

# PORTCOAST CONSULTANT CORPORATION

Audited financial statements  
for the year ended 31 December 2013

**CONTENTS**

	Page(s)
<b>REPORT OF THE BOARD OF MANAGEMENT</b>	1-3
<b>INDEPENDENT AUDITORS' REPORT</b>	4-5
<b>AUDITED FINANCIAL STATEMENTS</b>	
Balance sheet	6-9
Income statement	10
Cash flow statement	11
Notes to the financial statements	12-29

**PORTCOAST CONSULTANT CORPORATION**  
**REPORT OF THE BOARD OF MANAGEMENT**

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The Board of Management of Portcoast Consultant Corporation have pleased in presenting this report and the audited financial statements of the Company for the fiscal year ended on 31 December 2013.

**1. The Company**

Portcoast Consultant Corporation (“the Company”) is a joint stock company established by the equitization the Portcoast Consultant Enterprise according to the decision No 3203/QĐ-BGTVT dated 24 October 2004 issued by the Ministry of Communication and Transportation. The Company operates under the Certificate of Business Registration No. 4103002981 (business code 0303592115) dated 23 December 2004 issued by the Department of Planning and Investment of Ho Chi Minh City and has been changed to the ninth amendment dated 31 May 2012. The amendments of the Certificate of Business Registration have been performed mainly to increase the charter capital.

According to the Certificate of Business Registration, the company’s business scopes are as follows:

- Survey and consultancy for maritime works including port and coastal structures, off-shore facilities in shipbuilding yard;
- Survey and consultancy for making waterway transport network plans;
- Survey and consultancy for infrastructure projects related to port and coastal structures, off-shore facilities in shipbuilding yard;
- Consultancy for making tender document, construction supervision, verification of transport works;
- Design of transport works (port, waterway);
- Design of hydraulic works (dam, tunnel, culvert, trench, bank protection);
- Design of urban infrastructure works;
- Design of industrial and civil construction structure;
- Design civil and industrial project;
- Traffic construction, civil and industrial project planning;
- Map survey, design traffic construction (bridge, road);
- Design civil and industrial architecture;
- Design interior decoration for construction;
- Design electricity of civil and industrial construction;
- Design water supply and drainage for construction;
- Prepare report on evaluation of the effects on environment ;
- Maritime consultant services;
- Real estate trading;
- Warehouse service;
- Construct other civil technical project.

The Company is located at 92 Nam Ky Khoi Nghia Street, District 1, Ho Chi Minh city.

The Company has 2 branches :

- The North Branch of the Company is located at No.21, Endocrine hospital collective zone, Lang Ha - Thanh Xuan street prolonged, Nhan Chinh ward, Thanh Xuan District, Ha Noi City
- Ho Chi Minh City Branch is located at Portcoast Building No.328 Nguyen Trong Tuyen, Ward 2, Tan Binh District, Ho Chi Minh City.

**2. The Board of Management and Directors**

The members of the Board of Management and Directors during the year 2013 and at the date of this report are:

**The Board of Management**

Mr	Tran Tan Phuc	Chairman
Mr	Nguyen Van Loc	Vice Chairman
Mr	Nguyen Manh Ung	Member
Mr	Pham Duy Dong	Member
Mr	Pham Anh Tuan	Member
Ms	Nguyen Thi Tam Trinh	Member

PORTCOAST CONSULTANT CORPORATION  
**REPORT OF THE BOARD OF MANAGEMENT**

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**The Board of Director**

Mr	Tran Tan Phuc	General Director
Mr	Pham Anh Tuan	Standing Vice General Director and Project Manager, concurrently
Mr	Nguyen Manh Ung	Vice General Director and Director the North Branch, concurrently
Mr	Pham Duy Dong	Vice General Director and Technical Manager, concurrently
Mr	Nguyen Danh Nam	Vice General Director
Mr	Truong Ngoc Tuong	Chief Engineer
Mrs	Nguyen Thi Tam Trinh	Chief Financial - Human Resource Officer

**3. The Company's financial position and operating results**

The Company's financial position as at 31 December 2013 and its operating result for the year then ended are reflected in the accompanying financial statements.

**4. Events since the balance sheet date**

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

**5. Auditors**

AFC Vietnam Auditing Company Ltd. has been appointed to perform the audit for the year ended 31 December 2013.

**6. Statement of responsibility of the Board of Directors in respect of the financial statements**

The Board of Directors are responsible for the financial statements for the year ended 31 December 2013 which give a true and fair view of the state of affair of the Company and of its results and cash flows for the year then ended. In preparing those financial statements, the Board of management and The Board of Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basic unless it is inappropriate to presume that the Company will continue in business; and
- Design, implement and maintain the Company's internal control for prevention and detection of fraud and error.

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

The Board of Directors are responsible for ensuring that the proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and the accounting records comply with the Vietnamese Accounting Standards, Vietnamese Accounting system for enterprises and legal regulations relating to financial reporting.

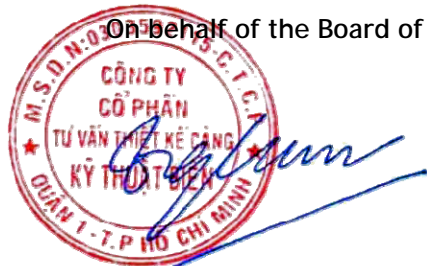
PORTCOAST CONSULTANT CORPORATION  
REPORT OF THE BOARD OF MANAGEMENT

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7. Approval of the financial statements

We hereby approve the accompanying financial statements which give a true fair view of the financial position of the Company as at 31 December 2013 and the results of its operations and cash flows of the Company for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting system for enterprises and legal regulations relating to financial reporting.

On behalf of the Board of Management



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Mr. Tran Tan Phuc  
Chairman  
Ho Chi Minh City, 28 March 2014

No. 36/2014/BCKT-HCM00126

## **INDEPENDENT AUDITORS' REPORT**

On financial statements for the year ended 31 December 2013 of  
Portcoast Consultant Corporation

To : The Shareholders  
The Board of Management and Directors  
Portcoast Consultant Corporation

We have audited the accompanying financial statements of Portcoast Consultant Corporation ("the Company"), presented at 28 March 2014, as set out on pages 6 to 29, which comprise the balance sheet as at 31 December 2013, and the income statement, cash flow statement and notes to the financial statements for the year then ended.

