

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

for the period from 01/01/2020 to 30/06/2020
(Reviewed)



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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 Consolidated Financial Statements for the period from 01/01/2020 to 30/06/2020.

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/QD-UBND dated 24 December 2014 of People's Committee of Binh Duong province. The Company operates under the Business Registration Certificate No. 3700145694 on 07 February 2006 by the Department of Planning and Investment of Binh Duong province and the 13th amendment under the Enterprise Registration Certificate of Joint Stock Company dated 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	

AUDITORS

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

STATEMENT OF THE BOARD OF GENERAL DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

Binh Duong Water - Environment Joint Stock Company

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

- Establish and maintain of an internal control system which is determined necessary by the Board of General Directors and Board of Management to ensure the preparation and presentation of Interim Consolidated Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Interim Consolidated Financial Statements;
- Prepare the Interim Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the current requirements relevant to preparation and presentation of interim consolidated financial statements;
- Prepare the Interim Consolidated Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

We, The Board of General Directors, confirm that the Interim Consolidated Financial Statements give a true and fair view of the financial position as at 30 June 2020, its operation results and cash flows in 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 interim consolidated 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, 18 August 2020
On behalf of the Board of General Directors
General Director

Tran Chien Cong

REVIEWED REPORTS INTERIM FINANCIAL STATEMENTS

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

We have reviewed the Interim Consolidated Financial Statements of Binh Duong Water - Environment Joint Stock Company prepared on 18 August 2020, as set out on pages 6 to 50 including: Interim Consolidated Statement of financial position as at 30 June 2020, Interim Consolidated Statement of income, Interim Consolidated Statement of cash flows and Notes to Interim Consolidated Financial Statements for the period from 01 January 2020 to 30 June 2020.

Board of General Director' Responsibility

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

Auditor's Responsibility

Our responsibility is to express a conclusion on these Interim Consolidated Financial Statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Consolidated Financial Statements does not give a true and fair view, in all material respects, of the financial position of the Binh Duong Water - Environment Joint Stock Company as at 30 June 2020, and of its financial performance and its cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

Emphasis of Matter

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

- The review procedures have been performed solely for the purpose of providing a review conclusion on the Interim Consolidated Financial Statements of Binh Duong Water - Environment Joint Stock Company, but do not include procedures required by the Vietnam Standards on Auditing No. 1000 - Audit of settlement project report. Therefore, the figures related to the items of "Construction in progress" and "Fixed assets" on the Interim Consolidated Financial Statements may change after being checked and audited in accordance with the regulations of the State on finalization of construction investment projects.

Our conclusion is not modified in respect of this matter.

Hanoi, 18 August 2020

AASC Auditing Firm Company Limited

Deputy General Director



Pham Anh Tuan

Registered Auditor No: 0777-2018-002-1

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

Code	ASSETS	Note	30/06/2020	01/01/2020
			VND	VND
100	A. CURRENT ASSETS		1,544,246,065,579	1,647,257,289,458
110	I. Cash and cash equivalents	4	140,436,247,615	74,716,954,777
111	1. Cash		125,436,247,615	74,716,954,777
112	2. Cash equivalents		15,000,000,000	-
120	II. Short-term investments	5	101,300,000,000	254,290,000,000
123	1. Held-to-maturity investments		101,300,000,000	254,290,000,000
130	III. Short-term receivables		685,321,131,655	824,530,813,940
131	1. Short-term trade receivables	6	234,342,029,330	339,869,023,953
132	2. Short-term prepayments to suppliers	7	302,162,463,835	347,417,794,254
136	3. Other short-term receivables	8	167,902,592,102	156,730,471,751
137	4. Provision for short-term doubtful debts		(19,085,953,612)	(19,486,476,018)
140	IV. Inventories	10	576,165,200,317	484,074,036,789
141	1. Inventories		576,165,200,317	484,074,036,789
150	V. Other current assets		41,023,485,992	9,645,483,952
151	1. Short-term prepaid expenses	12	9,028,214,830	9,559,321,389
152	2. Deductible value added tax		31,677,221,794	85,562,137
153	3. Taxes and other receivables from State budget	19	318,049,368	600,426
200	B. NON-CURRENT ASSETS		5,214,510,960,604	4,560,225,230,825
210	I. Long-term receivables		917,045,606,355	924,112,207,078
216	1. Other long-term receivables	8	917,045,606,355	924,112,207,078
220	II. Fixed assets		2,458,066,319,683	2,297,540,076,477
221	1. Tangible fixed assets	13	2,374,856,029,666	2,213,903,250,668
222	- Historical cost		5,385,222,406,130	5,003,645,661,062
223	- Accumulated depreciation		(3,010,366,376,464)	(2,789,742,410,394)
227	2. Intangible fixed assets	14	83,210,290,017	83,636,825,809
228	- Historical cost		92,345,387,447	92,345,387,447
229	- Accumulated amortization		(9,135,097,430)	(8,708,561,638)
240	IV. Long-term assets in progress		1,066,822,469,685	597,980,565,916
242	1. Construction in progress	11	1,066,822,469,685	597,980,565,916
250	V. Long-term investments	5	713,259,563,547	679,790,017,208
252	1. Investments in joint-ventures, associates		264,369,303,547	211,744,157,208
253	2. Equity investments in other entities		505,233,600,000	505,233,600,000
254	3. Provision for devaluation of long-term investments		(61,343,340,000)	(42,187,740,000)
255	4. Held-to-maturity investments		5,000,000,000	5,000,000,000
260	VI. Other long-term assets		59,317,001,334	60,802,364,146
261	1. Long-term prepaid expenses	12	58,599,639,315	60,037,703,532
269	2. Goodwill	15	717,362,019	764,660,614
270	TOTAL ASSETS		6,758,757,026,183	6,207,482,520,283

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

(Continued)

