



**CÔNG TY TNHH KIỂM TOÁN & DỊCH VỤ TIN HỌC TP.HCM**

**AUDITED FINANCIAL STATEMENTS**

*For the fiscal year ended December 31, 2016*

**VIETRANSTIMEX MULTIMODAL TRANSPORT  
HOLDING COMPANY**

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# VIETRANSTIMEX MULTIMODAL TRANSPORT HOLDING COMPANY

## REPORT OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2016

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*The Board of General Directors has the honor of submitting this report and the audited financial statements for the fiscal year ended December 31, 2016.*

### 1. Business highlights:

#### Establishment:

Vietranstimex MultiModal Transport Holding Company (referred as to “the Company”) is established on the basis of capitalization of MultiModal Transport Company, a Stated-owned company, under Decision No. 1454/QĐ – BGTVT dated May 28, 2010 of the Ministry of Transport. The Company is an independently accounting unit operating under Business Registration Certificate No. 0400101901 dated November 01, 2010 of the Department of Planning and Investment of Danang City (the eighth amended certificate and the latest amended certificate dated November 01, 2016), Corporate Law, the Company’s Charter and relevant legal regulations.

**Structure of ownership:** Joint Stock Company.

#### The Company's principal activities:

Local and international multi-way transport, transport service supporting directly transport by land, railroad, river-way; Leasing warehouse, machinery and equipment, transportation means

**English name:** VIETRANSTIMEX MULTIMODAL TRANSPORT HOLDING COMPANY

**Short name** VIETRANSTIMEX

**Security code** VTX (UpCom)

**Head Office** No. 80-82 Bach Dang Str., Hai Chau I Ward, Hai Chau Dist., Danang City, Vietnam

### 2. Financial position and results of operation:

The Company's financial position and results of operation in the year are presented in the attached financial statements.

### 3. Board of Management, Board of Supervisors, Board of General Directors and Chief Accountant:

The Board of Management, Board of Supervisors, Board of General Directors, Chief Accountant holding office in the year and at the reporting date include:

#### Board of Management:

Mr.	Le Ba Tho	Chairman (Appointed from Apr. 26, 2016)
		Member (Appointed from Mar. 04, 2016)
Mr.	Dang Doan Kien	Member (Reappointed from Apr. 25, 2015)
Mr.	Vo Duy Nghi	Member (Reappointed from Apr. 26, 2016)
Mr.	Nguyen Tang Mang	Member (Reappointed from Apr. 26, 2016)
Mr.	Do Hoang Phuong	Member (Appointed from Apr. 26, 2016)
Mr.	Dinh Viet Tung	Chairman (Resigned from Apr. 26, 2016)
Mr.	Hoang Tuan	Member (Resigned from Apr. 26, 2016)

#### Board of Supervisors

Mrs.	Nguyen Thi Thu Thuy	Chief Supervisor (Resigned from Aug. 30, 2016)
Mr.	Pham Tuong Minh	Chief Supervisor (Appointed from Aug. 30, 2016)
		Member (Appointed from Apr.26, 2016)
Mr.	Le Cong Minh	Member (Appointed from Apr. 26, 2016)
Mrs.	Do Thi Phuong Lan	Member (Resigned from Apr. 26, 2016)
Mr.	Chau Hoai Thanh	Member (Resigned from Apr. 26, 2016)

VIETRANSTIMEX MULTIMODAL TRANSPORT HOLDING COMPANY

REPORT OF THE BOARD OF GENERAL DIRECTORS

For the fiscal year ended December 31, 2016

**3. Board of Management, Board of Supervisors, Board of General Directors and Chief Accountant: (cont)**  
**Board of Directors and Chief Accountant**

Mr.	Vo Duy Nghi	General Director (Appointed from May 01, 2015)
Mr.	Phan Van Phuc	Deputy General Director (Reappointed from May 15, 2015)
Mr.	Do Hoang Phuong	Deputy General Director (Appointed from Apr. 26, 2016)
Mr.	Ngo Tu	Deputy General Director (Reappointed from May 15, 2015)
Mr.	Tran Nguyen Giap	Deputy General Director (Resigned from November 15, 2016)
Mrs.	Bui Thi Ngoc Ha	Chief Accountant (Reappointed from May 01, 2015)

**The Company's legal representative in the period and to the reporting date:**

Mr.	Vo Duy Nghi	General Director (Appointed from May 01, 2015)
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**4. Independent Auditor**

Auditing and Informatic Services Company Limited (AISC) has been appointed as an independent auditor for the fiscal year ended December 31, 2016.

**5. Statement of the Responsibility of the Board of General Directors in respect of the Financial Statements**

The Board of General Directors of the Company is responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Company as of December 31, 2016 as well as its results of operation and cash flows for the fiscal year ended December 31, 2016. In order to prepare these financial statements, the Board of General Directors has considered and complied with the following matters:

- Selected the appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- The financial statements of the Company are prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements are prepared in compliance with the registered accounting policies stated in the Notes to the Financial Statements. The Board of General Directors is also responsible for safeguarding the assets of the Company and thus taking reasonable steps for the prevention and detection of fraud and other irregularities.

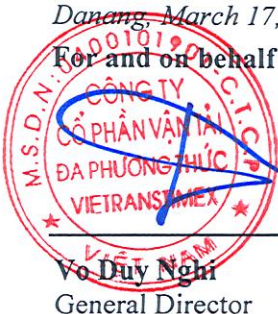
**6. Approval of the Financial Statements**

In the Board of General Directors's opinion, the financial statements consisting of Balance Sheet as at December 31, 2016, Income Statement, Cash Flow Statement and Notes to the Financial Statements enclosed with this report give a true and fair view of the financial position of the Company as well as its operating results and cash flows for the fiscal year ended December 31, 2016.

The financial statements are prepared in compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System.

Danang, March 17, 2017

For and on behalf of the Board of General Directors





**CÔNG TY TNHH KIỂM TOÁN & DỊCH VỤ TIN HỌC TP.HCM**  
Auditing & Informatic Services Company Limited

Office: 389A Điện Biên Phủ, Phường 4, Quận 3, TP.Hồ Chí Minh  
Tel: (84.8) 3832 8964 (10 Lines) Fax: (84.8) 3834 2957  
Email: info@aisc.com.vn Website: www.aisc.com.vn



No.: 06.16.231/AISC-DN2

**INDEPENDENT AUDITOR'S REPORT**

**To:**

**BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS  
VIETTRANSTIMEX MULTIMODAL TRANSPORT HOLDING COMPANY**

We have audited the financial statements of Vietranstimex MultiModal Transport Holding Company (referred to as "the Company") consisting of Balance Sheet as at December 31, 2016, Income Statement, Cash Flow Statement for the year then ended and Notes to the Financial Statements as set out on Page 05 to Page 40, which were prepared on March 17, 2017.

**Responsibility of the Board of General Directors**

The Board of General Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, Accounting System Corporate and prevailing regulations applicable to the preparation and presentation of the financial statements and also for the internal control that the Board of General Directors considers necessary for the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Responsibility of the Auditor**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 Company'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 Company'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 General 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 audit opinion.

**Auditor's opinion**

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Vietranstimex MultiModal Transport Holding Company as at December 31, 2016 as well as the results of its operation and its cash flows for the year then ended. The financial statements are prepared in compliance with the prevailing Vietnamese Accounting Standards, Accounting System Corporate and other statutory requirements relevant to the preparation and presentation of the financial statements.

**INDEPENDENT AUDITOR'S REPORT (cont)**

**Other issues**

The financial statements of the Company for the fiscal year ended 2015 were audited by UHY ACA Auditing and Consultant Limited Company who gave unqualified opinion with highlighted paragraph in the report issued on March 21, 2016.

**AUDITOR**



**NGUYEN THI PHUONG THUY**  
*Certificate of Audit Practice Registration*  
*No.1871-2013-05-1*  
*Issued by the Ministry of Finance*



*HCMC, March 17, 2017*

**GENERAL DIRECTOR**

**PHAM VAN VINH**

*Certificate of Audit Practice Registration*  
*No.0112-2013-05-1*  
*Issued by the Ministry of Finance*

**BALANCE SHEET**

As at December 31, 2016

Unit: VND

<b>ASSETS</b>	Code	Notes	Dec. 31, 2016	Jan. 01, 2016
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>191.587.416.810</b>	<b>179.017.816.828</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>67.814.830.185</b>	<b>69.273.007.840</b>
1. Cash	111		25.414.830.185	16.273.007.840
2. Cash equivalents	112		42.400.000.000	53.000.000.000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>V.2</b>	-	<b>1.000.000.000</b>
1. Trading securities	121		-	-
2. Provision for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	1.000.000.000
<b>III. Short-term Accounts receivable</b>	<b>130</b>		<b>106.706.339.310</b>	<b>85.821.509.118</b>
1. Trade accounts receivable	131	V.3	111.894.291.665	96.333.834.652
2. Prepayments to suppliers	132	V.4	1.739.985.775	908.724.050
3. Intercompany receivables	133		-	-
4. Construction contract-in-progress receivables	134		-	-
5. Receivables from short-term loans	135		-	-
6. Other receivables	136	V.5a	9.755.702.446	8.932.237.310
7. Provision for doubtful debts	137	V.3.5	(16.683.640.576)	(20.353.286.894)
8. Shortage of assets awaiting resolution	139		-	-
<b>IV. Inventories</b>	<b>140</b>	<b>V.7</b>	<b>9.607.624.539</b>	<b>16.652.049.017</b>
1. Inventories	141		10.084.640.123	17.163.647.864
2. Provision for decline in value of inventories	149		(477.015.584)	(511.598.847)
<b>V. Other current assets</b>	<b>150</b>		<b>7.458.622.776</b>	<b>6.271.250.853</b>
1. Short-term prepayments	151	V.11	1.766.340.290	3.673.089.431
2. Deductible VAT	152		5.235.362.672	1.956.082.932
3. Taxes and other receivables from the State Budget	153	V.14b	456.919.814	642.078.490
4. Repurchase and sale of Government's bonds	154		-	-
5. Other current assets	155		-	-

