

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

**REVIEWED FINANCIAL STATEMENTS**

**For the period from 01 January 2019 to 30 June 2019**

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*Hai Phong, August 2019*

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## STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Dinh Vu Port Investment and Development JSC (hereinafter referred to as the “Company”) presents this report together with the reviewed financial statements for the period from 01 January 2019 to 30 June 2019.

### BOARD OF MANAGEMENT AND GENERAL DIRECTORS

Members of Board of Management and General Directors of the Company who held office during the period 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
Mr. Chu Minh Hoang	Member
Mr. Nguyen Viet Hai	Member

#### Board of General Directors

Mr. Cao Van Tinh	General Director	
Mr. Le Thanh Do	Deputy General Director	
Mr. Trieu The Thuan	Deputy General Director	Appointed on April 12, 2019
Mr. Quach Kim Hien	Deputy General Director	Labor contract suspended from 26 March 2019 to 25 September 2019

The Chief Accountant of the Company to the date of this report is Mr. Doan Minh Trung.

### EVENTS AFTER THE BALANCE SHEET DATE

The Board of General Directors confirms that there have been no significant events occurring after the balance sheet date which would require adjustments to or disclosures to be made in the financial statements.

### THE AUDITOR

The accompanying financial statements have been reviewed by UHY Auditing and Consulting Company Limited.

### BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the financial statements for the period from 01 January 2019 to 30 June 2019, which give a true and fair view of the financial position of the Company, its results and cash flows for the period then ended.

In preparing those 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; and

## STATEMENT OF THE BOARD OF GENERAL DIRECTORS (CONT'D)

### BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY (CONT'D)

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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 to ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other related legal regulations on preparation and presentation of the financial statements. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### OTHER COMMITMENTS

Board of General Directors commits that the Company does not violate obligations on information disclosure under Circular No.155/2015/TT-BTC dated 06 October 2015 by the Ministry of Finance on information disclosure in the stock market; Decree 71/2017/ND-CP dated 06 June 2017 on Corporate Governance applicable to Public Companies effective from August 1, 2017 and Circular No. 95/2017/TT-BTC dated September 22, 2017 of the Ministry of Finance guiding some articles of Decree No. 71/2017/ND-CP.

For and on behalf of the Board of General Directors, 



**Cao Van Tinh**  
**General Director**

*Hai Phong, 09 August 2019*



## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**To: Shareholders, Board of Management and General Directors  
Dinh Vu Port Investment and Development JSC**

We have reviewed the accompanying financial statements of Dinh Vu Port Investment and Development JSC (hereinafter referred to as the "Company") which were prepared on 09 August 2019 as set out on page 06 to 34, including the Balance Sheet as at 30 June 2019, the Income Statement and Cash Flow Statement for the period from 01 January 2019 to 30 June 2019 and the Notes thereto.

### **Responsibilities of the Board of General Directors**

The Board of General Directors of the Company is responsible for preparing and presenting the financial statements in a true and fair view in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and related legal regulations on the preparation and presentation of the financial statements and for such internal control as the Board of General Directors determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

### **Responsibilities of the Auditors**

Our responsibility is to express a conclusion on this interim financial information based on the result of our review. We conducted our review in accordance with Vietnamese Standards of service contract No.2410 – Review of interim financial information performed by the independent auditor of the entity.

A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion of the Auditors**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the period from 01 January 2019 to 30 June 2019 do not give a true and fair view, in all material respects, of the financial position of the Company as at 30 June 2019 and the results of its operations and its cash flows for the period from 01 January 2019 to 30 June 2019, in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and related legal regulations on the preparation and presentation of the interim financial statements.

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION (CONT'D)

### Other matters

The financial statements for the year 2018 and the financial statements for the period from 1 January 2018 to 30 June 2018 of the Company were audited and reviewed by another auditor who expressed unqualified opinion.



**Nguyen Tu Trung**

**General Director**

Auditor's Practicing Certificate

No.1226-2018-112-1

*For and on behalf of*

**UHY AUDITING AND CONSULTING COMPANY LIMITED**

*Hanoi, 09 August 2019*



**BALANCE SHEET**  
*As at 30 June 2019*

ASSETS	Code	Note	30/06/2019 VND	01/01/2019 VND
<b>CURRENT ASSETS</b>	<b>100</b>		<b>823,605,046,429</b>	<b>706,322,918,614</b>
Cash and cash equivalents	110	4	20,197,620,004	92,094,759,884
Cash	111		20,197,620,004	18,094,759,884
Cash equivalent	112		-	74,000,000,000
Short-term financial investments	120		712,000,000,000	495,000,000,000
Held to maturity investments	123	5	712,000,000,000	495,000,000,000
Short-term receivables	130		71,665,714,169	96,825,091,382
Short-term receivables from customers	131	6	69,799,806,517	77,420,619,054
Short-term advances to suppliers	132		647,556,000	11,414,730,600
Other short-term receivables	136	7	3,623,209,542	9,950,072,821
Provision for short-term doubtful debts	137	6	(2,404,857,890)	(1,960,331,093)
Inventories	140		10,619,520,897	9,710,538,056
Inventories	141	8	10,619,520,897	9,710,538,056
Other current assets	150		9,122,191,359	12,692,529,292
Short-term prepayment	151	9	1,941,519,866	3,268,599,787
Deductible VAT	152		6,556,632,240	8,269,461,877
Taxes and other receivables from the State Budget	153	10	624,039,253	1,154,467,628
<b>NON-CURRENT ASSETS</b>	<b>200</b>		<b>455,744,817,271</b>	<b>461,489,511,179</b>
Long-term receivables	210		280,486,000	293,986,000
Other long-term receivables	216	7	280,486,000	293,986,000
Fixed assets	220		269,545,081,828	288,726,349,645
Tangible fixed assets	221	11	268,874,540,095	288,152,497,503
- Cost	222		1,207,920,674,929	1,188,967,499,988
- Accumulated depreciation	223		(939,046,134,834)	(900,815,002,485)
Intangible fixed assets	227	12	670,541,733	573,852,142
- Cost	228		5,813,104,700	5,497,754,700
- Accumulated amortization	229		(5,142,562,967)	(4,923,902,558)
Non-current assets in progress	240		14,503,253,332	665,336,363
Construction in progress	242	13	14,503,253,332	665,336,363
Long-term financial investments	250		142,352,013,800	142,352,013,800
Investment in joint-ventures and associates	252	14	142,352,013,800	142,352,013,800
Other non-current assets	260		29,063,982,311	29,451,825,371
Long-term prepayment	261	9	29,063,982,311	29,451,825,371
<b>TOTAL ASSETS</b>	<b>270</b>		<b>1,279,349,863,700</b>	<b>1,167,812,429,793</b>

