

SEPARATE FINANCIAL STATEMENTS

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

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



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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Binh Duong Water - Environment Joint Stock Company (“the Company”) presents its report and the Company’s Separate Financial Statements for the fiscal year ended as at 31 December 2019.

THE COMPANY

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

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

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND SUPERVISORY BOARD

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

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

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

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

The members of the Supervisory Board are:

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

AUDITORS

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

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

The Board of General Directors is responsible for the Separate Financial Statements which give a true and fair view of the financial position of the Company and of results of its operation and its cash flows for the year. In preparing those Separate 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 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 Separate Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Separate Financial Statements;
- Prepare and present the Separate Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of financial statements;
- Prepare the Separate Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

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

Other commitments

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

Binh Duong, 20 February 2020

On behalf of the Board of General Directors

General Director



Tran Chien Cong

INDEPENDENT AUDITORS' REPORT

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

We have audited the Separate Financial Statements of Binh Duong Water - Environment Joint Stock Company prepared on 20 February 2020, as set out on pages 6 to 51 including: Separate Statement of Financial position as at 31 December 2019, Separate Statement of Income, Separate Statement of Cash flows and Notes to Separate Financial Statements for the year ended as at 31 December 2019.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation of Separate 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 an opinion on these Separate Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Separate Financial Statements are free from material misstatement.

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

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

Auditor's opinion

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

Emphasis of Matter

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

- As presented in Note No. 01 of the Notes to the Separate Financial Statements, the Company has handed over assets and capital related to: Project Management Unit for Southern Thu Dau Mot Water Supply; Water Supply - Sewerage - Environment Project Management Unit; Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen and South Binh Duong Water Environment Improvement Project Management Unit to the Sewerage Project Management Unit in Binh Duong province under Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects to the Sewerage Project Management Unit in Binh Duong province. Therefore, the Company did not incorporate figures of these Project Management Units into the Separate Financial Statements for the fiscal year ended 31 December 2019. This led to the significantly decrease in value of total assets and total capital on the Separate Statement of financial position as at 31 December 2019 compared to 01 January 2019.
- As presented in Note No. 36 of the Notes to the Separate Financial Statements, at the reporting date, assets excluded from the value of enterprise under the Decision No. 3782/QD-UBND dated 29 December 2017 on approving finalization of equitization of Binh Duong Water Supply Sewerage and Environment One-member Company Limited as at 31 December 2019 with total amount of VND 41.14 billion, equivalent to liabilities of VND 35.12 billion and capital expenditure fund of VND 6.02 billion. The handover procedures have not been completed because the competent authorities have not had any guidance documents. Therefore, these assets are still recorded on the Separate Financial Statements of the Company until they are officially handed over to other entities.
- The audit procedures have been performed solely for the purpose of providing an audit opinion on the Separate Financial Statements of Binh Duong Water - Environment Joint Stock Company, but do not include audit procedures required by the Vietnam Standards on Auditing No. 1000 - Audit of settlement project report. Therefore, the figures related to the items of "Construction in progress" and "Fixed assets" on the Separate Financial Statements may change after being checked and audited in accordance with the regulations of the State on finalization of construction investment projects.

Our opinion is not modified in respect of these matters.

Hanoi, 20 February 2020

AASC Auditing Firm Company Limited
Deputy General Director



Cat Thi Ha

Registered Auditor No: 0725-2018-002-1

Auditor

Nguyen Dieu Trang

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

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Code	ASSETS	Note	31/12/2019	01/01/2019
			VND	VND
100	A. CURRENT ASSETS		1,651,901,010,661	1,476,521,530,699
110	I. Cash and cash equivalents	3	74,621,333,362	166,745,863,786
111	1. Cash		74,621,333,362	152,245,863,786
112	2. Cash equivalents		-	14,500,000,000
120	II. Short-term investments	4	254,290,000,000	176,300,000,000
123	1. Held-to-maturity investments		254,290,000,000	176,300,000,000
130	III. Short-term receivables		844,317,297,996	760,395,556,420
131	1. Short-term trade receivables	5	347,297,465,977	356,850,199,547
132	2. Short-term prepayments to suppliers	6	346,886,603,430	303,136,878,210
135	3. Short-term loan receivables	7	16,500,000,000	-
136	4. Other short-term receivables	8	160,740,711,414	116,895,049,363
137	5. Provision for short-term doubtful debts		(27,107,482,825)	(16,486,570,700)
140	IV. Inventories	10	469,061,006,096	367,601,277,041
141	1. Inventories		469,061,006,096	367,601,277,041
150	V. Other current assets		9,611,373,207	5,478,833,452
151	1. Short-term prepaid expenses	12	9,553,576,206	4,620,393,086
152	2. Deductible value added tax		57,196,575	75,316,443
153	3. Taxes and other receivables from State budget	18	600,426	783,123,923
200	B. NON-CURRENT ASSETS		4,468,457,027,680	12,221,106,004,372
210	I. Long-term receivables		924,112,207,078	30,262,623,942
215	1. Long-term loans receivables	7	-	16,500,000,000
216	2. Other long-term receivables	8	924,112,207,078	13,762,623,942
220	II. Fixed assets		2,257,941,415,719	4,257,365,887,431
221	1. Tangible fixed assets	13	2,174,309,256,558	4,172,889,989,982
222	- Historical cost		4,952,364,796,513	6,592,418,273,238
223	- Accumulated depreciation		(2,778,055,539,955)	(2,419,528,283,256)
227	2. Intangible fixed assets	14	83,632,159,161	84,475,897,449
228	- Historical cost		92,275,387,447	92,539,587,447
229	- Accumulated amortization		(8,643,228,286)	(8,063,689,998)
240	IV. Long-term assets in progress	11	597,980,565,916	7,280,481,940,607
242	1. Construction in progress		597,980,565,916	7,280,481,940,607
250	V. Long-term investments	4	628,385,135,435	604,353,765,435
251	1. Investments in subsidiaries		18,786,391,019	15,740,881,019
252	2. Investments in joint-ventures and associates		141,552,884,416	141,552,884,416
253	3. Equity investments in other entities		505,233,600,000	505,233,600,000
254	4. Provision for devaluation of long-term investments		(42,187,740,000)	(58,173,600,000)
255	5. Held-to-maturity investments		5,000,000,000	-
260	VI. Other long-term assets		60,037,703,532	48,641,786,957
261	1. Long-term prepaid expenses	12	60,037,703,532	48,641,786,957
270	TOTAL ASSETS		6,120,358,038,341	13,697,627,535,071

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(Continued)

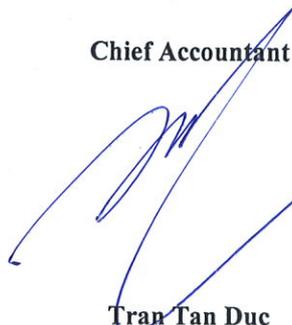
Code	CAPITAL	Note	31/12/2019 VND	01/01/2019 VND
300	C. LIABILITIES		3,984,907,897,543	9,630,960,663,981
310	I. Current liabilities		1,436,376,770,353	2,425,000,342,406
311	1. Short-term trade payables	16	169,035,973,046	403,938,202,886
312	2. Short-term prepayments from customers	17	22,065,695,762	19,361,789,531
313	3. Taxes and other payables to State budget	18	39,919,043,207	31,496,584,008
314	4. Payables to employees		54,905,543,897	94,602,164,000
315	5. Short-term accrued expenses	19	19,331,325,482	10,462,639,141
319	6. Other short-term payables	20	225,443,610,240	1,095,523,699,175
320	7. Short-term borrowings and finance lease liabilities	15	865,195,327,358	757,388,810,394
321	8. Provisions for short-term payables	21	22,879,986,057	9,544,263,676
322	9. Bonus and welfare fund		17,600,265,304	2,682,189,595
330	II. Non-current liabilities		2,548,531,127,190	7,205,960,321,575
337	1. Other long-term payables	20	760,246,170,821	5,563,564,527,309
338	2. Long-term borrowings and finance lease liabilities	15	1,788,284,956,369	1,642,395,794,266
400	D. OWNER'S EQUITY		2,135,450,140,798	4,066,666,871,090
410	I. Owner's equity	22	2,135,450,140,798	4,066,066,453,694
411	1. Contributed capital		1,500,000,000,000	1,500,000,000,000
411a	- Ordinary shares with voting rights		1,500,000,000,000	1,500,000,000,000
418	2. Development and investment funds		181,953,713,765	72,324,893,590
421	3. Retained earnings		351,266,172,602	208,225,200,500
421a	- Retained earnings accumulated till the end of the previous year		35,951,340,225	-
421b	- Retained earnings of the current year		315,314,832,377	208,225,200,500
422	4. Capital expenditure fund		102,230,254,431	2,285,516,359,604
430	II. Non-business funds and other funds		-	600,417,396
431	1. Non-business funds		-	520,280,000
432	2. Funds that form fixed assets		-	80,137,396
440	TOTAL CAPITAL		6,120,358,038,341	13,697,627,535,071

