

Danang Port Join Stock Company

Financial Statements

Quarter I 2021

Danang Port Joint Stock Company
General Information

**Enterprise Registration
Certificate No.**

0400101972

08 August 2019

The Company's Enterprise Registration Certificate has been amended seven times, the most recent of which is by Enterprise Registration Certificate 0400101972 dated 08 August 2019. The Enterprise Registration Certificate was issued by Da Nang Department of Planning and Investment.

Board of Management

Mr. Phan Bao Loc

Member
(In charge of operating the
activities of the Board of
Management)

Mr. Le Quang Duc

Member

Mr. Nguyen Quang Dung

Member

Mr. Vu Quyet Thang

Member

Ms. Nguyen Thi Yen

Member

Mr Chen Yung Chan

Member

Supervisory Board

Ms. Phan Thi Nhi Ha

Chief

Mr. Nguyen Quang Phat

Member

Ms. Tran Thi Kieu Oanh

Member

Board of General Directors

Mr. Tran Le Tuan

General Director

Mr. Duong Duc Xuan

Vice General Director

Mr. Le Quang Duc

Vice General Director

Registered Office

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

Danang Port Join Stock Company
Balance sheet as at 31 March 2021

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

ASSETS	Code	Note	31/03/2021 VND	01/01/2021 VND
CURRENT ASSETS	100		727,455,844,860	686,824,773,292
Cash and cash equivalents	110	3	87,289,832,173	66,236,999,996
Cash	111		17,321,000,015	13,219,056,726
Cash equivalents	112		69,968,832,158	53,017,943,270
Short-term investments	120	4	437,925,116,964	441,875,185,921
Held-to-maturity investments	123		437,925,116,964	441,875,185,921
Short-term receivables	130		159,324,761,197	128,692,256,392
Short-term trade receivables	131	5	142,270,569,141	117,440,258,369
Short-term prepayments to suppliers	132	6	10,925,135,404	6,791,122,320
Other short-term receivables	136	7	7,973,557,757	6,305,376,808
Provision for short-term doubtful debts	137	8	(1,844,501,105)	(1,844,501,105)
Inventories	140	9	17,568,122,320	20,430,590,390
Inventories	141		17,568,122,320	20,430,590,390
Other current assets	150		25,348,012,206	29,589,740,593
Short-term prepaid expenses	151	14	4,165,459,023	2,980,326,140
Deductible value added tax	152		19,257,673,355	22,269,309,796
Taxes and other receivables from the State budget	153		1,924,879,828	4,340,104,657
NON-CURRENT ASSETS	200		1,007,944,934,993	1,033,315,865,000
Fixed assets	220		944,488,565,776	970,333,989,289
Tangible fixed assets	221	10	841,832,973,241	867,864,100,448
Historical costs	222		2,077,452,913,043	2,073,826,511,633
Accumulated depreciation	223		(1,235,619,939,802)	(1,205,962,411,185)
Intangible fixed assets	227	11	102,655,592,535	102,469,888,841
Historical costs	228		106,344,044,787	105,939,044,787
Accumulated amortisation	229		(3,688,452,252)	(3,469,155,946)
Investment properties	230	12	118,900,018	120,350,017
Historical costs	231		145,000,000	145,000,000
Accumulated depreciation	232		(26,099,982)	(24,649,983)
Long-term work in progress	240		17,259,571,770	16,827,434,746
Construction in progress	242	13	17,259,571,770	16,827,434,746
Long-term investments	250	4	32,646,418,128	32,615,481,149
Investments in associates	252		30,089,813,149	30,089,813,149
Equity investments in other entities	253		3,795,270,979	3,764,334,000
Provision for devaluation of long-term investments	254		(1,238,666,000)	(1,238,666,000)
Other long-term assets	260		13,431,479,301	13,418,609,799
Long-term prepaid expenses	261	14	12,205,455,141	12,192,585,639
Deferred income tax assets	262		1,115,216,160	1,115,216,160
Long-term tools, supplies and spare parts	263		110,808,000	110,808,000
TOTAL ASSETS	270		1,735,400,779,853	1,720,140,638,292

The accompanying notes are an integral part of these financial statements

Danang Port Join Stock Company
Balance sheet as at 31 March 2021 (continued)