**BALANCE SHEET (CONT'D)**

*As at 30 June 2019*

RESOURCES	Code	Note	30/06/2019 VND	01/01/2019 VND
<b>LIABILITIES</b>	<b>300</b>		<b>155,049,472,604</b>	<b>101,797,532,256</b>
<b>Current liabilities</b>	<b>310</b>		<b>155,049,472,604</b>	<b>101,797,532,256</b>
Short-term trade payables	311	15	10,499,135,438	15,150,593,016
Short-term advances from customers	312		81,741,336	40,890,985
Taxes and other payables to the State budget	313	10	19,459,109,213	1,111,386,861
Payables to employees	314		21,259,097,769	34,070,880,395
Other short-term payables	319	16	62,492,639,612	6,250,129,520
Provision for short-term payables	321	17	25,919,409,127	39,000,000,000
Bonus and welfare fund	322		15,338,340,109	6,173,651,479
<b>OWNERS' EQUITY</b>	<b>400</b>		<b>1,124,300,391,096</b>	<b>1,066,014,897,537</b>
<b>Owners' equity</b>	<b>410</b>	<b>18</b>	<b>1,124,300,391,096</b>	<b>1,066,014,897,537</b>
Owners' equity	411		400,000,000,000	400,000,000,000
- Ordinary shares with voting rights	411a		400,000,000,000	400,000,000,000
Other owners' equity	414		142,352,013,800	142,352,013,800
Investment and development fund	418		366,162,883,737	285,921,545,655
Retained earnings	421		215,785,493,559	237,741,338,082
- Accumulated retained earnings brought forward	421a		75,000,000,000	50,000,000,000
- Retained earnings for the current year	421b		140,785,493,559	187,741,338,082
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>1,279,349,863,700</b>	<b>1,167,812,429,793</b>



Cao Van Tinh  
General Director  
Hai Phong, 09 August 2019

Doan Minh Trung  
Chief Accountant

Le Thi Hai Thanh  
Preparer



**INCOME STATEMENT**  
*For the period from 01 January 2019 to 30 June 2019*

Items	Code	Note	From 01/01/2019	From 01/01/2018
			to 30/06/2019	to 30/06/2018
			VND	VND
Gross sales of merchandise and services	01	19	288,827,583,132	310,284,209,758
Less deductions	02		-	-
Net sales of merchandise and services	10		288,827,583,132	310,284,209,758
Cost of goods sold	11	20	129,772,424,352	143,961,037,044
Gross profit from sales of merchandise and services	20		159,055,158,780	166,323,172,714
Financial income	21	21	39,333,713,174	11,255,764,501
Financial expenses	22	22	24,719,253	311,627,974
- Including : Interest expense	23		-	290,207,072
Selling expenses	25		-	-
General and administrative expenses	26	23	29,880,224,500	28,988,416,586
Operating profit	30		168,483,928,201	148,278,892,655
Other income	31	24	65,339,804	392,603,737
Other expenses	32		-	263,333
Profit from other activities	40		65,339,804	392,340,404
Net profit before tax	50		168,549,268,005	148,671,233,059
Current Corporate income tax expense	51	25	27,763,774,446	15,052,566,476
Deferred Corporate income tax expense	52		-	-
Net profit after tax	60		140,785,493,559	133,618,666,583
Basic earnings per share	70	26	3,520	3,340



Cao Văn Tĩnh  
General Director  
Hai Phong, 09 August 2019

Doan Minh Trung  
Chief Accountant

Le Thi Hai Thanh  
Preparer



**CASH FLOW STATEMENT**  
(Applying direct method)  
For the period from 01 January 2019 to 30 June 2019

Items	Code	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
<b>Cash flows from operating activities</b>			
Proceeds from selling goods, services and others	1	309,678,689,857	307,027,778,693
Cash outflow for suppliers	2	(82,443,891,515)	(81,037,423,212)
Cash outflow for employee	3	(75,966,240,627)	(67,131,904,870)
Interest paid	4	-	(323,710,127)
Corporate income tax paid	5	(7,150,197,605)	(13,100,900,903)
Other cash inflows	6	1,047,098,255	1,220,800,617
Other cash outflows	7	(19,111,691,787)	(17,905,739,064)
<b>Net cash from operating activities</b>	<b>20</b>	<b>126,053,766,578</b>	<b>128,748,901,134</b>
<b>Cash flows from investing activities</b>			
Acquisition of fixed assets and other long-term assets	21	(25,429,098,234)	(16,346,670,000)
Cash outflow for lending, buying debt instruments of other companies	23	(567,000,000,000)	(535,000,000,000)
Cash recovered from lending, selling debt instruments of other companies	24	350,000,000,000	515,000,000,000
Interest income, dividend and profit paid	27	44,813,597,055	16,447,934,291
<b>Net cash from (used in) investing activities</b>	<b>30</b>	<b>(197,615,501,179)</b>	<b>(19,898,735,709)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	34	-	(14,294,898,437)
Dividends paid	36	(330,430,000)	(186,100,000)
<b>Net cash from (used in) financing activities</b>	<b>40</b>	<b>(330,430,000)</b>	<b>(14,480,998,437)</b>
<b>Net increase in cash and cash equivalents</b>	<b>50</b>	<b>(71,892,164,601)</b>	<b>94,369,166,988</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>60</b>	<b>92,094,759,884</b>	<b>23,419,210,144</b>
Effect from changing foreign exchange rate	61	(4,975,279)	66,419
<b>Cash and cash equivalents at the end of period</b>	<b>70</b>	<b>20,197,620,004</b>	<b>117,788,443,551</b>



Cao Van Tinh  
General Director

Hai Phong, 09 August 2019

Doan Minh Trung  
Chief Accountant

Le Thi Hai Thanh  
Preparer



**NOTE TO THE FINANCIAL STATEMENTS**

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

**1. BUSINESS HIGHLIGHTS**

**1.1 THE COMPANY**

Dinh Vu Port Investment and Development JSC (hereinafter referred to as “the Company”) is incorporated under Decision No. 990/TGD dated 11 November 2002 of the General Director of Vietnam National Shipping Lines (Vinalines) on approval of Dinh Vu Port investment and exploitation method and in accordance with the initial Business Registration Certificate No. 0200511481 issued by the Department of Planning and Investment of Hai Phong city dated 14 January 2003 and the seventh amended certificate dated 12 July 2017.

The charter capital of the Company is VND 400,000,000,000, divided into 40,000,000 ordinary shares with par value of VND 10,000 per share. All above shares of the Company are listed in Ho Chi Minh Stock Exchange coded DVP.

The Company’s head office is located at Dinh Vu Port, Dong Hai 2 ward, Hai An district, Hai Phong city.

Total staffs of the Company as at 30 June 2019 are 449 (447 staffs as at 30 June 2018).

**1.2 BUSINESS LINES AND PRINCIPAL ACTIVITIES**

- Goods loading and unloading; Warehouse trading;
- Multimodal transportation; Maritime services;
- Logistics, bonded warehousing, goods border gate transfer and transit services.

