

**DINH VU PORT DEVELOPMENT AND INVESTMENT
JOINT STOCK COMPANY**

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2018

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of General Directors of Dinh Vu Port Development and Investment Join Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2018.

THE BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS

The members of the Board of Management and the Board of General Directors of the Company who held office during the year and to the date of this report are as follows:

Board of Management

Mr. Vu Tuan Duong	Chairman
Mr. Nguyen Tien Dung	Vice Chairman
Mr. Cao Van Tinh	Member (appointed on 23 April 2018)
Mr. Chu Minh Hoang	Member
Mr. Nguyen Viet Hai	Member (appointed on 23 April 2018)
Mr. Duong Thanh Binh	Member (resigned on 23 April 2018)
Mr. Nguyen Ngoc Hong	Member (resigned on 23 April 2018)
Mrs. Nguyen Thi Phuong	Member (resigned on 23 April 2018)
Mr. Phan Tuan Linh	Member (resigned on 23 April 2018)

Board of General Directors

Mr. Cao Van Tinh	General Director
Mr. Le Thanh Do	Deputy General Director
Mr. Quach Kim Hien	Deputy General Director (Suspending the labor contract on 29 August 2018)

Legal representative

The legal representative of the Company during the year and to the date of this report is as follows:

Name	Position
Mr. Cao Van Tinh	General Director

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the financial reporting. In preparing these interim financial statements, the Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- 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;
- Prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the interim financial statements so as to minimize errors and frauds.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that accounting records and the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the financial reporting. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities relating to the financial reporting.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

STATEMENT OF THE BOARD OF DIRECTORS (CONTINUED)

In the Board of General Directors's opinions subjected to the approval of the accompanying financial statements, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the financial reporting.

For and on behalf of the Board of General Directors, 



Cao Văn Tinh
General Director

Hai Phong, 08 March 2019



No.: 059/VACO/BCKiT.NV2

INDEPENDENT AUDITORS' REPORT

To: The Shareholders, the Board of Management and the Board of General Directors
Dinh Vu Port Development and Investment Joint Stock Company

We have audited the accompanying financial statements of Dinh Vu Port Development and Investment Joint Stock Company ("the Company") prepared on 08 March 2019 as set out from page 4 to page 30, which comprise the separated balance sheet as at 31 December 2018, the separated statements of income and cash flows for the year ended and the notes to the financial statements (hereafter called "the financial statements").

Board of General Directors' Responsibility

The Board of General Directors of the Company is responsible for preparing and presenting the financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the financial report and for such internal control as the Board of General Directors determines to be necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of General Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditors' conclusion

In our opinion, the financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the financial reporting.

Other matter

The financial statements for the year ended 31 December 2017 was audited by another auditing company, in which the auditors' report No. 56/2018/UHY-BCKT dated 08 March 2018 providing unqualified opinion.



Le Xuan Thang
Deputy General Director
Audit Practising Registration Certificate
No.: 0043-2016-156-1
For and on behalf of
VACO AUDITING COMPANY LIMITED
Hanoi, 08 March 2019

Nguyen Phuong Lan
Auditor
Audit Practising Registration Certificate
No.: 0917-2018-156-1

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BALANCE SHEET
As at 31 December 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		706,322,918,614	703,588,800,491
I. Cash and cash equivalents	110	4	92,094,759,884	23,419,210,144
1. Cash	111		18,094,759,884	23,419,210,144
2. Cash equivalents	112		74,000,000,000	-
II. Short-term financial investments	120		495,000,000,000	590,000,000,000
3. Held-to-maturity investments	123	5	495,000,000,000	590,000,000,000
II. Short-term receivables	130		96,825,091,382	77,910,191,497
1. Short-term trade receivables	131	6	77,420,619,054	56,304,249,580
2. Short-term advances to suppliers	132	7	11,414,730,600	13,687,208,000
3. Other short-term receivables	136	8	9,950,072,821	8,796,213,119
4. Provision for short-term doubtful debts	137		(1,960,331,093)	(877,479,202)
III. Inventories	140	9	9,710,538,056	8,671,596,837
1. Inventories	141		9,710,538,056	8,671,596,837
IV. Other short-term assets	150		12,692,529,292	3,587,802,013
1. Short-term prepayments	151	10	3,268,599,787	1,937,760,142
2. Value added tax deductibles	152		8,269,461,877	1,643,441,872
3. Taxes and other receivables from the State budget	153	16	1,154,467,628	6,599,999
B. NON-CURRENT ASSETS	200		461,489,511,179	393,900,742,416
I. Long-term receivables	210		293,986,000	320,986,000
1. Other long-term receivables	216	8	293,986,000	320,986,000
II. Fixed assets	220		288,726,349,645	207,817,884,266
1. Tangible fixed assets	221	11	288,152,497,503	207,272,126,845
- Cost	222		1,188,967,499,988	1,027,534,801,794
- Accumulated depreciation	223		(900,815,002,485)	(820,262,674,949)
2. Intangible assets	227	12	573,852,142	545,757,421
- Cost	228		5,497,754,700	5,123,554,700
- Accumulated amortisation	229		(4,923,902,558)	(4,577,797,279)
III. Long-term assets in progress	240		665,336,363	13,182,346,859
1. Long-term construction in progress	242	13	665,336,363	13,182,346,859
IV. Long-term financial investments	250	14	142,352,013,800	142,352,013,800
1. Investments in joint-ventures, associates	252		142,352,013,800	142,352,013,800
V. Other long-term assets	260		29,451,825,371	30,227,511,491
1. Long-term prepayments	261	9	29,451,825,371	30,227,511,491
TOTAL ASSETS (270 = 100 + 200)	270		1,167,812,429,793	1,097,489,542,907

