

# Audited Project Financial Statements

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Project Number: 41456-033

Loan/Grant Number: 2961

Period covered: 1 January 2018 – 31 December 2018

## VIE: Water Sector Investment Program – Tranche 2

Prepared by HUEWACO

For the Asian Development Bank

Date received by ADB: 26 June 2018

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Grant Thornton

# Financial statements and Independent Auditors' Report

Thua Thien Hue Water Supply Project,  
period 2011-2015, vision to 2020

Viet Nam Water Sector Investment Program

Project 2 - Loan Number 2961-VIE, OCR fund of ADB

For the year ended 31 December 2018



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# Part I

## Financial Statements

# Report of the Project Management Unit

The Project Management Unit submits its report together with the audited financial statements of the Thua Thien Hue Water Supply Project, period 2011-2015, vision to 2020 ("the Project") for the year ended 31 December 2018 ("the year").

## The Project Management Unit

The members of the Project Management Unit are responsible for overall direction and management of the Project during the year and to the date of this report were:

### Project Management Unit

|                          |   |
|--------------------------|---|
| Mr. Truong Cong Nam      | Director of Project Management Unit         |
| Mr. Tran Van Tho         | Deputy Director of Project Management Unit  |
| Mr. Nguyen Lien Minh     | Deputy Director of Project Management Unit  |
| Ms. Nguyen Thi Lien Ngoc | Chief Accountant of Project Management Unit |

## Statement of the Project Management Unit

The Project Management Unit is responsible for preparing Financial Statements for the year ended 31 December 2018 which give a true and fair view of:

- the financial position of the Project;
- the funds received and expended for the year;
- the cash flow during the year;
- the activities of the advance account for the year ended 31 December 2018 and the balance of this account as at 31 December 2018;
- the funds withdrawn for the year; and
- the actual expenditures and budget.

In preparing those Financial Statements, the Project Management Unit is required to:

- select suitable accounting policies and then apply them consistently in accordance with the Loan Agreement No. 2961-VIE between Socialist Republic of Vietnam and Asian Development Bank ("ADB") and the Project Administration Manual;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimise errors and frauds.

The Project Management Unit is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Project and to ensure that the accounting records comply with the accounting system as described in Note 3 to the financial statements and the Project Administration Manual. The Project Management Unit is responsible for ensuring that the project funds are used only for the purposes of the Project, in accordance with the provisions of Loan Agreement No. 2961-VIE as well as legal requirements applicable to the Project. They are also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Project Management Unit confirms that they have complied with the above requirements in preparing the financial statements.



## Approval of the financial statements

We hereby approve the accompanying financial statements on pages 6 to 16 which give a true and fair view of the fund balance of the Thua Thien Hue Water Supply Project, period 2011-2015, vision to 2020 as at 31 December 2018, the funds received and expenditures for the year ended 31 December 2018, Statement of cash flow for the year ended 31 December 2018, the balance of the Project's Advance Account for the Loan from ADB as at 31 December 2018 as well as movement of this account for the year ended 31 December 2018 and statements of actual expenditures and budget, in accordance with the accounting policies as described in Note 3 to the financial statements. In the opinion of the Project Management Unit, the loan withdrawals have been adequately reconciled to the statements of expenditure prepared by the Project during the year, and such statements of expenditure were adequately supported.

On behalf of the Project Management Unit,



**Trương Công Nam**  
Director of Project Management Unit

Thua Thien Hue, Vietnam  
17 June 2019



## Independent Auditors' Report

on the financial statements of  
Thua Thien Hue Water Supply Project, period 2011-2015, vision to 2020  
Loan Number 2961-VIE  
for the year ended 31 December 2018

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No. 16-11-239-4

To: The Project Management Unit  
Thua Thien Hue Water Supply Project, period 2011-2015, vision to 2020

### Auditors' opinion

We have audited the accompanying financial statements of Thua Thien Hue Water Supply Project, period 2011-2015, vision to 2020 financed under the Asian Development Bank Loan Agreement No. 2961-VIE, prepared on 17 June 2019, which include Balance Sheet as at 31 December 2018, Statement of income and expenditures, Statement of cash flow, Statement of advance account, Statement of loan withdrawals and Statement of actual expenditures and budget for the year ended 31 December 2018, and a summary of significant accounting policies and other explanatory notes (collectively referred to as "Financial Statements") as set out on pages from 6 to 16.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position as at 31 December 2018 as well as of the funds received and expenditures and the cash flows of the Project for the year then ended in conformity with the accounting policies described in Note 3 of the Notes to the financial statements.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in Vietnam, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibility of the Project Management Unit for the financial statements

The Project Management Unit are responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies as described in Note 3 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Project as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Project Management Unit.

