

CONSOLIDATED FINANCIAL
STATEMENTS

BINH DUONG WATER - ENVIRONMENT JOINT STOCK
COMPANY

for Quarter 3, 2020

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of Directors of Binh Duong Water - Environment Joint Stock Company ("the Company") presents its report and the Company's Consolidated Financial Statements for Quarter 3, 2020.

THE COMPANY

Binh Duong Water - Environment Joint Stock Company was transformed from Binh Duong Water Supply Sewerage and Environment One-member Company Limited under the Decision No. 4259/QD-UBND dated 24 December 2014 of People's Committee of Binh Duong province. The Company operates under the Business Registration Certificate No. 3700145694 on 07 February 2006 by the Department of Planning and Investment of Binh Duong province and the 13th amendment under the Enterprise Registration Certificate of Joint Stock Company dated 11 April 2019.

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

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTOR AND SUPERVISORY BOARD

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

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

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

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

The members of the Supervisory Board are:

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

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Binh Duong Water - Environment Joint Stock Company

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

- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the current requirements relevant to preparation and presentation of consolidated financial statements;
- Prepare the Consolidated Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

We, The Board of General Directors, confirm that the Consolidated Financial Statements give a true and fair view of the financial position as at 30 September 2020, its operation results and cash flows in the period for Quarter 3, 2020, in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Other commitments

The Board of General Directors pledges that the Company complies with Decree No. 71/2017/ND-CP dated 06 June 2017 of the Government 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 October 2020

On behalf of the Board of General Directors
General Director



Tran Chien Cong

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

| Code | ASSETS | Note | 30/09/2020 | 01/01/2020 |
|------------|--|-----------|--------------------------|--------------------------|
| | | | VND | VND |
| 100 | A. CURRENT ASSETS | | 1.832.025.206.158 | 1.647.257.289.458 |
| 110 | I. Cash and cash equivalents | 4 | 193.078.901.902 | 74.716.954.777 |
| 111 | 1. Cash | | 148.078.901.902 | 74.716.954.777 |
| 112 | 2. Cash equivalents | | 45.000.000.000 | - |
| 120 | II. Short-term investments | 5 | 136.600.000.000 | 254.290.000.000 |
| 123 | 1. Held-to-maturity investments | | 136.600.000.000 | 254.290.000.000 |
| 130 | III. Short-term receivables | | 740.550.678.611 | 824.530.813.940 |
| 131 | 1. Short-term trade receivables | 6 | 339.485.932.648 | 339.869.023.953 |
| 132 | 2. Short-term prepayments to suppliers | 7 | 212.192.575.684 | 347.417.794.254 |
| 136 | 3. Other short-term receivables | 8 | 207.186.696.679 | 156.730.471.751 |
| 137 | 4. Provision for short-term doubtful debts | | (18.314.526.400) | (19.486.476.018) |
| 140 | IV. Inventories | 10 | 699.291.930.714 | 484.074.036.789 |
| 141 | 1. Inventories | | 699.291.930.714 | 484.074.036.789 |
| 150 | V. Other current assets | | 62.503.694.931 | 9.645.483.952 |
| 151 | 1. Short-term prepaid expenses | 12 | 8.394.465.916 | 9.559.321.389 |
| 152 | 2. Deductible value added tax | | 45.361.339.799 | 85.562.137 |
| 153 | 3. Taxes and other receivables from State budget | 19 | 8.747.889.216 | 600.426 |
| 200 | B. NON-CURRENT ASSETS | | 5.350.104.501.666 | 4.560.225.230.825 |
| 210 | I. Long-term receivables | | 954.496.162.625 | 924.112.207.078 |
| 216 | 1. Other long-term receivables | 8 | 954.496.162.625 | 924.112.207.078 |
| 220 | II. Fixed assets | | 2.510.614.586.773 | 2.297.540.076.477 |
| 221 | 1. Tangible fixed assets | 13 | 2.427.615.231.328 | 2.213.903.250.668 |
| 222 | - <i>Historical cost</i> | | 5.560.238.085.748 | 5.003.645.661.062 |
| 223 | - <i>Accumulated depreciation</i> | | (3.132.622.854.420) | (2.789.742.410.394) |
| 227 | 2. Intangible fixed assets | 14 | 82.999.355.445 | 83.636.825.809 |
| 228 | - <i>Historical cost</i> | | 92.345.387.447 | 92.345.387.447 |
| 229 | - <i>Accumulated amortization</i> | | (9.346.032.002) | (8.708.561.638) |
| 240 | IV. Long-term assets in progress | | 1.117.777.619.835 | 597.980.565.916 |
| 242 | 1. Construction in progress | 11 | 1.117.777.619.835 | 597.980.565.916 |
| 250 | V. Long-term investments | 5 | 702.726.628.531 | 679.790.017.208 |
| 252 | 1. Equity investments in associates and joint - ventures | | 268.752.768.531 | 211.744.157.208 |
| 253 | 2. Equity investments in other entities | | 505.233.600.000 | 505.233.600.000 |
| 254 | 3. Provision for devaluation of long-term investments | | (81.259.740.000) | (42.187.740.000) |
| 255 | 4. Held-to-maturity investments | | 10.000.000.000 | 5.000.000.000 |
| 260 | VI. Other long-term assets | | 64.489.503.902 | 60.802.364.146 |
| 261 | 1. Long-term prepaid expenses | 12 | 63.795.791.180 | 60.037.703.532 |
| 269 | 2. Goodwill | 15 | 693.712.722 | 764.660.614 |
| 270 | TOTAL ASSETS | | 7.182.129.707.824 | 6.207.482.520.283 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020
(Continued)

| Code | CAPITAL | Note | 30/09/2020 VND | 01/01/2020 VND |
|------------|--|-----------|--------------------------|--------------------------|
| 300 | C. LIABILITIES | | 4.676.870.021.987 | 4.007.720.334.196 |
| 310 | I. Current liabilities | | 1.789.695.650.662 | 1.457.648.154.825 |
| 311 | 1. Short-term trade payables | 17 | 233.466.050.679 | 178.462.826.121 |
| 312 | 2. Short-term prepayments from customers | 18 | 33.314.073.245 | 22.970.387.636 |
| 313 | 3. Taxes and other payables to State budget | 19 | 41.921.963.871 | 40.108.415.930 |
| 314 | 4. Payables to employees | | 40.698.299.655 | 59.355.077.226 |
| 315 | 5. Short-term accrued expenses | 20 | 41.573.248.292 | 20.724.212.454 |
| 319 | 6. Other short-term payments | 21 | 76.974.625.246 | 225.581.678.003 |
| 320 | 7. Short-term borrowings and finance lease liabilities | 16 | 1.253.178.696.367 | 869.965.306.094 |
| 321 | 8. Provisions for short-term payables | 22 | 25.607.807.715 | 22.879.986.057 |
| 322 | 9. Bonus and welfare fund | | 42.960.885.592 | 17.600.265.304 |
| 330 | II. Non-current liabilities | | 2.887.174.371.325 | 2.550.072.179.371 |
| 337 | 1. Other long-term payables | 21 | 727.576.503.230 | 760.246.170.821 |
| 338 | 2. Long-term borrowings and finance lease liabilities | 16 | 2.158.056.815.914 | 1.788.284.956.369 |
| 341 | 3. Deferred income tax payables | 34 | 1.541.052.181 | 1.541.052.181 |
| 400 | D. OWNER'S EQUITY | | 2.505.259.685.837 | 2.199.762.186.087 |
| 410 | I. Owner's equity | 23 | 2.505.259.685.837 | 2.199.762.186.087 |
| 411 | 1. Contributed capital | | 1.500.000.000.000 | 1.500.000.000.000 |
| 411a | - Ordinary shares with voting rights | | 1.500.000.000.000 | 1.500.000.000.000 |
| 418 | 2. Development and investment funds | | 440.156.919.891 | 181.953.713.765 |
| 421 | 3. Retained earnings | | 448.566.859.788 | 414.878.947.586 |
| 421a | - Retained earnings accumulated till the end of the year | | 59.591.336.831 | 88.613.721.680 |
| 421b | - Retained earnings of the current period | | 388.975.522.957 | 326.265.225.906 |
| 422 | 4. Capital expenditure fund | | 97.817.204.031 | 102.230.254.431 |
| 429 | 5. Non-Controlling Interest | | 18.718.702.127 | 699.270.305 |
| 440 | TOTAL CAPITAL | | 7.182.129.707.824 | 6.207.482.520.283 |

Binh Duong, 20 October 2020

Preparer

Chief Accountant

General Director



Nguyen Thi Mong Thuong



Tran Tan Duc




Tran Chien Cong

CONSOLIDATED STATEMENT OF INCOME*for Quarter 3, 2020*

| Code ITEMS | Note | Quarter 3 | | Accumulated to the end of this quarter | |
|------------|------|---------------------|----------------------|--|----------------------|
| | | Current year VND | Previous year VND | Current year VND | Previous year VND |
| 01 | 25 | 740.550.445.371 | 644.606.686.020 | 2.165.570.802.920 | 1.776.923.995.340 |
| 10 | | 740.550.445.371 | 644.606.686.020 | 2.165.570.802.920 | 1.776.923.995.340 |
| 11 | 26 | 431.059.219.935 | 383.182.415.868 | 1.277.226.560.744 | 1.055.150.244.510 |
| 20 | | 309.491.225.436 | 261.424.270.152 | 888.344.242.176 | 721.773.750.830 |
| 21 | 27 | 18.335.284.373 | 17.714.332.652 | 35.489.530.295 | 35.179.585.320 |
| 22 | 28 | 62.064.417.742 | 68.507.029.288 | 157.694.467.748 | 90.530.284.024 |
| 23 | | 41.964.370.799 | 36.843.605.272 | 115.827.131.547 | 106.286.481.265 |
| 24 | | 4.383.464.984 | 5.543.969.238 | 5.986.980.265 | 9.612.304.778 |
| 25 | 29 | 90.597.166.371 | 75.604.054.291 | 257.986.815.949 | 227.358.637.862 |
| 26 | 30 | 27.415.558.480 | 26.658.781.127 | 83.555.197.134 | 75.085.885.626 |
| 30 | | 152.132.832.200 | 113.912.707.336 | 430.584.271.905 | 373.590.833.416 |
| 31 | 31 | 5.489.045.899 | 6.520.965.554 | 22.921.171.645 | 37.894.384.136 |
| 32 | 32 | 5.303.257.005 | 6.337.994.731 | 21.218.998.858 | 54.392.229.515 |
| 40 | | 185.788.894 | 182.970.823 | 1.702.172.787 | (16.497.845.379) |
| 50 | | 152.318.621.094 | 114.095.678.159 | 432.286.444.692 | 357.092.988.037 |