**BALANCE SHEET**

As at December 31, 2016

Unit: VND

<b>ASSETS</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2016</b>	<b>Jan. 01, 2016</b>
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>160.450.509.725</b>	<b>167.522.239.552</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>223.747.370</b>	<b>225.124.967</b>
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital from sub-units	213		-	-
4. Long-term intercompany receivables	214		-	-
5. Receivables from long-term loans	215		-	-
6. Other long-term receivables	216	V.5b	223.747.370	225.124.967
7. Provision for doubtful long-term receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>152.851.828.046</b>	<b>158.321.116.323</b>
1. Tangible fixed assets	221	V.9	136.496.554.633	140.004.559.524
- Cost	222		532.820.776.019	501.451.429.550
- Accumulated depreciation	223		(396.324.221.386)	(361.446.870.026)
2. Finance lease assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	16.355.273.413	18.316.556.799
- Cost	228		17.843.348.567	19.463.821.107
- Accumulated amortization	229		(1.488.075.154)	(1.147.264.308)
<b>III. Investment Properties</b>	<b>230</b>		<b>-</b>	<b>-</b>
- Cost	231		-	-
- Accumulated depreciation	232		-	-
<b>IV. Non-current assets in progress</b>	<b>240</b>	<b>V.8</b>	<b>155.225.441</b>	<b>309.863.091</b>
1. Works in progress	241		-	-
2. Capital construction in progress	242		155.225.441	309.863.091
<b>V. Long-term investments</b>	<b>250</b>	<b>V.2</b>	<b>816.000.000</b>	<b>816.000.000</b>
1. Investments in subsidiaries	251		-	-
2. Investments in associates, joint-ventures	252		816.000.000	816.000.000
3. Investments in equity of other entities	253		-	-
4. Provision for decline in the value of long-term investments	254		-	-
5. Held-to-maturity investments	255		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>6.403.708.868</b>	<b>7.850.135.171</b>
1. Long-term prepaid expenses	261	V.11	6.403.708.868	7.850.135.171
2. Deferred income tax assets	262		-	-
3. Equipment, materials, spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>352.037.926.535</b>	<b>346.540.056.380</b>



**BALANCE SHEET**

As at December 31, 2016

Unit: VND

<b>RESOURCES</b>	<b>Code</b>	<b>Notes</b>	<b>Dec. 31, 2016</b>	<b>Jan. 01, 2016</b>
<b>C. LIABILITIES</b>	<b>300</b>		<b>74.776.286.994</b>	<b>108.538.136.484</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>74.348.786.994</b>	<b>100.530.236.484</b>
1. Short-term trade payables	311	V.12	27.830.260.470	49.508.327.579
2. Prepayment from customers	312	V.13	7.410.765.421	7.688.353.765
3. Taxes and other payables to the State Budget	313	V.14	5.781.033.380	1.712.128.091
4. Payables to employees	314		13.170.952.847	9.579.225.503
5. Short-term accrued expenses	315	V.15	475.941.940	728.132.069
6. Short-term intercompany payables	316		-	-
7. Construction contract-in-progress payables	317		-	-
8. Short-term unrealized revenue	318		-	4.848.485
9. Other short-term payables	319	V.16	2.339.424.585	1.864.733.775
10. Short-term borrowings and financial lease liabilities	320	V.17	15.772.006.106	28.075.544.391
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322		1.568.402.245	1.368.942.826
13. Price stabilization fund	323		-	-
14. Repurchase and sale of Government's bond	324		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		<b>427.500.000</b>	<b>8.007.900.000</b>
1. Long-term trade payables	331		-	-
2. Long-term prepayment from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for operating capital received	334		-	-
5. Long-term intercompany payables	335		-	-
6. Long-term unrealized revenue	336		-	-
7. Other long-term payables	337	V.16	427.500.000	479.500.000
8. Long-term borrowings and financial lease liabilities	338	V.17	-	7.528.400.000
9. Convertible bond	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liabilities	341		-	-
12. Provision for long-term liabilities	342		-	-
13. Fund for science and technology development	343		-	-

**BALANCE SHEET**

As at December 31, 2016

Unit: VND

RESOURCES	Code	Notes	Dec. 31, 2016	Jan. 01, 2016
<b>D. OWNERS' EQUITY</b>	<b>400</b>		<b>277.261.639.541</b>	<b>238.001.919.896</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>V.18</b>	<b>277.261.639.541</b>	<b>238.001.919.896</b>
1. Owners' capital	411		209.723.210.000	209.723.210.000
- Ordinary shares with voting rights	411a		209.723.210.000	209.723.210.000
- Preferred shares	411b		-	-
2. Share premium	412		15.257.068.213	15.257.068.213
3. Bond conversion option	413		-	-
4. Owners' other capital	414		-	-
5. Treasury shares	415		-	-
6. Difference upon assets revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418		2.909.120.561	1.995.096.137
9. Fund for support of arrangement of enterprises	419		-	-
10. Other funds	420		-	-
11. Undistributed earnings period	421		49.372.240.767	11.026.545.546
- Undistributed earnings in this period	421a		502.699.279	430.300.005
- Undistributed earnings in this period	421b		48.869.541.488	10.596.245.541
12. Investment reserve for basic construction	422		-	-
<b>II. Budget sources and other funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Budget sources	431		-	-
2. Fund to form fixed assets	432		-	-
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>352.037.926.535</b>	<b>346.540.056.380</b>

Danang, March 17, 2017

PREPARED BY



Hoang Thi Thanh Huyen

CHIEF ACCOUNTANT



Bui Thi Ngoc Ha

GENERAL DIRECTOR



Vo Duy Nghi

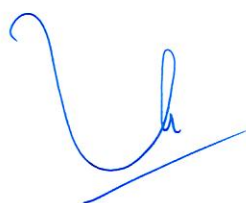
## INCOME STATEMENT

For the fiscal year ended December 31, 2016

Unit: VND

ITEMS	Code	Notes	Year 2016	Year 2015
1. Sales	01	VI.1	427.472.461.591	580.411.232.044
2. Less sales deductions	02		-	-
3. Net sales	10	VI.2	427.472.461.591	580.411.232.044
4. Cost of sales	11	VI.3	339.179.195.575	493.079.918.827
<b>5. Gross profit</b> (20 = 10 - 11)	<b>20</b>		<b>88.293.266.016</b>	<b>87.331.313.217</b>
6. Financial income	21	VI.4	2.837.557.160	4.175.313.496
7. Financial expenses	22	VI.5	1.918.889.754	7.706.754.984
<i>In which: loan interest expenses</i>	23		<i>1.789.456.375</i>	<i>6.819.131.763</i>
8. Selling expenses	25		-	-
9. General & administration expenses	26	VI.6	43.643.673.921	66.101.816.299
<b>10. Operating profit</b> (30 = 20 + (21 - 22) - (25 + 26))	<b>30</b>		<b>45.568.259.501</b>	<b>17.698.055.430</b>
11. Other income	31	VI.7	20.398.582.131	1.363.266.843
12. Other expenses	32	VI.8	3.812.322.649	780.833.794
<b>13. Other profit (40 = 31 - 32)</b>	<b>40</b>		<b>16.586.259.482</b>	<b>582.433.049</b>
<b>14. Net accounting profit before tax</b> (50 = 30 + 40)	<b>50</b>		<b>62.154.518.983</b>	<b>18.280.488.479</b>
15. Corporate income tax - current	51	VI.10	13.284.977.495	-
16. Corporate income tax - deferred	52		-	-
<b>17. Net profit after corporate income tax</b> (60 = 50 - 51 - 52)	<b>60</b>		<b>48.869.541.488</b>	<b>18.280.488.479</b>
<b>18. Earnings per share</b>	<b>70</b>	<b>VI.11</b>	<b>2.330</b>	<b>828</b>
<b>19. Diluted earnings per share</b>	<b>71</b>	<b>VI.11</b>	<b>2.330</b>	<b>828</b>

PREPARED BY



Hoang Thi Thanh Huyen

CHIEF ACCOUNTANT



Bui Thi Ngoc Ha

Danang, March 17, 2017

GENERAL DIRECTOR



Vo Duy Nghi

**CASH FLOW STATEMENT**

(Under indirect method)

For the fiscal year ended December 31, 2016

Unit: VND

ITEMS	Code	Notes	Year 2016	Year 2015
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>1. Net profit before tax</b>	01		<b>62.154.518.983</b>	<b>18.280.488.479</b>
<b>2. Adjustments for :</b>				
- Depreciation of fixed assets and investment properties	02	V.9-10	56.172.516.986	61.671.847.737
- Provisions	03	VI.3.6	(3.704.229.581)	14.530.852.064
- Gain/losses from foreign exchange differences upon revaluation of monetary assets denominated in foreign currencies	04		(450.320.738)	(328.485.741)
- Gains/losses from investing activities	05		(22.221.249.048)	(651.718.673)
- Interest expense	06	VI.5	1.789.456.375	6.819.131.763
- Other adjustments	07		-	-
<b>3. Profit from operating activities before changes in working capital</b>	<b>08</b>		<b>93.740.692.977</b>	<b>100.322.115.629</b>
- Increase (-)/ decrease (+) in receivables	09		(17.390.328.113)	10.633.201.936
- Increase (-)/ decrease (+) in inventories	10		7.079.007.741	22.165.133.257
- Increase (+)/ decrease (-) in payables (Other than payables, income tax)	11		(21.766.958.123)	17.971.967.737
- Increase (-)/ decrease (+) in prepaid expenses	12		3.353.175.444	727.527.184
- Increase (-)/ decrease (+) in trading securities	13		-	-
- Interest paid	14		(1.810.992.535)	(6.954.690.828)
- Corporate income tax paid	15		(7.577.112.864)	-
- Other receipts from operating activities	16		199.022.000	2.132.500.995
- Other payments on operating activities	17		(1.322.209.408)	(3.871.789.883)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>20</b>		<b>54.504.297.119</b>	<b>143.125.966.027</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Purchases of fixed assets and other long-term assets	21		(53.822.548.883)	(23.315.203.093)
2. Proceeds from disposals of fixed assets and other long-term assets	22		22.697.603.082	3.596.985.453
3. Loans granted, purchases of debt instruments of other entities	23		(40.091.666.667)	(46.900.040)
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		41.091.666.667	1.046.900.040
5. Investments in other entities	25		-	-
6. Proceeds from divestment in other entities	26		-	-
7. Dividends and interest received	27		2.285.572.508	265.804.894
<b>Net cash inflows/(outflows) from investing activities</b>	<b>30</b>		<b>(27.839.373.293)</b>	<b>(18.452.412.746)</b>

**CASH FLOW STATEMENT**

(Under indirect method)

For the fiscal year ended December 31, 2016

Unit: VND

ITEMS	Code	Notes	Year 2016	Year 2015
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
1. Proceeds from issue of shares and capital contribution	31		-	-
2. Payments for shares returns and repurchases	32		-	-
3. Proceeds from borrowings	33		152.838.626.430	261.816.788.090
4. Repayments of borrowings	34		(172.670.564.715)	(317.916.668.533)
5. Payments for finance lease liabilities	35		-	(6.959.612.703)
6. Dividends paid	36		(8.386.880.162)	(10.355.606.900)
<b>Net cash inflows/(outflows) from financing activities</b>	<b>40</b>		<b>(28.218.818.447)</b>	<b>(73.415.100.046)</b>
<b>Net cash inflows/(outflows) (50 = 20+ 30 + 40)</b>	<b>50</b>		<b>(1.553.894.621)</b>	<b>51.258.453.235</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>69.273.007.840</b>	<b>18.006.952.691</b>
Effect of foreign exchange differences	61		95.716.966	7.601.914
<b>Cash and cash equivalents at the end of the year (70 = 50+60+61)</b>	<b>70</b>		<b><u>67.814.830.185</u></b>	<b><u>69.273.007.840</u></b>

Danang, March 17, 2017

PREPARED BY



Hoang Thi Thanh Huyen

CHIEF ACCOUNTANT



Bui Thi Ngoc Ha

GENERAL DIRECTOR



Vo Duy Nghi



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***I. BUSINESS HIGHLIGHTS****1. Structure of ownership:**

Vietranstimex MultiModal Transport Holding Company (referred as to “the Company”) is established on the basis of capitalization of MultiModal Transport Company, a Stated-owned company, under Decision No. 1454/QĐ – BGTVT dated May 28, 2010 of the Ministry of Transport. The Company is an independently accounting unit operating under Business Registration Certificate No. 0400101901 dated November 01, 2010 of the Department of Planning and Investment of Danang City (the eighth amended certificate and the latest amended certificate dated November 01, 2016), Corporate Law, the Company’s Charter and relevant legal regulations.

