TRAI THIEN USA INC.

(Unaudited)
Consolidated Financial Statements
For The Three Months Ended March 31, 2012 and 2011

Management's Discussion and Analysis of Financial Conditions and Results of Operations

Plan of Operations

We are a Vietnam-based sea cargo company, formed in June 2007, specializing in the transport of dry bulk commodities within Southeast Asia. Currently, we have a fleet of six term-leased geared vessels with an average size of 3,665 dead weight tonnage ("DWT"). The aggregate capacity for all six ships totals 21,990 DWT. Due to the current capacity of our ships, our business is conducted primarily within Southeast Asia and southern China.

In addition to Trai Thien's current fleet of six term-leased geared vessels, in order to meet growing market demand for our services, we have made deposits for building six new vessels with a capacity of 7,600 DWT each. We expect delivery of the first three ships in the second half of 2012. The remaining three vessels are expected in 2013.

As of March 31, 2012, the Company is required to make aggregate future minimum payments of $46,703,915 to the shipyards over the next 18 months. As of March 31, 2012, the Company has available $4,853 in cash and cash equivalents. The Company plans to finance the construction of these 6 newly-built vessels through additional capital injections from its shareholders, or through external financing from banks or a mix of financing sources. However, there can be no assurance that the Company will be able to obtain sufficient funds to meet its obligations on a timely basis towards the delivery of the vessels.

With our expansion plan, Trai Thien's total capacity is expected to significantly increase to nearly 52,390 DWT by the end of 2012, then exceeding 67,000 DWT by the end of 2013. Given the larger size and young age of our cargo ships, we believe we can further distance ourselves from locally-owned and foreign-owned competitors in Vietnam and within greater South East Asia.

Results of Operations for the Three Months Ended March 31, 2012 and 2011

Revenues for the three month period ended March 31, 2012 increased by $4,590 or 0.1% to $3,874,576 compared to $3,869,986 for the quarter ended March 31, 2011. The revenues were mostly unchanged primarily due to the fact that no changes were made to the Company's six vessel fleet configuration compared to the same period in 2011, and there was only little improvement in the shipping rate environment based on revenues per ton of cargo hauled. The average price realized per ton was $47 and $46 for the three months ended March 31,2011 and 2012, respectively. The number of our nautical trips realized by the Company's fleet was unchanged at 26.

Voyage expenses for the three month period ended March 31, 2012 were $1,867,317 compared to $1,669,795 for the period ended March 31, 2011, an increase of $197,522, or 11.8%. Voyage expenses mainly include fuel, pilot, towage and port fees. While there was a slight increase in pilot, towage and port fees for the three month period ended March 31, 2012, the increase in voyage expenses mostly reflects the increase in fuel costs in 2012, compared to the same period last year.

Vessel operating expenses for the quarter ended March 31, 2012 were $534,039 compared to $406,120 for the same period ended March 31, 2011, an increase of $127,919, or 31.5%. Vessel operating expenses mainly include crewing expenses, ship administrative expenses and vessel insurance. We attributed the increase of vessel operating expenses to a more inflationary cost environment and a mandatory 20% increase in crewing wages.

Rental expense for the three month period ended March 31, 2012 were $784,461 compared to $500,938 for the same quarter ended March 31, 2011, an increase of $283,523, or 57%. The increase in rental expense was due to the sale and subsequent lease-back of 2 vessels with capacity of 4,300 DWT each in February 2011 and inflation adjustments to renewed operating lease contracts.

Selling, general and administrative expenses for the three months ended March 31, 2012 were $268,380 compared to $206,140 for the quarter ended March 31, 2011, an increase of $62,240, or 30%. Selling, general and administrative expenses mainly included office expenses, salary of administration staff, audit fees and consultancy fees. This increase compared to the same period last year was due to the significant increase in costs associated with managing the administration of crew related activities directly by the Company after outsourcing this function in 2010.

Interest expenses for the three months ended March 31, 2012, were $172,874 compared to $469,799 for the three months ended March 31, 2011. We attribute the decrease of $296,925, or 63%, to the decrease in short-term borrowing and long-term borrowing associated with the financing of two 4300 DWT vessels that were sold and subsequently leased back to the Company in February 2011.

Income tax expense for the three months ended March 31, 2012 was $11,918 compared to an income tax expense of $33,772 for the quarter ended March 31, 2011.