CONSOLIDATED STATEMENT OF INCOME

for Quarter 3, 2020

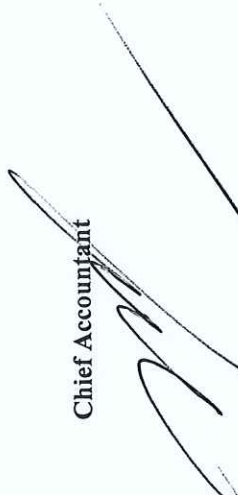
| Code ITEMS | Note | Quarter 3 | | Accumulated to the end of this quarter | |
|------------|---|------------------------|------------------------|--|------------------------|
| | | Current year VND | Previous year VND | Current year VND | Previous year VND |
| 51 | 14. Current corporate income tax expenses | 12.738.443.488 | 8.191.522.265 | 43.367.011.124 | 42.971.388.371 |
| 52 | 15. Deferred corporate income tax expenses | - | - | - | 15.000.000 |
| 60 | 16. Profit after corporate income tax | <u>139.580.177.606</u> | <u>105.904.155.894</u> | <u>388.919.433.568</u> | <u>314.106.599.666</u> |
| 61 | 17. Profit after tax attributable to shareholders of the parent | 139.591.038.506 | 105.922.698.278 | 388.975.522.957 | 314.135.799.513 |
| 62 | 19. Profit after tax attributable to non-controlling interests | (10.860.900) | (18.542.384) | (56.089.389) | (29.199.847) |
| 70 | 20. Basic earnings per share | 744 | 565 | 2.075 | 1.675 |

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 October 2020

General Director



Tran Chien Cong

CONSOLIDATED STATEMENT OF CASH FLOWS
for Quarter 3, 2020
(Indirect method)

| Code | ITEMS | Note | Accumulated to the end of this quarter | |
|--|--|------|--|-------------------|
| | | | Current year | Previous year |
| | | | VND | VND |
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 01 | <i>1. Profits before tax</i> | | 432.286.444.692 | 357.092.988.037 |
| | <i>2. Adjustments for:</i> | | | |
| 02 | - Depreciation and amortization of fixed assets and investment properties | | 344.976.990.532 | 326.345.871.258 |
| 03 | - Provisions | | 41.966.414.910 | (635.737.455) |
| 04 | - Exchange gains/losses from retranslation of monetary items denominated in foreign currency | | 1.274.067.859 | 4.079.596.023 |
| 05 | - Gains/losses from investment | | (41.248.828.622) | (45.003.638.375) |
| 06 | - Interest expense | | 116.374.665.195 | 106.755.835.201 |
| 07 | - Other adjustments | | 143.205.829 | 12.740.087.772 |
| 08 | <i>3. Operating profit before changes in working capital</i> | | 895.772.960.395 | 761.375.002.461 |
| 09 | - Increase/Decrease in receivables | | 180.818.264.133 | 840.529.879.447 |
| 10 | - Increase/Decrease in inventories | | (215.217.893.925) | (185.349.748.891) |
| 11 | - Increase/Decrease in payables (excluding interest payables, corporate income tax payable) | | 9.884.722.926 | 98.051.688.563 |
| 12 | - Increase/Decrease in prepaid expenses | | (2.593.232.175) | (9.756.934.707) |
| 14 | - Interest paid | | (98.738.339.796) | (90.652.752.559) |
| 15 | - Corporate income taxes paid | | (51.779.914.610) | (47.030.596.908) |
| 17 | - Other payments on operating activities | | (67.678.676.305) | (991.492.829.713) |
| 20 | <i>Net cash flow from operating activities</i> | | 650.467.890.643 | 375.673.707.693 |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| 21 | 1. Purchase or construction of fixed assets and other long-term assets | | (1.194.023.798.834) | (381.625.636.305) |
| 22 | 2. Proceeds from disposals of fixed assets and other long-term assets | | 636.363.636 | 290.909.091 |
| 23 | 3. Loans and purchase of debt instruments from other entities | | (71.600.000.000) | (275.000.000.000) |
| 24 | 4. Collection of loans and resale of debt instrument of other entities | | 184.290.000.000 | 62.000.000.000 |
| 25 | 5. Equity investments in other entities | | (101.374.957.500) | (3.045.510.000) |
| 27 | 6. Interest and dividend received | | 30.186.309.957 | 29.405.625.700 |
| 30 | <i>Net cash flow from investing activities</i> | | (1.151.886.082.741) | (567.974.611.514) |
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| 31 | 1. Proceeds from issuance of shares and receipt of contributed capital | | 18.575.000.000 | - |
| 33 | 2. Proceeds from borrowings | | 2.033.767.494.209 | 1.184.545.011.991 |
| 34 | 3. Repayment of principal | | (1.282.562.358.422) | (990.060.215.647) |
| 36 | 4. Dividends or profits paid to owners | | (150.000.000.000) | (105.000.000.000) |
| 40 | <i>Net cash flow from financing activities</i> | | 619.780.135.787 | 89.484.796.344 |

CONSOLIDATED STATEMENT OF CASH FLOWS
for Quarter 3, 2020
(Indirect method)

| Code ITEMS | Note | Accumulated to the end of this quarter | |
|---|------|--|-----------------------|
| | | Current year | Previous year |
| | | VND | VND |
| 50 Net cash flows in the period | | 118.361.943.689 | (102.816.107.477) |
| 60 Cash and cash equivalents at beginning of the period | | 74.716.954.777 | 167.354.846.590 |
| 61 Effect of exchange rate fluctuations | | 3.436 | (116.671.825) |
| 70 Cash and cash equivalents at end of the period | 4 | <u>193.078.901.902</u> | <u>64.422.067.288</u> |

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 October 2020

General Director



Tran Chien Cong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *for Quarter 3, 2020*

1 . CHARACTERISTICS OF OPERATION OF THE COMPANY

Form of capital ownership

Binh Duong Water - Environment Joint Stock Company was transformed from Binh Duong Water Supply Sewerage and Environment One-member Company Limited under the Decision No. 4259/QD-UBND dated 24 December 2014 of People's Committee of Binh Duong province. The Company operates under the Business Registration Certificate No. 3700145694 on 07 February 2006 by the Department of Planning and Investment of Binh Duong province and the 13th amendment under the Enterprise Registration Certificate of Joint Stock Company dated 11 April 2019.

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

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

Business field

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

Business activities

Main business activities of the Company are:

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

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

Due to the speed of urbanization, the demand for clean water in the province increases. This leads to the number of customers using clean water and the volume of clean water consumed in the Quarter 3 of 2020 is higher than the same period last year. Besides, revenue from material transfer activities in this period increased compared to the previous period. These are the main reasons for the high increase in revenue from sales of goods and rendering of services in this period compared to the same period last year.

Simultaneously, due to the market fluctuations, during the period Quarter 3 of 2020, the Company made the provision for devaluation of long-term financial investments with the total amount of 19.92 billion dong - resulted in item Total net profit before tax is increased of 11.56 billion dong than the previous period (in the Quarter 3 of 2019, the Company made the provision for devaluation of these investments with amount of 31.48 billion dong).

The combination of the above reasons makes the total net profit before tax of the Quarter 3 of 2020 increased by VND 38.22 billion dong compared with the previous period.

The Company's Structure:

The Company has two (02) subsidiary which have consolidated in consolidated financial statements as at 30/09/2020

| Name of company | Head office | Proportion of ownership | Voting rights held by the Group | Principal activities |
|--|-------------|-------------------------|---------------------------------|---|
| Recycled Green Materials Joint Stock Company | Binh Duong | 98,80% | 98,80% | Recycle scrap, produce construction materials |
| Biwase Construction - Electrical Joint Stock Company (*) | Binh Duong | 61,76% | 61,76% | Electric production, electrical system construction, architectural activities and technical consulting. |

(*) Biwase Construction - Electrical Joint Stock Company was established in accordance with the Resolution of the Board of Management No. 40/NQ-HDQT dated 03 September 2020 and operates under the Business Registration Certificate No. 3702915564 on 24 September 2020 by the Department of Planning and Investment of Binh Duong province.

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

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

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

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

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

Declaration of compliance with Accounting Standards and Accounting System

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

2.3 . Basis for preparation of Consolidated Financial Statements

Consolidated financial statements are prepared based upon consolidating Separate Financial Statements of the Company and its subsidiary under its control for for quarter 3, 2020. Control right is in practice when the Company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

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

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

Non-controlling interest

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

2.4 . Financial Instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement after initial recognition

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

2.5 . Foreign currency transactions

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

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

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

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

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

2.6 . Cash and cash equivalents

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

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

2.7 . Business combination and goodwill

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

2.8 . Financial investments

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

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

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

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

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

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

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

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

2.9 . Receivables

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

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

2.10 . Inventories

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

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

Inventory is recorded by perpetual method.

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

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

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

2.11 . Fixed assets

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

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

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

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

2.12 . Construction in progress

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

2.13 . Operating lease

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

2.14 . Prepaid expenses

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

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

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

2.15 . Payables

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

2.16 . Borrowings

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

2.17 . Bonds released

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

2.18 . Borrowing costs

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

2.19 . Accrued expenses

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

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

2.20 . Provision for payables

Provision for payables only record when meet all following conditions:

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

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

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

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

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

2.21 . Owner's equity

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

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

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

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

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

2.22 . Revenues

Sales

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

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

Services rendered

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

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

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

Revenue from construction contract

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

Financial income

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

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

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

2.23 . Costs of good sold

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

2.24 . Financial expenses

Items recorded into financial expenses consist of:

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

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

2.25 . Corporate income tax

a) Deferred income tax liability

Deferred income tax liability is recognized for taxable temporary differences.

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

b) Current corporate income tax expenses

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

c) Tax incentives

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

2.26 . Earning per shares

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

2.27 . Related Parties

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

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

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

2.28 . Partial information

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

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

3 . BUSINESS COMBINATION

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

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

4 . CASH AND CASH EQUIVALENTS

| | 30/09/2020 | 01/01/2020 |
|----------------------|------------------------|-----------------------|
| | VND | VND |
| Cash on hand | 1.838.170.737 | 1.115.390.317 |
| Demand deposits | 141.760.177.804 | 72.669.328.460 |
| Cash in transit | 4.480.553.361 | 932.236.000 |
| Cash equivalents (*) | 45.000.000.000 | - |
| | <u>193.078.901.902</u> | <u>74.716.954.777</u> |

(*) As at 30 September 2020, the cash equivalent is term deposits with term from 01 months to 03 months deposited at commercial banks with interest of 4.25% / year.

5 . FINANCIAL INVESTMENTS

a) Held-to-maturity investments

| | 30/09/2020 | | 01/01/2020 | |
|-------------------------------|------------------------|------------------|------------------------|------------------|
| | Original cost VND | Provision VND | Original cost VND | Provision VND |
| Short-term investments | | | | |
| - Term deposits (i) | 136.600.000.000 | - | 254.290.000.000 | - |
| | 136.600.000.000 | - | 254.290.000.000 | - |
| Long-term investments | | | | |
| - Bonds (ii) | 10.000.000.000 | - | 5.000.000.000 | - |
| | 10.000.000.000 | - | 5.000.000.000 | - |
| | <u>146.600.000.000</u> | <u>-</u> | <u>259.290.000.000</u> | <u>-</u> |

(i) Term deposits from 04 months to 13 months at commercial banks with interest rate of from 4.0%/year to 8.10%/year. At 30 September 2020, the term deposits value at 92.6 billion dong was used as collateral for borrowings/ guarantees from the commercial banks.