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

The Board of Directors is responsible for the preparation of these financial statements true and fairly in accordance with comply with Vietnamese Accounting Standards, Vietnamese Accounting System and financial reporting related legal regulations in Vietnam, and such internal control as the Board of Directors determined as necessary to ensure that the preparation and presentation of these financial statements that are free from material misstatement to fraud or error.

### **Responsibilities of Auditors**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for qualified opinion**

1. As of 31 December 2013, the Company's receivable from Transport Engineering Design Incorporation South (Tedi South) with the amount of VND 9,765,516,627 as a temporary amount. Therefore, any effects of adjustments to these debts will have impact on the financial situation of the Company.

## INDEPENDENT AUDITOR'S REPORT (Continued)

2. According to the current Vietnamese Accounting Standard and System, in the normal operation condition, the financial statements have been prepared on the historical cost method. As mentioned in Notes 3.1, 3.7, 4.10 and 4.20 of the Notes, based on the Valuation Certificate No. 02171209/KHDN dated 26 December 2009 and Valuation Certificate No.03691/2010/VLAND-HCM dated 20 December 2010 which issued by VietLand Valuation Limited Company, the Company has revaluated its intangible assets - land use right. The revaluation have been recorded in 2009 and 2010 and have increased the value of Intangible assets - land use right with an amount of VND 73.377.039.634 in 2009 and VND 15.571.675.186 in 2010 respectively. In addition, the Company has not made any provision for the potential CIT expenses (if any) for this additional revaluation.

### Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in all material respects, the financial statements give a true and fair view of the financial position of Portcoast Consultant Corporation as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting system for enterprises and legal regulations relating to financial reporting.

### Emphasis of Matter

We draw attention to Note 4.13 to the financial statements, as of 31 December 2013 the profit or loss of investments in subsidiaries, associated companies and other long - term investment are not recognized in the financial statements because the Company has not received the financial statements of these companies. So, the business result and financial position of the Company for the year ended on this date can be changed if the profits or losses on investments are recognized. Our opinion is not qualified in respect of this matter.



**TO BUU TOAN**  
Deputy General Director  
Vietnamese CPA No. 1201-2013-009-1

AFC VIETNAM AUDITING COMPANY LTD.

Ho Chi Minh City, 28 March 2014

**DIEP QUOC BINH**  
Auditor  
Vietnamese CPA No. 2200-2013-009-1

PORTCOAST CONSULTANT CORPORATION

92 Nam Ky Khoi Nghia, Ben Nghe Ward, District 1, Ho Chi Minh City

**BALANCE SHEET**

As at 31 December 2013

	Code	Note	31/12/2013 VND	01/01/2013 VND
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>	<b>100</b>		<b>226.547.387.488</b>	<b>199.726.491.449</b>
Cash and cash equivalents	110	4.1	9.726.978.941	5.103.832.689
Cash	111		7.316.978.941	5.103.832.689
Cash equivalents	112		2.410.000.000	-
Short-term investments	120	4.2	1.542.526.800	3.228.284.400
Short-term investments	121		1.542.526.800	3.228.284.400
Provision for the diminution in value	129		-	-
Accounts receivable	130		97.315.714.387	78.159.301.670
Trade receivables	131	4.3	13.380.746.806	8.360.585.867
Advances to suppliers	132	4.4	28.656.865.627	21.480.323.847
Intercompany receivable	133		-	-
Construction contract receivables based on progress billings	134		-	-
Other receivables	135	4.5	55.657.436.841	48.318.391.956
Provision for doubtful debts	139		(379.334.887)	-
Inventories	140	4.6	111.811.298.416	108.488.420.679
Inventories	141		111.811.298.416	108.488.420.679
Provision for decline inventories	149		-	-
Other current assets	150		6.150.868.944	4.746.652.011
Prepaid expenses	151		57.755.711	58.160.175
Value added tax deductibles	152	4.16	887.794.245	719.540.079
Taxes receivable	154		-	-
Repo transactions in government bonds	157		-	-
Other current assets	158	4.7	5.205.318.988	3.968.951.757



PORTCOAST CONSULTANT CORPORATION

92 Nam Ky Khoi Nghia, Ben Nghe Ward, District 1, Ho Chi Minh City

**BALANCE SHEET**

As at 31 December 2013

	Code	Note	31/12/2013 VND	01/01/2013 VND
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>	<b>200</b>		<b>324.462.241.923</b>	<b>332.628.358.760</b>
<b>Long-term receivables</b>	<b>210</b>		<b>9.765.516.627</b>	<b>9.765.516.627</b>
Long-term trade receivables	211	4.8	9.765.516.627	9.765.516.627
Investment in equity of subsidiaries	212		-	-
Long-term intercompany receivables	213		-	-
Other long-term receivables	218		-	-
Provision for doubtful LT receivables	219		-	-
<b>Fixed assets</b>	<b>220</b>		<b>175.214.373.921</b>	<b>186.760.892.584</b>
Tangible fixed assets	221	4.9	40.910.396.269	43.542.764.313
Cost	222		57.232.015.217	61.480.403.628
Accumulated depreciation	223		(16.321.618.948)	(17.937.639.315)
Finance leasehold assets	224		-	-
Cost	225		-	-
Accumulated depreciation	226		-	-
Intangible fixed assets	227	4.10	101.274.155.310	102.352.642.691
Cost	228		106.943.584.325	106.975.927.585
Accumulated amortisation	229		(5.669.429.015)	(4.623.284.894)
Construction in progress	230	4.11	33.029.822.342	40.865.485.580
<b>Investment Property</b>	<b>240</b>		<b>-</b>	<b>-</b>
Cost	241		-	-
Accumulated depreciation	242		-	-
<b>Long-term financial investments</b>	<b>250</b>	4.12	<b>137.270.730.729</b>	<b>135.270.730.729</b>
Investment in subsidiary company	251		105.429.873.729	105.429.873.729
Investment in associates and JV	252		24.287.907.000	22.287.907.000
Other long-term investments	258		7.552.950.000	7.552.950.000
Provision for decline in LT investments	259		-	-
<b>Other long-term assets</b>	<b>260</b>		<b>2.211.620.646</b>	<b>831.218.820</b>
Long-term prepaid expenses	261	4.13	2.211.620.646	831.218.820
Deferred income tax assets	262		-	-
Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>551.009.629.411</b>	<b>532.354.850.209</b>