We communicate with the Project Management Unit, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GRANT THORNTON (VIETNAM) LIMITED



Hanoi, Vietnam

17 June 2019



# Balance sheet

as at 31 December 2018

|                                     | Notes | 31 December 2018<br>VND | 31 December 2019<br>VND |
|-------------------------------------|-------|-------------------------|-------------------------|
| <b>ASSETS</b>                       |       |                         |                         |
| Cash                                |       | 13,041,252,820          | -                       |
| Cash in bank                        | 4     | 13,041,252,820          | -                       |
| Receivables                         |       | -                       | 36,257,978,599          |
| Advance to contractor               | 5     | -                       | 36,257,978,599          |
| Expenditures                        |       | 369,292,548,790         | 27,146,133,325          |
| Project implementation expenditures | 8     | 369,292,548,790         | 27,146,133,325          |
| <b>TOTAL ASSETS</b>                 |       | <b>382,333,801,610</b>  | <b>63,404,111,924</b>   |
| <b>FUNDS</b>                        |       |                         |                         |
| Funds                               |       | 382,437,202,723         | 63,404,111,924          |
| - Loan from Asian Development Bank  | 6     | 323,670,939,600         | 37,783,027,093          |
| - Counterpart fund                  | 7     | 58,766,263,123          | 25,621,084,831          |
| Foreign exchange differences        |       | (103,401,113)           | -                       |
| <b>TOTAL RESOURCES</b>              |       | <b>382,333,801,610</b>  | <b>63,404,111,924</b>   |



Thua Thien Hue, Vietnam  
17 June 2019

Truong Cong Nam  
Director of Project Management Unit

Nguyen Thi Lien Ngoc  
PMU's Chief Accountant

# Statement of income and expenditures

for the year ended 31 December 2018

|   | Notes | For year ended<br>31 December 2018<br>VND | For year ended<br>31 December 2017<br>VND | Accumulated to<br>31 December 2018<br>VND |
|---|-------|---|---|---|
| <b>INCOME</b>                                 |       | <b>319,033,090,799</b>                    | <b>34,457,739,207</b>                     | <b>382,437,202,723</b>                    |
| Loan from Asian Development Bank              | 6     | 285,887,912,507                           | 28,806,436,602                            | 323,670,939,600                           |
| Counterpart fund                              | 7     | 33,145,178,292                            | 5,651,302,605                             | 58,766,263,123                            |
| <b>EXPENDITURES</b>                           | 8     | <b>342,146,415,465</b>                    | <b>3,310,011,608</b>                      | <b>369,292,548,790</b>                    |
| Works   |       | -   | -   | -   |
| Goods   |       | 326,968,189,476                           | -   | 326,968,189,476                           |
| Consulting services                           |       | 11,277,168,256                            | 208,448,728                               | 30,291,734,518                            |
| Interest and commitment charge                |       | 3,874,947,448                             | 3,094,873,607                             | 11,873,643,665                            |
| Administrative expenses                       |       | 26,110,285                                | 6,689,273                                 | 158,981,131                               |
| (Deficit)/Surplus of income over expenditures |       | (23,113,324,666)                          | 31,147,727,599                            | 13,144,653,933                            |
| Foreign exchange differences                  |       | (103,401,113)                             | -   | (103,401,113)                             |
| Fund balance at the beginning of the year     |       | 36,257,978,599                            | 5,110,251,000                             | -   |
| Fund balance at the end of the year           |       | 13,041,252,820                            | 36,257,978,599                            | 13,041,252,820                            |



