

**CONSOLIDATED FINANCIAL  
STATEMENTS**

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2016

**TRANSIMEX CORPORATION**

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## TRANSIMEX CORPORATION

### STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Transimex Corporation (hereinafter referred to as 'the Corporation') presents this Statement together with the Consolidated Financial Statements for the fiscal year ended 31 December 2016, including the Financial Statements of the Corporation and those of its subsidiaries (hereinafter collectively referred to as "the Group").

#### Business highlights

Transimex Corporation (before Transimex – Saigon Corporation) was established on the basis of equitizing the State-owned Transforwarding Warehousing Company in line with the Decision No. 989/QĐ-TTg dated 26 October 1999 of the Prime Minister. The Corporation has been operating under the Business Registration Certificate No. 0301874259 (No. 056651 before), which was registered for the first time on 03 December 1999 and amended for the 26<sup>th</sup> time on 02 December 2016, granted by the Department of Planning and Investment of Ho Chi Minh City.

#### Head office

- Address : No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City.
- Tel. : (84-8) 22 202 888
- Fax : (84-8) 22 202 889

Principal business activities of the Corporation as in the Business Registration Certificate are as follows:

- Acting as transportation agent; providing forwarding service and customs clearance; acting as shipping agent and shipping brokerage to local and international liners; trading goods in transit and transporting goods to Cambodia, Laos and China; providing multi-model transportation services.
- Providing bonded warehouse service, CFS (gathering, collecting the goods for exports), ICD (place for local customs clearance); providing services on warehousing, loading and storing imports and exports in transit.
- Transporting imports and exports as well as for public interests by road.
- Transporting imports and exports as well as for public interests by sea.
- Transporting exports and imports as well as for public interests by air.
- Providing services of goods packing and marking for local and overseas manufacturers.
- Wholesaling home appliances: trading wooden products, porcelains, fine arts; rubber products; rattan, bamboo and leafy products; industrial products, textile and leather products, interior decorations.
- Trading agricultural and forestry products.
- Trading agricultural – forestry and aquatic products, processed food, materials, industrial food.
- Trading chemicals (excluding strongly toxic chemicals); agricultural drugs (excluding veterinary medicines, pesticides).
- Selling goods in general stores.
- Trading fabrics.
- Trading construction materials.
- Trading vehicles.
- Leasing office.



## TRANSIMEX CORPORATION

### STATEMENT OF THE BOARD OF DIRECTORS (cont.)

- Repairing machinery and equipment (excluding mechanical processing, recycling wastes, plating at the head office).
- Providing service of express mails.
- Acting as tourist agency.
- Trading materials, machinery, equipment for industrial and agricultural productions; office equipment, electrical and mechanical appliances, transportation vehicles; agricultural and aquatic machines.

#### Board of Management and Executive Officers

The Board members and the Executive Officers of the Corporation during the year and as of the date of this Statement include:

##### *The Board of Management*

Full name	Position	Appointing/ Reappointing date
Mr. Bui Tuan Ngoc	Chairman	Reappointed on 26 April 2013
Mr. Le Duy Hiep	Vice Chairman	Reappointed on 26 April 2013
Mr. Huynh Minh Thao	Member	Reappointed on 26 April 2013
Mr. Vu Chinh	Member	Reappointed on 26 April 2013
Mr. Do Xuan Quang	Member	Reappointed on 26 April 2013
Mr. Toshiyuki Matsuda	Member	Appointed on 26 April 2013
Mr. Bui Minh Tuan	Member	Appointed on 26 April 2013
Mr. Nguyen Phan Dung	Member	Appointed on 31 March 2014
Mr. Vu Cuong	Member	Appointed on 10 November 2015

##### *The Control Board*

Full name	Position	Appointing/ Resigning date
Mr. Nguyen Tuan Anh	Chief of the Board	Appointed on 26 April 2013
Mrs. Nguyen Kim Hau	Member	Appointed on 26 April 2013
Mrs. Nguyen Bich Lien	Member	Resigned on 01 July 2016

##### *The Board of Directors*

Full name	Position	Appointing/ Reappointing date
Mr. Le Duy Hiep	General Director	Reappointed on 16 November 2016
Mr. Nguyen Chi Duc	Deputy General Director	Reappointed on 28 November 2013
Mr. Ton That Hung	Deputy General Director	Reappointed on 28 November 2013
Mr. Nguyen Hong Son	Deputy General Director	Appointed on 01 April 2014

#### Legal Representative

The Legal Representative of the Corporation during the year and as of the date of this statement is Mr. Bui Tuan Ngoc – Chairman of the Board of Management (reappointed on 26 April 2013).

Mr. Bui Tuan Ngoc granted the authority to Mr. Le Duy Hiep – General Director to sign on the Consolidated Financial Statements for the fiscal year ended 31 December 2016.

#### Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Group's Consolidated Financial Statements for the fiscal year ended 31 December 2016.

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## TRANSIMEX CORPORATION

### STATEMENT OF THE BOARD OF DIRECTORS (cont.)

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#### Responsibilities of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation of the Consolidated Financial Statements to give a true and fair view of the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group during the year. In order to prepare these Consolidated Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the accounting standards applied to the Group are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements;
- prepare the Consolidated Financial Statements of the Group on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Consolidated Financial Statements are free from material misstatements due to frauds or errors.

The Board of Directors hereby ensures that all the accounting books of the Group have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors commits to the compliance with the aforementioned requirements in preparation of the Consolidated Financial Statements.

#### Approval on the Consolidated Financial Statements

The Board of Directors hereby approves the accompanying Consolidated Financial Statements, which give a true and fair view of the financial position of the Group as of 31 December 2016, its financial performance and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards and System as well as other legal regulations related to the preparation and presentation of the Consolidated Financial Statements.

For and on behalf of the Board of Directors,



**Le Duy Hiep**  
General Director

Date: 02 March 2017



No. 0129/2017/BCTC-KTTV

## INDEPENDENT AUDITOR'S REPORT

### THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS TRANSIMEX CORPORATION

We have audited the accompanying Consolidated Financial Statements of Transimex Corporation (hereinafter referred to as 'the Corporation') and its subsidiaries (hereinafter collectively called "the Group"), which were prepared on 15 February 2017 (from page 07 to page 57) including the Consolidated Balance Sheet as of 31 December 2016, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

#### Responsibility of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation, true and fair presentation of these Consolidated Financial Statements of the Group in accordance with the Vietnamese Accounting Standards and System as well as the legal regulations related to the preparation and presentation of the Consolidated Financial Statements; and responsible for such internal control as the Board of Directors determines necessary to enable the preparation and presentation of Consolidated Financial Statements to be free from material misstatement, whether due to fraud or error.

#### Responsibility of Auditors

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the Consolidated 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

**Opinion of Auditors**

In our opinion, the Consolidated Financial Statements referred to above, give a true and fair view, in all material respects, of the consolidated financial position as of 31 December 2016, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and System as well as other regulations related the preparation and presentation of Consolidated Financial Statements.

For and on behalf of  
A&C Auditing and Consulting Co., Ltd.



**Ly Quoc Trung** - Deputy General Director  
*Audit Practice Registration Certificate No. 0099-2013-008-1*

A handwritten signature in blue ink, consisting of stylized letters.

**Nguyen Thi Ngoc Quynh** - Auditor  
*Audit Practice Registration Certificate No. 0327-2013-008-1*

Ho Chi Minh City, 02 March 2017

**TRANSIMEX CORPORATION**

Address: No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City

**COSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**CONSOLIDATED BALANCE SHEET**

As of 31 December 2016

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>320.400.347.622</b>	<b>367.281.515.017</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>122.977.237.645</b>	<b>235.469.132.676</b>
1. Cash	111		49.713.237.645	37.338.632.676
2. Cash equivalents	112		73.264.000.000	198.130.500.000
<b>II. Short-term financial investments</b>	<b>120</b>		<b>47.302.498.008</b>	<b>13.924.738.212</b>
1. Trading securities	121	V.2a	18.338.121.333	14.760.113.342
2. Provisions for devaluation of trading securities	122	V.2a	(1.035.623.325)	(835.375.130)
3. Held-to-maturity investments	123	V.2b	30.000.000.000	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>122.218.641.868</b>	<b>78.966.292.048</b>
1. Short-term trade receivables	131	V.3	77.793.667.235	41.548.552.357
2. Short-term prepayments to suppliers	132	V.4	7.372.499.934	9.100.560.865
3. Short-term inter-company receivables	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136	V.5a	37.451.019.311	28.715.723.438
7. Allowance for short-term doubtful debts	137	V.6	(398.544.612)	(398.544.612)
8. Deficit assets for treatment	139		-	-
<b>IV. Inventories</b>	<b>140</b>		<b>5.577.175.144</b>	<b>7.456.135.503</b>
1. Inventories	141	V.7	5.577.175.144	7.456.135.503
2. Allowance for inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>22.324.794.957</b>	<b>31.465.216.578</b>
1. Short-term prepaid expenses	151	V.8a	7.074.541.471	9.843.523.183
2. Deductible VAT	152		15.250.253.486	21.621.693.395
3. Taxes and other receivables from the State	153		-	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

**TRANSIMEX CORPORATION**

Address: No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City

**COSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**Consolidated Balance Sheet (cont.)**

ITEMS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>1.685.878.232.921</b>	<b>1.052.787.860.373</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>3.321.740.740</b>	<b>33.474.713.740</b>
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216	V.5b	3.321.740.740	33.474.713.740
7. Allowance for long-term doubtful debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>762.691.617.270</b>	<b>315.349.665.030</b>
1. Tangible fixed assets	221	V.9	696.646.940.031	269.889.898.382
- Historical cost	222		936.560.458.851	483.877.030.627
- Accumulated depreciation	223		(239.913.518.820)	(213.987.132.245)
2. Financial leased assets	224	V.10	20.181.717.131	-
- Historical cost	225		20.481.149.136	-
- Accumulated depreciation	226		(299.432.005)	-
3. Intangible fixed assets	227	V.11	45.862.960.108	45.459.766.648
- Initial cost	228		54.081.349.024	51.172.925.024
- Accumulated amortization	229		(8.218.388.916)	(5.713.158.376)
<b>III. Investment property</b>	<b>230</b>	<b>V.12</b>	<b>62.751.329.345</b>	<b>65.469.797.345</b>
- Historical costs	231		84.498.175.910	84.498.175.910
- Accumulated depreciation	232		(21.746.846.565)	(19.028.378.565)
<b>IV. Long-term assets in process</b>	<b>240</b>		<b>17.324.508.797</b>	<b>219.062.696.186</b>
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.13	17.324.508.797	219.062.696.186
<b>V. Long-term financial investments</b>	<b>250</b>		<b>814.512.656.288</b>	<b>402.078.039.454</b>
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2c	814.512.656.288	402.078.039.454
3. Investments in other entities	253		-	-
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
<b>VI. Other non-current assets</b>	<b>260</b>		<b>25.276.380.481</b>	<b>17.352.948.618</b>
1. Long-term prepaid expenses	261	V.8b	25.276.380.481	15.384.841.999
2. Deferred income tax assets	262	V.14	-	1.968.106.619
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b><u>2.006.278.580.543</u></b>	<b><u>1.420.069.375.390</u></b>

**TRANSIMEX CORPORATION**

Address: No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City

**COSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**Consolidated Balance Sheet (cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
<b>C - LIABILITIES</b>	<b>300</b>		<b>927.890.227.763</b>	<b>551.810.391.587</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>246.992.142.166</b>	<b>152.764.143.729</b>
1. Short-term trade payables	311	V.15	29.851.124.188	11.030.162.655
2. Short-term advances from customers	312		36.205.180	4.974.778
3. Taxes and other obligations to the State Budget	313	V.16	2.812.667.515	4.807.382.021
4. Payables to employees	314	V.17	18.815.921.110	10.696.273.052
5. Short-term accrued expenses	315	V.18	21.702.817.780	14.791.991.324
6. Short-term inter-company payables	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318	V.19	3.017.837.270	3.074.607.533
9. Other short-term payables	319	V.20a	36.807.138.281	42.830.506.552
10. Short-term borrowings and financial leases	320	V.21a	123.835.513.177	58.070.079.043
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.22	10.112.917.666	7.458.166.771
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
<b>II. Non-current liabilities</b>	<b>330</b>		<b>680.898.085.596</b>	<b>399.046.247.858</b>
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337	V.20b	7.389.517.867	3.765.501.378
8. Long-term borrowings and financial leases	338	V.21b	673.508.567.729	395.280.746.480
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-



**TRANSIMEX CORPORATION**

Address: No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City

**COSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**Consolidated Balance Sheet (cont.)**

ITEMS	Code	Note	Ending balance	Beginning balance
<b>D - OWNER'S EQUITY</b>	<b>400</b>		<b>1.078.388.352.780</b>	<b>868.258.983.803</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>1.078.388.352.780</b>	<b>868.258.983.803</b>
1. Capital	411	V.23	312.653.570.000	237.660.390.000
- Ordinary shares carrying voting rights	411a		312.653.570.000	237.660.390.000
- Preferred shares	411b		-	-
2. Share premiums	412	V.23	193.653.130.653	161.021.127.853
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		(59.352.000)	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418	V.23	71.660.772.746	63.806.788.377
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.23	500.480.231.381	405.770.677.573
- Retained earnings accumulated to the end of the previous period	421a		344.762.593.450	405.770.677.573
- Retained earnings of the current period	421b		155.717.637.931	-
12. Construction investment fund	422		-	-
13. Benefits of non-controlling shareholders	429		-	-
<b>II. Other sources and funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>2.006.278.580.543</b>	<b>1.420.069.375.390</b>