As a result of the foregoing, net income decreased by $279,042, or 72%, for a profit of $107,901 for the quarter ended March 31, 2012, compared to a net profit of $386,943 for the quarter ended March 31, 2011.

Liquidity and Capital Resources

As of March 31, 2012, cash and cash equivalents were $4,853, compared to $8,814 as of December 31, 2011.

The Company used net cash of $1,633,838 in operating activities for the three months ended March 31, 2012, while it generated cash of $1,813,983 in operating activities for the same period in 2011. The major reasons for the usage were significant pay downs of outstanding debt obligations.

The Company used no net cash in investing activities for the three months ended March 31, 2012, while it used net cash of $1,766,571 for the same period in 2011. During the quarter ended March 31, 2011, the Company used $1,766,571 in the disposal of property, plant and equipment, most of which was loss on the sale of two vessels of 4,300 DWT each in February 2011.

During the three months ended March 31, 2012, the Company increased net cash of $1,628,101 from financing activities, which included proceeds of $1,628,101 from promissory notes.

Considering the Company's vessel acquisition plan which accounts for an addition of 3 vessels of 7600 DWT each to the fleet in the second half of 2012, we estimate that our operational expenses over the next twelve months will be approximately $13,060,547, consisting of voyage expenses of $6,847,780, vessel operating expenses of $ 1,592,235, vessel rental expense of $3,145,552 and selling, general and administrative expenses of $1,474,980. The Company expects to meet such expenses through a mix of additional capital from its shareholders, external financing from banks, and its internally generated cash flows.

The Company has committed and contracted for the construction of 6 vessels in Vietnam with a combined carrying capacity of 45,600 deadweight tons in the aggregate value of approximately $65 million, which are expected to be delivered between 2012 and 2013. As of March 31, 2012, the Company is required to make aggregate future minimum payments of $46,703,915 to the shipyards in the next 18 months. As of March 31, 2012, the Company has available $4853 in cash and cash equivalents, and may not able to meet with these capital commitments. The Company plans to finance the construction of these 6 newly-built vessels through additional capital injection from its shareholders or external financing from banks or a mix of financing sources. However, there can be no assurance that the Company will be able to obtain sufficient funds to meet its obligations on a timely basis towards the delivery of the vessels.

As of March 31, 2012, total current assets were $1,226,459 compared to total current liabilities of $5,846,616, translated to a current ratio of .21 times. As of March 31, 2012, short-term bank borrowings were $3,601,555 and are scheduled for repayment in July 2012. The Company depends on its ability for agreements with banks to refinance or to reschedule when these short-term borrowings are due. However, there can be no assurance that the Company will be able to reach such agreements with the banks to refinance or reschedule when these short-term borrowings are due.

These factors raise substantial doubt about the Company's ability to continue as a going concern. These condensed financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets and liabilities that may result in the Company not being able to continue as a going concern.

Off-Balance Sheet Arrangements

Since our inception, except for standard operating leases, we have not engaged in any off-balance sheet arrangements, including the use of structured finance, special purpose entities or variable interest entities.

Capital commitments

The Company is committed and contracted with three unaffiliated shipyards, Dai Duong Joint Stock Ocean Transportation Company, Hai Ha Road and Water Transport Company Limited and Dai Duong Vessel Building Co. Ltd, respectively, for the construction of 6 vessels in Vietnam. The total estimated outstanding construction cost for 6 vessels including 10% VAT is approximately $47 million. These vessels are expected to be delivered between 2012 and 2013.

As of March 31, 2012, the Company has the aggregate future minimum payments of $46,703,915 to the shipyards for the next 18 month period.

Operating lease commitments

The Company is committed to several vessel charter agreements to operate a total of 6 oceangoing vessels in various terms ranging from 6 months to 1 year with fixed monthly rentals and generally did not contain significant renewal options. For the three months ended March 31, 2012 and 2011, the Company incurred and paid vessel rental expense of $784,691 and $500,938, respectively. The increase in rental expenses is attributed to the sale and subsequent lease-back of two 4,300 DWT vessels in February 2011.

As of March 31, 2012, the Company has the future minimum rental payments of $3,145,552 under these operating lease agreements over the next 12 months.