(ii) Investments in purchasing bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade:

- 500 bonds with a term of 07 years (maturity date of 27 September 2026); face value of VND 10,000,000 / 01 bond; Bond interest rate is the reference interest rate + 1.0% / year.
- 50,000 bonds with a term of 10 years (maturity date of 30 July 2030); face value of VND 100,000 / 01 bond; Bond interest rate is the reference interest rate + 1.0% / year.

b) Equity investments in associate

| | 30/09/2020 | | | 01/01/2020 | | | | |
|---|------------|-------------------------|---------------------------------|------------------------|------------|-------------------------|---------------------------------|------------------------|
| | Address | Proportion of ownership | Voting rights held by the Group | Value by equity method | Address | Proportion of ownership | Voting rights held by the Group | Accounting book value |
| - Chanh Phu Hoa Investment - Construction Joint Stock Company | Binh Duong | 43,12% | 43,12% | 268.752.768.531 | Binh Duong | 43,12% | 43,12% | 211.744.157.208 |
| | | | | <u>268.752.768.531</u> | | | | <u>211.744.157.208</u> |

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

c) Equity investments in other entities

| Stock code | 30/09/2020 | | | 01/01/2020 | | |
|--|------------------------|------------------------|-------------------------|------------------------|------------------------|-------------------------|
| | Original cost | Fair value | Provision | Original cost | Fair value | Provision |
| | VND | VND | VND | VND | VND | VND |
| - Dong Nai Water Joint Stock Company | 273.085.860.000 | 333.822.000.000 | - | 273.085.860.000 | 330.459.000.000 | - |
| - Binh Duong Producing and Trading Goods Corporation | 213.760.200.000 | 140.124.000.000 | (73.636.200.000) | 213.760.200.000 | 179.760.000.000 | (34.000.200.000) |
| - Thanh Le General Import - Export Trading Corporation | 18.387.540.000 | 10.764.000.000 | (7.623.540.000) | 18.387.540.000 | 10.200.000.000 | (8.187.540.000) |
| | <u>505.233.600.000</u> | <u>484.710.000.000</u> | <u>(81.259.740.000)</u> | <u>505.233.600.000</u> | <u>520.419.000.000</u> | <u>(42.187.740.000)</u> |

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

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

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

6 . SHORT-TERM TRADE RECEIVABLES

| | 30/09/2020 | | 01/01/2020 | |
|---|------------------------|-------------------------|------------------------|-------------------------|
| | Value | Provision | Value | Provision |
| | VND | VND | VND | VND |
| a) Trade receivables detailed by customers with large account balances | | | | |
| - Vietnam - Singapore Industrial Park Joint Venture Co., Ltd | 19.340.582.419 | - | 22.422.939.582 | - |
| - Department of Natural Resources and Environment of Thuan An Town | - | - | 10.411.494.000 | - |
| - Others | 320.145.350.229 | (11.007.204.855) | 307.034.590.371 | (12.179.154.473) |
| | <u>339.485.932.648</u> | <u>(11.007.204.855)</u> | <u>339.869.023.953</u> | <u>(12.179.154.473)</u> |
| b) Trade receivables from related parties | <u>25.849.423.387</u> | <u>(157.082.800)</u> | <u>10.405.541.310</u> | <u>(157.082.800)</u> |
| <i>(Detailed as in Notes No. 42)</i> | | | | |

7 . SHORT-TERM PREPAYMENTS TO SUPPLIES

| | 30/09/2020 | | 01/01/2020 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Value | Provision | Value | Provision |
| | VND | VND | VND | VND |
| a) Prepayments to supplies detailed by large account balances | | | | |
| - Vietnam Construction JSC No. 5 | - | - | 31.000.000.000 | - |
| - Investment and Industrial Development Corporation - Joint Stock Company | - | - | 85.858.080.000 | - |
| - Jindal Saw Gulf L.L.C | 495.489.418 | - | 12.601.256.118 | - |
| - Land Fund Development Center of Tan Uyen town (i) | 115.995.463.750 | - | 115.995.463.750 | - |
| - Others | 95.701.622.516 | (7.307.321.545) | 101.962.994.386 | (7.307.321.545) |
| | <u>212.192.575.684</u> | <u>(7.307.321.545)</u> | <u>347.417.794.254</u> | <u>(7.307.321.545)</u> |
| b) Prepayments to related parties | <u>4.310.796.282</u> | - | <u>86.046.899.532</u> | - |
| <i>(Detailed as in Notes No. 42)</i> | | | | |

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

8 . OTHER SHORT-TERM RECEIVABLES

| | 30/09/2020 | | 01/01/2020 | |
|--|------------------------|------------------|------------------------|------------------|
| | Amount VND | Provision VND | Amount VND | Provision VND |
| a) Short-term | | | | |
| - Advances | 74.077.179.689 | - | 37.727.539.113 | - |
| - Mortgages, deposits | 4.325.251.263 | - | 2.638.831.463 | - |
| - Receivables from materials advanced for construction | 9.920.981.475 | - | 19.689.812.608 | - |
| - Receivables from lending materials | 7.318.071.865 | - | 55.921.536.155 | - |
| - Receivables of advance on site clearance and resettlement compensation of the Projects at Project Management Units | 4.800.000.000 | - | 4.800.000.000 | - |
| - Loan interest receivable, deposit interest receivable | 3.314.177.802 | - | 3.290.165.464 | - |
| - Dividend receivable | 15.930.000.000 | - | - | - |
| - Advance for purchasing land use rights | 10.440.000.000 | - | 12.060.000.000 | - |
| - Receivables from invested in purchasing shares of Gia Tan Water Joint Stock Company (i) | 35.181.617.500 | - | - | - |
| - Other receivables | 41.879.417.085 | - | 20.602.586.948 | - |
| | 207.186.696.679 | | 156.730.471.751 | |
| b) Long-term | | | | |
| - Receivables from the Sewerage Project Management Unit in Binh Duong province (ii) | 954.496.162.625 | - | 924.112.207.078 | - |
| | 954.496.162.625 | | 924.112.207.078 | |

(i) Pursuant to Meeting Minutes and Resolution No. 03/BB-HDQT dated 09 January 2020 of the Board of Management of Binh Duong Water - Environment Joint Stock Company, the Board of Management has agreed on investing in Gia Tan Water Joint Stock Company by receiving shares transferred from the shareholders of Gia Tan Water Joint Stock Company. Accordingly, during the period, the Company was performing transactions to receive shares transferred from D&B Trading and Technical Services Company Limited and other individual shareholders with total shares of 1,997,234 shares and 601,665 shares respectively, equivalent to total par value of VND 19,972,340,000 and VND 6,016,650,000; with the purchase cost of VND 25,659,140,000 and VND 9,552,477,500 respectively. After above transactions, as at 30 September 2020, the Company owns 2,598,899 shares of Gia Tan Water Joint Stock Company, rate of interest is 25.99% and the total investment cost of these shares is VND 35,181,617,500.

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

- (ii) Receivables from the Sewerage Project Management Unit in Binh Duong province after the Company handed over assets, liabilities of units, including: Project Management Unit for Southern Thu Dau Mot Water Supply project; Water Supply - Sewerage - Environment Project Management Unit; Project Management Unit for Water drainage and Waste water treatment in Di An, Thuan An and Tan Uyen and South Binh Duong Water Environment Improvement Project Management Unit according to Decision No. 340/QD-UBND dated 13 February 2019 of the People's Committee of Binh Duong province on consolidating Project Management Units in the field of water drainage and wastewater treatment; Decision No. 2909/UBND-KTN dated 19 June 2019 and Decision No. 3466/UBND-KTN dated 16 July 2019 of the People's Committee of Binh Duong Province on the transfer of investors of ongoing projects to the Sewerage Project Management Unit in Binh Duong province. In which, receivable of VND 660.43 billion which the Company has granted to Project Management Units and VND 294.06 billion from the Project Management Units related to the capital that form assets in progress at the Project Management Units which were previously included in the valuation report when equitizing.

9 . DOUBTFUL DEBTS

| | 30/09/2020 | | 01/01/2020 | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Original cost | Recoverable amount | Original cost | Recoverable amount |
| | VND | VND | VND | VND |
| Total value of overdue debts | 28.965.304.403 | 10.650.778.003 | 30.481.499.629 | 10.995.023.611 |
| - Ngoc Suong Asia Investment and Project Manager JSC | 5.444.000.000 | - | 5.444.000.000 | - |
| - Minh Nhat Trading Construction Co., Ltd | 1.770.774.207 | - | 1.770.774.207 | - |
| - Others | 21.750.530.196 | 10.650.778.003 | 23.266.725.422 | 10.995.023.611 |
| | 28.965.304.403 | 10.650.778.003 | 30.481.499.629 | 10.995.023.611 |

10 . INVENTORIES

| | 30/09/2020 | | 01/01/2020 | |
|----------------------|------------------------|-----------|------------------------|-----------|
| | Original cost | Provision | Original cost | Provision |
| | VND | VND | VND | VND |
| Raw materials | 360.057.679.508 | - | 291.660.518.387 | - |
| Tools, supplies | 714.033.020 | - | 3.606.237.702 | - |
| Work in progress (*) | 302.033.334.917 | - | 167.428.818.581 | - |
| Finished goods | 34.934.491.614 | - | 21.287.461.045 | - |
| Goods | 1.552.391.655 | - | 91.001.074 | - |
| | 699.291.930.714 | - | 484.074.036.789 | - |

- (*) Including the Project of social housing and green park in An Phu ward, Thuan An town, Binh Duong province with the accumulated amount until 30 September 2020 is VND 156,115,251,385. Total design capacity of the Project include 12 floors, 216 apartments with the floor area of 16,689.8 m²; standard of 25m²/person with reception capacity of about 667 people. The scale of the project is defined as a construction work - level I, including 01 basement, 01 ground and 11 top floors over the total area of 4,613.6 m². Estimated total investment for the whole project is VND 207,113,593,074. The main invested capital is the borrowing capital from the Binh Duong Development Investment Fund and the Company's own capital. The investment purpose of the project is to build house for students, workers, civil servants, officials, armed forces, and people with low-income in Binh Duong province. At the reporting date, the project has completed the crude construction and is in the process of interior finishing, and other auxiliary items. The project is expected to be completed and put into use in 2020.