Thua Thien Hue, Vietnam  
17 June 2019

**Truong Cong Nam**  
Director of Project Management Unit

**Nguyen Thi Lien Ngoc**  
PMU's Chief Accountant

# Statement of cash flows

for the year ended 31 December 2018

|   | Note | For year ended<br>31 December 2018<br>VND | For year ended<br>31 December 2017<br>VND<br>(Restated) | Accumulated to<br>31 December 2018<br>VND |
|---|------|---|---|---|
| <b>RECEIPTS</b>                           |      | <b>319,033,090,799</b>                    | <b>34,457,739,207</b>                                   | <b>382,437,202,723</b>                    |
| Loan from Asian Development Bank          |      | 285,887,912,507                           | 28,806,436,602  | 323,670,939,600                           |
| Counterpart fund                          |      | 33,145,178,292                            | 5,651,302,605   | 58,766,263,123                            |
| <b>DISBURSEMENTS</b>                      | 9    | <b>305,888,436,866</b>                    | <b>34,457,739,207</b>                                   | <b>369,292,548,790</b>                    |
| Works                                     |      | -   | -   | -   |
| Goods                                     |      | 299,094,896,104                           | 27,873,293,372  | 326,968,189,476                           |
| Consulting services                       |      | 2,892,483,029                             | 3,482,882,955   | 30,291,734,518                            |
| Interest and commitment charge            |      | 3,874,947,448                             | 3,094,873,607   | 11,873,643,665                            |
| Administrative expenses                   |      | 26,110,285                                | 6,689,273   | 158,981,131                               |
| Surplus of sources over uses of funds     |      | 13,144,653,933                            | -   | 13,144,653,933                            |
| Foreign exchange differences              |      | (103,401,113)                             | -   | (103,401,113)                             |
| Cash balance at the beginning of the year |      | -   | -   | -   |
| Cash balance at the end of the year       |      | 13,041,252,820                            | -   | 13,041,252,820                            |



Thua Thien Hue, Vietnam  
17 June 2019  
**Truong Cong Nam**  
Director of Project Management Unit

**Nguyen Thi Lien Ngoc**  
PMU's Chief Accountant



# Statement of advance account

|                   |  |
|-------------------|--|
| For the year:     | For year ended 31 December 2018  |
| Account numbers:  | 4000201008485  |
| Depository Bank:  | Vietnam Bank For Agriculture and Rural Development – Thua Thien Hue Branch |
| Address:          | 103 Bui Thi Xuan Street, Hue City, Vietnam                                 |
| Credit Agreement: | No. 2961-VIE   |
| Currency:         | USD  |

For year ended  
31 December 2018  
USD

## Part A- Account activity

|   |              |
|---|--------------|
| Opening balance as at 1 January 2018        | -            |
| Add:  |              |
| Advance from ADB during the year            | 3,000,000.00 |
| Less:                                       |              |
| Total amount withdrawn from Advance Account | 2,436,171.37 |
| Bank charge                                 | 4.47         |
| Closing balance as at 31 December 2018      | 563,824.16   |

## Part B- Account reconciliation

|   |              |
|---|--------------|
| Amount advanced by ADB at 1 January 2018                                  | -            |
| Amount advanced by ADB during the year                                    | 3,000,000.00 |
| Outstanding amount advanced to the Advance Account as at 31 December 2018 | 3,000,000.00 |
| Account balance as at 31 December 2018                                    | 563,824.16   |
| Add:  |              |
| Amount withdrawn but not yet claimed                                      | 2,436,171.37 |
| Bank charge   | 4.47         |
| Outstanding amount advanced to the Advance Account as at 31 December 2018 | 3,000,000.00 |