**2. Business sector:**

Local and international multi-way transport, transport service supporting directly transport by land, railroad, riverway; Leasing warehouse, machinery and equipment, transportation means

**3. The Company's principal activities:**

- Trading multi-way transport in the country and overseas; Trading goods by-land transport service;
- Coastal and sea transport;
- Directly supporting railroad, land, waterway transport;
- Loading and unloading goods, other auxiliary services;
- Leasing warehouse and parking area, keeping goods; Bonded warehouse service;
- Installing industrial machinery and equipment;
- Maintaining, repairing autos and other vehicles;
- Leasing machinery, equipment and transportation, loading and unloading means;
- Trading inbound and outbound tourist service; Waterway tourist service; Stay service;
- Providing with managerial human resources, professional qualification and workers in transport, loading and unloading industry;
- Trading materials, other equipment in construction;
- Job introduction service;
- Packaging goods service;
- Logistics service; Goods receipt and delivery; Customs procedure service; Shipping agent and maritime brokerage; Port service;
- Building infrastructures for Industrial Park, Urban Area and residential area; Building river and sea ports;
- Transporting goods in the country by riverway;
- Trading metal and metal ore;
- Processing, manufacturing semi- trailer, specialized trailer;
- Repairing, maintaining transportation means, loading and unloading, machinery and equipment;
- Restaurant and mobile food and drinks services;
- Exploiting metal ore;
- Exploiting rock, sand, gravel, clay;
- Service for supporting the exploitation of mine and other ores;
- Trading autos and other vehicles; Selling and other vehicles; Selling spare parts and other auxiliary parts;
- Agent, broker, bid offeree;
- Trading real estates, right to use land used by owner or leased. Details: Trading infrastructure for industrial park, urban area and residential area;

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND*

- Wholesaling dry, liquid, gas materials and related products. Details: Trading petrol and related products;
- Wholesaling material, fuel, gypsum, klinke for producing cement;
- Transporting passengers by land in and out the city (except for bus); Transporting passengers by riverway in the country;
- Wholesaling materials, equipment and spare parts for maritime industry;
- Processing, manufacturing mechanical products;
- Consulting on technology for constructing traffic infrastructures; Building transport, loading and unloading plan;
- Repairing, making autos;
- Other directly supporting service for air transport;
- Wholesaling, processing farm, forestry, handicraft articles;
- Ground levelling;
- Repairing, making waterway transportation means.

**4. Normal operating cycle**

Normal operating cycle of the Company lasts 12 months of the normal fiscal year beginning from Jan. 01 and ending on Dec. 31.

**5. Operations in the fiscal year affecting the financial statements:**

Not applicable.

**6. Total employees to June 30, 2016:** 350 persons (Dec. 31, 2015: 447 persons).**7. Enterprise Structure**

As at December 31, 2016, the Company has six (06) branches, two (02) representative offices and one (01) joint-venture;

**Branches:**

1. Southern Branch Vietranstimex Multimodal Transport Holding Company (in Ho Chi Minh)
2. Northern Branch Vietranstimex Multimodal Transport Holding Company (in Ha Noi)
3. Vietranstimex Quang Ngai (in Quang Ngai)
4. Western Branch Vietranstimex Multimodal Transport Holding Company (in Can Tho) (\*)
5. Vietranstimex 2 (in Quang Binh) (\*)
6. Vietranstimex 1 (in Hai Phong) (\*)

(\*) These branches did not operate from the date of December 31, 2016.

**Representative offices:**

1. Representative Office of Vietranstimex in the Kingdom of Cambodia
2. Representative Office of Vietranstimex in Lao People's Democratic Republic

**Joint-venture**

1. BNX – Vietranstimex Joint Venture Company Limited

According to the Agreement No. VTT-BNX/2011-001, the operation of BNX-Vietranstimex JVC has terminated since March 01, 2011. To December 31, 2016, the Company has recovered its invested capital. However, BNX-Vietranstimex JVC has not completed the procedures for dissolution because it has not settled all liabilities.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***8. Disclosure on comparability of information in the Financial Statements**

The selection of figures and information need to be presented in the financial statements has been implemented on the principles of comparability among corresponding accounting periods.

**II. ACCOUNTING PERIOD AND REPORTING CURRENCY****1. Fiscal year**

The fiscal year is begun on January 01 and ended December 31 annually.

**2. Reporting currency**

Vietnam Dong (VND) is used as a currency unit for accounting records.

**III. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES****1. Applicable Accounting System**

The Company applies Vietnamese Corporate Accounting System issued by the Vietnam Ministry of Finance in accordance with the guidance of Circular No. 200/2014/TT-BTC dated December 22, 2014 and amending, supplementing circulars.

**2. Disclosure of compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System**

We conducted our accounting, preparation and presentation of the financial statements in accordance with Vietnamese Accounting Standards and other relevant statutory regulations. The financial statements give a true and fair view of the state of affairs of the Company and the results of its operations as well as its cash flows.

The selection of figures and information presented in the notes to the financial statements is complied with the material principles in Vietnamese Accounting Standard No.21 - Presentation of the financial statements.

**IV. APPLICABLE ACCOUNTING POLICIES****1. Foreign exchange rate applicable in accounting**

The Company has translated foreign currencies into Vietnam Dong at the actual rate and book rate.

**Principles for determining the actual rate**

All transactions denominated in foreign currencies which arise during the period (trading foreign currencies, capital contribution or receipt of contributed capital, recording receivables and payables, purchasing assets or costs immediately paid by foreign currencies) are converted at the actual exchange rates ruling as of the transaction dates.

Closing balance of monetary items (cash, cash equivalents, payables and receivables, except for prepayments to suppliers, prepayments from customers, pre-paid expenses, deposits and unearned revenue) denominated in foreign currencies should be revaluated at the actual rate ruling as of the balance sheet date.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as assets will be the buying rate of the bank the Company has transactions.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as payables will be the selling rate stated by the bank the Company has transactions.

Foreign exchange differences, which arise from foreign currency transactions during the period/year, shall be included in the income statement. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included in the income statement.

**2. Principles for recording cash and cash equivalents**

Cash includes cash on hand, demand deposit and cash in transit.

**Cash equivalents** comprise term deposits and other short-term investments with an original maturity of three months or less, highly liquid, readily convertible to known amount of cash and subject to an insignificant risk of changes in value.



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***3. Principles for accounting financial investments****Principles for recording financial investments in Joint-ventures**

The investment in Joint-ventures is recorded when the Company holds joint control over these entities' financial and operating policies. When the Company ceases to control these entities, the investment will be written down.

Investments in Joint-ventures are initially stated at original cost and will not be adjusted thereafter for change in the investor's share of the investee's net assets. The original cost includes purchase price and costs attributable to the investment. In case the investment is by non-monetary assets, the investment fee should be recorded at the fair value of the non-monetary assets at the date of occurrence.

Provision for loss of investments in subsidiaries, joint-ventures, associates is made when the investee suffers from loss and thus the Company possibly loses its capital or the investments' value is devalued. Basis for making provision for loss of investments is consolidated financial statements of the investee (if it is parent company), the investee's financial statements (if it is an independent enterprise without subsidiary).

**4. Principles for recording trade receivables and other receivables:**

**Principle for recording receivables:** At original cost less provision for doubtful debts.

The classifying of the receivables as trade receivables, inter-company receivables and other receivables depends on the nature of the transaction or relationship between the company and debtor.

Method of making provision for doubtful debts: Provision for doubtful debts is estimated for the loss value of the receivables, other held-to-maturity investments similar to doubtful debts that are overdue and undue, but are likely to become possibly irrecoverable due to insolvency of debtors who go bankruptcy, making procedures for dissolution, go missing or run away....

**5. Principles for recording inventories:**

Principles adopted in recording inventory: Inventories are stated at original cost less (-) the provision for the decline in value of obsolete and deteriorated inventories.

**Original costs are determined as follows:**

- The original cost of materials, merchandises consists of costs of purchase, costs of transportation and other costs incurred in bringing the inventories to their present location and condition.

- Work in progress: costs of raw materials, labor and other directly costs incurred in the duration of transporting.

**Method of calculating inventories' value:** FIFO.

**Method of accounting for the inventories:** Perpetual method.

Method of making provision for decline in value of inventories: Provision for decline in value of inventories is made when the net realisable value of inventories is lower than their original cost. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses. Provision for decline in value of inventories is the difference between the cost of inventories greater than their net realisable value. Provision for decline in value of inventories is made for each inventory with the cost greater than the net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***6. Principles for recording fixed assets:****6.1 Principles for recording tangible fixed assets:**

Tangible fixed assets are stated at original cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred beyond their originally assessed standard of performance are capitalised as an additional cost of tangible fixed assets when they have resulted in an increase in the future economic benefits expected to be obtained from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the year.

When the assets are sold or disposed, their original costs and the accumulated depreciation which have been written off and any gain or loss from disposal of assets are recorded in the income statement.

Determination of original costs of tangible fixed assets:

*Tangible fixed assets purchased*

The original cost of purchased tangible fixed assets shall consist of the actual purchase price less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation such as fees for installation and trial operation of fixed assets; specialists and other direct costs.

The original cost of a tangible fixed asset formed from capital construction under the mode of tendering shall be the finalisation price of the construction project, other relevant fees plus (+) registration fee (if any).

Fixed assets which are buildings, structures attached to land use right, the value of land use right is computed separately and recorded as intangible fixed assets.