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 February 2020

General Director



Tran Chien Cong

SEPARATE STATEMENT OF INCOME

Year 2019

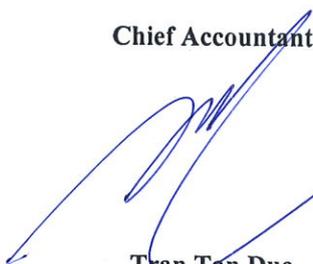
Code	ITEMS	Note	Year 2019 VND	Year 2018 VND
01	1. Revenue from sales of goods and rendering of services	24	2,525,378,201,291	2,171,817,061,711
02	2. Revenue deductions		283,807,272	-
10	3. Net revenue from sales of goods and rendering of services		2,525,094,394,019	2,171,817,061,711
11	4. Cost of goods sold	25	1,495,194,904,142	1,309,033,892,919
20	5. Gross profit from sales of goods and rendering of services		1,029,899,489,877	862,783,168,792
21	6. Financial income	26	55,902,798,905	35,049,372,663
22	7. Financial expenses	27	128,056,209,080	184,583,337,652
23	- In which: Interest expenses		143,389,491,128	130,830,308,403
25	8. Selling expenses	28	304,838,014,710	270,431,867,551
26	9. General and administrative expense	29	112,686,941,176	108,370,944,274
30	10. Net profit from operating activities		540,221,123,816	334,446,391,978
31	11. Other income	30	50,073,237,532	40,201,760,595
32	12. Other expense	31	62,713,687,136	24,055,274,897
40	13. Other profit		(12,640,449,604)	16,146,485,698
50	14. Total net profit before tax		527,580,674,212	350,592,877,676
51	15. Current corporate income tax expenses	32	62,265,841,835	37,367,677,176
60	16. Profit after corporate income tax		<u>465,314,832,377</u>	<u>313,225,200,500</u>

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc



Binh Duong, 20 February 2020

General Director



Tran Chien Cong

SEPARATE STATEMENT OF CASH FLOWS

Year 2019
 (Indirect method)

Code	ITEMS	Note	Year 2019 VND	Year 2018 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profits before tax		527,580,674,212	350,592,877,676
	2. Adjustments for:			
02	- Depreciation and amortization of fixed assets and investment properties		427,365,903,303	398,129,716,591
03	- Provisions		8,336,061,106	(7,527,031,888)
04	- Exchange gains/losses from retranslation of monetary items denominated in foreign currency		(1,189,741,015)	3,509,392,860
05	- Gains/losses from investment		(54,782,818,681)	(34,837,552,604)
06	- Interest expense		144,041,356,280	130,830,308,403
07	- Other adjustments		12,740,087,772	-
08	3. Operating profit before changes in working capital		1,064,091,522,977	840,697,711,038
09	- Increase/Decrease in receivables		823,089,651,389	6,778,315,066
10	- Increase/Decrease in inventories		(129,622,872,149)	(53,306,592,591)
11	- Increase/Decrease in payables (excluding interest payables, corporate income tax payable)		(93,892,996,790)	1,365,111,277,760
12	- Increase/Decrease in prepaid expenses		(16,329,099,695)	11,133,835,488
14	- Interest paid		(140,868,264,429)	(129,030,917,434)
15	- Corporate income taxes paid		(53,879,424,437)	(40,151,986,505)
16	- Other receipts from operating activities		-	1,425,095,295,238
17	- Other payments on operating activities (i)		(996,167,110,513)	(44,306,746,193)
20	Net cash flow from operating activities		456,421,406,353	3,382,020,191,867
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		(666,216,545,299)	(3,206,874,759,464)
22	2. Proceeds from disposals of fixed assets and other long-term assets		472,727,273	770,000,000
23	3. Loans and purchase of debt instruments from other entities		(209,990,000,000)	(125,000,000,000)
24	4. Collection of loans and resale of debt instrument of other entities		127,000,000,000	110,000,000,000
25	5. Equity investments in other entities		(3,045,510,000)	(293,986,343,200)
27	6. Interest and dividend received		51,771,517,713	27,453,972,012
30	Net cash flow from investing activities		(700,007,810,313)	(3,487,637,130,652)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	1. Proceeds from borrowings		1,702,862,347,509	1,472,213,014,855
34	2. Repayment of principal		(1,446,113,654,282)	(1,402,424,621,571)
36	3. Dividends or profits paid to owners		(105,000,000,000)	(67,500,000,000)
40	Net cash flow from financing activities		151,748,693,227	2,288,393,284
50	Net cash flows in the year		(91,837,710,733)	(103,328,545,501)

SEPARATE STATEMENT OF CASH FLOWS

Year 2019
 (Indirect method)

Code ITEMS	Note	Year 2019	Year 2018
		VND	VND
60 Cash and cash equivalents at the beginning of the year		166,745,863,786	270,025,171,262
61 Effect of exchange rate fluctuations		(286,819,691)	49,238,025
70 Cash and cash equivalents at the end of the year	3	<u>74,621,333,362</u>	<u>166,745,863,786</u>

(i) In which, including:

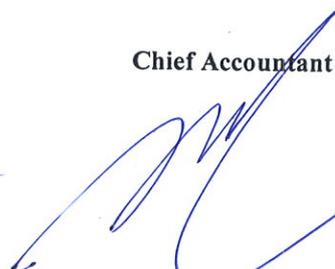
- Refunds to the State budget about the advance of the 2019 estimated budget to implement the Project of Water drainage and Waste water treatment in Di An with the amount of VND 843,003,000,000;
- Decrease in cash and cash equivalent balances as at 31 December 2018 of the Project Management Unit for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

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 February 2020
 General Director



Tran Chien Cong

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year 2019

1 . CHARACTERISTICS OF OPERATION OF THE COMPANY

Form of capital ownership

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

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

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

Business field

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

Business activities

Main business activities of the Company are:

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

The Company's operations in the year that affects the Separate Financial Statements

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

Simultaneously, due to the market fluctuations, during the year 2019 the Company made the reversal of provision for devaluation of long-term financial investments with the total amount of 15.98 billion dong - resulted in item "Total net profit before tax" an increase of 66.19 billion dong than the previous year (in 2018, the Company made a provision for devaluation of these investments with amount of 50.21 billion dong). Beside that, the dividends or distributed profits and interest expenses of 2019 increase 15.2 billion dong and 12.56 billion dong respectively compared with the year 2018. Other items are not significantly increased/decreased.

The combination of the above reasons makes the total net profit before tax of the current year increased by VND 176.98 billion dong compared with the previous year.

- According to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment, which were established previously by the provincial People's Committee to implement projects invested by Binh Duong Water Supply Sewerage and Environment One-member Company Limited (now, called as Binh Duong Water - Environment Joint Stock Company) to establish the Sewerage Project Management Unit in Binh Duong province; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects to the Sewerage Project Management Unit in Binh Duong province, the Company has handed over assets and capital related to the Project Management Units:
 - Project Management Unit for Southern Thu Dau Mot Water Supply project was established under Decision No. 3949/QD-CT dated 03 October 2001 by the Chairman of the Provincial People's Committee;
 - Water Supply - Sewerage - Environment Project Management Unit was established under Decision No. 259/2003/QD-UB dated 04 November 2003 by the Provincial People's Committee;
 - Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen was established under Decision No. 1421/QD-UBND dated 14 June 2016 by the Chairman of the Provincial People's Committee;
 - South Binh Duong Water Environment Improvement Project Management Unit was established under the Decision No. 718/QD.CTN-MT dated 19 June 2007 by the Director of Binh Duong Water Supply Sewerage Environment Company Limited (now, called as Binh Duong Water - Environment Joint Stock Company).

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

- During 2019, implementing the Resolution of the Board of Management, the Company changed the Operation Registration Certificate of the Enterprises into an Operation Registration Certificate of the Branch. At the same time, the Company also established additional branches of water supply and wastewater treatment branches. Accordingly, as at 31 December 2019, the Company's structure included the following units:

The Company's structure:

<u>The Company's member entities</u>	<u>Address</u>	<u>Principal activities</u>
1. Head Office	Thu Dau Mot city, Binh Duong province	General management; supplying treated water.
2. Di An Water Supply Enterprise	Thuan An Town, Binh Duong Province	Supplying treated water; Investigation services, construction of water supply system.
3. Thu Dau Mot Water Supply Enterprise	Thu Dau Mot city, Binh Duong province	Supplying treated water; construction of water supply system.
4. Complex Area Water Supply Enterprise	Tan Uyen Town, Binh Duong Province	Supplying treated water; Investigation services, construction of water supply system.
5. Tan Uyen Water Supply Enterprise	Tan Uyen district, Binh Duong province	Supplying treated water; Investigation services, construction of water supply system; Trading of materials used for water sector.
6. Thuan An Water Supply Enterprise	Thuan An Town, Binh Duong Province	Supplying treated water; Investigation services, construction of water supply system; Trading of materials used for water sector.

