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Thành viên Hãng Kiểm toán MGI Quốc tế

**CAILAN PORT INVESTMENT  
JOINT STOCK COMPANY**

**Audited Consolidated Financial Statements  
For the fiscal year ended at 31 December 2012**

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## **REPORT OF BOARD OF GENERAL DIRECTORS**

The Board of General Directors of Cailan Port Investment Joint Stock Company (the “Company”) represents its report and the Company’s consolidated financial statements for the fiscal year ended at 31 December 2012.

### **The Company**

Cailan Port Investment Joint Stock Company operates under initial Business Registration Certificate No. 5700688013 issued by Department of Planing and Investment of Quang Ninh city on 02<sup>nd</sup> November 2007; The first amendation Business Registration Certificate on 30<sup>th</sup> December 2011.

According to Business Registration Certificate No. 5700688013 issued by Department of planing and Investment of Quang Ninh City on 30<sup>th</sup> December 2011, the company’s major activities include:

Trucking; Wholesale synthetic; Shipping; Inland waterway Transport; Warehousing and logistics services; Supply services support directly for rail transport and logistic, terminal handling and other transport services; Trade in real estate, right of land use of owner, user or tenant; Supply services support directly for maritime transport.

According to the Business Registration Certificate No. 5700688013 issued by Department of Planing and Investment of Quang Ninh City on 02nd November 2007; the first amendation Business Registration Certificate on 30th December 2011, the company’s chartered capital is **VND 405.000.000.000** (Four hundred and five billions Vietnam Dong).

### **Subsidiary**

Cailan Port Investment JSC has 01 subsidiary, that is Cai Lan International Container Terminal Limited Company (CICT).

#### ***Cai Lan International Container Terminal Limited Company (CICT)***

Cai Lan International Container Terminal Limited Company (CICT) operates under initial Investment Lisence No.221.022.000.116 on 03rd June 2008 issued by Quang Ninh People Committe; The first amendation Investment Lisence No. 221.022.000.116 on 15st June 2010.

Jointventure capital is VND 944,931,918,576 (equivalent to USD 49,980,392). CICT was founded by two members including:

- Cai Lan Port Investment Joint Stock Company contributed VND 473,212,674,000 (equivalent to USD 25,490,000), holding 51% of Joinventure capital, by land use right and cash.
- SSA Holdings International - Vietnam, Inc contributed VND 471,719,244,576 (equivalent to USD 24,490,392), holding 49% of Jointventure capital, by land use right and cash.

### **EVENTS AFTER THE BALANCE SHEET DATE**

There were no significant events occurring after the date of balance sheet which require any adjustments or disclosures in the consolidated financial statements.

### **BOARD OF MANAGEMENT, INSPECTION AND GENERAL DIRECTORS**

Members of Board of Managermet, Inspection and General Directors in 2012 and at the time of preparing this report are:

#### **Members of Board of Management**

Mr. Le Trieu Thanh	Chairman
Mr. Vu Khac Tu	Deputy chairman
Mr. Tran Manh Ha	Member
Mr. Vu Khac Tien	Member
Mr. Dang Manh Ha	Member



**Members of Board of General Directors**

Mr. Nguyen Hong Duong	General Director
Mr. Pham Van Toan	Deputy General Director

**Members of Board of Inspection**

Mrs. Bui Thi Bich Loan	Head of Board
Mrs. Truong Thi Tuyet Mai	Member
Mrs. Dong Thi Be	Member

**AUDITORS**

The consolidated financial statement of The Company for the fiscal year ended at 31 December 2012 was audited by The Viet Nam Auditing and Accounting Consultancy Limited Company (AVA)- The company authorised to make the audit for public listed company.

**STATEMENT ON BOARD OF GENERAL DIRECTORS' RESPONSIBILITY IN RESPECT OF CONSOLIDATED FINANCIAL STATEMENTS**

Board of General Directors is responsible to prepare consolidated financial statements in respect of fairness and reasonableness of the operating state, its operation results, cash flow statement for the fiscal year ended on 31 December 2012. In preparing consolidated financial statements, Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Indicate whether or not to comply with the accounting standards are applied, there are significant deviation apply to the need to publicize and explain the separate financial statements or not;
- Prepare the financial statements on the basis of compliance with accounting standards and system and other related regulations;
- Prepare the financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

Board of General Directors is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of Company and to ensure that the accounting records comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

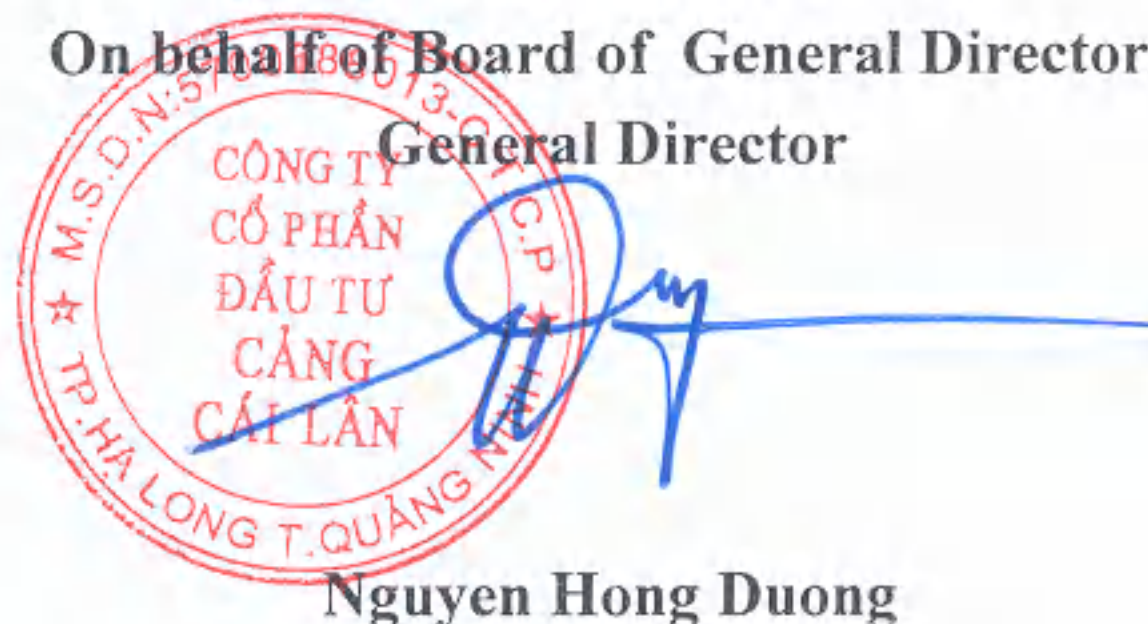
The Board of General Directors confirms that the Company does not violate the obligation to presents information under the regulations of Circular No. 52/2012/TT-BTC on 5th April 2012 guidance on the present of informations on securities market.

We, the Board of General Directors, confirm that the consolidated financial statements prepared by us, give a true and fair view of the financial position at 31 December 2012, its operation results and cash flow of Company in the year 2012 is in accordance with the Vietnamese Accounting System and comply with relevant statutory requirements.

*Quang Ninh, 28th March 2013*

**On behalf of Board of General Directors**

**General Director**



**Nguyen Hong Duong**



No.1993/BCKT-TC/NV5

**AUDITORS' REPORT**

**On the consolidated financial statements of Cailan Port Investment Joint Stock Company  
For the fiscal year ended at 31/12/2012**

**To: Shareholders, Board of Management  
Board of General Director of Cailan Port Investment JSC**

We have audited the consolidated financial statements of Cailan Port Investment Joint Stock Company (the Company) for the fiscal year ended at 31 December 2012 were prepared at 28 March 2013 including: Consolidated Balance Sheet as at 31 December 2012, Consolidated Income Statement, Consolidated Cash Flow Statement and Notes to Consolidated Financial Statements for the fiscal year ended at 31 December 2012 as set out on pages 05 to 26.