**6.2 Principles for recording intangible fixed assets:**

**Intangible fixed assets** are stated at cost less accumulated amortization. The original cost of a intangible fixed asset comprises all costs of owning the asset to the date it is put into operation as expected.

Principles for recording intangible fixed assets:

*Land use right*

The original cost of an intangible fixed asset which is the land use right shall be the payment made to obtain the lawful land use right plus (+) compensatory payments for clearance of site, expenses for levelling the ground,

*Computer software*

The original cost of a in tangible fixed asset which is the computer software shall be the total of actual expenses incurred by the Company to obtain the computer software.

**6.3 Method of depreciating and amortizing fixed assets**

Depreciation is charged to write off the cost of fixed assets on a straight line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

*The estimated useful life for assets is as follows:*

<i>Buildings and structures</i>	<i>8 - 50 years</i>
<i>Machinery and equipment (*)</i>	<i>3 - 10 years</i>
<i>Transportation and facilities (*)</i>	<i>6 - 10 years</i>
<i>Office equipment (*)</i>	<i>5 - 7 years</i>
<i>Intangible fixed assets</i>	<i>5 - 8 years</i>

*Land use rights which are granted for an indefinite term are carried at cost and not amortised.*

*(\*) The Company implements quick depreciation for some fixed assets which are machinery, equipment, transportation means, equipment and tools for management from 2015 till now.*

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***7. Principles for recording construction in progress:**

Construction in progress is stated at original cost. These are all necessary costs for purchasing fixed assets, building or repairing, improving, extending or equipping of the works such as expenses of construction, equipment, compensation, support and re-residence, project management, consultancy on construction investment and other expenses.

These costs are capitalised as an additional cost of asset when the works have been completed. After the works have been finalized, the asset will be handed over and put into use.

**8. Principles for recording prepaid expenses**

Prepaid expenses are all expenses that actually incurred but relate to the operating result of several accounting periods. The Company's prepaid expenses include: insurances (fire, explosion, car, assets....); Tools and supplies; Repair of fixed assets, prepaid land rentals.

Method of allocating prepaid expenses: The determining and allocating of prepaid expenses into costs of production and doing business of each period is on a straight-line basis. Based on the nature and level of each expense, the term of allocation is defined as follows: short-term prepaid expenses should be allocated within one year; Long-term expenses should be allocated in the term from 12 months to 48 months. Particularly, the prepaid land rentals are allocated into costs on a straight-line basis upon the lease term.

**9. Principles for recording liabilities**

Liabilities are recorded at original cost and not lower than the payment obligation.

Liabilities shall be classified into trade payables, inter-company payables and other payables depending on the nature of transactions and relationship between the Company and debtors.

Liabilities must be kept records in detail according to payment schedule, creditor, type of original currency (including revaluation of liabilities payable which satisfying the definition of monetary assets denominated in foreign currencies) and other factors according to requirements of the enterprise.

At the reporting date, if it is evident that there is an unavoidable loss, an amount payable shall be recorded according to cautious rules.

**10. Principles for recording borrowings and finance lease liabilities**

Borrowings are total amounts the Company owes to banks, institutions, financial companies and other objects (excluding borrowings under the form of bond or preferred stock issuance which require the issuer to repurchase at a certain time in the future).

Financial lease liabilities are recorded as total payable amount calculated by present value of minimum lease payment amounts or fair value of leased assets.

Borrowings and financial lease liabilities are monitored in detail according to creditor, agreement and borrowed asset.

**11. Principles for recording and capitalizing borrowing costs:**

**Principles for recording borrowing costs:** Borrowing costs are loan interest and other costs incurred in direct relation to borrowings of an enterprise; Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs related to borrowings in respect of the construction or production of uncompleted assets, in which case the borrowing costs incurred during the period of construction are computed in those assets' value (capitalised) as part of the cost of the assets concerned when they satisfy conditions stipulated in the VAS No. 16 "Borrowing costs".

**12. Principles for recording accrued expenses**

Accruals include expenses to be charged for the term of terminating production and trading business, interest expense, expense for temporarily calculating costs of goods, finished goods, payables for leave salaries...which have been arised in the reporting period, but have not been settled. These costs are recognised on the basis of reasonable estimates on the amounts to be paid in accordance with contracts, agreements....

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***13. Principles for recording owner's Equity****Principles for recording owner's paid - in capital**

The owners' paid - in capital is the amount that is initially contributed or supplemented by shareholders. The owners' paid - in capital will be recorded at the actual contributed capital by cash or assets calculated according to the par value of issued shares in the early establishment period or additional mobilization to expand operation.

**Principles for recording share premium**

+ **Share premium** is the difference between the cost over and above the nominal value of the first issued or additionally issued share and the differences (increase or decrease) of the actual receiving amount against the repurchase price when treasury share is reissued. In case where shares are repurchased to cancel immediately at the purchase date, shares' value recorded decrease the business capital source at purchase date is the actual repurchase price and the business resource should be written down according to the par value and share premium of the repurchased shares.

**Principles for recognising undistributed profit:**

The undistributed profit is recorded at the profit (loss) from the Company's result of operation after deducting the current year corporate income tax and the adjusted items due to the retroactive application of changes in accounting policy and adjustments for material misstatement of the previous year.

The distributing of profit is based on the charter of the Company approved by the annual shareholder meeting.

**14. Principles for recording revenues****Revenue from service rendered**

Revenue from services rendered is recorded when the result of the supply of services is determined reliably. In case where the services are rendered in several periods, the revenue will be recorded by the part of completed works at the balance sheet. Revenue from services rendered is determined when the following four conditions have been satisfied: 1. The revenue is determined firmly; When the contract specifies that buyers are entitled to return the service they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return service; 2. The economic benefits associated with the transaction has flown or will flow from the supply of the provided service; 3. Part of completed works can be determined at the balance sheet date; 4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If the contract's results can not be determined firmly, the revenue will be recorded at the recoverable level of expenses recorded.

**Principles for recording financial income**

Financial incomes include interests and income from other financing activities (Foreign exchange gains)...

Income arising from interests, royalties, distributed dividends and profits of the enterprises shall be recognized if they simultaneously satisfy the two (2) conditions below 1. It is possible to obtain economic benefits from the concerned transactions; 2. Income is determined with relative certainty.

- Interests recognized on the basis of the actual time and interest rates in each period;

When an amount which has been recorded as an income becomes irrecoverable, such irrecoverable or uncertainly recoverable amount must be accounted as expense incurred in the period, but not recorded as income decrease.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***15. Principles and method of recording cost of goods sold**

Cost of goods sold are the cost of products, goods, services, investment properties; cost of construction products (as to construction enterprise) sold in the period; expenses related to trading the investment properties and other expenses recorded in the cost of goods sold or recorded a decrease in the cost of goods sold in reporting period. The cost of goods sold is recorded at the date the transaction incurs or likely to incur in the future regardless payment has been made or not. The cost of goods sold and revenue shall be recorded simultaneously on conformity principles. Expenses exceeding normal consumption level are recorded immediately to the cost of goods sold on prudent principle.

**16. Principles and method of recording financial expenses**

**Financial expenses** include expenses or loss related to the financial investment, borrowing cost and capital borrowing, provision for devaluation of financial investment, loss from sale of foreign currencies, loss from foreign exchange loss and other financial expenses.

Financial expenses are recorded in details by their content and determined reliably when there are sufficient evidences on these expenses.

**17. Principles and methods of recording taxes**

Corporate income tax includes current corporate income tax and deferred corporate income tax incurred in the year and set basis for determining operating result after tax in current fiscal year.

Current tax: is the tax payable on the taxable income and tax rate enacted in current year in accordance with the law on corporate income tax.

Deferred income tax liabilities are the amounts of income tax payable in the future periods arising from the recording of the deferred income tax payable in the year and reversing the deferred income tax being recorded from prior years. The Company does not record in this account the deferred income tax assets or deferred income tax liabilities arising from the transactions being recorded directly in the owners' equity.

Deferred income tax asset is the reduction of deferred tax payable arising from the recording of the deferred income tax payable in the year and reversing the deferred income tax being recorded from prior years.

Deferred income tax assets and deferred income tax liabilities are offset when the Company has the legal right to offset current income tax assets against current income tax liabilities and the deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority of the same subject to corporate income tax and the Company has intention to pay current income tax liabilities and current income tax assets on a net basis.

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

Tax policies the Company should comply with are as follows: 20%.

**18. Principles for recording earnings per share**

Basic earnings per share is calculated by dividing net income available to common shareholders before appropriating to Bonus and Welfare Fund by the weighted-average number of common shares outstanding during the period.

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***18. Principles for recording earnings per share (cont)**

Diluted EPS is calculated by dividing net income available to common shareholders (after adjusting dividends of preferred convertible shares) by the weighted-average number of common share outstanding and the weighted-average number to be issued in case where all dilutive potential common are converted into common shares.

**19. Financial instruments:****Initial recognition****Financial assets**

According to Circular No. 210/2009/TT-BTC dated November 06, 2009 (Circular No. 210), financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial assets which are stated at fair value through the Income Statement, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company decides to classify these assets at the date of initial recognition.

At the date of initial recognition, the financial assets are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash, short-term deposits, trade accounts receivables and other receivables, loans, listed and unlisted financial instruments and derivative financial instruments.

**Financial liabilities**

According to Circular 210, financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial liabilities which are stated at fair value through the Income Statement, financial liabilities determined on amortised cost basis. The Company decides to classify these liabilities at the date of initial recognition.

At the date of initial recognition, the financial liabilities are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial liabilities.

Financial liabilities of the Company comprise trade payables, other payables, borrowings and liabilities and derivative financial instruments.

**Re-measurements after initial recognition**

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount reported in the report on financial position if, and only if, there is a currently enforceable legal right to offset the financial assets against financial liabilities or vice-versa and there is an intention to settle on a net basis or to realize the assets and settle the liability simultaneously.

**20. Related parties**

Related parties include: Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

**21. Principles for presenting assets, revenue and operating results by segment**

A reportable segment includes business segment or a geographical segment.

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

For the purpose of management, the Company operates in a large scale of the country, so it presents major segment reporting by geographical segment and does not presents the minor segment reporting by business sector.