## PORTCOAST CONSULTANT CORPORATION

92 Nam Ky Khoi Nghia, Ben Nghe Ward, District 1, Ho Chi Minh City

**BALANCE SHEET**

As at 31 December 2013

	Code	Note	31/12/2013 VND	01/01/2013 VND
<b>RESOURCES</b>				
<b>LIABILITIES</b>	<b>300</b>		<b>280.041.581.245</b>	<b>263.187.685.131</b>
<b>Current liabilities</b>	<b>310</b>		<b>267.213.113.128</b>	<b>250.359.217.014</b>
Short-term loan and liabilities	311		-	-
Trade payables	312	4.14	16.525.231.730	26.074.053.781
Advance from customers	313	4.15	214.019.765.270	177.582.720.506
Tax and payable to the State	314	4.16	26.967.293.161	27.566.211.154
Payable to employees	315		1.518.082.400	32.395.000
Accrued expenses payable	316		-	-
Payable to intercompany	317		-	-
Construction contract payables based on agreed progress billings	318		-	-
Other payables	319	4.17	4.641.172.668	14.326.337.897
Current contingent expense payables	320		-	-
Bonus and welfare funds	323	4.18	3.541.567.899	4.777.498.676
Repo transactions in government bonds	327		-	-
<b>Long-term liabilities</b>	<b>330</b>		<b>12.828.468.117</b>	<b>12.828.468.117</b>
Long-term trade payables	331		-	-
Long-term payable to intercompany	332		-	-
Other long-term payables	333	4.19	12.828.468.117	12.828.468.117
Long-term borrowings and liabilities	334		-	-
Deferred income tax liabilities	335		-	-
Unemployment fund	336		-	-
Long-term contingent exp. payables	337		-	-
Unrealised revenues	338		-	-
Development science and tech. fund	339		-	-
<b>OWNER'S EQUITY</b>	<b>400</b>		<b>270.968.048.166</b>	<b>269.167.165.078</b>
<b>Capital</b>	<b>410</b>	4.20	<b>270.968.048.166</b>	<b>269.167.165.078</b>
Owners' invested equity	411		120.870.700.000	120.870.700.000
Surplus of stock capital	412		7.625.000.000	7.625.000.000
Other capital	413		-	-
Treasury stocks	414		-	-
Difference on assets revaluation	415		88.948.714.820	88.948.714.820
Foreign exchange differences	416		-	-
Development investment fund	417		7.460.000.000	7.460.000.000
Financial reserve fund	418		6.310.000.000	6.310.000.000
Other funds belonging to owners' equity	419		-	-
Retained earnings	420		39.753.633.346	37.952.750.258
Funds for construction investment	421		-	-
<b>Other capital, funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
Subsidized funds	432		-	-
Funds invested in fixed assets	433		-	-
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>551.009.629.411</b>	<b>532.354.850.209</b>

## BALANCE SHEET

As at 31 December 2013

OFF BALANCE SHEET ITEMS	Note	31/12/2013	01/01/2013
Operating lease assets		-	-
Goods held under trust or for processing		-	-
Goods received on consignment for sale		-	-
Bad debts written off - VND		-	-
Foreign currencies (USD)		-	-
- USD	4.1	2.662,62	108.094,50
- JPY	4.1	29.751,00	29.751,00
Forecast operating expenses		-	-



NGO NGOC THU NHAN  
 Chief Accountant



NGUYEN THI TAM TRINH  
 Chief Financial-HR Officer



TRAN TAN PHUC  
 General Director

Ho Chi Minh City, 28 March 2014

## INCOME STATEMENT

For the year ended 31 December 2013

	Code	Note	Year 2013 VND	Year 2012 VND
Gross sales of merchandise and services	01		80.366.738.263	38.880.747.749
Less deduction	02		-	-
Net sales	10	5.1	80.366.738.263	38.880.747.749
Cost of sales	11	5.2	67.858.263.618	29.776.327.040
Gross profit/(loss)	20		12.508.474.645	9.104.420.709
Financial income	21	5.3	1.060.435.577	1.874.214.251
Financial expenses	22	5.4	2.788.763.889	43.310.617
<i>In which : Interest expenses</i>	23		2.788.763.889	-
Selling expenses	24		-	-
General and administration expenses	25	5.5	9.964.765.022	11.219.130.285
Operating profit/(loss)	30		815.381.311	(283.805.942)
Other income	31	5.6	1.962.810.832	1.727.461.276
Other expenses	32	5.7	560.843.811	130.820.237
Other profit/(loss)	40		1.401.967.021	1.596.641.039
Profit/(loss) before tax	50		2.217.348.332	1.312.835.097
Current corporate income tax expense	51	5.8	417.845.244	47.046.006
Deferred corporate income tax expense	52		-	-
Net profit/(loss) after tax	60		1.799.503.088	1.265.789.091
Earnings per share	70	5.9	1.489	1.047



NGO NGOC THU NHAN  
Chief Accountant



NGUYEN THI TAM TRINH  
Chief Financial-HR Officer





TRAN TAN PHUC  
General Director  
Ho Chi Minh City, 28 March 2014


**CASH FLOW STATEMENT - Direct method**

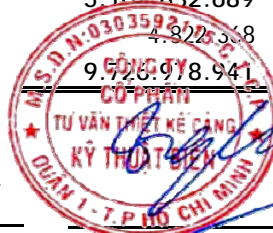
For the year ended 31 December 2013

	Code	Year 2013 VND	Year 2012 VND
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Proceeds from customers	01	119.670.295.913	91.928.215.619
Payments to suppliers	02	(52.780.391.259)	(50.730.381.361)
Payments to employees	03	(21.604.495.479)	(28.677.250.481)
Interest paid	04	(2.788.763.889)	-
Corporate income tax paid	05	(7.236.614.863)	(3.485.476.091)
Other cash inflow from operating activities	06	19.479.678.127	13.546.611.240
Other cash outflow from operating activities	07	(36.443.162.096)	(23.173.681.380)
<b>Net cash flow from operating activities</b>	<b>20</b>	<b>18.296.546.454</b>	<b>(591.962.454)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets and other long term assets	21	(1.481.822.272)	(985.298.580)
Proceeds from disposal of FA and other LT assets	22	529.791.323	-
Payments for loan, purchase of debt instrument	23	(17.697.394.129)	(35.046.719.125)
Proceeds from loans, sale of debt instrument	24	5.915.441.699	15.855.720.571
Investment in other entities	25	(2.000.000.000)	(4.896.200.000)
Proceeds from investment in other entities	26	-	-
Interest and dividends received	27	1.055.760.809	1.832.421.713
<b>Net cash flow from investing activities</b>	<b>30</b>	<b>(13.678.222.570)</b>	<b>(23.240.075.421)</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
Proceeds from capital contribution	31	-	-
Payments of capital to owners	32	-	-
Proceeds from borrowings	33	-	-
Repayments of borrowings	34	-	-
Dividends paid	36	-	-
<b>Net cash flow from financing activities</b>	<b>40</b>	<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash</b>	<b>50</b>	<b>4.618.323.884</b>	<b>(23.832.037.875)</b>
Cash and cash equivalents at beginning of year	60	5.103.832.689	28.935.870.564
Impact of exchange rate fluctuation	61	4.822.368	-
<b>Cash and cash equivalents at the end of year</b>	<b>70</b>	<b>9.526.978.941</b>	<b>5.103.832.689</b>