11 . CONSTRUCTION IN PROGRESS

| | 30/09/2020 | 01/01/2020 |
|--|---------------------------------|-------------------------------|
| | VND | VND |
| Procurement of fixed assets | 214.671.474.621 | 62.881.051.321 |
| Land use rights (i) | 214.671.474.621 | 62.881.051.321 |
| Construction in progress | 893.053.452.736 | 535.099.514.595 |
| Head office | 782.279.250.079 | 417.228.226.110 |
| - <i>Project of Water supply in Binh Duong Complex Area (Tan Hiep water plant), the capacity 100,000 m3/day (ii)</i> | 161.069.859.488 | 49.888.230.708 |
| - <i>Water supply system project in Becamex - Binh Phuoc Industrial and Urban Complex and surrounding areas</i> | 26.274.290.573 | - |
| - <i>Construction investment project to raise the capacity of Nam Tan Uyen Water Plant, the capacity increased by 29,500 m3/ day</i> | 74.919.442.165 | - |
| - <i>The pipeline project under the project of expanding Southern Thu Dau Mot</i> | 45.409.650.331 | 23.961.687.247 |
| - <i>Southern Binh Duong Waste Treatment Complex project</i> | 5.798.896.449 | 7.092.472.215 |
| - <i>Investment project on manufacturing, installing compost 3 factory - capacity of 840 tons / day</i> | 132.393.325.021 | 19.445.807.087 |
| - <i>Incinerator system with capacity of 200 tons / day</i> | 77.409.932.127 | 43.976.995.590 |
| - <i>Construction of domestic waste incubator No. 4B</i> | - | 18.762.939.183 |
| - <i>Industrial wastewater treatment plant of 250 m3 / day</i> | 56.476.095.699 | 38.438.787.581 |
| - <i>Water Drainage project of Thu Dau Mot town - Phase 1 (iii)</i> | - | 34.042.968.844 |
| - <i>Other constructions</i> | 202.527.758.226 | 181.618.337.655 |
| PMU of Tan Hiep Water Factory (iii) | 110.774.202.657 | 117.871.288.485 |
| Major repairs of fixed assets | 10.052.692.478 | - |
| Other repairs | 10.052.692.478 | - |
| | <u>1.117.777.619.835</u> | <u>597.980.565.916</u> |

(i) Including land use rights purchased to expanding and upgrading the capacity of the Complex Area Water Supply Enterprise; expanding Uyen Hung Water Plant; Southern Binh Duong Waste Treatment Complex project; Tan Hiep Water Factory and build the Trade Center and the Company's Office of the Company at New Urban area of Binh Duong Industry - Urban - Service Complex.

(ii) - *Name of Project:* Project of Water supply in Binh Duong Complex Area (Tan Hiep water plant), the capacity 100,000 m3/day;
 - *Investor:* Binh Duong Water - Environment Joint Stock Company;
 - *Construction site:* Tan Hiep ward, Tan Uyen town, Binh Duong province;
 - *The goal of the project:* Supplement water supply capacity to Thu Dau Mot, Tan Uyen and Ben Cat to the year 2030 with an additional capacity of 100,000 m3 /day;
 - *Total estimated investment budget:* 1,129.98 billion dong;
 - *Invested capital:* from the Company's own capital and borrowing capital from the banks;
 - *The time estimated for implementation:* 24 months;
 - *Construction status:* the volume of work in progress as at 30 September 2020 including: 158.01 billion dong for item of water treatment plant technology; 2.55 billion dong for interest expenses and 0.5 billion dong for other general expenses. At 30 September 2020, the Company has recorded a temporary increase in fixed assets for the completed raw water pumping station and raw water pipeline with a total amount of 412.4 billion dong.

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

12 . PREPAID EXPENSES

| | 30/09/2020 | 01/01/2020 |
|---|-----------------------|-----------------------|
| | VND | VND |
| a) Short-term | | |
| Tools and supplies waiting for allocation | 3.842.969.205 | 6.808.169.049 |
| Processing and repairing expenses | 837.668.626 | 734.113.030 |
| Premium expenses | 1.459.187.298 | 904.025.686 |
| Others | 2.254.640.787 | 1.113.013.624 |
| | 8.394.465.916 | 9.559.321.389 |
| b) Long-term | | |
| Tools and supplies waiting for allocation | 14.531.335.066 | 16.253.044.077 |
| Substantial expenditure on fixed asset overhaul | 2.804.428.068 | 1.348.012.783 |
| Cost of renovating sidewalks on Ly Thuong Kiet street | 1.372.947.454 | 2.305.551.466 |
| Costs of installing water pipelines | 3.360.153.821 | 3.682.329.538 |
| Land rental costs | 32.178.075.268 | 25.348.425.773 |
| Value of the business advantages of the enterprise | 6.076.248.350 | 6.835.779.392 |
| Others | 3.472.603.153 | 4.264.560.503 |
| | 63.795.791.180 | 60.037.703.532 |

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13 . TANGIBLE FIXED ASSETS

| | Buildings, structures | | Machine, equipment | | Transportation equipment | | Management equipment | | Perennial and cattle | | Others | | Total |
|-------------------------------------|--------------------------|--|------------------------|--|--------------------------|--|-----------------------|--|----------------------|--|-----------------------|--|--------------------------|
| | VND | | VND | | VND | | VND | | VND | | VND | | |
| Original cost | | | | | | | | | | | | | |
| Beginning balance | 1.374.712.748.961 | | 819.423.640.485 | | 2.742.292.781.463 | | 12.557.514.961 | | 1.234.999.773 | | 53.423.975.419 | | 5.003.645.661.062 |
| - Purchase in the period | 544.400.000 | | 2.901.763.180 | | 30.889.362.041 | | - | | - | | 35.800.000 | | 34.371.325.221 |
| - Completed construction investment | 191.886.846.460 | | 13.151.180.635 | | 320.139.922.269 | | - | | - | | - | | 525.177.949.364 |
| - Liquidation, disposal | - | | - | | (2.705.067.172) | | - | | - | | - | | (2.705.067.172) |
| - Other decrease | (251.782.727) | | - | | - | | - | | - | | - | | (251.782.727) |
| Ending balance of the period | 1.566.892.212.694 | | 835.476.584.300 | | 3.090.616.998.601 | | 12.557.514.961 | | 1.234.999.773 | | 53.459.775.419 | | 5.560.238.085.748 |
| Accumulated depreciation | | | | | | | | | | | | | |
| Beginning balance | 911.166.787.882 | | 418.627.838.172 | | 1.419.124.015.859 | | 7.687.587.843 | | 170.763.259 | | 32.965.417.379 | | 2.789.742.410.394 |
| - Depreciation for the period | 78.204.310.265 | | 59.657.653.206 | | 204.450.822.640 | | 875.170.905 | | 101.875.005 | | 1.540.210.501 | | 344.830.042.522 |
| - Liquidation, disposal | - | | - | | (1.841.021.598) | | - | | - | | - | | (1.841.021.598) |
| - Other decrease | (108.576.898) | | - | | - | | - | | - | | - | | (108.576.898) |
| Ending balance of the period | 989.262.521.249 | | 478.285.491.378 | | 1.621.733.816.901 | | 8.562.758.748 | | 272.638.264 | | 34.505.627.880 | | 3.132.622.854.420 |
| Net carrying amount | | | | | | | | | | | | | |
| Beginning of the period | 463.545.961.079 | | 400.795.802.313 | | 1.323.168.765.604 | | 4.869.927.118 | | 1.064.236.514 | | 20.458.558.040 | | 2.213.903.250.668 |
| Ending of the period | 577.629.691.445 | | 357.191.092.922 | | 1.468.883.181.700 | | 3.994.756.213 | | 962.361.509 | | 18.954.147.539 | | 2.427.615.231.328 |

- Cost of fully depreciated tangible fixed assets at the end of the period but still in use is VND 377,855,623,137.

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14 . INTANGIBLE FIXED ASSETS

| | Land use rights VND | Copyrights and patents VND | Computer software VND | Other intangible fixed assets VND | Total VND |
|---------------------------------|------------------------|----------------------------------|--------------------------|---|-----------------------|
| Original cost | | | | | |
| Beginning balance | 85.027.713.161 | 49.937.500 | 7.023.165.536 | 244.571.250 | 92.345.387.447 |
| Ending balance of the period | <u>85.027.713.161</u> | <u>49.937.500</u> | <u>7.023.165.536</u> | <u>244.571.250</u> | <u>92.345.387.447</u> |
| Accumulated amortization | | | | | |
| Beginning balance | 2.079.059.342 | 49.937.500 | 6.334.993.546 | 244.571.250 | 8.708.561.638 |
| - Amortization in the period | 442.011.600 | - | 195.458.764 | - | 637.470.364 |
| Ending balance of the period | <u>2.521.070.942</u> | <u>49.937.500</u> | <u>6.530.452.310</u> | <u>244.571.250</u> | <u>9.346.032.002</u> |
| Ending balance of the period | 82.948.653.819 | - | 688.171.990 | - | 83.636.825.809 |
| Beginning of the period | <u>82.506.642.219</u> | <u>-</u> | <u>492.713.226</u> | <u>-</u> | <u>82.999.355.445</u> |
| Ending of the period | <u>82.506.642.219</u> | <u>-</u> | <u>492.713.226</u> | <u>-</u> | <u>82.999.355.445</u> |

- Cost of fully depreciated intangible fixed assets at the end of the period but still in use is VND 814,508,750.

15 . GOODWILL

| | From 01/01/2020 to 30/09/2020 VND | From 01/01/2019 to 30/09/2019 VND |
|--------------------------------------|---|---|
| Beginning balance | 764.660.614 | 859.257.803 |
| Goodwill allocated during the period | (70.947.892) | (47.298.595) |
| Goodwill at the end of the period | <u>693.712.722</u> | <u>811.959.208</u> |

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16 . BORROWINGS

| | 01/01/2020 | | During the period | | 30/09/2020 | |
|--|------------------------|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Outstanding balance | Amount can be paid | Increase | Decrease | Outstanding | Amount can be paid |
| | VND | VND | VND | VND | VND | VND |
| a) Short-term borrowings | | | | | | |
| Short-term debts | | | | | | |
| - Vietnam Maritime Commercial Joint Stock Bank | 531.501.906.117 | 531.501.906.117 | 1.496.295.563.395 | 984.177.323.068 | 1.043.620.146.444 | 1.043.620.146.444 |
| - Ho Chi Minh Branch | 100.958.432.109 | 100.958.432.109 | 283.921.003.794 | 199.860.109.092 | 185.019.326.811 | 185.019.326.811 |
| - Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch | - | - | 237.715.535.149 | 123.914.383.762 | 113.801.151.387 | 113.801.151.387 |
| - Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch | 384.043.474.008 | 384.043.474.008 | 525.600.975.458 | 588.174.660.064 | 321.469.789.402 | 321.469.789.402 |
| - Military Commercial Joint Stock Bank - Binh Duong Branch | - | - | 140.320.047.363 | - | 140.320.047.363 | 140.320.047.363 |
| - Vietnam International Commercial Joint Stock Bank - Binh Duong Branch | - | - | 119.135.552.979 | - | 119.135.552.979 | 119.135.552.979 |
| - Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch | 46.500.000.000 | 46.500.000.000 | - | 46.500.000.000 | - | - |
| - Shinhhan Bank Vietnam Limited - Binh Duong Branch | - | - | 30.579.278.152 | - | 30.579.278.152 | 30.579.278.152 |
| - Vietnam Export Import Commercial Joint Stock Bank - Binh Duong Branch | - | - | 125.228.170.500 | 25.228.170.150 | 100.000.000.350 | 100.000.000.350 |
| - Others | - | - | 33.795.000.000 | 500.000.000 | 33.295.000.000 | 33.295.000.000 |
| Current portion of long-term debts - Parent Company | 333.693.421.241 | 333.693.421.241 | 273.519.532.668 | 399.634.382.722 | 207.578.571.187 | 207.578.571.187 |
| Current portion of long-term debts - Subsidiary | 4.769.978.736 | 4.769.978.736 | 2.449.978.736 | 5.239.978.736 | 1.979.978.736 | 1.979.978.736 |
| | 869.965.306.094 | 869.965.306.094 | 1.772.265.074.799 | 1.389.051.684.526 | 1.253.178.696.367 | 1.253.178.696.367 |

