

Danang Port Join Stock Company

Financial Statements

Quarter IV 2018



Danang Port Joint Stock Company
General Information

Enterprise Registration
Certificate No.

0400101972

20 November 2018

The Company's Enterprise Registration Certificate has been amended five times, the most recent of which is by Enterprise Registration Certificate 0400101972 dated 20 November 2018. The Enterprise Registration Certificate was issued by Da Nang Department of Planning and Investment.

Board of Management

| | |
|---------------------|----------|
| Mr. Tran Le Tuan | Chairman |
| Mr. Nguyen Huu Sia | Member |
| Mr. Le Quang Duc | Member |
| Mr. Phan Bao Loc | Member |
| Mr. Tran Tuan Hai | Member |
| Mr. Luong Dinh Minh | Member |

Supervisory Board

| | |
|------------------------|--------|
| Ms. Phan Thi Nhi Ha | Chief |
| Mr. Le Duy Duong | Member |
| Ms. Tran Thi Kieu Oanh | Member |

Board of Directors

| | |
|--------------------|-------------------------|
| Mr. Nguyen Huu Sia | General Director |
| Mr. Duong Duc Xuan | Deputy General Director |
| Mr. Le Quang Duc | Deputy General Director |

Registered Office

26 Bach Dang Street, Thach Thang Ward
Hai Chau District, Da Nang City
Vietnam

Danang Port Joint Stock Company
Balance sheet as at 31 December 2018

Form B 01a – DN
Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| ASSETS | Code | Note | 31/12/2018 VND | 01/01/2018 VND |
|--|------------|-----------|--------------------------|--------------------------|
| CURRENT ASSETS | 100 | | 474,127,520,919 | 298,846,610,264 |
| Cash and cash equivalents | 110 | 4 | 138,034,815,704 | 140,951,996,201 |
| Cash | 111 | | 4,604,364,983 | 7,912,625,354 |
| Cash equivalents | 112 | | 133,430,450,721 | 133,039,370,847 |
| Short-term financial investments | 120 | 5 | 179,760,217,808 | 1,200,000,000 |
| Held-to-maturity investments | 123 | | 179,760,217,808 | 1,200,000,000 |
| Accounts receivable – short-term | 130 | | 97,297,671,460 | 103,294,085,577 |
| Accounts receivable from customers | 131 | 6 | 90,630,649,632 | 69,115,769,586 |
| Prepayments to suppliers | 132 | 7 | 3,009,978,098 | 33,112,019,425 |
| Other receivables | 136 | 8 | 5,007,493,612 | 2,266,846,628 |
| Allowance for doubtful debts | 137 | 9 | (1,350,449,882) | (1,200,550,062) |
| Inventories | 140 | 10 | 9,812,645,070 | 9,540,430,753 |
| Inventories | 141 | | 9,812,645,070 | 9,540,430,753 |
| Other current assets | 150 | | 49,222,170,877 | 43,860,097,733 |
| Short-term prepaid expenses | 151 | 15 | 1,352,831,895 | 1,398,406,511 |
| Deductible value added tax | 152 | | 47,869,338,982 | 42,461,691,222 |
| LONG-TERM ASSETS | 200 | | 1,130,279,803,964 | 987,991,943,958 |
| Fixed assets | 220 | | 1,092,252,023,063 | 493,025,283,111 |
| Tangible fixed assets | 221 | 11 | 991,459,244,535 | 392,465,112,124 |
| Cost | 222 | | 2,004,874,377,205 | 1,282,531,144,077 |
| Accumulated depreciation | 223 | | (1,013,415,132,670) | (890,066,031,953) |
| Intangible fixed assets | 227 | 12 | 100,792,778,528 | 100,560,170,987 |
| Cost | 228 | | 103,551,770,987 | 103,283,070,987 |
| Accumulated amortisation | 229 | | (2,758,992,459) | (2,722,900,000) |
| Investment property | 230 | 13 | 131,950,009 | 137,750,005 |
| Cost | 231 | | 145,000,000 | 145,000,000 |
| Accumulated depreciation | 232 | | (13,049,991) | (7,249,995) |
| Long-term work in progress | 240 | | 5,798,207,662 | 462,489,573,464 |
| Construction in progress | 242 | 14 | 5,798,207,662 | 462,489,573,464 |
| Long-term financial investments | 250 | 5 | 31,911,510,949 | 32,052,445,149 |
| Investments in associates | 252 | | 30,089,813,149 | 30,089,813,149 |
| Equity investments in other entities | 253 | | 3,764,334,000 | 3,764,334,000 |
| Allowance for diminution in the value of long-term financial investments | 254 | | (1,942,636,200) | (1,801,702,000) |
| Other long-term assets | 260 | | 186,112,281 | 286,892,229 |
| Long-term prepaid expenses | 261 | 15 | 75,304,281 | 176,084,229 |
| Long-term tools, supplies and spare parts | 263 | | 110,808,000 | 110,808,000 |
| TOTAL ASSETS | 270 | | 1,604,407,324,883 | 1,286,838,554,222 |

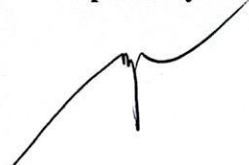
The accompanying notes are an integral part of these financial statements

Danang Port Joint Stock Company
Balance sheet as at 31 December 2018 (continued)