  
 NGO NGOC THU NHAN  
 Chief Accountant

  
 NGUYEN THI TAM TRINH  
 Chief Financial-HR Officer

  
 TRAN TAN PHUC  
 General Director  
 Ho Chi Minh City, 28 March 2014



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

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

### 1. GENERAL INFORMATION

Portcoast Consultant Corporation ("the Company") is a joint stock company, under the Certificate of Business Registration No. 4103002981 (business code 0303592115) dated 23 December 2004 issued by the Department of Planning and Investment of Ho Chi Minh City and has been changed to the ninth amendment dated 31 May 2012. The amendments of the Certificate of Business Registration have been performed mainly to increase the charter capital.

The Company's business scopes are as follows:

- Survey and consultancy for maritime works including port and coastal structures, off-shore facilities in shipbuilding yard;
- Survey and consultancy for making waterway transport network plans;
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- Consultancy for making tender document, construction supervision, verification of transport works;
- Design of transport works (port, waterway);
- Design of hydraulic works (dam, tunnel, culvert, trench, bank protection);
- Design of urban infrastructure works;
- Design of industrial and civil construction structure;
- Traffic construction, civil and industrial project planning;
- Map survey, design traffic construction (bridge, road);
- Design civil and industrial architecture;
- Design interior decoration for construction;
- Design electricity of civil and industrial construction;
- Design water supply and drainage for construction; preparing report on evaluation of the effects on environment ;
- Maritime consultant services;
- Real estate trading; Warehouse service;
- Construct other civil technical project.

The Company is located at 92 Nam Ky Khoi Nghia Street, District 1, Ho Chi Minh City.

The Company has 2 branches :

- The North Branch of the Company is located at No.21, Endocrine hospital collective zone, Lang Ha - Thanh Xuan Street prolonged, Nhan Chinh Ward, Thanh Xuan District, Ha Noi City
- Ho Chi Minh City Branch is located at Portcoast Building No.328 Nguyen Trong Tuyen Street, Ward 2, Tan Binh District, Ho Chi Minh City.

As at 31 December 2013, the total number of employees is 143 persons (as at 31 December 2012, the total number of employees is 168 persons).

### 2. BASIS FOR PREPARATION

The financial statements, expressed in Vietnamese dong, are prepared in accordance with Vietnamese Accounting Standards and Vietnamese Accounting System.

The financial statements are prepared on the historical cost basis. The accounting policies have been consistently applied by the Company.

The financial year of the Company is from 1 January to 31 December.

The Company maintains its accounting records in Vietnamese dong ("VND").

The applicable accounting documentation system is the journal voucher.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2013

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

#### **3.1 General accounting convention**

The financial statements are prepared on the historical cost basis. Accounting policies are applied appropriately and consistently in accordance with the accounting policies of the previous year, except the cases presented in note 3.7 and the change of the accounting policies related to the application of amending regulation as mentioned below.

##### **Application of new guidance on accounting.**

##### **Amending regulation on depreciation of fixed assets from fiscal year 2013**

Circular 45/2013/TT-BTC (Circular 45) dated 25 April 2013, issued by the Ministry of Finance, guiding regulation on management, use and depreciation of fixed assets. This circular replace the circular 203/2009/TT-BTC dated 20 October 2009. Circular 45 takes effect on 10 June 2013 and applies from the fiscal year 2013.

##### **Amending regulation on provision for devaluation of long-term financial investments.**

Circular 89/2013/TT-BTC (Circular 89) dated 28 June 2013, issued by the Mynistry of Finance, amending and supplementing the Circular No. 228/2009/TT-BTC dated December 7, 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad receivable debts and warranty for products, goods and construction works at enterprises

#### **3.2. Cash and cash equivalents**

Cash comprises cash on hand, cash at banks (demand deposits) and cash in transit. Cash equivalents are short-term highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

#### **3.3 Foreign currency transactions**

During the year, transactions in currencies other than Vietnamese Dong (VND) are translated into VND at the actual exchange rate of the transaction date. Realized gains or losses arisen during the year are recognized in the financial income and financial expense.

As at the Balance sheet date, monetary items and liabilities denominated in foreign currencies are translated into VND based on the average inter-bank exchange rate announced on the balance sheet date. Foreign Exchange Differences amounts resulting from the translation during the year are recorded as financial income or financial expense of the financial year.

#### **3.4 Receivables**

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

The provision for doubtful debts represents the estimated loss due to non-payment arising on receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recognised as general and administration expense in the income statement.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

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### 3.5 Inventories

Inventories are determined at cost. Where the net realisable value is lower than cost, inventories should be measured at the net realisable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The perpetual method is used to record inventories. Cost is determined on specific identification method out basis.

Cost in the case of finished goods includes raw materials, direct labour and attributable manufacturing overhead.

Direct labour and attributable manufacturing overhead costs are allocated base on total quantity of completed products to each unit of finished goods.

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc) of raw materials, finished goods and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recognised as cost of goods sold in the income statement.

### 3.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The initial cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures for additions, improvement and renewals are capitalised on fixed assets accounts, expenditures for maintenance and repairs are charged to the income statement.

When assets are sold or retired, their cost and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

Depreciation of tangible fixed assets is calculated on a straight-line basis over the estimated useful life of these assets, which are as follows:

Buildings and structure	15 - 30 years
Machinery and equipment	03 - 08 years
Transportation vehicles	03 - 10 years
Transmission equipment	06 - 08 years
Office equipment	03 - 05 years



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

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### 3.7 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

#### *Land use rights*

The beginning cost of land use rights is recorded at historical cost including its purchase price and any directly attributable costs of getting the land use rights. The useful time of these land use rights is unidentified, so it is not depreciated.