**1.3. PRINCIPAL BUSINESS CYCLE**

The normal business cycles of the Company is in 12 months or less.

**2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD**

**2.1 ACCOUNTING CONVENTION**

The accompanying financial statements, expressed in Vietnam Dong (VND), have been prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese (Corporate) Accounting System and other related legal regulations on preparation and presentation of the financial statements.

The Company adopted Vietnamese Corporate Accounting System issued under Circular No.200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance on issuing Corporate Accounting System and Circular No.53/2016/TT-BTC dated 21 March 2016 amending and adding some articles of Circular No.200/2014/TT-BTC dated 22/12/2014.

**2.2 ACCOUNTING PERIOD**

The financial year of the Company begins on 01 January and ends on 31 December.

The accompanying financial statements were prepared for the period from 01 January 2019 to 30 June 2019.

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**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted by the Company in the preparation of these financial statements are as follows:

**3.1 ACCOUNTING ESTIMATES**

Financial reporting in conformity with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam requires management 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 period from 01/01/2019 to 30/06/2019 (operating period). Actual results could differ from those estimates.

**3.2 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand and at bank, cash in transit, deposits, mortgages and highly liquid investments that are readily convertible to known amounts of cash with an original maturity of less than three months and subject to an insignificant risk of changes in value.

**3.3 INVENTORIES**

Inventories are used for repair of tools and supplies for operations of the Company. Inventories are stated at the lower of cost and net realizable value. Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Stock-out price is calculated under the first-in first-out method.

**3.4 RECEIVABLES AND PROVISION FOR DOUBTFUL DEBTS**

Receivables include trade accounts receivable, advances to suppliers and other receivables at the date of reporting.

Receivables are presented at net book value less provision for doubtful debts. Provision for doubtful debts is made for those that are overdue as prescribed in the economic contracts, contract commitments or debt commitment and repeatedly urged for repayment but not yet recovered. Provision is also made for those that have not fallen due but debtors are on the verge of bankruptcy or finalizing procedures for dissolution, missing or fled. The amount of provision for doubtful debts is made as per Circular No. 228/2009/TT-BTC dated 17 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 of the Ministry of Finance.

The increase or decrease in provision for doubtful debts is accounted for administration expenses in the period.

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**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost and accumulated depreciation.

The cost of tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its ready in use.

Fixed assets which have been put into use but not finalized will be added up to the cost of fixed assets and depreciated, and then adjusted upon official finalization. Adjustment is only made to remaining time of use of fixed assets, rather than recognized depreciation cost.

Cost of tangible fixed assets constructed by contractors includes handed-over works, directly related expenses and registration fee (if any).

Depreciation is calculated on a straight-line basis for all assets over their estimated useful lives. The principal annual depreciation rates in use are as follows:

Assets	Useful lives (years)
Buildings and structures	05 – 25
Machinery, equipment	03 – 07
Motor vehicles, transmission	03 - 06
Office equipment	03 - 06

The Company calculates and depreciates fixed assets under Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 on management, use and depreciation of fixed assets and Circular No. 147/2016/TT-BTC dated 13 October 2016 amending and supplementing some articles of Circular No. 45/2013/TT-BTC.

**3.6 INTANGIBLE FIXED ASSETS AND AMORTIZATION**

Intangible fixed asset is computer software presented at cost and accumulated amortization and to be allocated under the straight-line method during a three-year term.

**3.7 CONSTRUCTION IN PROGRESS**

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes professional fees and borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**3.8 LONG-TERM PREPAYMENT**

Long-term prepayments comprise tools and supplies, land rental, costs incurred which are expected to provide future economic benefit to the Company for more than one year. These expenditures have been capitalized as long-term prepayments, and are allocated to the income statement using the straight-line method.

**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.9 REVENUE RECOGNITION**

Revenue is recognized when the Company may receive reliably measured economic benefits. Net sales are measured by the reasonable value of amounts received or receivable less trade discount, sales rebate and sales return. Also, revenue is recognized when the following requirements are met.

Sales of goods

Revenue is recognized when the outcome of such transaction can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Financial income

Bank interest is recognized as per bank notice by reference to the time of transfer to the Company's account.

**3.10 COST RECOGNITION**

Operation costs related to revenue generation in the year are actually gathered and promptly estimated in the period.

**3.11 TAXATION**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Under investment incentive certificate No. 4477/GCN/UB dated 17 September 2004 of the People's Committee of Hai Phong, Decree No. 164/2003/ND-CP dated 22 December 2003 of the Government, Decision No. 06/2008/QĐ-TT dated 10 January 2008 of the Prime Minister and Official Letter No. 141/CT-TT&HT of Hai Phong Department of Taxation dated 21 February 2011, the Company is entitled to the following tax incentives:

- Preferential corporate income tax (CIT) rate: The company is entitled to CIT of 10% for the remaining term from 02 February 2008 to the end of 2018 on income from the investment projects implemented in extremely difficult socio-economic areas (the Company was entitled to CIT of 20% from 2004 to 01 February 2008).
- CIT reduction and exemption: Income from operating activities with CIT incentives is entitled to 50% reduction in tax amounts payable for the remaining term from 02 February 2008 to the end of 2014 (already entitled to CIT incentives from 2006 to 01 February 2008).
- From 2019 onwards, the Company is no longer entitled to CIT incentives, so the current tax rate is 20%.

However, these regulations are subject to periodic variation and its ultimate determination depends on the results of tax authorities' examination.

Other taxes are in accordance with the prevailing regulations in Vietnam.



**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)***These notes are an integral part of and should be read in conjunction with the accompanying financial statements.***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.12 INVESTMENTS**

Investments consist of investment in joint-ventures and associates; term deposits. In the separate financial statements of the Company, investments are presented under cost method.

Currently, the investments in joint-ventures and associates have good results, so the Company does not make provision for these investments.

**3.13 FINANCIAL INSTRUMENTS****Initial recognition****Financial assets**

As at the initial recognition date, financial assets are carried at cost plus relevant transaction directly attributable to its acquisition.

The Company's financial assets are composed of cash, cash at bank, cash equivalents, short-term and long-term financial investments, short-term and long-term receivables.

**Financial liabilities**

As at the initial recognition date, financial liabilities are carried at cost minus relevant transaction directly attributable to its issuance.

The Company's financial liabilities consist of trade accounts payable, accrued expenses, other payables and long-term and short-term loans and debts.

**Revaluation subsequent to initial recognition**

Currently, there have not had any regulations on revaluation of financial instruments subsequent to initial recognition.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset in the balance sheet when and only when the Company has the legal right to offset the recognized amount and it is intended to settle on a net basis or recognize assets and settle liabilities simultaneously.

**3.14 RELATED PARTIES**

A party is considered to be related to the Company if it has the ability to control the Company or exercise significant influence over the Company in making financial and operating decisions. Related parties include:

- Enterprises have the right to control or be directly or indirectly controlled by one or more intermediaries, or under the common control with companies, including the Parent Company, subsidiaries of a Group, joint ventures, co-controlled business establishments and associates.