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

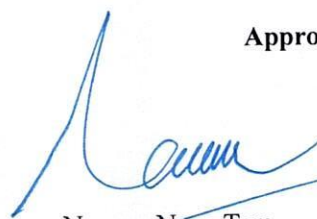
RESOURCES	Code	Note	31/03/2021 VND	01/01/2021 VND
LIABILITIES	300		269,376,818,351	314,408,557,109
Current liabilities	310		110,113,062,182	137,475,072,132
Short-term trade payables	311	15	35,103,274,115	40,516,321,768
Short-term prepayments from customers	312	16	743,310,039	588,251,594
Taxes and other payables to State budget	313	17	15,153,677,327	14,439,736,571
Payables to employees	314		33,164,672,331	50,086,798,765
Short-term accrued expenses	315	18	1,055,574,394	1,944,767,221
Other short-term payables	319	19	1,570,492,007	993,168,574
Short-term borrowings and finance lease liabilities	320	20	12,842,504,113	13,466,742,488
Bonus and welfare funds	322		10,479,557,856	15,439,285,151
Non-current liabilities	330		159,263,756,169	176,933,484,977
Long-term borrowings and finance lease liabilities	338	20	159,263,756,169	176,933,484,977
EQUITY	400		1,466,023,961,502	1,405,732,081,183
Owner's equity	410	21	1,466,023,961,502	1,405,732,081,183
Contributed capital	411		990,000,000,000	990,000,000,000
Ordinary shares with voting rights	411a		990,000,000,000	990,000,000,000
Share premium	412		(215,000,000)	(215,000,000)
Investment and development funds	418		206,564,982,414	206,564,982,414
Retained earnings	421		269,673,979,088	209,382,098,769
Retained earnings brought forward	421a		209,382,098,769	209,382,098,769
Retained earnings of the current year	421b		60,291,880,319	-
TOTAL RESOURCES	440		1,735,400,779,853	1,720,140,638,292

Prepared by:



Ngo Quoc Van
Accountant

Approved by:



Nguyen Ngoc Tam
Head
of Finance and Accounting Department



Tran Le Tuan
General Director

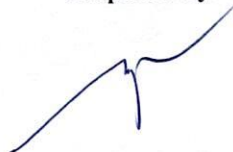
The accompanying notes are an integral part of these financial statements

Danang Port Joint Stock Company
Statement of income for quarter I 2021

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

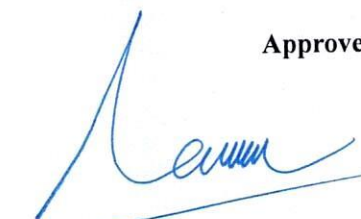
ITEMS	Code	Note	Accumulated from the beginning of the year to the end of this quarter Current year VND	Previous year VND
Revenue from sales of goods and provision of services	01	24	265,280,105,047	224,451,180,505
Revenue deductions	02		-	30,519,350
Net revenue	10		265,280,105,047	224,420,661,155
Cost of sales of goods and provision of services	11	25	170,082,267,367	144,658,260,772
Gross profit	20		95,197,837,680	79,762,400,383
Financial income	21	26	7,147,506,379	7,589,737,167
Financial expenses	22	27	2,929,166,918	2,893,792,121
<i>In which: Interest expense</i>	23		2,742,552,813	2,854,288,903
Selling expenses	24		3,364,626,515	683,926,171
General and administration expenses	25	28	21,007,829,922	13,682,521,984
Net operating profit	30		75,043,720,704	70,091,897,274
Other income	31		108,629,695	49,739,393
Other expenses	32		-	-
Results of other activities	40		108,629,695	49,739,393
Accounting profit before tax	50		75,152,350,399	70,141,636,667
Income tax expense – current	51		14,860,470,080	14,046,069,116
Net profit after tax	60		60,291,880,319	56,095,567,551
Earnings per share	70		609	567

Prepared by:



Ngo Quoc Van
Accountant

Approved by:



Nguyen Ngoc Tam
Head
of Finance and Accounting Dept.