| | 01/01/2020 | | During the period | | 30/09/2020 | |
|--|--------------------------|--------------------------|------------------------|------------------------|--------------------------|--------------------------|
| | Outstanding balance | Amount can be paid | Increase | Decrease | Outstanding | Amount can be paid |
| | VND | VND | VND | VND | VND | VND |
| b) Long-term borrowings | | | | | | |
| Long-term debts | 1.928.260.218.194 | 1.928.260.218.194 | 642.293.858.565 | 401.974.382.722 | 2.168.579.694.037 | 2.168.579.694.037 |
| - Vietnam Development Bank - Binh Duong Branch | 461.185.805.102 | 461.185.805.102 | - | 37.445.641.634 | 423.740.163.468 | 423.740.163.468 |
| - Asian Development Bank | 471.295.812.412 | 471.295.812.412 | 55.146.433.956 | 13.401.441.200 | 513.040.805.168 | 513.040.805.168 |
| - World Bank | 386.311.104.643 | 386.311.104.643 | - | 10.731.000.000 | 375.580.104.643 | 375.580.104.643 |
| - Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch | 26.880.000.000 | 26.880.000.000 | 80.922.675.070 | 10.080.000.000 | 97.722.675.070 | 97.722.675.070 |
| - Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch | 71.289.755.000 | 71.289.755.000 | - | 18.207.123.000 | 53.082.632.000 | 53.082.632.000 |
| - Vietnam International Commercial Joint Stock Bank - Binh Duong Branch | 46.663.644.995 | 46.663.644.995 | 56.529.212.292 | 9.332.782.650 | 93.860.074.637 | 93.860.074.637 |
| - Binh Duong Development Investment Fund - at Parent Company | 414.492.394.238 | 414.492.394.238 | 243.354.537.247 | 242.492.394.238 | 415.354.537.247 | 415.354.537.247 |
| - Binh Duong Development Investment Fund - at Subsidiary | 4.769.978.736 | 4.769.978.736 | - | 2.340.000.000 | 2.429.978.736 | 2.429.978.736 |
| - Binh Duong Environmental Protection Fund | 36.621.723.068 | 36.621.723.068 | - | 6.303.000.000 | 30.318.723.068 | 30.318.723.068 |
| - Vietnam Environmental Protection Fund | 8.750.000.000 | 8.750.000.000 | - | 1.641.000.000 | 7.109.000.000 | 7.109.000.000 |
| - Thu Dau Mot Water Joint Stock Company | - | - | 50.000.000.000 | 50.000.000.000 | - | - |
| - Chanh Phu Hoa Investment - Construction Joint Stock Company | - | - | 122.600.000.000 | - | 122.600.000.000 | 122.600.000.000 |
| - Others | - | - | 33.741.000.000 | - | 33.741.000.000 | 33.741.000.000 |
| Common bond | 198.488.138.152 | 198.488.138.152 | 547.533.648 | - | 199.035.671.800 | 199.035.671.800 |
| | 2.126.748.356.346 | 2.126.748.356.346 | 642.841.392.213 | 401.974.382.722 | 2.367.615.365.837 | 2.367.615.365.837 |
| Amount due for settlement within 12 months | (338.463.399.977) | (338.463.399.977) | (275.969.511.404) | (404.874.361.458) | (209.558.549.923) | (209.558.549.923) |
| Amount due for settlement after 12 months | 1.788.284.956.369 | 1.788.284.956.369 | | | 2.158.056.815.914 | 2.158.056.815.914 |

Detail information on Short-term debts:

| | Currency | Interest rate | Guarantee | 30/09/2020 | 01/01/2020 |
|--|----------|---------------|----------------------------|--------------------------|------------------------|
| | | | | VND | VND |
| - Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch | VND | 6,96% | Unsecure | 185.019.326.811 | 100.958.432.109 |
| - Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch | VND | 6,60% | Inventories; DNNW shares | 113.801.151.387 | - |
| - Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch | VND | 6,50% | Claim for debts | 321.469.789.402 | 384.043.474.008 |
| - Military Commercial Joint Stock Bank - Binh Duong Branch | VND | 6,50% | Pledge of trust | 140.320.047.363 | - |
| - Vietnam International Commercial Joint Stock Bank - Binh Duong Branch | VND | 6,50% | Claim for debts | 119.135.552.979 | - |
| - Sai Gon Thuong Tin Commercial Joint Stock Bank - Binh Duong Branch | VND | 7,80% | Agreement on fixed deposit | - | 46.500.000.000 |
| - Shinhan Bank Vietnam Limited - Binh Duong Branch | VND | 5,00% | Unsecured | 30.579.278.152 | - |
| - Vietnam Export Import Commercial Joint Stock Bank - Binh Duong Branch | VND | 6,80% | Unsecured | 100.000.000.350 | - |
| - Others | VND | 7,57% - 8,22% | Unsecured | 33.295.000.000 | - |
| | | | | <u>1.043.620.146.444</u> | <u>531.501.906.117</u> |

Detail information on Long-term loans

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

| | Currency | Interest rate | Fees | Year maturity | Guarantee | 30/09/2020 | | 01/01/2020 | |
|--|----------|---------------|-------|---------------|---|--------------------------|--|--------------------------|-----------------|
| | | | | | | Long-term debts | In which, current portion of long-term debts | Long-term debts | Long-term debts |
| | | | | | | VND | VND | VND | VND |
| - Vietnam Development Bank - Binh Duong Branch | VND | 0,00% - 7,18% | 0,20% | 2020 - 2028 | Pledge of trust | 265.053.304.334 | 45.095.514.052 | 293.694.762.984 | |
| - Vietnam Development Bank - Binh Duong Branch | EUR | 0,00% | 0,20% | 2025 - 2032 | Pledge of trust | 158.686.859.134 | 18.905.175.800 | 167.491.042.118 | |
| - Asian Development Bank | USD | LIBOR + 0,5% | 0,20% | 2037 | Pledge of trust | 513.040.805.168 | 26.688.193.129 | 471.295.812.412 | |
| - World Bank | VND | 6,75% | 0,20% | 2037 | Pledge of trust | 375.580.104.643 | 21.464.000.000 | 386.311.104.643 | |
| - Joint Stock Commercial Bank for Foreign Trade of Vietnam - Binh Duong Branch | VND | 8,40% | | 2021 | Stock formed from loan (DNW) | 97.722.675.070 | 19.913.814.006 | 26.880.000.000 | |
| - Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Duong Branch | VND | 7,00% - 8,70% | | 2021 - 2027 | Stock formed from loan (DNW) | 53.082.632.000 | 14.476.164.000 | 71.289.755.000 | |
| - Vietnam International Commercial Joint Stock Bank - Binh Duong Branch | VND | Floating rate | | 2023 | Assets formed from projects | 93.860.074.637 | 12.443.710.200 | 46.663.644.995 | |
| - Binh Duong Development Investment Fund - at Parent Company | VND | 3,60% - 7,00% | | 2021 - 2026 | Assets formed from projects; right to receivables from water supply | 415.354.537.247 | 38.000.000.000 | 414.492.394.238 | |
| - Binh Duong Development Investment Fund - at Subsidiary | VND | 7,00% | | 2021 | Right to receive dividends | 2.429.978.736 | 1.979.978.736 | 4.769.978.736 | |
| - Binh Duong Environmental Protection Fund | VND | 4,20% | | 2021 - 2025 | Pledge of trust | 30.318.723.068 | 8.404.000.000 | 36.621.723.068 | |
| - Vietnam Environmental Protection Fund | VND | 2,60% | | 2023 | Pledge of trust | 7.109.000.000 | 2.188.000.000 | 8.750.000.000 | |
| - Chanh Phu Hoa Investment - Construction Joint Stock Company | VND | 7,51% - 8,22% | | 2021 | Unsecured | 122.600.000.000 | - | - | |
| - Others | VND | 8,15% - 8,22% | | 2021 | Unsecured | 33.741.000.000 | - | - | |
| | | | | | | 2.168.579.694.037 | 209.558.549.923 | 1.928.260.218.194 | |
| | | | | | | (209.558.549.923) | - | (338.463.399.977) | |
| | | | | | | 1.959.021.144.114 | | 1.589.796.818.217 | |

Amount due for settlement within 12 months

Amount due for settlement after 12 months

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

Detailed information on common bond

| | 30/09/2020 | 01/01/2020 |
|-----------------------|------------------------|------------------------|
| | VND | VND |
| Par value | 200.000.000.000 | 200.000.000.000 |
| Cost of issuing bonds | (964.328.200) | (1.511.861.848) |
| | <u>199.035.671.800</u> | <u>198.488.138.152</u> |

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

(i) 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.

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- Land plots are land use rights formed during the 09 months of additional mortgage commitment, including:
 - The land area of 45,139.7 m² of the Tan Hiep Water Plant Expansion Project which is owned by the Company and is located in Tan Uyen town, Binh Duong province;
 - The land area of 7,000 m² of supplementing land fund to expect to build the Company's office, located in Phu Tan ward, Thu Dau Mot city, Binh Duong province;
 - The land area of 20,000 m² of supplementing land fund to expect to build a commercial housing area for employees, located in My Phuoc 3 Residential Area, Ben Cat town, Binh Duong province.

c) Borrowings from relevant entities are as follows:

| Relation | 30/09/2020 | | 01/01/2020 | |
|--|------------------------|--------------------------|------------------|--------------------------|
| | Principal VND | Interest payables VND | Principal VND | Interest payables VND |
| - Chanh Phu Hoa Investment - Associate | 122.600.000.000 | 1.813.701.258 | - | - |
| Construction Joint Stock Company | | | | |
| - Tan Thanh Company Limited | 10.000.000.000 | 174.688.767 | - | - |
| - Mr. Nguyen Van Thien | 2.000.000.000 | 79.114.685 | - | - |
| - Ms. Dang Thi Muoi | 1.000.000.000 | 39.861.370 | - | - |
| - Mr. Duong Hoang Son | 1.000.000.000 | 39.185.753 | - | - |
| - Ms. Nguyen Thi Dien | 200.000.000 | 6.753.151 | - | - |
| - Mr. Nguyen Thanh Phong | 1.500.000.000 | 50.723.288 | - | - |
| - Ms. Duong Anh Thu | 500.000.000 | 7.319.178 | - | - |
| | 138.800.000.000 | 2.211.347.450 | | |

