

**SUPERDONG FAST FEERY KIEN GIANG JOINT STOCK COMPANY**

**No 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc, Kien Giang Province**

## **TABLE OF CONTENTS**

### **FINANCIAL STATEMENT OF QIV 2016**

- Balance sheet
- Income Statement
- Cash Flow Statement
- Notes to Financial Statement



**BALANCE SHEET**  
**As of 31 December 2016**

Unit: VND


ASSETS	Code	Notes	Ending balance	Beginning balance
<b>A. CURRENT ASSETS (100=110+120+130+140+150)</b>	<b>100</b>		<b>381,708,847,970</b>	<b>316,076,161,137</b>
<b>I. CASH AND CASH EQUIVALENTS</b>	<b>110</b>	<b>V.01</b>	<b>8,653,680,105</b>	<b>34,212,003,296</b>
1. Cash	111		6,653,680,105	8,212,003,296
2. Cash Equivalent	112		2,000,000,000	26,000,000,000
<b>II. SHORT-TERM FINANCIAL INVESTMENTS</b>	<b>120</b>		<b>328,100,000,000</b>	<b>210,000,000,000</b>
1. Trading Securities	121		-	-
3. Held-to-Maturity Investments	123	V.02	328,100,000,000	210,000,000,000
<b>III. SHORT-TERM RECEIVABLES</b>	<b>130</b>		<b>27,349,471,314</b>	<b>61,974,368,005</b>
1. Short-term Receivables from Customers	131		579,694,000	749,885,000
2. Short-term Prepayment to Suppliers	132	V.04	26,173,475,300	59,811,962,172
3. Short-term Internal Receivables	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Short-term Loan Receivable	135		-	-
6. Other Short-term Receivables	136	V.05	596,302,014	1,412,520,833
7. Provision for Bad Debts	137		-	-
8. Insufficient Assets	139		-	-
<b>IV. INVENTORIES</b>	<b>140</b>		<b>10,367,631,167</b>	<b>8,272,655,978</b>
1. Inventories	141	V.06	10,367,631,167	8,272,655,978
2. Provision for Devaluation of Stocks	149		-	-
<b>V. OTHER CURRENT ASSETS</b>	<b>150</b>	<b>V.07</b>	<b>7,238,065,384</b>	<b>1,617,133,858</b>
1. Short-term Prepaid Expenses	151		2,076,435,333	1,617,133,858
2. Deductible VAT	152		5,161,630,051	-
3. Taxes and Receivables from State Budget	153		-	-
4. Repurchase Government Bonds Transactions	154		-	-
5. Others Current Assets	155		-	-
<b>B. NON-CURRENT ASSETS (200=210+220+240+250+260)</b>	<b>200</b>		<b>333,087,338,756</b>	<b>211,264,453,207</b>
<b>I. LONG-TERM RECEIVABLES</b>	<b>210</b>		<b>2,902,500,000</b>	<b>1,715,000,000</b>
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216		2,902,500,000	1,715,000,000
7. Allowance for doubtful debts	219		-	-
<b>II. FIXED ASSETS</b>	<b>220</b>		<b>328,963,449,341</b>	<b>209,539,388,199</b>
1. Tangible Fixed Assets	221	V.08	320,391,740,341	202,396,003,553
- Historical Cost	222		419,760,734,396	277,959,624,506
- Accumulated Depreciation (*)	223		(99,368,994,055)	(75,563,620,953)
2. Financial Lease Assets	224		-	-
- Historical Cost	225		-	-
- Accumulated Depreciation (*)	226		-	-
3. Intangible Fixed Assets	227	V.09	8,571,709,000	7,143,384,646
- Historical Cost	228		8,807,253,481	7,361,893,481
- Accumulated Depreciation (*)	229		(235,544,481)	(218,508,835)
<b>III. INVESTMENT PROPERTIES</b>	<b>230</b>		<b>-</b>	<b>-</b>
<b>IV. LONG TERM UNCOMPLETED ASSETS</b>	<b>240</b>		<b>592,834,181</b>	<b>-</b>
1. Long-term Work In Progress	241		592,834,181	-
2. Capital Construction in Progress	242		-	-
<b>V. LONG-TERM FINANCIAL INVESTMENTS</b>	<b>250</b>		<b>-</b>	<b>-</b>
1. Investments in Subsidiaries	251		-	-
3. Investments in Other Companies	253		-	-
4. Provision for Long-term Investments Devaluation (*)	254		-	-
5. Held-to-Maturity Investments	255		-	-