These consolidated financial statements are the responsibility of the Company's Board of General Director. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

**Scope**

We conducted our audit in accordance with Vietnam Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the compliance with current accounting standards system; the accounting principles used and significant estimations made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

**Auditor's opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material aspects, about consolidated financial position at 31 December 2012 of Cailan Port investment joint stock company, and the results of its operations, its consolidated cash flows for the fiscal year as at 31 December 2012 in accordance with the Vietnam Accounting Standards System and comply with relevant statutory requirements.



**Nguyen Viet Long**  
**Deputy General Director**  
CPA No. 0692/KTV

**Tran Tri Dung**  
**Auditor**  
CPA No. 0895/KTV

On behalf of and represents for  
**THE VIET NAM AUDITING AND ACCOUNTING CONSULTANCY LIMITED COMPANY(AVA)**  
Hanoi, 29th March 2013



## CONSOLIDATED BALANCE SHEET

As at 31 December 2012

Unit: VND

ASSETS	Code	Note	Closing	Opening
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>474,635,421,994</b>	<b>888,991,041,892</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.01</b>	<b>340,965,521,608</b>	<b>795,808,138,183</b>
1. Cash	111		299,876,733,305	246,764,138,183
2. Cash equivalents	112		41,088,788,303	549,044,000,000
<b>II. Short-term investments</b>	<b>120</b>		-	-
<b>III. Accounts receivable-short-term</b>	<b>130</b>		<b>66,213,920,107</b>	<b>78,381,069,647</b>
1. Accounts receivable- trade	131		25,685,606,521	12,640,704,273
2. Prepayments of suppliers	132		40,207,862,098	65,321,889,302
3. Inter-company receivable	133		-	-
4. Receivable under construction contract progress	134		-	-
5. Other receivables	138	<b>V.02</b>	320,451,488	418,476,072
6. Provision for doubtful debts	139		-	-
<b>IV. Inventories</b>	<b>140</b>	<b>V.03</b>	<b>3,465,731,355</b>	<b>155,305,329</b>
1. Inventories	141		3,465,731,355	155,305,329
2. Provision for inventories (*)	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>63,990,248,924</b>	<b>14,646,528,733</b>
1. Short- term prepayments	151		1,470,212,636	1,415,568,024
2. Value added tax	152		48,397,780,549	12,726,544,316
3. Taxes receivable	154		13,545,637,493	-
4. Other current assets	158	<b>V.04</b>	576,618,246	504,416,393
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>2,632,468,180,457</b>	<b>1,174,990,717,552</b>
<b>II. Fixed assets</b>	<b>220</b>		<b>2,627,487,844,439</b>	<b>1,173,632,625,329</b>
1. Tangible fixed assets	221	<b>V.05</b>	2,105,496,043,131	11,282,869,869
- Cost	222		2,150,866,149,277	13,233,464,496
- Accumulated depreciation	223		(45,370,106,146)	(1,950,594,627)
3. Intangible fixed assets	227	<b>V.06</b>	174,810,676,074	137,352,578,123
- Cost	228		188,911,040,360	146,973,948,701
- Accumulated depreciation	229		(14,100,364,286)	(9,621,370,578)
4. Construction in progress	230	<b>V.07</b>	347,181,125,234	1,024,997,177,337
<b>III. Investment Real estate</b>	<b>240</b>		-	-
- Cost	241		-	-
- Accumulated depreciation (*)	242		-	-
<b>IV. Long- term investments</b>	<b>250</b>		-	-
1. Investment in subsidiaries	251		-	-
2. Investments in associates, joint- ventures	252		-	-
<b>V. Other long- term assets</b>	<b>260</b>		<b>4,980,336,018</b>	<b>1,358,092,223</b>
1. Long- term prepayments	261	<b>V.08</b>	4,930,336,018	1,308,092,223
2. Deferred tax assets	262		-	-
3. Other long- term assets	268		50,000,000	50,000,000
<b>VI. Goodwill</b>	<b>269</b>		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>3,107,103,602,451</b>	<b>2,063,981,759,444</b>



**CONSOLIDATED BALANCE SHEET**

As at 31 December 2012

( Continue)

Unit: VND

RESOURCES	Code	Note	Closing	Opening
<b>A. LIABILITIES</b>	<b>300</b>		<b>2,353,596,975,362</b>	<b>1,392,692,548,226</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>584,426,050,022</b>	<b>199,305,636,968</b>
1. Short-term borrowings and liabilities	311	V.09	78,973,600,000	-
2. Accounts payable-trade	312		343,943,592,010	144,859,822,211
3. Advances from customers	313		-	66,373,459
4. Taxes payable to State Treasury	314	V.10	1,862,211,026	3,775,113,431
5. Payables to employees	315		728,114,049	1,225,261,673
6. Accrued expenses	316	V.11	152,172,556,099	48,856,928,872
7. Inter-company payables	317		-	-
8. Payables of construction contract progress	318		-	-
9. Other payables	319	V.12	6,719,555,546	497,716,030
10. Provisions	320		-	-
11. Bonus and welfare fund	323		26,421,292	24,421,292
<b>II. Long- term borrowings and liabilities</b>	<b>330</b>		<b>1,769,170,925,340</b>	<b>1,193,386,911,258</b>
3. Other long-term liabilities	333	V.13	29,797,324,134	-
4. Long-term borrowings and liabilities	334	V.14	1,694,886,400,000	1,145,540,000,000
5. Deferred tax expense	335	V.15	6,740,028,875	9,266,357,029
6. Provision for unemployment allowances	336		-	2,251,498
8. Unearned revenue	338		37,747,172,331	38,578,302,731
9. Technology and science development funds	339		-	-
<b>B. EQUITY</b>	<b>400</b>		<b>341,438,167,480</b>	<b>308,649,529,373</b>
<b>I. Equity</b>	<b>410</b>	<b>V.16</b>	<b>341,438,167,480</b>	<b>308,649,529,373</b>
1. Contributed capital	411		365,050,000,000	300,000,000,000
2. Capital surplus	412		-	-
3. Other Contributed capital	413		11,500,000,000	11,500,000,000
4. Treasury stocks	414		-	-
5. Differences upon asset revaluation	415		-	-
6. Foreign exchange differences	416		-	(430,989,927)
7. Investments and development funds	417		756,930,096	756,930,096
8. Financial reserves	418		1,583,806,000	1,661,486,000
9. Other equity funds	419		341,000,000	514,000,000
10. Retained profits/(accumulated losses)	420		(37,793,568,616)	(5,351,896,796)
<b>C. MINORITY INTEREST</b>	<b>500</b>		<b>412,068,459,609</b>	<b>362,639,681,845</b>
<b>TOTAL RESOURCES</b>	<b>600</b>		<b>3,107,103,602,451</b>	<b>2,063,981,759,444</b>



OFF CONSOLIDATED BALANCE SHEET ITEMS

As at 31 December 2012

ITEMS	Code	Note	Closing	Opening
1. Operating leased assets	001		-	-
2. Materials & goods on custody or for processing	002		-	-
3. Goods under trust or on consignment	003		-	-
4. Bad debts written off	004		-	-
5. Foreign currencies	007		12,967,198	32,786,328
- USD			12,967,198	32,786,328

