

Audited Project Financial Statements

Project Number: 41456-033

Loan Number: 2961

Period covered: 1 January 2020 – 31 December 2020

Viet Nam: Water Sector Investment Program – Tranche 2

Prepared by TWACO

For the Asian Development Bank

Date received by ADB: 23 June 2021

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Access to Information Policy and as agreed between ADB and Thai Nguyen PPC.

**THAI NGUYEN CITY WATER SUPPLY SYSTEM
DEVELOPMENT PROJECT**

Loan Agreements No. 2961 – VIE and 3251 – VIE

AUDITED FINANCIAL STATEMENTS
Fiscal year ended 31 December 2020

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**THAI NGUYEN CITY WATER SUPPLY SYSTEM
DEVELOPMENT PROJECT**

Loan Agreements No. 2961 – VIE and 3251 – VIE

AUDITED FINANCIAL STATEMENTS

Fiscal year ended 31 December 2020



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REPORT OF THE PROJECT MANAGEMENT UNIT

The Management Unit of Construction Project of Thai Nguyen Water JSC ("the Project Management Unit") presents this report and the Financial Statements of Thai Nguyen City Water Supply System Development Project ("the Project") for the fiscal year ended 31 December 2020.

The Project

Thai Nguyen City Water Supply System Development Project is implemented under the Loan Agreement No. 2961 – VIE dated 23 May 2013 and the Loan Agreement No. 3251 – VIE dated 19 November 2015 ("the Agreements") between the Vietnamese Government and the Asian Development Bank ("ADB").

The Project Management Unit

Members of the Project Management Unit in the year and to the reporting date are:

Mr. Le Huy Phu	Director
Mrs. Pham Thi Thanh Ngan	Deputy Director / Chief Accountant (Resigned on 01/05/2021)
Mrs. Trieu Hong Mai	Accountant

Auditors

The auditors of AASC Limited have taken the audit of the financial statements of the Project.

Responsibilities of the Project Management Unit

The Project Management Unit is responsible for preparing the project financial statements, including Statement of Financial Position, Statement of Receipts and Disbursements, Statement of Budget versus Actual Disbursements, Statement of Advance Account, Statement of Withdrawals and Reconciliation of Funds, which comply with the accounting policies described in the attached Notes to the Financial Statements. The Project Management Unit assures that the accounting policies are appropriately selected and consistently applied.

The Project Management Unit assures that the accounting records were fully maintained to prepare the financial statements in accordance with the applied accounting policies and to disclose, with reasonable accuracy at any time, the financial position of the Project.

The Project Management Unit is responsible for maintaining an effective internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and comply with relevant laws, regulations and other provisions of the agreement, including over the procurement progress, that could have a direct and material financial effect on the Project financial statements ("the Requirements").

In addition, the Project Management Unit is also responsible for complying with the Requirements applicable to the Project, in which:

- ▶ The funds have been used in accordance with the conditions of the Loan Agreement No. 2961 – VIE dated 23 May 2013 and the Loan Agreement No. 3251 – VIE dated 19 November 2015;
- ▶ The Advance Account procedures have been operated in accordance with the Asian Development Bank's Loan Disbursement Handbook;
- ▶ Adequate supporting documents, with respect to Statement of Expenditures, have been fully maintained to support to the replenishment requests submitted to the Asian Development Bank. The expenditures are eligible and in right purposes of the Loan Agreement No. 2961 – VIE dated 23 May 2013 and the Loan Agreement No. 3251 – VIE dated 19 November 2015.

On behalf of the Project Management Unit



Le Huy Phu
Director

Thai Nguyen, 31 May 2021



Thai Nguyen Water JSC

Nguyễn Quang Mai
Chairman of the Board of Management

Thai Nguyen, 31 May 2021

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**To: The Management Unit of Construction Project***Opinion*

We have audited the accompanying financial statements of Thai Nguyen City Water Supply System Development Project ("the Project") which comprise Statement of Financial Position as at 31 December 2020, Statement of Receipts and Disbursements, Statement of Budget versus Actual Disbursements, Statement of Advance Account, Statement of Withdrawals and Reconciliation of Funds, and Notes to the Financial Statements for the year ended then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Project, including the balance of the Advance Account as at 31 December 2020, funds received and expenditures incurred, movements of the Advance Account for the year then ended in accordance with the basis of the principal accounting policies described in the Notes to the Financial Statements and the provisions of the Loan Agreement No. 2961 – VIE dated 23 May 2013 and the Loan Agreement No. 3251 – VIE dated 19 November 2015.