BALANCE SHEET (CONTINUED)

As at 31 December 2018

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		101,797,532,256	119,715,983,452
I. Current liabilities	310		101,797,532,256	119,715,983,452
1. Short-term trade payables	311	15	15,150,593,016	19,284,131,161
2. Short-term advances from customers	312		40,890,985	196,495,720
3. Taxes and amounts payable to the State budget	313	16	1,111,386,861	7,649,064,990
4. Payables to employees	314		34,070,880,395	25,007,213,164
5. Short-term accrued expenses	315		-	85,311,213
6. Other current payables	319	17	6,250,129,520	3,461,952,980
7. Short-term loans and obligations under finance lease	320		-	25,096,353,137
8. Short-term provisions	321	18	39,000,000,000	35,000,000,000
9. Bonus and welfare funds	322		6,173,651,479	3,935,461,087
D. EQUITY	400		1,066,014,897,537	977,773,559,455
I. Owner's equity	410	19	1,066,014,897,537	977,773,559,455
1. Owner's contributed capital	411		400,000,000,000	400,000,000,000
- Ordinary shares carrying voting rights	411a		400,000,000,000	400,000,000,000
2. Other owner's capital	414		142,352,013,800	142,352,013,800
3. Investment and development fund	418		285,921,545,655	207,982,196,884
4. Retained earnings	421		237,741,338,082	227,439,348,771
- Retained earnings accumulated to the prior year end	421a		50,000,000,000	20,000,000,000
- Retained earnings of the current year	421b		187,741,338,082	207,439,348,771
TOTAL RESOURCES (440 = 300+ 400)	440		1,167,812,429,793	1,097,489,542,907



Caq Van Tinh
General director
Hai Phong, 08 March 2019

Doan Minh Trung
Chief Accountant

Le Thi Hai Thanh
Preparer

INCOME STATEMENT
For the year ended 31 December 2018

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		638,724,759,216	626,664,374,195
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10	21	638,724,759,216	626,664,374,195
4. Cost of sales	11	22	321,584,286,531	316,926,250,642
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		317,140,472,685	309,738,123,553
6. Financial income	21	24	68,271,810,592	62,921,578,609
7. Financial expenses	22		888,278,154	1,880,204,028
- In which: Interest expense	23		410,824,902	1,502,884,535
8. General and administration expenses	26	25	68,147,243,210	55,215,253,201
9. Operating profit {30 = 20 + (21 - 22) - 26}	30		316,376,761,913	315,564,244,933
10. Other income	31		668,435,401	834,999,942
11. Other expenses	32		8,578,903	-
12. Profit from other activities (40 = 31 - 32)	40		659,856,498	834,999,942
13. Accounting profit before tax (50 = 30 + 40)	50		317,036,618,411	316,399,244,875
14. Current corporate income tax expense	51	26	29,295,280,329	28,959,896,104
15. Net profit after corporate income tax (60 = 50 - 51)	60		287,741,338,082	287,439,348,771
16. Earnings per share	70	27	7,194	6,711



Cao Van Tinh
General director
Hai Phong, 08 March 2019

Doan Minh Trung
Chief Accountant

Le Thi Hai Thanh
Preparer

CASH FLOW STATEMENT
For the year ended 31 December 2018
(Direct method)

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
I. Cash flows from operating activities.				
1. Gains from sales of goods and service provisions and other gains	01		647,879,342,268	652,239,735,241
2. Payments to suppliers	02		(170,435,010,955)	(172,934,136,696)
3. Payments to employees	03		(124,564,659,934)	(114,272,032,862)
4. Loan interests already paid	04		(444,327,957)	(1,546,193,693)
5. Payments for corporate income tax	05		(37,129,369,123)	(55,809,683,767)
6. Other gains from operating activities	06		1,751,936,523	2,786,933,268
7. Other disbursements	07		(39,077,165,058)	(39,315,428,879)
Net cash flows from operating activities	20		277,980,745,764	271,149,192,612
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(165,149,265,300)	(29,387,608,003)
2. Loans given and purchases of debt instruments of other entities	23		(1,060,000,000,000)	(840,000,000,000)
3. Recovery of loan given and disposals of debt instruments of other entities	24		1,155,000,000,000	750,000,000,000
4. Receipts of loans given, dividends and profit shared	27		65,423,606,357	59,122,959,283
Net cash flows from investing activities	30		(4,725,658,943)	(60,264,648,720)
III. Cash flows from financing activities				
1. Loan principal amounts repaid	34		(25,391,439,137)	(35,737,528,760)
2. Dividends and profit shared to the owners	36		(179,188,230,700)	(178,863,116,450)
Net cash flows from financing activities	40		(204,579,669,837)	(214,600,645,210)
Net cash flows during the period (50 = 20+30+40)	50		68,675,416,984	(3,716,101,318)
Beginning cash and cash equivalents	60		23,419,210,144	27,132,690,994
Effects of fluctuations in foreign exchange rates	61		132,756	2,620,468
Ending cash and cash equivalents (70 = 50+60+61)	70	5	92,094,759,884	23,419,210,144



Cao Van Tinh
General director
Hai Phong, 08 March 2019

Doan Minh Trung
Chief Accountant

Le Thi Hai Thanh
Preparer

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION**Structure of ownership**

Dinh Vu Port Development and Investment Joint Stock Company ("the Company") was established under Decision No. 990/QĐ/TGD dated 11 November 2002 of the General Director of Vietnam National Shipping Lines on approving the investment plan to exploit Dinh Vu port; Business Registration Certificate No. 0200511481 dated 14 January 2003 issued by the Department of Planning and Investment of Hai Phong City and the seventh amended certificate dated 12 July 2017

The charter capital of the Company under the Business Registration Certificate is VND 400,000,000,000.