Quang Ninh, 28th March 2013

Prepared by

Chief Accountant

General Director



Tran Thi Kim Anh



Nguyen Tu Thinh




Nguyen Hong Duong



# CONSOLIDATED INCOME STATEMENT

From 01 January 2012 to 31 December 2012

Unit: VND

ITEMS	Code	Note	This year	Last year
1. Revenue from sale of goods and rendering of ser	01	VI.17	112,226,811,899	54,704,263,839
2. Deductible items	02		-	-
3. Net revenue from sale of goods and rendering of services	10		112,226,811,899	54,704,263,839
4. Cost of goods	11	VI.18	130,257,346,848	48,029,564,575
5. Gross profit from sale of goods and rendering of services	20		(18,030,534,949)	6,674,699,264
6. Revenue from financial activities	21	VI.19	7,665,521,193	11,479,966,881
7. Financial expenses	22	VI.20	39,654,949,757	225,661,155
- In which, interest payable:	23		38,242,132,926	221,803,944
8. Selling expenses	24		1,343,890,520	877,847,210
9. General and administrative expenses	25		76,479,988,987	39,729,019,574
10. Net profit from operation activities	30		(127,843,843,020)	(22,677,861,794)
11. Other income	31		63,933,383,035	15,043,834,978
12. Other expenses	32		1,467,552,264	5,256,087,192
13. Other profits	40		62,465,830,771	9,787,747,786
14. Profit (loss) in associates/Joint ventures	45		-	-
15. Profits/ (loss) before tax	50		(65,378,012,249)	(12,890,114,008)
16. Corporate income tax	51	VI.21	2,015,573,457	3,859,945,694
17. Deferred tax expense	52		(2,526,328,154)	1,988,388,236
18. Profits/ (loss) after tax	60		(64,867,257,552)	(18,738,447,938)
18.1 Profit after tax of minority shareholders	61		(32,425,585,732)	(13,360,364,538)
18.2 Profit after tax of holding company's shareholder	62		(32,441,671,820)	(5,378,083,400)
19. Earning per share	70	V.16.5	(2,017)	(625)

Quang Ninh, 28th March 2013

Prepared by

Chief Accountant

General Director



Tran Thi Kim Anh



Nguyen Tu Thinh



Nguyen Hong Duong



**CONSOLIDATED CASH FLOW STATEMENT**

Direct method

From 01 January 2012 to 31 December 2012

Unit: VND

Items	Code	This year	Last year
<b>I. Cash flows from operating activities</b>			
1. Cash received from sales of goods and services	01	88,743,959,575	36,614,191,832
2. Cash paid to suppliers	02	(111,354,191,953)	(45,849,919,118)
3. Cash paid to employees	03	(24,159,970,471)	(14,546,426,843)
4. Interest paid	04	(38,221,452,926)	(221,803,944)
5. Corporate income tax paid	05	(17,491,645,424)	(1,749,679,077)
6. Other cash inflows from operating activities	06	165,915,935,925	36,273,559,371
7. Other cash outflows from operating activities	07	(134,292,500,806)	(19,551,823,330)
<b>Cash flows from operating activities</b>	<b>20</b>	<b>(70,859,866,080)</b>	<b>(9,031,901,109)</b>
<b>II. Cash flows from investing activities</b>			
1. Purchase of fixed assets and other long - term assets	21	(1,164,329,569,191)	(677,914,158,735)
2. Proceeds from disposal of fixed assets or other long-term assets	22	350,000,000	-
3. Cash paid for purchase or borrowing of others' loans	23	-	(10,416,124,000)
4. Proceeds from sale or lending of others' loans	24	-	10,416,124,000
5. Investments in other entities	25	-	-
6. Withdrawals of investments in other entities	26	-	13,288,420,000
7. Proceeds from loan interest, dividends and shared profits	27	3,158,265,419	12,107,020,707
<b>Cash flows from investing activities</b>	<b>30</b>	<b>(1,160,821,303,772)</b>	<b>(652,518,718,028)</b>
<b>III. Cash flows from financing activities</b>			
1. Proceeds from share issuance, receipt of capital contribution	31	146,495,644,576	97,723,640,000
2. Payments for share returns to shareholders and buy back	32	-	-
3. Receipts from short term and long term loans	33	676,282,148,672	1,147,750,698,692
4. Payments of loan principals	34	(45,587,748,672)	(8,000,000,000)
5. Finance lease repayments	35	-	-
6. Dividends and profits paid to share owners	36	-	-
<b>Cash flows from financing activities</b>	<b>40</b>	<b>777,190,044,576</b>	<b>1,237,474,338,692</b>
<b>Net cash flows in the period</b>	<b>50</b>	<b>(454,491,125,276)</b>	<b>575,923,719,555</b>
<b>Cash and cash equivalents - opening balance</b>	<b>60</b>	<b>795,808,138,183</b>	<b>216,011,592,416</b>
<b>Impact of foreign exchange differences</b>	<b>61</b>	<b>(351,491,299)</b>	<b>3,872,826,212</b>
<b>Cash and cash equivalents - closing balance</b>	<b>70</b>	<b>340,965,521,608</b>	<b>795,808,138,183</b>

Quang Ninh, 28th March 2013

Prepared by

Chief Accountant

General Director



Tran Thi Kim Anh



Nguyen Tu Thinh



Nguyen Hong Duong



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS In 2012

*(This notes form integral part of and should be read in conjunction with the accompanying financial)*

### I. BACKGROUND

#### *Structure of ownership*

Cailan Port Investment Joint Stock Company operates under initial Business Registration Certificate No. 5700688013 issued by Department of Planning and Investment of Quang Ninh city on 02<sup>nd</sup> November 2007; The first amendment Business Registration Certificate on 30<sup>th</sup> December 2011.

According to the Business Registration Certificate No. 5700688013 issued by Department of Planning and Investment of Quang Ninh City on 02<sup>nd</sup> November 2007; the first amendment Business Registration Certificate on 30<sup>th</sup> December 2011, the company's chartered capital is **VND 405.000.000.000** (Four hundred and five billions Vietnam Dong).

The Head Office, according to Business Registration Certificate, is located in No.1, Cai Lan street, Bai Chay ward, Ha Long City, Quang Ninh Province.

Phone: 033.3512868

Fax: 033.3512899

#### *Main activities*

According to the first amendment Business Registration Certificate No. 5700688013 dated on 30<sup>th</sup> December 2011 issued by the Department of Planning and Investment of Quang Ninh province, the main activities of the Company are:

Trucking; Wholesale synthetic; Shipping; Inland waterway Transport; Warehousing and logistics services; Supply services support directly for rail transport and logistic, terminal handling and other transport services; Trade in real estate, right of land use of owner, user or tenant; Supply services support directly for maritime transport.

#### *Consolidated financial statement*

Cailan Port Investment JSC has 01 subsidiary, that is Cai Lan International Container Terminal Limited Company (CICT).

Cai Lan International Container Terminal Limited Company (CICT) operates under initial Investment Licence No.221.022.000.116 on 03<sup>rd</sup> June 2008 issued by Quang Ninh People Committee; The first amendment Investment Licence No. 221.022.000.116 on 15<sup>th</sup> June 2010.

Jointventure capital is VND 944,931,918,576 (equivalent to USD 49,980,392). CICT was founded by two members including:

- Cai Lan Port Investment Joint Stock Company contributed VND 473,212,674,000 (equivalent to USD 25,490,000), holding 51% of Jointventure capital, by land use right and cash.

- SSA Holdings International - Vietnam, Inc contributed VND 471,719,244,576 (equivalent to USD 24,490,392), holding 49% of Jointventure capital, by land use right and cash.

### II. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

#### *Accounting period and accounting monetary unit*

Annual accounting period commences from 1<sup>st</sup> January and ends on 31<sup>st</sup> December.

The Company maintains its accounting records in VND.



### **III. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM, BASIS OF PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS**

#### **1. Accounting System**

The Company applies Corporation Accounting System issued under Decision No.15/2006/QĐ-BTC dated 20/3/2006 by Minister of Finance and circular No.244/2009/TT-BTC dated 31/12/2009 providing for the guidance, the amending and supplementing the accounting business.