Form B 01a – DN
Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

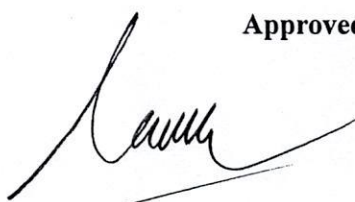
| RESOURCES | Code | Note | 31/12/2018 VND | 01/01/2018 VND |
|--------------------------------------|------------|-----------|--------------------------|--------------------------|
| LIABILITIES | 300 | | 379,243,662,013 | 416,487,606,006 |
| Current liabilities | 310 | | 176,542,308,761 | 230,972,507,951 |
| Accounts payable to suppliers | 311 | 16 | 73,338,665,077 | 117,322,915,930 |
| Advances from customers | 312 | 17 | 5,445,986,705 | 11,393,012,016 |
| Taxes payable to State Treasury | 313 | 18 | 11,532,297,183 | 5,687,994,070 |
| Payables to employees | 314 | | 36,227,093,120 | 42,936,477,310 |
| Accrued expenses | 315 | 19 | 1,516,952,820 | 1,132,621,017 |
| Unearned revenue – short-term | 318 | | 18,500,000 | 29,113,637 |
| Other payables – short-term | 319 | 20 | 23,054,870,038 | 28,261,690,969 |
| Short-term borrowings | 320 | 22 | 12,383,328,770 | 11,886,338,986 |
| Bonus and welfare funds | 322 | | 13,024,615,048 | 12,322,344,016 |
| Long-term liabilities | 330 | | 202,701,353,252 | 185,515,098,055 |
| Long-term borrowings | 338 | 22 | 199,533,315,078 | 182,270,019,931 |
| Provisions – long-term | 342 | 21 | 3,168,038,174 | 3,245,078,124 |
| EQUITY | 400 | | 1,225,163,662,870 | 870,350,948,216 |
| Owners' equity | 410 | 23 | 1,225,163,662,870 | 870,350,948,216 |
| Share capital | 411 | | 990,000,000,000 | 660,000,000,000 |
| Ordinary shares with voting rights | 411a | | 990,000,000,000 | 660,000,000,000 |
| Share premium | 412 | | (215,000,000) | - |
| Investment and development fund | 418 | | 157,162,317,406 | 112,277,977,776 |
| Retained profits | 421 | | 78,216,345,464 | 98,072,970,440 |
| Retained profits brought forward | 421a | | - | 98,072,970,440 |
| Retained profit for the current year | 421b | | 78,216,345,464 | - |
| TOTAL RESOURCES | 440 | | 1,604,407,324,883 | 1,286,838,554,222 |

Prepared by:



Ngo Quoc Van
Accountant

Approved by:



Nguyen Ngoc Tam
Head of Finance and Accounting Department




Nguyen Huu Sia
General Director

The accompanying notes are an integral part of these financial statements

Danang Port Join Stock Company
Statement of income for quarter IV 2018

Form B 02a – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| ITEMS | Code | Note | 4 th Quarter | | Accumulated from the beginning of the year to the end of this quarter | |
|---|------|------|-------------------------|----------------------|--|----------------------|
| | | | Current year VND | Previous year VND | Current year VND | Previous year VND |
| | | | | | | |
| Revenue from sales of goods and provision of services | 01 | 25 | 178,176,104,521 | 160,981,031,096 | 695,674,254,294 | 601,447,223,364 |
| Revenue deductions | 02 | | 879,135,821 | 106,580,977 | 932,737,170 | 330,786,698 |
| Net revenue | 10 | | 177,296,968,700 | 160,874,450,119 | 694,741,517,124 | 601,116,436,666 |
| Cost of sales of goods and provision of services | 11 | 26 | 126,212,982,952 | 106,836,730,273 | 459,880,039,977 | 387,222,357,676 |
| Gross profit | 20 | | 51,083,985,748 | 54,037,719,846 | 234,861,477,147 | 213,894,078,990 |
| Financial income | 21 | 27 | 4,013,857,023 | 1,637,767,765 | 21,665,716,098 | 13,149,899,015 |
| Financial expenses | 22 | 28 | 4,968,347,886 | 207,408,170 | 17,490,061,145 | 7,408,164,037 |
| In which: Interest expense | 23 | | 3,003,703,798 | 485,871,737 | 13,916,484,149 | 1,932,055,489 |
| Selling expenses | 24 | | 1,531,644,278 | 1,105,496,277 | 3,049,403,916 | 2,643,020,890 |
| General and administration expenses | 25 | 29 | 15,218,392,194 | 17,577,491,108 | 53,116,659,956 | 60,080,371,052 |
| Net operating profit | 30 | | 33,379,458,413 | 36,785,092,056 | 182,871,068,228 | 156,912,422,026 |
| Other income | 31 | 30 | 705,413,343 | 945,147,188 | 1,684,347,557 | 6,362,525,501 |
| Other expenses | 32 | | 166,216,230 | 157,099,727 | 445,202,201 | 1,130,647,200 |
| Results of other activities | 40 | | 539,197,113 | 788,047,461 | 1,239,145,356 | 5,231,878,301 |

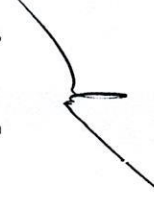
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Danang Port Joint Stock Company
Statement of income for quarter IV 2018 (continued)

Form B 02a – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| ITEMS | Code | Note | 4 th Quarter | | Accumulated from the beginning of the year to the end of this quarter | |
|------------------------------|------|------|-------------------------|----------------------|--|----------------------|
| | | | Current year VND | Previous year VND | Current year VND | Previous year VND |
| Accounting profit before tax | 50 | | 33,918,655,526 | 37,573,139,517 | 184,110,213,584 | 162,144,300,327 |
| Income tax expense – current | 51 | | 6,778,149,875 | 6,809,512,137 | 35,989,061,104 | 30,577,992,235 |
| Net profit after tax | 60 | | 27,140,505,651 | 30,763,627,380 | 148,121,152,480 | 131,566,308,092 |
| Earnings per share | 70 | | 274 | 466 | 1,496 | 1,993 |