The Company's head office is located at Dinh Vu Port, Dong Hai 2 Ward, Hai An District, Hai Phong City.

The total number of employees of the Company as at 31 December 2018 was 449 (as at 31 December 2017: 446).

Operating industry and principal activities

- Loading and unloading goods, warehouse business;
- Multimodal transportation; Shipping agency services;

Normal production and business cycle

The Company's normal production and business cycle is carried out for a period of 12 months or less.

2. FINANCIAL YEAR, APPLIED ACCOUNTING STANDARDS AND REGIME**Financial year**

The Company's financial year begins on 01 January and ends on 31 December.

Applied accounting regime

The Company applied Vietnamese accounting standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of financial statements.

Declaration of compliance with accounting standard and accounting regime

The Board of Directors ensures to comply with the requirements of Vietnamese accounting standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and circulars guiding the implementation of accounting standards of the Ministry of Finance in preparation of financial statements.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Accounting convention**

The financial statements are prepared on a time basis (except for information relating to cash flows).

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the General Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the General Director's best knowledge, actual results may differ from those estimates.

Evaluation and recognition at fair value

The Law on Accounting came into effect from 1 January 2017, which included regulations on evaluation and recognition at fair value. However, there is no specific instruction for this matter; therefore, the Board of General Directors has considered and applied as follows:

- a) *Monetary items denominated in foreign currencies shall be evaluated based on the actual exchange rates;*
- b) *For assets and liabilities (except item a as mentioned above), the Company does not have any basis to determine the reliable value; therefore, the Company records at historical cost.*

Financial instruments**Initial recognition**

Financial assets: At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash, cash equivalents, trade and other receivables, deposits and financial investments.

Financial liabilities: At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade and other payables, accrued expenses, obligations under finance leases and borrowings.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits held to maturity to earn periodic interest.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Financial investments*****Investments in associates***

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Interests in subsidiaries, joint ventures and associates are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the income statement.

Investments in subsidiaries, joint ventures and associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries, joint ventures and associates are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts..

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt

Payables and accrued expenses

Payables and accrued expenses are recognized for future amounts payable related to goods and services received. Accrued expenses are recognized based on reasonable estimates of the amount payable.

The classification of payables into trade payables, accrued expenses, inter-company payables and other payables are made on the following principles:

- Trade payables reflect payables arising from purchases of goods, services, assets and sellers are independent units to the Company, including accounts payable upon importation through consignee.
- Accrued expenses reflect amounts payable for goods or services received from the seller or provided to the buyer but not be paid due to lack of invoices or incomplete accounting records and documents, payments to employees for leave and prepaid production and business expenses.
- Other payables reflect non-trade payables and does not relate to the purchase, sale or supply of goods or services.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the FIFO method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Inventories are accounted for on perpetual inventory count method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Inventories (Continued)**

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their following estimated useful lives as follows:

	<u>Useful lives</u>
Buildings and structures	05 - 25
Machinery and equipment	03 - 07
Moto vehicles	03 - 06
Management equipment	03 - 08

Prepayments

Prepayments include office repairs, container liners, insurance, land rentals and value of tools and supplies not qualify for recognition of fixed assets which are expected to provide future economic benefit to the Company. These expenditures have been capitalised as prepayments, and are allocated to the income statement using the straight-line method in 3 years.

Payables

Payables are recognized for future amounts payable related to goods and services received. Accrued expenses are recognized based on reasonable estimates of the amount payable.

The classification of payables into trade payables, accrued expenses, inter-company payables and other payables are made on the following principles:

- Trade payables reflect payables arising from purchases of goods, services, assets and sellers are independent units to the company/enterprise, including accounts payable upon importation through consignee.
- Other payables reflect non-trade payables and does not relate to the purchase, sale or supply of goods or services.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Equity**

Owner's contributed capital: Owner's contributed capital is recognized based on the actual contributed capital of the shareholders.

Other owner's capital: Other capital is formed by supplementing from the results of business operations, revaluation of assets and the net book value between the fair value of gifts, donations after deducting the tax payable (if any) related to these assets.

Profit distribution

Profit after tax is distributed to shareholders after deducting funds in accordance with the Charter of the Company and regulations of the law which has been approved by the General Meeting of Shareholders.

Profit distribution to shareholders is referenced to the non-monetary items included in retained earnings that may affect cash flows and the ability to pay dividends/profits such as gains from revaluation of assets contributed capital, interest from revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities when having the approval of the General Meeting of Shareholders or the Decision of the Board of Management.

Revenue recognition

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Taxation (Continued)**

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

According to Investment Certificate No. 4477/GCN/UB dated 17 September 2004 of the People's Committee of Hai Phong City, Decree No. 164/2003/ND-CP dated 22 December 2003 of the Government and Official Letter No. 141/CT-TT&HT of the Hai Phong Tax Department dated 21 February 2011, the Company is still entitled to the following preferential policies: CIT incentives: enjoy the CIT rate of 10% within the remaining period (enjoyed CIT rate of 20% from 2004 to the end of 1 February 2008), from 2 February 2008 to the end of 2018 for income earned from investment projects executed in geographical areas under the list of geographical areas with exceptionally difficult socio-economic conditions.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Related parties

Parties are considered to be related when one party has ability to control another or has significant influence in making decision related to financial and operation policies. Parties are also considered as related parties when they bare the same control and significant influence.