Basis of 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 Project Management Unit in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Project Management Unit regarding, 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.



Do Mạnh Cường
Deputy General Director
CPA Registered No.: 0744-2018-002-1

Nguyen Pham Hung
Auditor in-charge
CPA Registered No.: 2893-2020-002-1

Hanoi, 31 May 2021

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	31/12/2020		31/12/2019	
		Loan No. 2961-VIE VND	Loan No. 3251-VIE VND	Loan No. 2961-VIE VND	Loan No. 3251-VIE VND
CURRENT ASSETS		-	106,711,820,069	-	3,551,221,197
Cash on hand		-	-	-	3,641,140
Cash at bank	03	-	4,915,897,410	-	2,640,823,147
Other receivables		-	533,637	-	534,408
Deductible Value added tax		-	3,886,370,832	-	799,822,502
Advances to contractors	04	-	97,909,018,190		106,400,000
NON-CURRENT ASSETS		119,294,985	57,715,524,456	117,616,887	13,739,036,321
Project Implementation Expenditures	07	119,294,985	57,715,524,456	117,616,887	13,739,036,321
TOTAL ASSETS		119,294,985	164,427,344,525	117,616,887	17,290,257,518
CURRENT LIABILITIES		-	27,445,707,215	-	1,877,339,181
Payables to contractors	05	-	27,445,707,215	-	1,877,339,181
FUNDS		119,294,985	136,981,637,310	117,616,887	15,412,918,337
Project Implementation Funds		119,294,985	137,015,788,358	117,616,887	15,413,287,603
- The Asian Development Bank	06	117,991,001	108,773,749,378	116,598,663	6,098,374,762
- Thai Nguyen Water JSC		1,303,984	27,964,064,980	1,018,224	9,054,918,841
- Others		-	277,974,000	-	259,994,000
Foreign exchange differences		-	(34,151,048)	-	(369,266)
TOTAL RESOURCES		119,294,985	164,427,344,525	117,616,887	17,290,257,518

STATEMENT OF RECEIPTS AND DISBURSEMENTS

Year ended 31 December 2020

	Note	Accumulated to 31/12/2019		Year 2020		Accumulated to 31/12/2020	
		Loan No. 2961-VIE VND	Loan No. 3251-VIE VND	Loan No. 2961-VIE VND	Loan No. 3251-VIE VND	Loan No. 2961-VIE VND	Loan No. 3251-VIE VND
RECEIPTS							
Received from the Asian Development Bank		116,598,663	6,098,374,762	1,392,338	102,675,374,616	117,991,001	108,773,749,378
Received from Thai Nguyen Water JSC		1,018,224	9,054,918,841	285,760	18,909,146,139	1,303,984	27,964,064,980
Others (*)		-	259,994,000	-	17,980,000	-	277,974,000
		117,616,887	15,413,287,603	1,678,098	121,602,500,755	119,294,985	137,015,788,358
DISBURSEMENTS							
Civil Works		-	-	-	102,982,619,490	-	102,982,619,490
Resettlement and Land Acquisition		-	179,333,000	-	10,634,707,187	-	10,814,040,187
Consulting Services		-	7,696,396,700	-	2,719,058,754	-	10,415,455,454
Interest charges and commitment fees		116,598,663	3,392,910,514	1,392,338	1,128,464,327	117,991,001	4,521,374,841
Project management		-	1,065,046,200	-	1,096,140,085	-	2,161,186,285
Others		1,018,224	434,233,228	285,760	736,296,778	1,303,984	1,170,530,006
	08	117,616,887	12,767,919,642	1,678,098	119,297,286,621	119,294,985	132,065,206,263
FOREIGN EXCHANGE DIFFERENCES		-	(369,266)		(33,781,782)	-	(34,151,048)
RECONCILIATION AS AT CLOSING		-	2,644,998,695	-	2,271,432,352	-	4,916,431,047
<i>Presented by:</i>							
Cash on hand		-	3,641,140			-	-
Cash at bank	03	-	2,640,823,147			-	4,915,897,410
Other receivables		-	534,408			-	533,637
		-	2,644,998,695			-	4,916,431,047

