
	<b>4,221,606,203,882</b>	<b>3,827,537,363,316</b>

Financial assets and financial liabilities are not revalued according to fair value at the period 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 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 period, the Company has no plans to sell these investments.

	More than	Total
	VND	VND
<b>As at 30/06/2020</b>		
Long-term investment	443,890,260,000	443,890,260,000
	<b>443,890,260,000</b>	<b>443,890,260,000</b>
<b>As at 01/01/2020</b>		
Long-term investment	463,045,860,000	463,045,860,000
	<b>463,045,860,000</b>	<b>463,045,860,000</b>

#### **Exchange rate risk:**

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

#### **Interest rate risk:**

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

***Credit Risk***

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

	Up to 1 year VND	From over 1 year to 5 years VND	More than 5 years VND	Total VND
<b>As at 30/06/2020</b>				
Cash and cash equivalents	140,432,394,504	-	-	140,432,394,504
Trade and other receivables	394,914,634,625	917,045,606,355	-	1,311,960,240,980
Lending	117,800,000,000	-	5,000,000,000	122,800,000,000
	<u>653,147,029,129</u>	<u>917,045,606,355</u>	<u>5,000,000,000</u>	<u>1,575,192,635,484</u>
<b>As at 01/01/2020</b>				
Cash and cash equivalents	74,621,333,362	-	-	74,621,333,362
Trade and other receivables	488,238,016,111	924,112,207,078	-	1,412,350,223,189
Lending	270,790,000,000	-	5,000,000,000	275,790,000,000
	<u>833,649,349,473</u>	<u>924,112,207,078</u>	<u>5,000,000,000</u>	<u>1,762,761,556,551</u>

***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
<b>As at 30/06/2020</b>				
Loans and borrowings	1,051,056,224,075	1,201,826,790,644	858,502,452,419	3,111,385,467,138
Trade and other payables	356,630,241,851	727,449,231,230	-	1,084,079,473,081
Accrued expenses	26,141,263,663	-	-	26,141,263,663
	<u>1,433,827,729,589</u>	<u>1,929,276,021,874</u>	<u>858,502,452,419</u>	<u>4,221,606,203,882</u>
<b>As at 01/01/2020</b>				
Loans and borrowings	865,195,327,358	995,137,890,118	793,147,066,251	2,653,480,283,727
Trade and other payables	394,479,583,286	760,246,170,821	-	1,154,725,754,107
Accrued expenses	19,331,325,482	-	-	19,331,325,482
	<u>1,279,006,236,126</u>	<u>1,755,384,060,939</u>	<u>793,147,066,251</u>	<u>3,827,537,363,316</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.

**35 . ADDITIONAL INFORMATION FOR THE ITEMS OF THE INTERIM SEPARATE STATEMENT OF CASH FLOWS**

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

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Proceeds from ordinary contracts	1,285,754,879,155	1,042,559,967,890

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

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Repayment on principal from ordinary contracts	829,447,298,559	742,143,155,923

**36 . OTHER INFORMATION**

According to the Resolution of the annual General Meeting of Shareholders 2020 No. 19/NQ-HDQT dated 17 March 2020, Meeting Minutes and Resolution of Board of Management No. 28/BB-HDQT dated 02 June 2020 on approving of Plan on issuing shares to increase charter capital which was approved by General Meeting of Shareholders, detailed as:

**The offering plan:**

- Name of stock: Binh Duong Water - Environment Joint Stock Company
- Code of stock: BWE
- Form of issue: issuing public shares in public auction in Ho Chi Minh City Stock Exchange (HOSE).
- Type of share: Common share.
- Price of share: 10,000 dong per share.
- The number of shares to be issued (expected): Maximum of 37,500,000 shares.
- The number of shares after successful issuance (expected): Maximum of 187,500,000 shares, include:
  - The number of shares outstanding: 150,000,000 shares;*
  - The number of new shares (expected): Maximum of 37,500,000 shares.*
- The charter capital after successful issuance (expected): 1,875,000,000.000 dong, include:
  - Charter capital before issuing: 1.500.000.000.000 dong;*
  - Charter capital earned after issuing: 375,000,000,000 dong.*
- The time for issuing of the expected issue: from the Quarter 2, 2020 after obtaining the approval of the State Securities Committee.