TRAI THIEN USA INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

TRAI THIEN USA INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31, 2012

(Currency expressed in United States Dollars ("US$"), except for number of shares)

	Three Month Ended March 31, 2012			
	March 31, 2012		December 31, 2011	
ASSETS				
CURRENT ASSETS	$		$	
Cash and cash equivalents	$	4,853	$	8,814
Accounts receivable, net		402,313		338,642
Advances to a suppliers		512,000		193,318
Prepayments and other current assets		128,879		200,100
Deferred tax assets		178,414		94,273
Total current assets :	$	1,226,459	$	835,147
NON CURRENT ASSETS	$		$	
Vessel construction in progress	$	16,464,013	$	16,464,013
Property, plant and equipment, net		1,979,605		1,984,559
Total non-current assets :	$	18,443,618	$	18,542,845
TOTAL ASSETS :	$	19,670,077	$	19,283,719
LIABILITIES AND STOCKHOLERS' EQUITY :				
Current liabilities	$		$	
Accounts payable, Trade	$	154,888	$	3,077,732
Short-term borrowings		3,601,555		3,601,555
Convertible promissory note		1,663,870		-
Amount due to a stockholder		69,958		69,958
Income tax payable		11,918		-
Accrued liabilities and other payable		413,385		444,239
Total Current liabilities	$	5,845,616	$	7,193,484
Long term liabilities	$		$	
Long term bank borrowing	$	-	$	-
Other long term liabilities		-		-
Total long term liabilities	$	-	$	-
Commitments and contingencies	$		$	-
STOCKHOLERS' EQUITY :				
Preferred stock, $0.001 par value; 1,000,000 shares authorized; no share issued and outstanding	$		$	
Common stock, $0.001 par value; 200,000,000 shares authorized; 12,684,535 and 421,812,094 shares issued and outstanding as of March 31, 2012 and December 31, 2011 respectively (Restated).		12,684		2,109
Additional paid-in capital		12,201,267		10,583,741
Accumulated other comprehensive loss		(442,177)		(440,401)
Reserve funds		136,806		136,806
(Accumulated deficits) retained earnings		1,915,881		1,807,980
Total stockholders' equity	$	13,824,461	$	12,090,235

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	19,670,077	$	19,283,719

See accompanying notes to consolidated financial statements.

TRAI THIEN USA INC.

AND COMPREHENSIVE (LOSS) INCOME

FOR THREE MONTHS ENDED MARCH 31, 2012 AND 2011

(Currency expressed in United States Dollars ("US$"), except for number of shares)

(Unaudited)

	Three Months Ended March 31,			
	2012		2011	
Revenues, net	**$**	**3,874,576**	**$**	**3,869,986**
Operating expenses :				
Voyage expenses	$	1,867,317	$	1,669,795
Vessel operating expenses		534,039		406,120
Rental expenses		784,691		500,938
Selling, general and administrative		268,380		206,140
Total operating expenses :	**$**	**3,454,427**	**$**	**2,782,993**
Income from	**$**	**420,149**	**$**	**1,086,993**
Other income	$	-	$	
Other expense (Repair, maintenance, overhauled ...)		127,612		196,498
Interest income		156		29
Interest expenses		172,874		469,799
Net operating profit before tax	**$**	**119,819**	**$**	**420,715**
Income tax - current		**11,918**		**33,772**
Income tax - deferred				
NET (LOSS) INCOME	**$**	**107,901**	**$**	**386,943**
Weighted average common stock outstanding – Basic and diluted		**4,185,897**		**1,235,080**

See accompanying notes to consolidated financial statements.

TRAI THIEN USA INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011
(Currency expressed in United States Dollars ("US$"))
(Unaudited)

	Three Months Ended March 31			
	2012		2011	
Cash flows from operating activities:	$		$	
Net (loss) income	$	119,819	$	386,943
Adjustments to reconcile net income to net cash provided by operating ctivities				
Depreciation		99,227		51,130
Deferred tax assets		-		-
Interest expense		172,874		
Changes in operating assets and liabilities:	**$**	**391,920**	**$**	**435,369**
Accounts receivable, trade	$	(20,678)	$	1,432,357
Advances to a supplier		-		9,742
Increase decrease in inventories		-		
Accounts payable, trade		(811,684)		-
Prepayments and other current assets		(64,439)		(56,861)
Accrued liabilities and other payables		(1,128,957)		(322,953)
Income tax payable		-		-
Net cash provided by operating activities	**$**	**(1,633,838)**	**$**	**1,813,983**
Cash flows from investing activities	$	-	$	-
Purchase of property, plant and equipment	$	-	$	-
Payment to shipyards on vessel building		-		-
Proceeds from disposal of property, plant and equipment		-		(1,766,571)
Net cash used in investing activities	**$**	**-**	**$**	**(1,766,571)**
Cash flows from financing activities:	$	-	$	-
Advance from a stockholder	$	-	$	-
Proceeds from promissory note		1,628,101		-
Proceeds from short-term bank borrowing and long-term bank borrowing		-		-
Payments on short-term bank borrowings		-		-
Payments on long-term bank borrowings		-		-
Repayment from a stockholder		-		-