Thua Thien Hue, Vietnam

17 June 2019

Truong Cong Nam  
Director of Project Management Unit

Nguyen Thi Lien Ngoc  
PMU's Chief Accountant



# Statement of loan withdrawals

for the year ended 31 December 2018

| Withdrawal number | Date of application | Currency | Advance             | Amount claimed – For the year ended 31 December 2018 |                        |                     | Total                  | Date       | Amount disbursed       | Difference |
|-------------------|---------------------|----------|---------------------|--|------------------------|---------------------|------------------------|------------|------------------------|------------|
|                   |                     |          |                     | Works  | Goods                  | Consulting services |                        |            |                        |            |
| HU004             | 6/1/2018            | VND      | -                   | -  | 39,351,423,900         | -                   | 39,351,423,900         | 6/29/2018  | 39,351,423,900         | -          |
| HU005             | 5/1/2018            | VND      | -                   | -  | 25,040,571,500         | -                   | 25,040,571,500         | 5/31/2018  | 25,040,571,500         | -          |
| HU006             | 8/1/2018            | VND      | -                   | -  | 36,794,394,700         | -                   | 36,794,394,700         | 8/31/2018  | 36,794,394,700         | -          |
| HU007             | 8/1/2018            | VND      | -                   | -  | 12,260,325,900         | -                   | 12,260,325,900         | 8/31/2018  | 12,260,325,900         | -          |
| HU008             | 10/1/2018           | VND      | -                   | -  | 44,445,830,800         | -                   | 44,445,830,800         | 10/31/2018 | 44,445,830,800         | -          |
| HU009             | 10/1/2018           | VND      | -                   | -  | 20,055,812,800         | -                   | 20,055,812,800         | 10/31/2018 | 20,055,812,800         | -          |
| HU010             | 11/1/2018           | VND      | -                   | -  | 36,162,319,630         | -                   | 36,162,319,630         | 11/30/2018 | 36,162,319,630         | -          |
| HU011             | 12/1/2018           | USD      | 3,000,000.00        | -  | 3,000,000.00           | -                   | 3,000,000.00           | 12/7/2018  | 3,000,000.00           | -          |
| <b>Total</b>      |                     | VND      | -                   | -  | <b>214,110,679,230</b> | -                   | <b>214,110,679,230</b> |            | <b>214,110,679,230</b> | -          |
|                   |                     | USD      | <b>3,000,000.00</b> | -  | <b>3,000,000.00</b>    | -                   | <b>3,000,000.00</b>    |            | <b>3,000,000.00</b>    | -          |



Truong Cong Nam  
Director of Project Management Unit

Nguyen Thi Lien Ngoc  
PMU's Chief Accountant

# Statement of actual expenditures and budget

for the year ended 31 December 2018

|                                | Actual expenditures |                  |                 | Budgeted Expenditures |                 |      | % of actual expenditures over budget | Variances     |
|--------------------------------|---------------------|------------------|-----------------|-----------------------|-----------------|------|--------------------------------------|---------------|
|                                | Loan from ADB       | Counterpart fund | Total           | Counterpart fund      | Total           |      |                                      |               |
|                                | VND                 | VND              | VND             | VND                   | VND             |      |                                      | VND           |
| Works                          | -                   | -                | -               | -                     | -               | -    | -                                    | -             |
| Goods                          | 293,290,465,634     | 33,677,723,842   | 326,968,189,476 | 33,681,000,000        | 327,000,000,000 | 100% |                                      | (31,810,524)  |
| Consulting services            | 10,009,294,003      | 1,267,874,253    | 11,277,168,256  | 1,163,900,000         | 11,300,000,000  | 100% |                                      | (22,831,744)  |
| Interest and commitment charge | 1,967,233,277       | 1,907,714,171    | 3,874,947,448   | 2,000,000,000         | 4,000,000,000   | 97%  |                                      | (125,052,552) |
| Administrative expenses        | -                   | 26,110,285       | 26,110,285      | 30,000,000            | 30,000,000      | 87%  |                                      | (3,889,715)   |
|                                | 305,266,992,914     | 36,879,422,551   | 342,146,415,465 | 36,874,900,000        | 342,330,000,000 | 100% |                                      | (183,584,535) |

(i) Source of the budget expenditures is in accordance with Expenditures Plan for the year 2018 issued by Project Management Unit – Thua Thien Hue Water Supply Joint Stock Company.



