

Vietranstimex Multimodal Transport Holding Company

Financial statements

For the year ended 31 December 2018



Vietranstimex Multimodal Transport Holding Company

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Vietranstimex Multimodal Transport Holding Company

GENERAL INFORMATION

THE COMPANY

Vietranstimex Multimodal Transport Holding Company ("the Company"), formerly known as Multimodal Transport Holding Company, was originally a State-owned enterprise established in Vietnam in accordance with the Decision No. 1313/QĐ-TC issued by the Ministry of Transport ("MOT") on 27 March 1976. The Company's first Business Registration Certificate ("BRC") No. 3206000035 was issued by the Department of Planning and Investment ("DPI") of Da Nang City on 5 May 2004.

On 28 May 2010, the Company was equitized in accordance with the Decision No. 1454/QĐ-BGTVT issued by MOT. This equitization was formalized by the DPI of Da Nang City through the issuance of the BRC No. 0400101901 on 1 November 2010 and the subsequent amended BRCs.

The current principal activities of the Company are to provide domestic multimodal transport services; direct transport services for road, rail, and water transport; renting warehouses, machinery, equipment and means of transport.

As at 31 December 2018, the Company's registered head office is located at No. 80-82 Bach Dang Street, Hai Chau I Ward, Hai Chau District, Da Nang City, Vietnam. As at 11 January 2019, the Company's head office was registered its new head office at 9th floor B&L Tower Building, No. 119 - 121 Ung Van Khiem Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam and its branches located at Ha Noi City, Da Nang City and Quang Ngai Province, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Le Ba Tho	Chairman
Mr Dang Doan Kien	Member
Mr Vo Duy Nghi	Member
Mr Do Hoang Phuong	Member
Mr Dang Vu Thanh	Member

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mr Pham Tuong Minh	Head
Mr Ong Van Khuong	Member
Ms Nguyen Thi Thu Trang	Member

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Do Hoang Phuong	General Director	appointed on 1 May 2018
Mr Vo Duy Nghi	General Director	resigned on 30 April 2018
Mr Ho Xuan Hung	Deputy General Director	appointed on 1 November 2018
Mr Phan Van Phuc	Deputy General Director	resigned on 30 April 2018
Mr Ngo Tu	Deputy General Director	resigned on 30 April 2018

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report are:

Mr Do Hoang Phuong	General Director	from 1 May 2018
Mr Vo Duy Nghi	General Director	to 30 April 2018

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Vietranstimex Multimodal Transport Holding Company

REPORT OF MANAGEMENT

Management of Vietranstimex Multimodal Transport Holding Company ("the Company") presents its report and the financial statements of the Company for the year ended 31 December 2018.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company and of the results of its operations and its cash flows for the year. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

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

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018 and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management:



Do Hoang Phuong
General Director

Da Nang City, Vietnam

1 March 2019

Reference: 61345701-20242673

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders of Vietranstimex Multimodal Transport Holding Company

We have audited the accompanying financial statements of Vietranstimex Multimodal Transport Holding Company ("the Company"), as prepared on 1 March 2019 and set out on pages 5 to 30, which comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as the management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2018, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

Ernst & Young Vietnam Limited



Hang Nha Quang
Deputy General Director
Audit Practicing Registration Certificate
No. 1772-2018-004-1

Duong Thi Nu
Auditor
Audit Practicing Registration Certificate
No. 3796-2016-004-1