Prepared by:


Ngo Quoc Van
Accountant

Approved by:


Nguyen Ngoc Tam
Head of Finance and Accounting Department




Nguyen Huu Sia
General Director

The accompanying notes are an integral part of these financial statements

Danang Port Joint Stock Company
Statement of cash flows for quarter IV 2018
(Indirect method)

Form B 03a – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| ITEMS | Code | Note | Accumulated from the beginning of the year to the end of this quarter | |
|--|-----------|------|--|--------------------------|
| | | | Current year VND | Previous year VND |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before tax | 01 | | 184,110,213,584 | 162,144,300,327 |
| Adjustments for | | | | |
| Depreciation and amortisation | 02 | | 123,390,993,172 | 103,577,743,999 |
| Allowances and provisions | 03 | | 213,794,070 | (2,390,827,060) |
| Exchange losses arising from revaluation of monetary items denominated in foreign currencies | 04 | | 2,700,883,315 | 3,964,599,407 |
| Profits from investing activities | 05 | | (19,114,166,230) | (16,404,793,468) |
| Interest expense | 06 | | 13,916,484,149 | 1,932,055,489 |
| Operating profit before changes in working capital | 08 | | 305,218,202,060 | 252,823,078,694 |
| Change in receivables | 09 | | 21,208,087,199 | 15,387,255,774 |
| Change in inventories | 10 | | (272,214,317) | (613,991,587) |
| Change in payables and other liabilities | 11 | | (88,371,243,560) | (38,773,767,771) |
| Change in prepaid expenses | 12 | | 146,354,564 | (150,111,224) |
| Interest paid | 14 | | (13,532,152,346) | (1,390,615,389) |
| Income tax paid | 15 | | (32,172,776,147) | (36,227,126,069) |
| Other payments for operating activities | 17 | | (14,338,359,778) | (17,800,229,855) |
| Net cash flows from operating activities | 20 | | 177,885,897,675 | 173,254,492,573 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | | (265,920,567,326) | (505,508,550,928) |
| Proceeds from disposals of fixed assets and other long-term assets | 22 | | - | 4,235,863,637 |
| Loans granted, purchases of debt instruments of other entities | 23 | | (334,760,217,808) | (73,401,722,717) |
| Collection of loans, proceeds from sales of debt instruments of other entities | 24 | | 156,200,000,000 | 182,193,647,161 |
| Equity investments in other entities | 25 | | - | (3,239,870,000) |
| Receipts of interests and dividends | 27 | | 12,467,370,948 | 15,333,112,846 |
| Net cash flows from investing activities | 30 | | (432,013,414,186) | (380,387,520,001) |

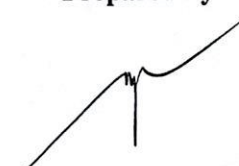
The accompanying notes are an integral part of these financial statements

Danang Port Joint Stock Company
Statement of cash flows for quarter IV 2018
(Indirect method – continued)

Form B 03a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| ITEMS | Code | Note | Accumulated from the beginning of the year to the end of this quarter | |
|---|-----------|----------|--|--------------------------|
| | | | Current year VND | Previous year VND |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Cash receipt from issuance of bonds or capital contributed by shareholders | 31 | | 329,785,000,000 | - |
| Proceeds from borrowings | 33 | | 124,601,927,037 | 122,838,325,000 |
| Payments to settle loan principals | 34 | | (109,326,591,023) | (14,127,651,887) |
| Payments of dividends | 36 | | (93,850,000,000) | (41,250,000,000) |
| Net cash flows from financing activities | 40 | | 251,210,336,014 | 67,460,673,113 |
| NET CASH FLOWS DURING THE YEAR | 50 | | (2,917,180,497) | (139,672,354,315) |
| Cash and cash equivalents at the beginning of the year | 60 | 4 | 140,951,996,201 | 280,624,734,208 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 61 | | - | (383,692) |
| Cash and cash equivalents at the end of the year | 70 | 4 | 138,034,815,704 | 140,951,996,201 |

Prepared by:



Ngo Quoc Van
Accountant

Approved by:



Nguyen Ngoc Tam
Head of Finance and Accounting Department




Nguyen Huu Sia
General Director

Danang Port Join Stock Company
Notes to the financial statements for quarter IV 2018

Form B 09a – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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

1. Reporting entity

Ownership structure

Danang Port Join Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam through transformation of the ownership form from a State-owned one-member limited liability company to a joint stock company under Decision No. 216/QĐ-HHVN dated 6 May 2014 of the Members’ Council of Vietnam National Shipping Lines.

Principal activities

In accordance with the Enterprise Registration Certificate of the Company, its registered activities comprise loading and unloading services, support services for waterway transportation and other transportation support services, warehousing and storage services, restaurant and catering services, trading of solid, liquid and gas fuels, retail of other goods in specialised shops and other services.

During the period, the Company’s principal activities include loading and unloading services, support services for waterway transportation and other transportation support services, warehousing and storage services.

Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

At as 31 December 2018, the Company had 653 employees (01/01/2018: 645 employees).

2. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

Basis of measurement

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

Accounting and presentation currency

The Company’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for financial statement presentation purpose.

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

Form B 09a – DN
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3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of the account transfer buying rates and selling rates at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Investments

Held-to-maturity investments

Held-to-maturity investments are those that the Company's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at costs less allowance for doubtful debts

Investments in associates

Investments in associates are initially recognized at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Investments in equity instruments of other entities

Investments in equity instruments of other entities are initially recognized at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventories.

Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

- | | |
|-----------------------|---------------|
| ▪ Building | 05 – 30 years |
| ▪ Plant and machinery | 05 – 20 years |
| ▪ Motor and vehicles | 05 – 10 years |
| ▪ Office equipment | 03 – 08 years |
| ▪ Other assets | 04 years |

Intangible fixed assets

Land use rights

Land use rights comprise:

- Those granted by the State for which land use payments are collected; and
- Those acquired in a legitimate transfer.

Indefinite term land use rights are stated at cost and not amortised.

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 2 to 3 years.

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

Investment property

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Directors. Expenditure incurred after the investment property has been put into operation, such as repairs and maintenance, is charged to the statement of income in the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property, the expenditure is capitalised as an additional cost of the investment property.

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. The estimated useful lives are as follows:

- Buildings: 25 years

Construction in progress

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

Prepaid expenses

Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis not over 2 years.

Business advantage

Business advantage arising from equalisation of state-owned enterprises are determined under Circular No. 202/2011/TT-BTC dated 30 December 2011 of the Ministry of Finance guiding financial treatment and enterprise valuation upon transformation from a 100% State-owned company into a joint stock company. Business advantage is amortised on over a period of 3 years.

Trade and other payables

Trade and other payables are stated at their cost.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

Share capital

Ordinary shares

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognized as a deduction from share premium.

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Revenue and other incomes

Goods sold

Revenue from the sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognized at the net amount after deducting sales discounts stated on the invoice.

Services rendered

Revenue from services rendered is recognised in the statement of income after completion of the services. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

Rental income

Rental income from leased property is recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income.

Interest income

Interest income is recognized on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

Dividend income

Dividend income is recognized when the right to receive dividend is established. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of income as an integral part of the total lease expense.

Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalized as part of the cost of the assets concerned.

Earnings per share

The Company presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Board of Directors determined that the Company primarily operates in only one business segment, which is port related services and one primary geographical segment, which is Vietnam, with similar economic, political and regulatory conditions.

Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018

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4. Cash and cash equivalents

| | 31/12/2018 | 01/01/2018 |
|------------------|------------------------|------------------------|
| | VND | VND |
| Cash on hand | 190,707,258 | 192,708,305 |
| Cash in banks | 4,413,657,725 | 7,719,917,049 |
| Cash equivalents | 133,430,450,721 | 133,039,370,847 |
| Total | 138,034,815,704 | 140,951,996,201 |

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

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5. Investments:

| | 31/12/2018 VND | | | 01/01/2018 VND | | |
|---|------------------------|------------------------|---|-----------------------|-----------------------|---|
| | Cost | Fair value | Allowance for diminution in value | Cost | Fair value | Allowance for diminution in value |
| Short-term investments | 179,760,217,808 | 179,760,217,808 | - | 1,200,000,000 | 1,200,000,000 | - |
| Held-to-maturity investments | 179,760,217,808 | 179,760,217,808 | - | 1,200,000,000 | 1,200,000,000 | - |
| Term deposits | 179,760,217,808 | 179,760,217,808 | - | 1,200,000,000 | 1,200,000,000 | - |
| Long-term investments | 33,854,147,149 | 33,854,147,149 | | 33,854,147,149 | 32,052,445,149 | (1,801,702,000) |
| Investments in associates | 30,089,813,149 | 30,089,813,149 | (1,942,636,200) | 30,089,813,149 | 30,089,813,149 | - |
| Da Nang Port Logistics JSC | 19,907,661,902 | 19,907,661,902 | - | 19,907,661,902 | 19,907,661,902 | - |
| Da Nang Port Tugboat JSC | 10,182,151,247 | 10,182,151,247 | - | 10,182,151,247 | 10,182,151,247 | - |
| Equity investments in other entities | 3,764,334,000 | 1,821,697,800 | (1,942,636,200) | 3,764,334,000 | 1,962,632,000 | (1,801,702,000) |
| Vietnam Vinalines Logistics JSC | 2,000,000,000 | 1,017,363,800 | (982,636,200) | 2,000,000,000 | 1,200,000,000 | (800,000,000) |
| Vietnam Maritime Commercial Stock Bank | 1,764,334,000 | 804,334,000 | (960,000,000) | 1,764,334,000 | 762,632,000 | (1,001,702,000) |

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

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6. Accounts receivable from customers - short-term

(a) Accounts receivable from customers detailed by significant customer

| | 31/12/2018 | 01/01/2018 |
|--------------------------------------|-----------------------|-----------------------|
| | VND | VND |
| Wanhai Lines Company Limited | 6,504,891,975 | 5,383,268,173 |
| Bien Dong Shipping Company Co.,LTD | 5,043,522,167 | 2,867,340,842 |
| Maersk Vietnam Company Limited | 5,348,407,100 | 6,184,251,543 |
| Thien Y Shipping Service Limited | 4,657,423,126 | - |
| SITC Container Lines Company Limited | 3,618,177,996 | 3,420,489,671 |
| Central Container JSC | 2,493,171,162 | 2,547,860,313 |
| Hoang Anh Khoi Company Limited | 3,438,907,130 | 2,122,086,225 |
| Vinafco Shipping JSC | 3,915,482,571 | 3,277,663,015 |
| CMA CGM Vietnam JSC | 3,338,361,345 | 2,295,119,095 |
| GLS Shipping JSC | 3,311,479,616 | 1,570,542,598 |
| Yang Ming Marine Transport Corp | 2,791,272,920 | 2,368,057,216 |
| Other customers | 46,169,552,524 | 37,079,090,895 |
| Total | 90,630,649,632 | 69,115,769,586 |