Ho Chi Minh City, 15 February 2017



Le Minh Hai  
Preparer



Le Van Hung  
Chief Accountant



Le Duy Hiep  
General Director

**TRANSIMEX CORPORATION**

Address: No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City

**COSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016


**CONSOLIDATED INCOME STATEMENT**

For the fiscal year ended 31 December 2016

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	615.663.883.764	488.804.112.662
2. Sales deductions	02		2.493.726	-
3. Net sales	10		615.661.390.038	488.804.112.662
4. Cost of sales	11	VI.2	461.564.725.930	367.256.661.120
5. Gross profit	20		154.096.664.108	121.547.451.542
6. Financial income	21	VI.3	15.174.340.390	11.430.579.610
7. Financial expenses	22	VI.4	33.018.970.892	18.180.592.243
In which: Loan interest expenses	23		29.492.465.711	15.461.989.512
8. Gain or loss in joint ventures, associates	24	V.2b	98.394.062.831	85.116.798.369
9. Selling expenses	25	VI.5	180.690.864	930.635.023
10. General and administration expenses	26	VI.6	42.424.579.560	28.276.097.379
11. Net operating profit	30		192.040.826.013	170.707.504.876
12. Other income	31	VI.7	2.295.615.365	7.574.917.322
13. Other expenses	32	VI.8	2.113.840.542	2.282.442.632
14. Other profit	40		181.774.823	5.292.474.690
15. Total accounting profit before tax	50		192.222.600.836	175.999.979.566
16. Current income tax	51	V.16	18.713.445.175	20.807.544.011
17. Deferred income tax	52	V.14	1.311.832.059	(179.935.556)
18. Profit after tax	60		<u>172.197.323.602</u>	<u>155.372.371.111</u>
19. Profit after tax of the Parent Company	61		<u>172.197.323.602</u>	<u>155.372.371.111</u>
20. Profit after tax of non-controlling shareholders	62		-	-
21. Basic earnings per share	70	VI.9	<u>5.353</u>	<u>5.348</u>
22. Diluted earnings per share	71	VI.9	<u>5.353</u>	<u>5.348</u>

Ho Chi Minh City, 15 February 2017



Le Minh Hai  
Preparer



Le Van Hung  
Chief Accountant




Le Day Hiep  
General Director

**TRANSIMEX CORPORATION**

Address: No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City

**COSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**CONSOLIDATED CASH FLOW STATEMENT**

(Indirect method)

For the fiscal year ended 31 December 2016

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Profit/ (loss) before tax	01		192.222.600.836	175.999.979.566
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.9, V.11, V.12	44.086.035.346	36.006.746.343
- Provisions and allowances	03	V.2	200.248.195	107.268.902
- Exchange gain/ (loss) due to revaluation of monetary items in foreign currencies	04	VI.4	894.163.511	341.338.677
- Gain/ (loss) from investing activities	05	V.2c, VI.3, VI.7	(113.862.703.706)	(100.110.525.873)
- Interest expenses	06	VI.4	29.492.465.711	15.461.989.512
- Others	07		420.300.000	-
3. Operating profit/ (loss) before changes of working capital	08		153.453.109.893	127.806.797.127
- Increase/ (decrease) of receivables	09		7.946.177.609	(29.951.764.258)
- Increase/ (decrease) of inventories	10		1.878.960.359	(1.989.745.352)
- Increase/ (decrease) of payables	11		43.861.351.845	2.149.192.929
- Increase/ (decrease) of prepaid expenses	12		(6.774.037.570)	(17.573.366.010)
- Increase/ (decrease) of trading securities	13		(3.578.007.991)	(4.036.825.450)
- Interests paid	14	V.18, V.20, VI.4	(44.416.711.133)	(8.490.915.946)
- Corporate income tax paid	15	V.16	(22.347.330.647)	(21.615.637.875)
- Other cash inflows	16		-	-
- Other cash outflows	17	V.22	(6.860.641.436)	(8.534.598.340)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>123.162.870.929</b>	<b>37.763.136.825</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other non-current assets	21	V.9, V.11, V.13, VII	(260.146.241.700)	(259.632.279.013)
2. Proceeds from disposals of fixed assets and other non-current assets	22		973.395.494	11.989.422.766
3. Cash outflow for lending, buying debt instruments of other entities	23	V.2b	(30.000.000.000)	-
4. Cash recovered from lending, selling debt instruments of other entities	24		-	-
5. Investments into other entities	25	V.2c	(363.677.928.755)	(19.946.481.966)
6. Withdrawals of investments in other entities	26	V.2c	22.351.023.000	-
7. Interest earned, dividends and profits received	27	V.2c, V.5a, VI.3	34.348.823.267	42.499.850.381
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(596.150.928.694)</b>	<b>(225.089.487.832)</b>

**TRANSIMEX CORPORATION**

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**COSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**Consolidated Cash Flow Statement (cont.)**

ITEMS	Code	Note	Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Proceeds from issuing stocks and capital contributions from owners	31	V.23	18.427.812.800	6.922.150.000
2. Repayment for capital contributions and re-purchases of stocks already issued	32	V.23	(59.352.000)	-
3. Proceeds from borrowings	33	V.21	637.646.078.826	410.195.477.404
4. Repayment for loan principal	34	V.21	(260.776.149.994)	(166.108.636.300)
5. Payments for financial leased assets	35	V.21	(793.135.407)	-
6. Dividends and profit paid to the owners	36	V.20, V.23	(34.082.762.230)	-
<i>Net cash flows from financing activities</i>	<b>40</b>		<b>360.362.491.995</b>	<b>251.008.991.104</b>
<b>Net cash flows during the year</b>	<b>50</b>		<b>(112.625.565.770)</b>	<b>63.682.640.097</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>235.469.132.676</b>	<b>172.007.046.256</b>
Effects of fluctuations in foreign exchange rates	61		133.670.739	(220.553.677)
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<b>122.977.237.645</b>	<b>235.469.132.676</b>

Ho Chi Minh City, 15 February 2017

  
 \_\_\_\_\_  
**Le Minh Hai**  
 Preparer

  
 \_\_\_\_\_  
**Le Van Hung**  
 Chief Accountant

  
 \_\_\_\_\_  
**Le Duy Hiep**  
 General Director


## TRANSIMEX CORPORATION

Address: No. 172, Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

#### I. GENERAL INFORMATION

##### 1. Investment form

Transimex Corporation (hereinafter referred to as 'the Corporation' or 'the Parent Company') is a joint stock company.

##### 2. Operating field

The Corporation's operating field is servicing.

##### 3. Principal business activities

Principal business activities of the Corporation are acting as agent to provide services of forwarding and transporting goods for import and export as well as for public interests by sea, by air and by road; providing services of bonded warehouses, CFS, and ICD; providing services on warehousing, loading and storing imports and exports in transit; providing goods collecting and delivering services and customs clearance services; acting as a shipping agent and maritime broker for ships both in and out of the country; trading goods in transit and transporting goods to Cambodia, Laos and China; providing services of goods packing and marking for local and overseas manufacturers; providing multi-model transportation services; leasing offices; providing services of express mail.

##### 4. Normal operating cycle

Normal operating cycle of the Corporation is within 12 months.

##### 5. Effects of the Group's operation during the year on the Financial Statements

- Transimex Hi Tech Park Logistics Co., Ltd. has just completed the construction and come into operation in the end of 2016.
- During the year, the Group invested in Hai An Container Transport Company Limited and Cho Lon Investment and Import Export Corporation an amount of VND 343 billion.

##### 6. Structure of the Group

The Group includes the Parent Company and 4 subsidiaries under the control of the Parent Company. All the subsidiaries are consolidated in these Consolidated Financial Statements.

##### 6a. Information on the Group's restructuring

During the year, the Group has not had any additional business acquisition, liquidation or capital withdrawal in subsidiaries.

##### 6b. List of subsidiaries to be consolidated

Subsidiaries	Addresses	Principal business activities	Benefit rate		Voting rate	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Foreign Trade Transforwarding Co., Ltd.	No. 7/1 Binh Tho Hamlet, Truong Tho Ward, Thu Duc District, Ho Chi Minh City	Transporting service	100%	100%	100%	100%
Transimex – Saigon Property Company Limited	No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City	Leasing offices	100%	100%	100%	100%

## TRANSIMEX CORPORATION

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### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

#### Notes to the Consolidated Financial Statements (cont.)

Subsidiaries	Addresses	Principal business activities	Benefit rate		Voting rate	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Transimex Distribution Center Co., Ltd.	Road No. 23, Song Than 2 Industrial Park, Di An Town, Binh Duong Province	Leasing warehouse	100%	100%	100%	100%
Transimex Hi Tech Park Logistics Co., Ltd.	Lot BT, D2 Road, Ho Chi Minh City High Tech Park, Tang Nhon Phu B Ward, District 9, Ho Chi Minh City	Leasing warehouse	100%	100%	100%	100%

**6c. List of associates reflected in the Consolidated Financial Statements in accordance with the equity method**

Associates	Addresses	Principal business activities	Ownership rate		Voting rate	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Hai An Transport and Stevedoring Joint Stock Company	Floor 7, No. 45 Trieu Viet Vuong Street, Bui Thi Xuan Ward, Hai Ba Trung District, Hanoi City	Sea transport service and goods loading and unloading services	22,61%	24,66%	22,61%	24,66%
Vinafreight Joint Stock Company	No. A8 Truong Son Street, Ward 02, Tan Binh District, Ho Chi Minh City	Logistics service	44,30%	37,29%	44,30%	37,29%
Hai An Container Transport Company Limited	Floor 5, Hai An Building, Km 2 Dinh Vu Street, Dong Hai 2 Ward, Hai An District, Hai Phong City	Inshore and offshore transporting service	20,00%	-	20,00%	-
Cho Lon Investment and Import Export Corporation	No. 631-633 Nguyen Trai Street, Ward 11, District 5, Ho Chi Minh City	Trading and servicing	35,02%	-	35,02%	-

**6d. Jointly-controlled entities reflected in the Consolidated Financial Statements in accordance with the equity method**

The Group's jointly-controlled entity reflected in the Consolidated Financial Statements in accordance with the equity method is Nippon Express (Vietnam) Co., Ltd. located at No. 364, Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City. The principal business activity of Nippon Express (Vietnam) Co., Ltd. is logistics service. As of the balance sheet date, the ownership rate and the voting rate of the Corporation at Nippon Express (Vietnam) Co., Ltd. is 50% (beginning balance: 50%).

**7. Statement on information comparability on the Consolidated Financial Statements**

The corresponding figures in the previous year can be comparable with those in the current year.

**8. Employees**

As of the balance sheet date, there have been 629 employees working for the Group (at the beginning of the year: 488 employees).

## **TRANSIMEX CORPORATION**

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

Notes to the Consolidated Financial Statements (cont.)

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### **II. FISCAL YEAR AND ACCOUNTING CURRENCY**

#### **1. Fiscal year**

The fiscal year of the Group is from 01 January to 31 December annually.

#### **2. Accounting currency unit**

The accounting currency unit is Vietnamese Dong (VND) because transactions are primarily made in VND.

### **III. ACCOUNTING STANDARDS AND SYSTEM**

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

The Group has applied the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 guiding the Vietnamese Accounting Standards, the Circular No. 202/2014/TT-BTC dated 22 December 2014 guiding preparation and presentation of Consolidated Financial Statements as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Consolidated Financial Statements.

#### **2. Statement on the compliance with the Accounting Standards and System**

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Consolidated Financial Statements.

### **IV. ACCOUNTING POLICIES**

#### **1. Accounting convention**

All the Consolidated Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

#### **2. Consolidation bases**

The Consolidated Financial Statements include the Financial Statements of the Parent Company and those of its subsidiaries. A subsidiary is an enterprise that is controlled by the Parent Company. The control exists when the Parent Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the potential voting right arising from options or debt and capital instruments that can be converted into common shares as of the balance sheet date should also be taken into consideration.

The financial performance of subsidiaries, which is bought or sold during the year, are included in the Consolidated Income Statement from the date of acquisition or until the date of selling investments in those subsidiaries.

The Financial Statements of the Parent Company and those of subsidiaries used for consolidation are prepared in the same fiscal year and apply consistently accounting policies to the same types of transactions and events in similar circumstances. In the case that the accounting policy of a subsidiary is different from the accounting policy applied consistently in the Group, the Financial Statements of that subsidiary will be properly adjusted before being used for the preparation of the Consolidated Financial Statements.

## **TRANSIMEX CORPORATION**

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### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**Notes to the Consolidated Financial Statements (cont.)**

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Intra-group balances in the Balance Sheet and intra-group transactions and unrealized profits resulting from these transactions must be completely eliminated. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

Benefits of non-controlling shareholders reflect profit or loss and net assets of subsidiary, which are not held by the Group and presented in a separate item of the Consolidated Income Statement and Consolidated Balance Sheet (classified under "Owner's equity"). Benefits of non-controlling shareholders include the values of their non-controlling benefits at the initial date of business combination and those arise within the ranges of changes in owner's equity from the date of business combination. The losses arising in the subsidiaries are attributed equally to the ownership rate of non-controlling shareholders, even if such losses are higher than the interest owned by these shareholders in net assets of the subsidiaries.

### **3. Foreign currency transactions**

Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences, which arise from foreign currency transactions during the year, shall be included into financial income or financial expenses. 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 into financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rate approximates the average transfer exchange rate of the commercial bank where the Corporation frequently has transactions. The approximate exchange rate must ensure its difference does not exceed +/-1% compared with the average transfer exchange rate. The average transfer exchange rate is determined weekly on the basis of arithmetic average between the daily buying rate and selling rate or transfer rate of commercial bank where the Corporation frequently has transactions.

The exchange rates used to re-evaluate the ending balances of monetary items in foreign currencies are determined according to the following principles:

- For foreign currency deposits: the buying rate of the bank where the Group opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) (where the Group frequently makes transactions).
- For monetary items in foreign currencies classified as liabilities: the selling rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) (where the Group frequently makes transactions).

### **4. Cash and cash equivalents**

Cash includes cash on hand and demand deposits. Cash equivalents are short-term investments of which the due dates cannot exceed 03 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as of the balance sheet date.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

Notes to the Consolidated Financial Statements (cont.)

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### 5. Financial investments

#### *Trading securities*

Investments classified as trading securities are those held by the Group for the trading purpose with the aim of making profit.