**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.14 RELATED PARTIES (CONT'D)**

- Individuals have the right to directly or indirectly vote in reported enterprises, having a significant influence on these enterprises, key management have the authority and responsibility for making plan, management and controlling activities of the Company, including close family members of these individuals.
- Enterprises owned by aforementioned individuals, having direct or indirect voting rights or having a significant influence on the business.

When considering each relationship of related parties, the nature of the relationship is paid attention to, not merely its legal form.

Accordingly, related parties of the Company are members of Board of Management and General Director, joint-ventures and associates. All transactions and balances with related parties arisen during the period from 01 January 2019 to 30 June 2019 are presented herein.

**4. CASH AND CASH EQUIPVALENTS**

	30/06/2019	01/01/2019
	VND	VND
Cash on hand	613,878,458	968,115,632
Cash at bank	19,583,741,546	17,126,644,252
Cash equivalents	-	74,000,000,000
	<u>20,197,620,004</u>	<u>92,094,759,884</u>



NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

5. SHORT-TERM FINANCIAL INVESTMENTS

	30/06/2019		01/01/2019	
	Cost VND	Net book value VND	Cost VND	Net book value VND
Short-term	712,000,000,000	712,000,000,000	495,000,000,000	495,000,000,000
Term deposits	712,000,000,000	712,000,000,000	495,000,000,000	495,000,000,000
Long-term	-	-	-	-
	<u>712,000,000,000</u>	<u>712,000,000,000</u>	<u>495,000,000,000</u>	<u>495,000,000,000</u>

NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

6. TRADE ACCOUNTS RECEIVABLE

	30/06/2019		01/01/2019	
	Value VND	Provision VND	Value VND	Provision VND
Short-term trade accounts receivable	69,799,806,517	(2,404,857,890)	77,420,619,054	(1,960,331,093)
- SITC CONTAINER LINES CO., LTD	22,237,171,059	-	36,626,674,591	-
- KMTC Co., Ltd	19,758,622,782	-	3,827,555,384	-
- Other trade accounts receivable	27,804,012,676	(2,404,857,890)	36,966,389,079	(1,960,331,093)
Long-term trade accounts receivable	-	-	-	-
	<b>69,799,806,517</b>	<b>(2,404,857,890)</b>	<b>77,420,619,054</b>	<b>(1,960,331,093)</b>
Trade accounts receivable from related parties	1,508,714,809	-	733,595,335	-
- Hai Phong Port JSC	16,872,900	-	14,520,000	-
- Dinh Vu Logistics JSC	1,475,209,909	-	697,141,335	-
- SITC - Dinh Vu Logistics Co., Ltd	16,632,000	-	21,934,000	-

**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**7. OTHER RECEIVABLES**

	30/06/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>Short-term</b>	<b>3,623,209,542</b>	<b>-</b>	<b>9,950,072,821</b>	<b>-</b>
- Receivable from employees	460,595,203	-	609,257,971	-
- Social insurance	297,784,593	-	140,268,274	-
- Health insurance	28,647,058	-	-	-
- Unemployment insurance	6,716,935	-	-	-
- Accrued interest receivable from term deposits	2,829,465,753	-	9,200,546,576	-
<b>Long-term</b>	<b>280,486,000</b>	<b>-</b>	<b>293,986,000</b>	<b>-</b>
- Receivable from employees	280,486,000	-	293,986,000	-
	<b>3,903,695,542</b>	<b>-</b>	<b>10,244,058,821</b>	<b>-</b>

**8. INVENTORIES**

	30/06/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Raw materials	641,900,876	-	1,143,916,166	-
Tools and supplies	9,977,620,021	-	8,566,621,890	-
	<b>10,619,520,897</b>	<b>-</b>	<b>9,710,538,056</b>	<b>-</b>

**9. PREPAYMENT**

	30/06/2019	01/01/2019
	VND	VND
<b>Short-term</b>	<b>1,941,519,866</b>	<b>3,268,599,787</b>
- Insurance premium	1,253,531,799	791,103,379
- Tools and supplies	72,148,406	2,344,178,067
- Repair costs	498,704,203	-
- Other amounts	117,135,458	133,318,341
<b>Long-term</b>	<b>29,063,982,311</b>	<b>29,451,825,371</b>
- Minh Phuong Industrial Zone land rental (*)	29,028,660,319	29,410,616,377
- Other amounts	35,321,992	41,208,994
	<b>31,005,502,177</b>	<b>32,720,425,158</b>

(\*) This represents land rental as per the contract No. 03/2013/HDT-MP dated 12 July 2013 and amended appendices No. 02, 03 dated 03 October 2013 on renting the plot CN 2.2: 39,587m<sup>2</sup> and an extended area of 4,830m<sup>2</sup> that is allocated within 43 years (from 01 January 2015 to 30 June 2057).



NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

10. TAXES AND AMOUNTS PAYABLE TO/RECEIVABLE FROM THE STATE

	01/01/2019	Amount payable in period	Amount actually paid in period	30/06/2019
	VND	VND	VND	VND
<b>Taxes and amounts payable</b>				
- Value added tax payable (*)	-	11,893,768,259	11,893,768,259	-
- Corporate income tax	-	26,609,306,818	7,150,197,605	19,459,109,213
- Personal income tax	1,111,386,861	3,448,937,262	4,560,324,123	-
- Other taxes	-	3,000,000	3,000,000	-
	<b>1,111,386,861</b>	<b>41,955,012,339</b>	<b>23,607,289,987</b>	<b>19,459,109,213</b>
<b>Taxes and amounts receivable</b>				
- Corporate income tax	1,154,467,628	-	1,154,467,628	-
- Personal income tax	-	624,039,253	-	624,039,253
	<b>1,154,467,628</b>	<b>624,039,253</b>	<b>1,154,467,628</b>	<b>624,039,253</b>



NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

11. TANGIBLE FIXED ASSETS

	Buildings structures VND	Machinery equipment VND	Motor vehicle transmission VND	Office equipment VND	Total VND
<b>COST</b>					
01/01/2019	436,262,914,342	623,115,178,415	112,040,711,327	17,548,695,904	1,188,967,499,988
- Acquisitions	104,298,577	708,000,000	18,140,876,364	-	18,953,174,941
30/06/2019	436,367,212,919	623,823,178,415	130,181,587,691	17,548,695,904	1,207,920,674,929
<b>ACCUMULATED DEPRECIATION</b>					
01/01/2019	(343,224,603,725)	(445,622,335,528)	(96,795,948,722)	(15,172,114,510)	(900,815,002,485)
- Depreciation	(6,979,844,351)	(25,770,734,639)	(4,706,628,347)	(773,925,012)	(38,231,132,349)
30/06/2019	(350,204,448,076)	(471,393,070,167)	(101,502,577,069)	(15,946,039,522)	(939,046,134,834)
<b>NET BOOK VALUE</b>					
01/01/2019	93,038,310,617	177,492,842,887	15,244,762,605	2,376,581,394	288,152,497,503
30/06/2019	86,162,764,843	152,430,108,248	28,679,010,622	1,602,656,382	268,874,540,095

As at 30 June 2019, the cost of tangible fixed assets depreciated up but still in use is VND 750,016,515,789.