Net cash provided by financing activities	**$**	**1,628,101**	**$**	**-**
NET CHANGE IN CASH AND CASH EQUIVALENTS	$	**(5,737)**	**$**	**(47,412)**
BEGINNING OF PERIOD	$	**8,814**	**$**	**20,060**
Effect of exchange rate changes for converting foreign currency		**1,776**		**-**
END OF PERIOD	$	**4,853**	**$**	**67,472**

See accompanying notes to consolidated financial statements.

TRAI THIEN USA .INC
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTH END MARCH 31, 2012

(Currency expressed in United States Dollars "US$", except for number of shares)

(Unaudited)

	Common stock		Additional Paid-in capital	Accumulate orther comprehensive loss	Reserve fund	Retained Earnings	Total stockholders' equity
	No.of share	Amount					
a	b	c	d	e	f	g	h
Balance as of January 1, 2012	421,812,000	2,109	10,583,741	(440,401)	136,806	1,807,980	12,090,235
Shares issued for services	10,550,000	10,575	1,617,526				1,628,101
Net income for the period						107,901	107,901
Appropriation from reserve fund							-
Foreign currency translation adjustment				(1,776)			(1,776)
Shares temporarily issued for collateral for loan							-
Balance as of March 31, 2012	432,362,000	12,684	12,201,267	(442,177)	136,806	1,915,881	13,824,461

See accompanying notes to consolidated financial statements.

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared by management in accordance with both accounting principles generally accepted in the United States of America ("GAAP") and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Certain information and note disclosures normally included in audited financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading.

In the opinion of management, these unaudited consolidated financial statements reflect all normal and recurring adjustments considered necessary to state fairly the results for the periods presented.

These unaudited consolidated financial statements should be read in conjunction with the accompanying notes thereto.

NOTE 2 – ORGANIZATION AND BUSINESS BACKGROUND

Trai Thien USA Inc. ("TRTH" or the "Company") was incorporated under the laws of the State of Nevada on January 23, 2004. In September 2004, it filed a notice with the Securities and Exchange Commission (File No.: 814-00674) of its intent to elect in good faith to be regulated as a Business Development Company ("BDC") under the Investment Company Act of 1940 and be subject to Sections 54 through 65 of the said Act. In July 2008, it began steps to withdraw its election and ceased being a BDC. On January 13, 2010, the Company changed its name to "Trai Thien USA Inc."

The Company operates its chartered and owned vessels in the ocean transportation in Vietnam, through its variable interest entity ("VIE"), Trai Thien, which is registered as a joint stock company under the Enterprise Law of the Socialist Republic of Vietnam on June 11, 2007, which primarily charters vessels from the ship-owners and operates the vessels in the ocean transportation of a broad range of major and minor bulk cargoes including iron ore, coal, grain, cement and fertilizer, along Asian shipping routes.

On February 6, 2012, the Company effectuated a reverse stock split of its common stock at a split ratio of 1-for-200, pursuant to a plan approved by the Company's Board of Directors. All common stock and per share data for all periods presented in these consolidated financial statements has been restated to give effect to the reverse stock split.

The Company and its VIE are hereinafter referred to as (the "Company").

NOTE 3 - GOING CONCERN UNCERTAINTIES

The Company's condensed consolidated financial statements are presented on a going concern basis, which contemplates the continuity of operations and realization of assets and satisfaction of liabilities and commitments in the normal course of business.

The Company has committed and contracted for the construction of six vessels in Vietnam with a combined carrying capacity of 45,600 deadweight tons in the aggregate value of approximately $60 million (equivalent to approximately VND1,200 billion), which are expected to be delivered between 2012 and 2013. As of March 31, 2012, the Company has $4,853 available cash and cash equivalents and suffers from negative working capital of $5,131,157, whereas the Company may not have sufficient working capital to meet with these capital commitments. The Company plans to finance the construction of these six newly-built vessels through additional capital injection from its shareholders or external financing from banks or a mix of financing sources. However, there can be no assurance that the Company will be able to obtain sufficient funds to meet its obligations on a timely basis towards the delivery of the vessels.