The Company's land use rights are as follows:

<u>Area</u>	<u>Location</u>
400.40m <sup>2</sup>	No. 328 Nguyen Trong Tuyen Street, Tan Binh District, Ho Chi Minh City
76,486.00 m <sup>2</sup>	Field no. 65, map no. 52 Phuoc Hoa ward, Tan Thanh District, Ba Ria Vung Tau Province.
54.70m <sup>2</sup>	No. 83 Tran Van Kieu, Ward 13, District 5, Ho Chi Minh City.

In the year 2009, the cost of above land use rights are revaluated and recorded in financial statements in accordance with the Valuation Certificate no. 02171209/KHDN dated 26 December 2009 which issued by Vietland Valuation Limited Company.

In the year 2010, the cost of above land use rights are revaluated and recorded in financial statements following the Valuation Certificate no.03691/2010/VLAND-HCM dated 20 December 2010 which issued by Vietland Valuation Limited Company.

#### *Software*

Software is recognized as an intangible fixed asset and depreciated on a straight-line method from 3 years to 6 years.

### 3.8 Construction in progress

Construction in progress represents the costs attributable directly to the construction which have not yet been completed. No provision for depreciation is made on construction in progress until such time when the relevant assets are completed and put into use.

### 3.9 Investment in subsidiary, joint-ventures, associates

The investment in a subsidiary is recognized when the Company has the power to govern the financial and operating policies of that enterprise, generally accompanying a shareholding of more than one haft of the voting right.

The investment in an associate is recognized when the Company has significant influence and which is neither a subsidiary nor a joint venture of the Company, generally accompanying a shareholding of from 20% to 50% of the voting right.

The investment in a joint venture is recognized when the Company has contractual arrangements where by two or more parties undertake an economic activity which is subject to joint venture.

In this financial statements (The Company's separate financial statements), the investments in subsidiaries, associates, joint ventures are presented at historical cost method.

### 3.10 Owner's equity

#### *Owner's investment capital*

Owner's investment capital is capital contributed from issuing shares be recorded upon par value.

#### *Share capital surplus*

Share capital surplus reflected the increase/ (decrease) difference resulting from issuing shares with price higher/ (lower) than par value; and the difference of increase in price compared with buying back price when re-issuing treasury shares.

### 3.11 Revenue

The revenue of services

The revenue of services is recognized when the company rendered services and the customer confirmed in acceptance minutes. Later on, the company issues invoice based on the acceptance minutes.

Financial income

Financial income is interest, dividend, profit received from financial investments which incurred in period, include all amounts the company received in cash or not.

### 3.12 Corporate income tax

#### *Corporation income tax*

Current CIT expense is the CIT payable charged to taxable income and tax rate applied.

According to Corporation income tax law, corporation income tax rate applied in 2013 is 25%

*Other tax:* comply with Vietnamese current regulations.

### 3.13 Financial instruments

The company is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Company. The Company a system of controls in place to create an acceptable balance tween the cost of risks occurring and the cost of managing the risks. The Board of General Directors continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Financial instruments - initial recognition and presentation

Financial assets

Financial assets within the scope of Circular 210/2009/TT-BTC are classified, for disclosures in the notes to the financial statements, as financial assets at the fair value through the income statement, held-to-maturity investments, loans and receivables, available for sale financial assets. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at cost plus directly attributable transaction costs.

The Company's financial assets include cash and cash equivalents; short-term investments and other long-term investments, trade receivables; others receivables and deposits.

Financial liabilities

Financial liabilities within the scope of Circular 210/2009/TT-BTC are classified, for disclosures in the notes to the financial statements, as financial liabilities at the fair value through the income statement or financial liabilities measured at amortized cost as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at cost plus directly attributable transaction costs.

The Company's financial liabilities include loans and borrowings liabilities; trade payables and other payables.

Subsequent measurement

No subsequent measure of financial instruments is currently required.

As at 31 December 2013, the fair value of the financial assets and liabilities approximate their carrying amounts largely. It is management's assessment that the fair values of these financial assets and liabilities are not materially different from their carrying amount at the balance sheet date.

**3.14 Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

### 4. ADDITIONAL INFORMATION TO ITEMS IN THE BALANCE SHEET

#### 4.1 Cash and cash equivalents

	31/12/2013 VND	01/01/2013 VND
Cash on hand	337,173,742	272,488,846
Cash in bank	6,979,805,199	4,831,343,843
Cash equivalents	<u>2,410,000,000</u>	<u>-</u>
	<u><b>9,726,978,941</b></u>	<u><b>5,103,832,689</b></u>

As at 31 December 2013, the balances of cash in bank are as follows :

	Original currency	Equivalent to VND
VND	-	6,917,734,344
USD	2,662.62	56,010,874
JPY	29,751.00	6,059,981
		<u><b>6,979,805,199</b></u>

As at 31 December 2013, the balance of cash equivalent (deposit at bank under 3 months) is as follows :

	VND
Vietnam dong	<u>2,410,000,000</u>
	<u><b>2,410,000,000</b></u>

#### 4.2 Short-term financial investments

	31/12/2013 VND	01/01/2013 VND
Fixed deposit in bank over 3 months	<u>1,542,526,800</u>	<u>3,228,284,400</u>
	<u><b>1,542,526,800</b></u>	<u><b>3,228,284,400</b></u>

As at 31 December 2013, the balances of deposit in bank with term over 3 months are as follows :

	Original currency	Equivalent to VND
VND		1,410,000,000
USD	6,300.00	132,526,800
		<u><b>1,542,526,800</b></u>

#### 4.3 Trade receivable

	31/12/2013 VND	01/01/2013 VND
Trade receivable - third party	<u>13,380,746,806</u>	<u>8,360,585,867</u>
	<u><b>13,380,746,806</b></u>	<u><b>8,360,585,867</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

<b>4.4</b>	<b>Advances to suppliers</b>	<b>31/12/2013</b>	<b>01/01/2013</b>
		VND	VND
	Trade receivable - third party	10,712,951,824	8,862,641,825
	Trade receivable - related party	17,943,913,803	12,617,682,022
		<u>28,656,865,627</u>	<u>21,480,323,847</u>
<b>4.5</b>	<b>Other receivables</b>	<b>31/12/2013</b>	<b>01/01/2013</b>
		VND	VND
	Receivables from lending to related parties	37,555,947,704	47,692,354,888
	Receivables from lending to third parties	17,025,254,000	-
	Other	1,076,235,137	626,037,068
		<u>55,657,436,841</u>	<u>48,318,391,956</u>
<b>4.6</b>	<b>Inventories</b>	<b>31/12/2013</b>	<b>01/01/2013</b>
		VND	VND
	Work in progress	111,811,298,416	108,488,420,679
		<u>111,811,298,416</u>	<u>108,488,420,679</u>
<b>4.7</b>	<b>Other short-term assets</b>	<b>31/12/2013</b>	<b>01/01/2013</b>
		VND	VND
	Advances to employees for performance contracts	5,197,288,967	3,968,951,757
	Deposit in bank	8,030,021	-
		<u>5,205,318,988</u>	<u>3,968,951,757</u>
<b>4.8</b>	<b>Other long-term receivables</b>	<b>31/12/2013</b>	<b>01/01/2013</b>
		VND	VND
	Receivables from the Transport Engineering Design Incorporation South	9,765,516,627	9,765,516,627
		<u>9,765,516,627</u>	<u>9,765,516,627</u>