Trần Lê Tuan
General Director

The accompanying notes are an integral part of these financial statements

Danang Port Joint Stock Company
Statement of cash flows for quarter I 2021
(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		75,152,350,399	70,141,636,667
Adjustments for				
Depreciation and amortisation	02		29,878,274,922	29,259,812,771
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		(1,560,595,939)	(1,134,509,799)
Profits from investing activities	05		(5,043,154,591)	(5,980,578,554)
Interest expense	06		2,742,552,813	3,164,476,167
Operating profit before changes in working capital	08		101,169,427,604	95,450,837,252
Change in receivables	09		(20,245,916,240)	(11,165,374,391)
Change in inventories	10		2,862,468,070	(2,418,415,660)
Change in payables and other liabilities	11		(30,543,181,247)	(20,061,582,169)
Change in prepaid expenses	12		(1,198,002,385)	(23,855,088)
Interest paid	14		(3,052,119,664)	(2,854,288,903)
Income tax paid	15		(10,745,493,557)	(9,233,757,957)
Other payments for operating activities	17		(4,959,727,295)	(3,504,287,000)
Net cash flows from operating activities	20		33,287,455,286	46,189,276,084
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(4,463,538,434)	(9,854,572,200)
Loans granted, purchases of debt instruments of other entities	23		(33,840,704,391)	(51,062,164,369)
Collection of loans, proceeds from sales of debt instruments of other entities	24		37,790,773,348	26,297,319,351
Payments for investments in other entities	25		(168,383,000)	-
Collections from investments in other entities	26		137,446,021	-
Receipts of interests and dividends	27		5,043,154,591	2,533,920,054
Net cash flows from investing activities	30		4,498,748,135	(32,085,497,164)

The accompanying notes are an integral part of these financial statements

Danang Port Joint Stock Company
Statement of cash flows for quarter I 2021
(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				
Payments to settle loan principals	34		(16,733,371,244)	(6,358,828,219)
Payments of dividends	36		-	-
Net cash flows from financing activities	40		(16,733,371,244)	(6,358,828,219)
NET CASH FLOWS DURING THE PERIOD	50		21,052,832,177	7,744,950,701
Cash and cash equivalents at the beginning of the period	60	3	66,236,999,996	36,465,358,542
Effect of exchange rate fluctuations on cash and cash equivalents	61		-	41,376,960
Cash and cash equivalents at the end of the period	70	3	87,289,832,173	44,251,686,203

Prepared by:


Ngo Quoc Van
Accountant

Approved by:


Nguyen Ngoc Tam
Head
of Finance and Accounting Department




Tran Le Tuan
General Director

The accompanying notes are an integral part of these financial statements

Danang Port Joint Stock Company
Notes to the financial statements for quarter 2021

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. General information of the Company

Form of ownership

Danang Port Joint Stock Company is incorporated on a basis of 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 06 May 2014 of the Members Council of Vietnam National Shipping Lines. The Company is established and operates activities under Business Registration Certificate No. 3204000379 issued by Da Nang Authority for Planning and Investment for the first time on 01 April 2008, 7th re-registered on 08 August 2019.

The Company's head office is located at: No. 26 Bach Dang, Thach Thang Ward, Hai Chau District, Da Nang City.

Company's Charter capital is VND 990,000,000,000; actual contributed Charter capital on 31 March 2021 is VND 990,000,000,000; equivalent to 99,000,000 shares with the price of VND 10,000 per share.

Business field

Cargo handling, Service activities incidental to water transportation and other transportation support activities, warehousing and storage services, petroleum business.

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.

2. Accounting system and accounting policy

Accounting period and accounting currency

Annual accounting period commences from 1 January and ends as at 31 December.

The Company maintains its accounting records in VND.

Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

Declaration of compliance with Accounting Standards and Accounting System

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

Basis for preparation of Financial Statements

Financial Statements are presented based on historical cost principle.

Financial Statements of the Company are prepared based on summarization of transactions incurred, then recorded into accounting books of dependent accounting entities and at the offices of the Company.

In Financial Statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payable are/are not eliminated in full.

Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

There are currently no regulations on the revaluation of financial instruments after initial recognition.

Foreign currency transactions

The foreign currency transactions during the year are translated into Vietnam Dong using the real exchange rate ruling at the transaction date. Real exchange rates are determined under the following principles:

- When recording receivables, applying the bid rate of the commercial bank stipulated by the Company for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Company expects to conduct transactions at the transaction time;

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Interim Financial Statements is determined under the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Company regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Company opens its foreign currency accounts;

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

- For liability accounts, applying the offer rate of the commercial bank where the Company regularly conducts transaction.

All exchange differences arising from foreign currency transactions in the year and from revaluation of remaining foreign currency monetary items at the end of the year are recorded immediately to operating results of the accounting period. In which exchange difference gains due to revaluation of closing balance of monetary items denominated in foreign currencies cannot be used for profit distribution or dividends.

Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

Financial investments

Investments held to maturity comprise term deposits (including treasury bills and promissory notes), bonds, preference shares which the issuer is required to repurchase at a certain time in the future and loans, etc. held to maturity to earn profits periodically and other held to maturity investments.

Investments in subsidiaries, joint ventures or associates are initially recognized at original cost. After initial recognition, the value of these investments is measured at original cost less provision for devaluation of investments.