Trading securities are recognized at original costs which include fair value of the payments made at the time of the transaction plus other attributable to transaction cost.

The time of recognizing trading securities is when the Group acquires the ownership, as follows:

- For listed securities: recognized at the time of order-matching (T+0).
- For unlisted securities: recognized at the time of acquiring official ownership as stipulated by laws.

Interest, dividends, and profit of the periods prior to the acquisition of trading securities are recorded as a decrease in the value of such securities. Interest, dividends and profit of the periods after the purchase of trading securities are recorded in the Group's revenues. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity is followed up.

Convertible shares are determined on the basis of the fair value at the date of exchange. The fair value of the shares is determined as follows:

- For shares of listed companies: the closing price listed on the stock market at the date of exchange. In case at the date of exchange, the stock market is not traded, the fair value of shares is the closing price of the preceding transaction with the date of exchange.
- For unlisted shares traded on UPCOM: the closing price on UPCOM at the date of exchange. In case at the date of exchange, the UPCOM is not traded, the fair value of shares is the closing price of the preceding transaction with the date of exchange.
- For other unlisted shares: the price agreed by the parties under the contracts or the carrying value at the time of exchange.

Provisions for devaluation of trading securities are made for each particular type of securities in the market of which the fair value is lower than original costs. The fair value of trading securities listed on the stock market or traded on UPCOM is the closing price at the balance sheet date. In case at the balance sheet date, the stock market or UPCOM is not traded, the fair value of shares is the closing price of the preceding transaction with the balance sheet date.

Increases/ (decreases) in the provisions for devaluation of trading securities as of the balance sheet date are recorded into financial expenses.

Gain or loss from the transfer of trading securities is recognized into financial income or financial expenses. The costs are determined in accordance with the mobile weighted average method.

#### *Held-to-maturity investments*

Investments are classified as held-to-maturity investments that the Group intends and is able to hold to maturity. Held-to-maturity investments include term deposits (including debentures and promissory note), bonds, preferred shares that the issuer are required to re-purchase at a certain date in the future and held-to-maturity loans for the purpose of receiving periodical interest as well as other held-to-maturity investments.

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### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

#### **Notes to the Consolidated Financial Statements (cont.)**

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Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Group's acquisition of held-to-maturity investments are recorded as a decrease in the costs as at the acquisition time.

When there are reliable evidences proving that a part or the whole investment cannot be recovered and the loss are reliably determined, the loss is recognized as financial expenses during the year while the investment value is derecognized.

#### ***Loans***

Loans are determined at original costs less allowance for doubtful debts. Allowance for doubtful debts of loans is made on the basis of estimated losses.

#### ***Investments in joint ventures and associates***

##### ***Joint ventures***

A joint venture is an entity which is established by a contractual arrangement whereby the Group and the involved parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

The Group recognizes its interests in jointly-controlled entities in accordance with the equity method. Accordingly, contributed capital in joint ventures is initially recognized at original cost and then adjusted for the changes in the Group's ownership rate of net assets of jointly-controlled entities. The Consolidated Income Statement reflects the Group's ownership in the financial performance of jointly-controlled entities. The Group stops using the equity method from the date it ceases to have the jointly-controlled right or significant influences on jointly-controlled entities.

The Financial Statements of the jointly-controlled entity are prepared for the fiscal year that is the same with the Consolidated Financial Statements of the Group. In the case that the accounting policy of a jointly-controlled entity is different from the accounting policy applied consistently in the Group, the Financial Statements of that jointly-controlled entity will be properly adjusted before being consolidated in the Consolidated Financial Statements.

Unrealized profits/ (losses) arising from transactions with jointly-controlled entities are eliminated in proportion to the amount under the Group's ownership in the preparation of the Consolidated Financial Statements.

##### ***Associates***

An associate is an entity which the Group has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate's financial and operating policies but not control those policies.

Investments in associates are recognized in accordance with the equity method. Accordingly, investment into associate is initially recorded at costs on the Consolidated Financial Statements and then adjusted for the post acquisition change in the Group's share of net assets of the associate. If the Group's share of loss of an associate equals or exceeds the carrying amount of an investment, the investment is then reported at nil (0) value on the Consolidated Financial Statements, except when the Group has obligations to pay on behalf of the associate to satisfy obligations of the associate.

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### **CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

#### **Notes to the Consolidated Financial Statements (cont.)**

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The Financial Statements of the associate are prepared for the fiscal year that is the same with the Consolidated Financial Statements of the Group. In the case that the accounting policy of an associate is different from the accounting policy applied consistently in the Group, the Financial Statements of that associate will be properly adjusted before being consolidated in the Consolidated Financial Statements.

Unrealized profits/ (losses) arising from transactions with associates are eliminated in proportion to the amount under the Group's ownership in the preparation of the Consolidated Financial Statements.

#### **6. Receivables**

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables or other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Group and customers who are independent to the Group, inclusive of receivables for the exports entrusted to other entities.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the estimated loss.

Increases/ (decreases) in the allowance for doubtful debts as of the balance sheet date are recorded into "General and administration expenses".

#### **7. Inventories**

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and merchandises: Cost comprises costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- For work-in-process: Cost comprises direct cost related to service performance.

Costs of inventories are determined in accordance with the specific identification method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for inventories is recognized for each category of inventory when their costs are higher than their net realizable values. For services-in-process, the allowance is made for each kind of services at different prices. Increases/ (decreases) in the obligatory allowance for inventories as of the balance sheet date are recorded into "Costs of sales".

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### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

Notes to the Consolidated Financial Statements (cont.)

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#### 8. Prepaid expenses

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods. Prepaid expenses of the Group mainly include land rental, tools, insurance premiums and repair expenses. These prepaid expenses are allocated over the prepayment period or over the period of corresponding economic benefits generated from these expenses.

##### *Land rental*

Prepaid land rental is the land rental which the Corporation has paid for the land being used. The land rental is allocated into expenses in accordance with the straight-line method corresponding to the lease term (i.e. 20 years).

##### *Tools*

Expenses on tools being put into use are allocated into expenses in accordance with the straight-line method for the period from 01 year to 03 years.

##### *Insurance premiums*

Insurance premiums are allocated into expenses in accordance with the straight-line method over the term of insurance policy.

##### *Repair expenses*

Repair expenses are allocated into expenses in accordance with the straight-line method for the maximum period of 03 years.

#### 9. Operating leased assets

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Group's operating expenses in accordance with the straight-line method over the lease term and are not subject to the method of lease payment.

#### 10. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Group to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation expenses during the year.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 - 25
Vehicles	04 - 20
Office equipment	03 - 15
Other tangible fixed assets	05

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### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

#### Notes to the Consolidated Financial Statements (cont.)

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#### 11. Financial leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessee. Financial leased assets are determined by their historical costs less accumulated depreciation. Historical cost is the lower cost of the fair value of the leased asset at commencement of the lease term and the present value of the minimum lease payments. Discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease or else mentioned in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate at commencement of the lease term will be applied.

Financial leased assets are depreciated in accordance with the straight-line method over their estimated useful lives. If there is no reasonable certainty that the Group will obtain ownership at the end of the lease, the fixed asset shall be depreciated over the shorter of the lease term and the estimated useful life of the asset. The depreciation years of the financial leased assets are as follows:

<u>Fixed assets</u>	<u>Years</u>
Vehicles	14

#### 12. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Group to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the year only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Group's intangible fixed assets include:

##### *Land use right*

The land use right is the land rental paid once for many years by the Group to obtain the Land Use Right Certificate. This land use right is amortized over the land leasing term (i.e. 32 years).

##### *Website copyright*

Initial costs of website copyright include expenses on the intellectual property registration and the website development. Website copyright is amortized in line with straight-line method in 04 years.

##### *Computer software*

Expenses attributable to computer software which is not a part connected to related hardware will be capitalized. Initial cost of computer software includes all the expenses paid by the Corporation until the date the software is put into use. Computer software is amortized in accordance with straight-line method in 05 years.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

Notes to the Consolidated Financial Statements (cont.)

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### 13. Investment property

Investment property is property which is land use right, house held by the Group to earn rentals or for capital appreciation. Investment properties for lease are measured at their historical costs less accumulated depreciation. Historical cost includes all the expenses paid by the Group or the fair value of other considerations given to acquire the assets up to the date of its acquisition or construction.

Expenses related to investment property arising subsequent to initial recognition should be added to the net carrying value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

When the investment property is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposals is included in the income or the expenses during the year.

The transfer from owner-occupied property or inventories into investment property shall be made only when there is a change in use evidenced by the end of owner-occupation and the commencement of an operating lease to another party or the end of construction. The transfer from investment property to owner-occupied property or inventories shall be made when, and only when, there is a change in use evidenced by the commencement of owner-occupation or the commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the historical cost or net book value of investment property at the date of transfer.

Investment property for lease is depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of the investment property are 30 years.

### 14. Construction-in-progress

Construction-in-progress reflects expenses (inclusive of relevant interest expenses in accordance with the Group's Accounting Policies) directly related to the construction of assets and the installation of machinery and equipment for the purposes of manufacturing, lease and management as well as expenses for in-progress repair of fixed assets. These assets are recognized at their original costs and not depreciated.

### 15. Contractual arrangement

The Group shall recognize in the Consolidated Financial Statements the business co-operation contracts in form of business operations controlled by a party for the distribution of profit after tax and jointly-controlled the followings:

- The Group earns from the sale of goods or provisions of services by the joint venture.
- The expenses that the Group incurs.

### 16. Payables and accrued expenses

Payables and accrued expenses are recognized for the amount payable in the future relevant to goods and services used. Accrued expenses are recognized on the basis of reasonable estimates for the amount payable.

The classification of payables as trade payables, accrued expenses or other payables is made according the following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Group, including payables for import through entrustment.

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## **TRANSIMEX CORPORATION**

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

Notes to the Consolidated Financial Statements (cont.)

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### **19. Profit distribution**

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Corporation as well as legal regulations and approved by the Shareholders' Council.

Profit distribution to shareholders is done under consideration to non-monetary items belonging to retained earnings which probably affects cash flows and dividend payment ability, including gains arisen from the revaluation of assets contributed as capital, interest due to the revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recorded as payables upon the approval of the Shareholders' Council.

### **20. Recognition of sales and income**

#### ***Sales of service provision***

Sales of service provision shall be recognized when all of the following conditions are satisfied:

- The amount of sales can be measured reliably. When the contract stipulates that the buyer is entitled to return the services provided under specific conditions, sales is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services provided.
- The Group received or shall probably receive the economic benefits associated with the provision of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of sales is done on the basis of the stage of completion as of the balance sheet date.

#### ***Income from leasing operating assets***

Income from leasing operating assets is recognized in accordance with the straight-line method during the lease term. Rentals received in advance for several periods are allocated to revenues in consistence with the lease term.

#### ***Interest***

Interest is recorded based on the term and the actual interest rate applied in each particular period.

#### ***Dividends and profit shared***

Dividends and profit shared are recognized when the Group has the right to receive dividends or profit from the capital contribution. Particularly, the dividends paid in form of shares are not recorded as an increase in value, but the increasing quantity of shares is followed up.

### **21. Borrowing costs**

Borrowing costs include loan interest and other costs incurred directly relevant to borrowings.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

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#### **Notes to the Consolidated Financial Statements (cont.)**

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In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the year, except for particular borrowings serving the purpose of obtaining a specific asset.

#### **22. Expenses**

Expenses are those that result in outflows of the Group's economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

#### **23. Corporate income tax**

Corporate income tax includes current income tax and deferred income tax.

##### ***Current income tax***

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

##### ***Deferred income tax***

Deferred income tax is the amount of corporate income tax liability or refundable due to temporary differences between carrying values of assets and liabilities serving the preparation of the Financial Statements and basis for calculation of income tax. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, that corporate income tax will be included in the owner's equity.

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#### **Notes to the Consolidated Financial Statements (cont.)**

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Deferred income tax assets and deferred income tax liabilities are offset when:

- The Group has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
  - Of the same subject to corporate income tax; or
  - The Group has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

#### **24. Related parties**

A party is considered a related party of the Group in case that party is able to control the Group or to cause material effects on the financial decisions as well as the operations of the Group. A party is also considered a related party of the Group in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

#### **25. Segment reporting**

A business segment is a distinguishable component of the Group that is engaged in manufacturing or providing 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 the Group that is engaged in manufacturing or 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.

Segment information is prepared and presented in compliance with accounting policies on preparation and presentation of the Group's Consolidated Financial Statements.

#### **26. Financial instruments**

##### ***Financial assets***

The classification of these financial assets depends on their nature and the purpose and is determined at the date of initial recognition. The financial assets of the Group include cash and cash equivalents, trade receivables, other receivables, listed and non-listed financial instruments.

At the date of initial recognition, financial assets are recognized at the original cost plus transaction costs directly attributable to those financial assets.

##### ***Financial liabilities***

The classification of financial liabilities depends on their nature and purposes and is determined at the date of initial recognition. The financial liabilities of the Group include trade payables, borrowings and other payables.

At the date of initial recognition, financial liabilities are recognized at original cost minus transactions costs directly attributable to those financial liabilities.

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Financial assets and financial liabilities will be offset against each other and reflected at their net values in the Balance Sheet when, and only when, the Group:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to recognize the asset and to settle the liability simultaneously.

**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET****1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	3.492.182.340	2.016.378.051
Demand deposits	46.221.055.305	35.322.254.625
Cash equivalents (*)	73.264.000.000	198.130.500.000
<b>Total</b>	<b><u>122.977.237.645</u></b>	<b><u>235.469.132.676</u></b>

(\*) Bank deposits of which the principal maturity is under 03 months.