According to "The confirmation minutes of output performance up to 31 December 2004 for all contracts signed before 31 December 2004" agreed between the Company and the Transport Engineering Design Incorporation South (Tedi South), this is the difference of the output performance of the Company and total value advanced from Tedi South up to 31 December 2004.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

### 4.9 Increase/ Decrease of tangible fixed assets

	Buildings, Structures VND	Machinery, equipment VND	Means of transmitters VND	Total VND
<i>Cost</i>				
Opening balance	37,375,160,556	6,473,478,279	17,631,764,793	61,480,403,628
Purchased during the year	-	1,437,585,510	-	1,437,585,510
Decrease due to liquidation	-	-	(1,102,452,810)	(1,102,452,810)
Decrease due to apply 45/TT-BTC	-	(4,543,476,111)	(40,045,000)	(4,583,521,111)
Closing balance	37,375,160,556	3,367,587,678	16,489,266,983	57,232,015,217
<i>Acc. depreciation</i>				
Opening balance	2,989,571,890	5,800,442,892	9,147,624,533	17,937,639,315
Depreciation during the year	1,258,268,076	497,498,010	1,682,663,284	3,438,429,370
Decrease due to liquidation	-	-	(572,661,487)	(572,661,487)
Decrease due to apply 45/TT-BTC	-	(4,441,743,250)	(40,045,000)	(4,481,788,250)
Closing balance	4,247,839,966	1,856,197,652	10,217,581,330	16,321,618,948
<i>Net book value</i>				
Opening balance	34,385,588,666	673,035,387	8,484,140,260	43,542,764,313
Closing balance	33,127,320,590	1,511,390,026	6,271,685,653	40,910,396,269

As at 31 December 2013, the cost of fixed assets fully depreciated but still in use is VND 3,211,005,925

### 4.10 Increase/ Decrease of intangible fixed assets

	Land use right VND	Accounting software VND	Total VND
<i>Cost</i>			
Opening balance	99,577,816,920	7,398,110,665	106,975,927,585
Purchased during the year	-	39,900,000	39,900,000
Decrease due to apply 45/TT-BTC	-	(72,243,260)	(72,243,260)
Closing balance	99,577,816,920	7,365,767,405	106,943,584,325
<i>Acc. Depreciation</i>			
Opening balance	-	4,623,284,894	4,623,284,894
Depreciation during the year	-	1,116,206,531	1,116,206,531
Decrease due to apply 45/TT-BTC	-	(70,062,410)	(70,062,410)
Closing balance	-	5,669,429,015	5,669,429,015
<i>Net book value</i>			
Opening balance	99,577,816,920	2,774,825,771	102,352,642,691
Closing balance	99,577,816,920	1,696,338,390	101,274,155,310

In the year 2009 and 2010, the cost of land use rights has increased an amount of VND 73,377,039,634 and VND 15,571,675,186 by revaluation respectively as at Notes 3.7

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

### 4.11 Construction in progress

	31/12/2013 VND	01/01/2013 VND
Building Construction A2 Truong Son Street, quarter 2, Tan Binh district, HCM city	32,878,970,909	40,718,970,909
Land at Maritime Service Counseling Center	150,851,433	146,514,671
	<u>33,029,822,342</u>	<u>40,865,485,580</u>

### 4.12 Long term investment

	31/12/2013 VND	01/01/2013 VND
Investment in subsidiaries	105,429,873,729	105,429,873,729
Investment in associates, joint-ventures	24,287,907,000	22,287,907,000
Other long-term investments	7,552,950,000	7,552,950,000
	<u>137,270,730,729</u>	<u>135,270,730,729</u>

#### *Investment in subsidiaries*

	Holding rate (%)		Investment Value (VND)	
	Ending	Beginning	31/12/2013	01/01/2013
Portcoast Investment Consultants Corporation	70,00	70,00	888,292,000	888,292,000
Portcoast Geotechnical Co., Ltd	87,88	87,88	8,700,000,000	8,700,000,000
Xcom Co., Ltd	80,00	80,00	2,400,000,000	2,400,000,000
Global Media Consultant Co., Ltd	51,00	51,00	255,000,000	255,000,000
Cong Chinh AC Co., Ltd	70,00	70,00	350,000,000	350,000,000
Dia Hai Co., Ltd	94,18	94,18	14,536,581,729	14,536,581,729
Nhan Phuc Duc Investment JSC	52,20	52,20	78,300,000,000	78,300,000,000
			<u>105,429,873,729</u>	<u>105,429,873,729</u>

#### *Investment in associates, joint-ventures*

	Holding rate (%)		Investment Value (VND)	
	Ending	Beginning	31/12/2013	01/01/2013
Port and Waterway Engineering Consultant JSC	21.00	21.00	3,445,707,000	3,445,707,000
Tien Giang Construction Consultant JSC	30.89	30.89	3,024,000,000	3,024,000,000
HFIC Investments JSC	40.00	40.00	4,000,000,000	4,000,000,000
Sai Gon Medicine Health Investment Corporation	41.44	41.44	11,818,200,000	11,818,200,000
Civil Engineering Consultants Join-Stock Company 625	22.83	-	2,000,000,000	-
			<u>24,287,907,000</u>	<u>22,287,907,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

### *Other long-term investments*

	Shares	Investment value (VND)	
		31/12/2013	01/01/2013
Cai Mep Thi Vai Inland Depot Distribution JSC		25,000,000	25,000,000
Sea star International Port Corporation		3,240,000,000	3.240.000.000
Sai Gon Construction Quality Control JSC	224,500	4,287,950,000	4,287,950,000
		<u>7,552,950,000</u>	<u>7,552,950,000</u>

### 4.13 Long-term prepayment

	31/12/2013	01/01/2013
	VND	VND
Official repaired expenses	208,502,571	757,703,307
Repaired machinery and equipment	1,236,279,196	73,515,513
Tools	766,838,879	-
	<u>2,211,620,646</u>	<u>831,218,820</u>

### 4.14 Trade payable

	31/12/2013	01/01/2013
	VND	VND
Payable to suppliers	16,525,231,730	26,074,053,781
	<u>16,525,231,730</u>	<u>26,074,053,781</u>

As of 31 December 2013, the balance of trade payable is mainly payable to Gemadept with an amount of VND 12,491,000,000 for buying house and land use right at A2 Truong Son, ward 2, Tan Binh district, Ho Chi Minh City. The Company has in progress of transferring land use right.