The Company's Structure:
(continued)

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

Besides that, as at 31 December 2019, the Company also manages Tan Hiep Water Factory Project Management Unit ("PMU") which operates with the capital of the Company and borrowings for implementation of construction investment projects for business purpose. The figures of this PMU is also included in the Separate Financial Statements for the fiscal year ended 31 December 2019 of the Company.

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

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

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

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Company applies Corporate Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Minister of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Declaration of compliance with Accounting Standards and Accounting System

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

2.3 . Basis for preparation of Separate Financial Statements

Separate Financial Statements are presented based on historical cost principle.

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

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

The Users of this Separate Financial Statements should study the Separate Financial Statements combined with the Consolidated Financial Statements of the Company and its subsidiaries (“Group”) for the fiscal year ended as at 31 December 2019 of the Company in order to gain enough information regarding the financial position, results of operations and cash flows of the Group.

2.4 . Financial Instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement after initial recognition

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

2.5 . Foreign currency transactions

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

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

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

- For asset accounts, applying the bid rate of the commercial bank where the Company regularly conducts transaction;

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

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

2.6 . Cash and cash equivalents

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

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

2.7 . Financial investments

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

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

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

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

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

2.8 . Receivables

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

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

2.9 . Inventories

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

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

Inventory is recorded by perpetual method.

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

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

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

2.10 . Fixed assets

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

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

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

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

2.11 . Construction in progress

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

2.12 . Operating lease

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

2.13 . Prepaid expenses

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

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

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

2.14 . Payables

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

2.15 . Borrowings

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

2.16 . Bonds released

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

2.17 . Borrowing costs

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

2.18 . Accrued expenses

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

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

2.19 . Provision for payables

The provision for payables included payables provision on insuring the construction, payables provision on waste and wastewater treatment expenses. Provision for payables is only recognized when meeting all of the following conditions:

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

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

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

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

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

2.20 . Owner's equity

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

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

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

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

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

2.21 Revenues

Sales

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

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

Services rendered

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

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

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

Revenue from construction contract

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

Financial income

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

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

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

2.22 . Revenue deductions

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

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

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 year.

2.24 . Financial expenses

Items recorded into financial expenses consist of:

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

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

2.25 . Corporate income tax

a) Current corporate income tax expenses

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

b) Tax incentives

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

2.26 . Related Parties

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

- Enterprises, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;

- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

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

2.27 . Partial information

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

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

3 . CASH AND CASH EQUIVALENTS

	31/12/2019	01/01/2019
	VND	VND
Cash on hand	1,030,694,051	1,126,253,809
Demand deposits	72,658,403,311	151,012,964,377
Cash in transit	932,236,000	106,645,600
Cash equivalents	-	14,500,000,000
	<u>74,621,333,362</u>	<u>166,745,863,786</u>

4 . FINANCIAL INVESTMENTS

a) Held-to-maturity investments

	31/12/2019		01/01/2019	
	Original cost VND	Provision VND	Original cost VND	Provision VND
Short-term investments	254,290,000,000	-	176,300,000,000	-
Term deposits (i)	254,290,000,000	-	176,300,000,000	-
Long-term investments	5,000,000,000	-	-	-
Bonds (ii)	5,000,000,000	-	-	-
	<u>259,290,000,000</u>	<u>-</u>	<u>176,300,000,000</u>	<u>-</u>

- (i) Term deposits from 04 months to 14 months at commercial banks with interest rate of from 5.5% /year to 7.9% /year. At 31 December 2019, the term deposits valued at 120 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; face value of VND 10,000,000/ 01 bond; Bond interest rate is the reference interest rate + 1.0% / year.

Binh Duong Water - Environment Joint Stock Company

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b) Equity investments in other entities

Stock Code	31/12/2019			01/01/2019		
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
Investments in subsidiary (*)	18,786,391,019		-	15,740,881,019		-
- Recycled Green Materials Joint Stock Company (i)	18,786,391,019		-	15,740,881,019		-
Investments in associates (*)	141,552,884,416		-	141,552,884,416		-
- Chanh Phu Hoa Investment - Construction Joint Stock Company	141,552,884,416		-	141,552,884,416		-
Investments in others entities	505,233,600,000	520,419,000,000	(42,187,740,000)	505,233,600,000	447,060,000,000	(58,173,600,000)
- Dong Nai Water Joint Stock Company	273,085,860,000	330,459,000,000	-	273,085,860,000	230,100,000,000	(42,985,860,000)
- Binh Duong Producing and Trading Goods Corporation	213,760,200,000	179,760,000,000	(34,000,200,000)	213,760,200,000	204,000,000,000	(9,760,200,000)
- Thanh Le General Import - Export Trading Corporation	18,387,540,000	10,200,000,000	(8,187,540,000)	18,387,540,000	12,960,000,000	(5,427,540,000)
	665,572,875,435	520,419,000,000	(42,187,740,000)	662,527,365,435	447,060,000,000	(58,173,600,000)

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

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

(i) Pursuant to Resolution No. 02/NQ-HĐQT dated 08 January 2018 of the Board of Management of Binh Duong Water - Environment Joint Stock Company, the Board of Management has agreed on receiving of transfer of shares from the shareholders of Recycled Green Materials Joint Stock Company (3R) - who are the internal person and the related person of the Company. Accordingly, during the year, the Company was performing transactions to purchased 234,270 shares of Recycled Green Materials Joint Stock Company from other investors, equivalent to total par value of VND 2,342,700,000 with the purchase cost of VND 3,045,510,000.

After above transactions, as at 31 December 2019, the Company owns 1,597,432 shares of Recycled Green Materials Joint Stock Company, equivalent to the total par value of VND 15,974,320,000, the investment cost of these shares is VND 18,786,391,019.

Binh Duong Water - Environment Joint Stock Company

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Investments in subsidiary

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

Name of subsidiary	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Recycled Green Materials Joint Stock Company	Binh Duong	95.80%	95.80%	Recycle scrap, produce construction materials

Investments in associate

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

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

Major transactions between the Company and the Company's subsidiary and associate during the year: Details as in Notes No. 39.

Equity investments in other entities

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

Name of investee 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 clean water.
- Binh Duong Producing and Trading Goods Corporation	Binh Duong	4.00%	4.00%	Trading business, industrial zone.
- Thanh Le General Import - Export Trading Corporation	Binh Duong	0.51%	0.51%	Trading petroleum; waterway transportation and real estate business.



5 . SHORT-TERM TRADE RECEIVABLES

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Trade receivables detailed by customers with large account balances				
- Recycled Green Materials Joint Stock Company	15,803,580,935	(7,705,260,907)	11,374,200,948	(432,633,000)
- Vietnam - Singapore Industrial Park Joint Venture Company Limited	22,422,939,582	-	19,451,911,288	-
- Natural Resources and Environment Office of Thuan An Town	10,411,494,000	-	49,883,731,712	-
- Others	298,659,451,460	(12,094,900,373)	276,140,355,599	(8,715,519,155)
	<u>347,297,465,977</u>	<u>(19,800,161,280)</u>	<u>356,850,199,547</u>	<u>(9,148,152,155)</u>
b) Trade receivables from related parties	<u>25,396,944,142</u>	<u>(7,862,343,707)</u>	<u>21,356,321,429</u>	<u>(432,633,000)</u>
<i>(Detailed as in Notes No. 39)</i>				

6 . SHORT-TERM PREPAYMENTS TO SUPPLIES

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Prepayments to supplies detailed by large account balances				
- Dai Phu Thinh Company Limited	-	-	30,806,474,511	-
- Vietnam Construction JSC No. 5	31,000,000,000	-	-	-
- Investment and Industrial Development Corporation - Joint Stock Company (i)	85,858,080,000	-	-	-
- JINDAL SAW GULF L.L.C	12,601,256,118	-	-	-
- Land Fund Development Center of Tan Uyen town (ii)	115,995,463,750	-	86,721,458,782	-
- Viwaseen - Thep Moi Joint Ventures	-	-	47,148,108,114	-
- Others	101,431,803,562	(7,307,321,545)	138,460,836,803	(7,307,321,545)
	<u>346,886,603,430</u>	<u>(7,307,321,545)</u>	<u>303,136,878,210</u>	<u>(7,307,321,545)</u>
b) Prepayments to related parties	<u>86,046,899,532</u>	<u>-</u>	<u>36,634,256,072</u>	<u>-</u>
<i>(Detailed as in Notes No. 39)</i>				

- (i) This is the first advance according to the Contract No. 98/HDNT/2019 dated 05 November 2019 signed by the Company and Investment and Industrial Development Corporation - Joint Stock Company on transferring land use right at New Urban area of Binh Duong Industry - Urban - Service Complex area with total transfer area of 9,494 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.