(*) The proceeds from sale of bidding documents.

STATEMENT OF BUDGET VERSUS ACTUAL DISBURSEMENTS

Loan Agreement No. 3251 - VIE
Year ended 31 December 2020

Categories	Budget Disbursements (*)			Actual Disbursements			Variance			Rate
	Loan	Counterpart	Total	Loan	Counterpart	Total	Loan	Counterpart	Total	
	No. 3251-VIE	funds		No. 3251-VIE	funds		No. 3251-VIE	funds		
	VND	VND		VND	VND		VND	VND		
Civil Works	99,000,000,000	5,100,000,000	104,100,000,000	97,911,619,490	5,071,000,000	102,982,619,490	(1,088,380,510)	(29,000,000)	(1,117,380,510)	98.93%
Resettlement and Land Acquisition	-	11,000,000,000	11,000,000,000	-	10,634,707,187	10,634,707,187	-	(365,292,813)	(365,292,813)	96.68%
Consulting Services	1,363,000,000	1,395,877,500	2,758,877,500	1,324,435,254	1,394,623,500	2,719,058,754	(38,564,746)	(1,254,000)	(39,818,746)	98.56%
Interest charges and commitment fees	1,200,000,000	-	1,200,000,000	1,128,464,327	-	1,128,464,327	(71,535,673)	-	(71,535,673)	94.04%
Project management	-	1,100,000,000	1,100,000,000	-	1,096,140,085	1,096,140,085	-	(3,859,915)	(3,859,915)	99.65%
Others	2,000,000	799,094,000	801,094,000	1,999,500	712,055,367	714,054,867	(500)	(87,038,633)	(87,039,133)	89.13%
	101,565,000,000	19,394,971,500	120,959,971,500	100,366,518,571	18,908,526,139	119,275,044,710	(1,198,481,429)	(486,445,361)	(1,684,926,790)	98.61%

(*) Budget disbursement of the audited period (excluding disbursements by other funds) was prepared based upon the Project Management Unit's estimate and the Project's implementation progress.

STATEMENT OF BUDGET VERSUS ACTUAL DISBURSEMENTS

Loan Agreement No. 2961 - VIE
Year ended 31 December 2020

Categories	Budget Disbursements (*)			Actual Disbursements			Variance			Rate
	Loan	Counterpart	Total	Loan	Counterpart	Total	Loan	Counterpart	Total	
	No. 2961-VIE	funds		No. 2961-VIE	funds		No. 2961-VIE	funds		
	VND	VND		VND	VND		VND	VND		
Interest charges and commitment fees	1,500,000	-	1,500,000	1,392,338	-	1,392,338	(107,662)	-	(107,662)	92.82%
Others	-	500,000	500,000	-	285,760	285,760	-	(214,240)	(214,240)	57.15%
	1,500,000	500,000	2,000,000	1,392,338	285,760	1,678,098	(107,662)	(214,240)	(321,902)	83.90%

(*) Budget disbursement of the audited period was prepared based upon the Project Management Unit's estimate and the Project's implementation progress.