Trương Công Nam  
Director of Project Management Unit

Nguyen Thi Lien Ngoc  
PMU's Chief Accountant

# Notes to the financial statements

for the year ended 31 December 2018

## 1. The Project

On 23 May 2013, the Social Republic of Vietnam of Vietnam ("Borrower") signed Loan Agreement No. 2961-VIE - Viet Nam Water Sector Investment Program - Project 2, OCR fund of ADB, with Asian Development Bank ("ADB"). The financing amount under the Loan Agreement is USD212 million which allocated to following water supply companies ("WSCs") as follows:

| Items                         | Project Holders | Million USD   |
|-------------------------------|-----------------|---------------|
| Sub-Project 1: Binh Duong     | BIWASE          | 39.90         |
| Sub-Project 2: Dak Lak        | DAKWACO         | 24.59         |
| Sub-Project 3: Da Nang        | DAWACO          | 30.00         |
| Sub-Project 4: Hai Phong      | HPWWSCo         | 56.80         |
| Sub-Project 5: Quang Tri      | QTWASUCO        | 20.50         |
| Sub-Project 6: Thua Thien Hue | HUEWACO         | 35.16         |
| Non-Physical Investments      | Other WSCs      | 5.05          |
| <b>Total</b>                  |                 | <b>212.00</b> |

Under the Subsidiary Loan Agreement dated 14 April 2014, the Social Republic of Vietnam agreed Thua Thien Hue Water Supply Joint Stock Company ("HUEWACO") on-lending an amount of maximum USD35.16 million to implement Thua Thien Hue Water Supply Project, period 2011-2015, vision to 2020 ("the Project") with counterpart fund committed from HUEWACO of USD7.72 million. Total financing under Subsidiary Loan Agreement are allocated by categories as follows:

| No.          | Categories                                       | ADB fund     | Counterpart fund from |  | Million USD  |
|--------------|--|--------------|-----------------------|--|--------------|
|              |  |              | HUEWACO               |  |              |
| 1            | Works, expansion of treatment plant and networks | 27.45        | 1.41                  |  | 28.86        |
| 2            | Consulting services                              | 1.39         | 1.41                  |  | 2.8          |
| 3            | Interest, commitment and bank charges            | 3.12         | -                     |  | 3.12         |
| 4            | Other expenses unallocated                       | 3.20         | -                     |  | 3.2          |
| 5            | Project management expenses                      | -            | 0.23                  |  | 0.23         |
| 6            | Other expenses                                   | -            | 1.03                  |  | 1.03         |
| 7            | Taxes and fees                                   | -            | 3.64                  |  | 3.64         |
| <b>Total</b> |  | <b>35.16</b> | <b>7.72</b>           |  | <b>42.88</b> |

The objectives of the Project are constructing 710km transmission and distribution pipeline (D50-1,200mm) in 5 water supply areas namely Phong Dien, Tu Ha, Loc An, Loc Bon, Hue city and its suburbs.

The Project Management Unit's office is located at No.103 Bui Thi Xuan Street, Phuong Duc Ward, Hue City, Vietnam.

## 2. Fiscal year and accounting currency

### 2.1 Fiscal year

The first fiscal year of the Project is from 18 September 2013 (effective date) to 31 December 2016. The following fiscal year is from 1 January to 31 December.



## 2.2 Accounting currency

The accounting records of the Project are maintained in Vietnamese Dong ("VND"). The financial statements are prepared in Vietnamese Dong except for the Advance Account statement and Statement of loan withdrawals, which are prepared in the original currency as required by the Asian Development Bank.

## 3. Accounting policies

### 3.1 Basis of preparation of financial statements

The financial statements, expressed in Vietnamese Dong ("VND"), are prepared under the requirements of Asian Development Bank and in accordance with Vietnamese Accounting Standards, specifically Circular 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and other applicable requirements, which are set out below.

### 3.2 Foreign exchange

Transactions arising in currencies other than the reporting currency of VND are translated at the prevailing exchange rates at transaction dates. Foreign exchange differences arising on translation are recognised separately in the statement of income and expenditures for the purpose of reconciliation of balance as at beginning and closing accounting period.

### 3.3 Recognitions of sources and uses of fund

Project sources and uses of fund are recognised as follows:

- Loan from Asian Development Bank: Funds are recognised when direct payment from ADB to suppliers or/and receipts from ADB to Advance Account except for Interest and commitment charge from ADB loan are recorded to expenditures and income based on accrual basis;
- Counterpart fund: Fund is recognised when direct payment from HUEWACO to suppliers; and
- Expenditures are recognised when incurred.

### 3.4 Advance

Advances to contractors are recorded as expenditure when they are cleared (i.e. when related activities are completed and the supporting documents have been submitted to and approved by the Project management unit for advance clearance).