#### **2. Basis of preparing the Consolidated Financial Statements**

Company's Consolidated Financial Statements is set by equity capital method;

Company's Consolidated Financial Statements includes the financial statements of parent company - Cailan Port Investment Joint Stock Company (Cailan Port Invest.,jsc) and other independent accounting records partners - whose was owned and controlled by parent company. Control right based on authority, Direct or indirect stipulate the partner's financial policies and operations to get profit from business activities. Partner's financial statements will be consolidated during effective time.

Reasonable net asset value of subsidiary company at purchasing date defined by book value.

Consolidated Financial Statements for the year ended at 31/12/2012 of Cailan Port Investment Joint Stock Company set at 28<sup>th</sup> March 2012 based on Private Financial Statements in 2012 of Cailan Port Invest.,jsc that audited by Viet Nam Auditing and Accounting Consultancy Co., Ltd (AVA) and Cailan International Container Terminal Liability (CICT) that audited by Viet Nam Ernst&Young Co.,Ltd.

*Announcement on compliance with Vietnamese standards and accounting system*

The company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.

#### **3. Form of accounting record**

The accounting record of the Company is General Journal.

### **IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **1. Recognition of cash and cash equivalents**

Transactions in currencies other than VND are recorded at the rate of exchange ruling at the dates of transactions. Closing balance of the monetary account denominated in foreign currencies are revalued at the purchased rates published by the commercial banks where the company has deposits at the end of the accounting year (*According to Circular 179/ 2012/TT-BTC 24th October 2012 provides for the recognition, assessment, treatment of exchange rate differences in the enterprise*);

Cash equivalents are short term, highly liquid investment with an original maturity of three months or less since the date of consolidated financial statements which are readily convertible into known amounts of cash without notice.

#### **2. Recognition of inventory**

Inventories are stated at original cost. Where the net realizable value is lower than cost, inventories should be measured at the net realizable value. The cost of inventories should comprise all costs of purchase, costs of conversion and other costs directly incurred in bringing the inventories to their present location and condition.

The cost of inventory at the year-end is calculated by weighted average method;



Inventory is recorded by perpetual method;

Provisions for inventories obsolescence made at the end of the year are the excess of original cost of inventory over their net realisable value.

### **3. Recognition and depreciation of fixed assets**

Fixed assets (tangible and intangible) are stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation (amortization) and net book value.

Depreciation is provided on a straight-line basis. The time of depreciation is determined in accordance with Decision No.203/2009/QĐ-BTC date 20/10/2009 of the Minister of Finance on issuance management system, using and calculating depreciation. Expected useful life of fixed assets:

- Transportation means	06-08 year
- Administrative tools	03-04 year
- Software	03-05 year

### **4. Recognition and depreciation of invested real estates**

Invested real estates are stated at historical cost. Trong quá trình nắm giữ chờ tăng giá, hoặc cho thuê hoạt động, bất động sản đầu tư được ghi nhận theo nguyên giá, hao mòn lũy kế và giá trị còn lại. During the holding time, invested real estates are recorded at cost, accumulated depreciation and net book value.

Invested real estates are depreciated as other fixed assets of the Company.

### **5. Recognition of financial investments**

Investments in subsidiaries, associates are accounted in the historical cost method. Dividends from after-tax profits of subsidiaries, associates arising after the date of investment is recognized in the Income Statement Report. Other dividends (other than net profit) are considered as a recovery of investments and recognized as deductible items from original cost of investments.

Investments in joint ventures are accounted in the historical cost method. Equity joint ventures are not adjusted for changes in the company's ownership in the net assets of the joint venture. Income Statement of the Company reflects the earnings distributions from accumulated net profits of the joint venture entities incurred after joint ventures.

Joint venture activities in the form of jointly controlled business activity and jointly controlled assets are applied generally accepted accounting principles as other normal business activities. In which:

- Company tracks separately income, expenses related to joint venture operations and distributes to the parties in the joint venture under a joint venture agreement;
- Company tracks separately assets of joint venture, the contribution to the jointly controlled assets, general and separate liabilities arising from joint venture activities.

Investments in securities at the time of reporting, if:

- There are maturities less than 3 months from date of purchasing these investments, that are considered as "cash equivalents";
- There are maturities less than 1 year or 1 operating cycle, that are classified as current assets;
- There are maturities more than 1 year or one operating cycle, that are classified as long-term assets.

Provision for devaluation of investments is made at the end of the year is the difference between the original cost of the investments recorded in the accounting books which is greater than their market value and their market values at the time of provision for devaluation investment.



#### **6. Recognition and capitalization of borrowing costs**

Borrowing costs are recognized into operating costs during the period, except for which directly attributed to the acquisition, construction or production of a qualifying asset included (capitalised) in the cost of that asset, when gather sufficient conditions as regulated in SAV No. 16 "Borrowing costs".

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be included (capitalized) in the cost of that asset, includes interest on borrowings, amortization of discounts or premiums relating to issuing bonds and ancillary costs incurred in connection with the arrangement of borrowings.

#### **7. Recognition and allocation of prepaid expenses**

Prepaid expenses only related to present fiscal year are recognised as short-term prepaid expenses and are allocated into operating costs.

The following types of expenses incurred during the year are recorded as long-term prepaid expenses, and are amortised to the consolidated income statement in several years:

- Tools and consumables with large value issued into production;
- Substantial expenditure on fixed asset overhaul.

The calculation and allocation of long-term prepaid expenses to profit and loss account in the period should be based on nature of those expenses to choose reasonable method and allocated factors. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

#### **8. Recognition of accrued expenses**

Expenses not yet occurred may be charged in advance into production and operating costs in order to ensure when these expenses arise, they do not make material influence on production and operating costs on the basis of suitability between revenue and cost. When these expenses arise, if there is any difference with the amount charged, accountants make additional record or make a decrease to cost equivalent to the difference.

#### **9. Recognition of provision for payables**

Value of a provision is a reasonable estimate of an amount used to settle present liabilities at the balance sheet date.

Only expenses related to the initial provision is offsetted by this provision.

In case provision set for the previous period but not used up exceeds the one set for the current period, the difference is recorded as decrease in production and operation expenditures. This method is not applied for provision for warranty of construction work that is recorded into other income.

#### **10. Recognition of Provision for allowance unemployment**

In 2012, the Company applied the payment of allowances unemployment under Circular No.180/2012/TT-BTC dated 24th October 2012 guiding the handling of allowances unemployment expense in enterprises. Accordingly, when incurred allowance unemployment expenses, the Company recorded this expense in administrative expense under this Circular. Particularly in 2012, after the payment of allowances unemployment to employees, remaining of provision for allowances unemployment funds has transferred to other income in accordance with the guidance in Circular mentioned above.

#### **11. Recognition of owner's equity**

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

Share capital surplus is recorded as the difference between the actual price and the par value of shares when issuing stock for the first time, release or re-release additional fund shares;



Other capital of owner is the fair value of assets offered to the company by other entities or individuals less payable taxes (if any) imposed on these assets; and the amount added from income statement.

Dividends are recorded as a payable in the Balance Sheet after the liabilities are established;

Retained earnings is the profit of business operations after deduction (-) regulated items due to applying a change in accounting retrospectively or to make a retrospective restatement to correct materiality in previous year.