**2. Financial investments**

The Group's financial investments include trading securities, held-to-maturity investments and investments in joint ventures, associates. Information on the Group's financial investments is as follows:

**2a. Trading securities**

	<u>Ending balance</u>			<u>Beginning balance</u>		
	<u>Original cost</u>	<u>Fair value</u>	<u>Provision</u>	<u>Original cost</u>	<u>Fair value</u>	<u>Provision</u>
Foreign Trade Forwarding and Transportation Joint Stock Company (VNT)	12.247.997.695	11.684.100.000	(563.897.695)	12.247.997.695	15.914.550.000	-
Petrovietnam General Services Corporation (PET)	32.785.104	27.192.000	-	-	-	-
Tan Binh Import - Export Joint Stock Corporation (TIX)	57.586.250	101.125.000	-	-	-	-
Saigon Thuong Tin Commercial Joint Stock Bank (STB)	-	-	-	155.218	91.700	-
Dong Nai Port Joint Stock Company (PDN)	3.608.271.404	5.194.680.000	-	120.479.549	124.740.000	-
Intresco House Investment and Trading Corporation (ITC)	2.325.451.130	1.853.725.500	(471.725.630)	2.325.451.130	1.490.076.000	(835.375.130)
Song Ba Corporation (SBA)	66.029.750	122.012.500	-	66.029.750	107.500.000	-
<b>Total</b>	<b><u>18.338.121.333</u></b>	<b><u>18.982.835.000</u></b>	<b><u>(1.035.623.325)</u></b>	<b><u>14.760.113.342</u></b>	<b><u>17.636.957.700</u></b>	<b><u>(835.375.130)</u></b>

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## Reasons of the changes of trading securities:

- Shares of Petrovietnam General Services Corporation (PET): increase due to purchase of 2.640 shares for the corresponding amount of VND 32.785.104.
- Shares of Tan Binh Import - Export Joint Stock Corporation (TIX): increase due to purchase of 2.500 shares for the corresponding amount of VND 57.586.250.
- Shares of Saigon Thuong Tin Commercial Joint Stock Bank (STB): decrease due to sale of all invested shares for the corresponding amount of VND 155.218.
- Shares of Dong Nai Port Joint Stock Company (PDN): increase due to additional purchase of 85.650 shares for the corresponding amount of VND 3.487.791.855.

Fluctuations in provisions for devaluation of trading securities are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	835.375.130	995.816.228
Reversal of provision	-	(160.441.098)
Extraction for provision	200.248.195	-
<b>Ending balance</b>	<b><u>1.035.623.325</u></b>	<b><u>835.375.130</u></b>

**2b. Held-to-maturity investments**

This item reflects 06-month deposit at Nam A Bank – Binh Duong Branch.

**2c. Investments in joint ventures and associates**

	Ending balance			Beginning balance		
	Original cost	Profit after the investment date	Total	Original cost	Profit after the investment date	Total
Nippon Express (Vietnam) Co., Ltd. <sup>(i)</sup>	12.525.000.000	204.905.833.047	217.430.833.047	12.525.000.000	168.269.178.224	180.794.178.224
Hai An Transport and Stevedoring Joint Stock Company <sup>(ii)</sup>	73.400.259.114	65.747.022.631	139.147.281.745	86.750.000.000	53.857.631.865	140.607.631.865
Vinafreight Joint Stock Company <sup>(iii)</sup>	82.409.729.567	27.694.811.929	110.104.541.496	62.011.800.812	18.664.428.553	80.676.229.365
Hai An Container Transport Company Limited <sup>(iv)</sup>	40.000.000.000	-	40.000.000.000	-	-	-
Cho Lon Investment and Import Export Corporation <sup>(v)</sup>	303.280.000.000	4.550.000.000	307.830.000.000	-	-	-
<b>Total</b>	<b><u>511.614.988.681</u></b>	<b><u>302.897.667.607</u></b>	<b><u>814.512.656.288</u></b>	<b><u>161.286.800.812</u></b>	<b><u>240.791.238.642</u></b>	<b><u>402.078.039.454</u></b>

- <sup>(i)</sup> According to the Investment Certificate No. 411022000240 dated 22 May 2008 granted by the People's Committee of Ho Chi Minh City, the Group has invested in Nippon Express (Vietnam) Co., Ltd. an amount of VND 12.525.000.000 (equivalent to USD 750,000), accounting for 50% of charter capital of this company.

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#### Notes to the Consolidated Financial Statements (cont.)

- (ii) During the year, the Group has sold 536.640 shares of Hai An Transport and Stevedoring Joint Stock Company at the selling price of VND 8.236.350.720. As of the balance sheet date, the Group is holding 5.115.610 shares, equivalent to 22,05% of charter capital of Hai An Transport and Stevedoring Joint Stock Company (beginning balance: 5.656.250 shares, equivalent to 24,38% of charter capital).
- (iii) During the year, the Group has additionally purchased 391.800 shares of Vinafreight Joint Stock Company at the buying price of VND 20.397.928.755. As of the balance sheet date, the Group is holding 2.474.200 shares, equivalent to 44,18% of charter capital of Vinafreight Joint Stock Company (Beginning balance: 2.082.400 shares, equivalent to 37,19% of charter capital).
- (iv) According to the Business Registration Certificate No. 0201655535 dated 13 November 2015 granted by the Department of Planning and Investment of Hai Phong City, the Group invested in Hai An Container Transport Company Limited an amount of VND 40.000.000.000, equivalent to 20% of charter capital of this company.
- (v) During the year, the Group has purchased 30.328.000 shares of Cho Lon Investment and Import Export Corporation at the buying price of VND 303.280.000.000. As of the balance sheet date, the Group is holding 30.328.000 shares, equivalent to 35,02% of charter capital of Cho Lon Investment and Import Export Corporation.

Values of capital ownership of the Group in joint ventures and associates are as follows:

	<u>Beginning balance of ownership</u>	<u>Capital contribution during the year</u>	<u>Profit/(loss) during the year</u>	<u>Dividends and profit shared</u>	<u>Liquidation</u>	<u>Others</u>	<u>Ending balance of ownership</u>
Nippon Express (Vietnam) Co., Ltd.	180.794.178.224		- 47.580.949.461	(9.500.000.000)		(1.444.294.638)	217.430.833.047
Hai An Transport and Stevedoring Joint Stock Company	140.607.631.865		30.265.339.520	(15.945.410.000)	(13.349.740.886)	(2.430.538.754)	139.147.281.745
Vinafreight Joint Stock Company	80.676.229.365	20.397.928.755	15.997.773.850	(3.527.450.000)		(3.439.940.474)	110.104.541.496
Hai An Container Transport Company Limited		- 40.000.000.000					40.000.000.000
Cho Lon Investment and Import Export Corporation		- 303.280.000.000	4.550.000.000	-	-	-	- 307.830.000.000
<b>Total</b>	<b>402.078.039.454</b>	<b>363.677.928.755</b>	<b>98.394.062.831</b>	<b>(28.972.860.000)</b>	<b>(13.349.740.886)</b>	<b>(7.314.773.866)</b>	<b>814.512.656.288</b>

#### Operations of joint ventures and associates

Hai An Container Transport Company Limited is in the preparation for operations.

Other joint ventures and associates are in the normal operation and have not experienced any significant change as compared to that of the previous year.

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**Notes to the Consolidated Financial Statements (cont.)***Transactions with joint ventures and associates*

Significant transactions between the Group and joint ventures and associates are as follows:

	<u>Current year</u>	<u>Previous year</u>
<i>Nippon Express (Vietnam) Co., Ltd.</i>		
Service provision	4.514.677.537	4.311.541.682
Profit shared from capital contribution in joint venture	9.500.000.000	11.000.000.000
<i>Hai An Transport and Stevedoring Joint Stock Company</i>		
Capital contribution for business co-operation	7.084.100.000	12.915.900.000
Profit shared	15.945.410.000	16.968.750.000
Profit shared from business co-operation	12.402.714.194	9.813.405.995
Receipt of service provision	8.317.547.919	10.416.928.623
Service provision	525.767.275	385.827.269
<i>Vinafreight Joint Stock Company</i>		
Profit shared	3.527.450.000	5.024.400.000
<i>Hai An Container Transport Company Limited</i>		
Capital contribution	40.000.000.000	-
<i>Cho Lon Investment and Import Export Corporation</i>		
Capital contribution	303.280.000.000	-

*Investments in other entities used as mortgage, guarantee*

The Group has mortgaged 2.093.200 shares of Vinafreight Joint Stock Company to secure the issuance of bonds at Maritime Bank.

**3. Short-term trade receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>		
Nippon Express (Vietnam) Co., Ltd.	292.858.597	518.931.829
Hai An Transport and Stevedoring Joint Stock Company	335.114.000	-
<i>Receivables from other customers</i>		
Logistics Shibushawa Co., Ltd.	5.107.506.268	4.302.394.199
Kuhne+Nagel Co., Ltd.	7.828.431.493	1.805.366.619
Other customers	64.229.756.877	34.921.859.710
<b>Total</b>	<b><u>77.793.667.235</u></b>	<b><u>41.548.552.357</u></b>

**4. Short-term prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Tu Lai II Co., Ltd.	6.300.000.000	2.300.000.000
Hung Tri Refrigeration Industry Joint Stock Company	-	1.111.220.000
Izopoli Yapi Elemanlari TaaHHut San. ve Tic. A.S	-	2.466.200.000
Thai Binh Engineering & Trading Co., Ltd.	-	1.057.000.000
Other suppliers	1.072.499.934	2.166.140.865
<b>Total</b>	<b><u>7.372.499.934</u></b>	<b><u>9.100.560.865</u></b>

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Notes to the Consolidated Financial Statements (cont.)

#### 5. Other short-term/long-term receivables

##### 5a. Other short-term receivables

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
<i>Receivables from related parties</i>	<b>12.402.714.194</b>	-	<b>8.313.405.995</b>	-
Hai An Transport and Stevedoring Joint Stock Company – Profit from business co-operation contract	12.402.714.194	-	8.313.405.995	-
<i>Receivables from other organizations and individuals</i>	<b>25.048.305.117</b>	-	<b>20.402.317.443</b>	-
Short-term deposits	283.427.490	-	761.431.056	-
Advances	11.975.706.835	-	8.480.855.087	-
Interest expected to be received	744.000.000	-	626.000.000	-
Payments on other's behalf	11.388.835.618	-	7.241.156.652	-
VAT on imports which are not deducted	-	-	2.020.412.389	-
Other receivables	656.335.174	-	1.272.462.259	-
<b>Total</b>	<b>37.451.019.311</b>	-	<b>28.715.723.438</b>	-

##### 5b. Other long-term receivables

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
<i>Receivables from related parties</i>	-	-	<b>32.915.900.000</b>	-
Hai An Transport and Stevedoring Joint Stock Company	-	-	32.915.900.000	-
<i>Receivables from other organizations and individuals</i>	<b>3.321.740.740</b>	-	<b>558.813.740</b>	-
Deposits for financial lease	2.252.927.000	-	-	-
Long-term deposits	1.068.813.740	-	558.813.740	-
<b>Total</b>	<b>3.321.740.740</b>	-	<b>33.474.713.740</b>	-

#### 6. Doubtful debts

	Outstanding period	Ending balance		Outstanding period	Beginning balance	
		Original amount	Recoverable value		Original amount	Recoverable value
Khanh Van Co., Ltd.	Over 03 years	267.710.000	-	Over 03 years	267.710.000	-
Newlink Co., Ltd.	Over 02 years	130.834.612	-	Over 02 years	130.834.612	-
Nam Tuan Co., Ltd.	Over 03 years	247.100.000	247.100.000	Over 03 years	225.581.818	225.581.818
Hai Phat Building Joint Stock Company	Over 03 years	146.700.000	146.700.000			
Other customers	From over 01 year to over 03 years	74.934.783	74.934.783	From over 01 year to over 03 years	298.542.320	298.542.320
<b>Total</b>		<b>867.279.395</b>	<b>468.734.783</b>		<b>922.668.750</b>	<b>524.124.138</b>

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Fluctuation in allowances for short-term doubtful debts is as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	398.544.612	130.834.612
Additional extraction	-	267.710.000
<b>Ending balance</b>	<b><u>398.544.612</u></b>	<b><u>398.544.612</u></b>

**7. Inventories**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original cost</u>	<u>Allowance</u>	<u>Original cost</u>	<u>Allowance</u>
Materials and supplies	4.330.482.618	-	5.080.504.126	-
Tools	-	-	138.357.281	-
Work-in-process	1.246.692.526	-	2.237.274.096	-
<b>Total</b>	<b><u>5.577.175.144</u></b>	<b><u>-</u></b>	<b><u>7.456.135.503</u></b>	<b><u>-</u></b>

**8. Short-term/long-term prepaid expenses****8a. Short-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Tools	4.906.691.818	4.671.915.998
Insurance premiums	1.153.986.992	906.619.746
Office and warehouse rentals	168.000.000	525.748.167
Land rental	-	2.534.294.420
Other short-term prepaid expenses	845.862.661	1.204.944.852
<b>Total</b>	<b><u>7.074.541.471</u></b>	<b><u>9.843.523.183</u></b>

**8b. Long-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses on asset repair	10.243.676.671	5.374.163.357
Tools	6.422.925.388	282.199.817
Golf club membership card	160.332.079	481.092.079
Land rental <sup>(i)</sup>	6.963.975.000	7.531.681.500
Other long-term prepaid expenses	1.485.471.343	1.715.705.246
<b>Total</b>	<b><u>25.276.380.481</u></b>	<b><u>15.384.841.999</u></b>

<sup>(i)</sup> Prepaid land rental for the land use right at Transimex-Saigon Logistics Center in Da Nang is used to secure the loan from VIB – Ho Chi Minh City Branch.