**The purpose of using capital:**

Depends on the results of the issuing shares, the Company will assign the proceeds of capital to its purposes of the priority

- The 1st payment for bond principal BWEBOND2018.
- Reimbursement counterpart fund for 02 categories of the Project of Investment in Water supply in Binh Duong Complex (expansion, raising the capacity of Tan Hiep water plant increased by 100,000 m3/day).
- Preparing for the investment capital for the Project of construction investment in incinerator, capacity of 8,400 kg/hour at the Southern Binh Duong Waste Treatment Complex.
- Preparing for the investment capital for the Project of construction investment in compost production factory, capacity increased by 840 tons/day at the Southern Binh Duong Waste Treatment Complex.
- Reimbursement counterpart fund that the Company paid according to the commitment of capital contribution to Chanh Phu Hoa Investment - Construction Joint Stock Company (phase 1/2020).
- Capital contribution for the phase 2/2020 to Chanh Phu Hoa Investment - Construction Joint Stock Company.
- Reimbursement counterpart fund that the Company paid for land (phase 1, phase 2) to prepare land fund of the Company to serve the plan of construction of BIWASE Office Building in the New City of Binh Duong province.
- Payment for land (phase 3, phase 4) to prepare the land fund of the Company to serve the plan of of construction of BIWASE Office Building in the New City of Binh Duong province.

At the date of preparing of the Interim Separate Financial Statements, the Company has still been carrying out necessary procedures to perform of shares offering in accordance with the plan approved by the General Meeting of Shareholders.

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

Except from events disclosed above, there have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Interim Separate Financial Statements.

**38 . 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	864,116,628,207	210,654,157,285	12,127,471,852	333,621,801,146	1,420,520,058,490
<b>Net revenue from business activities</b>	<b>484,129,586,587</b>	<b>41,138,483,329</b>	<b>(1,072,416,473)</b>	<b>54,837,420,688</b>	<b>579,033,074,131</b>
The total cost to acquire fixed assets	-	-	-	-	850,995,269,070
Segment assets	2,030,496,852,388	968,166,448,591	43,764,394,685	460,940,702,052	3,503,368,397,716
Unallocated assets					3,183,323,639,582
<b>Total assets</b>	<b>2,030,496,852,388</b>	<b>968,166,448,591</b>	<b>43,764,394,685</b>	<b>460,940,702,052</b>	<b>6,686,692,037,298</b>
Segment liabilities	26,166,187,025	94,414,965,706	12,152,376,879	97,005,522,190	229,739,051,800
Unallocated liabilities					4,169,056,678,340
<b>Total liabilities</b>	<b>26,166,187,025</b>	<b>94,414,965,706</b>	<b>12,152,376,879</b>	<b>97,005,522,190</b>	<b>4,398,795,730,140</b>

**b) Under geographical areas**

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

### 39 . TRANSACTION AND BALANCES WITH RELATED PARTIES

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

Related parties	Relation
- Investment and Industrial Development Corporation - Joint Stock	Major shareholder
- Thu Dau Mot Water Joint Stock Company	Major shareholder
- Recycled Green Materials Joint Stock Company	Subsidiary
- Chanh Phu Hoa Investment - Construction Joint Stock Company	Associate
- Quynh Phuc Production and Trading Company Limited	Related parties of the Board of
- Dai Phu Thinh Company Limited	Related parties of the Board of
- N.T.P Trading Company Limited	Related parties of the Board of
- Board of Management, Supervisory Board and General Director	Key management personnel

The Company has the transactions during the period and balances with related parties as follows: (particularly borrowings with related parties are detailed in Note 15).

Transactions during the period:

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
<b>Revenues from sales of goods and rendering of services</b>	<b>41,244,698,108</b>	<b>13,132,669,179</b>
- Investment and Industrial Development Corporation - Joint Stock Company	19,612,063,799	5,404,186,500
- Thu Dau Mot Water Joint Stock Company	17,997,352,417	3,397,636,755
- Recycled Green Materials Joint Stock Company	344,857,001	203,213,637
- Chanh Phu Hoa Investment - Construction Joint Stock Company	3,093,654,007	3,606,235,669
- Quynh Phuc Production and Trading Company Limited	120,902,420	152,659,466
- Dai Phu Thinh Company Limited	75,868,464	368,737,152
<b>Financial income</b>	<b>9,055,414,422</b>	<b>9,979,709,491</b>
- Thu Dau Mot Water Joint Stock Company	-	28,931,507
- Recycled Green Materials Joint Stock Company	534,780,822	514,212,330
- Chanh Phu Hoa Investment - Construction Joint Stock Company	8,520,633,600	9,436,565,654
<b>Other income (Electricity)</b>	<b>9,985,717,884</b>	<b>10,580,333,586</b>
- Thu Dau Mot Water Joint Stock Company	9,466,195,964	9,429,004,650
- Recycled Green Materials Joint Stock Company	474,305,270	1,053,280,236
- Chanh Phu Hoa Investment - Construction Joint Stock Company	45,216,650	98,048,700
<b>Cost of goods sold from related parties</b>	<b>180,825,480,183</b>	<b>165,344,130,301</b>
- Thu Dau Mot Water Joint Stock Company	179,025,824,288	164,499,483,247
- Recycled Green Materials Joint Stock Company	1,799,655,895	844,647,054
<b>Purchase of goods, services</b>	<b>250,882,882,583</b>	<b>251,686,470,893</b>
- Thu Dau Mot Water Joint Stock Company	179,025,824,288	164,499,483,247
- Recycled Green Materials Joint Stock Company	1,799,655,895	844,647,054
- Quynh Phuc Production and Trading Company Limited	17,977,777,273	47,855,830,592
- Dai Phu Thinh Company Limited	11,258,262,727	-
- N.T.P Trading Company Limited	40,821,362,400	38,486,510,000
<b>Purchase land use rights</b>	<b>79,749,600,000</b>	-
- Investment and Industrial Development Corporation - Joint Stock Company	79,749,600,000	-