Ho Chi Minh City, Vietnam

1 March 2019

BALANCE SHEET
as at 31 December 2018

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		219,496,494,193	173,828,457,613
110	I. Cash and cash equivalents	4	42,021,844,263	41,714,693,275
111	1. Cash		12,021,844,263	29,714,693,275
112	2. Cash equivalents		30,000,000,000	12,000,000,000
120	II. Short-term investment	5	15,000,000,000	-
123	1. Held-to-maturity investments		15,000,000,000	-
130	III. Current accounts receivable		138,551,610,796	109,622,898,028
131	1. Short-term trade receivables	6	137,322,396,825	112,172,725,848
132	2. Short-term advances to suppliers	7	3,870,971,658	4,831,909,919
136	3. Other short-term receivables	8	13,665,368,767	8,169,361,377
137	4. Provision for doubtful short-term receivables	6, 8	(16,307,126,454)	(15,551,099,116)
140	IV. Inventory	9	23,082,886,408	20,305,317,638
141	1. Inventories		23,082,886,408	20,305,317,638
150	V. Other current assets		840,152,726	2,185,548,672
151	1. Short-term prepaid expenses	14	798,923,646	807,720,522
152	2. Value-added tax deductible	17	41,229,080	1,047,692,790
153	3. Tax and other receivables from the State	17	-	330,135,360
200	B. NON-CURRENT ASSETS		109,082,978,397	171,463,525,577
210	I. Long-term receivable	8	472,377,170	223,747,370
216	1. Other long-term receivables		472,377,170	223,747,370
220	II. Fixed assets		96,571,294,606	120,026,876,770
221	1. Tangible fixed assets	10	85,534,593,635	107,084,464,169
222	Cost		551,766,526,211	552,370,246,258
223	Accumulated depreciation		(466,231,932,576)	(445,285,782,089)
227	2. Intangible fixed assets	11	11,036,700,971	12,942,412,601
228	Cost		12,624,319,258	14,382,148,304
229	Accumulated amortization		(1,587,618,287)	(1,439,735,703)
240	III. Long-term asset in progress	12	5,478,105,441	2,782,498,168
242	1. Construction in progress		5,478,105,441	2,782,498,168
250	IV. Long-term investments	13	816,000,000	41,956,000,000
252	1. Investment in jointly controlled entity		816,000,000	816,000,000
255	2. Held-to-maturity investments		-	41,140,000,000
260	V. Other long-term asset		5,745,201,180	6,474,403,269
261	1. Long-term prepaid expenses	14	5,745,201,180	6,474,403,269
270	TOTAL ASSETS		328,579,472,590	345,291,983,190

BALANCE SHEET (continued)
as at 31 December 2018

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		87,534,380,085	84,288,108,341
310	I. Current liabilities		86,569,380,085	83,747,108,341
311	1. Short term trade payables	15	50,327,134,167	27,384,558,329
312	2. Short-term advances from customers	16	2,911,335,263	12,040,686,482
313	3. Statutory obligations	17	3,525,082,874	1,528,197,455
314	4. Payables to employees		3,916,693,756	3,943,639,599
315	5. Short-term accrued expenses	18	6,731,839,015	1,698,157,613
318	6. Short-term unearned revenues		9,600,000	35,094,545
319	7. Other short-term payables	19	2,116,207,926	1,933,500,818
320	8. Short-term loans	20	14,944,949,669	33,032,054,181
322	9. Bonus and welfare fund		2,086,537,415	2,151,219,319
330	II. Non-current liabilities		965,000,000	541,000,000
337	1. Other long-term liability	19	365,000,000	241,000,000
342	2. Long-term provision		600,000,000	300,000,000
400	D. OWNERS' EQUITY		241,045,092,505	261,003,874,849
410	I. Capital	21.1	241,045,092,505	261,003,874,849
411	1. Share capital		209,723,210,000	209,723,210,000
411a	- Shares with voting rights		209,723,210,000	209,723,210,000
412	2. Share premium		15,257,068,213	15,257,068,213
418	3. Investment and development fund		5,352,597,635	5,352,597,635
421	4. Undistributed earnings		10,712,216,657	30,670,999,001
421a	- Undistributed earnings by the end of prior years		4,622,004,107	13,026,805,119
421b	- Undistributed earnings of current year		6,090,212,550	17,644,193,882
440	TOTAL LIABILITIES AND OWNERS' EQUITY		328,579,472,590	345,291,983,190

Hoang Thi Thanh Huyen
Preparer

Vo Thi Mui
Chief Accountant



Do Hoang Phuong
General Director


1 March 2019

INCOME STATEMENT
for the year ended 31 December 2018

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from sale of goods and rendering of services	22.1	343,965,004,436	280,821,283,970
11	2. Cost of goods sold and services rendered	23	(299,393,348,886)	(240,472,973,479)
20	3. Gross profit from sale of goods and rendering of services		44,571,655,550	40,348,310,491
21	4. Finance income	22.2	4,619,851,974	3,007,665,170
22	5. Finance expense	24	(1,509,550,158)	(1,260,473,639)
23	<i>In which: Interest expense</i>		(1,427,871,104)	(1,130,338,984)
26	6. General and administrative expenses	25	(38,210,143,636)	(32,139,921,301)
30	7. Operating profit		9,471,813,730	9,955,580,721
31	8. Other income	27	1,585,055,277	15,569,927,968
32	9. Other expenses	27	(637,475,936)	(825,350,746)
40	10. Other profit	27	947,579,341	14,744,577,222
50	11. Accounting profit before tax		10,419,393,071	24,700,157,943
51	12. Current corporate income tax expense	28.1	(4,329,180,521)	(7,055,964,061)
60	13. Net profit after tax		6,090,212,550	17,644,193,882
70	14. Basic earnings per share	30	290	799
71	15. Diluted earnings per share	30	290	799