**9. Tangible fixed assets**

	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Other tangible fixed assets</u>	<u>Total</u>
<b>Historical costs</b>						
Beginning balance	175.303.778.661	36.907.500	275.289.020.343	32.681.716.863	565.607.260	483.877.030.627
New purchases	128.181.818	5.846.513.000	37.432.369.999	1.979.440.839	-	45.386.505.656
Completed construction	389.949.234.579	5.454.218.475	43.354.092.065	698.499.715	1.526.648.563	440.982.693.397
Liquidation and disposal	-	-	(12.788.988.894)	-	-	(12.788.988.894)
Transfer to financial leased assets	-	-	(20.421.262.735)	-	-	(20.421.262.735)
Other decreases	-	-	(475.519.200)	-	-	(475.519.200)
<b>Ending balance</b>	<b><u>565.381.195.058</u></b>	<b><u>11.337.638.975</u></b>	<b><u>322.389.711.578</u></b>	<b><u>35.359.657.417</u></b>	<b><u>2.092.255.823</u></b>	<b><u>936.560.458.851</u></b>

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	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Other tangible fixed assets	Total
<i>In which:</i>						
Assets fully depreciated but still in use	20.486.732.376	-	65.238.826.726	6.768.574.792	565.607.260	93.059.741.154
Assets waiting for liquidation	-	-	-	-	-	-
<b>Depreciation</b>						
Beginning balance	61.301.887.663	19.068.873	133.163.592.861	18.936.975.588	565.607.260	213.987.132.245
Depreciation during the year	10.211.124.776	516.941.898	24.579.606.679	3.349.164.351	58.537.765	38.715.375.469
Liquidation and disposal	-	-	(12.788.988.894)	-	-	(12.788.988.894)
<b>Ending balance</b>	<b>71.513.012.439</b>	<b>536.010.771</b>	<b>144.954.210.646</b>	<b>22.286.139.939</b>	<b>624.145.025</b>	<b>239.913.518.820</b>
<b>Net book values</b>						
Beginning balance	114.001.890.998	17.838.627	142.125.427.482	13.744.741.275	-	269.889.898.382
<b>Ending balance</b>	<b>493.868.182.619</b>	<b>10.801.628.204</b>	<b>177.435.500.932</b>	<b>13.073.517.478</b>	<b>1.468.110.798</b>	<b>696.646.940.031</b>
<i>In which:</i>						
Assets temporarily not in use	-	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-	-

Some tangible fixed assets, of which the net book value is VND 542.207.026.191, have been mortgaged to secure the loans from Branch of Shinhan Bank Vietnam Limited – Transaction Office, VIB – Ho Chi Minh City Branch and Ryobi Holdings Co., Ltd.

#### 10. Financial leased assets

	Historical costs	Depreciation	Net book values
Beginning balance	-	-	-
Increase during the year	20.481.149.136	299.432.005	
<b>Ending balance</b>	<b>20.481.149.136</b>	<b>299.432.005</b>	<b>20.181.717.131</b>

#### 11. Intangible fixed assets

	Land use right	Website copyright	Computer software	Total
<b>Initial cost</b>				
Beginning balance	44.285.400.000	32.500.000	6.855.025.024	51.172.925.024
Acquisition during the year	-	-	45.000.000	45.000.000
Completed construction	-	-	2.863.424.000	2.863.424.000
<b>Ending balance</b>	<b>44.285.400.000</b>	<b>32.500.000</b>	<b>9.763.449.024</b>	<b>54.081.349.024</b>
<i>In which:</i>				
Assets fully amortized but still in use	-	32.500.000	416.828.000	449.328.000
<b>Amortization</b>				
Beginning balance	3.690.450.016	32.500.000	1.990.208.360	5.713.158.376
Amortization during the year	1.383.918.756	-	1.121.311.784	2.505.230.540
<b>Ending balance</b>	<b>5.074.368.772</b>	<b>32.500.000</b>	<b>3.111.520.144</b>	<b>8.218.388.916</b>

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	<u>Land use right</u>	<u>Website copyright</u>	<u>Computer software</u>	<u>Total</u>
<b>Net book values</b>				
Beginning balance	40.594.949.984	-	4.864.816.664	45.459.766.648
<b>Ending balance</b>	<b>39.211.031.228</b>	<b>-</b>	<b>6.651.928.880</b>	<b>45.862.960.108</b>
<i>In which:</i>				
Assets temporarily not in use	-	-	-	-
Assets waiting for liquidation	-	-	-	-

Some intangible fixed assets, of which the net book value is VND 39,211,031,228, have been mortgaged to secure the loans from Branch of Shinhan Bank Vietnam Limited – Transaction Office.

**12. Investment property**

	<u>Historical costs</u>	<u>Depreciation</u>	<u>Net book values</u>
Beginning balance	84.498.175.910	19.028.378.565	65.469.797.345
Depreciation during the year	-	2.718.468.000	
<b>Ending balance</b>	<b>84.498.175.910</b>	<b>21.746.846.565</b>	<b>62.751.329.345</b>

The Group's investment property is TMS Building at No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City.

According to the Vietnam Accounting Standard No. 05 "Investment property", the fair value of investment properties as of the balance sheet date must be presented. However, the Group has not determined the fair value of these investment properties due to the lack of conditions to measure.

The investment properties have been mortgaged to secure the loans from Branch of Shinhan Bank Vietnam Limited – Transaction Office.

**13. Construction-in-progress**

	<u>Beginning balance</u>	<u>Increases</u>	<u>Inclusion into fixed assets</u>	<u>Ending balance</u>
Acquisition of fixed assets	13.877.056.983	38.610.244.061	(48.295.156.044)	4.192.145.000
Construction-in-progress	205.185.639.203	202.997.958.673	(395.051.234.079)	13.132.363.797
<i>Transimex-Saigon Logistics Center in Da Nang</i>	<i>26.691.379.120</i>	<i>5.410.391.283</i>	<i>(32.101.770.403)</i>	<i>-</i>
<i>Construction of bonded and logistics warehouse at Hi-Tech Park Ho Chi Minh City</i>	<i>178.494.260.083</i>	<i>197.587.567.390</i>	<i>(362.949.463.676)</i>	<i>13.132.363.797</i>
<b>Total</b>	<b>219.062.696.186</b>	<b>241.608.202.734</b>	<b>(443.346.390.123)</b>	<b>17.324.508.797</b>

All construction-in-progress has been mortgaged to secure loan from VIB – Ho Chi Minh City Branch.

Total borrowing cost capitalized into construction-in-progress during the year is VND 18,608,253,802.

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**14. Deferred income tax assets**

The Group only has deferred income tax assets related to the temporarily deductible differences. Details are as follows:

	Beginning balance	Recognition in financial performance	Ending balance
Accrued expenses	1.507.858.423	(1.507.858.423)	-
Exchange difference of monetary items	44.110.736	(44.110.736)	-
Depreciation	416.137.460	(416.137.460)	-
<b>Total</b>	<b>1.968.106.619</b>	<b>(1.968.106.619)</b>	<b>-</b>

Corporate income tax rate used for determination of the value of deferred income tax asset is 20% (previous year: 20%).

**15. Short-term trade payables**

	Ending balance	Beginning balance
<i>Payables to related parties</i>	<i>594.336.366</i>	<i>584.400.000</i>
Hai An Transport and Stevedoring Joint Stock Company	594.336.366	584.400.000
<i>Payables to other suppliers</i>	<i>29.256.787.822</i>	<i>10.445.762.655</i>
Saigon Newport	907.640.000	1.115.550.000
Dai Dung Metallic Manufacture Construction and Trade Corporation	-	790.000.000
U&I Construction Corporation	6.097.000.000	-
Tan Phuong Phat Producing and Trading Company Limited	1.758.622.218	-
Other suppliers	20.493.525.604	8.540.212.655
<b>Total</b>	<b>29.851.124.188</b>	<b>11.030.162.655</b>

The Group has no outstanding trade payable.

**16. Taxes and other obligations to the State Budget**

	Beginning balance	Amount payable	Amount already paid	Ending balance
VAT on local sales	496.148.580	16.719.343.996	(15.720.481.194)	1.495.011.382
VAT on imports	-	4.752.629.262	(4.752.629.262)	-
Import-export duties	-	392.662.866	(392.662.866)	-
Corporate income tax	3.579.034.156	18.713.445.175	(22.347.330.647)	(54.851.316)
Personal income tax	147.590.776	2.897.135.540	(2.573.427.780)	471.298.536
Property tax	-	74.193.457	(74.193.457)	-
Land rental	-	288.762.657	(288.762.657)	-
Other taxes	584.608.509	8.096.478.720	(7.779.878.316)	901.208.913
<b>Total</b>	<b>4.807.382.021</b>	<b>51.934.651.673</b>	<b>(53.929.366.179)</b>	<b>2.812.667.515</b>

**Value added tax (VAT)**

The Group companies have paid VAT in line with the deduction method. The VAT rates applied are as follows:

- Forwarding service provided to customers in export-processing zones	0 %
- Transporting and loading services and forwarding service provided locally	10 %

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#### *Corporate income tax*

The Group companies have to pay corporate income tax at the rate of 20% on taxable income (previous year: 22%).

Estimated corporate income tax payable during the year is as follows:

	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	192.222.600.836	175.999.979.566
Increases/ (decreases) of accounting profit to determine profit subject to corporate income tax:		
- Losses of subsidiaries during the year	5.906.360.995	-
- Other increases	2.532.330.974	10.136.701.541
- Other decreases	(6.554.220.367)	(4.602.915.016)
Total income subject to tax	194.107.072.438	181.533.766.091
Income exempted from tax	(96.800.931.157)	(79.427.897.334)
Losses brought forward from the previous years	(3.738.915.407)	(7.526.123.254)
Taxable income	93.567.225.874	94.579.745.503
Corporate income tax rate	20%	22%
<b>Corporate income tax payable</b>	<b>18.713.445.175</b>	<b>20.807.544.011</b>
<b>Corporate income tax of business co-operation contract paid by partner on behalf of the Group <sup>(i)</sup></b>	<b>(3.117.614.915)</b>	<b>(2.395.737.081)</b>
<b>Corporate income tax to be paid</b>	<b>15.595.830.260</b>	<b>18.411.806.930</b>

- <sup>(i)</sup> According to the Business Co-operation Contract No. 36/HĐHTKD dated 06 August 2015, which was re-signed on the basis of consolidation of 02 Business Co-operation Contract No. 06/HĐHTKD dated 12 March 2014 and No. 16/HĐHTKD dated 25 September 2014, Hai An Transport and Stevedoring Joint Stock Company is responsible for declaring, finalizing and paying this corporate income tax amount on behalf of other parties evolving in the business co-operation contract.

Determination of corporate income tax liability of the Group companies is based on prevailing regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Consolidated Financial Statements can be changed upon the inspection of tax authorities.

#### *Land rental and property tax*

Land rental and property tax is paid according to the notices of the tax department.

#### *Other taxes*

The Group companies have declared and paid these taxes in line with the prevailing regulations.

### 17. Payables to employees

This item reflects the salary to be paid to employees.

According to the Resolution No. 43/NQHĐQT NK4 - TMS - 2016 dated 24 March 2016 of the Board of Management, the estimated appropriation for salary fund in the current year is 43% of profit before tax, before salary fund and joint venture interest.

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**18. Short-term accrued expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	<i>1.319.242.983</i>	<i>2.630.702.824</i>
Board members – Bond interest payable	410.324.658	818.228.524
Executive Officers – Bond interest payable	14.778.517	29.469.844
Casco Investments Limited - Bond interest payable	894.139.808	1.783.004.456
<i>Payables to other organizations and individuals</i>	<i>20.383.574.797</i>	<i>12.161.288.500</i>
Loan interest expenses	492.000.000	473.340.000
Bond interest expenses	7.096.923.682	3.880.049.861
Transporting and forwarding expenses	12.354.790.433	6.554.220.367
Other short-term accrued expenses	439.860.682	1.253.678.272
<b>Total</b>	<b><u>21.702.817.780</u></b>	<b><u>14.791.991.324</u></b>

**19. Short-term unearned revenues**

This item reflects prepayment on leasing investment property.

**20. Other short-term/long-term payables****20a. Other short-term payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	<i>-</i>	<i>5.170.782.600</i>
Casco Investments Limited – dividends payable	-	5.170.782.600
<i>Payables to other organizations and individuals</i>	<i>36.807.138.281</i>	<i>37.659.723.952</i>
Trade Union's expenditure	42.239.688	50.789.688
Social insurance, health insurance, unemployment insurance premiums	371.452.983	204.373.665
Receipt of short-term deposits	3.924.344.515	4.492.862.387
Dividends payable	701.344.260	16.312.984.390
Bond interest payable	1.759.934.400	-
Payable for amounts collected on other's behalf	21.913.385.915	16.112.283.604
Temporary collection of amount paid for TMS	-	-
Transport shares	7.574.895.000	-
Other short-term payables	519.541.520	486.430.218
<b>Total</b>	<b><u>36.807.138.281</u></b>	<b><u>42.830.506.552</u></b>

**20b. Other long-term payables**

This item reflects receipt of long-term deposits.

**20c. Outstanding debts**

The Group has no other outstanding payable.

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**21. Short-term/long-term borrowings and financial lease****21a. Short-term borrowings and financial lease**

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term loans from banks	47.062.399.625	36.432.466.203
<i>Vietcombank – Ho Chi Minh City Branch</i> <sup>(i)</sup>	29.265.635.477	36.432.466.203
<i>Branch of Shinhan Vietnam Bank Limited</i> <sup>(ii)</sup>	17.796.764.148	-
Current portion of long-term loans (see Note No. V.21b)	69.976.538.764	20.939.762.840
Current portions of financial lease (see Note No. V.21b)	6.319.324.788	-
Current portions of long-term ordinary bonds (see Note No. V.21b)	477.250.000	697.850.000
<b>Total</b>	<b><u>123.835.513.177</u></b>	<b><u>58.070.079.043</u></b>

The Group is solvent over short-term loans and financial lease.

- (i) This is the loan from Vietcombank – Ho Chi Minh City Branch to supplement the working capital at the interest rate applied to each loan receipt.
- (ii) This is the loan from Branch of Shinhan Vina Bank Limited to supplement the working capital at the interest rate applied to each loan receipt. This loan is secured by mortgaging the Corporation's land use right, some assets on land at Song Than II Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province and other tangible fixed assets.

