**BGW: Explanation for the emphasis of matters of auditor**

On 27 Mar 2020, Bac Giang Clean Water Joint Stock Company explained the emphasis of matters of auditor as follows:

Independent audit report on the financial statements for the fiscal year ended on December 31, 2019 of Bac Giang Clean Water Joint Stock Company was conducted by Vietvaules Audit and Consulting Co., Ltd. However, in the audit report, the auditor has the emphasis of matters, namely:

The matter that needs to be emphasized: “We remind the reader to Note V.10 in the Notes to the financial statements, which describes as follows: Water Plant Project No. 2 - investor, stopped implementing according to Notice No.120-TB/TU of Bac Giang Provincial Party Committee on November 25, 2016 to invest in DNP - Bac Giang Clean Water Plant Project of Dong Nai Plastic Joint Stock Company. Currently, the total investment cost for the implementation of the Project for Building Water Plant No. 2 in Bac Giang City has been VND 12,002,822,443. All incurred expenses will be collected and settled when the Project is finalized. According to the Notice of the Standing Committee of the Provincial Party Committee about the investment policy of DNP - Bac Giang Clean Water Plant Project No.120-TB/TU dated November 25, 2016: Approving the investment policy of DNP - Bac Giang clean Water Plant Project of Dong Nai Plastic Joint Stock Company, stop of implementing and not borrowing ADB to implement the Water Plant No. 2 project in Bac Giang city invested by Bac Giang Clean Water Joint Stock Company, according to the proposal of Chairman of Provincial People's Committee in Statement No. 3686/TTr - UBND dated November 18, 2016 on directing the Department of Planning and Investment and the Department of Finance to act as an intermediary to work closely with Bac Giang Clean Water Joint Stock Company and Dong Nai Plastic Joint Stock Company in the process of Dong Nai Plastic Joint Stock Company participating in buying shares as a strategic shareholder of Bac Giang Clean Water Joint Stock Company as well as solving the cost incurred for the 2nd Water Plant Project in Bac Giang City borrowing ADB as prescribed

Our audit opinion is unrelated to this matter

The company's explanation for the above is as follows: The water plant project No. 2 - the investor stopped implementing according to Notice No.120-TB/TU of Bac Giang provincial Party Committee on November 25, 2016 to invest in the DNP- Bac Giang clean water plant project of Dong Nai Plastic Joint Stock Company. Currently, the Company has liquidated all sub-loan contracts with the Ministry of Finance and is completing the procedures to finalize the project. After the settlement, the Company will consult the competent authorities to settle the costs incurred as prescribed