Hoang Thi Thanh Huyen
Preparer


Vo Thi Mui
Chief Accountant


Do Hoang Phuong
General Director

1 March 2019

CASH FLOW STATEMENT
for the year ended 31 December 2018

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		10,419,393,071	24,700,157,943
	<i>Adjustments for:</i>			
02	Depreciation and amortization	10, 11	26,280,781,618	53,966,222,573
03	Provisions		756,027,338	(1,609,557,044)
04	Foreign exchange loss arising from revaluation of monetary accounts denominated in foreign currency		46,079,899	20,672,429
05	Profit from investing activities		(4,697,950,244)	(17,845,047,791)
06	Interest expense	24	1,427,871,104	1,130,338,984
08	Operating income before changes in working capital		34,232,202,786	60,362,787,094
09	(Increase) decrease in receivables		(28,637,699,819)	2,777,703,961
10	Increase in inventories		(2,777,568,770)	(10,220,677,515)
11	Increase (decrease) in payables		21,871,160,737	(429,999,469)
12	Decrease (increase) in prepaid expenses		737,998,965	(2,490,569,183)
14	Interest paid		(1,441,131,257)	(1,115,434,692)
15	Corporate income tax paid		(1,880,804,299)	(12,710,685,837)
17	Other cash outflows for operating activities		(946,891,598)	(1,860,660,000)
20	Net cash flows from operating activities		21,157,266,745	34,312,464,359
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(12,469,601,953)	(24,878,264,482)
22	Proceeds from disposal of fixed assets		5,280,120,822	17,052,973,739
23	Loans to other entity and purchase of bonds		-	(88,140,000,000)
24	Collections from borrower		25,000,000,000	47,000,000,000
27	Interest and dividends received		4,523,136,944	2,598,231,369
30	Net cash flows from (used in) investing activities		22,333,655,813	(46,367,059,374)

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2018

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		170,766,043,408	157,832,712,172
34	Repayment of borrowings		(188,853,147,920)	(140,572,664,097)
36	Dividends paid	21.3	(25,088,339,520)	(31,308,469,755)
40	Net cash flows used in financing activities		(43,175,444,032)	(14,048,421,680)
50	Net decrease in cash for the year		315,478,526	(26,103,016,695)
60	Cash and cash equivalents at beginning of year		41,714,693,275	67,814,830,185
61	Impact of exchange rate fluctuation		(8,327,538)	2,879,785
70	Cash and cash equivalents at end of year	4	42,021,844,263	41,714,693,275

Hoang Thi Thanh Huyen
Preparer

Vo Thi Mui
Chief Accountant



Do Hoang Phuong
General Director

1 March 2019

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2018 and for the year then ended

1. CORPORATE INFORMATION

Vietranstimex Multimodal Transport Holding Company ("the Company"), formerly known as Multimodal Transport Holding Company, was originally a State-owned enterprise established in Vietnam in accordance with the Decision No. 1313/QD-TC issued by the Ministry of Transport ("MOT") on 27 March 1976. The Company's first Business Registration Certificate ("BRC") No. 3206000035 was issued by the Department of Planning and Investment ("DPI") of Da Nang City on 5 May 2004.

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The number of the Company's employees as at 31 December 2018 was 297 (31 December 2017: 355).

2. BASIS OF PREPARATION**2.1 Accounting standards and system**

The financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying financial statements including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.2 Applied accounting documentation system

The Company's applied accounting documentation system is the Voucher Journal system.

2.3 Fiscal year

The Company's fiscal year applicable for the preparation of its financial statement starts on 1 January and ends on 31 December.

2.4 Accounting currency

The financial statements are prepared in VND which is also the Company's accounting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

- | | |
|--|--|
| Raw materials, fuel consumables and tools and supplies | - cost of purchase on a first-in, first-out basis. |
| Work-in process | - external services and labor plus attributable manufacturing overheads based on the normal operating capacity |

Provision for obsolete inventories

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

3.3 Receivables

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful receivables.