Equity Investments in other entities comprise investments in equity instruments of other entities without having control, joint control, or significant influence on the investee. These investments are initially stated at original cost. After initial recognition, these investments are measured at original cost less provision for devaluation of investments.

Provision for devaluation of investments is made at the end of the period as follows:

- With regard to investments in subsidiaries, joint ventures or associates and investments in other units: the provisions shall be made based on the Financial statement of subsidiaries, joint ventures, associates at the provision date.
- With regard to long-term investments (other than trading securities) without significant influence on the investee: If the investment is made in listed shares or the fair value of the investment is determined reliably, the provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, the provision shall be made based on the Financial Statements at the provision date of the investee.
- With regard to investments held to maturity: the provision for doubtful debts shall be made based on the recovery capacity in accordance With statutory regulations.

Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company.

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual method.

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

Fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

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

- Buildings, structures	05 – 30 years
- Machinery, equipment	04 – 20 years
- Vehicles, Transportation equipment	05 – 10 years
- Office equipment and furniture	03 – 08 years
- Other fixed assets	03 – 05 years
- Management software	03 – 05 years

Intangible fixed assets are indefinite term land use rights that are not amortized.

Investment properties

Investment properties are initially recognized at historical cost.

Investment properties held for operating lease are recorded at cost, accumulated depreciation and carrying amount. Investment properties are depreciated using the straight-line method with expected useful life as follows:

- Buildings, structures	25 years
-------------------------	----------

Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognized in historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and put into use.

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

Business Cooperation Contract (BCC)

Business Cooperation Contract (BCC) means a cooperation contract between two or more venturers in order to carry out specific business activities, but it does not require establishment of a new legal entity. Those activities may be jointly controlled by venturers under BCC or controlled by one of them.

In case of receiving money or assets from other entities in the BCC, they should be recorded as payables. In case of contributing money or assets to BCC, they should be recorded as receivables. During the process of operating BCC, depending on the form of BCC, the accounting methods are adopted as follows:

BCC in the form of shares of post-tax profits:

According to the terms of BCC, the Company will be receiving the fixed profit every year, irrespective of the contract's operating results, records revenue from property leasing with the amount shared by BCC when receiving announcement from BCC.

Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria. Prepaid expenses are allocated gradually into operating expenses on the straight-line basis.

Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company.

Borrowings

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings denominated in foreign currency, they shall be recorded in details in terms of types of currency.

Borrowing costs

Borrowing costs are recognized as operating expenses in the period, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

Accrued expenses

Accrued expenses are interest expenses, which are recorded as operating expenses of the reporting period.

The recording of accrued expenses as operating expenses during the period shall be carried out under the matching principle between revenues and expenses during the period. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Company. In case dividend payment or profit distribution for the owners exceeds the net profit, the difference shall be recorded as a decrease in contributed capital. Net profit can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders and after being appropriated to funds in accordance with the Company's Articles of Incorporation and Vietnamese statutory requirements.

The Company's retained earnings is distributed to other funds according to recommendation of the Board of Management and approval of shareholders at annual General Meeting of Shareholders:

- Development and Investment funds: The fund is reserved for the purpose of business expansion or in depth Investment.
- Bonus and welfare fund and bonus for the Board of Directors: The fund is reserved for the purpose of bonus, material incentives, common benefit and increasing welfare for employees and presented as a liability on the Interim Statement of Financial position.

Dividends to be paid to shareholders are recognized as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Management and announcement of cut-off date for dividend payment of Vietnam Securities Depository Center.

Revenue

Sale of goods

Revenue from the sale of goods shall be recognized when all of the following conditions have been satisfied:

- Significant risks and rewards associated with the ownership of the goods have been transferred to the buyer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

Rendering of services

Revenue from rendering of services shall be recognized when all the following conditions have been satisfied:

- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of the completion of the transaction may be determined by evaluating the volume of work performed.

Revenue from operating lease

Revenue from operating lease mainly includes renting office, which are charged to income statement on a straight-line basis over the period of the leases under leasing contract.

Financial income

Revenue arising from the use by the others of the Company's assets yielding interest, royalties and dividends shall be recognized when:

- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The amount of the revenue can be measured reliably.

Dividend income shall be recognized when the Company's right to receive dividend is established.

Revenue deductions

Revenue deductions from sales and service provisions arising in the period include: Trade discounts.

Trade discount incurred in the same period of sale of goods and rendering of services are recorded as a decrease in revenue in the incurring period. In case goods and services are sold in the previous periods, but until the next period they are incurred as deductible items, the Company records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Financial Statements, it is then recorded as a decrease in revenue on the Financial Statements of the reporting period (the previous period); and if it is incurred after the issuance of Financial Statements, it is recorded as a decrease in revenue of incurring period (the next period).