These factors raise substantial doubt about the Company's ability to continue as a going concern. These condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets and liabilities that may result in the Company not being able to continue as a going concern.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements reflect the application of certain significant accounting policies as described in this note and elsewhere in the accompanying condensed consolidated financial statements and notes.

- Use of estimates

In preparing these condensed consolidated financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheets and revenues and expenses during the periods reported. Actual results may differ from these estimates.

- Basis of consolidation

The condensed consolidated financial statements include the financial statements of TRTH and its VIE. All significant inter-company balances and transactions within the Company have been eliminated upon consolidation.

The Company has adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810-10-5-8, "*Variable Interest Entitie*s" which requires a variable interest entity or VIE to be consolidated by a company if that company is subject to a majority of the risk of loss for the VIEs or is entitled to receive a majority of the VIE's residual returns.

- Cash and cash equivalents

Cash and cash equivalents are carried at cost and represent cash on hand, demand deposits placed with banks or other financial institutions and all highly liquid investments with an original maturity of three months or less as of the purchase date of such investments.

- Accounts receivable and allowance for doubtful accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the existing accounts receivable. The Company determines the allowance based on historical write-off experience of the Company. The Company reviews its allowance for doubtful accounts on a regular basis. All other balances are reviewed on a specific basis based on the aging of receivables, payment history, the customer's current credit worthiness and the economic environment. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers.

(Currency expressed in United States Dollars ("US$"), except for number of shares)

- Vessel construction in progress

Vessel construction in progress represents the cost of contracts to build vessels and other direct costs relating to acquiring and placing the vessels in service. No depreciation is provided for until the vessel is substantially complete and ready for its intended use. No capitalized interest is incurred during the period of vessel construction.

- Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on the straight-line basis over the following expected useful lives from the date on which they become fully operational:

	Depreciable life
Vessels	15 years
Office equipment	3 to 5 years
Motor vehicles	10 years

Expenditure for maintenance and repairs is expensed as incurred. The gain or loss on the disposal of plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant assets and is recognized in the statement of operations.

In February 2011, the Company sold two 4300 DWT vessels as part of a financial restructuring strategy resulting in a significant reduction in short and long-term barrowing costs and an incurred loss of $2,926,385 for the period.

Depreciation expenses for the quarters ended March 31, 2012 and 2011 were $99,227 and $51,130, respectively.

- Impairment of long-lived assets

Long-lived assets primarily include property, plant and equipment and vessel construction in progress. In accordance with the provisions of ASC Topic 360-10-5, "*Impairment or Disposal of Long-Lived Assets*", the Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying amount of the asset. There has been no impairment as of March 31, 2011.

- Revenue recognition

In accordance with the ASC Topic 605, *"Revenue Recognition"*, the Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectible is reasonably assured.

(a) Cargo transportation revenue

Recognition of cargo transportation revenue is based upon ASC Topic 605-20-25-13, *"Services for Freight-in-Transit at the End of a Reporting Period"*. The Company recorded both transportation revenue and its direct costs when the shipment is completed.

Revenue represents the invoiced value of services, net of value-added tax ("VAT") and brokerage commission payable to unaffiliated shipping agents.

(b) Interest income

Interest income is recognized on a time apportionment basis, taking into account the principal amounts outstanding and the interest rates applicable.

- Comprehensive income or loss

ASC Topic 220, *"Comprehensive Income"*, establishes standards for reporting and display of comprehensive income or loss, its components and accumulated balances. Comprehensive income or loss as defined includes all changes in equity during a period from non-owner sources. Accumulated comprehensive income or loss, as presented in the accompanying condensed statements of stockholders' equity consists of changes in unrealized gains and losses on foreign currency translation. This comprehensive income or loss is not included in the computation of income tax expense or benefit.

- Income taxes

Income taxes are determined in accordance with the provisions of ASC Topic 740, "*Income Taxes*" ("ASC 740"). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

For the quarters ended March 31, 2012 and 2011, the Company did not have any interest and penalties associated with tax positions. As of March 31, 2011, the Company did not have any significant unrecognized uncertain tax positions.

The Company conducts major businesses in Vietnam and is subject to tax in its own jurisdiction. As a result of its business activities, the Company files separate tax returns that are subject to examination by the foreign tax authority.