## **12. Recognition of revenue**

### *Revenue from sale of goods*

Revenue from sale of goods should be recognised when all the following conditions have been satisfied:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;
- The Company retains neither continuing managerial involvement as a neither owner nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- The economic benefits associated with the transaction of goods sold have flown or will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction of goods sold can be measured reliably

### *Revenue from rendering of services*

Revenue from rendering of services is recognised when the outcome of that transaction can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, each period's revenue should be recognised by reference to the stage of completion at the balance sheet date. The outcome of a transaction could be estimated reliably when all the following conditions are satisfied:

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

The stage of completion of a transaction may be determined by surveys of work completed method

### *Financial income*

Income from interest, royalties and dividends and other financial income earned by the Company should be recognised when these two conditions are satisfied:

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

Dividends should be recognised when the Company's right to receive payment is established.

### *Revenue from construction contracts*

Revenue from construction contracts is recognized when the outcome of a construction contract can be measured reliably and validated by customer. In that time, revenue and costs related to contracts is recognized in equivalent to completed work during the period reflected on the invoice created.

## **13. Recognition of financial expenses**

Items recorded into financial expenses consist of:

- Expenses of capital lending and borrowing;
- Loss due to foreign exchange differences arising from transactions relating to foreign currencies;



The above items are recorded by the total amount arising within the period without compensation to financial revenue.

**14. Financial instruments**

Financial instruments are recognized in accordance with the guidance in Circular No.210/2009/TT-BTC dated at November 6, 2009 of the Ministry of Finance providing the guidance of the application of International Accounting Standards for financial statement presentation and the disclosures for financial instruments.



**V. DESCRIPTIVE INFORMATION IN ADDITION TO THE ITEMS PRESENTED IN THE BALANCE SHEET**

<b>1 . Cash</b>	<b>Closing VND</b>	<b>Opening VND</b>
Cash in hand	1,158,829,521	1,295,995,577
Cash at banks	298,717,903,784	245,468,142,606
Cash equivalents	41,088,788,303	549,044,000,000
<b>Total</b>	<b>340,965,521,608</b>	<b>795,808,138,183</b>
<b>2 . Short-term receivables</b>	<b>Closing VND</b>	<b>Opening VND</b>
Other receivables	318,749,363	418,476,072
Other payables (debit)	1,702,125	-
<b>Total</b>	<b>320,451,488</b>	<b>418,476,072</b>
<b>3 . Inventory</b>	<b>Closing VND</b>	<b>Opening VND</b>
Materials	244,556,209	97,123,511
Tools	3,221,175,146	-
Work in progress	-	58,181,818
<b>Total</b>	<b>3,465,731,355</b>	<b>155,305,329</b>
<b>4 . Others Current assets</b>	<b>Closing VND</b>	<b>Opening VND</b>
Advance	576,618,246	250,938,793
Others	-	253,477,600
<b>Total</b>	<b>576,618,246</b>	<b>504,416,393</b>

**5 . Increase/ decrease in tangible fixed assets (Appendix 01)**

**6 . Increase/ decrease in intangible fixed assets**

Unit: VND

<b>Items</b>	<b>Land use right</b>	<b>Accounting Software</b>	<b>Total</b>
<b>Original Cost</b>			
As at 01/01/2012	146,000,000,000	973,948,701	146,973,948,701
Increase	33,623,389,808	8,313,701,851	41,937,091,659
- Purchase	-	8,080,997,181	8,080,997,181
- Construction investment complete	33,623,389,808	232,704,670	33,856,094,478
Decrease	-	-	-
As at 31/12/2012	179,623,389,808	9,287,650,552	188,911,040,360
<b>Accumulated depreciation</b>			
As at 01/01/2012	9,094,665,425	526,705,153	9,621,370,578
Increase	3,662,887,813	816,105,895	4,478,993,708
- Depreciation charges	3,662,887,813	816,105,895	4,478,993,708
Decrease	-	-	-
As at 31/12/2012	12,757,553,238	1,342,811,048	14,100,364,286
<b>Net book value</b>			
As at 01/01/2012	136,905,334,575	447,243,548	137,352,578,123
As at 31/12/2012	166,865,836,570	7,944,839,504	174,810,676,074



**7 . Construction in progress**

	Closing VND	Opening VND
Right to use in land 2,3ha	-	33,605,707,990
Contructions in land 2,3ha	-	2,807,546,980
Mooc-ben Purchasing project	-	3,083,250
Installing crane system	-	486,970,022,934
Jetty Construction	143,776,291,964	224,940,431,467
Purchasing machinery equipments	169,942,918,110	115,472,144,110
Designed expenses	5,549,075,324	55,388,411,975
Interest capitalization cost	12,149,389,603	94,111,176,525
Construction investment expense	15,763,450,233	11,698,652,106
<b>Total</b>	<b>347,181,125,234</b>	<b>1,024,997,177,337</b>

**8 . Long-term prepaid expenses**

	Closing VND	Opening VND
Distributing tools cost	1,456,896,451	347,042,597
Training expense	2,834,035,188	-
Others	639,404,379	961,049,626
<b>Total</b>	<b>4,930,336,018</b>	<b>1,308,092,223</b>

**9 . Short-term borrowings and liabilities**

	Closing VND	Opening VND
<b>Short-term borrowings</b>	<b>8,420,000,000</b>	-
Vietcom bank - Ha Long Branch (1)	8,420,000,000	-
<b>Current portion of long-term liabilities</b>	<b>70,553,600,000</b>	-
International Financial Company (IFC)	27,083,580,160	-
Encourage and Join Economic Cooperation Company (Propaco)	10,483,966,272	-
Netherlands Development Finance Company (FMO)	13,978,621,696	-
International cooperate fund ICF Debt Pool LLP (ICF DP)	19,007,431,872	-
<b>Total</b>	<b>78,973,600,000</b>	-

(1) Credit contract No.2012/HM/DTC/VTBN on 13/06/2012, Credit limits is VND 15,000,000,000; Interest rate is 15,5%/year was adjusted each month; Borrowing purpose: replenishment of working capital; Mortgage assets: 11 Somi Romooc trucks (that carries Container) and 10 Freightliner tractors that had been used.

**10 . Taxes and payables to the State budget**

	Closing VND	Opening VND
Import-export tax	22,728,555	-
Corporation income tax	1,642,715,509	3,550,899,983
Personal income tax	196,766,962	224,213,448
<b>Total</b>	<b>1,862,211,026</b>	<b>3,775,113,431</b>

Tax report of company will be suffer the Tax agency's checking. There are many reasonable explanations for the various of applying law and law features in respect to different transactions. So, the tax number stated on financial statement could be fixed by Tax agency's decision.

**11 . Accrued expenses**

	Closing VND	Opening VND
Housing and Landing tax expenses	19,449,899,902	19,878,156,562
Accrual of construction cost	109,242,643,244	20,160,935,056
Accrual of salaries paid to foreigners	9,029,448,034	2,298,794,504
Accrual of Board member's remuneration	1,560,670,555	351,191,250
Accrual of 13th month salary, and bonus within year.	2,981,318,073	1,064,509,320
Accrual of consultancy expsenses	2,284,433,868	1,489,466,096
Accrual of interest and commitment fees	4,382,485,711	2,728,915,362
Other accrual expsenses	3,241,656,712	884,960,722
<b>Total</b>	<b>152,172,556,099</b>	<b>48,856,928,872</b>