Outstanding balances up to the reporting date are as follows:

	30/06/2020	01/01/2020
	VND	VND
<b>Short-term trade receivables</b>	<b>28,522,413,144</b>	<b>25,396,944,142</b>
- Investment and Industrial Development Corporation - Joint Stock Company	4,071,668,576	2,864,637,800
- Thu Dau Mot Water Joint Stock Company	2,099,735,390	2,941,467,612
- Recycled Green Materials Joint Stock Company	16,646,880,639	15,803,580,935
- Chanh Phu Hoa Investment - Construction Joint Stock Company	4,246,673,571	2,397,802,797
- Quynh Phuc Production and Trading Company Limited	1,457,454,968	1,389,454,998
<b>Short-term prepayments to suppliers</b>	<b>90,546,060,533</b>	<b>86,046,899,532</b>
- Investment and Industrial Development Corporation - Joint Stock Company	85,858,080,000	85,858,080,000
- Recycled Green Materials Joint Stock Company	464,230,001	-
- Quynh Phuc Production and Trading Company Limited	4,223,750,532	188,819,532
<b>Loan receivables</b>	<b>16,500,000,000</b>	<b>16,500,000,000</b>
- Recycled Green Materials Joint Stock Company	16,500,000,000	16,500,000,000
<b>Other short-term receivables</b>	<b>6,274,724,186</b>	<b>12,011,098,849</b>
- Thu Dau Mot Water Joint Stock Company	5,977,137,279	-
- Recycled Green Materials Joint Stock Company	3,243,856	1,065,963,798
- Chanh Phu Hoa Investment - Construction Joint Stock Company	-	10,650,792,000
- N.T.P Trading Company Limited	294,343,051	294,343,051
<b>Short-term trade payables</b>	<b>36,587,133,979</b>	<b>55,920,788,953</b>
- Thu Dau Mot Water Joint Stock Company	18,988,743,780	31,523,094,303
- Recycled Green Materials Joint Stock Company	438,035,000	240,419,791
- Dai Phu Thinh Company Limited	3,306,177,059	829,359,259
- N.T.P Trading Company Limited	13,854,178,140	23,327,915,600
<b>Short-term prepayments from customers</b>	<b>10,606,601,279</b>	<b>8,608,692,692</b>
- Investment and Industrial Development Corporation - Joint Stock Company	1,034,692,692	1,034,692,692
- Thu Dau Mot Water Joint Stock Company	2,262,425,987	574,000,000
- Chanh Phu Hoa Investment - Construction Joint Stock Company	309,482,600	-
- Quynh Phuc Production and Trading Company Limited	7,000,000,000	7,000,000,000
Transactions with other related parties:		
	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
- Remuneration to General Director	372,000,000	297,000,000
- Remuneration to others members of Board of Management and Board of General Directors	1,413,000,000	936,000,000

**40 . COMPARATIVE FIGURES**

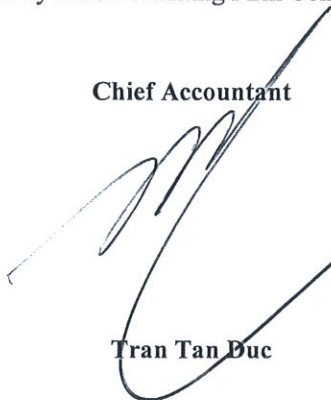
The comparative figures on the Interim Separate Statement of financial position and Notes are taken from the Separate Financial Statements for the fiscal year ended as at 31 December 2019, which was audited by AASC Auditing Firm Company Limited. The comparative figures on the Interim Separate Statement of income, Interim Separate Statement of Cash flows and Notes are taken from the Interim Separate Financial Statements for the period from 01 January 2019 to 30 June 2019, which has been reviewed by AASC Auditing Firm Company Limited.

**Preparer**



**Nguyen Thi Mong Thuong**

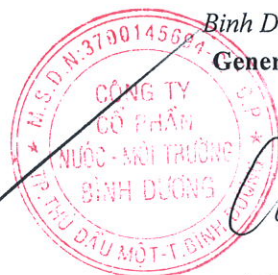
**Chief Accountant**



**Tran Tan Duc**

*Binh Duong, 20 July 2020*

**General Director**



**Tran Chien Cong**