When considering the relationship of related parties, it is more focused on the nature of the relationship than the legal form.

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash on hand	968,115,632	265,084,119
Bank demand deposits	17,126,644,252	23,154,126,025
Cash equivalents (i)	74,000,000,000	-
Total	92,094,759,884	23,419,210,144

Note:

- (i) It represents the bank deposits under the 3-month deposit contract at Saigon - Ha Noi Commercial Joint Stock Bank - Hai Phong branch with the interest rate of 5.2% per year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***5. HELD-TO-MATURITY INVESTMENTS**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Term deposits (i)	495,000,000,000	590,000,000,000
Total	495,000,000,000	590,000,000,000

Note: (i) Held-to-maturity investments include term deposits having term from 6 to 12 months with the interest rate from 6.55% to 6.9 % per year.

6. TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
<i>a) Short-term receivables</i>	<i>76,687,023,719</i>	<i>54,603,486,897</i>
SITC Container Lines Co., Ltd.	36,626,674,591	19,825,461,019
Hyundai Merchant Marine Co., Ltd.	5,666,277,571	-
Ocean network express Pte. Ltd.	5,034,952,708	-
Bien Dong Shipping Company Limited	4,753,225,518	3,395,174,702
KMTC (Vietnam) Co., Ltd.	3,827,555,384	4,339,169,486
SINOKOR Vietnam Co., Ltd.	3,466,731,580	2,813,710,627
Transimex JSC. - Hanoi branch	2,994,895,960	2,162,936,539
VOSA Corporation - VOSA Hai Phong	1,880,781,700	1,441,772,101
Hanjin Shipping Co., Ltd.	1,784,638,130	1,747,634,834
Others	10,651,290,577	18,877,627,589
<i>b) Short term related-party receivables</i>	<i>733,595,335</i>	<i>1,700,762,683</i>
SITC - Dinh Vu Logistics Co., Ltd.	21,934,000	174,177,718
Dinh Vu Logistics JSC.	697,141,335	807,614,991
Hai Phong Pork JSC.	14,520,000	718,969,974
Total	77,420,619,054	56,304,249,580

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***7. SHORT- TERM ADVANCES TO SUPPLIERS**

	Closing balance	Opening balance
	VND	VND
Short-term trade payables	11,414,730,600	13,687,208,000
UnicoVina JSC.	4,800,868,600	-
Bach Dang 234 Construction JSC.	3,391,375,000	-
Duy Linh Trading JSC.	2,446,000,000	-
Port Solution and Logistics JSC.	253,675,000	245,180,000
Military Petrochemical JSC.	-	12,517,928,000
Others	522,812,000	924,100,000
Total	11,414,730,600	13,687,208,000

8. OTHER RECEIVABLES

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Current	9,950,072,821	-	8,796,213,119	-
Advances	44,719,004	-	47,557,763	-
Social insurance, unemployment insurance	140,268,274	-	10,683,472	-
Other receivables:	9,765,085,543	-	8,737,971,884	-
Interest	9,200,546,576	-	8,137,708,333	-
Other receivables	564,538,967	-	600,263,551	-
-b) Non-current	293,986,000	-	320,986,000	-
- Other receivables	293,986,000	-	320,986,000	-
Total	10,244,058,821	-	9,117,199,119	-

9. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials	1,143,916,166	-	692,958,693	-
Tools and supplies	8,566,621,890	-	7,978,638,144	-
Total	9,710,538,056	-	8,671,596,837	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***10. PREPAYMENTS**

	Closing balance	Opening balance
	VND	VND
a) Short-term	3,268,599,787	1,937,760,142
Machinery and fire insurance	791,103,379	441,095,664
Container repairment	2,344,178,067	1,464,664,472
Others	133,318,341	32,000,006
b) Long-term	29,451,825,371	30,227,511,491
Land rental (i)	29,410,616,377	30,174,528,493
Others	41,208,994	52,982,998
Total	32,720,425,158	32,165,271,633

Note: (i) Land rental under the Contract No. 03/2013/HDT-MP dated 12 July 2013 and appendices on amended contract No. 02, 03 dated 3 October 2013 on leasing the land lot CN 2.2: 39,587 m2 of land and 4,830 m2 of land extension, allocated within 43 years (from 1 January 2015 to 30 June 2057).



DINH VU PORT DEVELOPMENT AND INVESTMENT JSC

Dinh Vu Port, Dong Hai 2 Ward

Hai An District, Hai Phong City

FORM B 09-DNIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***11. INCREASE/ DECREASE IN TANGIBLE FIXED ASSETS**

	Buildings and structures	Machinery and equipment	Motor vehicles	Management equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	409,669,506,813	506,235,292,050	95,240,711,327	16,389,291,604	1,027,534,801,794
- Purchases	-	116,879,886,365	16,800,000,000	1,159,404,300	134,839,290,665
- Investment in completed construction	26,648,844,529	-	-	-	26,648,844,529
- Other decreases	(55,437,000)	-	-	-	(55,437,000)
Closing balance	436,262,914,342	623,115,178,415	112,040,711,327	17,548,695,904	1,188,967,499,988
ACCUMULATED DEPRECIATION					
Opening balance	330,153,462,653	385,212,410,164	92,140,231,493	12,756,570,639	820,262,674,949
- Charge for the year	13,118,262,502	60,409,925,364	4,655,717,229	2,415,543,871	80,599,448,966
- Other decreases	(47,121,430)	-	-	-	(47,121,430)
Closing balance	343,224,603,725	445,622,335,528	96,795,948,722	15,172,114,510	900,815,002,485
NET BOOK VALUE					
Opening balance	79,516,044,160	121,022,881,886	3,100,479,834	3,632,720,965	207,272,126,845
Closing balance	93,038,310,617	177,492,842,887	15,244,762,605	2,376,581,394	288,152,497,503