(b) Accounts receivable from customer who are related parties

| | 31/12/2018 | 01/01/2018 |
|--|----------------------|----------------------|
| | VND | VND |
| Bien Dong Shipping Company Limited | 5,043,522,167 | 2,867,340,842 |
| Vinalines Container Shipping Company | 1,461,935,026 | 2,711,999,586 |
| Branch of Vietnam Ocean Shipping Agency Corporation – Da Nang Shipping Agency | 766,102,806 | 393,955,020 |
| Total | 7,271,559,999 | 5,973,295,448 |

7. Prepayments to suppliers

Prepayments to suppliers detailed by significant suppliers

| | 31/12/2018 | 01/01/2018 |
|---|----------------------|-----------------------|
| | VND | VND |
| CiCa Vietnam Company Limited | 1,492,000,000 | - |
| Construction Consultation for Maritime Building JSC | 594,453,868 | 624,309,474 |
| Kocks Ardelt Kranbau GmbH | - | 30,924,108,600 |
| Other suppliers | 923,524,230 | 1,563,601,351 |
| Total | 3,009,978,098 | 33,112,019,425 |

Danang Port Joint Stock Company**Notes to the financial statements for quarter IV 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***8. Other receivables**

| | 31/12/2018 | 01/01/2018 |
|----------------------------------|----------------------|----------------------|
| | VND | VND |
| Advances | 376,885,071 | 613,160,576 |
| Accrued interest income | 4,073,538,200 | 549,966,000 |
| Receivables from employees | 314,450,000 | 350,000,000 |
| Dividends and profits receivable | 140,000,000 | 140,000,000 |
| Others | 102,620,341 | 613,720,052 |
| Total | 5,007,493,612 | 2,266,846,628 |

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

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9. Bad and doubtful debts

| | 31/12/2018 | | | | 01/01/2018 | | | |
|--|----------------|----------------------|----------------------|--------------------|----------------|----------------------|----------------------|--------------------|
| | VND | | VND | | VND | | VND | |
| | Overdue period | Cost | Allowance | Recoverable amount | Overdue period | Cost | Allowance | Recoverable amount |
| Hoa Phuong Do Transport JSC | > 3 years | 70,059,000 | 70,059,000 | - | > 3 years | 70,059,000 | 70,059,000 | - |
| Tan Loc Xanh JSC | > 3 years | 51,866,030 | 51,866,030 | - | > 3 years | 51,866,030 | 51,866,030 | - |
| THA Construction, Trading and Services JSC | > 3 years | 110,000,000 | 110,000,000 | - | > 3 years | 110,000,000 | 110,000,000 | - |
| Long Bao An Production, Trading and Services Co., Ltd. | > 3 years | 37,371,000 | 37,371,000 | - | > 3 years | 37,371,000 | 37,371,000 | - |
| Dong Xanh JSC | > 3 years | 63,122,695 | 63,122,695 | - | > 3 years | 63,122,695 | 63,122,695 | - |
| Hai Nam Shipping Company Limited | > 3 years | 20,343,020 | 20,343,020 | - | > 3 years | 20,343,020 | 20,343,020 | - |
| Nam Van Ly Co., Ltd. | > 3 years | 892,597,523 | 892,597,523 | - | 2-3 years | 892,597,523 | 624,818,266 | 267,779,257 |
| Hong Hoang Hong Investment JSC | > 3 years | 16,000,000 | 16,000,000 | - | 2-3 years | 16,000,000 | 11,200,000 | 4,800,000 |
| Ong Huynh Khong | > 3 years | 41,124,454 | 41,124,454 | - | 2-3 years | 41,124,454 | 28,787,118 | 12,337,336 |
| Dai Hiep Production, Trading and Services Co., Ltd. | | - | - | - | 1-2 years | 361,609,866 | 180,804,933 | 180,804,933 |
| Thang Long Construction and Mining Investment JSC | 1-2 years | 7,260,000 | 3,630,000 | 3,630,000 | 6 months | | | |
| | | | | | - 1 year | 7,260,000 | 2,178,000 | 5,082,000 |
| | | | | | Not overdue | | | |
| Lung Lo – VCCP Investment JSC | 1-2 years | 88,672,320 | 44,336,160 | 44,336,160 | | 88,672,320 | - | 88,672,320 |
| Total | | 1,398,416,042 | 1,350,449,882 | 47,966,160 | | 1,760,025,908 | 1,200,550,062 | 559,475,846 |

Danang Port Joint Stock Company**Notes to the financial statements for quarter IV 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***10. Inventories**

| | 31/12/2018 | | 01/01/2018 | |
|----------------------------|----------------------|-----------|----------------------|-----------|
| | VND | | VND | |
| | Cost | Allowance | Cost | Allowance |
| Raw materials | 9,559,933,007 | - | 9,194,131,471 | - |
| Tools and supplies | 162,759,251 | - | 187,213,586 | - |
| Merchandise inventories | 89,952,812 | - | 159,085,696 | - |
| Total | 9,812,645,070 | - | 9,540,430,753 | - |