Code CAPITAL	Note	30/06/2020 VND	01/01/2020 VND
300 C. LIABILITIES		4,413,256,293,380	4,007,720,334,196
310 I. Current liabilities		1,623,016,766,906	1,457,648,154,825
311 1. Short-term trade payables	17	284,836,992,996	178,462,826,121
312 2. Short-term prepayments from customers	18	21,806,152,409	22,970,387,636
313 3. Taxes and other payables to State budget	19	47,865,809,197	40,108,415,930
314 4. Payables to employees		36,076,989,317	59,355,077,226
315 5. Short-term accrued expenses	20	26,180,765,840	20,724,212,454
319 6. Other short-term payments	21	81,259,201,856	225,581,678,003
320 7. Short-term borrowings and finance lease liabilities	16	1,053,036,202,811	869,965,306,094
321 8. Provisions for short-term payables	22	25,066,736,284	22,879,986,057
322 9. Bonus and welfare fund		46,887,916,196	17,600,265,304
330 II. Non-current liabilities		2,790,239,526,474	2,550,072,179,371
337 1. Other long-term payables	21	727,449,231,230	760,246,170,821
338 2. Long-term borrowings and finance lease liabilities	16	2,061,249,243,063	1,788,284,956,369
341 3. Deferred income tax payables	34	1,541,052,181	1,541,052,181
400 D. OWNER'S EQUITY		2,345,500,732,803	2,199,762,186,087
410 I. Owner's equity	23	2,345,500,732,803	2,199,762,186,087
411 1. Contributed capital		1,500,000,000,000	1,500,000,000,000
411a - Ordinary shares with voting rights		1,500,000,000,000	1,500,000,000,000
418 2. Development and investment funds		440,156,919,891	181,953,713,765
421 3. Retained earnings		308,975,821,282	414,878,947,586
421a - Retained earnings accumulated till the end of the year		59,591,336,831	88,613,721,680
421b - Retained earnings of the current period		249,384,484,451	326,265,225,906
422 4. Capital expenditure fund		96,213,428,603	102,230,254,431
429 5. Non-Controlling Interest		154,563,027	699,270,305
440 TOTAL CAPITAL		6,758,757,026,183	6,207,482,520,283

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 18 August 2020

General Director




Tran Chien Cong

INTERIM CONSOLIDATED STATEMENT OF INCOME

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

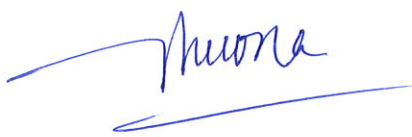
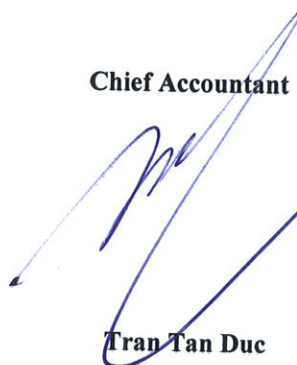
Code ITEMS	Note	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
01 1. Revenue from sales of goods and rendering of services	25	1,425,020,357,549	1,132,317,309,320
10 2. Net revenues from sales of goods and rendering of services		1,425,020,357,549	1,132,317,309,320
11 3. Cost of goods sold	26	846,167,340,809	671,967,828,642
20 4. Gross profit from sales of goods and rendering of services		578,853,016,740	460,349,480,678
21 5. Financial income	27	17,154,245,922	17,465,252,668
22 6. Financial expenses	28	95,630,050,006	22,023,254,736
23 - In which: Interest expenses		73,862,760,748	69,442,875,993
24 7. Profit or loss in joint ventures and associates		1,603,515,281	4,068,335,540
25 8. Selling expenses	29	167,389,649,578	151,754,583,571
26 9. General and administrative expense	30	56,139,638,654	48,427,104,499
30 10. Net profit from operating activities		278,451,439,705	259,678,126,080
31 11. Other income	31	17,432,125,746	31,373,418,582
32 12. Other expense	32	15,915,741,853	48,054,234,784
40 13. Other profit		1,516,383,893	(16,680,816,202)
50 14. Total net profit before tax		279,967,823,598	242,997,309,878
51 15. Current corporate income tax expenses	33	30,628,567,636	34,779,866,106
52 15. Deferred corporate income tax expenses	34	-	15,000,000
60 17. Profit after corporate income tax		<u>249,339,255,962</u>	<u>208,202,443,772</u>
61 18. Profit after tax attributable to shareholders of the parent		249,384,484,451	208,213,101,235
62 19. Profit after tax attributable to non-controlling interests		(45,228,489)	(10,657,463)
70 20. Basic earnings per share	35	1,330	1,110

Preparer

Chief Accountant

Binh Duong, 18 August 2020

General Director



Nguyen Thi Mong Thuong

Tran Tan Duc

Tran Chien Cong

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

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

(Indirect method)

Code ITEMS	Note	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profits before tax	279,967,823,598	242,997,309,878
	2. Adjustments for:		
02	- Depreciation and amortization of fixed assets and investment properties	222,493,818,668	220,192,517,395
03	- Provisions	21,378,459,127	(46,254,272,934)
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	(18,530,079,265)	(12,308,770,831)
06	- Interest expense	74,227,783,180	69,729,718,713
07	- Other adjustments	143,205,829	12,740,087,772
08	3. Operating profit before changes in working capital	580,955,078,996	491,176,186,016
09	- Increase/Decrease in receivables	105,981,312,780	868,102,942,570
10	- Increase/Decrease in inventories	(92,091,163,528)	(151,018,840,647)
11	- Increase/Decrease in payables (excluding interest payables, corporate income tax payable)	67,695,779,556	64,941,810,700
12	- Increase/Decrease in prepaid expenses	1,969,170,776	(9,568,074,156)
14	- Interest paid	(71,385,640,093)	(66,316,001,927)
15	- Corporate income taxes paid	(25,776,631,048)	(31,180,257,227)
17	- Other payments on operating activities	(63,759,535,662)	(986,435,439,642)
20	Net cash flow from operating activities	503,588,371,777	179,702,325,687
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets	(825,365,856,350)	(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	(27,000,000,000)	(190,000,000,000)
24	4. Collection of loans and resale of debt instrument of other entities	179,990,000,000	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	28,707,787,243	15,062,848,243
30	Net cash flow from investing activities	(742,306,662,971)	(373,081,252,962)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	1. Proceeds from borrowings	1,285,754,879,155	1,042,559,967,890
34	2. Repayment of principal	(831,317,298,559)	(744,743,155,923)
36	3. Dividends or profits paid to owners	(150,000,000,000)	(105,000,000,000)
40	Net cash flow from financing activities	304,437,580,596	192,816,811,967

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

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

(Indirect method)


Code ITEMS	Note	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
50 Net cash flows in the period		65,719,289,402	(562,115,308)
60 Cash and cash equivalents at beginning of the period		74,716,954,777	167,354,846,590
61 Effect of exchange rate fluctuations		3,436	(116,671,825)
70 Cash and cash equivalents at end of the period	4	140,436,247,615	166,676,059,457

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 18 August 2020

General Director



Tran Chien Cong

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1 . CHARACTERISTICS OF OPERATION OF THE COMPANY

Form of capital ownership

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

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

Business field

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

Business activities

Main business activities of the Company are:

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

The Company's operations in the period that affects the Interim Consolidated Financial Statements

Due to the speed of urbanization, the demand for clean water in the province increases. This leads to the number of customers using clean water and the volume of clean water consumed in the first 6 months of 2020 is higher than the same period last year. Besides, revenue from material transfer activities in this period increased compared to the previous period. These are the main reasons for the high increase in revenue from sales of goods and rendering of services in this period compared to the same period last year.