Cost of goods sold

The recognition of cost of goods sold is matched against revenue in the period and complies with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the period.

Financial expenses

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

- Losses from the disposal and transfer of short-term securities, transaction cost of selling securities;
- Provision for diminution in value of trading securities price; provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc.

The above items are recorded by the total amount arising in the period without offsetting against financial income.

Corporate income tax

Deferred income tax asset

Deferred income tax asset is recognized for deductible temporary differences and the carrying forward of unused tax losses and unused tax credits. Deferred income tax liability is recognized for taxable temporary differences.

Deferred income tax asset is determined based on tax rates and tax laws enacted at the end of accounting period.

Current corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate.

Current corporate income tax rate

The Company applies the corporate income tax rate of 20% for the operating activities which has taxable income for the period from 01/01/2021 to 31/03/2021.

Earnings per share

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund and allowance for Board of Directors) by the weighted average number of ordinary shares outstanding during the period.

Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Interim Financial Statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

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

3. Cash and cash equivalents

	31/03/2021	01/01/2021
	VND	VND
Cash on hand	591,625,559	259,987,626
Cash in banks	16,729,374,456	12,959,069,100
Cash equivalents	69,968,832,158	53,017,943,270
Total	87,289,832,173	66,236,999,996

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

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

4. Investments

	31/03/2021 VND			01/01/2021 VND		
	Cost	Fair value	Allowance for diminution in value	Cost	Fair value	Allowance for diminution in value
Short-term investments	437,925,116,964	437,925,116,964	-	441,875,185,921	441,875,185,921	-
Held-to-maturity investments	437,925,116,964	437,925,116,964	-	441,875,185,921	441,875,185,921	-
Term deposits	437,925,116,964	437,925,116,964	-	441,875,185,921	441,875,185,921	-
Long-term investments	33,885,084,128	32,646,418,128	(1,238,666,000)	33,854,147,149	32,615,481,149	(1,238,666,000)
Investments in associates	30,089,813,149	30,089,813,149	-	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	3,795,270,979	2,556,604,979	(1,238,666,000)	3,764,334,000	2,525,668,000	(1,238,666,000)
Vietnam Vinalines Logistics JSC	2,000,000,000	761,334,000	(1,238,666,000)	2,000,000,000	761,334,000	(1,238,666,000)
Vietnam Maritime Commercial Stock Bank	1,795,270,979	1,795,270,979	-	1,764,334,000	1,764,334,000	-

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

5. Short-term trade receivable

(a) Short-term trade receivable detailed by significant customer

	31/03/2021	01/01/2021
	VND	VND
CMA-CGM SA C/O CMA-CGM Viet Nam Jsc	5,560,048,644	8,911,727,682
Evergreen Vietnam Ltd	10,848,333,259	2,678,307,912
Sealand Maersk Asia Pte. Ltd.	8,126,914,622	8,436,790,916
SITC Vietnam Ltd	7,669,864,527	10,624,662,782
Wanhai Lines Ltd	6,636,202,236	5,683,245,531
Maersk A/S	6,357,602,898	3,859,460,871
GLS Shipping JSC	4,451,033,409	4,509,289,613
Cosco Shipping Lines (Vietnam)	5,818,440,679	4,050,899,917
Donghong Logistics (Hongkong) Limited	7,998,297,920	3,943,211,735
Other customers	78,803,830,947	64,742,661,410
Total	142,270,569,141	117,440,258,369

(b) Short-term trade receivable who are related parties

	31/03/2021	01/01/2021
	VND	VND
Bien Dong Shipping Company Limited	8,737,900	5,573,400
VIMC Shipping Company	2,956,423,047	1,838,296,061
Branch of Vietnam Ocean Shipping Agency Corporation – Da Nang Shipping Agency	354,335,054	-
Total	3,319,496,001	1,843,869,461

6. Short-term prepayments to suppliers

Short-term prepayments to suppliers detailed by significant suppliers

	31/03/2021	01/01/2021
	VND	VND
Construction Consultation for Maritime Building JSC	1,729,575,579	955,465,134
Viet Nga Equipment Co., Ltd	3,360,000,000	-
Goldbell Equipment (Vietnam) Co., Ltd.	857,600,000	1,814,400,000
Total Soft Bank Vietnam Compnay Limited	2,580,000,000	2,580,000,000
Other suppliers	2,397,959,825	1,441,257,186
Total	10,925,135,404	6,791,122,320