**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**12. INTANGIBLE FIXED ASSETS**

	Computer software VND	Total VND
<b>COST</b>		
01/01/2019	5,497,754,700	5,497,754,700
- Acquisitions	315,350,000	315,350,000
30/06/2019	<u>5,813,104,700</u>	<u>5,813,104,700</u>
<b>AMORTIZATION</b>		
01/01/2019	(4,923,902,558)	(4,923,902,558)
- Charge for period	(218,660,409)	(218,660,409)
30/06/2019	<u>(5,142,562,967)</u>	<u>(5,142,562,967)</u>
<b>NET BOOK VALUE</b>		
01/01/2019	<u>573,852,142</u>	<u>573,852,142</u>
30/06/2019	<u>670,541,733</u>	<u>670,541,733</u>

As at 30 June 2019, the cost of intangible fixed assets depreciated up but still in use is VND 4,422,304,700.

**13. CONSTRUCTION IN PROGRESS**

	30/06/2019 VND	01/01/2019 VND
<b>Acquisition</b>	<b>121,000,000</b>	-
- Upgrade TOS software	121,000,000	-
<b>Construction</b>	<b>14,382,253,332</b>	<b>665,336,363</b>
- Reclamation of the pre-bridge storage yard 1	14,123,590,605	406,673,636
- Design consultant, verification and installation of 20m STS gantry crane on the number 1 dock	161,222,727	161,222,727
- 2-floor administrative building	97,440,000	97,440,000
	<u>14,503,253,332</u>	<u>665,336,363</u>



NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

14. INVESTMENT IN JOINT-VENTURES AND ASSOCIATES

	30/06/2019			01/01/2019		
	Cost	Provision	Fair value	Cost	Provision	Fair value
	VND	VND	VND	VND	VND	VND
<b>Investment in joint-ventures and associates</b>						
- SITC - Dinh Vu Logistics Co., Ltd	128,672,013,800	-	128,672,013,800	128,672,013,800	-	128,672,013,800
- Dinh Vu Logistics JSC	13,680,000,000	-	13,680,000,000	13,680,000,000	-	13,680,000,000
	<b>142,352,013,800</b>	<b>-</b>	<b>142,352,013,800</b>	<b>142,352,013,800</b>	<b>-</b>	<b>142,352,013,800</b>

(1) According to the joint-venture agreement between Dinh Vu Port Investment and Development JSC and SITC Logistics Co., Ltd (SITC) signed in July 2010, two parties agreed to contribute capital to establish a jointly controlled joint-venture named SITC – Dinh Vu Logistics Co., Ltd. The charter capital of SITC – Dinh Vu Logistics Co., Ltd is VND 145,852,000,000, of which the Company contributes VND 74,384,520,000 (equivalent to USD 3,570,000), accounting for 51% of the charter capital. Under Resolution No. 11/SITC/NQ-HDTV dated 01 August 2013 by the Members' Council on increasing the charter capital for production expansion by USD 5,000,000, the Company contributes 51% (equivalent to USD 2,550,000). As at 30 June 2019, the Company has contributed VND 128,672,013,800 (approximately USD 6,120,000), accounting for 51% of the charter capital.

SITC - Dinh Vu Logistics Co., Ltd has gone into operation since 29 January 2011.

The principal activities of SITC - Dinh Vu Logistics Co., Ltd are warehousing business, goods storage, loading and unloading, transportation, etc.

(2) According to the minutes of capital contribution dated 14 October 2011 between Dinh Vu Port Investment and Development JSC, Van Xuan JSC, Services and Trading Investment JSC and other shareholders, they decide to establish Dinh Vu Logistics JSC. The charter capital of Dinh Vu Logistics JSC is VND 30,000,000,000; The Company contributes VND 13,680,000,000 (accounting for 45.6% of the charter capital). As at 30 June 2019, the Company and other shareholders have fully contributed capital as agreed.

Dinh Vu Logistics Co., Ltd has gone into operation since 17 December 2011.

The principal activities of Dinh Vu Logistics Co., Ltd are warehousing business, goods storage, loading and unloading, transportation, etc.



**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**15. TRADE ACCOUNTS PAYABLE**

	30/06/2019		01/01/2019	
	Amount	Amount to be paid	Amount	Amount to be paid
	VND	VND	VND	VND
<b>Short-term trade accounts payable</b>	<b>10,499,135,438</b>	<b>10,499,135,438</b>	<b>15,150,593,016</b>	<b>15,150,593,016</b>
- Dolphin JSC	1,815,124,300	1,815,124,300	2,245,922,800	2,245,922,800
- Dinh Vu Logistics JSC	3,795,601,164	3,795,601,164	2,644,709,997	2,644,709,997
- Bach Dang 234 Construction Joint Stock Company	2,245,601,665	2,245,601,665	-	-
- Hai Phong port JSC	79,743,533	79,743,533	1,126,482,703	1,126,482,703
- Construction joint stock company 203	-	-	1,979,900,200	1,979,900,200
- Other individuals	2,563,064,776	2,563,064,776	7,153,577,316	7,153,577,316
<b>Long-term trade accounts payable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>10,499,135,438</b>	<b>10,499,135,438</b>	<b>15,150,593,016</b>	<b>15,150,593,016</b>
<b>Trade accounts payable to related parties</b>	<b>3,875,344,697</b>	<b>3,875,344,697</b>	<b>3,771,192,700</b>	<b>3,771,192,700</b>
- Dinh Vu Logistics JSC	3,795,601,164	3,795,601,164	2,644,709,997	2,644,709,997
- Hai Phong port JSC	79,743,533	79,743,533	1,126,482,703	1,126,482,703

**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**16. OTHER PAYABLES**

	30/06/2019	01/01/2019
	VND	VND
<b>Short-term</b>	<b>62,492,639,612</b>	<b>6,250,129,520</b>
- Trade union fee	413,243,500	153,089,862
- Health Insurance	-	655,649
- Unemployment insurance	-	13,077,897
- Other payables	62,079,396,112	6,083,306,112
+ Dividends paid to shareholders	61,575,184,350	1,905,614,350
+ Other payables	504,211,762	4,177,691,762
<b>Long-term</b>	<b>-</b>	<b>-</b>
	<b>62,492,639,612</b>	<b>6,250,129,520</b>