- Foreign currencies translation

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency using the applicable exchange rates at the balance sheet dates. The resulting exchange differences are recorded in the statement of operations.

The reporting currency of the Company is United States Dollars ("US$") and the accompanying financial statements have been expressed in US$. In addition, the Company maintains its books and record in a local currency, Vietnamese Dong ("VND"), which is functional currency as being the primary currency of the economic environment in which its operation is conducted. In accordance with ASC Topic 830-30, "*Translation of Financial Statement"*, assets and liabilities of the Company whose functional currency is not US$ are translated into US$, using the exchange rate on the balance sheet date. Revenues and expenses are translated at average rates prevailing during the period. The gains and losses are recorded as a separate component of accumulated other comprehensive income within the statement of stockholders' equity.

Translation of amounts from VND into US$1 has been made at the following exchange rates for the respective quarter:

	2012	2011
Three month end ratesVND:US$1 exchange rate	21,175	20,805
Three month average rates VND:US$1 exchange rate	20,975	20,605

- Related parties

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

- Segment reporting

ASC Topic 280, "*Segment Reporting*" establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organization structure as well as information about geographical areas, business segments and major customers in financial statements. The Company operates in one reportable operating segment in Vietnam.

- Fair value measurement

ASC Topic 820-10, "*Fair Value Measurements and Disclosures*" ("ASC 820-10") establishes a new framework for measuring fair value and expands related disclosures. Broadly, ASC 820-10 framework requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. ASC 820-10 establishes a three-level valuation hierarchy based upon observable and non-observable inputs. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

For financial assets and liabilities, fair value is the price the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

- Fair value of financial instruments

The carrying value of the Company's financial instruments include cash and cash equivalents, accounts receivable, prepayments and other current assets, accounts payable, amounts due to a stockholder, promissory note, income tax payable, accrued liabilities and other payables. Fair values were assumed to approximate carrying values for these financial instruments because they are short term in nature and their carrying amounts approximate fair values. The carrying value of the Company's short-term and long-term bank borrowings approximated its fair value based on the current market conditions for similar debt instruments.

- Recent accounting pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

In September 2009, the Financial Accounting Standard Board ("FASB") issued certain amendments as codified in ASC Topic 605-25, *"Revenue Recognition; Multiple-Element Arrangements."* These amendments provide clarification on whether multiple deliverables exist, how the arrangement should be separated, and the consideration allocated. An entity is required to allocate revenue in an arrangement using estimated selling prices of deliverables in the absence of vendor-specific objective evidence or third-party evidence of selling price. These amendments also eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method. The amendments significantly expand the disclosure requirements for multiple-deliverable revenue arrangements. These provisions are to be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with earlier application permitted. The Company will adopt the provisions of these amendments in its fiscal year 2012 and is currently evaluating the impact of these amendments to its consolidated financial statements.

In April 2010, the FASB issued ASU 2010-13, *Compensation – Stock Compensation (Topic 718): Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades*. ASU 2010-13 provides guidance on the classification of a share-based payment award as either equity or a liability. A share-based payment that contains a condition that is not a market, performance, or service condition is required to be classified as a liability. ASU 2010-13 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010 and is not expected to have a significant impact on the Company's financial statements.

In July 2010, the FASB issued new accounting guidance that will require additional disclosures about the credit quality of loans, lease receivables and other long-term receivables and the related allowance for credit losses. Certain additional disclosures in this new accounting guidance were effective for the Company on December 31, 2010, with certain other additional disclosures that were effective on March 31, 2011. The Company does not expect the adoption of this new accounting guidance to have a material impact on its consolidated financial statements.

NOTE 5 – PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets consisted of the following:

(Currency expressed in United States Dollars ("US$"), except for number of shares)

	March 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)
VAT receivable	$ 178,414	$ 94,273
Prepaid operating expenses	128,879	200,100
Advances to suppliers	512,000	193,318
Accounts receivable	402,313	338,642
	$ 1,221,606	$ 826,333

NOTE 6 – VESSEL CONSTRUCTION IN PROGRESS

In 2007, the Company contracted for the construction of 6 vessels in Vietnam with a combined carrying capacity of 45,600 deadweight tons. The total cost of the contracts for 6 vessels under construction at two unaffiliated shipyards in Vietnam is approximately $56,236,482 (equivalent to about VND 1,170 billion). These vessels are expected to be delivered between 2012 and 2013. The Company will incur additional associated costs relating to the construction of these vessels under the contracts.