**V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE BALANCE SHEET****1. Cash and cash equivalents**

	Dec. 31, 2016	Jan. 01, 2016
<b>Cash</b>	<b>25.414.830.185</b>	<b>16.273.007.840</b>
Cash on hand	961.574.500	2.186.756.000
Demand deposits	24.453.255.685	14.086.251.840
<b>Cash Equivalents</b>	<b>42.400.000.000</b>	<b>53.000.000.000</b>
Deposit with the term of less than 3 months	42.400.000.000	53.000.000.000
<b>Total</b>	<b>67.814.830.185</b>	<b>69.273.007.840</b>

**2. Financial investments:** See Page 36.**3. Trade receivables**

	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Provision	Amount	Provision
<b>Short-term</b>	<b>111.894.291.665</b>	<b>(15.255.570.176)</b>	<b>96.333.834.652</b>	<b>(20.325.216.494)</b>
Local customers	78.863.065.462	(7.141.040.778)	79.088.949.519	(12.210.687.096)
+ <i>Posco E &amp; C</i>	115.499.024	-	9.860.560.095	-
+ <i>Nippon Express (VietNam) Co.</i>	5.916.900.000	-	26.848.015.472	-
+ <i>Other customers</i>	72.830.666.438	(7.141.040.778)	42.380.373.952	(12.210.687.096)
Foreign customers	33.031.226.203	(8.114.529.398)	17.244.885.133	(8.114.529.398)
+ <i>Cosco Logistics Kunming Co., Ltd</i>	24.916.696.805	-	6.980.629.491	-
+ <i>Other customers</i>	8.114.529.398	(8.114.529.398)	10.264.255.642	(8.114.529.398)
<b>Total</b>	<b>111.894.291.665</b>	<b>(15.255.570.176)</b>	<b>96.333.834.652</b>	<b>(20.325.216.494)</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

4. Prepayments to suppliers	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Provision	Amount	Provision
<b>Short-term</b>	<b>1.739.985.775</b>	-	<b>908.724.050</b>	-
Local suppliers	1.739.985.775	-	908.724.050	-
+ Branch of SITC Co., Ltd in HCMC	206.888.000	-	-	-
+ Royship	200.000.000	-	200.000.000	-
+ Song Hang Transport Mechanical Service Trading Company Limited	575.000.000	-	-	-
+ Tung Ba Private Enterprise	200.000.000	-	-	-
+ Tan Hai Mechanical Co., Ltd	222.466.000	-	-	-
+ Other suppliers	335.631.775	-	708.724.050	-
<b>Total</b>	<b>1.739.985.775</b>	-	<b>908.724.050</b>	-

5. Other receivables	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Provision	Amount	Provision
<b>a. Short-term</b>	<b>9.755.702.446</b>	<b>(1.428.070.400)</b>	<b>8.932.237.310</b>	<b>(28.070.400)</b>
Deposits	222.300.000	-	8.300.000	-
Accrued interests	70.472.539	-	81.919.821	-
Social, health insurance of customers	-	-	26.192.072	-
Advances	443.902.882	-	2.975.148.797	-
Other receivables	8.586.635.614	(1.400.000.000)	5.290.146.956	-
	432.391.411	(28.070.400)	550.529.664	(28.070.400)
<b>b. Long-term</b>	<b>223.747.370</b>	-	<b>225.124.967</b>	-
Deposits	223.747.370	-	225.124.967	-
<b>Total</b>	<b>9.979.449.816</b>	<b>(1.428.070.400)</b>	<b>9.157.362.277</b>	<b>(28.070.400)</b>

6. Doubtful debts: See page 37.

7. Inventories	Dec. 31, 2016		Jan. 01, 2016	
	Original cost	Provision	Original cost	Provision
Raw materials	8.845.402.429	(411.187.184)	11.554.022.319	(411.187.184)
Tools & supplies	93.370.797	-	28.908.800	-
Works in progress	954.610.097	-	5.080.926.158	-
Merchandise inventory	191.256.800	(65.828.400)	499.790.587	(100.411.663)
<b>Total</b>	<b>10.084.640.123</b>	<b>(477.015.584)</b>	<b>17.163.647.864</b>	<b>(511.598.847)</b>

- Value of inactive, deteriorated inventories at the period end: VND 779.273.983.

Causes: inactive, deteriorated inventories;

Resolutions: continue to observe and have appropriate solutions to treat.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

## 7. Inventories (cont)

- The carrying amount of inventories pledged as security for liabilities: Not applicable.
- Circumstances or events that led to the addition or reversal of provision for decline in value of inventories: The net realizable value is greater than the original cost.

8. Long-term assets in progress	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Provision	Amount	Provision
<b>Works in progress</b>	<b>155.225.441</b>	-	<b>309.863.091</b>	-
- Purchase	155.225.441	-	-	-
<i>Vibration Measuring Equipment (black box)</i>	155.225.441	-	-	-
- Basic construction	-	-	309.863.091	-
<i>Construction of warehouse at Danang Fishery Services Zone</i>	-	-	228.335.819	-
<i>Upgrading fuel retailing station at 20 Yet Kieu</i>	-	-	13.636.363	-
<i>Expanding head office at 80-82 Bach Dang</i>	-	-	67.890.909	-
<b>Total</b>	<b>155.225.441</b>	-	<b>309.863.091</b>	-

9. Tangible fixed assets: See Page 38.

## 10. Intangible fixed assets

Items	Land use right	Computer software	Total
<b>Original cost</b>			
Opening balance	17.880.352.771	1.583.468.336	19.463.821.107
<i>New purchase</i>	-	310.568.000	310.568.000
<i>Disposal, sale</i>	(1.931.040.540)	-	(1.931.040.540)
Closing balance	15.949.312.231	1.894.036.336	17.843.348.567
<b>Accumulated amortization</b>			
Opening balance	-	1.147.264.308	1.147.264.308
<i>Charge for the year</i>	-	340.810.846	340.810.846
Closing balance	-	1.488.075.154	1.488.075.154
<b>Net book value</b>			
Opening balance	17.880.352.771	436.204.028	18.316.556.799
Closing balance	15.949.312.231	405.961.182	16.355.273.413

- \* Ending carrying value of intangible fixed assets pledged/mortgaged as loan security: Not applicable;
- \* Ending original costs of intangible fixed assets—fully depreciated but still in use: VND 1.324.564.313.
- \* Other changes in intangible fixed assets: Not applicable.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

11. Prepaid expenses	Dec. 31, 2016	Jan. 01, 2016
<b>Short-term prepaid expenses</b>	<b>1.766.340.290</b>	<b>3.673.089.431</b>
Purchase of insurance	227.254.560	499.481.663
Software	3.199.996	23.646.116
Repair of assets	930.724.478	149.756.845
Tools, supplies, materials, spare parts	112.380.163	2.605.343.242
Premise rentals	193.380.470	33.883.200
Use of road	273.917.997	298.812.619
Other expenses	25.482.626	62.165.746
<b>Long-term prepaid expenses</b>	<b>6.403.708.868</b>	<b>7.850.135.171</b>
Purchase of insurance	-	38.088.146
Software	46.862.500	32.174.577
Repair of assets	318.685.100	443.238.016
Tools, supplies, materials, spare parts	9.524.558	4.570.724.214
Rentals paid in several period	6.015.497.225	2.706.397.487
Use of road	13.139.485	29.970.531
Other expenses	-	29.542.200
<b>Total</b>	<b>8.170.049.158</b>	<b>11.523.224.602</b>

12. Trade payables	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
<b>a. Short-term</b>	<b>27.830.260.470</b>	<b>27.830.260.470</b>	<b>49.508.327.579</b>	<b>49.508.327.579</b>
Local suppliers	27.560.320.658	27.560.320.658	49.359.394.529	49.359.394.529
+ Joongang Crane Vina Co.,Ltd	3.947.999.980	3.947.999.980	3.900.000.000	3.900.000.000
Trading And Transport Joint Stock	-	-	6.085.915.000	6.085.915.000
+ PTSC Thanh Hoa Port JSC	380.694.159	380.694.159	8.507.298.259	8.507.298.259
+ Other customers	23.231.626.519	23.231.626.519	30.866.181.270	30.866.181.270
Foreign suppliers	269.939.812	269.939.812	148.933.050	148.933.050
<b>Total</b>	<b>27.830.260.470</b>	<b>27.830.260.470</b>	<b>49.508.327.579</b>	<b>49.508.327.579</b>
<b>b. Current portion of long-term borrowings</b>				
Transportation Trading and Import Export JSC	-	-	4.840.157.100	4.840.157.100
Transportation Trading Services Co.,Ltd	-	-	3.973.860.000	3.973.860.000
+ Song Lo Shipping Factory	212.526.000	212.526.000	-	-
+ Branch of Petrolimex Quang Binh	189.778.400	189.778.400	-	-
+ Danang Global Insurance Company	336.230.392	336.230.392	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

12. Trade payables	Dec. 31, 2016		Jan. 01, 2016	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
<b>b. Current portion of long-term borrowings (cont)</b>				
+ PTSC Thanh Hoa	380.694.159	380.694.159	-	-
+ VTI OIL AND GAS	250.000.000	250.000.000	-	-
+ Hoang Gia Shipping Co., Ltd	390.000.000	390.000.000	-	-
+ Others	136.278.842	136.278.842	3.703.382.454	3.703.382.454
<b>Total</b>	<b>1.895.507.793</b>	<b>1.895.507.793</b>	<b>12.517.399.554</b>	<b>12.517.399.554</b>
<b>13. Prepayments from customers</b>			<b>Dec. 31, 2016</b>	<b>Jan. 01, 2016</b>
<b>Short-term</b>			<b>7.410.765.421</b>	<b>7.688.353.765</b>
Local customers			7.410.765.421	7.688.353.765
+ 30-4 JSC Quang Ngai			1.248.432.906	-
+ Ngo Thi Hien			5.611.476.950	2.000.000.000
+ HLC Heavy Equipment Co., Ltd			-	1.600.000.000
+ VietNam Steel Structures and Lifting Equipments Joint Stock Company			-	2.079.000.000
+ Other customers			550.855.565	2.009.353.765
<b>Total</b>			<b>7.410.765.421</b>	<b>7.688.353.765</b>
<b>14. Taxes and payables to the State Budget</b>				
	<b>Jan. 01, 2016</b>	<b>Payable amount</b>	<b>Paid amount</b>	<b>Dec. 31, 2016</b>
<b>a. Payables</b>				
VAT	554.393.929	18.139.038.252	18.344.200.599	353.622.921
Corporate income tax	-	13.284.977.495	7.577.112.864	5.325.867.169
Personal income tax	18.098.433	1.160.341.129	1.272.264.947	98.961.268
Land and housing taxes	-	36.876.940	36.537.734	-
Land rentals	1.064.407.870	4.520.570.792	5.584.978.662	-
Other taxes	75.227.859	91.480.319	164.126.156	2.582.022
<b>Total</b>	<b>1.712.128.091</b>	<b>37.233.284.927</b>	<b>32.979.220.962</b>	<b>5.781.033.380</b>
<b>b. Receivables</b>			<b>Dec. 31, 2016</b>	<b>Jan. 01, 2016</b>
VAT			4.391.339	-
Corporate income tax			200.501	382.197.963
Personal income tax			452.327.974	259.541.321
Land and housing taxes			-	339.206
<b>Total</b>			<b>456.919.814</b>	<b>642.078.490</b>
<b>15. Accrued expenses</b>			<b>Dec. 31, 2016</b>	<b>Jan. 01, 2016</b>
<b>Short-term</b>			<b>475.941.940</b>	<b>728.132.069</b>
Loan interest			11.897.730	33.433.890
Others			464.044.210	694.698.179
<b>Total</b>			<b>475.941.940</b>	<b>728.132.069</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