**17. PROVISION FOR PAYABLES**

	30/06/2019	01/01/2019
	VND	VND
<b>Short-term</b>	<b>25,919,409,127</b>	<b>39,000,000,000</b>
- Provision for extraordinary repair of fixed assets	13,316,922,000	15,000,000,000
- Provision for port dredging	12,602,487,127	24,000,000,000
<b>Long-term</b>	<b>-</b>	<b>-</b>
	<b>25,919,409,127</b>	<b>39,000,000,000</b>

NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

18. OWNER'S EQUITY

18.1 CHANGES IN OWNER'S EQUITY

	Legal capital VND	Other owner's equity VND	Development investment fund VND	Retained earnings VND	Total VND
<b>01/01/2018</b>	<b>400,000,000,000</b>	<b>142,352,013,800</b>	<b>207,982,196,884</b>	<b>227,439,348,771</b>	<b>977,773,559,455</b>
- Interest in year	-	-	-	287,741,338,082	287,741,338,082
- Profit distribution	-	-	77,939,348,771	(276,939,348,771)	(199,000,000,000)
+ <i>Welfare fund deducted</i>	-	-	-	(5,500,000,000)	(5,500,000,000)
+ <i>Development &amp; investment fund deducted</i>	-	-	77,939,348,771	(77,939,348,771)	-
+ <i>Dividend payment</i>	-	-	-	(180,000,000,000)	(180,000,000,000)
+ <i>Bonus fund deducted</i>	-	-	-	(13,500,000,000)	(13,500,000,000)
+ <i>Bonus to board of directors deducted</i>	-	-	-	(500,000,000)	(500,000,000)
<b>31/12/2018</b>	<b>400,000,000,000</b>	<b>142,352,013,800</b>	<b>285,921,545,655</b>	<b>237,741,338,082</b>	<b>1,066,014,897,537</b>
<b>01/01/2019</b>	<b>400,000,000,000</b>	<b>142,352,013,800</b>	<b>285,921,545,655</b>	<b>237,741,338,082</b>	<b>1,066,014,897,537</b>
- Interest in year	-	-	-	140,785,493,559	140,785,493,559
- Profit distribution (*)	-	-	80,241,338,082	(162,741,338,082)	(82,500,000,000)
+ <i>Development &amp; investment fund deducted</i>	-	-	80,241,338,082	(80,241,338,082)	-
+ <i>Welfare fund deducted</i>	-	-	-	(6,500,000,000)	(6,500,000,000)
+ <i>Dividend payment</i>	-	-	-	(60,000,000,000)	(60,000,000,000)
+ <i>Bonus fund deducted</i>	-	-	-	(15,500,000,000)	(15,500,000,000)
+ <i>Bonus to board of directors deducted</i>	-	-	-	(500,000,000)	(500,000,000)
<b>30/06/2019</b>	<b>400,000,000,000</b>	<b>142,352,013,800</b>	<b>366,162,883,737</b>	<b>215,785,493,559</b>	<b>1,124,300,391,096</b>

(\*) Distribution of profit under resolution No.06/NQ/HDQT dated 23 April 2019 of the Board of Management on the distribution of profit after tax in 2018.



**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**18. OWNER'S EQUITY (CONT'D)**

**18.2 DETAILS OF OWNER'S EQUITY**

	30/06/2019	01/01/2019
	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
- HALLEY SICAV-HALLEY ASIAN PROSPERITY	20,626,300,000	20,626,300,000
- ERIKOISSIJOITUSRAHASTO ELITE (MUTUAL FUND ELITE (NON-UCITS))	19,580,000,000	19,580,000,000
- Other shareholders	80,993,700,000	80,993,700,000
	<b>400,000,000,000</b>	<b>400,000,000,000</b>

**18.3 EQUITY TRANSACTIONS WITH OWNERS AND DISTRIBUTION OF PROFITS AND DIVIDENDS**

	From 01/01/2019 to 30/06/2019	From 01/01/2018 to 30/06/2018
	VND	VND
- Owners' equity		
+ Equity at the beginning of period	400,000,000,000	400,000,000,000
+ Equity increase in period	-	-
+ Equity decrease in period	-	-
+ Equity at the end of period	400,000,000,000	400,000,000,000
- Dividends, profits paid	60,000,000,000	60,000,000,000

**18.4 SHARE**

	30/06/2019	01/01/2019
	Share	Share
Number of shares registered to be issued	40,000,000	40,000,000
Number of shares offered to the public	40,000,000	40,000,000
+ Ordinary share	40,000,000	40,000,000
Number of shares repurchased	-	-
Number of shares in circulation	40,000,000	40,000,000
+ Ordinary share	40,000,000	40,000,000
Par value (VND/share)	10,000	10,000

**18.4 FUNDS**

	30/06/2019	01/01/2019
	VND	VND
Investment and development fund	366,162,883,737	285,921,545,655

**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**19. SALES OF MERCHANDISE AND SERVICES**

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
<b>Revenue</b>		
Sales of merchandise	288,827,583,132	310,284,209,758
	<b>288,827,583,132</b>	<b>310,284,209,758</b>
<b>Revenue with related parties</b>	<b>4,230,276,788</b>	<b>5,329,019,155</b>
SITC - Dinh Vu Logistics Compapny	152,625,000	866,905,982
Dinh Vu Logistics JSC	3,983,090,788	4,390,740,713
Hai Phong Port JSC	94,561,000	71,372,460

**20. COST OF GOODS SOLD**

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
Cost of services rendered	129,772,424,352	143,961,037,044
	<b>129,772,424,352</b>	<b>143,961,037,044</b>

**21. FINANCIAL INCOME**

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
Bank and lending interest	7,632,364,669	10,408,281,513
Profit, dividends paid	30,810,151,563	-
Exchange rate difference gain	891,196,942	789,171,053
Exchange rate difference gain due to revaluation of monetary items denominated in foreign currencies	-	58,311,935
	<b>39,333,713,174</b>	<b>11,255,764,501</b>

**22. FINANCIAL EXPENSE**

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
Interest expense	-	290,207,072
Exchange rate difference loss	4,313,162	21,420,902
Exchange rate difference loss due to revaluation of monetary items denominated in foreign currencies	20,406,091	-
	<b>24,719,253</b>	<b>311,627,974</b>



NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

23. ADMINISTRATIVE EXPENSE

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
	<b>29,880,224,500</b>	<b>28,988,416,586</b>
Labor cost	19,359,046,693	18,551,286,394
Office supplies cost	12,122,819	206,286,609
Fixed assets depreciation	3,290,659,526	2,475,950,231
Taxes, fees and charges	3,000,000	22,498,728
Outsource services	6,750,236,973	7,726,612,859
Other cash expense	465,158,489	5,781,765
	<b>29,880,224,500</b>	<b>28,988,416,586</b>

24. OTHER INCOME

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
Other income	65,339,804	392,603,737
	<b>65,339,804</b>	<b>392,603,737</b>