Danang Port Join Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

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11. Tangible fixed assets

| | Buildings VND | Machinery and equipment VND | Motor vehicles VND | Office equipment VND | Others VND | Total VND |
|---------------------------------|--------------------------------|--|-------------------------------------|---------------------------------------|-----------------------------|----------------------------|
| Cost | | | | | | |
| Opening balance | 616,108,208,828 | 559,336,680,241 | 94,854,550,689 | 10,414,089,083 | 1,817,615,236 | 1,282,531,144,077 |
| Increase | 489,042,431,339 | 230,273,298,542 | 1,791,818,184 | 1,235,685,063 | - | 722,343,233,128 |
| Closing balance | 1,105,150,640,167 | 789,609,978,783 | 96,646,368,873 | 11,649,774,146 | 1,817,615,236 | 2,004,874,377,205 |
| Accumulated depreciation | | | | | | |
| Opening balance | 438,491,671,615 | 347,236,864,988 | 92,474,237,922 | 10,094,029,583 | 1,769,227,845 | 890,066,031,953 |
| Charge for the period | 57,874,371,114 | 62,970,381,872 | 2,113,270,785 | 373,452,186 | 17,624,760 | 123,349,100,717 |
| Closing balance | 496,366,042,729 | 410,207,246,860 | 94,587,508,707 | 10,467,481,769 | 1,786,852,605 | 1,013,415,132,670 |
| Net book value | | | | | | |
| Opening balance | 177,616,537,213 | 212,099,815,253 | 2,380,312,767 | 320,059,500 | 48,387,391 | 392,465,112,124 |
| Closing balance | 608,784,597,438 | 379,402,731,923 | 2,058,860,166 | 1,182,292,377 | 30,762,631 | 991,459,244,535 |

Included in tangible fixed assets were assets costing VND445,034 million which were fully depreciated as of 31 December 2018 (01/01/2018: VND376,073 million), but which are still in active use.

Danang Port Joint Stock Company**Notes to the financial statements for quarter IV 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***12. Intangible fixed assets**

| | Land use rights VND | Software VND | Total VND |
|---------------------------------|--------------------------------|-------------------------|----------------------|
| Cost | | | |
| Opening balance | 100,560,170,987 | 2,722,900,000 | 103,283,070,987 |
| Increase | - | 268,700,000 | 268,700,000 |
| Closing balance | 100,560,170,987 | 2,991,600,000 | 103,551,770,987 |
| Accumulated depreciation | | | |
| Opening balance | - | 2,722,900,000 | 2,722,900,000 |
| Charge for the period | - | 36,092,459 | 36,092,459 |
| Closing balance | - | 2,758,992,459 | 2,758,992,459 |
| Net book value | | | |
| Opening balance | 100,560,170,987 | - | 100,560,170,987 |
| Closing balance | 100,560,170,987 | 232,607,541 | 100,792,778,528 |

Included in intangible fixed assets were assets costing VND2,723 million which were fully amortised as of 31 December 2018 (01/01/2018: VND2,723 million), but which are still in use.

13. Investment property

| | Buildings VND | Total VND |
|---------------------------------|--------------------------|----------------------|
| Cost | | |
| Opening balance | 145,000,000 | 145,000,000 |
| Increase | - | - |
| Closing balance | 145,000,000 | 145,000,000 |
| Accumulated depreciation | | |
| Opening balance | 7,249,995 | 7,249,995 |
| Charge for the period | 5,799,996 | 5,799,996 |
| Closing balance | 13,049,991 | 13,049,991 |
| Net book value | | |
| Opening balance | 137,750,005 | 137,750,005 |
| Closing balance | 131,950,009 | 131,950,009 |

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

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14. Construction in progress

| | 31/12/2018 VND | 01/01/2018 VND |
|--|----------------------|------------------------|
| Tien Sa Port Upgrading/Expansion Project - Phase 2 | - | 456,479,077,349 |
| Logistics Center in Hoa Vang | 5,464,269,026 | 5,464,269,026 |
| Others | 333,938,636 | 546,227,089 |
| Total | 5,798,207,662 | 462,489,573,464 |

15. Prepaid expenses

| | 31/12/2018 VND | 01/01/2018 VND |
|-----------------------|----------------------|----------------------|
| Short-term | 1,352,831,895 | 1,398,406,511 |
| Tools and instruments | 297,360,090 | 432,927,095 |
| Insurance fees | 877,468,205 | 742,406,326 |
| Others | 178,003,600 | 223,073,090 |
| Long-term | 75,304,281 | 176,084,229 |
| Tools and instruments | 75,304,281 | 176,084,229 |

16. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

| | 31/12/2018 VND | | 01/01/2018 VND | |
|--|-----------------------|---|------------------------|---|
| | Cost | Amount within payment capacity | Cost | Amount within payment capacity |
| Phu Xuan Construction and Consultant JSC | 37,393,150,389 | 37,393,150,389 | 54,408,034,794 | 54,408,034,794 |
| Hanoi Water Construction JSC | 15,165,573,119 | 15,165,573,119 | 27,248,504,570 | 27,248,504,570 |
| Huynh Thy Trading and Services Co., Ltd. | 52,800,000 | 52,800,000 | 19,883,524,416 | 19,883,524,416 |
| Da Nang Port Tugboat JSC | 7,526,732,643 | 7,526,732,643 | 7,523,020,534 | 7,523,020,534 |
| Da Nang Port Logistics JSC | 3,575,753,731 | 3,575,753,731 | 2,226,238,685 | 2,226,238,685 |
| Petroleum Co., Ltd. – Region V | 1,161,643,925 | 1,161,643,925 | 605,410,519 | 605,410,519 |
| Others | 8,463,011,270 | 8,463,011,270 | 5,428,182,412 | 5,428,182,412 |
| Total | 73,338,665,077 | 73,338,665,077 | 117,322,915,930 | 117,322,915,930 |

Danang Port Joint Stock Company**Notes to the financial statements for quarter IV 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***(b) Accounts payable to suppliers who are related parties**

| | 31/12/2018 VND | | 01/01/2018 VND | |
|----------------------------|-----------------------|---|----------------------|---|
| | Cost | Amount within payment capacity | Cost | Amount within payment capacity |
| Da Nang Port Tugboat JSC | 7,526,732,643 | 7,526,732,643 | 7,523,020,534 | 7,523,020,534 |
| Da Nang Port Logistics JSC | 3,575,753,731 | 3,575,753,731 | 2,226,238,685 | 2,226,238,685 |
| Total | 11,102,486,374 | 11,102,486,374 | 9,749,259,219 | 9,749,259,219 |