16. Other payables			Dec. 31, 2016	Jan. 01, 2016
<b>a. Short-term</b>				
Trade union fee			336.600.959	88.348.207
Payment on behalf of customers			60.504.049	-
BNX - Vietranstimex JVC			816.000.000	816.000.000
Receipt of deposits			-	144.000.000
Dividends payable			296.055.951	294.007.713
Other payables			830.263.626	522.377.855
<b>Total</b>			<b>2.339.424.585</b>	<b>1.864.733.775</b>
<b>b. Long-term</b>				
Guarantee for performing labor contract			427.500.000	479.500.000
<b>Total</b>			<b>427.500.000</b>	<b>479.500.000</b>
<b>c. Related parties</b>				
BNX - Vietranstimex JVC			816.000.000	816.000.000
<b>Total</b>			<b>816.000.000</b>	<b>816.000.000</b>
<b>17. Borrowings and financial lease liabilities</b>				
	<b>Dec. 31, 2016</b>		<b>Jan. 01, 2016</b>	
	<b>Amount</b>	<b>Debt Service Coverage</b>	<b>Amount</b>	<b>Debt Service Coverage Ratio</b>
<b>a. Short-term</b>	<b>15.772.006.106</b>	<b>15.772.006.106</b>	<b>28.075.544.391</b>	<b>28.075.544.391</b>
Banks	15.772.006.106	15.772.006.106	27.548.544.391	27.548.544.391
+ Vietcombank - Danang Branch	6.479.965.702	6.479.965.702	19.956.009.445	19.956.009.445
+ Military Bank, Danang Branch	9.292.040.404	9.292.040.404	4.596.479.190	4.596.479.190
+ BIDV, Danang Branch	-	-	2.996.055.756	2.996.055.756
Current portion of long-term borrowings	-	-	527.000.000	527.000.000
+ Vietcombank - Danang Branch	-	-	527.000.000	527.000.000
<b>b. Long-term</b>	-	-	<b>7.528.400.000</b>	<b>7.528.400.000</b>
Banks	-	-	7.528.400.000	7.528.400.000
+ Vietcombank - Danang Branch	-	-	1.542.600.000	1.542.600.000
+ Saigon-Hanoi Bank, Danang Branch	-	-	5.985.800.000	5.985.800.000
<b>Total</b>	<b>15.772.006.106</b>	<b>15.772.006.106</b>	<b>35.603.944.391</b>	<b>35.603.944.391</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

## Notes on borrowings from banks

Borrowings from Vietcombank - danang Branch are in accordance with the following contracts:

Contract No.	Term	Interest rate	Balance	Form of security
No. 127/2016/VCB-KHDN dated 01/11/2016; Credit limit: 60 billion VND	Maximum 09 months for each receipt	By each receiving agreement	6.097.926.863	Transportation means
No. 142/2016/VCB - KHDN dated October 25, 2016; Credit limit: 10 billion VND	Maximum 09 months for each receipt	By each receiving agreement	161.140.000	Transportation means
No. 152/2016/VCB-KHDN dated November 11, 2016; Credit limit: 10 billion VND	Maximum 09 months for each receipt	By each receiving agreement	220.898.839	Transportation means

The borrowing from Military Bank, Da Nang Branch is in accordance with the following contracts:

Contract No.	Term	Interest rate	Balance	Form of security
No. 84311.16.301.53824.TD dated November 08, 2016; Credit limit: 50 billion VND	Maximum 06 months for each receipt	By each receiving agreement	9.292.040.404	4 trailers và 48 self propelled trailer axles

## 18. Owners' equity

a. Comparison schedule for changes in Owner's Equity: See page 39.

b. Details of owners' shareholding	% shareholding as of Dec. 31, 2016	Dec. 31, 2016	Jan. 01, 2016
	State Capital Investment Corporation		-
ITL Corporation		-	26.895.040.000
IB Securities JSC		-	30.055.000.000
Sotrans	84,00%	176.167.500.000	-
Post and Telecommunications Investment and Construction JSC	6,15%	12.900.000.000	-
Other shareholders	9,85%	20.655.710.000	29.866.770.000
<b>Total</b>	<b>100,00%</b>	<b>209.723.210.000</b>	<b>209.723.210.000</b>

c. Capital transactions with owners and distribution of dividends, profits

	Year 2016	Year 2015
Owners' equity	209.723.210.000	209.723.210.000
At the beginning of the year	209.723.210.000	209.723.210.000
At the end of the year	209.723.210.000	209.723.210.000
Dividends, profit distributed under Resolution of the annual shareholders' meeting	8.388.928.400	10.486.160.500

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

<b>d. Shares</b>	<b>Dec. 31, 2016</b>	<b>Jan. 01, 2016</b>
Number of shares registered to be issued	20.972.321	20.972.321
Number of shares sold out to the public	20.972.321	20.972.321
<i>Ordinary share</i>	<i>20.972.321</i>	<i>20.972.321</i>
Number of existing shares in issue	20.972.321	20.972.321
<i>Ordinary share</i>	<i>20.972.321</i>	<i>20.972.321</i>
<i>Par value: VND/share.</i>	<i>10.000</i>	<i>10.000</i>
<b>e. Funds</b>	<b>Dec. 31, 2016</b>	<b>Jan. 01, 2016</b>
Development fund	2.909.120.561	1.995.096.137
<b>Total</b>	<b>2.909.120.561</b>	<b>1.995.096.137</b>

\* Purpose of appropriating and using funds

Investment and development fund is established from the profit after tax of the enterprise and used for expanding the operating scale or investing further in the enterprise .

## 19. Off balance sheet items

Foreign currencies	Dec. 31, 2016		Jan. 01, 2016	
	Original currency	Amount	Original currency	Amount
USD	\$ 476.576,99	10.487.183.537	\$ 296.276,77	6.651.413.489
EUR	€ 543,95	12.974.295	€ 7.450,24	182.128.567
<b>Total</b>		<b>10.500.157.832</b>		<b>6.833.542.056</b>

## VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT

<b>1. Sales</b>	<b>Year 2016</b>	<b>Year 2015</b>
Revenue from merchandises sold	472.861.251	546.773.209
Revenue from exchange of services	426.999.600.340	579.864.458.835
<b>Total</b>	<b>427.472.461.591</b>	<b>580.411.232.044</b>
<b>2. Net sales</b>	<b>Year 2016</b>	<b>Year 2015</b>
Revenue from merchandises sold	472.861.251	546.773.209
Revenue from exchange of services	426.999.600.340	579.864.458.835
<b>Total</b>	<b>427.472.461.591</b>	<b>580.411.232.044</b>
<b>3. Cost of sales</b>	<b>Year 2016</b>	<b>Year 2015</b>
Cost of merchandises sold	2.234.412.005	362.001.185
Cost of services rendered	336.979.366.833	492.211.602.672
Value of lost inventories	-	754.940
Provision for devaluation of inventories	(34.583.263)	505.560.030
<b>Total</b>	<b>339.179.195.575</b>	<b>493.079.918.827</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

	Year 2016	Year 2015
<b>4. Financial income</b>		
Interest income from deposits, loans	2.274.125.226	259.967.864
Realised foreign exchange gains	113.111.196	3.586.859.891
Foreign exchange difference gain upon revaluation	450.320.738	328.485.741
<b>Total</b>	<b>2.837.557.160</b>	<b>4.175.313.496</b>
<b>5. Financial expenses</b>		
Interest expense	1.789.456.375	6.819.131.763
Realised foreign exchange losses	129.433.379	887.623.221
<b>Total</b>	<b>1.918.889.754</b>	<b>7.706.754.984</b>
<b>6. Selling expenses and General and administration expenses</b>		
Salary and social insurance for indirect divisions	32.287.332.203	37.215.685.458
Cost of office supplies materials	2.152.504.387	2.619.312.854
Depreciation	939.836.367	1.051.714.612
Taxes, fees and duties	1.314.195.860	2.106.171.617
Provision for doubtful debts	(3.669.646.318)	14.025.292.034
Other sundry expenses by cash	10.619.451.422	9.083.639.724
<b>Total</b>	<b>43.643.673.921</b>	<b>66.101.816.299</b>
<b>7. Other income</b>		
Disposal and sale of fixed assets	19.947.123.822	409.258.181
Income from disposal of wasted materials	65.899.212	32.754.842
Fine received	(43.404.391)	454.784.188
Power charges from unit leasing premise	355.613.419	429.708.466
Other income	73.350.069	36.761.166
<b>Total</b>	<b>20.398.582.131</b>	<b>1.363.266.843</b>
<b>8. Other expenses</b>		
Net assets book value of fixed assets and disposal, sale of fixed assets	-	17.507.372
Fine amount	3.366.403.445	126.160.000
Power charges from unit leasing premise	384.459.799	434.125.548
Other expenses	61.459.405	203.040.874
<b>Total</b>	<b>3.812.322.649</b>	<b>780.833.794</b>
<b>9. Costs of production and doing business by factors</b>		
Raw materials	34.946.644.059	42.181.422.194
Labour cost	62.065.759.598	61.657.511.999
Depreciation and amortization	56.197.826.539	61.671.847.737
Services bought	218.598.133.374	373.237.970.425
Other sundry cash expense	11.014.505.926	20.432.982.771
<b>Total</b>	<b>382.822.869.496</b>	<b>559.181.735.126</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