25. CORPORATE INCOME TAX

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
Total profit before tax	<b>168,549,268,005</b>	<b>148,671,233,059</b>
Non-deductible expenses	<b>1,079,755,800</b>	<b>2,034,108,333</b>
- Ineligible expenses	1,079,755,800	2,034,108,333
Less non-taxable income	<b>30,810,151,563</b>	<b>179,676,635</b>
- Unrealized exchange rate difference gain	-	179,676,635
- Dividends paid	30,810,151,563	-
Total taxable income in year	<b>138,818,872,242</b>	<b>150,525,664,757</b>
CIT rate	20%	10%
Current CIT expense	<b>27,763,774,446</b>	<b>15,052,566,476</b>

26. BASIC EARNINGS PER SHARE

	From 01/01/2019 to 30/06/2019	From 01/01/2018 to 30/06/2018
Profit or loss allocated to shareholders owning ordinary shares (VND)	140,785,493,559	133,618,666,583
Weighted average number of shares in circulation	40,000,000	40,000,000
Basic earnings per share (VND/Share)	<b>3,520</b>	<b>3,340</b>



**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**27. DILUTED EARNINGS PER SHARE**

The Management of the Company commits that, in the coming time, there have been no effects of instruments that are convertible to shares that dilute the value of shares. Therefore, diluted earnings per share have not yet been determined.

**28. OPERATING EXPENSE BY FACTOR**

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
Raw materials	9,298,400,849	11,893,075,967
Labor cost	60,854,768,793	66,849,815,532
Fixed assets depreciation	38,370,944,424	36,457,881,325
Outsource service	27,648,990,572	50,832,937,955
Other cash expense	23,479,544,214	6,915,742,851
	<b>159,652,648,852</b>	<b>172,949,453,630</b>

**29. FINANCIAL INSTRUMENTS**

**Capital risk management**

The Company manages capital resources to ensure both its going-on concern and maximize interests of shareholders through optimizing balances of resources and liabilities.

The Company's capital structure consists of liabilities as presented in the Balance sheet, equity owned by its shareholders (including contributed capital, reserve funds and retained earnings).

**Summary of significant accounting policies**

Details of significant accounting policies and methods adopted by the Company (including recognition criteria, basis for value determination and recognition of income and expenses) for each financial asset, financial liability and capital instrument are presented in Note 3.13.

**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**29. FINANCIAL INSTRUMENTS (CONT'D)**

**Capital risk management (cont'd)**

**Type of financial instruments**

	Net book value	
	30/06/2019	01/01/2019
	VND	VND
<b>Financial assets</b>		
Cash and cash equivalents	20,197,620,004	92,094,759,884
Held to maturity investments	712,000,000,000	495,000,000,000
Trade accounts receivable and other receivables	70,224,414,380	84,660,834,537
Long-term investments	142,352,013,800	142,352,013,800
<b>Total</b>	<b>944,774,048,184</b>	<b>814,107,608,221</b>
	30/06/2019	01/01/2019
	VND	VND
<b>Financial liabilities</b>		
Trade accounts payable and other payables	72,578,531,550	21,233,899,128
Other financial liabilities	25,919,409,127	39,000,000,000
<b>Total</b>	<b>98,497,940,677</b>	<b>60,233,899,128</b>
<b>Net status</b>	<b>846,276,107,507</b>	<b>753,873,709,093</b>

As at 30 June 2019, the Company has not yet evaluated the fair value of financial assets and liabilities as there have not had specific guidelines in determining the fair value of financial assets and liabilities in accordance with Circular 210/2009/TT-BTC dated 06 November 2009 of the Ministry of Finance and other prevailing regulations. Circular 210 requires the adoption of IFRS in presenting the financial statements and notes to the financial instruments without providing respective guidelines for the evaluation and recognition of financial instruments, including adopting the fair value to match with IFRS.

**Financial risk management**

Financial risk consists of market risk (exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. Board of General Directors shall take overall responsibility for setting up and implementing policies to control risks (detection, prevention and limit of impacts of risks).

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as per changes in market prices. The Company's business activities are mainly subject to the risk when there are changes in exchange rate, interest rate, commodity price and other price risk such as par value of shares. Objective of market risk management is to manage and control the risk at an acceptable level while maximizing profits.



**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**29. FINANCIAL INSTRUMENTS (CONT'D)**

**Liquidity risk management**

Objective of liquidity risk management is to ensure adequate resources to meet current and future financial liabilities. Liquidity is also managed by the Company to ensure the surplus between due liabilities and due assets in period at a controllable level to the capital amount to be generated in the period. The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, loans and equity contributed by owners to meet its short-term and long-term liquidity requirements.

The following table details the financial debts as per payment term. It is presented based on undiscounted cash flows of financial instruments on the earliest payable day, including principal and interest (if any).

	Less than one year VND	From one to five years VND	Total VND
<b>30/06/2019</b>			
Trade accounts payable and other payables	72,578,531,550	-	72,578,531,550
Provision for payables	25,919,409,127	-	25,919,409,127
<b>Total</b>	<b>98,497,940,677</b>	<b>-</b>	<b>98,497,940,677</b>
<b>01/01/2019</b>			
Trade accounts payable and other payables	21,233,899,128	-	21,233,899,128
Provision for payables	39,000,000,000	-	39,000,000,000
<b>Total</b>	<b>60,233,899,128</b>	<b>-</b>	<b>60,233,899,128</b>

**Credit risk management**

Credit risk occurs when a customer or counterparty does not fulfill their obligations in the contract, resulting in financial losses for the Company. The Company manages its credit risk from business activities (mainly trade accounts receivable) and financing activities, including bank deposits, short-term investments and other financial instruments. Bank deposits are managed in well-known and prestigious banks in Vietnam. For investments, the Company makes investments in highly liquid securities and creditworthy partners. For receivables, the Board of General Directors establishes credit policies through analysis of the creditworthiness of customers to make payment terms in contracts. In addition, the majority of receivables and short-term investments of the Company are from related parties, the maximum credit risk value is the value presented in the financial statements. The Company assesses credit risk as low.



**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**29. FINANCIAL INSTRUMENTS (CONT'D)**

The following table details the financial assets as per due amounts. It is presented based on undiscounted cash flows, including principal and interest (if any).

	Less than one year VND	From one to five years VND	Total VND
<b>30/06/2019</b>			
Cash and cash equivalents	20,197,620,004	-	20,197,620,004
Short-term financial investments	712,000,000,000	-	712,000,000,000
Trade accounts payable and other payables	70,224,414,380	-	70,224,414,380
Long-term investments	-	142,352,013,800	142,352,013,800
<b>Total</b>	<b>802,422,034,384</b>	<b>142,352,013,800</b>	<b>944,774,048,184</b>
<b>01/01/2019</b>			
Cash and cash equivalents	92,094,759,884	-	92,094,759,884
Short-term financial investments	495,000,000,000	-	495,000,000,000
Trade accounts payable and other payables	84,660,834,537	-	84,660,834,537
Long-term investments	-	142,352,013,800	142,352,013,800
<b>Total</b>	<b>671,755,594,421</b>	<b>142,352,013,800</b>	<b>814,107,608,221</b>

The Board of General Directors assesses the liquidity risk as low and believes that the Company can generate sufficient sources of money to meet financial obligations when it falls due.