The cost of tangible fixed assets which have been fully depreciated but are still in use as at 31 December 2018 is VND 542,700,774,966 (as at 31 December 2017: VND 517,047,737,687).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

12. INTANGIBLE FIXED ASSETS

	Computer software	Total
	VND	VND
COST		
Opening balance	5,123,554,700	5,123,554,700
- Purchases in the year	374,200,000	374,200,000
Closing balance	5,497,754,700	5,497,754,700
ACCUMULATED DEPRECIATION		
Opening balance	4,577,797,279	4,577,797,279
- Charge for the year	346,105,279	346,105,279
Closing balance	4,923,902,558	4,923,902,558
NET BOOK VALUE		
Opening balance	545,757,421	545,757,421
Closing balance	573,852,142	573,852,142

The cost of fixed assets which have been fully depreciated but are still in use as at 31 December 2018 is VND 4,309,554,700 (as at 31 December 2017: VND 4,309,554,700).

13. LONG-TERM ASSETS IN PROGRESS

	Closing balance	Opening balance
	VND	VND
a) Fixed assets-acquisition	406,673,636	12,923,684,132
4 RTG Crane (Phase 02)	-	12,758,010,496
Repair yard bridge 1	406,673,636	165,673,636
b) Capital construction	258,662,727	258,662,727
Design consultant + examine the installation of 20m STS crane on the wharf No. 01	161,222,727	161,222,727
2 floors office	97,440,000	97,440,000
Total	665,336,363	13,182,346,859

14. LONG-TERM FINANCIAL INVESTMENTS

	Closing balance			Opening balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
- Investments in joint ventures, associates	142,352,013,800			142,352,013,800		
SITC - Dinh Vu Logistics Co., Ltd. (i)	128,672,013,800	(*)	-	128,672,013,800	(*)	-
Dinh Vu Logistics JSC. (ii)	13,680,000,000	(*)	-	13,680,000,000	(*)	-
Total	142,352,013,800		-	142,352,013,800		-

Note: (*) The Company has not determined the fair value of these investments to disclose in the financial statements because there are no listed price on the market for these investments and Vietnamese Accounting Standards, Vietnamese Accounting policies for enterprises and other current relevant regulations have not yet guided on calculating the fair value. The fair value of these investments may differ from the book value if they are identified

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***14. LONG-TERM FINANCIAL INVESTMENTS (CONTINUED)**

The details of Company's associates as at 31 December 2018 are as follows:

No.	Name of subsidiaries	Place of incorporation and operation	Ownership rate	Voting rate (%)	Principal activity
Joint ventures, associates					
1	SITC-Dinh Vu Logistics Co., Ltd.	Hai Phong City	51	50	Warehousing business
2	Dinh Vu Logistics JSC.	Hai Phong City	45.6	45.6	Warehousing business, towing ship

Operating situation of joint ventures and associates

SITC - Dinh Vu Logistics Co., Ltd. operates in the field of transportation, loading and unloading goods and freight. As at 31 December 2018, the retained earnings of SITC - Dinh Vu Logistics Co., Ltd. was VND 55,047,356,005. Dinh Vu Logistics Joint Stock Company operates in the field of transportation, loading and unloading goods and freight. As at 31 December 2018, the retained earnings of Dinh Vu Logistics Joint Stock Company was VND 12,533,786,515.

15. TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
a) Short-term trade payables	11,379,400,316	11,379,400,316	16,664,045,494	16,664,045,494
Binh Minh Installation and Investment Consultancy JSC.	855,236,600	855,236,600	-	-
Dolphin JSC.	2,245,922,800	2,245,922,800	3,172,225,100	3,172,225,100
Construction No. 203 JSC.	1,979,900,200	1,979,900,200	8,786,312,746	8,786,312,746
Others	6,298,340,716	6,298,340,716	4,705,507,648	4,705,507,648
b) Trade payables to related parties	3,771,192,700	3,771,192,700	2,620,085,667	2,620,085,667
Dinh Vu Logistics JSC.	2,644,709,997	2,644,709,997	2,552,810,756	2,552,810,756
Hai Phong Port JSC.	1,126,482,703	1,126,482,703	67,274,911	67,274,911
Total	15,150,593,016	15,150,593,016	19,284,131,161	19,284,131,161

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

16. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance	Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
Payables				
Corporate income tax	6,679,621,166	29,295,280,329	35,974,901,495	-
Personal income tax	969,443,824	5,483,598,252	5,341,655,215	1,111,386,861
Other taxes	-	3,000,000	3,000,000	-
Total	7,649,064,990	34,781,878,581	41,319,556,710	1,111,386,861
Receivables				
Value added tax	6,599,999	4,134,809,727	4,141,409,726	-
Corporate income tax	-	-	1,154,467,628	1,154,467,628
Total	6,599,999	4,134,809,727	5,295,877,354	1,154,467,628

