

## CLIENT INFORMATION

### A. Overview

1. The Binh Duong Water Environment Joint Stock Company (BIWASE) is one of the leading water supply companies in Viet Nam. Its core business activities include (i) supplying clean water to residential, industrial, commercial and institutional consumers; (ii) treating and disposing of municipal solid waste and industrial hazardous and nonhazardous wastes; and (iii) treating wastewater. It completed its “equitization” in 2016 and has been listed on the Ho Chi Minh Stock Exchange since 20 July 2017 with a market capitalization of D3,600 billion as of 22 June 2020.

2. **Water supply.** BIWASE supplies water in Binh Duong province, one of the fastest developing provinces in Viet Nam. In 2019, the company had a total water production capacity of 311,300 cubic meters per day, a total distribution pipe length of 4,276 kilometers, and over 269,000 connections covering 78% of the province’s population, including the province’s key water demand centers. With this capacity, BIWASE is listed as one of the top 10 water utilities in Viet Nam. **CONFIDENTIAL INFORMATION DELETED.**

3. **Waste management.** BIWASE has a waste treatment complex occupying about 100 hectares in the Chanh Phu Hoa ward of Ben Cat town in Binh Duong. It acts as the sole provider of municipal solid-waste treatment for the Binh Duong Provincial People’s Committee (PPC). **CONFIDENTIAL INFORMATION DELETED.**

4. BIWASE is one of the largest service providers of industrial hazardous and non-hazardous waste treatments, handling over 200,000 tons annually. Treatment of industrial waste includes incineration, recycling, industrial wastewater treatment, sludge disposal, and sanitary landfilling. In 2019, BIWASE contracted with over 2,000 industrial, commercial, and medical customers for waste treatment services. Its industrial waste customers are not only from Binh Duong but also from other provinces in the southern part of Viet Nam. **CONFIDENTIAL INFORMATION DELETED.**

5. **Wastewater and sanitation.** BIWASE is the sole operator of municipal wastewater and sanitation services in the province. It operates and maintains wastewater assets owned by the Binh Duong PPC, which pays treatment and maintenance fees to BIWASE based on the treated wastewater volume. In 2019, the PPC completed three wastewater treatment facilities with total treatment capacity of 54,650 cubic meters per day (m<sup>3</sup>/day) financed by the Japan International Cooperation Agency and the World Bank. The centralized wastewater treatment capacity in Binh Duong will be more than doubled to 132,300 m<sup>3</sup>/day by 2024.

6. **Other business.** In addition to the three core business activities, BIWASE also provides services such as consulting, construction works, repairing water supply and drainage systems, trading materials used for the water sector, dredging canals, sucking cesspools, cleaning roads, maintaining public greens (i.e., street trees), composting and supplying fertilizer products, and cemetery services (provided by Chanh Phu Hoa Joint Stock Company, a BIWASE subsidiary).

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### B. Ownership, Management, and Governance

7. BIWASE was originally founded in 1975 as a state-owned entity called Binh Duong Water Supply Center to provide clean water to 2,000 households in the inner area of Thu Dau Mot town

in Binh Duong. BIWASE changed its name several times to reflect the nature of its business. In September 2016, it changed its legal form from a state-owned entity into a joint stock company  
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8. **BIWASE's directors and management team.** In 1975, the Binh Duong Water Supply Center was set up as a state-owned company directly under the Binh Duong PPC. Directors and management staff are appointed by the government. Since 2016, when the equitization process started, the company's decision-making has been led by the general shareholders' meeting (GSM), the highest authority of the company. The board of directors, which consists of seven members, including two external members, is responsible for overseeing management's performance to ensure compliance with the policies, plans, and strategies approved by the GSM.  
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9. **BIWASE's governance.** The company applies the Stock Exchange of Viet Nam's principles of good corporate governance for listed companies as a code of conduct for effective and transparent management and to ensure trust and confidence among shareholders, investors, and stakeholders. The company engages an independent internal auditing firm to review its operations to ensure compliance with the code of conduct and to provide suggestions on how to improve its internal control system. Internal audit is undertaken annually. The company's independent auditor, AASC Company Limited, also examined and assessed the internal control of accounting for fiscal year 2019. The company has a whistleblowing policy governing the handling of claims of noncompliance and illegal actions according to Viet Nam Decree 71/2017/ND-CP on governance guidance to listed companies.

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