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

(b) Short-term prepayments who are related parties

	31/03/2021	01/01/2021
	VND	VND
Maritime Project Management Unit - VIMC	851.216.850	-
Total	851.216.850	-

7. Other short-term receivables

	31/03/2021	01/01/2021
	VND	VND
Advances	714,908,032	168,056,532
Accrued interest income	6,050,901,300	5,682,308,000
Others	1,207,748,425	455,012,276
Total	7,973,557,757	6,305,376,808

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

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

8. Bad and doubtful debts

	Overdue period	31/03/2021 VND			Overdue period	01/01/2021 VND		
		Cost	Allowance	Recoverable amount		Cost	Allowance	Recoverable amount
Mr Huynh Khong	> 3 years	41,124,454	41,124,454	-	> 3 years	41,124,454	41,124,454	-
Hong Hoang Hong Investment JSC	> 3 years	16,000,000	16,000,000	-	> 3 years	16,000,000	16,000,000	-
Thang Long Construction and Mining Investment JSC	> 3 years	7,260,000	7,260,000	-	> 3 years	7,260,000	7,260,000	-
Dana Uc Steel JSC	2-3 years	2,335,853,219	1,635,097,253	700,755,966	1-2 years	2,335,853,219	1,635,097,253	700,755,966
Viet Phap Steel Co., Ltd	2-3 years	160,480,968	112,336,678	48,144,290	1-2 years	160,480,968	112,336,678	48,144,290
Trung Hung Shipping And Technical Trading JSC	2-3 years	46,689,600	32,682,720	14,006,880	1-2 years	46,689,600	32,682,720	14,006,880
Total		2,607,408,241	1,844,501,105	762,907,136		2,607,408,241	1,844,501,105	762,907,136

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

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

9. Inventories

	31/03/2021		01/01/2021	
	VND		VND	
	Cost	Allowance	Cost	Allowance
Raw materials	16,725,129,121	-	16,667,228,880	-
Tools and supplies	50,909,766	-	50,909,766	-
Merchandise inventories	792,083,433	-	3,712,451,744	-
Total	17,568,122,320	-	20,430,590,390	-

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

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

10. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Cost						
Opening balance	1,136,763,497,422	848,398,695,312	79,698,423,058	8,965,895,841	-	2,073,826,511,633
- Newly-purchased	-	845,310,500	2,725,454,546	55,636,364	-	3,626,401,410
Closing balance	1,136,763,497,422	849,244,005,812	82,423,877,604	9,021,532,205	-	2,077,452,913,043
Accumulated depreciation						
Opening balance	596,257,592,630	563,409,048,339	42,081,656,810	4,214,113,406	-	1,205,962,411,185
- Charge for the period	12,478,004,589	14,690,232,725	1,930,517,619	558,773,684	-	29,657,528,617
Closing balance	608,735,597,219	578,099,281,064	44,012,174,429	4,772,887,090	-	1,235,619,939,802
Net book value						
Opening balance	540,505,904,792	284,989,646,973	37,616,766,248	4,751,782,435	-	867,864,100,448
Closing balance	528,027,900,203	271,144,724,748	38,411,703,175	4,248,645,115	-	841,832,973,241

Included in tangible fixed assets were assets costing VND604,983 million which were fully depreciated as of 31 March 2021 (01/01/2021: VND604,475 million), but which are still in active use.

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

11. Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Cost			
Opening balance	100,560,170,987	5,378,873,800	105,939,044,787
- Increase	-	405,000,000	405,000,000
Closing balance	100,560,170,987	5,783,873,800	106,344,044,787
Accumulated depreciation			
Opening balance	-	3,469,155,946	3,469,155,946
- Charge for the period	-	219,296,306	219,296,306
Closing balance	-	3,688,452,252	3,688,452,252
Net book value			
Opening balance	100,560,170,987	1,909,717,854	102,469,888,841
Closing balance	100,560,170,987	2,095,421,548	102,655,592,535

Included in intangible fixed assets were assets costing VND2,753 million which were fully amortised as of 31 March 2021 (01/01/2021: VND2,723 million), but which are still in use.