Semultaneously, due to the market fluctuations, during the period from 01/01/2020 to 30/06/2020, the Company made the provision for devaluation of long-term financial investments with the total amount of 19.16 billion dong - resulted in item Total net profit before tax is decreased of 70.95 billion dong than the previous period (in the period from 01/01/2019 to 30/06/2019, the Company made the reversal of provision for devaluation of these investments with amount of 51.79 billion dong). Beside that, the other profit of this period increases with amount of 18.2 billion dong than the previous period and other items are not significant increased/decreased.

The combination of the above reasons makes the total net profit before tax of this period increased by 36.97 billion dong compared with the previous period.

The Company's Structure:

The Company has one (01) subsidiary which have consolidated in consolidated financial statements as at 30/06/2020 include:

<u>Name of companay</u>	<u>Head office</u>	<u>Proportion of ownership</u>	<u>Voting rights held by the Group</u>	<u>Principal activities</u>
Recycled Green Materials Joint Stock Company	Binh Duong	98.80%	98.80%	Recycle scrap, produce construction

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

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

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

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

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

Declaration of compliance with Accounting Standards and Accounting System

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

2.3 . Basis for preparation of Interim Consolidated Financial Statements

Consolidated financial statements are prepared based upon consolidating Interim Separate Financial Statements of the Company and its subsidiary under its control from 01/01/2020 to 30/06/2020. Control right is in practice when the Company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

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

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

Non-controlling interest

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

2.4 . Financial Instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement after initial recognition

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

2.5 . Foreign currency transactions

The foreign currency transactions during the 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 Consolidated Financial Statements is determined under the following principles:

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

All exchange differences arising from foreign currency transactions in the 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 monetary items denominated in 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 . Business combination and goodwill

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

2.8 . 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: During the period, the buyer determines the date of purchase and the cost of investments and implements accounting procedures in accordance with the Accounting Standards on "Business combination".

In the Consolidated Financial Statements, investments in joint ventures and associates are accounted for using equity method. Under this method, the investments are initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share in net assets of the associate after acquisition date. Goodwill incurred from the investment in the associates is reflected in the carrying amount of the investment in the associate. The Group will not allocate such goodwill but assess annually to determine whether the goodwill is under impaired loss or not.

The share of investor in post-acquisition profits or losses of the associate is recognised in the consolidated income statement, and the share of investor in post-acquisition movements in equity of the associate is recognised in equity. The post-acquisition accumulated changes are adjusted to carrying amount of investments. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Financial Statements of associates are prepared in the same period with the Group's consolidated financial statements and use the consistent accounting policies with the Group's policies. Adjustment shall be made if necessary to ensure the consistence with the Group's accounting policies.

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

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

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

2.9 . Receivables

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

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

2.10 . Inventories

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

The cost of inventory is calculated by 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 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.

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

2.11 . Fixed assets

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

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

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

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

2.12 . Construction in progress

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

2.13 . Operating lease

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

2.14 . Prepaid expenses

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

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

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

2.15 . Payables

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

2.16 . Borrowings

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

2.17 . Bonds released

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

2.18 . Borrowing costs

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

2.19 . Accrued expenses

Payables to goods or services received from the seller or provided for the seller during the 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 to operating expenses during a period shall be carried out in conformity with revenues and expenses incurring during a period. Accrued expenses payable are settled with actual expenses incurred. The difference between accrument and actual expenses are reverted.

2.20 . Provision for payables

Provision for payables only record when meet all following conditions:

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

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

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

2.21 . Owner's equity

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

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

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

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

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

2.22 . Revenues

Sales

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

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

Services rendered

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

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

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

Revenue from construction contract

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

Financial income

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

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

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

2.23 . 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.

2.24 . Financial expenses

Items recorded into financial expenses consist of:

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

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

2.25 . Corporate income tax

a) Deferred income tax liability

Deferred income tax liability is recognized for taxable temporary differences.

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

b) Current corporate income tax expenses

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

c) Tax incentives

From 2014, the Company is entitled to a preferential corporate income tax rate of 10% on taxable income from socialization activities (clean water supply; collection, transportation and treatment of solid waste, waste water) in accordance with Circular No. 78/2014/TT-BTC dated 18 June 2014 of the Ministry of Finance. Other income is subject to CIT rate of 20%.

2.26 . Earning per shares

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

2.27 . Related Parties

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

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

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

2.28 . Partial information

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

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

3 . BUSINESS COMBINATION

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

During the period, the Company acquisitated additional 3.0% of shares of Recycled Green Materials Joint Stock Company, increasing the Company's interest by 98.80% on 03 January 2020. The cost of acquisition was paid in cash to non-controlled interest with the amount of VND 650,000,000. The book value of the Recycled Green Materials Joint Stock Company's net assets at 03 January 2020 is VND 16,656,938,323. The difference between acquisition cost and book value of newly acquisited interest is VND 150,521,211 to be recognized to retained earnings on the Interim Consolidated Statement of Financial position.

4 . CASH AND CASH EQUIVALENTS

	<u>30/06/2020</u>	<u>01/01/2020</u>
	VND	VND
Cash on hand	1,332,948,324	1,115,390,317
Demand deposits	121,291,911,509	72,669,328,460
Cash in transit	2,811,387,782	932,236,000
Cash equivalents (*)	15,000,000,000	-
	<u><u>140,436,247,615</u></u>	<u><u>74,716,954,777</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.

5 . FINANCIAL INVESTMENTS

a) Held-to-maturity investments

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

(i) Term deposits from 04 months to 13 months at commercial banks with interest rate of from 5.50% /year to 8.1% /year. At 30 June 2020, the term deposits value at 90.0 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 / 01 bond; Bond interest rate is the reference interest rate + 1.0% / year.

b) Equity investments in associate

	30/06/2020			01/01/2020			
	Address	Proportion of ownership	Voting rights held by the Group	Value by equity method	Address	Proportion of ownership	Voting rights held by the Group
- Chanh Phu Hoa Investment - Construction Joint Stock Company	Binh Duong	43.12%	43.12%	264,369,303,547 VND	Binh Duong	43.12%	43.12%
							Accounting book value
							211,744,157,208
				264,369,303,547			211,744,157,208

Major transactions between the Company and associate during the period: detailed as in Notes No. 42.