17. Short-term advances from customers**Short-term advances from customers detailed by significant amount**

| | 31/12/2018 VND | | 01/01/2018 VND | |
|-------------------|----------------------|---|-----------------------|---|
| | Cost | Amount within payment capacity | Cost | Amount within payment capacity |
| MACS Maritime JSC | 5,246,566,142 | 5,246,566,142 | 11,209,538,319 | 11,209,538,319 |
| Other customers | 199,420,563 | 199,420,563 | 183,473,697 | 183,473,697 |
| Total | 5,445,986,705 | 5,445,986,705 | 11,393,012,016 | 11,393,012,016 |

18. Taxes and others payable to State Treasury

| | Opening balance VND | Incurred VND | Paid/ deducted VND | Closing balance VND |
|----------------------|---------------------------|------------------------|--------------------------|---------------------------|
| Value added tax | - | 68,500,684,372 | 68,500,684,372 | - |
| Corporate income tax | 2,961,864,918 | 36,593,868,120 | 32,172,776,147 | 7,382,956,891 |
| Personal income tax | 2,726,129,152 | 8,292,876,844 | 8,802,011,156 | 2,216,994,840 |
| Land tax | - | 5,551,853,123 | 3,787,825,463 | 1,764,027,660 |
| Others | - | 2,003,330,903 | 1,835,013,111 | 168,317,792 |
| Total | 5,687,994,070 | 120,942,613,362 | 115,098,310,249 | 11,532,297,183 |

Danang Port Joint Stock Company**Notes to the financial statements for quarter IV 2018 (continued)****Form B 09a – DN***(Issued under Circular No. 200/2014/TT-BTC
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| | 31/12/2018 | 01/01/2018 |
|------------------|----------------------|----------------------|
| | VND | VND |
| Interest expense | 1,516,952,820 | 1,132,621,017 |
| Total | 1,516,952,820 | 1,132,621,017 |

20. Other payables – short-term

| | 31/12/2018 | 01/01/2018 |
|--|-----------------------|-----------------------|
| | VND | VND |
| Subsidies for demolition and relocation | 1,597,938,600 | 1,597,938,600 |
| Trade union fees | 505,132,741 | 996,328,777 |
| Subsidies for discontinued production to employees | 382,427,460 | 382,427,460 |
| Dividend payables | 19,800,277,082 | 24,750,277,082 |
| Others | 769,094,155 | 534,719,050 |
| Total | 23,054,870,038 | 28,261,690,969 |

21. Long-term provisions

| | 31/12/2018 | 01/01/2018 |
|---------------------|----------------------|----------------------|
| | VND | VND |
| Severance allowance | 3,168,038,174 | 3,245,078,124 |
| Total | 3,168,038,174 | 3,245,078,124 |

Danang Port Joint Stock Company
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22. Borrowings

| | 31/12/2018 VND | | 01/01/2018 VND | |
|---|------------------------|-------------------------------------|------------------------|-------------------------------------|
| | Amount | Amount within repayment capacity | Amount | Amount within repayment capacity |
| Short-term borrowings | | | | |
| Vietnam Development Bank – Da Nang Branch (JPY) | 12,383,328,770 | 12,383,328,770 | 11,886,338,986 | 11,886,338,986 |
| Da Nang Development and Investment Fund (VND) | 12,383,328,770 | 12,383,328,770 | 11,886,338,986 | 11,886,338,986 |
| | 199,533,315,078 | 199,533,315,078 | - | - |
| Long-term borrowings | | | | |
| Vietnam Development Bank – Da Nang Branch (JPY) | 49,533,315,078 | 49,533,315,078 | 182,270,019,931 | 182,270,019,931 |
| Da Nang Development and Investment Fund (VND) | 150,000,000,000 | 150,000,000,000 | 59,431,694,931 | 59,431,694,931 |
| | | | 122,838,325,000 | 122,838,325,000 |
| Total | 211,916,643,848 | 211,916,643,848 | 194,156,358,917 | 194,156,358,917 |

23. Changes in owners' equity

| | Shared capital VND | Share premium VND | Investment and Development fund VND | Retained profits VND | Total VND |
|----------------------------|------------------------|----------------------|---|-------------------------|--------------------------|
| Opening balance | 660,000,000,000 | - | 112,277,977,776 | 98,072,970,440 | 870,350,948,216 |
| Increase during the period | 330,000,000,000 | - | 44,884,339,630 | 148,121,152,480 | 523,005,492,110 |
| Decrease during the period | - | (215,000,000) | - | (167,977,777,456) | (168,192,777,456) |
| Closing balance | 990,000,000,000 | (215,000,000) | 157,162,317,406 | 78,216,345,464 | 1,225,163,662,870 |

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Notes to the financial statements for quarter IV 2018 (continued)

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Details of owners' equity are as follows:

| | 31/12/2018 | | 01/01/2018 | |
|---------------------------------|------------------------|-----|------------------------|-----|
| | VND | | VND | |
| Vietnam National Shipping Lines | 742,500,000,000 | 75% | 495,000,000,000 | 75% |
| Others | 247,500,000,000 | 25% | 165,000,000,000 | 25% |
| Total | 990,000,000,000 | | 660,000,000,000 | |

24. Off balance sheet items

Foreign currencies

| | 31/12/2018 | 01/01/2018 |
|-----|-------------------|-------------------|
| USD | 22,653.33 | 7,691.53 |
| JPY | 44,000.00 | - |