### 4.15 Advances from customers

	31/12/2013	01/01/2013
	VND	VND
Advances from customers	214,019,765,270	177,582,720,506
	<u>214,019,765,270</u>	<u>177,582,720,506</u>

The balance of advances from customer is the advances on the contract in progress. These advances will be reversed as soon as official acceptance of construction.

### 4.16 Taxes

#### *Taxes receivables*

	31/12/2013	01/01/2013
	VND	VND
Value added taxes deductible	887,794,245	719,540,079
	<u>887,794,245</u>	<u>719,540,079</u>

#### *Taxes and obligations payable to State*

	31/12/2013	01/01/2013
	VND	VND
Value added tax	4,202,550,778	545,759,847
Corporation income tax	10,517,479,517	17,336,249,136
Personal income tax (PIT)	12,233,664,842	9,670,604,147
Others	13,598,024	13,598,024
	<u>26,967,293,161</u>	<u>27,566,211,154</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

4.17 Other payables	31/12/2013 VND	01/01/2013 VND
Union fees	-	100,377,463
Social insurance	148,725,872	313,407,140
Health insurance	135,777,150	56,500,949
Unemployment insurance	56,575,400	24,036,290
Income from difference of revaluation of assets invested in subsidiary company (*)	91,240,246	1,524,259,755
Borrowings	1,960,000,000	9,860,000,000
Others	2,248,854,000	2,447,756,300
	<u>4,641,172,668</u>	<u>14,326,337,897</u>

(\*) The company allocates this income into other income for period of 5 years (from 2011 to 2015)

4.18 Bonus and welfare funds	31/12/2013 VND	01/01/2013 VND
Beginning balance	4,777,498,676	7,167,692,704
Temporary accrued funds	-	-
Other increase	1,000,000	11,410,000
Bonus	(1,236,930,777)	(2,401,604,028)
Ending balance	<u>3,541,567,899</u>	<u>4,777,498,676</u>

4.19 Other long-term payables	31/12/2013 VND	01/01/2013 VND
Payables for performance value at 31/12/2004	9,765,516,627	9,765,516,627
Other payables	3,062,951,490	3,062,951,490
	<u>12,828,468,117</u>	<u>12,828,468,117</u>

#### 4.20 Owner's equity

According to the Certificate of Business Registration No. 0303592115 ninth amended on 31 May 2012 issued by the Department of Planning and Investment of Ho Chi Minh City, the Company's charter capital is VND 120,870,700,000. As at 31 December 2013, shareholders have fully contributed charter capital equivalents to 1,208,707 shares with par value per share is VND 100,000.

The shareholders	Rate %	Shares	Amounts VND
Mr Tran Tan Phuc	23.54	284,534	28,453,400,000
Mr Do Nguyen Chi	6.94	83,826	8,382,600,000
Shareholders (staff of Company)	47.77	577,398	57,739,800,000
Other	21.75	262,949	26,294,900,000
<b>Total</b>	<b>100.00</b>	<b>1,208,707</b>	<b>120,870,700,000</b>

PORTCOAST CONSULTANT CORPORATION  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the financial year ended 31 December 2013

**4.21 Owner's equity (continued) - Fluctuation of owner's equity**

	Owner's equity	Equity capital gain	Difference from revaluation assets	Investment and development fund	Financial contingency fund	Treasury stocks	Retained earning	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Opening balance (01/01/2012)	120,870,700,000	7,625,000,000	88,948,714,820	7,460,000,000	6,310,000,000	-	36,685,626,167	267,900,040,987
- Profit in 2012	-	-	-	-	-	-	1,265,789,091	1,265,789,091
- Withdraw dividends	-	-	-	-	-	-	1,335,000	1,335,000
Closing balance (31/12/2012)	120,870,700,000	7,625,000,000	88,948,714,820	7,460,000,000	6,310,000,000	-	37,952,750,258	<b>269,167,165,078</b>
Opening balance (01/01/2013)	120,870,700,000	7,625,000,000	88,948,714,820	7,460,000,000	6,310,000,000	-	37,952,750,258	269,167,165,078
- Profit in 2013	-	-	-	-	-	-	1,799,503,088	1,799,503,088
- Withdraw dividends	-	-	-	-	-	-	1,380,000	1,380,000
Closing balance (31/12/2013)	120,870,700,000	7,625,000,000	88,948,714,820	7,460,000,000	6,310,000,000	-	39,753,633,346	<b>270,968,048,166</b>

In the year 2009 and 2010, the difference from revaluation on intangible asset-land use rights is VND 73,377,039,634 and VND 15,571,675,186 as presented at Note 3.7 and 4.10.

PORTCOAST CONSULTANT CORPORATION  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the financial year ended 31 December 2013

*Transactions with owners and dividend distribution*

	Year 2013 VND	Year 2012 VND
<b>Owner's equity</b>		
Beginning balance	120,870,700,000	120,870,700,000
Increasing	-	-
Ending balance	120,870,700,000	120,870,700,000

**Share**

	Year 2013	Year 2012
Authorized shares	1,208,707	1,208,707
- Common stock (unconditional transfer right)	535,000	535,000
- Common stock (conditional transfer right)	673,707	673,707
- Preference share	-	-
Issued shares during the year	1,208,707	1,208,707
- Common stock (unconditional transfer right)	535,000	535,000
- Common stock (conditional transfer right)	673,707	673,707
- Preference stock	-	-
Outstanding shares	1,208,707	1,208,707
- Common stock (unconditional transfer right)	535,000	535,000
- Common stock (conditional transfer right)	673,707	673,707
- Preference stock	-	-
Treasury stock	-	-