17. OTHER SHORT-TERM PAYABLES

	Closing balance	Opening balance
	VND	VND
Current payables	6,250,129,520	3,461,952,980
Trade union fee	153,089,862	790,910,762
Health insurance	655,649	3,326,673
Unemployment insurance	13,077,897	13,283,633
Others	6,083,306,112	2,654,431,912
Dividend payables	1,905,614,350	2,085,108,550
Shift meals	4,048,100,000	420,440,000
Others	129,591,762	148,883,362

18. PROVISION FOR SHORT-TERM PAYABLES

	Repair of fixed assets	Dredging before the berth	Total
	VND	VND	VND
Opening balance	16,000,000,000	19,000,000,000	35,000,000,000
Additional provision for the year	15,000,000,000	24,000,000,000	39,000,000,000
Reversal of provisions	(8,872,792,534)	(18,902,194,182)	(27,774,986,716)
Utilisation of provisions	(7,127,207,466)	(97,805,818)	(7,225,013,284)
Closing balance	15,000,000,000	24,000,000,000	39,000,000,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

19. OWNER'S EQUITY

a) Movements in owner's equity

	Owner's contributed	Other owner's capital	Development and investment fund	Retained earnings	Total
	VND	VND	VND	VND	VND
Opening balance of prior year	400,000,000,000	142,352,013,800	184,319,264,837	186,806,644,387	913,477,923,024
Profit during the year	-	-	-	287,439,348,771	287,439,348,771
Bonus and welfare fund	-	-	-	(6,000,000,000)	(6,000,000,000)
Development and investment fund	-	-	51,706,644,387	(51,706,644,387)	-
Dividend paid	-	-	-	(180,000,000,000)	(180,000,000,000)
Decrease during the year	-	-	(28,043,712,340)	-	(28,043,712,340)
Bonus for Executive Board	-	-	-	(500,000,000)	(500,000,000)
Employees bonus	-	-	-	(8,600,000,000)	(8,600,000,000)
Opening balance of current year	400,000,000,000	142,352,013,800	207,982,196,884	227,439,348,771	977,773,559,455
Increase during the year	-	-	-	287,741,338,082	287,741,338,082
Development and investment fund (i)	-	-	77,939,348,771	(77,939,348,771)	-
Welfare fund (i)	-	-	-	(5,500,000,000)	(5,500,000,000)
Employees bonus (i)	-	-	-	(13,500,000,000)	(13,500,000,000)
Bonus for Executive Board (i)	-	-	-	(500,000,000)	(500,000,000)
2017 dividend paid (i)	-	-	-	(80,000,000,000)	(80,000,000,000)
Advance of 2018 dividend (ii)	-	-	-	(100,000,000,000)	(100,000,000,000)
Closing balance of current year	400,000,000,000	142,352,013,800	285,921,545,655	237,741,338,082	1,066,014,897,537

Note: (i) Allocation for bonus and welfare fund and investment and development fund and 2017 dividends in accordance with the Resolution of the Annual General Meeting of Shareholders No. 11/NQ-DHDCD dated 23 April 2018.

(ii) Advancing 2018 dividends in accordance with the Resolution of the Board of Management No. 31/NQ-HDQT on 30 October 2018.

b) Details of owners' capital contribution

	Closing balance	Opening balance
	VND	VND
Hai Phong Port JSC.	204,000,000,000	204,000,000,000
Agricultural Products and Materials JSC.	74,800,000,000	74,800,000,000
Samarang Ucits - Sarang Asian Prosperity	20,626,300,000	20,626,300,000
Pyn Elite Fund (Non-Ucits)	19,580,000,000	19,580,000,000
Others	80,993,700,000	80,993,700,000
Total	400,000,000,000	400,000,000,000

c) Capital transactions with owners and distributions of dividends, profit sharing

	Closing balance	Opening balance
	VND	VND
- Owner's investment capital		
Contributed capital at the beginning of the year	400,000,000,000	400,000,000,000
Contributed capital increased in the year	-	-
Contributed capital decreased in the year	-	-
Contributed capital at the end of the year	400,000,000,000	400,000,000,000
- Dividends, profit divided in the year	180,000,000,000	180,000,000,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***19. OWNER'S EQUITY (CONTINUED)****d) Shares**

	<u>Closing balance</u>	<u>Opening balance</u>
	Shares	Shares
The number of registered shares issued	40,000,000	40,000,000
The number of shares sold to the public	40,000,000	40,000,000
- Ordinary shares	40,000,000	40,000,000
The number of shares in circulation	40,000,000	40,000,000
- Ordinary shares	40,000,000	40,000,000
Par value of shares in circulation (VND)	10,000	10,000

20. OFF BALANCE SHEET ITEM

	<u>Closing balance</u>	<u>Opening balance</u>
Foreign currencies		
USD	282.66	282.66
EUR	5.14	5.14

21. REVENUE FROM SALES OF MERCHANDISE AND SERVICES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Revenue from sales of merchandise and services	638,724,759,216	626,664,374,195
<i>In which:</i>		
- Sales of services	638,724,759,216	626,664,374,195
Deductions	-	-
Net sales of merchandise and services	638,724,759,216	626,664,374,195
In which, revenue from related parties	9,492,539,475	16,980,282,252
Dinh Vu Logistics JSC.	8,333,898,233	9,007,424,620
Hai Phong Port JSC.	128,541,960	6,157,596,870
SITC - Dinh Vu Logistics Co., Ltd.	1,030,099,282	1,815,260,762

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***22. COST OF SERVICES PROVIDED**

	Current year	Prior year
	VND	VND
Cost of services provided	321,584,286,531	316,926,250,642
Total	321,584,286,531	316,926,250,642