7 . LOAN RECEIVABLES

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
Recycled Green Materials Joint Stock Company (*)	16,500,000,000	-	-	-
	16,500,000,000	-	-	-
b) Long-term				
Recycled Green Materials Joint Stock Company (*)	-	-	16,500,000,000	-
	-	-	16,500,000,000	-
c) Loan receivables from related parties	16,500,000,000	-	16,500,000,000	-

(Detailed as in Notes No. 39)

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

8 . OTHER SHORT-TERM RECEIVABLES

	31/12/2019		01/01/2019	
	Amount VND	Provision VND	Amount VND	Provision VND
a) Short-term				
- Advances	32,522,237,635	-	44,133,925,282	-
- Mortgages, deposits	2,638,831,463	-	3,206,781,463	-
- Receivables from materials advanced for construction	19,689,812,608	-	5,721,364,127	-
- Receivables from lending materials (i)	55,921,536,155	-	-	-
- Receivables of advance on site clearance and resettlement compensation of the Projects at Project Management Units	4,800,000,000	-	1,631,928,390	-
- Loan interest receivable, deposit interest receivable	4,356,129,262	-	3,872,464,085	-
- Dividend receivable	10,650,792,000	-	8,192,917,000	-
- Advance for purchasing land use rights	12,060,000,000	-	9,671,821,832	-
- Receivables from the proceeds of post-quitization treatment	-	-	25,576,525,629	-
- Other receivables	18,101,372,291	-	14,887,321,555	(31,097,000)
	160,740,711,414	-	116,895,049,363	(31,097,000)
b) Long-term				
- Receivables related to the exchange rate difference of the aid at South Binh Duong Water Environment Improvement Project Management Unit	-	-	13,762,623,942	-
- Receivables from the Sewerage Project Management Unit in Binh Duong province (ii)	924,112,207,078	-	-	-
	924,112,207,078	-	13,762,623,942	-
c) Other receivables from related parties <i>(Detailed as in Notes No. 39)</i>	11,716,755,798	-	11,039,739,897	-

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

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

9 . DOUBTFUL DEBTS

	31/12/2019		01/01/2019	
	Original cost	Recoverable amount	Original cost	Recoverable amount
	VND	VND	VND	VND
Total value of overdue debts	42,927,320,102	15,819,837,277	27,120,870,807	10,634,300,107
- Ngoc Suong Asia Investment and Project Manager Joint Stock Company	5,444,000,000	-	5,444,000,000	-
- Minh Nhat Trading Construction Company	1,770,774,207	-	1,770,774,207	-
- Recycled Green Materials Joint Stock Company	12,530,074,573	4,824,813,666	-	-
- Others	23,182,471,322	10,995,023,611	19,906,096,600	10,634,300,107
	42,927,320,102	15,819,837,277	27,120,870,807	10,634,300,107

10 . INVENTORIES

	31/12/2019		01/01/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw materials	282,601,481,383	-	243,471,836,673	-
Tools, supplies	729,946,768	-	560,025,787	-
Work in progress (*)	167,428,818,581	-	110,116,525,935	-
Finished goods	18,209,758,290	-	13,405,860,322	-
Goods	91,001,074	-	47,028,324	-
	469,061,006,096	-	367,601,277,041	-

- (*) Including the Project of social housing and green park in An Phu ward, Thuan An town, Binh Duong province with the accumulated amount until 31 December 2019 is VND 110,991,413,537. Total design capacity of the Project include 12 floors, 262 apartments with the floor area of 17,667.6 m²; standard of 25m²/person with reception capacity of about 707 people. The scale of the project is defined as a construction work - level II, including 01 basement, 01 ground and 11 top floors over the total area of 4,613.6 m². Estimated total investment for the whole project is VND 155,132,005,000. The main invested capital is the borrowing capital from the Binh Duong Development Investment Fund and the Company's own capital. The investment purpose of the project is to build house for students, workers, civil servants, officials, armed forces, and people with low-income in Binh Duong province. At the reporting date, the project has completed the crude construction and is in the process of interior finishing, and other auxiliary items. The project is expected to be completed and put into use in 2020.

11 . CONSTRUCTION IN PROGRESS

	31/12/2019	01/01/2019
	VND	VND
Procurement of fixed assets	62,881,051,321	63,138,765,739
Land use rights (i)	62,881,051,321	63,138,765,739
Construction in progress (ii)	535,099,514,595	7,217,343,174,868
Head office	417,228,226,110	223,659,555,852
- Incinerator system with capacity of 200 tons / day	43,976,995,590	-
- Construction of domestic waste incubator No. 4B	18,762,939,183	-
- Industrial wastewater treatment plant of 250 m3 / day	38,438,787,581	-
- Water Drainage project of Thu Dau Mot town - Phase 1	34,042,968,844	34,042,968,844
- The pipeline project under the project of expanding Southern Thu Dau Mot	23,961,687,247	33,742,031,873
- Southern Binh Duong Waste Treatment Complex project	7,092,472,215	28,569,951,789
- Construction investment project to raise the capacity of Tan Hiep Water Plant, the capacity increased by 100,000m3 (iii)	49,888,230,708	-
- Other constructions	201,064,144,742	127,304,603,346
Water Supply - Sewerage - Environment PMU	-	839,653,207,261
PMU of Tan Hiep Water Factory	117,871,288,485	117,846,088,485
South Binh Duong Water Environment Improvement PMU	-	3,807,331,414,478
PMU for Southern Thu Dau Mot Water Supply project	-	1,569,575,096,989
PMU of Waste Water Drainage and Treatment for Di An, Thuan An, Tan Uyen Areas	-	659,277,811,803
	<u>597,980,565,916</u>	<u>7,280,481,940,607</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 and Tan Hiep Water Factory. Land use rights acquired by employees and registered under their names and were handed over to the Company and in the process of transferring ownership titles.
- (ii) In which, assets which excluded from the value of enterprise as at 31 December 2019 with total amount of VND 41,140,054,672 (Note No. 6), upon completion and settlement of investment capital shall be handed over to other units for management according to decisions of competent authorities.
- (iii) Construction investment project to raise the capacity of Tan Hiep Water Plant, the capacity increased by 100,000m3 was implemented under Decision No. 863/QD-CPN.MT dated 09 July 2018 by General Director of the Company on approving the project's construction. The investor of this project is Binh Duong Water - Environment Joint Stock Company. The goal of the project is to supplement water supply capacity to Thu Dau Mot, Tan Uyen and Ben Cat to the year 2030 with an additional capacity of 100,000 m3 /day. The total estimated investment of the project is VND 1,052.43 billion. The main invested capital is the borrowing capital from the banks and the Company's own capital; the time estimated for implementation is 24 months.

12 . PREPAID EXPENSES

	31/12/2019	01/01/2019
	VND	VND
a) Short-term		
Tools and supplies waiting for allocation	6,802,423,866	4,208,664,580
Processing and repairing expenses	734,113,030	151,423,773
Premium expenses	904,025,686	-
Others	1,113,013,624	260,304,733
	<u>9,553,576,206</u>	<u>4,620,393,086</u>
b) Long-term		
Tools and supplies waiting for allocation	16,253,044,077	9,565,272,386
Substantial expenditure on fixed asset overhaul	1,348,012,783	170,172,727
Cost of renovating sidewalks on Ly Thuong Kiet street	2,305,551,466	-
Costs of installing water pipelines	3,682,329,538	2,267,764,355
Land rental costs	25,348,425,773	26,095,059,989
Value of the business advantages of the enterprise	6,835,779,392	7,848,487,448
Others	4,264,560,503	2,695,030,052
	<u>60,037,703,532</u>	<u>48,641,786,957</u>