Details of increases/ (decreases) of short-term borrowings and financial lease during the year are as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Transfer from long-term borrowings</u>	<u>Amount already paid</u>	<u>Ending balance</u>
Short-term loans from banks	36.432.466.203	205.445.720.576	-	(194.815.787.154)	47.062.399.625
Current portion of long-term loans	20.939.762.840	-	69.976.538.764	(20.939.762.840)	69.976.538.764
Current portions of financial lease	-	-	6.319.324.788	-	6.319.324.788
Current portion of long-term ordinary bond	697.850.000	-	-	(220.600.000)	477.250.000
<b>Total</b>	<b><u>58.070.079.043</u></b>	<b><u>205.445.720.576</u></b>	<b><u>76.295.863.552</u></b>	<b><u>(215.976.149.994)</u></b>	<b><u>123.835.513.177</u></b>

**21b. Long-term borrowings and financial lease**

	<u>Ending balance</u>	<u>Beginning balance</u>
<b>Long-term loans payable to related parties</b>	<b><u>20.013.800.000</u></b>	<b><u>40.027.600.000</u></b>
<i>Long-term ordinary bonds</i> <sup>(i)</sup>		
Board members	6.224.900.000	12.449.800.000
Executive Officers	224.200.000	448.400.000
Casco Investments Limited	13.564.700.000	27.129.400.000
<b>Long-term loans payable to other organizations</b>	<b><u>653.494.767.729</u></b>	<b><u>355.253.146.480</u></b>
Long-term loans from banks	298.235.734.106	205.818.596.480

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	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Branch of Shinhan Vietnam Bank Limited – Transaction Office <sup>(ii)</sup></i>	5.669.498.115	31.833.970.012
<i>VIB – Ho Chi Minh City Branch <sup>(iii)</sup></i>	292.566.235.991	166.184.626.468
<i>Vietinbank – Ho Chi Minh City Branch</i>	-	7.800.000.000
<i>Long-term loan from Ryobi Holdings Co., Ltd. <sup>(iv)</sup></i>	75.966.681.860	90.160.000.000
<i>Long-term financial lease</i>	8.685.851.763	-
<i>Long-term ordinary bonds</i>	270.606.500.000	59.274.550.000
<i>Bonds issued to the public <sup>(i)</sup></i>	29.986.200.000	59.274.550.000
<i>Bonds of Maritime Bank <sup>(v)</sup></i>	240.620.300.000	-
<b>Total</b>	<b>673.508.567.729</b>	<b>395.280.746.480</b>

The Group is solvent over long-term loans and financial lease.

(i) In 2015, Transimex Corporation issued 1,000,000 unsecured convertible bonds at the face value of VND 100,000/bond. The interest rate applied is 7%/year and the bond term is 02 years from the date of issuance (i.e. 27 January 2015). According to the Corporation's plan of issuing convertible bonds to the public, the Corporation's obligations are as follows:

- At the time of conversion (i.e. 27 January 2016), bondholders are entitled to convert a maximum of 50% of bond into shares, receive bond interest and the principal amount corresponding to the number of bonds not converted at this time.
- At the time of conversion and maturity (i.e. 27 January 2017), bondholders are entitled to convert the remaining bonds into shares, receive bond interest and the principal amount corresponding to the number of bonds not converted at this time.
- Price for the conversion from bonds to shares at the time of conversion will be calculated from the initial conversion price of VND 17,500/share, which is adjusted in line with anti-dilution clause provided that at any time, the conversion price shall not be lower than the face value of shares concurrently. Anti-dilution clause is applied to the following cases: issuing bonus shares to existing shareholders, issuing shares to existing shareholders at a price lower than the market value at the time of issuance or paying dividends in form of shares and/or in cash.

Because convertible bonds are issued but the number of shares that is allowed for conversion by the conversion price is not defined, Transimex Corporation records and presents these convertible bonds as ordinary bonds in the Financial Statements.

On 23 December 2015, the Board of Management has approved the plan to convert the convertible bonds for the first stage at the converting price of VND 17,332/share and completion date of bond holders list for conversion is 06 January 2016.

On 27 January 2016, number of shares converted for the 1<sup>st</sup> stage is 2,844,532 shares. The amount payable for principal value of bonds which have been not converted into share is VND 697,850,000.

(ii) The loan from Branch of Shinhan Vietnam Bank Limited – Transaction Office is to invest in fixed assets and purchase debts from Maritime Bank – Ho Chi Minh City Branch and Military Bank – Saigon Branch at the interest rate applied to each loan receipt. The interest rate will be adjusted once every 03 months from the date of loan disbursement and it is applied to each loan withdrawal. This loan is secured by mortgaging tangible fixed assets, land use right and warehouse of the Corporation at Song Than II Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province and other assets; the office building at No. 172 Hai Ba Trung Street, District 1, Ho Chi Minh City owned by Transimex – Saigon Property Company Limited.

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- (iii) The loan from VIB – Ho Chi Minh City Branch is to invest into Transimex-Saigon Logistics Center in Da Nang and construction of bonded and logistics warehouse at Saigon Hi-Tech Park in District 9, Ho Chi Minh City (“project 01” and “project 02” respectively) at the interest rate fixed in 12 months from the first loan disbursement date and the interest rate will be adjusted once every 06 months. This loan is secured by mortgaging land use right and assets attached to land, machinery and equipment, vehicles, etc. formed in the future from these projects. This loan for project 01 is repaid monthly in 36 equal installments, starting in 02 years from the date of first receipt of loan (i.e. 10 August 2015). The loan payment for project 02 is 08 years.
- (iv) The loan from Ryobi Holdings Co., Ltd. for the loan amount of USD 4,000,000 is to invest into construction of bonded and logistics warehouse at Saigon Hi-Tech Park in District 9, Ho Chi Minh City (project of Transimex Hi Tech Park Logistics Co., Ltd.) at the fixed interest rate in the first year from the first loan disbursement date and the interest rate will be yearly adjusted from the second year onwards. The loan repayment term is 07 years and the grace period is 02 years. The loan is repaid in September every year with the same repayment amount (first loan repayment will be made in September 2017). This loan is secured by mortgaging assets and equipment in ICD Warehouse Center.
- (v) The secured ordinary bonds, of which the term is 05 years and face value is VND 1,000,000, have been issued to Maritime Bank to execute programs, investment projects or supplement working capital. The collaterals for these bonds are land-attached assets at No. 172 Hai Ba Trung Street, District 1, Ho Chi Minh City under the ownership of Transimex – Saigon Property Company Limited; all machinery and equipment formed in the future of bonded and logistics warehouse at Saigon Hi-Tech Park under the ownership of Transimex Hi Tech Park Logistics Co., Ltd.; advantages, right to exploit land, of which the rental is paid annually, located at Land Lot No. 54, Map No. 45 in line with the Land Use Right Certificate No. 00161/1a/QSDD/3426/UB; 2,093,200 shares of Vinafreight Joint Stock Company and container barges.

Payment schedule of long-term loans and financial lease is as follows:

	<b>Total debts</b>	<b>Under 01 year</b>	<b>Over 01 year to 05 years</b>	<b>Over 05 years</b>
<b>Ending balance</b>				
Long-term loans from banks	353,018,954,731	54,783,220,624	223,499,487,927	74,736,246,180
Long-term loans from other organizations	91,160,000,000	15,193,318,140	60,773,272,560	15,193,409,300
Financial lease	15,005,176,550	6,319,324,788	8,685,851,762	-
Ordinary bonds	291,097,550,000	477,250,000	290,620,300,000	-
<b>Total</b>	<b>750,281,681,281</b>	<b>76,773,113,552</b>	<b>583,578,912,249</b>	<b>89,929,655,480</b>
<b>Beginning balance</b>				
Long-term loans from banks	226,758,359,320	20,939,762,840	145,841,668,785	59,976,927,695
Long-term loans from other organizations	90,160,000,000	-	60,106,606,560	30,053,393,440
Ordinary bonds	100,000,000,000	50,000,000,000	50,000,000,000	-
<b>Total</b>	<b>416,918,359,320</b>	<b>70,939,762,840</b>	<b>255,948,275,345</b>	<b>90,030,321,135</b>

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Total financial lease payable is as follows:

	<u>Under 01 year</u>	<u>From 01 year to 05 years</u>	<u>Over 05 years</u>	<u>Total</u>
<b>Ending balance</b>				
Principal	6.319.324.788	8.685.851.763	-	15.005.176.551
Interest	901.350.394	511.730.797	-	1.413.081.191
<b>Financial lease payable</b>	<b>7.220.675.182</b>	<b>9.197.582.560</b>	<b>-</b>	<b>16.418.257.742</b>
<b>Beginning balance</b>				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Financial lease payable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Details of increases/ (decreases) of long-term loans and financial lease during the year are as follows:

	<u>Long-term loans from banks</u>	<u>Long-term loans from other organizations</u>	<u>Financial lease</u>	<u>Ordinary bonds</u>	<u>Total</u>
Beginning balance	205.818.596.480	90.160.000.000	-	99.302.150.000	395.280.746.480
Increase during the year	155.000.358.250	-	15.798.311.958	277.200.000.000	447.998.670.208
Other increase (allocation of bond issuance expenses)	-	-	-	420.300.000	420.300.000
Amount already paid	(7.800.000.000)	-	(793.135.407)	(37.000.000.000)	(45.593.135.407)
Transfer to short-term borrowings	(54.783.220.624)	(15.193.318.140)	(6.319.324.788)	-	(76.295.863.552)
Valuation of exchange difference at the year-end	-	1.000.000.000	-	-	1.000.000.000
Decrease due to conversion into shares	-	-	-	(49.302.150.000)	(49.302.150.000)
<b>Ending balance</b>	<b>298.235.734.106</b>	<b>75.966.681.860</b>	<b>8.685.851.763</b>	<b>290.620.300.000</b>	<b>673.508.567.729</b>

**21c. Outstanding borrowings and financial leases**

The Group has no outstanding loan and financial lease.

**22. Bonus and welfare funds**

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	7.458.166.771	5.640.990.967
Increase due to appropriation from profit	9.667.862.999	10.504.244.812
Disbursement	(6.860.641.436)	(8.534.598.340)
Decrease due to depreciation	(152.470.668)	(152.470.668)
<b>Total</b>	<b>10.112.917.666</b>	<b>7.458.166.771</b>

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#### 23. Owner's equity

##### 23a. Statement of the fluctuation in owner's equity

Information on the fluctuations in owner's equity is presented in the attached Appendix 01.

##### 23b. Details of capital contribution of the owners

	<u>Ending balance</u>	<u>Beginning balance</u>
Casco Investments Limited	75.071.450.000	57.453.140.000
Other organizations and individuals	237.582.120.000	180.207.250.000
<b>Total</b>	<b><u>312.653.570.000</u></b>	<b><u>237.660.390.000</u></b>

During the year, Transimex Corporation has increased capital in the following stages:

- Converting bonds for the first stage into 2.844.532 shares (see Note No. V.21b).
- Issuing 3.989.522 shares to distribute dividends to the current shareholders.
- Issuing 665.264 shares under the Employee Stock Ownership Plan (ESOP).

On 02 December 2016, Transimex Corporation was granted the 26<sup>th</sup> amended Business Registration Certificate by the Department of Planning and Investment of Ho Chi Minh City regarding the increase in charter capital to VND 312.653.570.000.

##### 23c. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	31.265.357	23.766.039
Number of shares already sold to the public	31.265.357	23.766.039
- Common shares	31.265.357	23.766.039
- Preferred shares	-	-
Number of shares repurchased	(9.892)	-
- Common shares	(9.892)	-
- Preferred shares	-	-
Number of outstanding shares	31.255.465	23.766.039
- Common shares	31.255.465	23.766.039
- Preferred shares	-	-

Face value per outstanding share: VND 10.000.

##### 23d. Profit distribution

During the year, Transimex Corporation distributed profit in accordance with the Resolution dated 22 April 2016 of the Annual Shareholders' Meeting in 2015-2016 as follows:

	<u>Profit additionally distributed in the previous year</u>	<u>Profit temporarily distributed during the year</u>	<u>Total</u>
• Appropriation for investment and development fund :	-	7.853.984.369	7.853.984.369
• Appropriation for bonus fund :	-	4.440.556.788	4.440.556.788
• Appropriation of welfare fund :	-	1.654.718.582	1.654.718.582
• Appropriation for operation fund of the Board of Management and the Control Board :	1.861.697	2.530.425.932	2.532.287.629

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	<b>Profit additionally distributed in the previous year</b>	<b>Profit temporarily distributed during the year</b>	<b>Total</b>
• Bonus to the Board of Management, Control Board, Executive Officers and key managers at the rate of 05% of portion of consolidated profit after tax exceeding the target	1.040.300.000	-	1.040.300.000
• Distribution of dividends to shareholders (05% of face value)	13.300.339.500	-	13.300.339.500
• Distribution of dividends in form of shares (15% of face value)	39.895.220.000	-	39.895.220.000
<b>Total</b>	<b>54.237.721.197</b>	<b>16.479.685.671</b>	<b>70.717.406.868</b>

**24. Off-balance sheet items****24a. External leased assets**

The total minimum lease payment in the future for irrevocable leasing contracts will be settled as follows:

	<b>Ending balance</b>	<b>Beginning balance</b>
Under 01 year	2.805.674.859	2.550.879.906
Over 01 year to 05 years	11.222.699.436	10.267.050.624
Over 05 years	116.016.844.437	118.336.617.039
<b>Total</b>	<b>130.045.218.732</b>	<b>131.154.547.569</b>

The aforementioned operating lease payments include:

- Total amount of land rental and infrastructure use fee for the area of 16.290 m<sup>2</sup> in Da Nang with the minimum leasing price and fee on using infrastructure of VND 35.500/m<sup>2</sup>/year. The leasing contract is signed for the leasing period until 08 August 2054, starting from 20 January 2015.
- Total amount of rental for the area of 100.086 m<sup>2</sup> of land in High-Tech Park in District 9, Ho Chi Minh City with the minimum leasing price of VND 23.371/m<sup>2</sup>/year. The leasing contract is signed for the leasing period of 50 years, starting from 01 December 2014.