Binh Duong Water - Environment Joint Stock Company

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

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c) 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
- 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 (iii)	18,387,540,000	10,160,400,000	(8,227,140,000)	18,387,540,000	10,200,000,000	(8,187,540,000)
	<u>505,233,600,000</u>	<u>466,164,300,000</u>	<u>(61,343,340,000)</u>	<u>505,233,600,000</u>	<u>520,419,000,000</u>	<u>(42,187,740,000)</u>

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.

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

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

6 . SHORT-TERM TRADE RECEIVABLES

	30/06/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Trade receivables detailed by customers with large account balances				
- Vietnam - Singapore Industrial Park Joint Venture Company Limited	18,223,994,179	-	22,422,939,582	-
- Department of Natural Resources and Environment of Thuan An Town	-	-	10,411,494,000	-
- Others	216,118,035,151	(11,778,632,067)	307,034,590,371	(12,179,154,473)
	<u>234,342,029,330</u>	<u>(11,778,632,067)</u>	<u>339,869,023,953</u>	<u>(12,179,154,473)</u>
b) Trade receivables from related parties <i>(Detailed as in Notes No. 42)</i>	<u>11,875,532,505</u>	<u>(157,082,800)</u>	<u>10,405,541,310</u>	<u>(157,082,800)</u>

7 . SHORT-TERM PREPAYMENTS TO SUPPLIES

	30/06/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Prepayments to supplies detailed by large account balances				
- 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	100,308,920,085	(7,307,321,545)	101,962,994,386	(7,307,321,545)
	<u>302,162,463,835</u>	<u>(7,307,321,545)</u>	<u>347,417,794,254</u>	<u>(7,307,321,545)</u>
b) Prepayments to related parties <i>(Detailed as in Notes No. 42)</i>	<u>90,081,830,532</u>	<u>-</u>	<u>86,046,899,532</u>	<u>-</u>

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

8 . OTHER SHORT-TERM RECEIVABLES

	30/06/2020		01/01/2020	
	Amount	Provision	Amount	Provision
	VND	VND	VND	VND
a) Short-term				
- Advances	68,438,319,674	-	37,727,539,113	-
- 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 the Projects at Project Management Units	4,800,000,000	-	4,800,000,000	-
- Loan interest receivable, deposit interest receivable	2,387,416,143	-	3,290,165,464	-
- Advance for purchasing land use rights	10,440,000,000	-	12,060,000,000	-
- Receivables from invested in purchasing shares of Gia Tan Water Joint Stock Company (i)	33,081,617,500	-	-	-
- Other receivables	31,127,613,086	-	20,602,586,948	-
	167,902,592,102	-	156,730,471,751	-
b) Long-term				
- Receivables from the Sewerage Project Management Unit in Binh Duong province (ii)	917,045,606,355	-	924,112,207,078	-
	917,045,606,355	-	924,112,207,078	-

(i) Pursuant 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.

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

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	30,069,839,245	10,983,885,633	30,481,499,629	10,995,023,611
- Ngoc Suong Asia Investment and Project Manager JSC	5,444,000,000	-	5,444,000,000	-
- Minh Nhat Trading Construction Co., Ltd	1,770,774,207	-	1,770,774,207	-
- Others	22,855,065,038	10,983,885,633	23,266,725,422	10,995,023,611
	30,069,839,245	10,983,885,633	30,481,499,629	10,995,023,611

10 . INVENTORIES

	30/06/2020		01/01/2020	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw materials	245,455,320,488	-	291,660,518,387	-
Tools, supplies	3,961,354,517	-	3,606,237,702	-
Work in progress (*)	293,416,864,582	-	167,428,818,581	-
Finished goods	31,937,563,682	-	21,287,461,045	-
Goods	1,394,097,048	-	91,001,074	-
	576,165,200,317	-	484,074,036,789	-

- (*) 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, 216 apartments with the floor area of 16,689.8 m²; standard of 25m²/person with reception capacity of about 667 people. The scale of the project is defined as a construction work - level I, including 01 basement, 01 ground and 11 top floors over the total area of 4,613.6 m². Estimated total investment for the whole project is VND 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
Procurement of fixed assets	142,250,651,321	62,881,051,321
Land use rights (i)	142,250,651,321	62,881,051,321
Construction in progress	919,833,649,159	535,099,514,595
Head office	809,059,446,502	417,228,226,110
- <i>Project of Water supply in Binh Duong Complex Area (Tan Hiep water plant), the capacity 100,000 m3/day (ii)</i>	169,547,337,186	49,888,230,708
- <i>Water supply system project in Becamex - Binh Phuoc Industrial and Urban Complex and surrounding areas</i>	17,977,777,273	-
- <i>Construction investment project to raise the capacity of Nam Tan Uyen Water Plant, the capacity increased by 29,500 m3/ day</i>	58,149,572,579	-
- <i>The pipeline project under the project of expanding Southern Thu Dau Mot</i>	41,453,310,090	23,961,687,247
- <i>Southern Binh Duong Waste Treatment Complex project</i>	5,798,896,449	7,092,472,215
- <i>Investment project on manufacturing, installing compost 3 factory - capacity of 840 tons / day</i>	81,839,447,633	19,445,807,087
- <i>Incinerator system with capacity of 200 tons / day</i>	68,287,269,714	43,976,995,590
- <i>Construction of domestic waste incubator No. 4B</i>	-	18,762,939,183
- <i>Industrial wastewater treatment plant of 250 m3 / day</i>	46,018,422,600	38,438,787,581
- <i>Water Drainage project of Thu Dau Mot town - Phase 1 (iii)</i>	-	34,042,968,844
- <i>Other constructions</i>	319,987,412,978	181,618,337,655
PMU of Tan Hiep Water Factory (iii)	110,774,202,657	117,871,288,485
Major repairs of fixed assets	4,738,169,205	-
Other repairs	4,738,169,205	-
	<u>1,066,822,469,685</u>	<u>597,980,565,916</u>

(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 Water supply in Binh Duong Complex Area (Tan Hiep water plant), the capacity 100,000 m3/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 m3 /day;
- *Total estimated investment budget:* 1,129.98 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.

(iii) Decrease due to the Company has handed over assets excluded from the value of enterprise to the Sewerage Project Management Unit in Binh Duong province with the total value of 41.14 billion dong.