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13 . TANGIBLE FIXED ASSETS

	Buildings	Machine, equipment	Transportation equipment	Management equipment	Perennial plant and working animals	Others	Total
	VND	VND	VND	VND	VND	VND	VND
Original cost							
Beginning balance	1,996,990,463,199	743,097,816,747	3,580,429,510,235	16,984,337,721	969,999,773	253,946,145,563	6,592,418,273,238
- Purchase in the year	-	68,072,348,204	21,657,670,207	1,436,245,353	265,000,000	-	91,431,263,764
- Completed construction investment	24,279,090,902	-	173,301,889,682	-	-	-	197,580,980,584
- Reclassified during the year	1,592,929,378	11,286,631,114	(10,989,531,159)	(1,807,404,845)	-	(82,624,488)	-
- Other increase (ii)	-	126,461,544	-	-	-	-	126,461,544
- Handed over (i)	(669,763,012,973)	(27,455,904,323)	(992,315,187,043)	(4,145,663,268)	-	(200,901,030,201)	(1,894,580,797,808)
- Liquidation, disposal	-	(921,590,326)	(893,865,598)	-	-	-	(1,815,455,924)
- Other decrease (ii)	(296,970,959)	(54,088,840)	(32,444,869,086)	-	-	-	(32,795,928,885)
Ending balance of the year (iii)	1,352,802,499,547	794,151,674,120	2,738,745,617,238	12,467,514,961	1,234,999,773	52,962,490,874	4,952,364,796,513
Accumulated depreciation							
Beginning balance	831,581,995,160	345,771,389,486	1,195,940,948,185	10,985,589,147	38,741,924	35,209,619,354	2,419,528,283,256
- Depreciation for the year	97,015,823,770	80,159,135,782	245,334,758,595	1,149,525,340	132,021,335	2,537,892,158	426,329,156,980
- Reclassified during the year	-	(12,738,007,881)	12,619,270,300	(1,280,769,960)	-	1,399,507,541	-
- Other increase (ii)	83,632,126	328,278,705	-	-	-	-	411,910,831
- Handed over (i)	(20,909,050,619)	(287,222,626)	(16,219,090,535)	(3,242,106,684)	-	(6,270,052,864)	(46,927,523,328)
- Liquidation, disposal	-	(842,429,512)	(570,059,930)	-	-	-	(1,412,489,442)
- Other decrease (ii)	-	-	(19,873,798,342)	-	-	-	(19,873,798,342)
Ending balance of the year	907,772,400,437	412,391,143,954	1,417,232,028,273	7,612,237,843	170,763,259	32,876,966,189	2,778,055,539,955
Net carrying amount							
Beginning of the year	1,165,408,468,039	397,326,427,261	2,384,488,562,050	5,998,748,574	931,257,849	218,736,526,209	4,172,889,989,982
Ending of the year	445,030,099,110	381,760,530,166	1,321,513,588,965	4,855,277,118	1,064,236,514	20,085,524,685	2,174,309,256,558

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

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

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

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

14 . INTANGIBLE FIXED ASSETS

	Land use rights	Copyrights and patents	Computer software	Other intangible fixed assets	Total
	VND	VND	VND	VND	VND
Original cost					
Beginning balance	85,027,713,161	49,937,500	7,217,365,536	244,571,250	92,539,587,447
- Handed over (i)	-	-	(264,200,000)	-	(264,200,000)
Ending balance of the year	85,027,713,161	49,937,500	6,953,165,536	244,571,250	92,275,387,447
Accumulated amortization					
Beginning balance	1,489,710,542	49,937,500	6,279,470,706	244,571,250	8,063,689,998
- Amortization in the year	589,348,800	-	254,389,488	-	843,738,288
- Handed over (i)	-	-	(264,200,000)	-	(264,200,000)
Ending balance of the year	2,079,059,342	49,937,500	6,269,660,194	244,571,250	8,643,228,286
Net carrying amount					
Beginning of the year	83,538,002,619	-	937,894,830	-	84,475,897,449
Ending of the year	82,948,653,819	-	683,505,342	-	83,632,159,161

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

(i) Handed over assets from Project Management Unit for Southern Thu Dau Mot Water Supply to the Sewerage Project Management Unit in Binh Duong province
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15 . BORROWINGS

	01/01/2019		During the year		31/12/2019	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term borrowings						
Short-term debts						
- Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch	447,286,816,783	447,286,816,783	1,242,924,983,543	1,158,709,894,209	531,501,906,117	531,501,906,117
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	74,529,463,461	74,529,463,461	148,695,666,173	223,225,129,634	-	-
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	309,329,773,398	309,329,773,398	819,267,576,575	744,553,875,965	384,043,474,008	384,043,474,008
- Nam A Commercial Joint Stock Bank - Binh Duong Branch	27,000,000,000	27,000,000,000	18,000,000,000	45,000,000,000	-	-
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	36,427,579,924	36,427,579,924	-	36,427,579,924	-	-
- Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch	-	-	100,900,000,000	54,400,000,000	46,500,000,000	46,500,000,000
- Orient Commercial Joint Stock Bank	-	-	15,000,000,000	15,000,000,000	-	-
- Vietnam Export Import Commercial Joint Stock Bank - Binh Duong Branch	-	-	40,103,308,686	40,103,308,686	-	-
Current portion of long-term debts	310,101,993,611	310,101,993,611	316,086,330,490	292,494,902,860	333,693,421,241	333,693,421,241
	757,388,810,394	757,388,810,394	1,559,011,314,033	1,451,204,797,069	865,195,327,358	865,195,327,358

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Detail information on Long-term debts

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

	Currency	Interest rate	Maturity year	Guarantee	31/12/2019		01/01/2019
					Long-term debts	In which, current portion of long-term debts	Long-term debts
- Vietnam Development Bank - Binh Duong Branch	VND	5.80%	2026	Pledge of trust	293,694,762,984	47,165,514,052	340,834,762,984
- Vietnam Development Bank - Binh Duong Branch	EUR	0.20%	2025	Pledge of trust	167,491,042,118	18,084,777,900	186,705,721,278
- Asian Development Bank	USD	LIBOR + 0.5%	2026	Pledge of trust	471,295,812,412	25,236,397,401	479,697,959,006
- World Bank	VND	6.95%	2038	Pledge of trust	386,311,104,643	21,462,000,000	407,773,104,643
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch	VND	8.40%	2021	Stock formed from loan (DNW)	26,880,000,000	13,440,000,000	40,320,000,000
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch	VND	8.70%	2021-2027	Stock formed from loan (DNW)	71,289,755,000	24,259,940,000	95,565,919,000
- Vietnam International Commercial Joint Stock Bank - Binh Duong Branch	VND	Floating	2023	Assets formed from projects	46,663,644,995	12,443,710,200	59,107,355,195
- Binh Duong Development Investment Fund	VND	7.00%	2021 - 2026	Assets formed from projects; right to receivables from water supply	414,492,394,238	161,009,081,688	310,026,653,594
- Binh Duong Environmental Protection Fund	VND	5.40%	2025	Pledge of trust	36,621,723,068	8,404,000,000	21,528,312,177
- Vietnam Environmental Protection Fund	VND	2.60%	2024	Pledge of trust	8,750,000,000	2,188,000,000	10,938,000,000
					1,923,490,239,458	333,693,421,241	1,952,497,787,877
Amount due for settlement within 12 months					(333,693,421,241)		(310,101,993,611)
Amount due for settlement after 12 months					1,589,796,818,217		1,642,395,794,266

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

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Detail information on common bond

	31/12/2019	01/01/2019
	VND	VND
Par value	200,000,000,000	-
Cost of issuing bonds	(1,511,861,848)	-
	<u>198,488,138,152</u>	<u>-</u>

Release agent	Bondholders	Quantity	Value	Interest rate	Maturity	Purpose	Secured
			VND				
Tien Phong Commercial Joint Stock Bank	Tien Phong Commercial Joint Stock Bank	2,000	200,000,000,000	The interest rate applicable to interest payment periods will be determined by the Payment Agent at the date of interest rate determination and equal to the reference interest rate plus (+) the amplitude of 3.5%/year. The interest rate for the first interest period is 9.5%/year.	Year 2022	Supplement the mobilizing capital of the Company	(*)

(*) This common bond is secured by:

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

16 . SHORT-TERM TRADE PAYABLES

	31/12/2019		01/01/2019	
	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	-	-	111,692,128,513	111,692,128,513
- N.T.P Trade Company Limited	23,327,915,600	23,327,915,600	17,814,241,500	17,814,241,500
- Land Fund Development Center of Ben Cat district	10,292,015,271	10,292,015,271	10,292,015,271	10,292,015,271
- Kolon Global Corporation	-	-	87,010,818,147	87,010,818,147
- Bach Dang Construction Corporation	-	-	38,106,588,062	38,106,588,062
- Kobelco Eco Solution Company Limited	-	-	30,589,320,827	30,589,320,827
- Tien Phong Plastic South Joint Stock Company	5,602,838,802	5,602,838,802	7,238,735,461	7,238,735,461
- Thu Dau Mot Water Joint Stock Company	31,355,702,775	31,355,702,775	29,865,231,794	29,865,231,794
- Others	98,457,500,598	98,457,500,598	71,329,123,311	71,329,123,311
	169,035,973,046	169,035,973,046	403,938,202,886	403,938,202,886
b) Trade payables from related parties <i>(Detailed as in Notes No. 39)</i>	32,592,873,353	32,592,873,353	32,591,071,053	32,591,071,053

17 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	31/12/2019		01/01/2019	
	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				
- Quynh Phuc Production and Trading Company Limited	7,000,000,000		4,000,000,000	4,000,000,000
- Others	15,065,695,762		15,361,789,531	15,361,789,531
	22,065,695,762		19,361,789,531	19,361,789,531
b) Prepayment from related parties <i>(Detailed as in Notes No. 39)</i>	8,608,692,692		4,000,000,000	4,000,000,000