**30. SEGMENT REPORT**

The Company only does business and monitors a single segment of port service business.

**31. OTHER INFORMATION**

**31.1 OFF-BALANCE SHEET ITEMS**

	30/06/2019	01/01/2019
<b>Foreign currencies</b>	<b>49,743.75</b>	<b>282.66</b>
USD	49,743.75	282.66
EURO	5.14	5.14

**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**31. OTHER INFORMATION (CONT'D)****31.2 LAND LEASE CONTRACT**

The Company has land rental contracts as follows:

- Under Contract No. 03/HDTD dated 09 January 2006, Hai Phong City People's Committee permits Dinh Vu Port Investment and Development JSC to rent a plot with area of 221,415 m2 in Dong Hai Ward, Hai An District, Hai Phong city within 40 years from 19 August 2002 to 19 August 2042. According to Decision No. 4120/QD-CT of the Tax Department of Hai Phong city dated 3 December 2014, the Company is entitled to land rental of such plot during 15 years from March 2005 to February 2020.
- Under Contract No.09/HDTD - 2010 dated 12 August 2010 between Pha Rung Shipbuilding Industry Corporation and Dinh Vu Investment and Development JSC, the Company is permitted to rent a plot of 39,600m2 in Vinashin Dinh Vu industrial cluster. Total rent is VND 31,680,000,000. The land rental term expires until 30 June 2057.
- On 09 December 2011, Pha Rung Shipbuilding Industry Corporation, Dinh Vu Port Investment and Development JSC, Minh Phuong Real Estate JSC signed a three-party agreement. Accordingly, Minh Phuong Real Estate JSC shall inherit rights and obligations of Pha Rung Shipbuilding Corporation under Contract No. 09/HDTD - 2010.
- Under the land contract No. 01/2012/HDGD-MP signed on 12 October 2012 between Dinh Vu Investment and Development JSC and Minh Phuong Real Estate JSC, the parties shall inherit rights and obligations under the contract No. 09/HDTD - 2010 dated 12 August 2010. Specifically, Minh Phuong Real Estate JSC will hand the premises over, provide facilities in the industrial zone (providing electric connections, fresh water, sewage treatment, roads and fire prevention system) to the Company and complete application for a certificate of land use right for the Company.
- Land lease contract No. 27/2015/HDTD-MP signed on 12 June 2015 between Minh Phuong Real Estate Investment JSC and Dinh Vu Port Investment and Development JSC. Under the contract, Dinh Vu Port Investment and Development JSC is entitled to rent an area of 44,417 m2 with rental period from the signing date to 30 June 06 2057. The total rental of the whole rental period is VND35,292,100,000 (including value added tax of 10%) with the land rent rate of 800,000 m2 per 39,587 m2 and VND750,000 per 4,830 m2 (all inclusive of value added tax of 10%).

**31.3 TRANSACTION WITH RELATED PARTIES****a) Purchase of goods from related parties**

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
<b>Purchase of goods from related parties</b>	<b>12,763,459,325</b>	<b>13,050,710,640</b>
- Dinh Vu Logistics JSC	11,829,799,851	12,373,259,065
- Hai Phong Port JSC	933,659,474	677,451,575



**NOTE TO THE FINANCIAL STATEMENTS (CONT'D)**

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

**31. OTHER INFORMATION (CONT'D)**

**31.3 TRANSACTION WITH RELATED PARTIES (CONT'D)**

**b) Income of the Board of General Directors and Board of Management**

	From 01/01/2019 to 30/06/2019 VND	From 01/01/2018 to 30/06/2018 VND
Income of Board of Management and Board of General Directors	2,940,881,017	2,699,141,228
Salary and bonus	2,940,881,017	2,699,141,228

**30.5 COMPARATIVE FIGURES**

Comparative figures are from the reviewed financial statements for the period from 01 January 2018 to 30 June 2018 and the audited financial statements for the year ended 31 December 2018.



Cao Văn Tĩnh  
General Director  
Hai Phong, 09 August 2019

Doan Minh Trung  
Chief Accountant

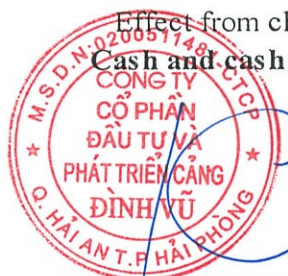
Le Thi Hai Thanh  
Preparer



APPENDIX TO THE FINANCIAL STATEMENTS

**CASH FLOW STATEMENT (CONT'D)**  
(Under indirect method)  
For the period from 01 January 2019 to 30 June 2019

Items	Code	From 01/01/2019 to 30/06/2019 VND
<b>Cash flows from operating activities</b>		
Profit before tax	01	168,549,268,005
<b>Adjustments for:</b>		
Depreciation and amortization	02	38,449,792,758
Provisions	03	(12,636,064,076)
Exchange rate difference (loss)/gain from revaluation of monetary items denominated in foreign currencies	04	20,406,091
(Gain) from investing activities	05	(38,442,516,232)
Interest expenses	06	-
<b>Operating profit before movements in working capital</b>	08	155,940,886,546
Decrease/(Increase) in receivables	09	20,585,096,793
(Increase)/Decrease in inventories	10	(908,982,841)
Increase in accounts payable (excluding interest and corporate income tax payable)	11	(40,666,488,260)
Decrease in prepaid expenses	12	1,714,922,981
Corporate income tax paid	15	(7,150,197,605)
Other cash outflows	17	(3,461,471,036)
<b>Net cash from operating activities</b>	20	126,053,766,578
<b>Net cash from operating activities</b>		
Acquisitions of fixed assets and other long-term assets	21	(25,429,098,234)
Cash outflow for lending, buying debt instruments of other companies	23	(567,000,000,000)
Cash recovered from lending, selling debt instruments of other companies	24	350,000,000,000
Interest income, dividend and profit paid	27	44,813,597,055
<b>Net cash from investing activities</b>	30	(197,615,501,179)
<b>Cash flows from financing activities</b>		
Dividends, profits paid to owners	36	(330,430,000)
<b>Net cash from financing activities</b>	40	(330,430,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>	50	(71,892,164,601)
<b>Cash and cash equivalents at beginning of period</b>	60	92,094,759,884
Effect from changing foreign exchange rate	61	(4,975,279)
<b>Cash and cash equivalents at the end of period</b>	70	20,197,620,004



Cao Van Tinh  
General Director  
Hai Phong, 09 August 2019

Doan Minh Trung  
Chief Accountant

Le Thi Hai Thanh  
Preparer