12. 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	24,649,983	24,649,983
- Charge for the period	1,449,999	1,449,999
Closing balance	26,099,982	26,099,982
Net book value		
Opening balance	120,350,017	120,350,017
Closing balance	118,900,018	118,900,018

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

13. Construction in progress

	31/03/2021	01/01/2021
	VND	VND
Logistics Center in Hoa Vang	13,139,428,058	12,793,265,059
E-port software	1,176,000,000	1,176,000,000
Others	2,944,143,712	2,858,169,687
Total	17,259,571,770	16,827,434,746

14. Prepaid expenses

	31/03/2021	01/01/2021
	VND	VND
Short-term	4,165,459,023	2,980,326,140
Tools and instruments	2,049,236,830	1,782,667,650
Insurance expense	1,827,785,892	816,986,244
Others	288,436,301	380,672,246
Long-term	12,205,455,141	12,192,585,639
Tools and instruments	672,987,907	643,654,379
Others	11,532,467,234	11,548,931,260

15. Short-term trade payables

(a) Short-term trade payables detailed by significant suppliers

	31/03/2021		01/01/2021	
	VND		VND	
	Cost	Amount within payment capacity	Cost	Amount within payment capacity
Da Nang Port Tugboat JSC	8,428,160,753	8,428,160,753	8,823,669,139	8,823,669,139
Da Nang Port Logistics JSC	6,626,886,367	6,626,886,367	7,344,379,788	7,344,379,788
Sang Ban Mai JSC	-	-	6,955,465,000	6,955,465,000
Da Nang Port Construction and Trading JSC	1,683,003,072	1,683,003,072	1,260,042,250	1,260,042,250
Navaco Limited	5,702,996,742	5,702,996,742	4,154,953,607	4,154,953,607
Others	12,662,227,181	12,662,227,181	11,977,811,984	11,977,811,984
Total	35,103,274,115	35,103,274,115	40,516,321,768	40,516,321,768

Danang Port Join Stock Company
Notes to the financial statements for quarter I 2021 (continued)

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

(b) Short-term trade payables who are related parties

	31/03/2021 VND		01/01/2021 VND	
	Cost	Amount within payment capacity	Cost	Amount within payment capacity
Da Nang Port Tugboat JSC	8,428,160,753	8,428,160,753	8,823,669,139	8,823,669,139
Da Nang Port Logistics JSC	6,626,886,367	6,626,886,367	7,344,379,788	7,344,379,788
Total	15,055,047,120	15,055,047,120	16,168,048,927	16,168,048,927

16. Short-term prepayments from customers

Short-term prepayments from customers detailed by significant amount

	31/03/2021 VND		01/01/2021 VND	
	Cost	Amount within payment capacity	Cost	Amount within payment capacity
Other customers	743,310,039	743,310,039	588,251,594	588,251,594
Total	743,310,039	743,310,039	588,251,594	588,251,594

17. Taxes and other payables to State budget

	Tax payable/ (receivable) at the beginning of period VND	Incurring VND	Paid/ deducted VND	Tax payable/ (receivable) at the end of period VND
Value added tax	-	12,956,605,695	12,956,605,695	-
Corporate income tax	10,745,493,557	14,860,470,080	10,745,493,557	14,860,470,080
Personal income tax	3,694,243,014	4,976,291,480	8,377,327,247	293,207,247
Land tax	(4,340,104,657)	2,415,224,829	-	(1,924,879,828)
Others	-	4,000,000	4,000,000	-
Total	10,099,631,914	35,212,592,084	32,083,426,499	13,228,797,499

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

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

18. Short-term accrued expenses

	31/03/2021	01/01/2021
	VND	VND
Interest expense	1,055,574,394	1,365,141,245
Others	-	576,444,158
Total	1,055,574,394	1,941,585,403

19. Other short-term payables

	31/03/2021	01/01/2021
	VND	VND
Trade union fees	527,101,602	422,796,342
Dividend payables	277,082	277,082
Others	1,043,113,323	570,095,150
Total	1,570,492,007	993,168,574

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

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

20. Borrowings and finance lease liabilities

	31/03/2021 VND		01/01/2021 VND	
	Amount	Amount within repayment capacity	Amount	Amount within repayment capacity
Short-term borrowings	12,842,504,113	12,842,504,113	13,466,742,488	13,466,742,488
Vietnam Development Bank – Da Nang Branch (JPY)	12,842,504,113	12,842,504,113	13,466,742,488	13,466,742,488
Long-term borrowings	159,263,756,169	159,263,756,169	176,933,484,977	176,933,484,977
Vietnam Development Bank – Da Nang Branch (JPY)	19,263,756,169	19,263,756,169	26,933,484,977	26,933,484,977
Da Nang Development and Investment Fund (VND)	140,000,000,000	140,000,000,000	150,000,000,000	150,000,000,000
Total	172,106,260,282	172,106,260,282	190,400,227,465	190,400,227,465