18 . TAXES AND OTHER PAYABLES TO STATE BUDGET

	Tax receivable at beginning of the year	Tax payable at beginning of the year	Tax payable in the year	Tax paid in the year	Other decrease (*)	Tax receivable end of the year	Tax payable end of the year
	VND	VND	VND	VND	VND	VND	VND
Value added tax	745,630,076	-	43,002,482,396	42,000,813,971	-	-	256,038,349
Corporate income tax	-	14,541,228,509	62,265,841,835	53,879,424,437	-	-	22,927,645,907
Personal income tax	35,329,163	457,897,038	3,474,154,098	3,891,422,910	5,590,771	600,426	308,718
Natural resource tax	-	317,641,900	10,068,450,060	9,963,717,160	-	-	422,374,800
Land tax and land rental	-	-	35,224,783	35,224,783	-	-	-
Other taxes	2,164,684	3,494,222,398	4,329,368	2,164,684	3,494,222,398	-	-
Fees, charges and other payables	-	12,685,594,163	70,977,438,142	67,350,356,872	-	-	16,312,675,433
	783,123,923	31,496,584,008	189,827,920,682	177,123,124,817	3,499,813,169	600,426	39,919,043,207

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

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

19 . SHORT-TERM ACCRUED EXPENSES

	31/12/2019	01/01/2019
	VND	VND
Accrued interest	11,337,892,569	6,652,938,870
Accrued expense for implementation of construction works	1,145,800,084	3,153,319,991
Accrued expenses of the project which have been recognized revenue	6,684,919,193	-
Accrued expense of wastewater treatment	-	437,008,996
Other accrued expenses	162,713,636	219,371,284
	19,331,325,482	10,462,639,141

20 . OTHER PAYABLES

	31/12/2019	01/01/2018
	VND	VND
a) Short-term		
Surplus of assets awaiting resolution	-	34,559,790,191
Trade union fee, social insurance, health insurance, unemployment insurance,	6,754,979,425	5,230,098,370
Short-term deposits, collateral received	5,641,420,432	6,577,814,969
Payables on non-interest borrowings	5,250,000,000	5,250,000,000
- Tu Hai Company Limited	4,250,000,000	4,250,000,000
- Mr. Nguyen Van Hoang	1,000,000,000	1,000,000,000
Other payables	207,797,210,383	1,043,905,995,645
- Depreciation of assets under the project of Thu Dau Mot wastewater treatment plant - payables to State Budget	50,000,000,000	87,000,000,000
- Dividends payables (i)	150,000,000,000	105,000,000,000
- Payables to Department of Finance of Binh Duong province	-	843,003,000,000
- Other payables	7,797,210,383	8,902,995,645
	225,443,610,240	1,095,523,699,175
b) Long-term (*)		
Long-term deposits, collateral received	5,213,005,000	3,080,660,240
Borrowings received from foreign entities without debt covenant (ii)	41,744,453,323	71,473,640,647
Borrowing from the World Bank at Project Management Unit for Southern Thu Dau Mot Water Supply - Di An project (iii)	-	258,398,550,000
Foreign capital funding for the Project Management Units (iii)	-	4,926,102,974,133
Payables to State Budget for completed investment capital at the Project Management Unit - Fixed assets was finalized and handed over to the Company	-	67,370,143,060
Payables on clearance compensation and resettlement of the Projects - payables to State Budget (iii)	-	43,789,137,210
Payables to Project Management Units on capital formed fixed assets which was temporarily increased, but not yet approved for final settlement	678,728,922,307	-
Surplus of assets awaiting resolution	34,559,790,191	-
Others (iii)	-	193,349,422,019
	760,246,170,821	5,563,564,527,309

(i) Details as in Note (ii) - Note No. 22.

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

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

(*) Other short-term payables excluded from enterprise value as at 31 December 2019 is VND 35,123,228,844, include:

- VND 34,042,968,844 is payables which formed excluded assets of the Water Drainage System in Thu Dau Mot town - Phase 1;
- VND 1,080,260,000 is payables which formed excluded assets of Thay Tho Pagoda Project.

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

21 . SHORT-TERM PROVISIONS FOR PAYABLES

	31/12/2019	01/01/2019
	VND	VND
Provision for construction warranty	3,844,538,848	2,397,606,059
Waste and wastewater treatment expenses	19,035,447,209	7,146,657,617
	<u>22,879,986,057</u>	<u>9,544,263,676</u>

22 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Development an investment fund	Retained earnings	Capital expenditure fund (i)	Total
	VND	VND	VND	VND	VND
Beginning balance of previous year	1,500,000,000,000	-	186,675,685,027	1,703,424,064,366	3,390,099,749,393
Profit of the previous year	-	-	313,225,200,500	-	313,225,200,500
Increase in capital expenditure fund at PMUs	-	-	-	629,769,608,811	629,769,608,811
Profit distribution in 2017	-	72,324,893,590	(186,675,685,027)	-	(114,350,791,437)
Temporary dividend payment in 2018 (ii)	-	-	(105,000,000,000)	-	(105,000,000,000)
Finalization of completed investment capital at the PMUs	-	-	-	(43,913,956,060)	(43,913,956,060)
Payment of advance funding, funding granted to the State budget	-	-	-	(3,763,357,513)	(3,763,357,513)
Ending balance of previous year	1,500,000,000,000	72,324,893,590	208,225,200,500	2,285,516,359,604	4,066,066,453,694
Profit of the current year	-	-	465,314,832,377	-	465,314,832,377
Decrease in capital of this year (i)	-	-	-	(2,183,286,105,173)	(2,183,286,105,173)
Profit distribution in 2018 (ii)	-	109,628,820,175	(172,273,860,275)	-	(62,645,040,100)
Temporary dividend payment in 2019 (iii)	-	-	(150,000,000,000)	-	(150,000,000,000)
Ending balance of current year	1,500,000,000,000	181,953,713,765	351,266,172,602	102,230,254,431	2,135,450,140,798

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

The Company's capital expenditure fund decreased during the year as the Company has handed over assets, debts from Project Management Units (*excluding Tan Hiep Water Factory Project Management Unit*) to the Sewerage Project Management Unit in Binh Duong province according to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating of the Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects to the Sewerage Project Management Unit in Binh Duong province. Therefore, the Company did not incorporate figures of these Project Management Units into the Separate Financial Statements for the fiscal year ended 31 December 2019.

(ii) According to Resolution No. 10/NQ-HDQT dated 15 March 2019 issued by General Meeting of shareholders, the Company announced its profit distribution plan of year 2018 as follows:

	According to Resolution No. 10/NQ-HDQT VND	Temporary distribution in 2018 VND	Additional distribution in this year VND
Profit after corporate income tax in 2018	313,225,200,500		
Profit distribution			
- Development and investment fund	109,628,820,175	-	109,628,820,175
- Dividend payment of 7% of chartered capital (<i>equivalent to VND 700 per share</i>)	105,000,000,000	105,000,000,000	-
- Bonus fund	43,851,528,070	-	43,851,528,070
- Welfare fund	3,132,252,005	-	3,132,252,005
- Bonus fund for Executive Board	15,661,260,025	-	15,661,260,025
	277,273,860,275	105,000,000,000	172,273,860,275
Retained earnings in 2018	35,951,340,225		

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

b) Details of Contributed capital

	31/12/2019 VND	Rate %	01/01/2019 VND	Rate %
Investment and Industrial Development Corporation - Joint Stock Company	375,000,000,000	25.00	615,000,000,000	41.00
Thu Dau Mot Water Joint Stock Company	577,500,000,000	38.50	577,500,000,000	38.50
Other shareholders	547,500,000,000	36.50	307,500,000,000	20.50
	1,500,000,000,000	100.00	1,500,000,000,000	100.00

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

	Year 2019	Year 2018
	VND	VND
Owner's invested capital		
- At the beginning of the year	1,500,000,000,000	1,500,000,000,000
- At the end of the year	<u>1,500,000,000,000</u>	<u>1,500,000,000,000</u>
Dividends and profit		
- Dividends, profit payable at the beginning of the year	105,000,000,000	-
- Dividends, profit payable during the year	150,000,000,000	172,500,000,000
+ Dividends distributed on last year profit	-	67,500,000,000
+ Dividends distributed on this year profit	150,000,000,000	105,000,000,000
- Dividends, profits paid in money	105,000,000,000	67,500,000,000
+ Dividends distributed on last year profit	105,000,000,000	67,500,000,000
- Balance at the end of the year	<u>150,000,000,000</u>	<u>105,000,000,000</u>

d) Share

	31/12/2019	01/01/2019
Quantity of authorized issuing shares	150,000,000	150,000,000
Quantity of issued shares	150,000,000	150,000,000
- Common shares	150,000,000	150,000,000
Quantity of outstanding shares in circulation	150,000,000	150,000,000
- Common shares	150,000,000	150,000,000
Par value per stock: VND 10,000/stock		

e) Company's funds

	31/12/2019	01/01/2019
	VND	VND
Development and investment funds	181,953,713,765	72,324,893,590
	<u>181,953,713,765</u>	<u>72,324,893,590</u>

23 . OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Operating leased assets