12 . PREPAID EXPENSES

	30/06/2020	01/01/2020
	VND	VND
a) Short-term		
Tools and supplies waiting for allocation	4,348,802,330	6,808,169,049
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
	<u>9,028,214,830</u>	<u>9,559,321,389</u>
b) Long-term		
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
	<u>58,599,639,315</u>	<u>60,037,703,532</u>

13 . TANGIBLE FIXED ASSETS

	Buildings, structures		Machine, equipment		Transportation equipment		Management equipment		Perennial and cattle		Others		Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Original cost														
Beginning balance	1,374,712,748,961	819,423,640,485	2,742,292,781,463	12,557,514,961	1,234,999,773	53,423,975,419	5,003,645,661,062							
- Purchase in the period	186,585,455	1,017,980,181	18,221,191,131	-	-	-	19,425,756,767							
- 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)							
- Other decrease	(251,782,727)	-	-	-	-	-	(251,782,727)							
Ending balance of the period	1,431,245,944,975	829,728,058,740	3,057,031,912,262	12,557,514,961	1,234,999,773	53,423,975,419	5,385,222,406,130							
Accumulated depreciation														
Beginning balance	911,166,787,882	418,627,838,172	1,419,124,015,859	7,687,587,843	170,763,259	32,965,417,379	2,789,742,410,394							
- Depreciation for the period	49,801,556,133	39,627,765,936	131,429,660,819	604,174,378	67,916,670	1,042,490,630	222,573,564,566							
- Liquidation, disposal	-	-	(1,841,021,598)	-	-	-	(1,841,021,598)							
- Other decrease	(108,576,898)	-	-	-	-	-	(108,576,898)							
Ending balance of the period	960,859,767,117	458,255,604,108	1,548,712,655,080	8,291,762,221	238,679,929	34,007,908,009	3,010,366,376,464							
Net carrying amount														
Beginning of the period	463,545,961,079	400,795,802,313	1,323,168,765,604	4,869,927,118	1,064,236,514	20,458,558,040	2,213,903,250,668							
Ending of the period	470,386,177,858	371,472,454,632	1,508,319,257,182	4,265,752,740	996,319,844	19,416,067,410	2,374,856,029,666							

- Cost of fully depreciated tangible fixed assets at the end of the period but still in use is VND 356,972,421,842.

14 . INTANGIBLE FIXED ASSETS

	Land use rights VND	Copyrights and patents VND	Computer software VND	Other intangible fixed assets VND	Total VND
Original cost					
Beginning balance	85,027,713,161	49,937,500	7,023,165,536	244,571,250	92,345,387,447
Ending balance of the period	85,027,713,161	49,937,500	7,023,165,536	244,571,250	92,345,387,447
Accumulated amortization					
Beginning balance	2,079,059,342	49,937,500	6,334,993,546	244,571,250	8,708,561,638
- Amortization in the period	294,674,400	-	131,861,392	-	426,535,792
Ending balance of the period	2,373,733,742	49,937,500	6,466,854,938	244,571,250	9,135,097,430
Ending balance of the period					
Beginning of the period	82,948,653,819	-	688,171,990	-	83,636,825,809
Ending of the period	82,653,979,419	-	556,310,598	-	83,210,290,017
- Cost of fully depreciated intangible fixed assets at the end of the period but still in use is VND 814,508,750.					

15 . GOODWILL

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Beginning balance		
Goodwill allocated during the period	764,660,614 (47,298,595)	859,257,803 (47,298,595)
Goodwill at the end of the period	717,362,019	811,959,208

16 . BORROWINGS

	01/01/2020		During the period		30/06/2020	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term borrowings						
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	-	-	87,938,205,740	-	87,938,205,740	87,938,205,740
- Vietnam Export Import Commercial Joint Stock Bank - Binh Duong Branch	46,500,000,000	46,500,000,000	-	46,500,000,000	-	-
- Others	-	-	125,228,170,500	25,228,170,150	100,000,000,350	100,000,000,350
Current portion of long-term debts - Parent Company	333,693,421,241	333,693,421,241	32,285,000,000	-	32,285,000,000	32,285,000,000
Current portion of long-term debts - Subsidiary	4,769,978,736	4,769,978,736	1,979,978,736	4,769,978,736	1,979,978,736	1,979,978,736
	869,965,306,094	869,965,306,094	1,120,877,521,380	937,806,624,663	1,053,036,202,811	1,053,036,202,811



	01/01/2020		During the period		30/06/2020	
	Outstanding balance VND	Amount can be paid VND	Increase VND	Decrease VND	Outstanding Amount can be paid VND	
					VND	VND
b) Long-term borrowings						
Long-term debts	1,928,260,218,194	1,928,260,218,194	490,802,212,215	314,744,955,522	2,104,317,474,887	2,104,317,474,887
- 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 - at Parent Company	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 Development Investment Fund - at Subsidiary	4,769,978,736	4,769,978,736	-	1,870,000,000	2,899,978,736	2,899,978,736
- 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
	<u>2,126,748,356,346</u>	<u>2,126,748,356,346</u>	<u>491,167,234,647</u>	<u>314,744,955,522</u>	<u>2,303,170,635,471</u>	<u>2,303,170,635,471</u>
Amount due for settlement within 12 months	(338,463,399,977)	(338,463,399,977)	(221,102,926,689)	(317,644,934,258)	(241,921,392,408)	(241,921,392,408)
Amount due for settlement after 12 months	<u>1,788,284,956,369</u>	<u>1,788,284,956,369</u>			<u>2,061,249,243,063</u>	<u>2,061,249,243,063</u>



Detail information on Short-term debts:

	Currency	Interest rate	Guarantee	30/06/2020	01/01/2020
				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	-
- Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch	VND	7.80%	Agreement on fixed	-	46,500,000,000
- 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	-
				811,114,810,403	531,501,906,117

Detail information on Long-term loans

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

	Currency	Interest rate	Fees	Year maturity	Guarantee	30/06/2020		01/01/2020
						Long-term debts	In which, current portion of long-term	
						VND	VND	VND
- 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 - at Parent Company	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 Development Investment Fund - at Subsidiary	VND	7.00%		2021	Right to receive dividends	2,899,978,736	1,979,978,736	4,769,978,736
- 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	-	-
Amount due for settlement within 12 months						2,104,317,474,887	241,921,392,408	1,928,260,218,194
Amount due for settlement after 12 months						(241,921,392,408)	-	(338,463,399,977)
						1,862,396,082,479		1,589,796,818,217

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

Detailed information on common bond

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

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.