21. Changes in owner's equity

	Shared capital VND	Share premium VND	Investment and Development fund VND	Retained profits VND	Total VND
Opening balance	990,000,000,000	(215,000,000)	206,564,982,414	209,382,098,769	1,405,732,081,183
Increase during the period	-	-	-	60,291,880,319	60,291,880,319
Decrease during the period	-	-	-	-	-
Closing balance	990,000,000,000	(215,000,000)	206,564,982,414	269,673,979,088	1,466,023,961,502

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

Details of owners' equity are as follows:

	31/03/2021		01/01/2021	
	VND		VND	
Vietnam Maritime Corporation	742,500,000,000	75%	742,500,000,000	75%
Others	247,500,000,000	25%	247,500,000,000	25%
Total	990,000,000,000		990,000,000,000	

22. Off balance sheet items

Foreign currencies

	31/03/2021	01/01/2021
USD	467,721.72	379,064.07
JPY	44,000.00	44,000.00

Doubtful debts written off

	31/03/2021	01/01/2021
	VND	VND
Doubtful debts written off	352,761,745	352,761,745

23. 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	3,390,184,556	2,891,111,250
Revenue from provision of services	261,889,920,491	221,560,069,255
Total	265,280,105,047	224,451,180,505

24. 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	3,174,403,293	2,723,363,160
Cost of provision of services	166,907,864,074	141,934,897,612
Total	170,082,267,367	144,658,260,772

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

25. 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	5,043,154,591	5,980,578,554
Profit from payments for investment	176,453,979	-
Foreign exchange gains	1,927,897,809	1,609,158,613
Total	7,147,506,379	7,589,737,167

26. Financial expenses

	Accumulated from the beginning of the year to the end of this quarter	
	Current year VND	Previous year VND
Foreign exchange losses	186,614,105	39,503,218
Provision for loss in investments	2,742,552,813	2,854,288,903
Total	2,929,166,918	2,893,792,121

27. General and administration expenses

	Accumulated from the beginning of the year to the end of this quarter	
	Current year VND	Previous year VND
Labour expenses	11,775,474,674	9,554,462,552
Depreciation and amortisation expenses	392,769,843	224,105,235
Outside services expenses	133,359,945	180,501,092
Materials and office supplies expenses	672,263,451	321,348,327
Tax, Charge, Fee	115,762,903	39,886,707
Other expenses	7,918,199,106	3,362,218,071
Total	21,007,829,922	13,682,521,984

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

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

28. Other income

	Accumulated from the beginning of the year to the end of this quarter	
	Current year VND	Previous year VND
Others	108,629,695	49,739,393
Total	108,629,695	49,739,393

29. 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
Labour expenses	58,132,651,641	54,480,415,742
Depreciation and amortisation expenses	29,876,824,923	29,258,362,772
Outside services expenses	67,247,970,151	43,978,035,617
Raw materials	10,529,357,176	6,312,244,727
Other expenses	28,667,919,913	24,995,650,069

Danang Port Joint Stock Company
Notes to the financial statements for quarter I 2021 (continued)

Form B 09a – DN

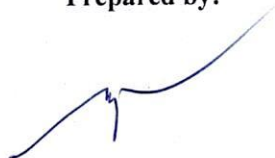
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

30. 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:

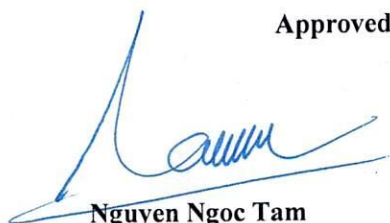
	Accumulated from the beginning of the year to the end of this quarter	
	Current year	Previous year
	VND	VND
Related companies		
<i>Danang Port Logistics JSC</i>		
Sales of goods and services	1,037,746,391	981,295,299
Purchase of goods and services	19,326,368,422	11,460,163,084
<i>Danang Port Tugboat JSC</i>		
Sales of goods and services	1,731,815,595	1,437,450,638
Purchase of goods and services	16,842,792,207	17,201,820,481
<i>Bien Dong Shipping Company Limited</i>		
Sales of services	2,945,000	-
<i>Vinalines Shipping Company</i>		
Sales of services	2,686,147,673	4,348,329,238
<i>Branch of Vietnam Ocean Shipping Agency Corporation – Da Nang Shipping Agency</i>		
Sales of services	1,383,395,295	1,225,927,112
Members of Board of Directors and Board of Management		
Compensation	1,522,595,290	1,200,078,567

Prepared by:



Ngo Quoc Van
Accountant

Approved by:



Nguyen Ngoc Tam
Head
of Finance and Accounting Department



Tran Le Tuan
General Director