12 . Other current payables obligations		Closing VND	Opening VND
Labor union fund		35,498,218	27,275,205
Social insurance		-	1,144,572
Health insurance		-	234,117
Unemployment insurance		-	104,052
Other payables		6,684,057,328	468,958,084
Wages paid on behalf of Company		6,122,437,776	-
Other items		561,619,552	468,958,084
<b>Total</b>		<b>6,719,555,546</b>	<b>497,716,030</b>
13 . Other non-current payables		Closing VND	Opening VND
Interest rate differences before operation		29,797,324,134	-
<b>Total</b>		<b>29,797,324,134</b>	<b>-</b>
14 . Long-term loans and debts		Closing VND	Opening VND
<b>Long-term loans</b>		<b>1,694,886,400,000</b>	<b>1,145,540,000,000</b>
14.1 International Financial Corporation (IFC)		650,005,923,840	439,741,209,924
14.2 Encouraging and Joinning Economic collaboration Company (Propa		251,615,190,528	170,222,391,076
14.3 FMO - Netherlands Development Finance Company		335,486,920,704	226,963,195,044
14.4 ICF Debt Pool LLP Partnership Fund (ICF DP)		456,178,364,928	308,613,203,956
14.5 Vietcombank - Ha Long Branch		1,600,000,000	-
<b>Long-term loans</b>		<b>-</b>	<b>-</b>
<b>Total</b>		<b>1,694,886,400,000</b>	<b>1,145,540,000,000</b>
Original currency: 32.552.380 USD; interest rate calcuated by 6 month LIBOR rate plus margin interest (4,15%/year or			
14.1 3,3%/year); Security form includes all tangible and intangible assets of Company, and Ownership of Company by CaiLan Port Investment Joint-Stock Co., and SSA Holdings International Vietnam Inc.,			
Original Currency: 12.600.921 USD; interest rate calcuated by 6 month LIBOR rate plus margin interest (4,15%/year or			
14.2 3,3%/year) plus borrowing cost; Security form includes all tangible and intangible assets of Company, and Ownership of Company by CaiLan Port Investment Joint-Stock Co., and SSA Holdings International Vietnam Inc.,			
Original currency: 16.801.228 USD; interest rate calcuated by 6 month LIBOR rate plus margin interest (4,15%/year or			
14.3 3,3%/year) plus basic fix interest rate, plus exceptional financing costs ; Security form includes all tangible and intangible assets of Company, and Ownership of Company by CaiLan Port Investment Joint-Stock Co., and SSA Holdings International Vietnam Inc.,			
Original currency: 22.845.471 USD; Base fix interest rate (2,6%/year) plus margin interest (4,15%/year or 3,3%/year;			
14.4 Security form includes all tangible and intangible assets of Company, and Ownership of Company by CaiLan Port Investment Joint-Stock Co., and SSA Holdings International Vietnam Inc.,			
(*) Loans due to Credit Contract No. 2012/DA/DTC/VTBN dated14/11/2012; Interest rate: 14,4%/year;			
14.5 From:14/11/2012 to 14/11/2015; Purpose: Upset payment for purchasing vehicles (serving transportation business by road; under Business contract No. 1809/HĐKT dated 17/09/2012 between Intraco trade Joint Stock Company and Cailan Port Invesment Joint-Stock Company			
15 . Deferred income tax expense		VND	VND
Deffered income tax payables arise from taxable temporary differences		9,266,357,029	9,465,991,292
Reversal of deffered income tax expense recognized from previous years.		2,526,328,154	199,634,263
<b>Total</b>		<b>6,740,028,875</b>	<b>9,266,357,029</b>



**16 . Owner's equity**

**16.1. Reconciliation of fluctuation of owner's equity (Appendix 02 attached)**

**16.2. Details of owner's equity**

	Closing VND	Opening VND
Vinalines Corporation	206,550,000,000	153,000,000,000
Quang Ninh Port Ltd. Co.	53,000,000,000	45,000,000,000
Ha Noi General Import Export Jsc.	18,000,000,000	18,000,000,000
Other shareholders	87,500,000,000	84,000,000,000
<b>Total</b>	<b>365,050,000,000</b>	<b>300,000,000,000</b>

**16.3. Capital transactions with owners and distribution of dividends**

	This year VND	Last year VND
Owner's invested capital		
<b>At the beginning of year</b>	<b>300,000,000,000</b>	<b>300,000,000,000</b>
Increase in the year	65,050,000,000	-
Decrease in the year	-	-
<b>At the end of year</b>	<b>365,050,000,000</b>	<b>300,000,000,000</b>

**16.4. Stock**

	Closing VND	Opening VND
Quantity of registered issuing stocks	40,500,000	30,000,000
Quantity of issued stocks	36,505,000	30,000,000
- Ordinary stocks	36,505,000	30,000,000
Quantity of redemption stock	-	-
Quantity of circulation stocks	36,505,000	30,000,000
- Ordinary stocks	36,505,000	30,000,000
* Par value per circulation stocks	10.000vnd/share	10.000vnd/share

**16.5. Basic earning per share**

	Closing VND	Beginning VND
+ Accounting profit after Corporate income tax	(64,867,257,552)	(18,738,447,938)
+Adjustment of increase or decrease accounting profit or distribution losses for ordinary shareholders	-	-
+ Profit/loss for ordinary shareholders	(64,867,257,552)	(18,738,447,938)
+ Ordinary stock are circulating within period	32,152,527	30,000,000
+ Basic earning per share	(2,017)	(625)

**VI. DESCRIPTIVE INFORMATION IN ADDITION TO THE ITEMS PRESENTED IN THE INCOME STATEMENT**

**17 . Revenue from sale of goods and rendering of services**

	This year VND	Last year VND
Revenue from sale of goods	32,774,399,272	13,748,025,173
Revenue from rendering of services	79,452,412,627	40,956,238,666
<b>Total</b>	<b>112,226,811,899</b>	<b>54,704,263,839</b>

**18 . Costs of goods sold**

	This year VND	Last year VND
Cost of good sold	31,786,396,952	12,781,122,690
Cost of service served	98,470,949,896	35,248,441,885
<b>Total</b>	<b>130,257,346,848</b>	<b>48,029,564,575</b>

**19 . Finance income**

	This year VND	Last year VND
Interest of deposit and loans	2,979,376,530	11,135,269,320
Unrealized gain from foreign exchange difference	2,139,928,954	-
Realized gain from foreign exchange difference	2,546,215,709	344,697,561
<b>Total</b>	<b>7,665,521,193</b>	<b>11,479,966,881</b>



20 . Financial expenses	This year VND	Last year VND
Interest expenses	38,242,132,926	221,803,944
Loss from foreign currencies sold	2,314,000	3,150,000
Realized loss from foreign exchange difference	-	707,211
Other financial expenses	1,410,502,831	-
<b>Total</b>	<b>39,654,949,757</b>	<b>225,661,155</b>
21 . Current income tax expense of Parent Company	This year VND	Last year VND
Profit before taxes	796,652,512	13,788,582,360
Adjustment:	10,622,513,347	1,651,200,416
- Invalid expenses	517,200,733	852,663,365
- Variances income from recognition of contributed capital to C.	10,105,312,614	798,537,051
Taxable income	11,419,165,859	15,439,782,776
Corporate income tax calculated based on current taxable income and tax rate	2,854,791,465	3,859,945,694
Incentive income tax expenses	839,218,008	-
<b>Current income tax expense of Parent Company</b>	<b>2,015,573,457</b>	<b>3,859,945,694</b>
22 . Productions cost by factors	This year VND	Last year VND
Raw material cost	36,633,897,640	16,170,824,318
Labor cost	46,891,087,834	19,308,740,618
Depreciation expenses of fix asset	47,944,683,506	4,610,815,800
Outsourcing services expenses	75,269,446,760	38,233,963,448
Other cost by cash	40,736,679,139	10,312,087,175
<b>Total</b>	<b>247,475,794,879</b>	<b>88,636,431,359</b>

## VII . DESCRIPTIVE INFORMATION IN ADDITION TO THE ITEMS PRESENTED IN THE CASH FLOW

The consolidated financial statement for the fiscal year ended 31 December 2012 of CaiLan Port Investment Company was eliminated some following contents:

	This year VND
1 Reduce the amount in "Cash received from sales of goods and services"	7,753,404,659
2 Reduce the amount in "Cashpaid to providers of goods and services "	7,753,404,659
3 Reduce the amount in "Cash received from issuing stocks, contributed capital from owner- Capital amount from Parent company contributed into Company in year"	85,018,000,000
4 Reduce the amount in "Cash invested in other entties- Capital amount from Parent company contributed into Company in year"	85,018,000,000

## VIII . OTHER INFORMATION

### 1 . Information about related parties

#### a) Related parties

No.	Company name	Relationship
1	Vinalines Corporation	Parent Company
2	Quang Ninh Port Ltd. Co.	Jointventure company

#### b) Transactions with related parties

No.	Company name	Contents of services	Transaction value
1	Vinalines Corporation	Additional capital	53,550,000,000
2	Quang Ninh Port Ltd. Co.	Additional capital	8,000,000,000
2	Quang Ninh Port Ltd. Co.	Services provider	13,530,919,030



**c. Year end balances with related parties**

No.	Company name	Receivables/ Payables	Balances
2	Quang Ninh Port Ltd. Co.	Payable	2,234,701,478

Salary, Remuneration of Board of Management, Control Committee and Secretary in 2012	This year
	12,497,303,888

**2 . Bussiness result between 2 finacial years**

No.	Profit before tax	This year	Last year	Comparison of two years	
				Absolute no.	Fairly no.
1	Main activities	(95,854,414,456)	(33,932,167,520)	(61,922,246,936)	-182.49%
2	Financial activities	(31,989,428,564)	11,254,305,726	(43,243,734,290)	-384.24%
3	Other activities	62,465,830,771	9,787,747,786	52,678,082,985	538.20%
	<b>Total</b>	<b>(65,378,012,249)</b>	<b>(12,890,114,008)</b>	<b>(52,487,898,241)</b>	<b>407.19%</b>

Profit from main activities and financial activities also significantly reduced; due to following reasons:

- In 2012, The company has expanded business, increase profit, but investment expenses as well as outsourcing services expenses are higher, on the other hand, the CICT company just commence operating, just few services provided; so the average services provided expense is high, thus, in 2012 the Company's operating profit reduce 61,922,246,936 VND - 182.49% respectively.
- In 2012, The company is continuously focusing on building fixed asset investment, so there is not idle cash deposited in bank, simultaneously when fixed assets formated, borrowing costs are not capitalized but recognized in Production expenses for the period; so, Company's profit from financial activities significantly reduced, the amount of 43,243,734,290 VND, 384.24%, respectively.
- Profit from other bussiness operation significant increased, the amount of 52,678,082,985VND, 538.20% respectively, due in 2012, the CICT Company received other income from contractual penalties for delays processing; amounting to 62,200,674,971 VND.

**3 . Segment Reporting**

The company did not prepare segment reports because they are dissatisfying 1 of 3 segment reporting conditions in the field of business or geographical area specified in Circular No. 20/2006/TT-BTC on 20/3 / 2006 of the Ministry of Finance about guiding six (06) accounting standards issued on Decision No. 12/2005/QD-BTC dated 02/15/2005 by the Minister of Finance

**4 . Financial instrument**

	Book Value		Fair Value	
	31/12/2012	01/01/2012	31/12/2012	01/01/2012
	VND	VND	VND	VND
<b>Financial assets</b>				
Cash and cash equivalents	340,965,521,608	795,808,138,183	340,965,521,608	795,808,138,183
Account receivables	26,006,058,009	13,059,180,345	26,006,058,009	13,059,180,345
Financial investments	-	-	-	-
Short term	-	-	-	-
Long term	-	-	-	-
<b>Total</b>	<b>366,971,579,617</b>	<b>808,867,318,528</b>	<b>366,971,579,617</b>	<b>808,867,318,528</b>
<b>Financial payables</b>				
Account payables	350,663,147,556	145,357,538,241	350,663,147,556	145,357,538,241
Acruel expenses	152,172,556,099	48,856,928,872	152,172,556,099	48,856,928,872
Borrowings	1,773,860,000,000	1,145,540,000,000	1,773,860,000,000	1,145,540,000,000
<b>Total</b>	<b>2,276,695,703,655</b>	<b>1,339,754,467,113</b>	<b>2,276,695,703,655</b>	<b>1,339,754,467,113</b>



Fair value of financial assets and financial payables are represent by the value of this financial instruments could be changed on a current transactions between relevant parties - who are knowledge and demand to joint.

Method and assumption below will be use to estimate the fair value

- Cash in hand, cash at bank, customer's receivables, customer's payable, other short-term loans and debts- almost approximate with the book value because of this own short term.

- Fair value of loans - with fix or floating interest rate could not determind because of missinformation to apply appropriate evaluation method

-By the way, Company were inappropriate evaluated the financial assets and financial debt at the financial year end - that requested in Circular 210/2009/TT-BTC to be applied International Financial Reporting Standard about presentation of Financial Statement and Information disclosure with financial instruments, but do not contain the equivalent constructions for evaluation and record financial instruments ( includes: applying reasonable value, in order to corresponding with International Financial Reporting Standards. However, Company's Board of Director evaluated reasonable value of those financial assets and financial payables are free of misstatement when compare with book value at the financial year end.

## 5 . Credit risks

Credit risk is the risk that occurs when a customer or partner does not meet their own obligations in the contract lead to financial losses to the Company. Company's credit risk primarily occurs from their business operations ( mostly from customer receivables) and from financial activities - includes: bank deposits, loans and other financial instruments.

### Customer's receivables

Company manage their customer's credit risks based on their related control policies, procudures and regulations that related to the managing customer's credit risks

Customer's receivables that infrequently paid need to monitor . The analyzes about the abilities to set up provisions are carry out on reporting date, based on the object-oriented over big customer

### Cash at bank

The larger amount of cash at bank of Company is distributed in trusted bank in Vietnam. Company recognized their concentrated credit risk is low.

## 6 . Liquidity risk

Liquidity risk is the risk that occurs when the company encountered difficulties in implementing their financial obligations due to lack of funds. Liquidity risk arising mainly from the Company's financial assets and liabilitiesfinancial returns of different maturity.

Company oversees liquidity risk by maintain the proportion of cash and cash equivalent at the rate that Board of Directors believe that enough to support for business activities of Company and minize the influence by cash flow changing.

Maturity information of Company's financial debt are based on contractual payment - that have not been discounted as following:

	Less than 1 year	Between 01 to 05 years	Total
<b>Closing balance</b>			
Debts and loans	78,973,600,000	1,694,886,400,000	1,773,860,000,000
Supplier's payables	343,943,592,010	-	343,943,592,010
Accrued expense	152,172,556,099	-	152,172,556,099
Other payables	6,719,555,546	-	6,719,555,546
<b>Opening balance</b>			
Debts and loans	-	1,145,540,000,000	1,145,540,000,000
Supplier's payables	144,859,822,211	-	144,859,822,211
Accrued expense	1,225,261,673	-	1,225,261,673
Other payables	497,716,030	-	497,716,030



Company believes the concentrate risk with solvency is low. Company are able to pay for debts maturity; by the cash flow from business activities and cash receipts from maturity financial assets.

## 7 . Market risks

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate with changes in market prices. Market consists of three types of risk: currency risk, interest rate risk and price risk

### Foreign currencies risks

Foreign currencies risks are the risks that reasonable value or future cash flow of financial instruments will be fluctuate because of exchange rate changed. The foreign currencies risks mostly lies on USD

### Interest rate risks

Interest rate risk is the risk that reasonable of future cash flow of a financial instruments will be fluctuated because of market interest rate changing. Market interest rate changing of a Company usually related to the short-term cash at banks, loans.