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded into general and administration expense in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use. Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

Land use rights

Land use rights are recorded as intangible fixed assets representing the value of the right to use the lands acquired by the Company. The useful lives of land use rights are assessed as either definite or indefinite. Accordingly, the land use right with definite useful lives is amortized over the useful lives while the land use right with indefinite useful lives is not amortized.

3.6 *Depreciation and amortization*

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 50 years
Machinery and equipment	3 - 6 years
Means of transportation	4 - 10 years
Office equipment	3 - 5 years
Computer software	3 - 5 years

3.7 *Construction in progress*

Construction in progress represents tangible fixed assets under construction and is stated at cost. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term and long-term prepaid expenses on the balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Investments*

Investments in joint venture

Investments in joint venture over which the Company has joint control are carried at cost.

Distributions from accumulated net profits of the joint venture arising subsequent to the date of acquisition are recognized in the income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognized as expense in the financial statements and deducted against the value of such investments.

3.11 *Payables and accruals*

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.12 *General provision*

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.13 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet date which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amount is calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.15 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting.

Investment and development fund

This fund is set aside for use in the Company's expansion or upgrading of its operation or in-depth investments.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the balance sheet.

Dividends

Dividends proposed by the Company's Board of Directors are classified as an allocation of undistributed earnings within the equity section of the balance sheet, until they have been approved by the Company's shareholders at the Annual General Meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability in the balance sheet.

3.16 *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Revenue is recognized when the services had been performed and completed.

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Interest

Revenue is recognized as the interest accrues unless collectability is in doubt.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Segment information

The Company's principal activities are to provide transport services which are mainly taking place within Vietnam. Therefore, the Company's risks and returns are not impacted by the Company's services that the Company is providing or the locations where the Company is operating. As a result, the Company's management is of the view that there is only one segment for business of providing transport services and geography in Vietnam and therefore presentation of segmental information is not required.

3.18 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences and carried forward unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred income tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority on either the same taxable entity or when the Company intends either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Related parties

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH AND CASH EQUIVALENT

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	197,093,000	243,503,000
Cash in banks	11,824,751,263	29,471,190,275
Cash equivalents (*)	<u>30,000,000,000</u>	<u>12,000,000,000</u>
TOTAL	<u>42,021,844,263</u>	<u>41,714,693,275</u>

(*) Cash equivalents represent short-term deposits with original maturity of less than three months at the commercial banks and earn interest rate at market rate.

5. HELD- TO-MATURITY INVESTMENTS

Held-to-maturity investment as at 31 December 2018 represented fifteen (15) bonds of IB Securities Joint Stock Company, with original maturity of two years, currently earned interest rate at 9.625% p.a. and will be repaid in February 2019.

6. SHORT-TERM ACCOUNTS RECEIVABLE

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
From related parties (Note 29)	1,039,161,139	7,624,751,891
From third parties	136,283,235,686	104,547,973,957
<i>Cosco Logistics Kunming Co., Ltd</i>	22,912,196,439	25,513,826,633
<i>Others</i>	<u>113,371,039,247</u>	<u>79,034,147,324</u>
TOTAL	<u>137,322,396,825</u>	<u>112,172,725,848</u>
Provision for doubtful receivables	<u>(14,876,880,394)</u>	<u>(14,117,605,556)</u>
NET	<u>122,445,516,431</u>	<u>98,055,120,292</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vietnam Salvage Joint Stock Company	1,080,000,000	-
Cevina Joint Stock Company	715,000,000	-
EPC Global Shipping Co., Ltd	603,515,772	-
Zen-D Construction Co., Ltd	487,800,000	-
Others	984,655,886	4,831,909,919
TOTAL	<u>3,870,971,658</u>	<u>4,831,909,919</u>

8. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	13,665,368,767	8,169,361,377
Advances for employees	7,764,797,083	4,982,705,371
Payment on behalf	5,006,816,556	1,864,224,543
Interest income	568,763,078	423,801,283
Deposits	104,467,850	295,600,000
Others	220,524,200	603,030,180
Long-term	472,377,170	223,747,370
Deposits	472,377,170	223,747,370
TOTAL	14,137,745,937	8,393,108,747
Provision for doubtful receivables	(1,430,246,060)	(1,433,493,560)
NET	<u>12,707,499,877</u>	<u>6,959,615,187</u>

9. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Goods in transit	205,319,039	373,395,209
Materials and fuel consumable	10,058,588,476	9,823,988,668
Work in process	12,631,083,925	10,001,346,793
Others	187,894,968	106,586,968
TOTAL	<u>23,082,886,408</u>	<u>20,305,317,638</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	VND Total
Cost					
Beginning balance	32,315,609,380	32,682,466,921	486,177,383,672	1,194,786,285	552,370,246,258
New purchase	186,639,589	-	6,678,829,182	70,000,000	6,935,468,771
Disposal	(1,673,312,475)	-	(5,779,513,654)	(86,362,689)	(7,539,188,818)
Ending balance	30,828,936,494	32,682,466,921	487,076,699,200	1,178,423,596	551,766,526,211
<i>In which:</i>					
<i>Fully depreciated</i>	415,941,455	31,183,952,322	380,138,572,965	970,363,596	412,708,830,338
Accumulated depreciation					
Beginning balance	(15,454,714,901)	(30,658,704,338)	(398,069,365,211)	(1,102,997,639)	(445,285,782,089)
Depreciation for the year	(2,211,284,329)	(1,202,484,513)	(22,667,276,859)	(51,853,333)	(26,132,899,034)
Disposal	349,809,207	-	4,750,576,651	86,362,689	5,186,748,547
Ending balance	(17,316,190,023)	(31,861,188,851)	(415,986,065,419)	(1,068,488,283)	(466,231,932,576)
Net carrying amount					
Beginning balance	16,860,894,479	2,023,762,583	88,108,018,461	91,788,646	107,084,464,169
Ending balance	13,512,746,471	821,278,070	71,090,633,781	109,935,313	85,534,593,635

The means of transportation of the Company with costs of VND 137,933,753,931 were placed as collateral for the Company's bank loans.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

11. INTANGIBLE FIXED ASSETS

	<i>Land use right</i>		<i>Computer software</i>		<i>VND</i>
					<i>Total</i>
Cost					
Beginning balance	12,436,033,231		1,946,115,073		14,382,148,304
Disposal	(1,757,829,046)		-		(1,757,829,046)
Ending balance	<u>10,678,204,185</u>		<u>1,946,115,073</u>		<u>12,624,319,258</u>
<i>In which</i>					
<i>Fully amortized</i>		-	1,396,847,073		1,396,847,073
Accumulated amortization					
Beginning balance		-	(1,439,735,703)		(1,439,735,703)
Amortization for the year		-	(147,882,584)		(147,882,584)
Ending balance		-	<u>(1,587,618,287)</u>		<u>(1,587,618,287)</u>
Net carrying amount:					
Beginning balance	<u>12,436,033,231</u>		<u>506,379,370</u>		<u>12,942,412,601</u>
Ending balance	<u>10,678,204,185</u>		<u>358,496,786</u>		<u>11,036,700,971</u>

The land use right of the Company with carrying amount of VND 7,552,136,460 was placed as collateral for the Company's bank loans. Details of such loans are presented in *Notes 20*.

12. CONSTRUCTION IN PROGRESS

Construction in progress represents machinery and means of transportation under installation.

13. LONG-TERM INVESTMENTS

	<i>Ending balance</i>		<i>Beginning balance</i>		<i>VND</i>
	<i>Cost of investment</i>	<i>Provision</i>	<i>Cost of investment</i>	<i>Provision</i>	
Investment in joint venture	816,000,000	-	816,000,000	-	
Bonds	-	-	41,140,000,000	-	
TOTAL	<u>816,000,000</u>	<u>-</u>	<u>41,956,000,000</u>	<u>-</u>	

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year ended

13. LONG-TERM INVESTMENT (continued)

13.1 Investment in joint venture

Name of joint venture	Business activities	Ending balance		Beginning balance	
		% interest	Cost of investment VND	% interest	Cost of investment VND
BNX-Vietranstimex Joint Venture Limited Company(i)	Transportation	51	<u>816,000,000</u>	51	<u>816,000,000</u>

(i) In accordance with the Agreement No. VTT-BNX/2011-001 dated 4 April 2011, BNX-Vietranstimex Joint Venture Limited Company ("BNX-Vietranstimex") ended its operation. As at 31 December 2018, BNX-Vietranstimex is in process of liquidation.

14. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term	798,923,646	807,720,522
Repairing fee	310,580,799	18,835,333
Toll fees	156,785,516	252,348,098
Tools and supplies	143,933,869	43,364,515
Insurance fee	15,337,648	179,795,892
Others	172,285,814	313,376,684
Long-term	5,745,201,180	6,474,403,269
Land rental fee	2,498,213,051	2,567,607,863
Office decoration and maintenance fee	1,569,423,720	2,191,165,040
Tools and supplies	1,550,237,357	1,490,487,010
Others	127,327,052	225,143,356
TOTAL	<u>6,544,124,826</u>	<u>7,282,123,791</u>

15. SHORT-TERM TRADE PAYABLES

	VND	
	Ending balance	Beginning balance
Due to related parties (Note 29)	3,458,449,433	1,711,164,450
Due to third parties	46,868,684,734	25,673,393,879
PTSC Phu My Port Joint Stock Company	6,393,478,816	789,559,983
Dong Hai 27-7 Joint Stock Company	5,939,457,193	-
Thanh Nhan Transportation Trading Services Co., Ltd	4,621,728,620	173,439,530
Others	29,914,020,105	24,710,394,366
TOTAL	<u>50,327,134,167</u>	<u>27,384,558,329</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year ended

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Strategic Marine Co., Ltd	1,730,120,000	-
Others	1,181,215,263	12,040,686,482
TOTAL	<u>2,911,335,263</u>	<u>12,040,686,482</u>

17. STATUTORY OBLIGATIONS

	VND			
	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>Ending balance</i>
Value-added-tax	301,971,805	32,455,550,700	(31,536,797,501)	1,220,725,004
Corporate income tax	(328,854,607)	4,329,180,521	(1,880,804,299)	2,119,521,615
Personal income tax	170,245,477	1,007,245,553	(1,033,883,855)	143,607,175
Others	7,006,630	1,277,911,331	(1,284,917,961)	-
TOTAL	<u>150,369,305</u>	<u>39,069,888,105</u>	<u>(35,736,403,616)</u>	<u>3,483,853,794</u>
<i>In which:</i>				
<i>Receivables</i>	1,377,828,150	283,217,323	(1,619,816,393)	41,229,080
<i>Payables</i>	1,528,197,455	39,353,105,428	(37,356,220,009)	3,525,082,874

18. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Sub-contractor expenses	6,636,297,146	1,571,355,591
Interest expense	13,541,869	26,802,022
Others	82,000,000	100,000,000
TOTAL	<u>6,731,839,015</u>	<u>1,698,157,613</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year ended

19. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	2,116,207,926	1,933,500,818
Dividend payables	524,513,376	446,067,696
Trade union fee	193,666,463	489,427,252
Others	1,398,028,087	998,005,870
Long-term	365,000,000	241,000,000
Others	365,000,000	241,000,000
TOTAL	<u>2,481,207,926</u>	<u>2,174,500,818</u>
<i>In which:</i>		
<i>Due to related parties (Note 29)</i>	816,000,000	816,000,000
<i>Due to third parties</i>	1,665,207,926	1,358,500,818

20. SHORT-TERM LOANS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bank loans	<u>14,944,949,669</u>	<u>33,032,054,181</u>

Details of bank loans are as follows:

<i>Bank</i>	<i>31 December 2018</i>	<i>Maturity date</i>	<i>Collateral</i>
	VND		
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Da Nang Branch	<u>14,944,949,669</u>	28 March 2019	Land use right.

Bank loan bear interest at market rate.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

21. OWNERS' EQUITY

21.1 Movements in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed earnings	Total	VND
Previous year						
Beginning balance	209,723,210,000	15,257,068,213	2,909,120,561	49,372,240,767	277,261,639,541	
Net profit for the year	-	-	-	17,644,193,882	17,644,193,882	
Funds appropriation	-	-	2,443,477,074	(4,886,954,148)	(2,443,477,074)	
Dividends declared	-	-	-	(31,458,481,500)	(31,458,481,500)	
Ending balance	<u>209,723,210,000</u>	<u>15,257,068,213</u>	<u>5,352,597,635</u>	<u>30,670,999,001</u>	<u>261,003,874,849</u>	
Current year						
Beginning balance	209,723,210,000	15,257,068,213	5,352,597,635	30,670,999,001	261,003,874,849	
Net profit for the year	-	-	-	6,090,212,550	6,090,212,550	
Funds appropriation	-	-	-	(882,209,694)	(882,209,694)	
Dividends declared	-	-	-	(25,166,785,200)	(25,166,785,200)	
Ending balance	<u>209,723,210,000</u>	<u>15,257,068,213</u>	<u>5,352,597,635</u>	<u>10,712,216,657</u>	<u>241,045,092,505</u>	

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

21. OWNERS' EQUITY (continued)

21.2 Shares

	Shares	
	Ending balance	Beginning balance
Ordinary shares authorized to be issued	20,972,321	20,972,321
Ordinary shares issued and fully paid	20,972,321	20,972,321

The par value of each outstanding share: VND 10,000 (2017: VND 10,000).