23. PRODUCTION COST BY NATURE

	Current year	Prior year
	VND	VND
Raw materials	26,841,864,905	23,795,300,598
Labor	148,210,446,460	130,151,834,213
Depreciation and amortisation	80,606,095,837	82,203,721,480
Out-sourced services	85,743,694,727	77,127,649,969
Other monetary expenses	48,329,427,812	58,862,997,583
Total	389,731,529,741	372,141,503,843

24. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Bank and loan interest	39,960,731,431	31,204,400,391
Dividends and profits received	26,525,713,169	30,277,785,402
Gain from foreign exchange difference	1,785,365,992	1,439,392,816
Total	68,271,810,592	62,921,578,609

25. GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
General and administration expenses incurred in the year		
Employees	42,829,023,663	33,538,450,726
Stationery	26,970,121	389,138,830
Depreciation and amortisation	4,392,982,374	4,970,016,730
Other monetary expenses	19,815,415,161	15,440,167,713
Provision costs	1,082,851,891	877,479,202
Total	68,147,243,210	55,215,253,201

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

26. CORPORATE INCOME TAX EXPENSE

	Current year	Prior year
	VND	VND
Current corporate income tax payable		
Profit before tax	317,036,618,411	316,399,244,875
Adjustment for taxable income	(24,083,815,130)	(26,800,283,824)
Less: Non-assesable income	26,525,845,925	30,304,507,606
Dividend	26,525,713,169	30,277,785,402
Unrealised foreign exchange gain	132,756	26,722,204
Add: Non-deductible expenses	2,442,030,795	3,504,223,782
Unreasonable expenses	2,434,608,333	3,504,223,782
Unrealise foreign exchange loss	7,422,462	-
Taxable income	292,952,803,281	289,598,961,051
Normal corporate income tax rate	10%	10%
Corporate income tax	29,295,280,329	28,959,896,104
Corporate income tax expense	29,295,280,329	28,959,896,104

The Company has calculated the current corporation income tax based on the difference between accounting expenses and tax expenses which is VND 2,442,030,795. Corporation income tax payable of the Company will depend on the results of the tax authorities' examinations.

27. EARNINGS PER SHARE

	Current year	Prior year
	VND	(restated) VND
Earnings to calculate earnings per share	287,741,338,082	287,439,348,771
Adjustments for decrease in accounting profit to determine profits distributed to shareholders owning ordinary shares	-	19,000,000,000
Bonus and welfare fund	-	19,000,000,000
Profits distributed to shareholders owning ordinary shares	287,741,338,082	268,439,348,771
Weighted average number of ordinary shares used to calculate earnings per share	40,000,000	40,000,000
Earning per share	7,194	6,711

The Company has not planned to allocate the Bonus and welfare funds of 2018. Therefore, the profits distributed to shareholders owning ordinary shares has not adjusted to decrease such amounts when calculating the earnings per share this year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***28. FINANCIAL INSTRUMENTS****Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and owners' shareholders equity (comprising capital, reserves and retained earnings). As at 31 December 2018, the leverage ratio was as follows:

	Closing balance	Opening balance
	VND	VND
Borrowings	-	25,096,353,137
Less: Cash and cash equivalents	(92,094,759,884)	(23,419,210,144)
Net debt	-	1,677,142,993
Equity	1,066,014,897,537	977,773,559,455
Net debt to equity ratio	0.0%	0.2 %

Significant accounting policies

Details of significant accounting policies and methods adopted by the Company (including the criteria for recognition, basis for determination of value and basis for recognition of earnings and expenses) for each financial assets and liabilities are disclosed in Note 3.

Financial assets of the Company mainly include cash, deposits at credit institutions, receivables from customers, other receivables and other financial investments. Financial liabilities of the Company consist of loans, trade payables, accrued expenses and other short-term payables.

Categories of financial instruments

	Carrying value	
	Closing balance	Opening balance
	VND	VND
Financial assets		
Cash and cash equivalents	92,094,759,884	23,419,210,144
Trade and other receivables	85,704,346,782	64,543,969,497
Total	815,151,120,466	820,315,193,441
Financial liabilities		
Borrowings	-	25,096,353,137
Trade and other payables	21,400,722,536	22,746,084,141
Accrued expenses	-	85,311,213
Total	21,400,722,536	47,927,748,491

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

Financial risks include market risk and liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***28. FINANCIAL INSTRUMENTS (CONTINUED)****Market risk**

The Company's activities expose it primarily to the market, including price risk, credit risk and other price risks.

Credit risk

Credit risk is the risk that a participant in a financial instrument or a contract in which the customer does not perform its obligations and make the Company suffer from financial loss. The Company will bear the credit risk primarily for trade accounts receivable and financial activities such as bank deposits.

For trade accounts receivable: The Company manages the risk of receivables based on the policies, audit procedures as well as provision for bad debts. The Company monitors closely receivables, analyst credit situation of each customer by time.

For bank deposits: The Company maintains its deposits at banks where the Company evaluates as reputable bank and has long-term relationship with the Company.