Par value of outstanding shares: 100.000 VND/shares

**5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT**

**5.1 Revenues**

	2013 VND	2012 VND
Revenue from rendering services	80,366,738,263	38,880,747,749
Deduction	-	-
<b>Net sales</b>	<u>80,366,738,263</u>	<u>38,880,747,749</u>

**5.2 Cost of sales**

	2013 VND	2012 VND
Cost of services rendered	67,858,263,618	29,776,327,040
	<u>67,858,263,618</u>	<u>29,776,327,040</u>

**5.3 Financial income**

	2013 VND	2012 VND
Interest from bank, loan	94,731,309	871,392,213
Realized difference of exchange rate	-	41,792,538
Unrealized difference of exchange rate	4,674,768	-
Dividend from financial investment	961,029,500	961,029,500
	<u>1,060,435,577</u>	<u>1,874,214,251</u>

PORTCOAST CONSULTANT CORPORATION  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the financial year ended 31 December 2013

**5.4 Financial expenses**

	2013 VND	2012 VND
Realized foreign exchange difference	-	43,310,617
Interest expenses	2,788,763,889	-
	<u>2,788,763,889</u>	<u>43,310,617</u>

**5.5 Administration expenses**

	2013 VND	2012 VND
Wages	7,427,484,100	8,968,166,985
Raw material costs	37,587,679	55,066,021
Tools cost	8,918,636	32,543,909
Tax and fees	378,648,015	443,029,422
Extraordinary services expense	860,733,616	1,137,708,885
Provision for doubtful debts	379,334,887	-
Other in cash	872,058,089	582,615,063
	<u>9,964,765,022</u>	<u>11,219,130,285</u>

**5.6 Other incomes**

	2013 VND	2012 VND
Income from difference of revaluation on assets invested in subsidiary company	1,433,019,509	1,433,019,467
Income from subcontractors	-	294,441,809
Income from disposal fixed assets	529,791,323	-
	<u>1,962,810,832</u>	<u>1,727,461,276</u>

**5.7 Other expenses**

	2013 VND	2012 VND
Interest on tardy payment of social insurance	25,052,488	130,820,237
Net book value of fixed assets on disposal	529,791,323	-
Penalty	6,000,000	-
	<u>560,843,811</u>	<u>130,820,237</u>

**5.8 Current income tax expense**

	2013 VND	2012 VND
Profit before CIT	2,217,348,332	1,312,835,097
Increasing/ decreasing adjustments		
<i>Add: non-deductible expenses</i>	415,062,143	130,820,237
<i>Less: non-taxable income</i>	(961,029,500)	(1,255,471,309)
Taxable income	1,671,380,975	188,184,025
CIT rate	25%	25%
Payable estimated CIT	417,845,244	47,046,006
Current CIT expenses	<u>417,845,244</u>	<u>47,046,006</u>

PORTCOAST CONSULTANT CORPORATION  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the financial year ended 31 December 2013

5.9 Earning per share

		2013	2012
Accounting profit after tax	VND	1,799,503,088	1,265,789,091
Profit or loss allocated to common stockholders	VND	1,799,503,088	1,265,789,091
Weighted average of outstanding common stock	Shares	1,208,707	1,208,707
Earning per share	VND/Shares	1,489	1,047

6. OTHER INFORMATION

6.1 Related parties

Significant transactions with related parties during the year were as follows:

Related parties	Location	Relationship
Portcoast Investment Consultants Corporation	Ho Chi Minh City	Subsidiary
Portcoast Geotechnical Co., Ltd	Ho Chi Minh City	Subsidiary
Xcom Co., Ltd	Ho Chi Minh City	Subsidiary
Dia Hai Co., Ltd	Ho Chi Minh City	Subsidiary
Cong Chinh AC Co., Ltd	Ho Chi Minh City	Subsidiary
Global Media Consultant Co., Ltd	Ho Chi Minh City	Subsidiary
Nhan Phuc Duc Investment JSC	Ho Chi Minh City	Subsidiary
Transport Engineering Design Incorporation Port Co., Ltd	Ha Noi	Associate
Tien Giang Construction Consultant JSC	Tien Giang	Associate
HFIC Investment Joint Stock Company	Ho Chi Minh City	Associate
Sai Gon Medicine Health Investment Corporation	Ho Chi Minh City	Associate
Civil Engineering Consultants Join-Stock Company 625	Ho Chi Minh City	Associate

6.2 Transactions and balances with related parties

In financial year, significant transactions with related parties during the year were as follow:

Related parties	Transactions	VND
Dia Hai Co., Ltd.	Lending	3,802,900,374
	Received from lending	4,451,590,000
	Advance to supplier	4,931,816,250
	Buying services	4,780,000,000
Portcoast Geotechnical Co., Ltd	Lending	12,311,452,662
	Received from lending	5,551,246,700
	Advance to supplier	14,613,950,150
	Buying services	9,393,302,100
Global Media Consultant Co., Ltd	Lending	203,644,258
	Advance to supplier	269,010,500
	Buying services	221,490,500
Nhan Phuc Duc Investment JSC	Lending	1,009,585,000
	Pay on behalf of	162,725
Tien Giang Construction Consultant JSC	Sell services	83,397,500
	Received from selling services	68,803,000

PORTCOAST CONSULTANT CORPORATION  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the financial year ended 31 December 2013

As at 31 December 2013, the balances of receivable with the related parties are as follows:

Related company	Transactions	Receivable - VND
Dia Hai Co., Ltd.	Advance to suppliers	1,168,836,250
	Lending	6,813,837,542
Portcoast Geotechnical Co., Ltd	Advance to suppliers	14,713,943,874
	Lending	26,898,454,930
Xcom Co., Ltd	Advance to suppliers	243,472,698
	Lending	315,617,310
Cong Chinh AC Co., Ltd	Advance to suppliers	100,000,000
	Lending	1,807,414,664
Global Media Consultant Co., Ltd	Advance to suppliers	1,618,442,500
	Lending	698,162,258
Portcoast Investment Consultants Corporation	Advance to suppliers	90,000,000
	Lending	10,000,000
Nhan Phuc Duc Investment JSC	Lending	1,012,461,000
	Pay on behalf	803,353

As at 31 December 2013, the balances of payable with the related parties are as follows

Related company	Transactions	(Payables) - VND
Tien Giang Construction Consultant JSC	Advance from customer	(39,746,376)



**NGÔ NGỌC THU NHAN**  
Chief accountant



**NGUYỄN THỊ TÂM TRINH**  
Finance and HR Chief Officer



**TRẦN TẤN PHÚC**  
General Director  
Ho Chi Minh City, 28 March 2014