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

17 . SHORT-TERM TRADE PAYABLES

| | 30/09/2020 | | 01/01/2020 | |
|--|------------------------|------------------------|------------------------|------------------------|
| | Outstanding balance | Amount can be paid | Outstanding balance | Amount can be paid |
| | VND | VND | VND | VND |
| a) Trade payables detailed by large account balances | | | | |
| - Vietnam Construction Joint Stock Company No. 5 | 22.014.763.245 | 22.014.763.245 | - | - |
| - N.T.P Trade Company Limited | 9.588.489.240 | 9.588.489.240 | 23.327.915.600 | 23.327.915.600 |
| - Land Fund Development Center of Ben Cat district | 10.292.015.271 | 10.292.015.271 | 10.292.015.271 | 10.292.015.271 |
| - Tien Phong Plastic South Joint Stock Company | 6.654.523.480 | 6.654.523.480 | 3.075.039.125 | 3.075.039.125 |
| - Thu Dau Mot Water Joint Stock Company | 25.098.574.582 | 25.098.574.582 | 31.355.702.775 | 31.355.702.775 |
| - Others | 159.817.684.861 | 159.817.684.861 | 110.412.153.350 | 110.412.153.350 |
| | <u>233.466.050.679</u> | <u>233.466.050.679</u> | <u>178.462.826.121</u> | <u>178.462.826.121</u> |
| b) Trade payables from related parties | <u>43.069.196.881</u> | <u>43.069.196.881</u> | <u>55.680.369.162</u> | <u>55.680.369.162</u> |
| <i>(Detailed as in Notes No. 42)</i> | | | | |

18 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

| | 30/09/2020 | | 01/01/2020 | |
|--|-----------------------|--------------------|-----------------------|-----------------------|
| | Outstanding balance | Amount can be paid | Outstanding balance | Amount can be paid |
| | VND | VND | VND | VND |
| a) Prepayments from customers detailed by large account balances | | | | |
| - Vietnam Construction Joint Stock Company No. 5 | 1.842.425.987 | | 574.000.000 | 574.000.000 |
| - Quynh Phuc Production and Trading Company Limited | 7.000.000.000 | | 7.000.000.000 | 7.000.000.000 |
| - Others | 24.471.647.258 | | 15.396.387.636 | 15.396.387.636 |
| | <u>33.314.073.245</u> | | <u>22.970.387.636</u> | <u>22.970.387.636</u> |
| b) Prepayment from related parties | <u>10.059.762.279</u> | | <u>8.608.692.692</u> | <u>8.608.692.692</u> |
| <i>(Detailed as in Notes No. 42)</i> | | | | |

19 . TAXES AND OTHER PAYABLES TO STATE BUDGET

| | Tax receivable at beginning of the period | Tax payable at beginning of the period | Tax payable in the period | Tax paid in the period | Tax receivable end of the period | Tax payable end of the period |
|-------------------------------------|---|--|------------------------------|---------------------------|-------------------------------------|----------------------------------|
| | VND | VND | VND | VND | VND | VND |
| Value added tax | - | 428.060.628 | 12.370.459.582 | 21.539.001.151 | 8.740.480.941 | - |
| Corporate income tax | - | 22.927.645.907 | 43.367.011.124 | 51.779.914.610 | - | 14.514.742.421 |
| Personal income tax | 600.426 | 17.659.162 | 9.316.296.303 | 9.335.332.546 | 4.408.275 | 2.430.768 |
| Natural resource tax | - | 422.374.800 | 10.569.363.748 | 10.573.668.108 | - | 418.070.440 |
| Fees, charges and other payables | - | 16.312.675.433 | 63.254.527.033 | 52.583.482.224 | 3.000.000 | 26.986.720.242 |
| | <u>600.426</u> | <u>40.108.415.930</u> | <u>138.877.657.790</u> | <u>145.811.398.639</u> | <u>8.747.889.216</u> | <u>41.921.963.871</u> |

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

20 . SHORT-TERM ACCRUED EXPENSES

| | 30/09/2020 | 01/01/2020 |
|--|-----------------------|-----------------------|
| | VND | VND |
| Accrued interest | 28.426.684.320 | 11.337.892.569 |
| Accrued expense for implementation of construction works | 2.402.407.872 | 1.145.800.084 |
| Accrued expenses of the project which have been recognized revenue | 8.708.938.027 | 6.684.919.193 |
| Other accrued expenses | 2.035.218.073 | 1.555.600.608 |
| | <u>41.573.248.292</u> | <u>20.724.212.454</u> |

21 . OTHER PAYABLES

| | 30/09/2020 | 01/01/2020 |
|--|------------------------|------------------------|
| | VND | VND |
| a) Short-term | | |
| Trade union fee, social insurance, unemployment insurance | 2.252.519.840 | 6.866.092.025 |
| Short-term deposits, collateral received | 11.726.647.641 | 5.641.420.432 |
| Payables on non-interest borrowings | 5.916.208.020 | 5.250.000.000 |
| - <i>Tu Hai Company Limited</i> | 4.250.000.000 | 4.250.000.000 |
| - <i>Mr. Nguyen Van Hoang</i> | 1.000.000.000 | 1.000.000.000 |
| - <i>Mrs. Trần Thị Huỳnh Mai</i> | 666.208.020 | - |
| Other payables | 57.079.249.745 | 207.824.165.546 |
| - <i>Depreciation of assets under the project of Thu Dau Mot wastewater treatment plant - payables to State Budget</i> | 50.000.000.000 | 50.000.000.000 |
| - <i>Dividends payables (i)</i> | - | 150.000.000.000 |
| - <i>Other payables</i> | 7.079.249.745 | 7.824.165.546 |
| | 76.974.625.246 | 225.581.678.003 |
| b) Long-term | | |
| Long-term deposits, collateral received | 7.061.636.688 | 5.213.005.000 |
| Borrowings received from foreign entities without debt covenant (ii) | 41.785.944.235 | 41.744.453.323 |
| Payables to Project Management Units on capital formed fixed assets which was temporary increased, but not yet approved for final settlement | 678.728.922.307 | 678.728.922.307 |
| Surplus of assets awaiting resolution (iii) | - | 34.559.790.191 |
| | 727.576.503.230 | 760.246.170.821 |

(i) Detailed as in Note No. 23.

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

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

22 . SHORT-TERM PROVISIONS FOR PAYABLES

| | 30/09/2020 | 01/01/2020 |
|---|-----------------------|-----------------------|
| | VND | VND |
| Provision for construction warranty | 6.572.360.506 | 3.844.538.848 |
| Waste and wastewater treatment expenses | 19.035.447.209 | 19.035.447.209 |
| | 25.607.807.715 | 22.879.986.057 |

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

23 . OWNER'S EQUITY

a) Changes in owner's equity

| | Contributed capital | | Development an investment fund | | Retained earnings | | Capital expenditure fund (i) | | Non-Controlling Interest | | Total | |
|---|--------------------------|--|--------------------------------|--|------------------------|--|------------------------------|--|--------------------------|--|--------------------------|--|
| | VND | | VND | | VND | | VND | | VND | | VND | |
| Beginning balance of previous period | 1.500.000.000.000 | | 72.324.893.590 | | 264.805.821.746 | | 2.285.516.359.604 | | 3.127.498.132 | | 4.125.774.573.072 | |
| Profit of the previous period | - | | - | | 314.135.799.513 | | - | | (29.199.847) | | 314.106.599.666 | |
| Decrease in capital of the previous period | - | | - | | - | | (2.183.286.105.173) | | - | | (2.183.286.105.173) | |
| Purchased additional shares of subsidiary | - | | - | | (637.520.427) | | - | | (2.407.989.573) | | (3.045.510.000) | |
| Other changes in equity investments in associate | - | | - | | 267.517.580 | | - | | - | | 267.517.580 | |
| Profit distribution in 2018 at the Parent | - | | 109.628.820.175 | | (172.273.860.275) | | - | | - | | (62.645.040.100) | |
| Associated distribution bonus and welfare funds and executive bonus funds | - | | - | | (3.548.236.944) | | - | | - | | (3.548.236.944) | |
| Ending balance of previous period | 1.500.000.000.000 | | 181.953.713.765 | | 402.749.521.193 | | 102.230.254.431 | | 690.308.712 | | 2.187.623.798.101 | |
| Beginning balance of current period | 1.500.000.000.000 | | 181.953.713.765 | | 414.878.947.586 | | 102.230.254.431 | | 699.270.305 | | 2.199.762.186.087 | |
| Increase in capital of this period | - | | - | | - | | - | | 18.575.000.000 | | 18.575.000.000 | |
| Profit of the current period | - | | - | | 388.975.522.957 | | - | | (56.089.389) | | 388.919.433.568 | |
| Purchased additional shares of subsidiary (ii) | - | | - | | (150.521.211) | | - | | (499.478.789) | | (650.000.000) | |
| Other changes in equity investments in associate | - | | - | | (304.030) | | - | | - | | (304.030) | |
| Profit distribution at the Parent (iii) | - | | 258.203.206.126 | | (351.266.172.602) | | - | | - | | (93.062.966.476) | |
| Associated distribution bonus and welfare funds and executive bonus funds | - | | - | | (3.870.612.912) | | - | | - | | (3.870.612.912) | |
| Other decreases (iv) | - | | - | | - | | (4.413.050.400) | | - | | (4.413.050.400) | |
| Ending balance of current period | 1.500.000.000.000 | | 440.156.919.891 | | 448.566.859.788 | | 97.817.204.031 | | 18.718.702.127 | | 2.505.259.685.837 | |

(i) The Company's capital expenditure fund allocated by the State capital to the Project Management Units for implementation of capital construction which were assigned by the People's Committee of Binh Duong province. When the final settlement of investment capital is approved, the assets formed from this fund will be transferred to other units under Decision of the People's Committee of Binh Duong province. The outstanding balance of capital expenditure fund as at 30 June 2020 is capital expenditure fund allocated by the State capital to Tan Hiep Water Factory Project Management Unit.