21.3 Dividends

	VND	
	Current year	Previous year
Dividends on ordinary shares declared and paid during the year		
<i>Dividends declared during the year</i>	25,166,785,200	31,458,481,500
<i>Dividends paid during the year</i>	25,088,339,520	31,308,469,755

22. REVENUE

22.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
Rendering of transportation services and leasing services	343,965,004,436	280,663,283,970
Sale of merchandise goods	-	158,000,000
TOTAL	<u>343,965,004,436</u>	<u>280,821,283,970</u>

22.2 Finance income

	VND	
	Current year	Previous year
Interest income	3,528,098,739	2,951,560,113
Foreign exchange difference gains	1,091,753,235	56,105,057
TOTAL	<u>4,619,851,974</u>	<u>3,007,665,170</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

23. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of transportation services and leasing	299,393,348,886	240,726,160,663
Cost of merchandise sold	-	158,000,000
Provision for obsolete inventories	-	(411,187,184)
TOTAL	<u>299,393,348,886</u>	<u>240,472,973,479</u>

24. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Loan interest	1,427,871,104	1,130,338,984
Foreign exchange difference losses	81,679,054	130,134,655
TOTAL	<u>1,509,550,158</u>	<u>1,260,473,639</u>

25. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labor cost	27,104,149,580	23,218,730,991
Depreciation and amortization	685,672,250	765,599,696
Provision (reversal of provision) for doubtful receivables	1,056,027,338	(832,541,460)
Expenses for external services	6,578,034,256	6,328,854,791
Others	2,786,260,212	2,659,277,283
TOTAL	<u>38,210,143,636</u>	<u>32,139,921,301</u>

26. OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Materials and fuel	26,823,604,347	18,411,976,883
Labor costs	61,548,783,475	53,336,077,477
Depreciation and amortization (Notes 10 and 11)	26,280,781,618	53,966,222,573
Expenses for external services and sub-contractors	209,475,827,632	135,511,090,343
Others	13,474,495,450	11,387,527,504
TOTAL	<u>337,603,492,522</u>	<u>272,612,894,780</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

27. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
Other income	1,585,055,277	15,569,927,968
Gain from disposal of assets	1,398,788,508	14,893,487,678
Penalty received	47,775,612	591,500,000
Others	138,491,157	84,940,290
Other expenses	(637,475,936)	(825,350,746)
Penalty	(329,539,452)	(706,037,375)
Gain from disposal of assets	(228,937,003)	-
Others	(78,999,481)	(119,313,371)
NET OTHER PROFIT	947,579,341	14,744,577,222

28. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") of 20% of taxable profits. (2017: 20%)

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

28.1 CIT expense

	VND	
	Current year	Previous year
Current CIT expense	4,329,180,521	6,493,700,042
Adjustment for under accrual of CIT from prior years	-	562,264,019
TOTAL	4,329,180,521	7,055,964,061

A reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

	VND	
	Current year	Previous year
Accounting profit before tax	10,419,393,071	24,700,157,943
At CIT rate applicable to the Company	2,083,878,614	4,940,031,589
<i>Adjustments:</i>		
Non-deductible expenses	2,249,850,962	1,860,477,099
Adjustment for under accrual of CIT from prior years	-	562,264,019
Others	(4,549,055)	(306,808,646)
CIT expense	4,329,180,521	7,055,964,061

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

28. CORPORATE INCOME TAX (continued)

28.2 Current tax

The current tax payable is based on taxable profit for the current year. The taxable profit of the Company for the year differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

28.3 Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of accrual for severance pay as immaterial.

29. TRANSACTIONS WITH RELATED PARTIES

Terms and conditions of transactions with related parties

Related party transactions include all transactions undertaken with other companies to which the Company is related, either through the investor, investee relationship or because they share a common investor and thus are considered to be a part of the same corporate company. Sales and purchases to and from related parties are made on the basis of negotiated contracts. Outstanding balances at the balance sheet date are unsecured and interest free and settlement occurs in cash.