25. Revenue from sales of goods and provision of services

Total revenue represents the gross value of goods sold and services rendered exclusive of value added tax.

| | Accumulated from the beginning of the year to the end of this quarter | |
|------------------------------------|--|------------------------|
| | Current year | Previous year |
| | VND | VND |
| Revenue from sales of goods | 14,866,474,721 | - |
| Revenue from provision of services | 680,807,779,573 | 601.447.223.364 |
| Total | 695,674,254,294 | 601.447.223.364 |

26. Cost of sales

| | Accumulated from the beginning of the year to the end of this quarter | |
|-------------------------------|--|------------------------|
| | Current year | Previous year |
| | VND | VND |
| Cost of goods sold | 13,860,606,731 | - |
| Cost of provision of services | 446,019,433,246 | 387.222.357.676 |
| Total | 459,880,039,977 | 387.222.357.676 |

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

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27. Financial income

| | Accumulated from the beginning of the year to the end of this quarter | |
|-------------------------------|--|-----------------------|
| | Current year VND | Previous year VND |
| Interest income from deposits | 14,562,457,430 | 8,692,132,946 |
| Dividends | 4,551,708,800 | 3,869,937,000 |
| Foreign exchange gains | 2,551,549,868 | 587,829,069 |
| Total | 21,665,716,098 | 13,149,899,015 |

28. Financial expenses

| | Accumulated from the beginning of the year to the end of this quarter | |
|---|--|----------------------|
| | Current year VND | Previous year VND |
| Foreign exchange losses | 3,418,698,703 | 5,509,361,622 |
| Interest expense | 13,916,484,149 | 1,932,055,489 |
| Provision/(reversal) of allowance for diminution in the value of investments | 140,934,200 | (40,000,000) |
| Other expenses | 13,944,093 | 6,746,926 |
| Total | 17,490,061,145 | 7,408,164,037 |

29. General and administration expenses

| | Accumulated from the beginning of the year to the end of this quarter | |
|---|--|-----------------------|
| | Current year VND | Previous year VND |
| Salary and salary deductions expenses | 33,124,591,828 | 32,092,393,493 |
| Depreciation and amortisation expenses | 912,218,164 | 1,348,667,687 |
| Outside services expenses | 1,265,342,076 | 1,998,287,519 |
| Materials and office supplies expenses | 967,098,128 | 1,244,816,354 |
| Provision of allowance for doubtful debts | 149,899,820 | 115,861,198 |
| Other expenses | 16,697,509,940 | 23,280,344,801 |
| Total | 53,116,659,956 | 60,080,371,052 |

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

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*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

30. Other income

| | Accumulated from the beginning of the year to the end of this quarter | |
|--------------------------------------|--|----------------------|
| | Current year VND | Previous year VND |
| Bonus for ship unloading capacity | 144,372,178 | 1,313,148,727 |
| Income from disposal of fixed assets | - | 3,842,723,522 |
| Others | 1,539,975,379 | 1,206,653,252 |
| Total | 1,684,347,557 | 6,362,525,501 |

31. Trading and business costs by element

| | Accumulated from the beginning of the year to the end of this quarter | |
|---|--|----------------------|
| | Current year VND | Previous year VND |
| Salary and salary deductions expenses | 182,852,231,841 | 165,992,712,731 |
| Depreciation and amortisation expenses | 123,389,543,173 | 103,571,944,003 |
| Outside services expenses | 117,637,192,038 | 97,135,374,646 |
| Materials and office supplies expenses | 25,367,514,465 | 26,199,209,410 |
| Provision of allowance for doubtful debts | 149,899,820 | 115,861,198 |
| Other expenses | 66,649,722,512 | 56,930,647,630 |

Danang Port Joint Stock Company
Notes to the financial statements for quarter IV 2018 (continued)

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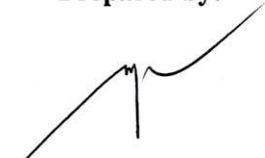
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

32. Significant transactions with related parties

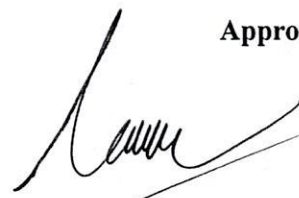
In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with related parties during the period:

| | Accumulated from the beginning of the year to the end of this quarter | |
|--|--|----------------------|
| | Current year VND | Previous year VND |
| Parent company | | |
| <i>Vietnam National Shipping Lines</i> | | |
| Dividends paid | 71,575,000,000 | 24,750,000,000 |
| Related companies | | |
| <i>Danang Port Logistics JSC</i> | | |
| Sales of goods and services | 3,617,752,423 | 3,708,416,475 |
| Purchase of goods and services | 26,086,195,211 | 22,737,769,840 |
| <i>Danang Port Tugboat JSC</i> | | |
| Sales of goods and services | 4,183,023,211 | 239,342,545 |
| Purchase of goods and services | 55,737,226,861 | 50,377,481,589 |
| <i>Bien Dong Shipping Company Limited</i> | | |
| Sales of services | 17,429,615,480 | 19,460,374,880 |
| <i>Vinalines Container Shipping Company</i> | | |
| Sales of services | 2,878,080,095 | 11,453,538,156 |
| <i>Branch of Vietnam Ocean Shipping Agency Corporation – Da Nang Shipping Agency</i> | | |
| Sales of services | 7,097,249,806 | 5,530,930,444 |
| <i>Vietnam Ocean Shipping JSC (VOSCO)</i> | | |
| Sales of services | 17,580,000 | 622,175,479 |
| Members of Board of Directors and Board of Management | | |
| Compensation | 4,786,036,803 | 5,319,168,741 |

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Nguyen Huu Sia
General Director