STATEMENT OF ADVANCE ACCOUNT

For the period: from 01/01/2020 to 31/12/2020
Account No: 1013980116
Serving bank: Saigon – Hanoi Commercial Joint Stock Bank - Thai Nguyen Branch
Address: No. 2, Minh Cau street, Phan Dinh Phung Ward, Thai Nguyen City,
Thai Nguyen
Loan Agreement No.: 3251-VIE

	Note	USD	USD
PART A: ACTIVITIES			
Opening balance			114,271.88
Add: Total amounts deposited by the ADB			156,538.38
Deduct: Total amounts withdrawn			(57,075.59)
Closing balance			<u>213,734.67</u>
PART B: RECONCILIATION			
1. Amount advanced by the ADB			117,053.79
2. Add: Amount supplemented by the ADB			156,538.38
3. Deduct: Amount recovered by the ADB			<u>(54,153.84)</u>
4. Present outstanding amount advanced to			<u>219,438.33</u>
5. Closing balance of the Advance Account			213,734.67
6. Add:			
- Amounts withdrawn but not yet claimed	(i)	2,717.53	
- Bank charge		150.48	
- Ineligible disbursement rejected by the ADB	(ii)	<u>2,835.65</u>	
			5,703.66
7. Total advances accounted for			<u>219,438.33</u>
(i) Paid for consulting services.			
(ii) Amount will be settled by the counterpart fund.			

STATEMENT OF WITHDRAWALS AND RECONCILIATION OF FUNDS

Loan Agreement No. 3251 - VIE

Year ended 31 December 2020

Withdrawal applications			Claimed				Received		Variances	Note
Number	Date	Currency	Advance	Consulting	Works	Total	Date	Amount		
						(a)		(b)	(a) - (b)	
Advance Account										
TN002	28/07/2020	USD	-	56,989.49	-	56,989.49		-	56,989.49	(i)
TN004	28/07/2020	USD	159,374.03	-	-	159,374.03	10/08/2020	156,538.38	2,835.65	(ii)
Direct Payment										
TN003	28/07/2020	VND	-	-	55,781,710,000	55,781,710,000	10/08/2020	52,409,918,182	3,371,791,818	(iii)
TN005	12/11/2020	VND	-	-	45,501,701,308	45,501,701,308	23/11/2020	45,501,701,308	-	
Total in USD			159,374.03	56,989.49	-	216,363.52		156,538.38	59,825.14	
Total in VND			-	-	101,283,411,308	101,283,411,308		97,911,619,490	3,371,791,818	

(i) The ADB has recovered USD 54,153.84 and Thai Nguyen Water JSC must return USD 2,835.65, as the Company used incorrect exchange rate in calculation of advance payment from the ADB fund (USD 112.35) and this advance excluded VAT (USD 2,713.3);

(ii) The ADB rejected USD 2,835.56 as the budget disbursement used incorrect exchange rate in calculation of advance payment from the ADB fund (USD 112.35) and this advance excluded VAT (USD 2,713.3);

(iii) The ADB rejected VND 3,371,791,818 as the advance payment from ADB fund excluding VAT.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. Background

Thai Nguyen City Water Supply System Development Project ("the Project") is a sub-project of the Viet Nam Water Sector Investment Program – Project 2 ("the Program") implemented under the Loan Agreement No. 2961 – VIE dated 23 May 2013 ("the Agreement") and the Viet Nam Water Sector Investment Program – Project 3 ("the Program") implemented under the Loan Agreement No. 3251 – VIE dated 19 November 2015 ("the Agreement") between the Vietnamese Government and the Asian Development Bank ("ADB").

Total budget of the Loan under the Agreement No. 2961 – VIE is USD 212,000,000 for 15 projects in 12 provinces, of which USD 207,000,000 is for 6 projects in Hai Phong, Quang Tri, Thua Thien Hue, Da Nang, Dak Lak and Binh Duong which are provinces with the best preparation and USD 5,000,000 for the remaining 9 projects. Thai Nguyen Water JSC is entitled to borrow USD 610,000 to implement the Project. Total budget of the Loan under the Agreement No. 3251 – VIE is USD 142,500,000 for 7 projects in 5 provinces. Thai Nguyen Water JSC is entitled to borrow USD 24,890,000 to implement the Project.