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

| | According to Resolution No. 19/NQ-HDQT VND | Temporary distribution in 2019 VND | Additional distribution in the current period VND |
|---|---|---|---|
| Retained earning in 2018 in Separate Financial Statements | 35.951.340.225 | | |
| Profit after corporate income tax in Separate Financial Statements of 2019 | 465.314.832.377 | | |
| Total profit distributable | 501.266.172.602 | | |
| Profit distribution | | | |
| - Development and investment fund | 258.203.206.126 | - | 258.203.206.126 |
| - Dividend payment of 10% of chartered capital (<i>equivalent to VND 1.000 per share</i>) | 150.000.000.000 | 150.000.000.000 | - |
| - Bonus fund | 65.144.076.533 | - | 65.144.076.533 |
| - Welfare fund | 4.653.148.324 | - | 4.653.148.324 |
| - Bonus fund for Executive Board | 23.265.741.619 | - | 23.265.741.619 |
| | 501.266.172.602 | 150.000.000.000 | 351.266.172.602 |
| Retained earnings in Separate Financial Statements | - | | |

- (iv) Decrease due to the Company has handed over the correspondingly formed capital of assets excluded from the value of enterprise to the Sewerage Project Management Unit in Binh Duong province with the total value of 4.41 billion dong.

b) Details of Contributed capital

| | 30/09/2020 VND | Rate % | 01/01/2020 VND | Rate % |
|---|--------------------------|---------------|--------------------------|---------------|
| Investment and Industrial Development Corporation - Joint Stock Company | 375.000.000.000 | 25,00 | 375.000.000.000 | 25,00 |
| 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 | 547.500.000.000 | 36,50 |
| | 1.500.000.000.000 | 100,00 | 1.500.000.000.000 | 100,00 |

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

| | From 01/01/2020 to 30/09/2020 VND | From 01/01/2019 to 30/09/2019 VND |
|--|---|---|
| Owner's invested capital | | |
| - At the beginning of the period | 1.500.000.000.000 | 1.500.000.000.000 |
| - At the end of the period | 1.500.000.000.000 | 1.500.000.000.000 |
| Dividends and profit | | |
| - Dividends, profit payable at the beginning of the period | 150.000.000.000 | 105.000.000.000 |
| - Dividends, profits paid in money | 150.000.000.000 | 105.000.000.000 |
| + <i>Dividends distributed on last period profit</i> | <i>150.000.000.000</i> | <i>105.000.000.000</i> |
| - At the end of the period | - | - |

d) Share

| | 30/09/2020 | 01/01/2020 |
|---|-------------|-------------|
| Quantity of authorized issuing shares | 150.000.000 | 150.000.000 |
| Quantity of issued shares | 150.000.000 | 150.000.000 |
| - Common shares | 150.000.000 | 150.000.000 |
| Quantity of outstanding shares in circulation | 150.000.000 | 150.000.000 |
| - Common shares | 150.000.000 | 150.000.000 |
| Par value per stock: VND 10,000/stock | | |

e) Company's funds

| | 30/09/2020 | 01/01/2020 |
|----------------------------------|------------------------|------------------------|
| | VND | VND |
| Development and investment funds | 440.156.919.891 | 181.953.713.765 |
| | 440.156.919.891 | 181.953.713.765 |

24 . OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Operating leased assets

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

b) Foreign currencies

| | 30/09/2020 | 01/01/2020 |
|-----|------------|------------|
| USD | 9.321,22 | 9.516,24 |
| EUR | 197,30 | 197,30 |

c) Doubtful debts written-offs

Doubtful debts written-offs as at 31 December 2019 and 30 September 2020 are receipts from selling water meter and other receivables with total amount of VND 1,061,266,800 and VND 2,431,499,363 respectively.

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

| | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
|--|----------------------------------|----------------------------------|
| | VND | VND |
| Revenue from sales of goods | 1.595.751.598.973 | 1.284.530.474.362 |
| Revenue from rendering of services | 475.247.083.054 | 425.257.719.140 |
| Revenue from construction contracts | 94.572.120.893 | 67.135.801.838 |
| | 2.165.570.802.920 | 1.776.923.995.340 |
| Revenue from relevant parties (Detailed as in Notes No. 42) | 66.767.337.958 | 25.933.650.509 |

26 . COST OF GOODS SOLD

| | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
|--------------------------------|----------------------------------|----------------------------------|
| | VND | VND |
| Cost of goods sold | 829.716.280.509 | 663.279.739.163 |
| Cost of rendering of services | 374.757.374.615 | 334.570.496.980 |
| Cost of construction contracts | 72.752.905.620 | 57.300.008.367 |
| | <u><u>1.277.226.560.744</u></u> | <u><u>1.055.150.244.510</u></u> |

Cost of goods sold from related parties
(Detailed as in Notes No. 42)

| | |
|-------------------------------|-------------------------------|
| <u><u>279.359.267.383</u></u> | <u><u>164.625.023.067</u></u> |
|-------------------------------|-------------------------------|

27 . FINANCIAL INCOME

| | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
|-------------------------------|----------------------------------|----------------------------------|
| | VND | VND |
| Interest income | 11.038.896.695 | 11.583.019.666 |
| Dividends or profits received | 24.450.633.600 | 23.596.565.654 |
| | <u><u>35.489.530.295</u></u> | <u><u>35.179.585.320</u></u> |

28 . FINANCIAL EXPENSES

| | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
|---|----------------------------------|----------------------------------|
| | VND | VND |
| Interest expenses | 115.827.131.547 | 106.286.481.265 |
| Realised losses from foreign exchange difference | 972.268.637 | 35.502.615 |
| Unrealised losses from foreign exchange differences | 1.274.067.859 | 4.044.093.408 |
| Provision/ (Reversal of provision) for impairment of investment | 39.072.000.000 | (20.305.860.000) |
| Cost of issuing bonds allocation and other financial expenses | 548.999.705 | 470.066.736 |
| | <u><u>157.694.467.748</u></u> | <u><u>90.530.284.024</u></u> |

29 . SELLING EXPENSES

| | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
|--|----------------------------------|----------------------------------|
| | VND | VND |
| Raw materials | 8.800.499.418 | 8.013.563.286 |
| Labour expenses | 44.618.140.410 | 39.241.128.212 |
| Depreciation and amortisation expenses | 178.563.052.434 | 160.467.001.524 |
| Expenses of outsourcing services | 14.864.589.596 | 9.340.760.003 |
| Other expenses in cash | 11.140.534.091 | 10.296.184.837 |
| | <u><u>257.986.815.949</u></u> | <u><u>227.358.637.862</u></u> |

30 . GENERAL AND ADMINISTRATIVE EXPENSE

| | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
|--|----------------------------------|----------------------------------|
| | VND | VND |
| Raw materials | 7.110.108.994 | 12.540.814.162 |
| Labour expenses | 45.051.264.206 | 37.562.654.721 |
| Depreciation and amortisation expenses | 5.339.924.540 | 5.211.276.970 |
| Tax, Charge, Fee | 151.622.961 | 59.856.084 |
| Provision expenses | 166.593.252 | 106.271.281 |
| Expenses of outsourcing services | 9.625.078.751 | 4.660.624.666 |
| Other expenses in cash | 16.110.604.430 | 14.944.387.742 |
| | 83.555.197.134 | 75.085.885.626 |

31 . OTHER INCOME

| | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
|--|----------------------------------|----------------------------------|
| | VND | VND |
| Electricity sold to the rental units | 14.914.244.428 | 17.065.980.237 |
| Proceeds from bike racing and sewerage meetings | 3.750.000.000 | 4.460.000.000 |
| Proceeds from sponsorship of the Biogas power generation project | - | 9.814.521.040 |
| Reversal of provision on insuring the construction | 793.315.138 | 1.526.806.101 |
| 10% of environmental protection fee being held | 3.148.076.738 | 3.285.399.846 |
| Others | 315.535.341 | 1.741.676.912 |
| | 22.921.171.645 | 37.894.384.136 |
| Revenue from relevant parties | 13.874.774.140 | 14.805.736.900 |
| <i>(Detailed as in Notes No. 42)</i> | | |

32 . OTHER EXPENSES

| | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
|---|----------------------------------|----------------------------------|
| | VND | VND |
| Electricity consumed by the rental units | 14.727.378.781 | 15.926.806.497 |
| Cost of bicycle race and water supply and sewerage meetings | 3.750.000.000 | 5.109.999.190 |
| Fines for administrative violations and tax arrears | 9.370.795 | 278.702.838 |
| Handling losses after the equitization of enterprises | - | 32.510.376.547 |
| Liquidation and disposal cost | 227.681.938 | - |
| Material liquidation | 878.950.423 | - |
| Others | 1.625.616.921 | 566.344.443 |
| | 21.218.998.858 | 54.392.229.515 |

33 . CURRENT CORPORATE INCOME TAX EXPENSES

| | From 01/01/2020 to 30/09/2020 VND | From 01/01/2019 to 30/09/2019 VND |
|--|---|---|
| Binh Duong Water - Environment Joint Stock Company | 43.330.541.795 | 42.971.388.371 |
| Recycled Green Materials Joint Stock Company | - | - |
| Current corporate income tax expense | 43.330.541.795 | 42.971.388.371 |
| Adjustment of tax expenses in previous years into current period | 36.469.329 | - |
| Tax payable at the beginning of the period | 22.927.645.907 | 14.655.194.905 |
| Tax paid in the period | (51.779.914.610) | (47.030.596.908) |
| Corporate income tax payable at the end of the period | 14.514.742.421 | 10.595.986.368 |

34 . DEFERRED INCOME TAX

a) Deferred income tax payable

| | 30/09/2020 VND | 01/01/2020 VND |
|--|----------------------|----------------------|
| Corporate income tax rate used to determine the value of Deferred income tax payable | 20% | 20% |
| Deferred income tax payable raised from taxable temporary difference | 1.541.052.181 | 1.541.052.181 |
| Deferred income tax payable | 1.541.052.181 | 1.541.052.181 |

b) Deferred corporate income tax expenses

| | From 01/01/2020 to 30/09/2020 VND | From 01/01/2019 to 30/09/2019 VND |
|---|---|---|
| Deferred CIT expense relating to taxable temporary difference | - | 15.000.000 |
| | - | 15.000.000 |

35 . BASIC EARNING PER SHARE

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

| | From 01/01/2020 to 30/09/2020 VND | From 01/01/2019 to 30/09/2019 VND |
|---|---|---|
| Profit after corporate income tax | 388.975.522.957 | 314.135.799.513 |
| Adjustments: | (77.795.104.591) | (62.827.159.903) |
| - Bonus and welfare fund is distributed from the profit after tax (*) | (77.795.104.591) | (62.827.159.903) |
| Profit distributed for common shares | 311.180.418.366 | 251.308.639.610 |
| Average circulated common shares in the period | 150.000.000 | 150.000.000 |
| Basic earnings per share | 2.075 | 1.675 |

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

36 . BUSINESS AND PRODUCTIONS COST BY ITEMS

| | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
|--|----------------------------------|----------------------------------|
| | VND | VND |
| Raw materials | 638.938.063.247 | 584.730.089.488 |
| Labour expenses | 357.581.085.644 | 286.320.637.032 |
| Depreciation and amortisation expenses | 344.948.440.471 | 325.855.505.319 |
| Provision expenses | 166.593.252 | 106.271.281 |
| Expenses of outsourcing services | 184.868.610.544 | 165.114.768.226 |
| Other expenses in cash | 71.881.548.427 | 67.904.142.540 |
| | <u>1.598.384.341.585</u> | <u>1.430.031.413.886</u> |

37 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company:

| | Carrying amount | | | |
|-----------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|
| | 30/09/2020 | | 01/01/2020 | |
| | Original Cost | Provision | Original Cost | Provision |
| | VND | VND | VND | VND |
| Financial Assets | | | | |
| Cash and cash equivalents | 193.078.901.902 | - | 74.716.954.777 | - |
| Trade and other receivables | 1.501.168.791.952 | (11.007.204.855) | 1.420.711.702.782 | (12.179.154.473) |
| Lending loans | 146.600.000.000 | - | 259.290.000.000 | - |
| Long-term investments | 505.233.600.000 | (81.259.740.000) | 505.233.600.000 | (42.187.740.000) |
| | <u>2.346.081.293.854</u> | <u>(92.266.944.855)</u> | <u>2.259.952.257.559</u> | <u>(54.366.894.473)</u> |

| | Carrying amount | |
|------------------------------|---------------------------------|---------------------------------|
| | 30/09/2020 | 01/01/2020 |
| | VND | VND |
| Financial Liabilities | | |
| Borrowings and debts | 3.411.235.512.281 | 2.658.250.262.463 |
| Trade and other payables | 1.038.017.179.155 | 1.164.290.674.945 |
| Accrued expenses | 41.573.248.292 | 20.724.212.454 |
| | <u>4.490.825.939.728</u> | <u>3.843.265.149.862</u> |