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 Company	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	-	-
	114,300,000,000	1,916,998,740		

17 . 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
a) Trade payables detailed by large account balances				
- Vietnam Construction Joint Stock Company No. 5	19,149,290,321	19,149,290,321	-	-
- N.T.P Trade 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
- Tien Phong Plastic South 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	163,623,634,451	163,623,634,451	110,412,153,350	110,412,153,350
	284,836,992,996	284,836,992,996	178,462,826,121	178,462,826,121
b) Trade payables from related parties <i>(Detailed as in Notes No. 42)</i>	36,149,098,979	36,149,098,979	55,680,369,162	55,680,369,162

18 . 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
a) Prepayments from customers detailed by large account balances				
- Vietnam Construction Joint Stock Company No. 5	2,262,425,987	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	7,000,000,000
- Others	12,543,726,422	12,543,726,422	15,396,387,636	15,396,387,636
	21,806,152,409	21,806,152,409	22,970,387,636	22,970,387,636
b) Prepayment from related parties <i>(Detailed as in Notes No. 42)</i>	10,606,601,279	10,606,601,279	8,608,692,692	8,608,692,692

Binh Duong Water - Environment Joint Stock Company

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

Interim Consolidated Financial Statements
for the period from 01/01/2020 to 30/06/2020

19 . TAXES AND OTHER PAYABLES TO STATE BUDGET

	Tax receivable at beginning of the period	Tax payable at beginning of the period	Tax payable in the period	Tax paid in the period	Tax receivable end of the period	Tax payable end of the period
	VND	VND	VND	VND	VND	VND
Value added tax	-	428,060,628	7,361,394,081	8,065,107,732	298,335,461	22,682,438
Corporate income tax	-	22,927,645,907	30,628,567,636	25,776,631,048	-	27,779,582,495
Personal income tax	600,426	17,659,162	8,853,158,182	8,883,899,631	16,713,907	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	40,613,287,994	37,247,922,237	3,000,000	19,681,041,190
	600,426	40,108,415,930	96,690,365,675	89,250,421,350	318,049,368	47,865,809,197

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

20 . SHORT-TERM ACCRUED EXPENSES

	30/06/2020	01/01/2020
	VND	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	190,057,258	1,555,600,608
	26,180,765,840	20,724,212,454

21 . OTHER PAYABLES

	30/06/2020	01/01/2018
	VND	VND
a) Short-term		
Trade union fee, social insurance, unemployment insurance	1,972,240,492	6,866,092,025
Short-term deposits, collateral received	7,379,713,141	5,641,420,432
Payables on non-interest borrowings	5,916,208,020	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
- <i>Mrs. Tran Thi Huynh Mai</i>	666,208,020	-
Other payables	65,991,040,203	207,824,165,546
- <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)</i>	-	150,000,000,000
- <i>Other payables</i>	15,991,040,203	7,824,165,546
	81,259,201,856	225,581,678,003
b) Long-term		
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 (iii)	-	34,559,790,191
	727,449,231,230	760,246,170,821

(i) Detailed as in Note No. 23.

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

(iii) Decrease due to the Company has handed over the correspondingly formed capital of assets excluded from the value of enterprise to the Sewerage Project Management Unit in Binh Duong province with the total value of 34.04 billion dong.

22 . 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
	25,066,736,284	22,879,986,057

23 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital		Development an investment fund		Retained earnings		Capital expenditure fund (i)		Non-Controlling Interest		Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	
Beginning balance of previous period	1,500,000,000,000	72,324,893,590	264,805,821,746	2,285,516,359,604	3,127,498,132	4,125,774,573,072					
Profit of the previous period	-	-	208,213,101,235	-	(10,657,463)	208,202,443,772					
Decrease in capital of the previous period	-	-	-	(2,183,286,105,173)	-	(2,183,286,105,173)					
Purchased additional shares of subsidiary	-	-	(637,520,427)	-	(2,407,989,573)	(3,045,510,000)					
Other changes in equity investments in associate	-	-	267,517,580	-	-	267,517,580					
Profit distributed in 2018 at the Parent (iii)	-	109,628,820,175	(172,273,860,275)	-	-	(62,645,040,100)					
Associated distribution bonus and welfare funds and executive bonus funds	-	-	(3,548,236,944)	-	-	(3,548,236,944)					
Ending balance of previous period	1,500,000,000,000	181,953,713,765	296,826,822,915	102,230,254,431	708,851,096	2,081,719,642,207					
Beginning balance of current period	1,500,000,000,000	181,953,713,765	414,878,947,586	102,230,254,431	699,270,305	2,199,762,186,087					
Profit of the current period	-	-	249,384,484,451	-	(45,228,489)	249,339,255,962					
Purchased additional shares of subsidiary (ii)	-	-	(150,521,211)	-	(499,478,789)	(650,000,000)					
Other changes in equity investments in associate	-	-	(304,030)	-	-	(304,030)					
Profit distributed at the Parent (iii)	-	258,203,206,126	(351,266,172,602)	-	-	(93,062,966,476)					
Associated distribution bonus and welfare funds and executive bonus funds	-	-	(3,870,612,912)	-	-	(3,870,612,912)					
Other decreases (iv)	-	-	-	(6,016,825,828)	-	(6,016,825,828)					
Ending balance of current period	1,500,000,000,000	440,156,919,891	308,975,821,282	96,213,428,603	154,563,027	2,345,500,732,803					

(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) Acquisiting additional share of subsidiary - Recycled Green Materials Joint Stock Company after achieving control (Detailed at Note No. 03).
- (iii) According to Resolution No. 19/NQ-HDQT dated 17 March 2020 issued by General Meeting of shareholders, the Company announced its profit distribution plan of as follows:

	According to Resolution No. 19/NQ-HDQT VND	Temporary distribution in 2019 VND	Additional distribution in the current period VND
Retained earning in 2018 in Separate Financial Statements	35,951,340,225		
Profit after corporate income tax in Separate Financial Statements of 2019	465,314,832,377		
Total profit distributable	501,266,172,602		
Profit distribution			
- 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
	501,266,172,602	150,000,000,000	351,266,172,602
Retained earnings in Separate Financial Statements			

- (iv) Decrease due to the Company has handed over the correspondingly formed capital of assets excluded from the value of enterprise to the Sewerage Project Management Unit in Binh Duong province with the total value of 6.02 billion dong.

b) Details of Contributed capital

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

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

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Owner's invested capital		
- At the beginning of the period	1,500,000,000,000	1,500,000,000,000
- At the end of the period	1,500,000,000,000	1,500,000,000,000
Dividends and profit		
- 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
- At the end of the period	-	-

d) Share

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

e) Company's funds

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

24 . OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Operating leased assets

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

b) Foreign currencies

	30/06/2020	01/01/2020
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.