The objective of the Program is: the sustainable provision of safe water in Viet Nam through improvement in the efficiency of Vietnamese water utilities. In which, the main objectives of the Project are: supplying clean water sufficiently and timely to ensure the quantity and quality for those who have demand for water use, local people in 19 inner towns and suburban communes of Thai Nguyen city; upgrading water supply services, ensuring safe water and sustainable development by improving clean water production capacity, developing water supply networks, expanding the water supply system of the whole system to improve living conditions and health of people in Thai Nguyen city.

The main activities of the Project under the Loan Agreement No. 3251 – VIE dated 19 November 2015 include:

- ▶ Constructing an intake, pumping station and D800 raw water pipeline, and ancillary works;
- ▶ Constructing of a Water Treatment Plants with capacity of about 50,000 m³/day and ancillary works;
- ▶ Constructing of a 20,000 m³ reservoir, pumping stations, chemical houses, and ancillary works;
- ▶ Constructing of DN200 - DN800 transmission pipes, D110 - D225 distribution pipes, D50 – D63 service pipes;
- ▶ Supply and installation of about 5,713 household connections.

The Project officially came into operation on 18 September 2013 and is expected to be closed on 31 December 2021.

The Project is managed by the Management Unit of Construction Project ("the PMU"), one of Thai Nguyen Water JSC's units, and its office is located at Group 1 Ben Oanh Street, Trung Vuong Ward, Thai Nguyen City.

2. Principal Accounting Policies

a. Basis of accounting

The annual accounting period commences from 1st January and ends at 31st December.

The financial statements are prepared under the requirements of the Asian Development Bank and in accordance with Vietnamese Accounting Standards, Circular No. 195/2012/TT-BTC dated 15 November 2012. Statement of Receipts and Disbursements is prepared on the cash basis.

These financial statements are presented in Vietnam Dong (VND), except Statements of Advance Account, Statement of Withdrawals and Reconciliation of Funds which are prepared in United State Dollar (USD).

The financial statements are prepared in accordance with the principal accounting policies are summarized as below:

b. Foreign currencies

Funds received from the Asian Development Bank in foreign currencies are translated into VND using exchange rates announced by the Ministry of Finance at receipt dates or dates of direct payment made to contractors/suppliers.

Other transactions in foreign currencies are converted to VND under actual exchange rates of the Saigon – Hanoi Commercial Joint Stock Bank on their transaction dates. All exchange differences from these transactions are recorded as "Exchange rate differences" account and presented as "Exchange rate differences" on the Statement of Financial Position.

c. Funds and Expenditures

Funds:

- ▶ Funds received from the Asian Development Bank are recorded when direct payments are made from ADB to contractors/suppliers or remittance are made into the Advance Account. Of which, capitalization of interest charges and commitment fees are recognized upon announcement by the Vietnam Development Bank ("VDB") – Thai Nguyen branch (twice per year). In case of not receiving announcement of the VDB, interest charges and commitment fees are capitalized according to estimates of Thai Nguyen Water JSC;
- ▶ Counterpart funds received from Thai Nguyen Water JSC are recorded when payments are made directly to contractors/suppliers or funds remitted to the PMU for settlement of the Project's activities.

Expenditures:

- ▶ The Project's expenditures, excluding value added tax ("VAT"), are recorded when they are actually incurred, except for salary costs in "Project management costs" that are allocated upon people assigned to the Project and rates approved by the funds of Thai Nguyen Water JSC;
- ▶ VAT is declared and claimed at Thai Nguyen Water JSC, and it is recorded separately on the Project's financial statements.

d. Advance Account

Advance Account is the deposit account in USD opened at the Saigon – Hanoi Commercial Joint Stock Bank for the Project's activities. Payments made via the Advance Account are for eligible expenditures of the Project in accordance with provisions of the the Loan Agreement No. 3251 – VIE dated 19 November 2015.