### 3.5 Payables

The amount payable is recorded on the basis of the amount payable in the future in respect of the assets and services received.

## 4. Cash and cash equivalents

|                 |            | 31 December 2018 |     | 31 December 2017 |
|-----------------|------------|------------------|-----|------------------|
|                 | USD        | VND equivalents  | USD | VND equivalents  |
| Advance account | 563,824.16 | 13,041,252,820   | -   | -                |

## 5. Advance to contractors

|   | 31 December 2018 | 31 December 2017 |
|---|------------------|------------------|
|   | VND              | VND              |
| Advance 25% of CS1 package to Haskoning DHV Nederland B.V                   | -                | 8,384,685,227    |
| Advance 10% of HUE-CW03 package to Bach Dang Construction Corporation - JSC | -                | 27,873,293,372   |
|   | -                | 36,257,978,599   |



## 6. Loan from Asian Development Bank

|                                | Currency | For year ended<br>31 December 2018 |                |                 | For year ended<br>31 December 2017 |                |                | Accumulated to<br>31 December 2018 |                 |
|--------------------------------|----------|------------------------------------|----------------|-----------------|------------------------------------|----------------|----------------|------------------------------------|-----------------|
|                                |          | Original currency                  | USD equivalent | VND equivalent  | Original currency                  | USD equivalent | VND equivalent | USD equivalent                     | VND equivalent  |
| Advance                        | USD      | 3,000,000.00                       | 3,000,000.00   | 69,810,000,000  | -                                  | -              | -              | 3,000,000.00                       | 69,810,000,000  |
| Direct payments in VND         | VND      | 214,110,679,230                    | 9,201,146.51   | 214,110,679,230 | 25,002,344,155                     | 1,116,375.43   | 25,002,344,155 | 10,317,521.94                      | 239,113,023,385 |
| Direct payments in USD         | USD      | -                                  | -              | -               | 105,984.14                         | 105,984.14     | 2,411,139,185  | 336,757.76                         | 7,521,390,185   |
| Interest and commitment charge | USD      | 87,100.92                          | 87,100.92      | 1,967,233,277   | 82,196.52                          | 62,196.52      | 1,392,953,262  | 328,555.22                         | 7,226,526,030   |
|                                |          |                                    | 12,288,247.43  | 285,887,912,507 |                                    | 1,284,556.09   | 28,806,436,602 | 13,982,834.92                      | 323,670,939,600 |

## 7. Counterpart fund

|                                  | For year ended<br>31 December 2018 |     | For year ended<br>31 December 2017 |     | Accumulated to<br>31 December 2018 |     |
|----------------------------------|------------------------------------|-----|------------------------------------|-----|------------------------------------|-----|
|                                  | VND                                | VND | VND                                | VND | VND                                | VND |
| Counterpart fund from HUEWACO    | 31,237,464,121                     |     | 3,949,382,260                      |     | 54,119,145,488                     |     |
| Interest and re-lending expenses | 1,907,714,171                      |     | 1,701,920,345                      |     | 4,647,117,635                      |     |
|                                  | 33,145,178,292                     |     | 5,651,302,605                      |     | 58,766,263,123                     |     |

## 8. Expenditures

|                                | Year ended 31 December 2018 |                |                  |     | Year ended 31 December 2017 |               |                  |                | Accumulated 31 December 2018 |     |
|--------------------------------|-----------------------------|----------------|------------------|-----|-----------------------------|---------------|------------------|----------------|------------------------------|-----|
|                                | Loan from ADB               |                | Counterpart fund |     | Loan from ADB               |               | Counterpart fund |                | Total                        |     |
|                                | VND                         | VND            | VND              | VND | VND                         | VND           | VND              | VND            | VND                          | VND |
| Works                          | -                           | -              | -                | -   | -                           | -             | -                | -              | -                            | -   |
| Goods                          | 293,290,465,634             | 33,677,723,842 | 326,968,189,476  |     | -                           | -             | 293,290,465,634  | 33,677,723,842 | 326,968,189,476              |     |
| Consulting services            | 10,009,294,003              | 1,267,874,253  | 11,277,168,256   |     | 208,448,728                 | 208,448,728   | 10,009,294,003   | 20,282,440,515 | 30,291,734,518               |     |
| Interest and commitment charge | 1,967,233,277               | 1,907,714,171  | 3,874,947,448    |     | 1,392,953,262               | 1,701,920,345 | 3,094,873,607    | 4,647,117,635  | 11,873,643,665               |     |
| Administrative expenses        | -                           | 26,110,285     | 26,110,285       |     | -                           | 6,689,273     | 6,689,273        | 158,981,131    | 158,981,131                  |     |
|                                | 305,266,992,914             | 36,879,422,551 | 342,146,415,465  |     | 1,392,953,262               | 1,917,058,346 | 3,310,011,608    | 58,766,263,123 | 369,292,548,790              |     |