### Other price risks

Othe price risk is the risk that reasonable value or future cash flow of a financial instruments could be fluctuate because of the changing of market prices (out of interest changing and exchange rate changing)

## 8 . Information of continuous operation

There are not any events caused serious doubts about the possibility of continuous operation and the Company does not intend and are forced to stop working, or have significantly narrowed its scope of activities.

## 9 . Events after the balance sheets date

By the time of release this report, there is no significant event occuring after the date of Financial statement - that required any adjustment or published in Financial Statement.

## 10 . Comparative Information

The opening balances in balance sheet are taken from the consolidated financial statement ended at 31st December, 2011 carried forward to 01/01/2012 was audited by Viet Nam Auditing and Accounting consultancy Company (AVA).

Prepaired by



Tran Thi Kim Anh

Chief Accountant



Nguyen Tu Thinh

Quang Ninh, 28th March 2013

General Director




Nguyen Hong Duong



**CAILAN PORT INVESTMENT JSC**

**NOTE TO CONSOLIDATED FINANCIAL STATEMENT**

No.1, Cai Lan street, Bai Chay ward, Ha Long city, Quang Ninh province

For fiscal year ended at 31 Dec 2012

**Appendix 01: Increase and decrease in tangible fixed assets**

Unit: VND

Items	Building architectures	Machinery equipments	Transportation means	Others	Management tools and others	SubTotal
<b>Original Cost</b>						
As at 01/01/2012	-	170,000,000	11,228,053,236	1,835,411,260	-	13,233,464,496
Increase	885,270,857,993	1,165,898,331,179	68,770,752,687	18,282,270,194	-	2,138,222,212,053
- <i>Purchase in the year</i>	433,000,000	365,400,000	6,218,543,637	2,670,111,178	-	9,687,054,815
- <i>Complete construction</i>	884,837,857,993	1,165,432,112,997	62,552,209,050	15,196,221,410	-	2,128,018,401,450
- <i>Others increasing</i>	-	100,818,182	-	415,937,606	-	516,755,788
Decrease	78,359,091	-	511,168,181	-	-	589,527,272
- <i>Disposing, liquidating</i>	-	-	511,168,181	-	-	511,168,181
- <i>Internally generated assets</i>	-	-	-	-	-	-
- <i>Others decreasing</i>	78,359,091	-	-	-	-	78,359,091
As at 31/12/2012	885,192,498,902	1,166,068,331,179	79,487,637,742	20,117,681,454	-	2,150,866,149,277
<b>Accumulated depreciation</b>						
As at 01/01/2012	-	40,476,192	1,275,865,960	634,252,475	-	1,950,594,627
Increase	11,704,462,054	25,086,282,883	4,562,151,374	2,112,793,487	-	43,465,689,798
- <i>Depreciation charges</i>	11,704,462,054	25,086,282,883	4,562,151,374	2,112,793,487	-	43,465,689,798
- <i>Acquisition of financial lease fixed assets</i>	-	-	-	-	-	-
- <i>Increase due to consolidation</i>	-	-	-	-	-	-
Decrease	3,580,927	-	42,597,352	-	-	46,178,279
- <i>Disposing, liquidating</i>	-	-	42,597,352	-	-	42,597,352
- <i>Others decreasing</i>	3,580,927	-	-	-	-	3,580,927
As at 31/12/2012	11,700,881,127	25,126,759,075	5,795,419,982	2,747,045,962	-	45,370,106,146
<b>Net Book value</b>						
As at 01/01/2012	-	129,523,808	9,952,187,276	1,201,158,785	-	11,282,869,869
As at 31/12/2012	873,491,617,775	1,140,941,572,104	73,692,217,760	17,370,635,492	-	2,105,496,043,131



**CAILAN PORT INVESTMENT JSC**

**NOTE TO CONSOLIDATED FINANCIAL STATEMENT**

No.1, Cai Lan street, Bai Chay ward, Ha Long city, Quang Ninh province

For fiscal year ended at 31 Dec 2012

**Appendix 02: Movements in owner's equity**

Unit: VND

Items	Contributed legal capital	Capital surplus	Other Contributed capital	Foreign exchange differences	Investments and development funds	Financial reserves	Other equity funds	Retained profits	Total
Opening balance in last year	300,000,000,000	-	11,500,000,000	143,425,789	756,930,096	1,661,486,000	700,000,000	76,185,874	314,838,027,759
Increasing	-	-	-	411,649,239	-	-	-	-	411,649,239
Profit/Loss	-	-	-	-	-	-	-	(5,378,082,670)	(5,378,082,670)
Distributed profit	-	-	-	-	-	-	-	-	-
Decreasing	-	-	-	986,064,955	-	-	186,000,000	50,000,000	1,222,064,955
Dividends paid	-	-	-	-	-	-	-	-	-
Opening balance in this year	300,000,000,000	-	11,500,000,000	(430,989,927)	756,930,096	1,661,486,000	514,000,000	(5,351,896,796)	308,649,529,373
Increasing	65,050,000,000	-	-	-	-	-	-	-	65,050,000,000
Other increasing	-	-	-	430,989,927	-	-	-	-	430,989,927
Parent company's gain	-	-	-	-	-	-	-	1,307,407,209	1,307,407,209
Parent company's loss on subsidiaries	-	-	-	-	-	-	-	(33,749,079,029)	(33,749,079,029)
Profit	-	-	-	-	-	-	-	-	-
Decreasing	-	-	-	-	-	-	-	-	-
Distributed profit	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Other decreasing	-	-	-	-	-	77,680,000	173,000,000	-	250,680,000
Closing balance in this year	365,050,000,000	-	11,500,000,000	-	756,930,096	1,583,806,000	341,000,000	(37,793,568,616)	341,438,167,480



**CAILAN PORT INVESTMENT JSC**

**NOTE TO CONSOLIDATED FINANCIAL STATEMENT**

No.1, Cai Lan street, Bai Chay ward, Ha Long city, Quang Ninh province

For fiscal year ended at 31 Dec 2012

**Appendix 03: Taxes and payables to the State budget**

No	Items	Code	Opening balance	Payable	Paid	Closing balance
1	VAT payables	10	-	112,908,382,574	112,908,382,574	-
	- <i>VAT for import goods</i>	<i>11</i>		<i>107,973,399,694</i>	<i>107,973,399,694</i>	-
2	Special sale tax	20	-	-	-	-
3	Import-export tax	30	-	70,484,083	47,755,528	22,728,555
	- <i>Export tax (33331)</i>	<i>31</i>	-	<i>70,484,083</i>	<i>47,755,528</i>	<i>22,728,555</i>
	- <i>Import tax (33332)</i>	<i>32</i>	-	-	-	-
4	Corporation income tax	40	3,550,899,983	15,583,460,950	17,491,645,424	1,642,715,509
5	Personal income tax	50	224,213,448	2,141,656,136	2,169,102,622	196,766,962
6	Natural resources tax	60	-	-	-	-
7	Land used tax	70	-	-	-	-
	- <i>Land tax</i>	<i>71</i>	-	-	-	-
	- <i>Land rent</i>	<i>72</i>	-	-	-	-
8	Other taxes	80	-	45,404,108	45,404,108	-
9	Fee and other tax	90	-	115,040,000	115,040,000	-
	- <i>Excise tax</i>	<i>91</i>	-	<i>6,000,000</i>	<i>6,000,000</i>	-
	- <i>Registration tax</i>	<i>92</i>	-	<i>109,040,000</i>	<i>109,040,000</i>	-
	<b>Total</b>		<b>3,775,113,431</b>	<b>130,864,427,851</b>	<b>132,777,330,256</b>	<b>1,862,211,026</b>



**CÔNG TY TNHH TƯ VẤN KẾ TOÁN VÀ KIỂM TOÁN VIỆT NAM**  
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