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

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Revenue from sales of goods	1,105,162,933,613	836,653,018,498
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
	1,425,020,357,549	1,132,317,309,320
Revenue from relevant parties (Detailed as in Notes No. 42)	41,017,357,110	12,929,455,542

26 . COST OF GOODS SOLD

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Cost of goods sold	594,320,520,198	430,617,650,108
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
	846,167,340,809	671,967,828,642
Cost of goods sold from related parties <i>(Detailed as in Notes No. 42)</i>	179,025,824,288	164,499,483,247

27 . FINANCIAL INCOME

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Interest income	8,633,612,322	8,028,687,014
Dividends or profits received	8,520,633,600	9,436,565,654
	17,154,245,922	17,465,252,668

28 . FINANCIAL EXPENSES

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Interest expenses	73,862,760,748	69,442,875,993
Realised losses from foreign exchange difference	972,268,637	35,502,615
Unrealised losses from foreign exchange differences	1,274,067,859	4,044,093,408
Provision/ (Reversal of provision) for impairment of investment	19,155,600,000	(51,786,060,000)
Cost of issuing bonds allocation and other financial expenses	365,352,762	286,842,720
	95,630,050,006	22,023,254,736

29 . SELLING EXPENSES

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Raw materials	5,574,078,824	4,529,805,253
Labour expenses	28,994,891,144	21,126,343,955
Depreciation and amortisation expenses	116,127,772,526	109,047,713,473
Expenses of outsourcing services	8,745,513,268	11,359,792,934
Other expenses in cash	7,947,393,816	5,690,927,956
	167,389,649,578	151,754,583,571

30 . GENERAL AND ADMINISTRATIVE EXPENSE

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Raw materials	9,714,493,066	6,934,954,332
Labour expenses	28,912,787,327	22,985,533,170
Depreciation and amortisation expenses	3,506,592,364	3,427,741,797
Tax, Charge, Fee	31,324,675	22,005,216
Provision expenses	36,108,900	106,271,281
Expenses of outsourcing services	2,948,591,700	7,021,344,968
Other expenses in cash	10,989,740,622	7,929,253,735
	<u>56,139,638,654</u>	<u>48,427,104,499</u>

31 . OTHER INCOME

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Electricity sold to the rental units	9,586,195,264	11,314,096,273
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
Others	154,538,606	1,382,595,322
	<u>17,432,125,746</u>	<u>31,373,418,582</u>
Revenue from relevant parties <i>(Detailed as in Notes No. 42)</i>	<u>9,511,412,614</u>	<u>9,527,053,350</u>

32 . OTHER EXPENSES

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Electricity consumed by the rental units	9,596,335,642	10,656,910,732
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	39,153,980	41,890,464
Handling losses after the equitization of enterprises	-	32,510,376,547
Liquidation and disposal cost	370,887,767	-
Material liquidation	878,950,423	-
Others	1,280,414,041	484,829,351
	<u>15,915,741,853</u>	<u>48,054,234,784</u>

33 . CURRENT CORPORATE INCOME TAX EXPENSES

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Binh Duong Water - Environment Joint Stock Company	30,592,098,307	34,779,866,106
Recycled Green Materials Joint Stock Company	-	-
Current corporate income tax expense	30,592,098,307	34,779,866,106
Adjustment of tax expenses in previous years into current period	36,469,329	-
Tax payable at the beginning of the period	22,927,645,907	14,655,194,905
Tax paid in the period	(25,776,631,048)	(31,180,257,227)
Corporate income tax payable at the end of the period	27,779,582,495	18,254,803,784

34 . DEFERRED INCOME TAX

a) Deferred income tax payable

	30/06/2020	01/01/2020
	VND	VND
Corporate income tax rate used to determine the value of Deferred income tax payable	20%	20%
Deferred income tax payable raised from taxable temporary difference	1,541,052,181	1,541,052,181
Deferred income tax payable	1,541,052,181	1,541,052,181

b) Deferred corporate income tax expenses

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Deferred CIT expense relating to taxable temporary difference	-	15,000,000
	-	15,000,000

35 . BASIC EARNING PER SHARE

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

	From 01/01/2020 to 30/06/2020	From 01/01/2019 to 30/06/2019
	VND	VND
Profit after corporate income tax	249,384,484,451	208,213,101,235
Adjustments:		
- Bonus and welfare fund is distributed from the profit after tax (*)	(49,876,896,890)	(41,642,620,247)
Profit distributed for common shares	(49,876,896,890)	(41,642,620,247)
Average circulated common shares in the period	199,507,587,561	166,570,480,988
	150,000,000	150,000,000
Basic earnings per share	1,330	1,110

(*) According to the Resolution No. 19/NQ-HDQT dated 17 March 2020, the Company plans to appropriate bonus and welfare funds and Reward fund for executive management at the rate of 20% of profit in 2020.

36 . 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	430,305,334,137	374,871,023,432
Labour expenses	228,252,195,179	171,389,675,309
Depreciation and amortisation expenses	222,474,785,294	219,768,532,441
Provision expenses	36,108,900	106,271,281
Expenses of outsourcing services	110,810,550,294	114,977,226,209
Other expenses in cash	49,033,082,569	49,755,741,607
	<u>1,040,912,056,373</u>	<u>930,868,470,279</u>

37 . 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
Financial Assets				
Cash and cash equivalents	140,436,247,615	-	74,716,954,777	-
Trade and other receivables	1,319,290,227,787	(11,778,632,067)	1,420,711,702,782	(12,179,154,473)
Lending loans	106,300,000,000	-	259,290,000,000	-
Long-term investments	505,233,600,000	(61,343,340,000)	505,233,600,000	(42,187,740,000)
	<u>2,071,260,075,402</u>	<u>(73,121,972,067)</u>	<u>2,259,952,257,559</u>	<u>(54,366,894,473)</u>
Financial Liabilities				
Borrowings and debts			3,114,285,445,874	2,658,250,262,463
Trade and other payables			1,093,545,426,082	1,164,290,674,945
Accrued expenses			26,180,765,840	20,724,212,454
			<u>4,234,011,637,796</u>	<u>3,843,265,149,862</u>

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 short-term and long-term security investments due to uncertainty on future prices of the securities. Long-term securities are held for long-term strategies, at the end of the fiscal period, the Company has no plans to sell these investments.