	Year 2016	Year 2015
<b>10. Current corporate income tax</b>		
1. Total accounting profit before tax	62.154.518.983	18.280.488.479
Profit from production and doing business	49.606.700.382	18.280.488.479
Profit from transferring real estates	12.547.818.601	-
<b>2. Adjustments of corporate income tax liabilities of prior year to those of current year</b>	<b>5.295.561.014</b>	<b>10.830.257.123</b>
Adjustment to increase	7.425.546.972	11.253.767.964
+ Allowances for members of the Board of Management, Board of Supervisors who do not hold direct control	111.000.000	120.000.000
+ Gain due to revaluation of balances of foreign currency, receivables of prior year	-	30.532.133
+ Undeductible expenses	7.314.546.972	11.103.235.831
Adjustment to decrease	2.129.985.958	423.510.841
+ Gain due to revaluation of balances of foreign currency, receivables of current year	450.769.488	328.635.841
+ Reversal of eliminated provision of prior year	1.671.302.501	94.875.000
+ Loss due to revaluation of balances of foreign currency, receivables of prior year	7.913.969	-
<b>3. Taxable income</b>	<b>67.450.079.997</b>	<b>29.110.745.602</b>
Taxable income from production and doing business	54.902.261.396	29.110.745.602
Taxable income from trading real estates	12.547.818.601	-
<b>4. Loss carried forward</b>	<b>1.025.192.521</b>	<b>29.110.745.602</b>
From production and doing business	1.025.192.521	29.110.745.602
From trading real estates	-	-
<b>5. Current corporate income tax</b>	<b>13.284.977.495</b>	<b>-</b>
From production and doing business	10.775.413.775	-
From trading real estates	2.509.563.720	-
<b>6. Corporate income tax under reduction, exemption</b>	<b>-</b>	<b>-</b>
<b>7. Total current income tax liabilities</b>	<b>13.284.977.495</b>	<b>-</b>
<b>8. Profit after CIT</b>	<b>48.869.541.488</b>	<b>18.280.488.479</b>
<b>11. Earnings per share</b>		
	Year 2016	Year 2015
Accounting profit after corporate income tax	48.869.541.488	18.280.488.479
Increase or decrease of accounting profit	-	(914.024.424)
- Adjustment to increase	-	-
- Adjustment to decrease (*)	-	(914.024.424)
Profit or loss attributable to ordinary equity holders	48.869.541.488	17.366.464.055
Average ordinary shares outstanding during the year	20.972.321	20.972.321
Earnings per share	2.330	828
Diluted earnings per share	2.330	828

(\*) - The bonus and welfare fund of 2016 has not been approved by the shareholders meeting. Therefore, basic earning per share and diluted earning per share are calculated without deducting the bonus and welfare amounts

(\*\*) - There are no impacts that dilute the ordinary shares as at December 31, 2016.



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***12. Objectives and financial risks management policies**

Major risks of financial instruments include market risk, credit risk and liquidity risk.

The Board of General Directors considers the application of management policies for the above risks as follows:

**12.1. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in market prices. There are three market risks: interest rate risk, foreign exchange risk and other price risks, for example risk of stock price. Financial instruments affected by the market risks include: borrowings and liabilities, deposits, available-for-sale investments.

The following sensibility analysis relates to the financial position of the Company as at December 31, 2016 and December 31, 2015.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

When calculating the sensibility analysis, the Board of General Directors assumes that the sensibility of available-for-sale liability in the balance sheet and related items in the income statement is affected by changes in the assumption of corresponding market risks. This analysis is based on the financial assets and liabilities that the Company held as at December 31, 2016 and December 31, 2015.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market prices. Market risks due to change in interest rate of the Company mainly relate to: borrowings and liabilities, cash and short-term deposits.

The Company manages the interest rate risk by analyzing the competition status in the market in order to apply the interest rate that brings benefits to the Company and still in the limit of its risk management.

***Sensibility to interest rate***

The Company does not analyze the sensibility to the interest rate since change in the interest rate at the reporting date is insignificant.

**Foreign exchange risk**

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in exchange rate. The Company bears risks due to changes in the exchange rate of the currencies other than VND related directly to the Company's business.

The Company manages foreign exchange risk by considering current and expected market status when it outlines plans for future transactions in foreign currencies. The Company does not use any derivative instruments to prevent foreign exchange risks.

***Sensibility to foreign currencies***

The Company does not analyze the sensibility to the foreign currencies since change in the foreign currencies at the reporting date is insignificant.

**12.2. Credit risk**

Credit risk is the risk due to the uncertainty in a counterparty's ability to meet its obligations causing the financial loss. The Company bears credit risks from production and doing business activities (mainly trade receivables) and from its financial activities including deposits, foreign exchange transactions and other financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

*Trade receivables*

The Company minimizes the credit risk by only doing business with entities who have good financial capacity and closely keeping track of the liabilities to speed up the recovery of debts. On the basis of this method and receivables related to different customers, the credit risk does not concentrate on a certain customer.

*Deposit*

The Company mainly maintains deposits in big and prestigious banks in Vietnam. The Company realized that the concentration level of credit exposure to deposits is low.

The Board of General Directors of the Company has assessed that most financial assets are not overdue and impaired since these financial assets relate to prestigious customers who have good liquidity capacity. The financial assets which are devalued have been fully provided.

	Not overdue		Overdue	
	Not impaired	Impaired	Not impaired	Impaired
<b>Dec. 31, 2016</b>				
Under 90 days	92.434.293.422	-	-	-
91-180 days	-	-	-	2.608.628.283
>181 days	-	-	-	16.851.369.960
<b>Total net value</b>	<b>92.434.293.422</b>	<b>-</b>	<b>-</b>	<b>19.459.998.243</b>
Provision for devaluation	-	-	-	(15.255.570.176)
<b>Net value</b>	<b>92.434.293.422</b>	<b>-</b>	<b>-</b>	<b>4.204.428.067</b>
<b>Dec. 31, 2015</b>				
Under 90 days	71.964.047.229	-	-	-
91-180 days	-	-	-	3.843.988.598
>181 days	-	-	-	20.525.798.825
<b>Total net value</b>	<b>71.964.047.229</b>	<b>-</b>	<b>-</b>	<b>24.369.787.423</b>
Provision for devaluation	-	-	-	(20.325.216.494)
<b>Net value</b>	<b>71.964.047.229</b>	<b>-</b>	<b>-</b>	<b>4.044.570.929</b>

**12.3 Liquidity risk**

Liquidity risk is the risk that arises from the difficulty in fulfilling financial obligations due to lack of capital. The liquidity risk of the Company mainly arises from difference of maturity of the financial assets and liabilities.

The Company supervises liquidity risk by maintaining an amount of cash, cash equivalents and borrowings from banks at the level that the Board of General Directors considers as sufficient to satisfy the Company's activities and minimize influences of changes in cash flows.

The following table summarizes liquidity deadline of the Company's financial liabilities on the basis of estimated payments in accordance with contract which are not discounted:

<b>Dec. 31, 2016</b>	<i>Under 1 year</i>	<i>From 1-5 years</i>	<i>Over 5 years</i>	<i>Total</i>
Borrowings and liabilities	15.772.006.106	-	-	15.772.006.106
Trade payables	27.830.260.470	-	-	27.830.260.470
Other payables and accrued expenses	2.549.705.566	-	-	2.549.705.566
<b>Total</b>	<b>46.151.972.142</b>	<b>-</b>	<b>-</b>	<b>46.151.972.142</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

## 12.3. Liquidity risks (cont.)

Dec. 31, 2015	Under 1 year	From 1-5 years	Over 5 years	Total
Borrowings and liabilities	28.075.544.391	7.528.400.000	-	35.603.944.391
Trade payables	49.508.327.579	-	-	49.508.327.579
Other payables and accrued expenses	2.690.009.924	-	-	2.690.009.924
<b>Total</b>	<b>80.273.881.894</b>	<b>7.528.400.000</b>	<b>-</b>	<b>87.802.281.894</b>

The Company is able to access capital sources and with regards to due borrowings within 12 months, the Company may continue to be lent by its current creditors.

**Secured assets**

The Company pledged part of land use right, deposit and cash equivalents, trade receivables, inventories, machinery and equipment, buildings and structures, land use right as security for short-term and long-term borrowings from banks (Notes No. 17 on financial leasing liability).

The Company does not hold any secured assets of the third party as at Dec. 31, 2016 and December 31, 2015.

**13. Financial assets and liabilities:** See page 40.

The fair value of financial assets and financial liabilities is stated at the value that the financial instruments are convertible in present transaction among partners, except for compulsory sale or disposal.

The Company uses the following methods and assumptions to estimate the fair value:

The fair value of cash on hand and short-term deposits, trade receivables, trade payables and other short-term liabilities is equivalent to the book value of these items because these instruments are in short-term.

Except for the above-mentioned items, the fair value of financial assets and financial liabilities has not been valued and determined officially as at December 31, 2016 and December 31, 2015. However, the Board of General Directors has assessed that the fair value of financial assets and liabilities is not significantly different from the book value at the fiscal year end.

**VII. ADDITIONAL INFORMATION FOR ITEMS IN THE CASH FLOW STATEMENT**

1. Borrowing amount in the period	Year 2016	Year 2015
- Proceeds from the borrowing under normal agreement	152.838.626.430	261.816.788.090
2. Payment for principal debts	Year 2016	Year 2015
- Payment for principal debts under normal agreement	172.670.564.715	317.916.668.533

**VIII. OTHER INFORMATION**

1. **Contingent liabilities, commitments and other information:** Not applicable.

**2. Subsequent events**

There are no significant events since the year end that need to be adjusted or noted in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

**3. Related party transactions**

Key transactions and balances with related parties:

Related parties	Relationship	Transactions	Movement	Receivables/ (Payables)
Sotrans	Parent company	Sales of assets	990.000.000	450.000.000
		Office rentals	10.000.000	10.000.000
		Supply of transport service	635.459.350	64.000.000
		Lending	40.000.000.000	-
		Interest	91.666.667	-
		Lease of transport service	105.600.000	-
		Branch of Sotrans in Hanoi	Related party	Supply of transport service
Sotrans Ha Tinh	Related party	Lease of transport service	38.867.567	-
		Supply of transport service	39.600.000	-
Sowato	Related party	Lease of transport service	303.072.600	(193.935.000)
		Sales of assets	110.000.000	-
BNX-Vietranstimex JV Co.,Ltd	JVC	Lease of transport service	196.308.779	-
		Other payables	-	(816.000.000)
<b>+ Income of the Board of Management and Board of General Director:</b>			<b>Year 2016</b>	<b>Year 2015</b>
Board of Management		Consideration	141.000.000	132.000.000
Board of General Directors		Salary	2.110.306.000	1.836.392.867
<b>Total</b>			<b>2.251.306.000</b>	<b>1.968.392.867</b>

**4. Presentation of segment asset, revenue and operating result**

The Board of General Directors of the Company defines that the issuing managerial decisions of the Company mainly bases on types of products, services that the Company provides because the Company's service is providing with transportation which makes up 99% of the revenue. Therefore, the Company does not present segment report by business sector, but by geographical region.