3. Cash at bank

	31/12/2020 VND	31/12/2019 VND
Advance Account (USD)	4,915,897,410	2,640,823,147
	<u>4,915,897,410</u>	<u>2,640,823,147</u>

4. Advance to contractors

	31/12/2020 VND	31/12/2019 VND
Civil Work		
The Joint Venture of Hai Duong Irrigation Construction JSC - Minh Thong Co.,Ltd - Pump Euro JSC	51,118,656,628	-
The Joint Venture of Vietnam Road and Bridge Construction Consulting JSC - Vietnam Water and Environment Investment Corporation - JSC	45,501,701,308	-
Consulting Services		
In association with Anycon Project Consulting LTD and Watech Construction Consulting JSC	1,261,660,254	-
Others	27,000,000	106,400,000
	97,909,018,190	106,400,000

5. Payable to contractors

	31/12/2020 VND	31/12/2019 VND
Civil Work		
The Joint Venture of Hai Duong Irrigation Construction JSC - Minh Thong Co.,Ltd - Pump Euro JSC	25,449,046,216	-
Consulting Services		
Viet Nam Water, Sanitation and Environment JSC	538,035,999	538,035,999
Construction and Development Consultants Thai Nguyen JSC	145,182,000	145,182,000
Duong Thanh Water and Contruction JSC	1,309,889,000	737,008,000
TAC Architecture Consulting JSC	-	453,559,182
Others		
Thai Nguyen Department of Finance	3,554,000	3,554,000
	27,445,707,215	1,877,339,181

6. Funds received from the Asian Development Bank

	Year 2020		Accumulated to 31/12/2020	
	USD	Converted to VND	USD	Converted to VND
Loan Agreement No. 2961 – VIE	59.87	1,392,338	5,362.32	117,991,001
Capitalization of interest charges and commitment fees	59.87	1,392,338	5,362.32	117,991,001
Loan Agreement No. 3251 – VIE	4,428,226.96	102,675,374,616	4,695,673.06	108,773,749,378
Advance Account	156,538.38	3,635,290,799	273,592.17	6,340,755,047
Advance	156,538.38	3,635,290,799	273,592.17	6,340,755,047
Direct payments	4,223,084.44	97,911,619,490	4,223,084.44	97,911,619,490
Capitalization of interest charges and commitment fees	48,604.14	1,128,464,327	198,996.45	4,521,374,841
		102,676,766,954		108,891,740,379

Loan Agreement No. 2961 – VIE was closed on 30/06/2020.

7. Project Implementation Expenditures

a) Loan Agreement No. 3251 – VIE

	Year 2020				Accumulated to 31/12/2020			
	Loan	Counterpart	Other	Total	Loan	Counterpart	Other	Total
	No. 3251 - VIE	funds			No. 3251 - VIE	funds		
	VND	VND	VND	VND	VND	VND	VND	VND
Civil Works	28,919,370,700	-	-	28,919,370,700	28,919,370,700	-	-	28,919,370,700
Resettlement and Land Acquisition	-	10,634,707,187	-	10,634,707,187	-	10,805,519,827	-	10,805,519,827
Consulting Services (*)	62,775,000	1,429,891,818	-	1,492,666,818	125,550,000	10,050,797,455	-	10,176,347,455
Interest charges and commitment fees	1,128,464,327	-	-	1,128,464,327	4,521,374,841	-	-	4,521,374,841
Project management (*)	-	1,092,417,158	-	1,092,417,158	-	2,146,324,460	-	2,146,324,460
Others (*) (**)	-	686,620,034	22,241,911	708,861,945	-	868,613,173	277,974,000	1,146,587,173
	30,110,610,027	13,843,636,197	22,241,911	43,976,488,135	33,566,295,541	23,871,254,915	277,974,000	57,715,524,456

(*) Including VND 423,950,847 financed by the counterpart fund arising before the effective date of the Agreement.

(**) Including borrowing cost, cost of bidding, investment project appraisal, approval of detail urban planning... which are financed by the counterpart fund and other funds.

b) Loan Agreement No. 2961 - VIE

	Year 2020			Accumulated to 31/12/2020		
	Loan	Counterpart	Total	Loan	Counterpart	Total
	No. 2961 - VIE	funds		No. 2961 - VIE	funds	
	VND	VND	VND	VND	VND	VND
Interest charges and commitment fees	1,392,338	-	1,392,338	117,991,001	-	117,991,001
Others (*)	-	285,760	285,760	-	1,303,984	1,303,984
	1,392,338	285,760	1,678,098	117,991,001	1,303,984	119,294,985

(*) Including borrowing cost which are financed by the counterpart fund.