As of March 31, 2011, the aggregate vessel construction in progress amounted to $16,464,013.

NOTE 7 – CONVERTIBLE PROMISSORY NOTE

Note holders have agreed to receive accrued unpaid vessel lease payments for fiscal years 2009 and 2010 payable in the form of 9% convertible promissory notes in the aggregate sum of $1,663,870. On February 17, 2012, an aggregate of 2,400,000 shares were converted and issued at a fair market price of $.20 per share, or a total value of $ 480,000.

NOTE 8 – BANK BORROWINGS

Bank borrowings consisted of the following:

(a) Short-term bank borrowings payable to financial institutions in Vietnam:

		March 31, 2012 (Unaudited)	March 31, 2011 (Unaudited)
		$	$
Short term bank loan, AgriBank. Secured, equivalent to VND14 billion with interest rate at 19.2% per annum, payable monthly, due on July 23, 2012	(i)	3,601,555	2,431,309
Revolving credit facility, VID Public Bank		-	2,853,655
Total short-term borrowings		$ 3,601,555	$ 5,284,964

(Currency expressed in United States Dollars ("US$"), except for number of shares)

(i) The Company received a short term bank loan from AgriBank with a term of 12 months for working capital purposes. Interest was carried at an annual rate of 19.2%, subject to adjustment on a three month basis, payable monthly. The line is secured by the real properties including residential property and land use rights with the aggregate carrying values of $5.15 million which are personally owned by the major stockholder, President and Chairman of the Company, Mr. Nguyen Quoc Khanh.

(b) Long-term bank borrowings payable to financial institutions in Vietnam:
For the Quarter ended March 31, 2012, the Company has no Long-term bank borrowings

	March 31, 2012 (Unaudited)	March 31, 2011 (Unaudited)
Trust Bank,		
Secured, equivalent to VND 46 billion with interest rate at 12% per annum payable monthly, due December 31, 2014	$ -	$ 2,276,789
Secured, equivalent to VND 60 billion with interest rate at 16.2% per annum payable monthly, due March 30, 2015	-	3,077,712
Kien Long Bank,		
Secured, equivalent to VND 2.8 billion with interest rate at 19.2% per annum payable monthly, due March 12, 2013	-	143,165
Less: current portion of long-term bank borrowings	-	(2,997,025)
Total long-term bank borrowings, net of current portion	$ 0	$ 2,500,641

NOTE 9 – ACCRUED LIABILITIES AND OTHER PAYABLES

Accrued liabilities and other payables consisted of the following:

	March 31, 2012 (Unaudited)	March 31, 2011 (Unaudited)
Trade accounts payable	$ 154,888	$ 2,912,683
Advance from customers		951,067
Salary and welfare payable	343,427	
Other tax payable	11,918	208,176

(Currency expressed in United States Dollars ("US$"), except for number of shares)

Intercompany payables	69,958	
Convertible promissory note	1,663,870	
Other current payables		656,973
	$ 2,244,061	**$ 4,728,899**

NOTE 10 – STOCK BASED COMPENSATION

On February 7, 2012, the Company issued 150,000 shares of its common stock to its CEO as a bonus incentive for services rendered to the company in 2010 and 2011, at a fair market value of $0.20 per share, or a total of $30,000.

On February 17, 2012, the Company issued 6 million shares of its common stock to its Chairman & President in lieu of salary and bonuses for the years 2009, 2010, and 2011, at a fair market price of $0.20 per share or a total value of $1,200,000.

NOTE 11 – INCOME TAXES

For the quarter ended March 31, 2012 and 2011, the local ("United States of America") and foreign components of (loss) income before income taxes were comprised of the following:

	Three month ended March 31,	
	2012	2011
Tax jurisdiction from:		
– Local	$ -	$ -
– Foreign	(11,918)	(208,176)
(Loss) income before income taxes	$ 119,819	$ 617,223

The provision for income tax consisted of the following:

	Three months ended March 31,	
	2012	2011
Current tax:		
– Local	$ -	$ -
– Foreign	(11,918)	(208,176)
Deferred tax:		
– Local	-	-
– Foreign		
Income tax expense (credit)	$ (11,918)	$ (208,176)

United States of America

The Company is registered in the State of Nevada and is subject to the tax laws of the United States of America.

(Currency expressed in United States Dollars ("US$"), except for number of shares)

The Company does not incur any operation in the United States.