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

Financial risk management

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

Market risk

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

Price Risk:

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

| | More than 5 years VND | Total VND |
|-------------------------|-------------------------------|-------------------------------|
| As at 30/09/2020 | | |
| Long-term investment | 423.973.860.000 | 423.973.860.000 |
| | <u>423.973.860.000</u> | <u>423.973.860.000</u> |
| As at 01/01/2020 | | |
| Long-term investment | 463.045.860.000 | 463.045.860.000 |
| | <u>463.045.860.000</u> | <u>463.045.860.000</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, borrowings and other financial instruments), detailed as follows:

| | Up to 1 year VND | From over 1 year to 5 years VND | More than 5 years VND | Total VND |
|-----------------------------|-------------------------------|---------------------------------------|------------------------------|---------------------------------|
| As at 30/09/2020 | | | | |
| Cash and cash equivalents | 193.078.901.902 | - | - | 193.078.901.902 |
| Trade and other receivables | 535.665.424.472 | 954.496.162.625 | - | 1.490.161.587.097 |
| Lending | 136.600.000.000 | - | 10.000.000.000 | 146.600.000.000 |
| | <u>865.344.326.374</u> | <u>954.496.162.625</u> | <u>10.000.000.000</u> | <u>1.829.840.488.999</u> |
| As at 01/01/2020 | | | | |
| Cash and cash equivalents | 74.716.954.777 | - | - | 74.716.954.777 |
| Trade and other receivables | 484.420.341.231 | 924.112.207.078 | - | 1.408.532.548.309 |
| Lending loans | 254.290.000.000 | - | 5.000.000.000 | 259.290.000.000 |
| | <u>813.427.296.008</u> | <u>924.112.207.078</u> | <u>5.000.000.000</u> | <u>1.742.539.503.086</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 30/09/2020 | | | | |
| Borrowings and debts | 1.253.178.696.367 | 1.280.701.489.338 | 877.355.326.576 | 3.411.235.512.281 |
| Trade and other payables | 310.440.675.925 | 727.576.503.230 | - | 1.038.017.179.155 |
| Accrued expenses | 41.573.248.292 | - | - | 41.573.248.292 |
| | <u><u>1.605.192.620.584</u></u> | <u><u>2.008.277.992.568</u></u> | <u><u>877.355.326.576</u></u> | <u><u>4.490.825.939.728</u></u> |
| As at 01/01/2020 | | | | |
| Borrowings and debts | 869.965.306.094 | 995.137.890.118 | 793.147.066.251 | 2.658.250.262.463 |
| Trade and other payables | 404.044.504.124 | 760.246.170.821 | - | 1.164.290.674.945 |
| Accrued expenses | 20.724.212.454 | - | - | 20.724.212.454 |
| | <u><u>1.294.734.022.672</u></u> | <u><u>1.755.384.060.939</u></u> | <u><u>793.147.066.251</u></u> | <u><u>3.843.265.149.862</u></u> |

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

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

a) Proceeds from borrowings during the period

| | From 01/01/2020 to 30/09/2020 VND | From 01/01/2019 to 30/09/2019 VND |
|----------------------------------|---|---|
| Proceeds from ordinary contracts | 2.033.767.494.209 | 1.184.545.011.991 |

b) Actual repayments on principal during the period

| | From 01/01/2020 to 30/09/2020 VND | From 01/01/2019 to 30/09/2019 VND |
|--|---|---|
| Repayment on principal from ordinary contracts | 1.282.562.358.422 | 990.060.215.647 |

39 . OTHER INFORMATION

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

The offering plan:

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

The purpose of using capital:

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

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

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

40 . EVENTS AFTER THE REPORTING PERIOD

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

41 . SEGMENT REPORTING

a) Under business fields:

| | Production and trading of water | Waste treatment | Waste-water treatment | Others | Grant total |
|--|------------------------------------|--------------------------|--------------------------|------------------------|--------------------------|
| | VND | VND | VND | VND | VND |
| Net revenue from sales to external customers | 1.314.485.617.338 | 372.950.793.020 | 59.541.473.175 | 418.592.919.387 | 2.165.570.802.920 |
| Net revenue from business activities | 730.047.521.740 | 69.946.832.771 | 11.803.387.218 | 76.546.500.447 | 888.344.242.176 |
| The total cost to acquire fixed assets | - | - | - | - | 1.076.543.284.293 |
| Segment assets | 2.155.170.204.766 | 1.034.443.264.980 | 78.213.869.639 | 636.949.928.946 | 3.904.777.268.331 |
| Unallocated assets | | | | | 3.277.352.439.493 |
| Total assets | 2.155.170.204.766 | 1.034.443.264.980 | 78.213.869.639 | 636.949.928.946 | 7.182.129.707.824 |
| Segment liabilities | 35.968.910.394 | 100.556.386.051 | 17.796.852.663 | 103.854.144.047 | 258.176.293.155 |
| Unallocated liabilities | | | | | 4.418.693.728.832 |
| Total liabilities | 35.968.910.394 | 100.556.386.051 | 17.796.852.663 | 103.854.144.047 | 4.676.870.021.987 |

b) Under geographical areas

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

42 . TRANSACTION AND BALANCES WITH RELATED PARTIES

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

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

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

Transactions during the period:

| | From 01/01/2020 to 30/09/2020 VND | From 01/01/2019 to 30/09/2019 VND |
|---|---|---|
| Revenues from sales of goods and rendering of services | 66.767.337.958 | 25.933.650.509 |
| - Investment and Industrial Development Corporation - Joint Stock Company | 32.598.138.430 | 11.919.433.818 |
| - Thu Dau Mot Water Joint Stock Company | 23.752.275.254 | 5.088.969.490 |
| - Chanh Phu Hoa Investment - Construction Joint Stock Company | 9.829.588.404 | 4.687.582.034 |
| - Quynh Phuc Production and Trading Company Limited | 378.851.332 | 3.655.374.918 |
| - Dai Phu Thinh Company Limited | 208.484.538 | 582.290.249 |
| Financial income | 8.520.633.600 | 9.465.497.161 |
| - Thu Dau Mot Water Joint Stock Company | - | 28.931.507 |
| - Chanh Phu Hoa Investment - Construction Joint Stock Company | 8.520.633.600 | 9.436.565.654 |
| Other income | 13.874.774.140 | 14.805.736.900 |
| - Thu Dau Mot Water Joint Stock Company | 13.608.751.940 | 14.682.169.850 |
| - Chanh Phu Hoa Investment - Construction Joint Stock Company | 66.022.200 | 123.567.050 |
| - Dai Phu Thinh Company Limited | 200.000.000 | - |
| Purchase of goods, services | 279.359.267.383 | 164.625.023.067 |
| - Thu Dau Mot Water Joint Stock Company | 279.359.267.383 | 164.625.023.067 |
| Purchase of goods, services | 374.173.905.238 | 266.844.163.659 |
| - Thu Dau Mot Water Joint Stock Company | 279.359.267.383 | 164.625.023.067 |
| - Quynh Phuc Production and Trading Company Limited | 17.977.777.273 | 47.855.830.592 |
| - Dai Phu Thinh Company Limited | 14.175.968.182 | - |
| - N.T.P Trading Company Limited | 62.660.892.400 | 54.363.310.000 |
| Purchase land use rights | 159.499.200.000 | - |
| - Investment and Industrial Development Corporation - Joint Stock Company | 159.499.200.000 | - |

Outstanding balances up to the reporting date are as follows:

| | 30/09/2020 | 01/01/2020 |
|--|----------------------------------|----------------------------------|
| | VND | VND |
| Short-term trade receivables | 25.849.423.387 | 10.405.541.310 |
| - Investment and Industrial Development Corporation - Joint Stock Company | 15.630.439.773 | 2.864.637.800 |
| - Thu Dau Mot Water Joint Stock Company | 4.885.728.359 | 2.941.467.612 |
| - Chanh Phu Hoa Investment - Construction Joint Stock Company | 3.505.184.492 | 2.422.513.987 |
| - Quynh Phuc Production and Trading Company Limited | 1.673.198.802 | 2.176.921.911 |
| - Dai Phu Thinh Company Limited | 154.871.961 | - |
| Short-term prepayments to suppliers | 4.310.796.282 | 86.046.899.532 |
| - Investment and Industrial Development Corporation - Joint Stock Company | - | 85.858.080.000 |
| - Quynh Phuc Production and Trading Company Limited | 4.223.750.532 | 188.819.532 |
| - N.T.P Trading Company Limited | 87.045.750 | - |
| Other short-term receivables | 7.413.455.745 | 10.945.135.051 |
| - Thu Dau Mot Water Joint Stock Company | 7.119.112.694 | - |
| - Chanh Phu Hoa Investment - Construction Joint Stock Company | - | 10.650.792.000 |
| - N.T.P Trading Company Limited | 294.343.051 | 294.343.051 |
| Short-term trade payables | 43.069.196.881 | 55.680.369.162 |
| - Investment and Industrial Development Corporation - Joint Stock Company | 1.866.480.000 | - |
| - Thu Dau Mot Water Joint Stock Company | 25.098.574.582 | 31.523.094.303 |
| - Dai Phu Thinh Company Limited | 6.515.653.059 | 829.359.259 |
| - N.T.P Trading Company Limited | 9.588.489.240 | 23.327.915.600 |
| Short-term prepayments from customers | 10.059.762.279 | 8.608.692.692 |
| - Investment and Industrial Development Corporation - Joint Stock Company | 1.034.692.692 | 1.034.692.692 |
| - Thu Dau Mot Water Joint Stock Company | 1.842.425.987 | 574.000.000 |
| - Recycled Green Materials Joint Stock Company | 182.643.600 | - |
| - Quynh Phuc Production and Trading Company Limited | 7.000.000.000 | 7.000.000.000 |
| Transactions with other related parties: | From 01/01/2020 to 30/09/2020 | From 01/01/2019 to 30/09/2019 |
| | VND | VND |
| - Remuneration to General Director | 585.000.000 | 525.000.000 |
| - Remuneration to others members of Board of Management and Board of General Directors | 2.190.000.000 | 2.175.318.320 |

43 . COMPARATIVE FIGURES

The comparative figures on the Consolidated Statement of financial position and Notes are taken from the Consolidated Financial Statements for the fiscal year ended as at 31 December 2019, which was audited by AASC Auditing Firm Company Limited. The comparative figures on the Consolidated Statement of income, Consolidated Statement of Cash flows and Notes are taken from the Consolidated Financial Statements for the Quarter 3 of 2019, which has been prepared and disclosed by the Company.

Preparer



Nguyen Thi Mong Thuong

Chief Accountant



Tran Tan Duc

Binh Duong, 20 October 2020

General Director



Tran Chien Cong