8. Disbursements

a. Disbursements by categories and by funds

► Loan Agreement No. 3251 – VIE

	Year 2020				Accumulated to 31/12/2020			
	Loan	Counterpart	Other	Total	Loan	Counterpart	Other	Total
	No. 3251 - VIE	funds			No. 3251 - VIE	funds		
	VND	VND	VND	VND	VND	VND	VND	VND
Civil Works	97,911,619,490	5,071,000,000	-	102,982,619,490	97,911,619,490	5,071,000,000	-	102,982,619,490
Resettlement and Land Acquisition	-	10,634,707,187	-	10,634,707,187	-	10,814,040,187	-	10,814,040,187
Consulting Services	1,324,435,254	1,394,623,500	-	2,719,058,754	1,387,210,254	9,028,245,200	-	10,415,455,454
Interest charges and commitment fees	1,128,464,327	-	-	1,128,464,327	4,521,374,841	-	-	4,521,374,841
Project management	-	1,096,140,085	-	1,096,140,085	-	2,161,186,285	-	2,161,186,285
Others (Note 7a)	1,999,500	712,055,367	22,241,911	736,296,778	3,496,335	889,059,671	277,974,000	1,170,530,006
	100,366,518,571	18,908,526,139	22,241,911	119,297,286,621	103,823,700,920	27,963,531,343	277,974,000	132,065,206,263

Disbursements financed under the Loan Agreement No. 3251 – VIE dated 19 November 2015 are as below:

Categories	Funding rate (%) (*)
Works	100.00%
Consulting Services	100.00%
Interest charges and commitment fees	100.00%

(*) Excluding tax.

► **Loan Agreement No. 2961 – VIE**

	Year 2020			Accumulated to 31/12/2020		
	Loan	Counterpart	Total	Loan	Counterpart	Total
	No. 2961 - VIE	funds		No. 2961 - VIE	funds	
	VND	VND	VND	VND	VND	VND
Interest charges and commitment fees	1,392,338	-	1,392,338	117,991,001	-	117,991,001
Others (Note 7b)	-	285,760	285,760	-	1,303,984	1,303,984
	1,392,338	285,760	1,678,098	117,991,001	1,303,984	119,294,985

Disbursements financed under the Loan Agreement No. 2961 –VIE dated 23 May 2013 are as below:

Categories	Funding rate (%) (*)
Consulting Services	100.00%
Interest charges and commitment fees	100.00%

(*) Excluding tax.

b. Reconciliation between Project Implementation Expenditures on Statement of Financial Position and Disbursement on Statement of Receipts and Disbursements as at 31/12/2020

► **Loan Agreement No. 3251 – VIE**

	VND	VND
Project Implementation Expenditures		57,715,524,456
Add:		
Advances to contractors	97,909,018,190	
Deductible Value added tax	<u>3,886,370,832</u>	
		101,795,389,022
Deduct:		
Payables to contractors		(27,445,707,215)
Disbursements accumulated to closing		<u>132,065,206,263</u>

► **Loan Agreement No. 2961 – VIE**

	VND
Project Implementation Expenditures	119,294,985
Disbursements accumulated to closing	<u>119,294,985</u>

9. Subsequent events

There have been no significant events occurring after the reporting date, which would require adjustments or disclosures to be made in the financial statements.

10. Corresponding figures

The corresponding figures are the financial statements for the year ended 31 December 2019 which were audited by AASC Limited Company.

11. Approval of the Financial Statements

The financial statements were approved by Project Management Unit for issuance on 31 May 2021.



Le Huy Phu
Director

Thai Nguyen, 31 May 2021



Trieu Hong Mai
Accountant



Thai Nguyen Water JSC

Nguyen Quang Mai
Chairman of the Board of Management

Thai Nguyen, 31 May 2021