Socialist Republic of Vietnam

Effective from January 1, 2009, the Company's VIE, Trai Thien is subject to the new income rate of 25% on the taxable income under the Law on Corporate Income Tax of the Socialist Republic of Vietnam.

Pursuant to the New CIT Law, the Company is eligible for corporate income tax holiday, whereas its business is established in a special development zone or considered as encouraged investment. Under such tax holiday, the Company is exempted from corporate income tax for the first two years starting from its first profit-making year, entitled to a reduced corporate income tax rate of 10% for the following three years and a preferential corporate income tax rate of 20% for the remaining five years. Trai Thien continues to enjoy the tax holiday expiring through fiscal year 2016.

The following table sets forth the significant components of the aggregate deferred tax assets of the Company as of March 31, 2012 and 2011:

	March 31, 2012 (Unaudited)	March 31 2011 (Unaudited)
Deferred tax assets:		
Non-deductible professional fees	$ 94,273	$ 41,819
Non-deductible vessel rental expense	-	-
Total:	$ 94,273	$ 41,819

NOTE 12 – CONCENTRATIONS OF RISK

The Company is exposed to the following concentrations of risk:

(a) Major customers

For the quarter ended March 31, 2011 and 2012, customers who accounted for 10% or more of the Company's revenues and its outstanding balance as of period-end dates, are presented as follows:

	Three months ended March 31, 2011		March 31, 2011
	Revenues	Percentage of revenues	Accounts receivable
Customer A	$ 784,460	20.2%	$
Customer B	730,660	18.8%	
Customer C	554,726	14.3%	-
Customer D	493,492	12.7%	-
Total:	$ 2,563,338	66.1%	$ -

	Three months ended March 31, 2012		March 31, 2012
		Percentage	Accounts

	Revenues	of revenues	receivable
Customer A	$ 1,047,464	27.07%	$
Customer B	906,110	23.41%	
Customer C	549,190	14.19%	-
Customer D	499,696	12.19%	-
Total:	$ 3,002,460	76.86%	$ -

(b) Credit risk

No financial instruments potentially subject the Company to significant concentrations of credit risk. Concentrations of credit risk are limited due to the Company's large number of transactions that are on a cash basis.

(c) Interest rate risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest-rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Company to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Company to fair value interest-rate risk. The Company's policy is to obtain the most favorable interest rates available for its borrowings. At the period-end, all of the borrowings were at floating and fixed rates.

(d) Exchange rate risk

The reporting currency of the Company is US$. To date the majority of the revenues and costs are denominated in VND and a significant portion of the assets and liabilities are denominated in VND. As a result, the Company is exposed to foreign exchange risk as its revenues and results of operations may be affected by fluctuations in the exchange rate between US$ and VND. If VND depreciates against US$, the value of VND revenues and assets as expressed in US$ financial statements will decline. The Company does not hold any derivative or other financial instruments that exposes it to substantial market risk.

(e) Economic and political risks

Substantially all of the Company's services are conducted in Vietnam and the Southeast Asia region. The Company's operations are subject to various political, economic, and other risks and uncertainties inherent to Vietnam and the region. Among other risks, the Company's operations are subject to the risks of restrictions on the transfer of funds; export duties, quotas, embargoes; domestic and international customs and tariffs; changing taxation policies; foreign exchange restrictions; and political conditions and governmental regulations in Vietnam and the United States.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

The Company is committed and contracted with two unaffiliated shipyards, Dai Duong Joint Stock Ocean Transportation Company and Hai Ha Road and Water Transport Company Limited, respectively, for the construction of six vessels in Vietnam. The total estimated construction cost for six vessels was approximately $56,236,482 (equivalent to about VND 1,170 billion). These vessels are expected to be delivered between 2012 and 2013.

(Currency expressed in United States Dollars ("US$"), except for number of shares)

As of March 31, 2012, the aggregate future minimum payments to the shipyards in the next two years are as follows:

Years ending December 31:		
2012	$	23,221,385
2013		19,102,440
Total:	$	42,323,825

(b) Operating lease commitments

As of the date of the report, the Company is committed to six vessel charter agreements to operate six oceangoing vessels for a term of six months, with a fixed monthly rental and generally do not contain significant renewal options. For the quarters ended March 31, 2012 and 2011, the Company incurred vessel rental expenses of $784,691 and $500,938, respectively. The Company has the future minimum rental payment obligation of $3,145,552 for the next 12 months under the operating lease agreement.