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

b) Foreign currencies

	31/12/2019	01/01/2019
- USD	9,516.24	634,434.63
- EUR	197.30	3,536.40

c) Doubtful debts written-offs

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

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

	Year 2019	Year 2018
	VND	VND
Revenue from sales of goods	1,751,028,432,665	1,513,380,203,175
Revenue from rendering of services	658,512,713,741	553,191,688,023
Revenue from construction contracts	115,837,054,885	105,245,170,513
	<u>2,525,378,201,291</u>	<u>2,171,817,061,711</u>
Revenue from relevant parties <i>(Detailed as in Notes No. 39)</i>	<u>74,015,579,188</u>	<u>66,764,840,101</u>

25 . COST OF GOODS SOLD

	Year 2019	Year 2018
	VND	VND
Cost of goods sold	893,904,775,404	862,576,036,335
Cost of rendering of services	502,115,577,251	353,809,392,512
Cost of construction contracts	99,174,551,487	92,648,464,072
	<u>1,495,194,904,142</u>	<u>1,309,033,892,919</u>
Cost of goods sold from related parties <i>(Detailed as in Notes No. 39)</i>	<u>348,878,745,576</u>	<u>283,573,375,101</u>

26 . FINANCIAL INCOME

	Year 2019	Year 2018
	VND	VND
Interest income	18,833,722,236	14,366,038,763
Dividends or profits received	35,879,335,654	20,683,333,900
Unrealised gain from foreign exchange differences	1,189,741,015	
	<u>55,902,798,905</u>	<u>35,049,372,663</u>
Revenue from relevant parties <i>(Detailed as in Notes No. 39)</i>	<u>21,188,789,162</u>	<u>15,221,541,663</u>

27 . FINANCIAL EXPENSES

	Year 2019	Year 2018
	VND	VND
Interest expenses	143,389,491,128	130,830,308,403
Unrealised losses from foreign exchange differences	-	3,544,895,475
Provision/ (Reversal of provision) for impairment of investment	(15,985,860,000)	50,208,133,774
Other financial expenses	652,577,952	-
	<u>128,056,209,080</u>	<u>184,583,337,652</u>

28 . SELLING EXPENSES

	Year 2019	Year 2018
	VND	VND
Raw materials	11,735,551,716	8,047,213,602
Labour expenses	56,175,366,575	39,488,664,512
Depreciation and amortisation expenses	210,691,376,356	193,461,723,311
Expenses of outsourcing services	16,462,358,298	24,433,983,740
Other expenses in cash	9,773,361,765	5,000,282,386
	304,838,014,710	270,431,867,551

29 . ENTERPRISE ADMINISTRATIVE EXPENSES

	Year 2019	Year 2018
	VND	VND
Raw materials	14,185,025,751	3,641,500,899
Labour expenses	52,410,687,722	67,254,153,565
Depreciation and amortisation expenses	6,480,045,301	6,472,389,199
Tax, Charge, Fee	17,000,000	454,718,607
Provision/ (Reversal of provision) expenses	10,986,198,725	(57,679,008)
Expenses of outsourcing services	18,577,784,191	20,149,078,553
Other expenses in cash	10,030,199,486	10,456,782,459
	112,686,941,176	108,370,944,274

30 . OTHER INCOME

	Year 2019	Year 2018
	VND	VND
Electricity sold to the rental units	25,094,651,451	20,100,022,381
Proceeds from bike racing and sewerage meetings	4,960,000,000	4,059,538,415
Proceeds from sponsorship of the Biogas power generation project	9,814,521,040	-
Reversal of provision on insuring the construction	2,368,136,231	1,331,813,099
10% of environmental protection fee being held	6,184,232,068	4,958,403,088
Other income supported by customers for construction of water supply pipe 150, D100 road DT742	1,001,636,362	-
Reversal of provision on accrued expenses of the project which have been recognized revenue fully	-	7,723,491,376
Others	650,060,380	2,028,492,236
	50,073,237,532	40,201,760,595
Revenue from relevant parties <i>(Detailed as in Notes No. 39)</i>	23,330,740,800	18,864,147,630

31 . OTHER EXPENSES

	Year 2019	Year 2018
	VND	VND
Electricity consumed by the rental units	23,303,681,132	19,432,468,359
Cost of bicycle race and water supply and sewerage meetings	5,609,999,190	3,894,177,168
Fines for administrative violations and tax arrears	270,661,607	119,192,103
Handling losses after the equitization of enterprises	32,510,376,547	-
Others	1,018,968,660	609,437,267
	62,713,687,136	24,055,274,897

32 CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2019	Year 2018
	VND	VND
Total profit before tax	527,580,674,212	350,592,877,676
Increase	33,731,976,020	277,107,508
- <i>Ineligible expenses</i>	33,731,976,020	277,107,508
Decrease	(35,879,335,654)	(20,683,333,900)
- <i>Dividend</i>	(35,879,335,654)	(20,683,333,900)
Taxable income	525,433,314,578	330,186,651,284
- <i>Taxable income with tax rate of 10%</i>	428,208,210,804	286,696,530,808
- <i>Taxable income with tax rate of 20%</i>	97,225,103,774	43,490,120,476
Current corporate income tax expense	62,265,841,835	37,367,677,176
Tax payable at the beginning of year	14,541,228,509	17,325,537,838
Tax paid in the year	(53,879,424,437)	(40,151,986,505)
Corporate income tax payable at the end of the year	22,927,645,907	14,541,228,509

33 BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2019	Year 2018
	VND	VND
Raw materials	828,691,440,662	604,350,413,790
Labour expenses	410,145,675,135	338,943,816,165
Depreciation and amortisation expenses	427,036,613,572	399,754,462,411
Provision expenses	10,986,198,725	(58,801,988,794)
Expenses of outsourcing services	253,340,668,028	333,975,136,128
Other expenses by cash	72,035,658,380	48,571,300,619
	2,002,236,254,502	1,666,793,140,319

34 FINANCIAL INSTRUMENTS

The types of financial instruments of the Company:

	Carrying amount			
	31/12/2019		01/01/2019	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	74,621,333,362	-	166,745,863,786	-
Trade and other receivables	1,432,150,384,469	(19,800,161,280)	487,507,872,852	(9,179,249,155)
Lendings	275,790,000,000	-	192,800,000,000	-
Long-term investments	505,233,600,000	(42,187,740,000)	505,233,600,000	(58,173,600,000)
	2,287,795,317,831	(61,987,901,280)	1,352,287,336,638	(67,352,849,155)

	Carrying amount	
	31/12/2019	01/01/2019
	VND	VND
Financial Liabilities		
Borrowings and debts	2,653,480,283,727	2,399,784,604,660
Trade and other payables	1,154,725,754,107	7,063,026,429,370
Accrued expenses	19,331,325,482	10,462,639,141
	<u>3,827,537,363,316</u>	<u>9,473,273,673,171</u>

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

Financial risk management

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

Market risk

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

Price Risk:

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

	More than 5 years	Total
	VND	VND
As at 31/12/2019		
Long-term investment	463,045,860,000	463,045,860,000
	<u>463,045,860,000</u>	<u>463,045,860,000</u>
As at 01/01/2019		
Long-term investment	447,060,000,000	447,060,000,000
	<u>447,060,000,000</u>	<u>447,060,000,000</u>

Exchange rate risk:

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

Interest rate risk:

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

Credit Risk

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

	Up to 1 year VND	From over 1 year to 5 years VND	More than 5 years VND	Total VND
As at 31/12/2019				
Cash and cash equivalents	74,621,333,362	-	-	74,621,333,362
Trade and other receivables	488,238,016,111	924,112,207,078	-	1,412,350,223,189
Lendings	270,790,000,000	-	5,000,000,000	275,790,000,000
	<u>833,649,349,473</u>	<u>924,112,207,078</u>	<u>5,000,000,000</u>	<u>1,762,761,556,551</u>
As at 01/01/2019				
Cash and cash equivalents	166,745,863,786	-	-	166,745,863,786
Trade and other receivables	464,565,999,755	13,762,623,942	-	478,328,623,697
Lendings	176,300,000,000	16,500,000,000	-	192,800,000,000
	<u>807,611,863,541</u>	<u>30,262,623,942</u>	<u>-</u>	<u>837,874,487,483</u>

Liquidity Risk

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

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

	Up to 1 year VND	From over 1 year to 5 years VND	More than 5 years VND	Total VND
As at 31/12/2019				
Loans and borrowings	865,195,327,358	796,649,751,966	991,635,204,403	2,653,480,283,727
Trade and other payables	394,479,583,286	760,246,170,821	-	1,154,725,754,107
Accrued expenses	19,331,325,482	-	-	19,331,325,482
	<u>1,279,006,236,126</u>	<u>1,556,895,922,787</u>	<u>991,635,204,403</u>	<u>3,827,537,363,316</u>
As at 01/01/2019				
Loans and borrowings	757,388,810,394	712,212,089,491	930,183,704,775	2,399,784,604,660
Trade and other payables	1,499,461,902,061	5,563,564,527,309	-	7,063,026,429,370
Accrued expenses	10,462,639,141	-	-	10,462,639,141
	<u>2,267,313,351,596</u>	<u>6,275,776,616,800</u>	<u>930,183,704,775</u>	<u>9,473,273,673,171</u>