**a. Segment report by geographical region for the fiscal year ended December 31, 2016**

As at December 31, 2016, the Company makes segment report by region: Nothern, Middle and Southern Region. The Company analyses the revenue and cost of goods sold as follows:

Sectors	Net revenue	Cost of goods sold	Gross profit
Nothern Region	39.688.161.263	33.682.262.198	6.005.899.065
Middle Region	272.912.975.234	209.151.520.883	63.761.454.351
Southern Region	114.871.325.094	96.345.412.494	18.525.912.600
<b>Total</b>	<b>427.472.461.591</b>	<b>339.179.195.575</b>	<b>88.293.266.016</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

## 4. Presentation of segment asset, revenue and operating result (cont)

## b. Segment report by geographical region for the fiscal year ended December 31, 2015

As at December 31, 2015, the Company makes segment report by region: Northern, Middle and Southern Region. The Company analyses the revenue and cost of goods sold as follows:

Sectors	Net revenue	Cost of goods sold	Gross profit
Northern Region	17.284.409.372	13.293.849.622	3.990.559.750
Middle Region	391.120.272.983	330.804.765.371	60.315.507.612
Southern Region	172.006.549.689	148.981.303.834	23.025.245.855
<b>Total</b>	<b>580.411.232.044</b>	<b>493.079.918.827</b>	<b>87.331.313.217</b>

## 5. Information on going-concern operation: The Company will continue its operation in the future.

## 6. Comparative information

The financial statements of the Company for the fiscal year ended 2015 were audited by UHY ACA Auditing and Consultant Limited Company who gave unqualified opinion with highlighted paragraph in the report issued on March 21, 2016.

Some opening balances on the Financial Statements for the fiscal year ended December 31, 2016 have been represented so as to be in conformity with guidances of Enterprise Accounting System applicable for current year.

Items (1)	Year 2015	Year 2015	Differences (4)=(3)-(2)
	Presented amount (2)	amount (3)	
<b>In the Income Statement</b>			
Earnings per share	872	828	(44)
Diluted earnings per share	872	828	(44)

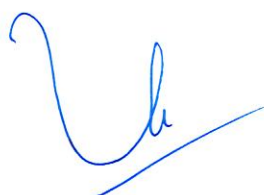
## In Notes to the Financial Statements

## VI.9 - Costs of production and doing business by factors

Raw materials	42.181.422.194	42.181.422.194	-
Labour cost	61.657.511.999	61.657.511.999	-
Depreciation and amortization	61.671.847.737	61.671.847.737	-
Services bought	348.954.036.041	373.237.970.425	24.283.934.384
Other sundry cash expense	5.539.374.582	20.432.982.771	14.893.608.189
<b>Total</b>	<b>520.004.192.553</b>	<b>559.181.735.126</b>	<b>39.177.542.573</b>

Danang, March 17, 2017

PREPARED BY



Hoang Thi Thanh Huyen

CHIEF ACCOUNTANT



Bui Thi Ngoc Ha

GENERAL DIRECTOR



Vo Duy Nghi

**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***V.2. Financial investments****a. Held-to-maturity investments**

	Dec. 31. 2016		Jan. 01, 2016	
	Original value	Fair value	Original value	Fair value
<b>Short-term</b>	-	-	<b>1.000.000.000</b>	<b>1.000.000.000</b>
- Deposit with the term of 1 year	-	-	1.000.000.000	1.000.000.000
<b>Total</b>	-	-	<b>1.000.000.000</b>	<b>1.000.000.000</b>

**b. Equity investments in other entities**

	31/12/2016			01/01/2016		
	Original value	Provision	Fair value	Original value	Provision	Fair value
- Investment in joint-ventures	<b>816.000.000</b>	-	<b>816.000.000</b>	<b>816.000.000</b>	-	<b>816.000.000</b>
(*) BNX-Vietranstimex JVC	816.000.000	-	816.000.000	816.000.000	-	816.000.000
<b>Total</b>	<b>816.000.000</b>	-	<b>816.000.000</b>	<b>816.000.000</b>	-	<b>816.000.000</b>

(\*) According to the Agreement No. VTT-BNX/2011-001, the operation of BNX-Vietranstimex JVC has terminated since March 01, 2011. To December 31, 2016, the Company has recovered its invested capital. However, BNX-Vietranstimex JVC has not completed the procedures for dissolution because it has not settled all liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

V.6. Doubtful debts	Dec. 31, 2016			Jan. 01, 2016		
	Original cost	Net book value after provision	Debtors	Original cost	Net book value after provision	Debtors
- Total overdue or undue receivables and loans that are unlikely to recover	19.459.998.243	2.776.357.667		24.369.787.423	4.016.500.529	
<i>The Northern Vietnam Power Projects Management Board</i>	384.522.333	192.261.167	<i>Receivables overdue from 1 to 2 years</i>	3.166.056.864	2.216.239.805	<i>Receivables overdue under year</i>
<i>Power Transmission Company No.1</i>	2.379.128.283	1.665.389.798	<i>Receivables overdue under year</i>	796.434.625	-	<i>Receivables overdue from 1 to 2 years</i>
<i>Cosco Logistics Hongkong Co.Ltd</i>	6.783.954.470	-	<i>Receivables overdue over 3 years</i>	6.783.954.470	-	<i>Receivables overdue over 3 years</i>
<i>Others</i>	9.912.393.157	918.706.702	<i>Receivables overdue from 1 to 3 years</i>	13.623.341.464	1.800.260.724	<i>Receivables overdue from 1 to 3 years</i>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

## V.9. Tangible fixed assets

Items	Buildings & structures	Machinery & equipment	Transportation & facilities	Office equipment	Total
<b>Original cost</b>					
Opening balance	32.520.736.480	29.751.767.602	438.032.199.183	1.146.726.285	<b>501.451.429.550</b>
<i>New purchases</i>	-	252.999.999	53.048.891.807	33.500.000	53.335.391.806
<i>Re-presentation</i>	-	3.745.921.387	(3.745.921.387)	-	-
<i>Disposal, sale</i>	(1.127.217.103)	(225.000.000)	(20.613.828.234)	-	(21.966.045.337)
Closing balance	31.393.519.377	33.525.688.988	466.721.341.369	1.180.226.285	<b>532.820.776.019</b>
<b>Accumulated depreciation</b>					
Opening balance	12.394.072.714	23.238.877.924	324.692.692.251	1.121.227.137	<b>361.446.870.026</b>
<i>Charge for the year</i>	2.052.730.251	3.370.087.054	50.380.233.890	28.654.945	55.831.706.140
<i>Re-presentation</i>	-	3.745.921.387	(3.745.921.387)	-	-
<i>Disposal, sale</i>	(913.268.042)	(225.000.000)	(19.816.086.738)	-	(20.954.354.780)
Closing balance	13.533.534.923	30.129.886.365	351.510.918.016	1.149.882.082	<b>396.324.221.386</b>
<b>Net book value</b>					
As at beginning of the year	20.126.663.766	6.512.889.678	113.339.506.932	25.499.148	<b>140.004.559.524</b>
As at the end of the year	17.859.984.454	3.395.802.623	115.210.423.353	30.344.203	<b>136.496.554.633</b>

Ending net book value of tangible fixed assets pledged/mortgaged as loan security: VND 30.70.116.215.

\* Ending original costs of tangible fixed assets—fully depreciated but still in use: VND 201.918.694.563.

\* Ending original costs of tangible fixed assets—waiting to be disposed: Not applicable.

\* Other changes in tangible fixed assets: the Company makes quick depreciation for some fixed assets which are machinery, equipment, transportation, equipment, tools in 2016. This method of depreciation is applied in consistence with that of 2015 in compliance with current regulations and actual status of assets



**NOTES TO THE FINANCIAL STATEMENTS***For the fiscal year ended December 31, 2016**Unit: VND***V.19. Owners' Equity****a. Comparison schedule for changes in Owner's Equity :**

<b>Items</b>	<b>Paid-in capital</b>	<b>Share premium</b>	<b>Development and Investment Fund</b>	<b>Undistributed earnings</b>	<b>Total</b>
<b>Prior year opening balance</b>	<b>209.723.210.000</b>	<b>15.257.068.213</b>	<b>1.650.742.488</b>	<b>7.410.703.603</b>	<b>234.041.724.304</b>
Profit	-	-	-	18.280.488.479	18.280.488.479
Appropriation to funds of 2014	-	-	344.353.649	(344.353.649)	-
Dividends paid of 2014	-	-	-	(10.486.160.500)	(10.486.160.500)
Other decreases	-	-	-	(3.834.132.387)	(3.834.132.387)
<b>Prior year closing balance</b>	<b>209.723.210.000</b>	<b>15.257.068.213</b>	<b>1.995.096.137</b>	<b>11.026.545.546</b>	<b>238.001.919.896</b>
<b>Current year opening balance</b>	<b>209.723.210.000</b>	<b>15.257.068.213</b>	<b>1.995.096.137</b>	<b>11.026.545.546</b>	<b>238.001.919.896</b>
Profit	-	-	-	48.869.541.488	48.869.541.488
Appropriation to funds of 2015	-	-	914.024.424	(914.024.424)	-
Dividends paid of 2015	-	-	-	(8.388.928.400)	(8.388.928.400)
Other decreases	-	-	-	(1.220.893.443)	(1.220.893.443)
<b>Current year closing balance</b>	<b>209.723.210.000</b>	<b>15.257.068.213</b>	<b>2.909.120.561</b>	<b>49.372.240.767</b>	<b>277.261.639.541</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

Unit: VND

## VI.13. Financial assets and financial liabilities:

The following table specifies book value and fair value of the financial instruments presented in the financial statements.

	Book value				Fair value	
	Dec. 31, 2016		Dec. 31, 2015		Dec. 31, 2016	Dec. 31, 2015
	Amount	Provision	Amount	Provision		
<b>Financial assets</b>						
- Held-to-maturity investments	-	-	1.000.000.000	-	-	1.000.000.000
- Trade receivables	111.894.291.665	(15.255.570.176)	96.333.834.652	(20.325.216.494)	96.638.721.489	76.008.618.158
- Other receivables	1.392.814.202	(28.070.400)	3.841.023.249	(28.070.400)	1.364.743.802	3.812.952.849
- Cash and cash equivalents	67.814.830.185	-	69.273.007.840	-	67.814.830.185	69.273.007.840
<b>TOTAL</b>	<b>181.101.936.052</b>	<b>(15.283.640.576)</b>	<b>170.447.865.741</b>	<b>(20.353.286.894)</b>	<b>165.818.295.476</b>	<b>150.094.578.847</b>
<b>Financial liabilities</b>						
- Borrowings and liabilities	15.772.006.106	-	35.603.944.391	-	15.772.006.106	35.603.944.391
- Trade payables	27.830.260.470	-	49.508.327.579	-	27.830.260.470	49.508.327.579
- Other payables and accrued expenses	2.549.705.566	-	2.690.009.924	-	2.549.705.566	2.690.009.924
<b>TOTAL</b>	<b>46.151.972.142</b>	<b>-</b>	<b>87.802.281.894</b>	<b>-</b>	<b>46.151.972.142</b>	<b>87.802.281.894</b>