	More than 5 years VND	Total VND
As at 30/06/2020		
Long-term investment	443,890,260,000	443,890,260,000
	443,890,260,000	443,890,260,000
As at 01/01/2020		
Long-term investment	463,045,860,000	463,045,860,000
	463,045,860,000	463,045,860,000

Exchange rate risk:

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

Interest rate risk:

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

Credit Risk

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

	Up to 1 year VND	From over 1 year to 5 years VND	More than 5 years VND	Total VND
As at 30/06/2020				
Cash and cash equivalents	140,436,247,615	-	-	140,436,247,615
Trade and other receivables	390,465,989,365	917,045,606,355	-	1,307,511,595,720
Lending	101,300,000,000	-	5,000,000,000	106,300,000,000
	632,202,236,980	917,045,606,355	5,000,000,000	1,554,247,843,335
As at 01/01/2020				
Cash and cash equivalents	74,716,954,777	-	-	74,716,954,777
Trade and other receivables	484,420,341,231	924,112,207,078	-	1,408,532,548,309
Lending	254,290,000,000	-	5,000,000,000	259,290,000,000
	813,427,296,008	924,112,207,078	5,000,000,000	1,742,539,503,086

Liquidity Risk

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

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

	Up to 1 year VND	From over 1 year to 5 years VND	More than 5 years VND	Total VND
As at 30/06/2020				
Borrowings and debts	1,053,036,202,811	1,202,746,790,644	858,502,452,419	3,114,285,445,874
Trade and other payables	366,096,194,852	727,449,231,230	-	1,093,545,426,082
Accrued expenses	26,180,765,840	-	-	26,180,765,840
	<u>1,445,313,163,503</u>	<u>1,930,196,021,874</u>	<u>858,502,452,419</u>	<u>4,234,011,637,796</u>
As at 01/01/2020				
Borrowings and debts	869,965,306,094	995,137,890,118	793,147,066,251	2,658,250,262,463
Trade and other payables	404,044,504,124	760,246,170,821	-	1,164,290,674,945
Accrued expenses	20,724,212,454	-	-	20,724,212,454
	<u>1,294,734,022,672</u>	<u>1,755,384,060,939</u>	<u>793,147,066,251</u>	<u>3,843,265,149,862</u>

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

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

a) Proceeds from borrowings during the period

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 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 VND	From 01/01/2019 to 30/06/2019 VND
Repayment on principal from ordinary contracts	831,317,298,559	744,743,155,923

39 . 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:

1. Name of stock: Binh Duong Water - Environment Joint Stock Company
2. Code of stock: BWE
3. Form of issue: issuing public shares in public auction in Ho Chi Minh City Stock Exchange (HOSE).
4. Type of share: Common share.
5. Price of share: 10,000 dong per share.
6. The number of shares to be issued (expected): Maximum of 37,500,000 shares.
7. 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.*
8. 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.*
9. The time for issuing of the expected issue: 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 as follows:

- 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 Consolidated 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

40 . EVENTS AFTER THE REPORTING PERIOD

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

41 . SEGMENT REPORTING

a) Under business fields:

	Production and trading of water	Waste treatment	Waste-water treatment	Others	Grant total
	VND	VND	VND	VND	VND
Net revenue from sales to external customers	864,116,628,207	210,654,157,285	12,127,471,852	338,122,100,205	1,425,020,357,549
Net revenue from business activities	484,129,586,587	41,138,483,329	(1,159,493,717)	54,744,440,541	578,853,016,740
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	486,746,379,899	3,529,174,075,563
Unallocated assets					3,229,582,950,620
Total assets	2,030,496,852,388	968,166,448,591	43,764,394,685	486,746,379,899	6,758,757,026,183
Segment liabilities					242,658,562,859
Unallocated liabilities	26,166,187,025	94,414,965,706	12,152,376,879	109,925,033,249	4,170,597,730,521
Total liabilities	26,166,187,025	94,414,965,706	12,152,376,879	109,925,033,249	4,413,256,293,380

b) Under geographical areas

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

42 . TRANSACTION AND BALANCES WITH RELATED PARTIES

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

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

The Company has the transactions during the period and balances with related parties as follows: (particularly borrowings with related parties are detailed in Note No. 16).

Transactions during the period:

	From 01/01/2020 to 30/06/2020 VND	From 01/01/2019 to 30/06/2019 VND
Revenues from sales of goods and rendering of services	41,017,357,110	12,929,455,542
- 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
- Chanh Phu Hoa Investment - Construction Joint Stock Company	3,211,170,010	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
Financial income	8,520,633,600	9,465,497,161
- Thu Dau Mot Water Joint Stock Company	-	28,931,507
- Chanh Phu Hoa Investment - Construction Joint Stock Company	8,520,633,600	9,436,565,654
Other income (Electricity)	9,511,412,614	9,527,053,350
- Thu Dau Mot Water Joint Stock Company	9,466,195,964	9,429,004,650
- Chanh Phu Hoa Investment - Construction Joint Stock Company	45,216,650	98,048,700
Purchase of goods, services	179,025,824,288	164,499,483,247
- Thu Dau Mot Water Joint Stock Company	179,025,824,288	164,499,483,247
Purchase of goods, services	249,083,226,688	250,841,823,839
- Thu Dau Mot Water Joint Stock Company	179,025,824,288	164,499,483,247
- 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
Purchase land use rights	79,749,600,000	-
- 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
Short-term trade receivables	11,875,532,505	10,405,541,310
- 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
- Chanh Phu Hoa Investment - Construction Joint Stock Company	4,246,673,571	2,422,513,987
- Quynh Phuc Production and Trading Company Limited	1,457,454,968	2,176,921,911
Short-term prepayments to suppliers	90,081,830,532	86,046,899,532
- Investment and Industrial Development Corporation - Joint Stock Company	85,858,080,000	85,858,080,000
- Quynh Phuc Production and Trading Company Limited	4,223,750,532	188,819,532
Short-term trade payables	36,149,098,979	55,680,369,162
- Thu Dau Mot Water Joint Stock Company	18,988,743,780	31,523,094,303
- 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
Short-term prepayments from customers	10,606,601,279	8,608,692,692
- 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
- Recycled Green Materials 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

43 . COMPARATIVE FIGURES

The comparative figures on the Interim Consolidated Statement of financial position and Notes are taken from the Consolidated 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 Consolidated Statement of income, Interim Consolidated Statement of Cash flows and Notes are taken from the Interim Consolidated Financial Statements for the period from 01 January 2019 to 30 June 2019, which has been reviewed by AASC Auditing Firm Company Limited.

Preparer

Chief Accountant

Binh Duong, 18 August 2020

General Director





Nguyen Thi Mong Thuong

Tran Tan Duc

Tran Chien Cong