Liquidity risk management

This is a risk when the Company has difficulty in performing its financial obligations due to lack of funds, mainly due to financial assets and financial liabilities having different maturities. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***29. FINANCIAL INSTRUMENTS (CONTINUED)***Liquidity risk management (Continued)*

	<u>Less than 1 year</u>	<u>From 1 - 5 years</u>	<u>Total</u>
	VND	VND	VND
Opening balance			
Cash and cash equivalents	92,094,759,884	-	92,094,759,884
Trade and other receivables	85,410,360,782	293,986,000	85,704,346,782
Total	672,505,120,666	142,645,999,800	815,151,120,466
Closing balance			
Borrowings	-	-	-
Trade and other payables	21,400,722,536	-	21,400,722,536
Accrued expenses	-	-	-
Total	21,400,722,536	-	21,400,722,536
Net liquidity gap	651,104,398,130	142,645,999,800	793,750,397,930
	<u>Less than 1 year</u>	<u>From 1 - 5 years</u>	<u>Total</u>
	VND	VND	VND
Opening balance			
Cash and cash equivalents	23,419,210,144	-	23,419,210,144
Trade and other receivables	64,222,983,497	320,986,000	64,543,969,497
Total	677,642,193,641	142,672,999,800	820,315,193,441
Closing balance			
Borrowings	25,096,353,137	-	25,096,353,137
Trade and other payables	22,746,084,141	-	22,746,084,141
Accrued expenses	85,311,213	-	85,311,213
Total	47,927,748,491	-	47,927,748,491
Net liquidity gap	629,714,445,150	142,672,999,800	772,387,444,950

The Board of General Directors assessed the liquidity risk at average level. The Board of General Directors believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

29. RELATED PARTY TRANSACTIONS AND BALANCES*List of related parties with significant transactions and balances during the period was as follows:*

<u>Related parties</u>	<u>Relationship</u>
Hai Phong Port JSC.	Parent Company
SITC-Dinh Vu Logistics Co., Ltd.	Joint venture
Dinh Vu Logistics JSC.	Associate
Hai Phong Port Medical Center One Member Limited Company	The same parent company
Hai Phong Port Operations and Engineering Training One Member Limited Company	The same parent company
Members of Board of Management and Board of General Directors	Key leaders

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

29. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

In addition to the transactions and balances with related parties as disclosed in Note 06, 15 and 21, there are other transactions with the related parties as follows:

Purchase	27,076,275,952	24,645,909,322
Dinh Vu Logistics JSC.	24,172,008,747	23,282,935,927
Hai Phong Port JSC.	2,483,395,205	1,362,973,395

Remuneration of the Boards of Management and Directors

	Current year	Prior year
	VND	VND
Remuneration of Board of Management and Board of General Directors	7,065,962,298	7,660,588,444
Total	7,065,962,298	7,660,588,444

30. COMPARATIVE FIGURES

Comparative figures are those on the financial statements for the year ended 31 December 2017 of the Company which were audited by another auditing company.



Cao Van Tinh
General director
Hai Phong, 08 March 2019

Doan Minh Trung
Chief Accountant

Le Thi Hai Thanh
Preparer

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***APPENDIX OF CASH FLOW STATEMENT***For the year ended 31 December 2018**(Indirect method)*

ITEMS	Codes	Unit: VND	
		Current year	Prior year
I. Cash flows from operating activities			
1. (Loss)/Profit before tax	01	317,036,618,411	316,399,244,875
2. Adjustments for:			
- Depreciation and amortisation of fixed assets and investment properties	02	80,606,095,837	82,203,721,480
- Provisions	03	5,082,851,891	2,877,479,202
- Foreign exchange (gain)/ loss arising from translating foreign currency items	04	7,289,706	(135,405,470)
- (Gain)/loss from investing activities	05	(66,478,129,030)	(61,482,185,793)
- Interest expense	06	410,824,902	1,502,884,535
- Other adjustments	07	-	-
3. Operating profit before movements in working capital	08	336,665,551,717	341,365,738,829
- (Increase)/Decrease in receivables	09	(25,501,252,946)	(9,427,740,878)
- (Increase)/Decrease in inventories	10	(1,038,941,219)	84,699,724
- Increase/(Decrease) in payables	11	22,906,590,017	1,652,931,427
- (Increase)/Decrease in prepaid expenses	12	(555,153,525)	1,614,843,812
- Interest paid	14	(444,327,957)	(1,502,884,535)
- Corporate income tax paid	15	(37,129,369,123)	(55,809,683,767)
- Other cash inflows	16	369,400,000	-
- Other cash outflows	17	(17,291,751,200)	(6,828,712,000)
Net cash generated by/(used in) operating activities	20	277,980,745,764	271,149,192,612
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	(165,149,265,300)	(29,387,608,003)
3. Cash outflow for lending, buying debt instruments of other entities	23	(1,060,000,000,000)	(840,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	1,155,000,000,000	750,000,000,000
3. Interest earned, dividends and profits received	27	65,423,606,357	59,122,959,283
Net cash generated by/ (used in) investing activities	30	(4,725,658,943)	(60,264,648,720)
III. Cash flows from financing activities			
1. Repayment of borrowings	34	(25,391,439,137)	(35,737,528,760)
6. Dividends and profits paid	36	(179,188,230,700)	(178,863,116,450)
Net cash generated by/ (used in) financing activities	40	(204,579,669,837)	(214,600,645,210)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***APPENDIX OF CASH FLOW STATEMENT***For the year ended 31 December 2018**(Indirect method)*

Unit: VND

ITEMS	Codes	Current year	Prior year
Net increase/(decrease) in cash ($50 = 20 + 30 + 40$)	50	68,675,416,984	(3,716,101,318)
Cash and cash equivalents at the beginning of year	60	23,419,210,144	27,132,690,994
Effects of changes in foreign exchange rates	61	132,756	2,620,468
Cash and cash equivalents at the end of year ($70 = 50 + 60 + 61$)	70	92,094,759,884	23,419,210,144



Cao Van Tinh
General director

Hai Phong, 08 March 2019

Doan Minh Trung
Chief Accountant

Le Thi Hai Thanh
Preparer