## 9. Disbursements

|                                | Year ended 31 December 2018 |                  |                 | Year ended 31 December 2017 |                  |                | Accumulated 31 December 2018 |                  |                 |
|--------------------------------|-----------------------------|------------------|-----------------|-----------------------------|------------------|----------------|------------------------------|------------------|-----------------|
|                                | Loan from ADB               | Counterpart fund | Total           | Loan from ADB               | Counterpart fund | Total          | Loan from ADB                | Counterpart fund | Total           |
|                                | VND                         | VND              | VND             | VND                         | VND              | VND            | VND                          | VND              | VND             |
| Works                          |                             |                  |                 |                             |                  |                |                              |                  |                 |
| Goods                          | 268,288,121,479             | 30,806,774,625   | 299,094,896,104 | 25,002,344,155              | 2,870,949,217    | 27,873,293,372 | 293,290,465,634              | 33,677,723,842   | 326,968,189,476 |
| Consulting services            | 2,487,903,818               | 404,579,211      | 2,892,483,029   | 2,411,139,195               | 1,071,743,770    | 3,482,882,965  | 10,009,294,003               | 20,282,440,515   | 30,291,734,518  |
| Interest and commitment charge | 1,967,233,277               | 1,907,714,171    | 3,874,947,448   | 1,392,953,282               | 1,701,920,345    | 3,094,873,627  | 7,226,526,030                | 4,647,117,535    | 11,873,643,665  |
| Administrative expenses        | -                           | 26,110,285       | 26,110,285      | -                           | 8,689,273        | 8,689,273      | -                            | 158,981,131      | 158,981,131     |
|                                | 272,743,258,574             | 33,145,178,292   | 305,888,436,866 | 28,806,436,602              | 5,651,302,605    | 34,457,739,207 | 310,526,285,667              | 58,766,263,123   | 369,292,548,790 |

## 10. Restatements

During the year 2018, the Project Management Unit had restated the Project's statement of cash flows for the period from 18 September 2013 to 31 December 2017 to reflect the Interest and commitment charge, as follows:

### Statement of cash flows for year ended 31 December 2017

|                                | As previously reported<br>VND | Restatements<br>VND | As restated<br>VND |
|--------------------------------|-------------------------------|---------------------|--------------------|
| <b>RECEIPTS</b>                |                               |                     |                    |
| Loan from ADB                  | 27,413,483,340                | 1,392,953,262       | 28,806,436,602     |
| <b>DISBURSEMENTS</b>           |                               |                     |                    |
| Interest and commitment charge | 1,701,920,345                 | 1,392,953,262       | 3,094,873,607      |

### Statement of cash flows accumulated to year ended 31 December 2017

|                                | As previously reported<br>VND | Restatements<br>VND | As restated<br>VND |
|--------------------------------|-------------------------------|---------------------|--------------------|
| <b>RECEIPTS</b>                |                               |                     |                    |
| Loan from ADB                  | 32,523,734,340                | 5,259,292,753       | 37,783,027,093     |
| <b>DISBURSEMENTS</b>           |                               |                     |                    |
| Interest and commitment charge | 2,739,403,464                 | 5,259,292,753       | 7,998,696,217      |

## 11. Approval for issuance of the financial statements

The financial statements were approved by the Project Management Unit and authorised for issue.

Thua Thien Hue, Vietnam  
17 June 2019



Trương Công Nam  
Director of Project Management Unit

Nguyen Thi Lien Ngoc  
PMU's Chief Accountant