**24b. Foreign currencies**

	<b>Ending balance</b>	<b>Beginning balance</b>
United States Dollar (USD)	210.411,42	4.082.788,60
Hongkong Dollar (HKD)	2.500,00	2.500,00

**24c. Treated doubtful debts**

	<b>Ending balance</b>	<b>Beginning balance</b>	<b>Reasons for writing off</b>
Dai Thien Son Co., Ltd.	98.740.000	98.740.000	This company was dissolved
Your Idea Co., Ltd.	281.896.460	281.896.460	This company was dissolved
Duc Hai Forwarding Co., Ltd.	22.937.060	22.937.060	This company was dissolved
<b>Total</b>	<b>403.573.520</b>	<b>403.573.520</b>	

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**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT****1. Sales****1a. Gross sales**

	<u>Current year</u>	<u>Previous year</u>
Forwarding service	182.073.077.363	154.097.935.293
Warehousing, leasing barges	296.586.204.766	224.367.423.224
Leasing office <sup>(i)</sup>	28.767.825.571	28.139.937.018
Other services	11.070.798.331	8.294.187.781
Business co-operation contracts	97.165.977.733	73.904.629.346
<b>Total</b>	<b><u>615.663.883.764</u></b>	<b><u>488.804.112.662</u></b>

<sup>(i)</sup> Income and expenses related to investment property for lease are as follows:

	<u>Current year</u>	<u>Previous year</u>
Income from leasing investment property	28.767.825.571	24.369.369.447
Direct expenses related to income from leasing	2.718.468.000	2.718.468.000
Direct expenses not related to income from leasing	-	-
<b>Income from investment property</b>	<b><u>26.049.357.571</u></b>	<b><u>21.650.901.447</u></b>

**1b. Sales to related parties**

Apart from transactions of sales of goods and service provision with joint ventures and associates presented in Note No. V.2b, the Group has no transactions of sales of goods and service provision with related parties which are not joint ventures and associates.

**2. Costs of sales**

	<u>Current year</u>	<u>Previous year</u>
Costs of forwarding service	156.663.691.476	133.483.361.635
Costs of warehousing, leasing barges	215.603.741.960	163.096.033.830
Costs of leasing office	3.717.564.079	5.428.337.807
Costs of other services	5.302.216.664	3.940.144.540
Costs of business co-operation contracts	80.277.511.751	61.308.783.308
<b>Total</b>	<b><u>461.564.725.930</u></b>	<b><u>367.256.661.120</u></b>

**3. Financial income**

	<u>Current year</u>	<u>Previous year</u>
Bank deposit interests	4.611.113.267	7.849.413.748
Dividends and profit shared	882.850.000	2.293.304.297
Exchange gains arising	270.310.866	100.952.204
Gains from trading securities	-	1.045.622.169
Gains from transfer of associates	9.001.282.114	-
Financial income from business co-operation contract	335.384.929	141.287.192
Other financial income	73.399.214	-
<b>Total</b>	<b><u>15.174.340.390</u></b>	<b><u>11.430.579.610</u></b>



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**Notes to the Consolidated Financial Statements (cont.)****4. Financial expenses**

	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	29.492.465.711	15.461.989.512
Exchange loss arising	155.047.292	159.263.189
Exchange loss due to the revaluation of monetary items in foreign currencies	894.163.511	341.338.677
Loss from liquidation of associates	-	461.255.890
Reversal of provision for devaluation of trading securities and investment loss	200.248.195	(160.441.098)
Financial expenses from business co-operation contract	1.694.980.364	1.871.120.027
Other financial expenses	582.065.819	46.066.046
<b>Total</b>	<b><u>33.018.970.892</u></b>	<b><u>18.180.592.243</u></b>

**5. Selling expenses**

	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	53.647.660	754.514.764
Tools	15.390.794	63.871.797
External services rendered	11.695.080	-
Other expenses	99.957.330	112.248.462
<b>Total</b>	<b><u>180.690.864</u></b>	<b><u>930.635.023</u></b>

**6. General and administration expenses**

	<u>Current year</u>	<u>Previous year</u>
Employees	19.917.442.199	14.035.244.653
Office supplies	1.172.009.779	1.101.127.950
Office stationery	582.268.156	745.673.987
Depreciation/ (amortization) of fixed assets	1.484.826.672	1.188.776.245
Taxes, fees and legal fees	58.297.007	27.400.557
Allowances for doubtful debts	-	267.710.000
External services rendered	8.785.024.573	-
General and administrative expenses from business co-operation contract	313.868.473	156.971.437
Other expenses	10.110.842.701	10.753.192.550
<b>Total</b>	<b><u>42.424.579.560</u></b>	<b><u>28.276.097.379</u></b>

**7. Other income**

	<u>Current year</u>	<u>Previous year</u>
Gains from liquidation and disposal of fixed assets	973.395.494	5.597.627.457
Other income	1.322.219.871	1.977.289.865
<b>Total</b>	<b><u>2.295.615.365</u></b>	<b><u>7.574.917.322</u></b>

**8. Other expenses**

	<u>Current year</u>	<u>Previous year</u>
Other expenses	2.029.075.370	2.281.489.122
Other expenses from business co-operation contract	84.765.172	953.510
<b>Total</b>	<b><u>2.113.840.542</u></b>	<b><u>2.282.442.632</u></b>

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**Notes to the Consolidated Financial Statements (cont.)****9. Earnings per share****9a. Basic/diluted earnings per share**

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax of the Parent Company's shareholders	172.197.323.602	155.372.371.111
Appropriation for bonus and welfare funds	(8.625.701.302)	(7.636.150.522)
Profit used to calculate basic/ diluted earnings per share	163.571.622.300	147.736.220.589
The average number of ordinary shares outstanding during the year	30.555.965	27.622.807
<b>Basic/ diluted earnings per share</b>	<b>5.353</b>	<b>5.348</b>

Average ordinary shares outstanding during the year are calculated as follows:

	<u>Current year</u>	<u>Previous year</u>
Ordinary shares outstanding at the beginning of the year	23.766.039	23.073.824
Effects of ordinary shares issued on 12 March 2015	-	559.461
Effects of ordinary shares issued on 27 January 2016 (converted from bonds)	2.641.908	-
Repurchase of shares issued	(9.187)	-
Shares issued to pay dividends	3.989.522	3.989.522
Share issued under the Employee Stock Ownership Plan (ESOP)	167.683	-
<b>Average ordinary shares outstanding during the year</b>	<b>30.555.965</b>	<b>27.622.807</b>

**9b. Other information**

During the year, Transimex Corporation has increased the charter capital from retained earnings (shares issued to pay dividends). The basic/ diluted earnings per share of the previous year are adjusted due to effects of this event. The adjustment causes a decrease in basic/ diluted earnings per share of the previous year from VND 6.251 to VND 5.348.

No transactions of ordinary shares or potential ordinary shares occur from the balance sheet date to the date of the Consolidated Financial Statements.

**10. Operating costs**

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	74.388.969.651	71.189.687.145
Labor	100.982.160.810	75.255.265.839
Depreciation/ (amortization) of fixed assets	50.023.047.950	40.034.038.039
External services rendered	272.171.784.139	193.401.826.776
Other expenses	30.665.858.969	16.582.575.723
<b>Total</b>	<b>528.231.821.519</b>	<b>396.463.393.522</b>

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Notes to the Consolidated Financial Statements (cont.)

## VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

Receivables and payables related to fixed assets are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Purchase of fixed assets on which the payment has not been made to supplier	8.119.622.218	1.914.880.303
Prepayment for purchase of fixed assets	6.300.000.000	8.440.357.374
Loan interest capitalized	18.608.253.802	-

## VIII. OTHER DISCLOSURES

### 1. Operating leased assets

As of the balance sheet date, the total minimum lease payments in the future collected from operating leases are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Under 01 year	25.627.140.499	21.322.601.063
Over 01 year to 05 years	29.094.314.142	29.550.391.904
<b>Total</b>	<b>54.721.454.641</b>	<b>50.872.992.967</b>

### 2. Transactions and balances with related parties

Related parties of the Group include key managers, their related individuals and other related parties.

#### 2a. Transactions and balances with the key managers and their related individuals

The key managers include members of the Board of Management and the Executive Officers (the Board of Directors and the Chief Accountant). The key managers' related individuals are their close family members.

##### *Transactions with the key managers and their related individuals*

The Group has no transaction of sales of goods and service provision with the key managers and their related individuals. Other transactions with the Board of Management and the Executive Officers during the year are as follows:

	<u>Current year</u>	<u>Previous year</u>
<b><i>The Board of Management</i></b>		
Purchase of bonds	-	997.000.000
Bond interest payable	410.324.658	818.228.524
<b><i>The Executive Officers</i></b>		
Bond interest payable	14.778.517	29.469.844

##### *Receivables from and payables to the key managers and their related individuals*

Receivables from and payables to the key managers and their related individuals are presented in Notes No. V.18 and V.21b.

##### *Income of the key managers*

Income of the key managers during the year is VND 4.836.145.898 (previous year: VND 3.798.195.024).

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#### Notes to the Consolidated Financial Statements (cont.)

#### 2b. Transactions and balances with other related parties

Other related parties of the Group include:

<b>Other related parties</b>	<b>Relationship</b>
Casco Investments Limited	Shareholder holds 24,53% of the charter capital of the Corporation
Nippon Express (Vietnam) Co., Ltd.	Joint venture
Hai An Transport and Stevedoring Joint Stock Company	Associate
Vinafreight Joint Stock Company	Associate
Hai An Container Transport Company Limited	Associate
Cho Lon Investment and Import Export Corporation	Associate

#### Transactions with other related parties

Apart from transactions with joint ventures and associates presented in Note No. V.2b, the Group also has transactions with other related parties which are not joint ventures and associates as follows:

	<u>Current year</u>	<u>Previous year</u>
<b>Casco Investments Limited</b>		
Purchase of bonds	-	27.129.400.000
Bond interest payable	894.139.808	1.783.004.456

The prices of services supplied to other related parties are agreed by the parties involved by themselves. The purchases of services from other related parties are done at the agreed prices.

#### Receivables from and payables to other related parties

Receivables from and payables to other related parties are presented in Notes No. V.3, V.5, V.15, V.18, V.20 and V.21.

The receivables from other related parties are unsecured and will be paid in cash. There are no allowances for doubtful debts for the receivables from the related parties.

#### 3. Segment information

Segment reporting is mainly done on the basis of business segments, based on the Group's organizational structure, internal management and internal Financial Statements.

#### 3a. Information on business segments

The Group's principal business activities:

- Logistics: forwarding, warehousing, etc.
- Real estate leasing and management: Building leasing and management.

Segment information on operating fields of the Group is presented in the attached Appendix 02.

#### 3b. Information on geographical area

The Group's operations are only taken place in Vietnam.

#### 4. Financial risk management

The Group's activities are exposed to the following financial risks: credit risk, liquidity risk and market risk. The Board of Directors of the Corporation is responsible for establishing policies and controls to minimize the financial risk as well as monitor the implementation of applied policies and controls.

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**Notes to the Consolidated Financial Statements (cont.)****4a. Credit risk**

Credit risk is the risk that one contractual party will cause a financial loss for the Group by its failure to pay for its obligations.

Credit risk of the Group mainly arises from its trade receivables and cash in bank.

*Trade receivables*

The Group has reduced its credit risks by conducting transactions with the companies with good credit rating only. Besides, the accountant in charge of accounts follows up the receivables regularly to speed up the recovery.

The Group's trade receivables are related to different entities and individuals, so the credit risk, which concentrates on trade receivables, is low.

*Cash in bank*

The Group's term deposits and demand deposits are in local banks. The Board of Directors does not realize any material credit risk to these deposits.

The maximum credit risk level on financial assets is their carrying values (see Note No. VIII.5 regarding carrying values of financial assets).

Analysis of outstanding age and devaluation of financial assets is as follows:

	Not yet overdue or devaluated	Already overdue but not yet devaluated	Already overdue and/or devaluated	Total
<b>Ending balance</b>				
Cash and cash equivalents	122.977.237.645	-	-	122.977.237.645
Trading securities	3.764.672.508	-	14.573.448.825	18.338.121.333
Held-to-maturity investments	30.000.000.000	-	-	30.000.000.000
Trade receivables	76.926.387.840	468.734.783	398.544.612	77.793.667.235
Other receivables	28.797.053.216	-	-	28.797.053.216
<b>Total</b>	<b>262.465.351.209</b>	<b>468.734.783</b>	<b>14.971.993.437</b>	<b>277.906.079.429</b>
<b>Beginning balance</b>				
Cash and cash equivalents	235.469.132.676	-	-	235.469.132.676
Trading securities	12.434.662.212	-	2.325.451.130	14.760.113.342
Trade receivables	40.625.883.607	524.124.138	398.544.612	41.548.552.357
Other receivables	18.773.269.702	-	-	18.773.269.702
<b>Total</b>	<b>307.302.948.197</b>	<b>524.124.138</b>	<b>2.723.995.742</b>	<b>310.551.068.077</b>

Details of outstanding periods of financial assets, of which the amounts are already overdue but not devaluated, as follows:

	Ending balance	Beginning balance
Overdue from over 01 year to under 02 years	30.174.559	79.097.293
Overdue from over 02 years to 03 years	44.760.224	198.483.444
Overdue for over 03 years	393.800.000	246.543.401
<b>Total</b>	<b>468.734.783</b>	<b>524.124.138</b>

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#### 4b. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group's liquidity risks mainly arise from the differences in maturity dates of financial assets and financial liabilities.

The Group's approach to control this risk: regularly following up the current payment requests as well as estimated payment requests in the futures to maintain an appropriate amount of cash and loans, supervising the cash flows actually arisen in comparison with estimation to minimize the effects of the changes in cash flows to the Group.