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

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

a) Proceeds from borrowings during the year

	Year 2019	Year 2018
	VND	VND
Proceeds from ordinary contracts	1,702,862,347,509	1,472,213,014,855

b) Actual repayments on principal during the year

	Year 2019	Year 2018
	VND	VND
Repayment on principal from ordinary contracts	1,446,113,654,282	1,402,424,621,571

36 . OTHER INFORMATION

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

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

	Code	Amount as at 31/12/2019 VND	Amount as at 30/09/2016 VND	Difference VND
A. ASSETS				
I. Assets excluded from the value of enterprise (i)				
1. Cash	111	-	30,521,841,900	(30,521,841,900)
2. Short-term prepayments to suppliers	132	-	212,272,501,010	(212,272,501,010)
3. Other short-term receivables	136	-	1,486,991,403	(1,486,991,403)
4. Inventories	141	-	22,932,152,855	(22,932,152,855)
5. Deductible value added tax	152	-	18,119,867	(18,119,867)
6. Tangible fixed assets	221	-	1,702,865,977,298	(1,702,865,977,298)
7. Construction in progress	242	41,140,054,672	1,809,711,225,703	(1,768,571,171,031)
8. Long-term prepaid expenses	261	-	46,000,000	(46,000,000)
		<u>41,140,054,672</u>	<u>3,779,854,810,036</u>	<u>(3,738,714,755,364)</u>
II. Damaged assets not in used				
1. Inventories	141	-	15,666,840	(15,666,840)
2. Tangible fixed assets	221	-	7,722,915,180	(7,722,915,180)
		-	<u>7,738,582,020</u>	<u>(7,738,582,020)</u>
TOTAL EXCLUSIVE ASSETS		<u>41,140,054,672</u>	<u>3,787,593,392,056</u>	<u>(3,746,453,337,384)</u>

	Code	Amount as at 31/12/2019 VND	Amount as at 30/09/2016 VND	Difference VND
B. CAPITAL				
I. Liabilities				
1. Other long-term payables	337	35,123,228,844	2,661,081,320,499	(2,625,958,091,655)
II. Capital				
1. Capital expenditure fund	422	6,016,825,828	1,126,512,071,557	(1,120,495,245,729)
TOTAL EXCLUSIVE CAPITAL		<u><u>41,140,054,672</u></u>	<u><u>3,787,593,392,056</u></u>	<u><u>(3,746,453,337,384)</u></u>

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

37 . SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

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

Binh Duong Water - Environment Joint Stock Company

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

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

38 . SEGMENT REPORTING

a) Under business fields

	Production and trading of water	Waste treatment	Waste-water treatment	Others	Grant total
	VND	VND	VND	VND	VND
Net revenue from sales to external customers	1,606,850,426,493	561,936,203,767	44,358,702,369	311,949,061,390	2,525,094,394,019
Net revenue from business activities	829,547,302,587	123,411,967,622	12,505,538,005	64,434,681,663	1,029,899,489,877
The total cost to acquire fixed assets	-	-	-	-	482,348,400,188
Segment assets	1,754,905,592,433	846,976,627,650	43,688,451,216	165,187,688,526	2,810,758,359,825
Unallocated assets					3,309,599,678,516
Total assets	1,754,905,592,433	846,976,627,650	43,688,451,216	165,187,688,526	6,120,358,038,341
Segment liabilities	15,978,711,122	77,025,787,991	6,798,979,211	71,858,268,098	171,661,746,422
Unallocated liabilities					3,813,246,151,121
Total liabilities	15,978,711,122	77,025,787,991	6,798,979,211	71,858,268,098	3,984,907,897,543

b) Under geographical areas

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

39 . TRANSACTION AND BALANCES WITH RELATED PARTIES

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

<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
- Recycled Green Materials Joint Stock Company	Subsidiary
- Chanh Phu Hoa Investment - Construction Joint Stock Company	Associate
- Quynh Phuc Production and Trading Company Limited	Related parties of the Board of Management
- Dai Phu Thinh Company Limited	Related parties of the Board of Management
- Board of Management, Supervisory Board and General Director	Key management personnel

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

Transactions during the year:

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Revenues from sales of goods and rendering of services	74,015,579,188	66,764,840,101
- Investment and Industrial Development Corporation - Joint Stock Company	14,481,274,818	12,166,705,235
- Thu Dau Mot Water Joint Stock Company	48,040,188,814	16,533,255,069
- Recycled Green Materials Joint Stock Company	1,943,070,863	673,807,160
- Chanh Phu Hoa Investment - Construction Joint Stock Company	7,675,720,430	8,019,329,298
- Quynh Phuc Production and Trading Company Limited	1,266,019,362	29,047,461,888
- Dai Phu Thinh Company Limited	609,304,901	324,281,451
Financial income (loan interests)	21,188,789,162	15,221,541,663
- Thu Dau Mot Water Joint Stock Company	28,931,507	586,666,666
- Recycled Green Materials Joint Stock Company	1,072,500,001	1,031,541,097
- Chanh Phu Hoa Investment - Construction Joint Stock Company	20,087,357,654	13,603,333,900
Other income (Electricity selling)	23,330,740,800	18,864,147,630
- Thu Dau Mot Water Joint Stock Company	20,875,615,400	16,202,692,303
- Recycled Green Materials Joint Stock Company	2,307,160,150	2,661,455,327
- Chanh Phu Hoa Investment - Construction Joint Stock Company	147,965,250	-
Cost of goods sold from related parties	348,878,745,576	283,573,375,101
- Thu Dau Mot Water Joint Stock Company	345,653,806,728	282,856,767,973
- Recycled Green Materials Joint Stock Company	3,224,938,848	716,607,128
Purchase of goods, services	408,120,226,018	285,056,076,919
- Thu Dau Mot Water Joint Stock Company	345,653,806,728	282,856,767,973
- Recycled Green Materials Joint Stock Company	3,224,938,848	716,607,128
- Quynh Phuc Production and Trading Company Limited	59,241,480,442	1,482,701,818

Outstanding balances up to the reporting date are as follows:

	31/12/2019	01/01/2019
	VND	VND
Short-term trade receivables	25,396,944,142	21,356,321,429
- Investment and Industrial Development Corporation - Joint Stock Company	2,864,637,800	3,035,791,240
- Thu Dau Mot Water Joint Stock Company	2,941,467,612	1,462,895,795
- Recycled Green Materials Joint Stock Company	15,803,580,935	11,374,200,948
- Chanh Phu Hoa Investment - Construction Joint Stock Company	2,397,802,797	2,376,781,708
- Quynh Phuc Production and Trading Company Limited	1,389,454,998	3,106,651,738
Short-term prepayments to suppliers	86,046,899,532	36,634,256,072
- Investment and Industrial Development Corporation - Joint Stock Company	85,858,080,000	-
- Recycled Green Materials Joint Stock Company	-	1,283,831,194
- Quynh Phuc Production and Trading Company Limited	188,819,532	4,543,950,367
- Dai Phu Thinh Company Limited	-	30,806,474,511
Loan receivables	16,500,000,000	16,500,000,000
- Recycled Green Materials Joint Stock Company	16,500,000,000	16,500,000,000
Other short-term receivables	11,716,755,798	11,039,739,897
- Recycled Green Materials Joint Stock Company	1,065,963,798	274,822,897
- Chanh Phu Hoa Investment - Construction Joint Stock Company	10,650,792,000	8,192,917,000
- Quynh Phuc Production and Trading Company Limited	-	2,572,000,000
Short-term trade payables	32,592,873,353	32,591,071,053
- Investment and Industrial Development Corporation - Joint Stock Company	-	1,866,480,000
- Thu Dau Mot Water Joint Stock Company	31,523,094,303	29,865,231,794
- Recycled Green Materials Joint Stock Company	240,419,791	-
- Quynh Phuc Production and Trading Company Limited	-	30,000,000
- Dai Phu Thinh Company Limited	829,359,259	829,359,259
Short-term prepayments from customers	8,608,692,692	4,000,000,000
- Investment and Industrial Development Corporation - Joint Stock Company	1,034,692,692	-
- Thu Dau Mot Water Joint Stock Company	574,000,000	-
- Quynh Phuc Production and Trading Company Limited	7,000,000,000	4,000,000,000

Transactions with other related parties:

	Year 2019	Year 2018
	VND	VND
- Remuneration to General Director	780,000,000	555,000,000
- Remuneration to others members of Board of Management and Board of General Directors	3,181,318,380	3,727,663,500

40 . COMPARATIVE FIGURES

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

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc



Binh Duong, 20 February 2020
General Director



Tran Chien Cong