Significant transactions of the Company with related parties during the current year and previous year were as follows:

Related parties	Relationship	Transaction	VND	
			Current year	Previous year
South Logistics Joint Stock Company	Parent company	Lending	-	47,000,000,000
		Collection of loan	-	47,000,000,000
		Transportation service rendered	4,945,070,897	29,560,684,737
		Dividend declared	21,140,100,000	26,425,125,000
		Fuel purchasing	4,562,828,366	4,072,021,642
		Office rental	939,818,736	916,972,355
		Interest income	-	655,861,111
		Office leasing	149,426,843	171,040,976
		Transportation service purchased	247,044,908	109,117,819
		Southern Waterborne Transport Corporation	Related party	Office rental
Transportation services purchased	167,478,691			826,792,485
Sales of assets	-			149,090,909
Service rendered	-			5,600,000
Sotrans Ha Tinh Joint Stock Company	Related party	Transportation service purchased	3,097,296,637	559,850,000
		Transportation service rendered	3,319,587,273	215,630,000
		Office leasing	62,792,156	73,157,200
Vietnam-Hungari 2 Electric Machinery Manufacturing Joint Stock Company	Related party	Purchase of assets	-	38,293,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

29. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due to and due from related parties at the balance sheet date were as follows:

Related party	Relationship	Transaction	VND	
			Ending balance	Beginning balance
Short-term trade receivables				
South Logistics Joint Stock Company	Parent company	Transportation services rendered	190,000,000	7,589,141,283
		Office leasing	-	8,316,000
Sotrans Ha Tinh Joint Stock Company	Related party	Transportation services rendered	849,161,139	26,455,000
		Office leasing	-	839,608
TOTAL			1,039,161,139	7,624,751,891
Held-to-maturity investment				
IB Securities Joint Stock Company	Related party	Bonds	15,000,000,000	41,140,000,000
Short-term trade payable				
South Logistics Joint Stock Company	Parent company	Purchase fuel	1,600,648,100	951,726,600
		Office leasing	174,270,623	175,512,990
		Transportation services purchased	3,300,000	12,000,000
Southern Waterborne Transport Corporation	Related party	Space leasing	1,552,150	198,034,860
		Transportation services purchased	196,226,560	-
Sotrans Ha Tinh Joint Stock Company	Related party	Transportation services purchased	1,482,452,000	373,890,000
TOTAL			3,458,449,433	1,711,164,450
Short-term other payables				
BNX-Vietranstimex Joint venture	Related party	Others	816,000,000	816,000,000

Salaries, bonus and remunerations for the members of the Board of Directors and the management are as follows:

	VND	
	Current year	Previous year
Remunerations of the management	1,233,581,000	2,507,485,000
Remunerations of the Board of Directors	312,000,000	234,000,000
TOTAL	1,545,581,000	2,741,485,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

30. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>Current year</i>	<i>VND Previous year (as restated)</i>
Net profit after tax	6,090,212,550	17,644,193,882
Distribution to bonus and welfare fund	-	(882,209,694)
Net profit after tax attributable to ordinary shares	6,090,212,550	16,761,984,188
Weighted average number of ordinary shares	20,972,321	20,972,321
Basic earnings per share (<i>VND/share</i>)	290	799
Diluted earnings per share (<i>VND/share</i>)	290	799

(*) Profit used to compute earnings per share for the year 2017 as presented in the financial statements for the year 2017 was restated to reflect the actual allocation to bonus and welfare fund from 2017 retained earnings following the resolution of the shareholders meeting minutes No. 01//2018/NQ-DHDCD dated 24 April 2018.

Profit used to compute earnings per share for the year 2018 was not adjusted for the provisional allocation to bonus and welfare fund from 2018 profit due to pending approval from the shareholders general meeting.

There have been no dilutive potential ordinary shares during the year and up to the date of these financial statements.

31. COMMITMENTS

Operating lease commitment


The Company leases warehouse and land area under operating lease arrangements. The minimum lease commitment as at the balance sheet date under the operating lease agreements is as follows:

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Less than one year	3,451,162,294	2,659,459,675
From 2 to 5 years	3,413,483,920	2,270,164,520
More than 5 years	9,790,084,493	9,790,084,493
TOTAL	<u>16,654,730,707</u>	<u>14,719,708,688</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2018 and for the year then ended

32. EVENTS AFTER THE BALANCE SHEET DATE

There is no event or circumstance that has arisen after the balance sheet date that requires adjustments or disclosures to be made in the financial statements of the Company.



Hoang Thi Thanh Huyen
Preparer



Vo Thi Mui
Chief Accountant



Do Hoang Phuong
General Director

1 March 2019