The terms of payments to non-derivative financial liabilities (excluding loan interest payable) are based on the undiscounted payments supposed to make according to the contracts as follows:

	Under 01 year	Over 01 year to 05 years	Over 05 years	Total
<b>Ending balance</b>				
Trade payables	29.851.124.188			29.851.124.188
Borrowings	123.835.513.177	583.578.912.249	89.929.655.480	797.344.080.906
Other payables	58.096.263.390	7.389.517.867		65.485.781.257
<b>Total</b>	<b>211.782.900.755</b>	<b>590.968.430.116</b>	<b>89.929.655.480</b>	<b>892.680.986.351</b>
<b>Beginning balance</b>				
Trade payables	11.030.162.655	-	-	11.030.162.655
Borrowings	58.070.079.043	255.948.275.345	90.030.321.135	404.048.675.523
Other payables	57.367.334.523	3.765.501.378	-	61.132.835.901
<b>Total</b>	<b>126.467.576.221</b>	<b>259.713.776.723</b>	<b>90.030.321.135</b>	<b>476.211.674.079</b>

The Board of Directors of Transimex Corporation believes that the risk level associated with payments to financial liabilities is low. The Group has sufficient capacity to settle all financial obligations when they are due from its operating cash flows and from the amounts receivable from mature financial assets. The Group is able to approach capital sources and loans falling due within 12 months, which can be extended with the current creditors.

#### 4c. Market risk

Market risk is the risk that the fair value or cash flows in the future of a financial instrument will fluctuate due to changes in market prices.

Market risks exposed to the operations of the Group include foreign currency risk, interest rate risk and securities price risk.

The sensitivity analyses and evaluations below are related to the Group's financial position as of 31 December 2015 and 31 December 2016 on the basis of net debt value. The rates of changes of exchange rates, interest rates and securities prices for analyses are assumed on the basis of the judgments of what can be happen in the next 01 year in the observable conditions of the current market.

##### *Foreign currency risk*

Foreign currency risk is the risk that the fair value or cash flows in the future of a financial instrument will fluctuate due to changes in exchange rates.

The Group has got borrowing in foreign currencies and therefore it has been affected by the fluctuation in exchange rates.

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#### Notes to the Consolidated Financial Statements (cont.)

The Group controls the risk relating to the fluctuations in foreign exchange by optimizing the payment terms of debts, forecasting foreign exchange rates, reasonably maintaining borrowing structures between foreign currency and VND, choosing the time of purchase and payment in foreign currencies when the foreign exchange rates are low, optimally using the available money to balance the foreign exchange risk and liquidity risk.

The Group has not used any financial derivatives to hedge against the foreign currency risk.

The Group's foreign currency denominated net assets/ (liabilities) is as follows:

	Ending balance			Beginning balance		
	USD	SGD	HKD	USD	SGD	HKD
Cash and cash equivalents	1,410,141,12	-	2,500,00	4,082,788,60	-	2,500,00
Trade payables	-	(5,000,00)	-	-	(5,000,00)	-
Borrowings	(4,000,000,00)	-	-	(4,000,000,00)	-	-
<b>Foreign currency denominated net assets/ (liabilities)</b>	<b>(2,589,858,88)</b>	<b>(5,000,00)</b>	<b>2,500,00</b>	<b>82,788,60</b>	<b>(5,000,00)</b>	<b>2,500,00</b>

The Board of Directors of Corporation believes that the effects due to fluctuations in foreign exchange rates to profit after tax and owner's equity of the Group are unremarkable.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or cash flows of in the future a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risk is mainly related to loans bearing floating interest rate.

The Group controls the interest rate risk by analyzing market situation to give reasonable decisions in choosing the dates of loan and appropriate loan terms in order to get the most profitable interest rate as well as to maintain the loan structure at suitable floating and fixed interest rates.

Financial instruments with floating interest include only loans at the floating interest rates as follows:

	Ending balance		Beginning balance	
	VND	USD	VND	USD
Borrowings	(640.701.654.355)	(4.000.000)	(353.350.825.523)	(4.000.000)
<b>Net liabilities</b>	<b>(640.701.654.355)</b>	<b>(4.000.000)</b>	<b>(353.350.825.523)</b>	<b>(4.000.000)</b>

The Group believes that the effects due to fluctuation in interest rate on the profit after tax and owner's equity of the Group are unremarkable.

#### *Risk in securities prices*

The securities held by the Group may be affected by the risks in values in the future of these securities. The Group manages the risks in prices of securities by setting an investment limitation and diversifying its investment portfolio.

Fair value of investments in listed shares of the Group as of the balance sheet date is VND 18.982.835.000 (Beginning balance: VND 17.636.957.700).

The Board of Directors of the Corporation believes that the effects due to fluctuation in securities price on the profit after tax and owner's equity of the Group are unremarkable.

## TRANSIMEX CORPORATION

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### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2016

Notes to the Consolidated Financial Statements (cont.)

#### 4d. Collaterals

The Group has not had any collateral given to and received from other entities as at 31 December 2015 and 31 December 2016.

#### 5. Financial assets and financial liabilities

##### Financial assets

Carrying values of financial assets are as follows:

	Ending balance		Beginning balance	
	Original cost	Allowances	Original cost	Allowances
Cash and cash equivalents	122.977.237.645	-	235.469.132.676	-
Trading securities	18.338.121.333	(1.035.623.325)	14.760.113.342	(835.375.130)
Held-to-maturity investments	30.000.000.000	-	-	-
Trade receivables	77.793.667.235	(398.544.612)	41.548.552.357	(398.544.612)
Other receivables	28.797.053.216	-	18.773.269.702	-
<b>Total</b>	<b>277.906.079.429</b>	<b>(1.434.167.937)</b>	<b>310.551.068.077</b>	<b>(1.233.919.742)</b>

##### Financial liabilities

Carrying values of financial liabilities are as follows

	Ending balance	Beginning balance
Trade payables	29.851.124.188	11.030.162.655
Borrowings	797.344.080.906	404.048.675.523
Other payables	65.485.781.257	61.132.835.901
<b>Total</b>	<b>892.680.986.351</b>	<b>476.211.674.079</b>

##### Fair values

The Group has not determined fair values of financial assets and financial liabilities since there has been no specific guidance from the Circular No. 210/2009/TT-BTC dated 06 November 2009 of the Ministry of Finance as well as prevailing regulations.

#### 6. Subsequent event

On 27 January 2017, Transimex Corporation converted bonds into shares under the conversion registration of shareholders with Saigon Securities Incorporation and the number of converted shares is 3.298.985.

Apart from the event mentioned above, there have been no subsequent events, which need any adjustments on the figures or the disclosures in the Consolidated Financial Statements.

Ho Chi Minh City, 15 February 2017

Le Minh Hai  
Preparer

Le Van Hung  
Chief Accountant

Le Duy Hiep  
General Director

**TRANSIMEX CORPORATION**

Address: No. 172 Hai Ba Trung Street, Da Kao Ward, District 1, Ho Chi Minh City

**CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**Appendix 01: Statement on fluctuation in owner's equity**

Unit: VND

	Capital	Share premiums	Treasury stocks	Investment and development fund	Retained earnings	Total
Beginning balance of the previous year	230.738.240.000	161.021.127.853	-	57.855.769.389	296.241.899.498	745.857.036.740
Share issuance collected in cash	6.922.150.000	-	-	-	-	6.922.150.000
Profit during the year	-	-	-	-	155.372.371.111	155.372.371.111
Dividends shared during the year	-	-	-	-	(21.389.435.100)	(21.389.435.100)
Extraction for funds	-	-	-	5.951.018.988	(16.455.263.800)	(10.504.244.812)
Extraction for bonus and welfare funds and other adjustments	-	-	-	-	(7.998.894.136)	(7.998.894.136)
<b>Ending balance of the previous year</b>	<b>237.660.390.000</b>	<b>161.021.127.853</b>	-	<b>63.806.788.377</b>	<b>405.770.677.573</b>	<b>868.258.983.803</b>
Beginning balance of the current year	237.660.390.000	161.021.127.853	-	63.806.788.377	405.770.677.573	868.258.983.803
Bonds converted into shares	28.445.320.000	20.856.830.000	-	-	-	49.302.150.000
Shares issued to pay dividends	39.895.220.000	-	-	-	(39.895.220.000)	-
Share issued under the Employee Stock Ownership Plan (ESOP)	6.652.640.000	11.775.172.800	-	-	-	18.427.812.800
Profit during the year	-	-	-	-	172.197.323.602	172.197.323.602
Dividends shared during the year	-	-	-	-	(13.300.339.500)	(13.300.339.500)
Extraction for funds	-	-	-	-	(17.521.847.368)	(9.667.862.999)
Purchase of shares from resigned employees	-	-	(59.352.000)	7.853.984.369	-	(59.352.000)
Adjustment in deferred income tax rate of TMS transport + Increase in profit of the previous year of TMS real estate	-	-	-	-	544.410.940	544.410.940
Extraction for bonus and welfare funds of the previous year and other adjustments	-	-	-	-	(7.314.773.866)	(7.314.773.866)
<b>Ending balance of the current year</b>	<b>312.653.570.000</b>	<b>193.653.130.653</b>	<b>(59.352.000)</b>	<b>71.660.772.746</b>	<b>500.480.231.381</b>	<b>1.078.388.352.780</b>



Le Minh Hai  
Preparer



Le Van Hung  
Chief Accountant



Le Duy Hiep  
General Director



**TRANSIMEX CORPORATION**

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**COSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**Appendix 02: Information on business segments**

Unit: VND

Information on financial performance, fixed assets, other non-current assets and values of remarkable non-cash expenses of business segments of the Group is as follows:

	Logistics	Real estate leasing and management	Exclusions	Total
<b>Current year</b>				
Net external sales	586.896.058.193	28.765.331.845	-	615.661.390.038
Net inter-segment sales	6.419.554.545	17.638.840.069	(24.058.394.614)	-
<b>Total net sales</b>	<b>593.315.612.738</b>	<b>46.404.171.914</b>	<b>(24.058.394.614)</b>	<b>615.661.390.038</b>
Segment financial performance	91.994.023.852	19.497.369.832	-	111.491.393.684
Expenses not attributable to segments	-	-	-	-
Operating profit	-	-	-	111.491.393.684
Financial income	-	-	-	15.174.340.390
Financial expenses	-	-	-	(33.018.970.892)
Gain or loss in joint ventures, associates	-	-	-	98.394.062.831
Other income	98.394.062.831	-	-	2.295.615.365
Other expenses	-	-	-	(2.113.840.542)
Current income tax	-	-	-	(18.713.445.175)
Deferred income tax	-	-	-	(1.311.832.059)
<b>Profit after tax</b>				<b>172.197.323.602</b>
<b>Total expenses on acquisition of fixed assets and other non-current assets</b>	<b>286.994.708.390</b>	-	-	<b>286.994.708.390</b>
<b>Total depreciation/ (amortization) and allocation of long-term prepayments</b>	<b>41.220.606.009</b>	<b>2.718.468.000</b>	-	<b>43.939.074.009</b>
<b>Total remarkable non-cash expenses (except for depreciation/ (amortization) and allocation of long-term prepayments)</b>	-	-	-	-



**TRANSIMEX CORPORATION**

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**CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2016

**Appendix 02: Information on business segments (Cont.)**

	Logistics	Real estate leasing and management	Exclusions	Total
<b>Previous year</b>				
Net external sales	460.664.175.644	28.139.937.018	-	488.804.112.662
Net inter-segment sales	11.881.502.091	5.216.305.084	(17.097.807.175)	-
<b>Total net sales</b>	<b>472.545.677.735</b>	<b>33.356.242.102</b>	<b>(17.097.807.175)</b>	<b>488.804.112.662</b>
Segment financial performance	72.170.642.754	20.170.076.386	-	92.340.719.140
Expenses not attributable to segments				
Operating profit				92.340.719.140
Financial income				11.430.579.610
Financial expenses				(18.180.592.243)
Gain or loss in joint ventures, associates	85.116.798.369			85.116.798.369
Other income				7.574.917.322
Other expenses				(2.282.442.632)
Current income tax				(20.807.544.011)
Deferred income tax				179.935.556
<b>Profit after tax</b>				<b>155.372.371.111</b>
<b>Total expenses on acquisition of fixed assets and other non-current assets</b>	<b>269.318.755.060</b>	-	-	<b>269.318.755.060</b>
<b>Total depreciation' (amortization) and allocation of long-term prepayments</b>	<b>33.288.278.343</b>	<b>2.718.468.000</b>	-	<b>36.006.746.343</b>
<b>Total remarkable non-cash expenses (except for depreciation' (amortization) and allocation of long-term prepayments)</b>	-	-	-	-

**TRANSIMEX CORPORATION**

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**CONSOLIDATED FINANCIAL STATEMENTS**

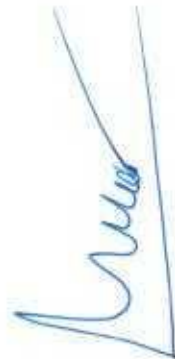
For the fiscal year ended 31 December 2016

**Appendix 02: Information on business segments (Cont.)**

Unit: VND

Assets and liabilities of business segment of the Group are as follows:

	Logistics	Real estate leasing and management	Exclusions	Total
<b>Ending balance</b>				
Direct assets of segment	1.053.777.950.155	90.685.476.092	-	1.144.463.426.247
Assets not allocated to segment				861.815.154.296
<b>Total assets</b>				<b>2.006.278.580.543</b>
Direct liabilities of segment	906.190.015.177	11.587.294.920	-	917.777.310.097
Liabilities not allocated to segment				10.112.917.666
<b>Total liabilities</b>				<b>927.890.227.763</b>
<b>Beginning balance</b>				
Direct assets of segment	911.096.453.889	90.958.914.466	-	1.002.055.368.355
Assets not allocated to segment				418.014.007.035
<b>Total assets</b>				<b>1.420.069.375.390</b>
Direct liabilities of segment	532.072.555.230	12.279.669.586	-	544.352.224.816
Liabilities not allocated to segment				7.458.166.771
<b>Total liabilities</b>				<b>551.810.391.587</b>



Le Van Hung  
Chief Accountant



Le Duy Hiep  
General Director