ASSETS	Code	Notes	Ending balance	Beginning balance
<b>VI. OTHER NON-CURRENT ASSETS</b>	<b>260</b>		<b>628,555,234</b>	<b>10,065,008</b>
1. Long-term Prepaid Expenses	261	V.07	628,555,234	10,065,008
2. Deferred Income Tax Assets	262		-	-
4. Others Non-current Assets	268		-	-
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>714,796,186,726</b>	<b>527,340,614,344</b>
<b>A. LIABILITIES (300=310+330)</b>	<b>300</b>		<b>10,952,862,604</b>	<b>11,930,572,786</b>
<b>I. CURRENT LIABILITIES</b>	<b>310</b>		<b>10,952,862,604</b>	<b>11,930,572,786</b>
1. Short-term Payables	311	V.10	1,418,317,674	472,880,669
2. Short term Advances Received from the Customers	312	V.11	1,692,385,700	690,651,000
3. Taxes and Obligations to State Budget	313	V.12	1,709,420,451	3,499,780,989
4. Labor Payables	314	V.13	4,807,751,000	3,810,951,000
5. Short-term Expense payable/Accrual Expenses	315		-	-
6. Short-Term Internal Payables	316		-	-
7. Payables by Scheduled Progress of Construction Contracts	317		-	-
8. Short-term Unrealized Revenue	318		-	-
9. Other Short-term Payables	319	V.14	368,985,207	347,872,556
10. Short-term Borrowings and Liabilities	320		-	-
11. Provision of Short-term Payables	321		-	-
12. Reward and Welfare Fund	322	V.15	956,002,572	3,108,436,572
13. Price Stabilisation Fund	323		-	-
14. Repurchase Government Bonds Transactions	324		-	-
<b>II. NON-CURRENT LIABILITIES</b>	<b>330</b>		<b>-</b>	<b>-</b>
1. Long-term Payables to Suppliers	331		-	-
2. Long term Advances Received from the Customers	332		-	-
11. Payable Deferred Income Tax	341		-	-
12. Provision of Long-term Payables	342		-	-
13. Science and Technology Development Fund	343		-	-
<b>B. OWNER'S EQUITY (400=410+430)</b>	<b>400</b>		<b>703,843,324,122</b>	<b>515,410,041,558</b>
<b>I. OWNER'S EQUITY</b>	<b>410</b>	<b>V.16</b>	<b>703,843,324,122</b>	<b>515,410,041,558</b>
1. Share Capital/Paid in capital	411		342,712,420,000	244,795,850,000
- Ordinary Shares with Voting Right	411a		342,712,420,000	244,795,850,000
- Preferred Shares	411b		-	-
2. Share premiums	412	V.16	11,469,923,636	11,469,923,636
3. The Right to convert the Convertible Bonds to shares	413		-	-
4. Other Owner's Equity	414		-	-
5. Shares in Fund (*)	415		-	-
6. Differences from Asset Revaluation	416		-	-
7. Exchange Rate Differences	417		-	-
8. Development Investment Fund	418	V.16	9,325,309,715	9,325,309,715
9. Corporation Arrangement Support Fund	419		-	-
10. Other Funds	420	V.16	3,108,436,572	3,108,436,572
11. Undistributed Profit	421	V.16	337,227,234,199	246,710,521,635
- Accumulated Undistributed Profit by The End of The Previous Period	421A		124,314,366,635	246,710,521,635
- Undistributed Profit of the Current Period	421B		212,912,867,564	-
12. Capital Construction Investment	422		-	-
<b>II. STATE BUDGET AND OTHER FUNDS</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Subsidy Funds from State Budget	432		-	-
2. Subsidy Funds Invested in Fixed Assets	433		-	-
<b>TOTAL LIABILITIES &amp; EQUITY (440=300+400)</b>	<b>440</b>		<b>714,796,186,726</b>	<b>527,340,614,344</b>

  
**LÂM THỊ NGỌC THƯƠNG**  
Reporter

  
**LƯU HẢI ANH**  
Chief Accountant

Kien Giang, 16th December 2016  
  
**HÀ NGUYỆT NHI**  
Legal Representative

# INCOME STATEMENT

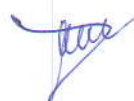
As of 31 December 2016

Items	Code	Notes	2016		2015	
			4th Quarter	Accumulated	4th Quarter	Accumulated
				from the beginning of the year		from the beginning of the year
1. Gross Revenue	01	VI.1	69,964,585,329	358,427,529,517	68,595,797,920	305,365,465,919
2. Deductible Items	02	VI.2	1,436,531,942	2,713,818,391	65,327,288	391,445,536
3. Net Revenue (10=01- 02)	10		68,528,053,387	355,713,711,126	68,530,470,632	304,974,020,383
4. Cost of Goods Sold	11	VI.3	27,679,760,610	113,654,409,757	25,220,642,655	101,504,086,675
5. Gross Profit (20=10-11)	20		40,848,292,777	242,059,301,369	43,309,827,977	203,469,933,708
6. Revenue from Financial Activities	21	VI.4	4,128,484,831	12,831,510,734	3,106,759,279	7,077,493,607
7. Expenses from Financial Activities	22	VI.5	28,650,759	65,790,516	71,686,791	80,339,241
8. Selling Expenses	24	VI.6	5,951,143,885	27,401,678,238	5,223,952,194	23,059,838,571
9. Administration Expenses	25	VI.6	2,156,074,866	7,764,181,144	1,854,223,528	6,132,361,687
10. Net Operating Profit {30=20+(21-22)-	30		36,840,908,098	219,659,162,205	39,266,724,743	181,274,887,816
11. Other Incomes	31		244,269,961	621,551,232	8,544,277	67,281,178
12. Other Expenses	32		29	7,405,969	7,277,970	34,884,482
13. Other Profits (40=31-32)	40		244,269,932	614,145,263	1,266,307	32,396,696
14. Accounting Profit before Tax (50=30+40)	50		37,085,178,030	220,273,307,468	39,267,991,050	181,307,284,512
15. Current Income Tax	51	V.12	1,666,791,504	7,360,439,904	1,559,571,121	6,327,410,556
16. Deferred Income Tax	52					
17. Profit after Tax (60=50-51-52)	60		35,418,386,526	212,912,867,564	37,708,419,929	174,979,873,956
18. Basic Earnings per Share	70	VI.7	1,033	6,213	1,100	5,106
19. Diluted Earnings Per Share	71					

Kien Giang, 16th December 2016



LÂM THỊ NGỌC THƯƠNG  
Reporter



LƯU HẢI ANH  
Chief Accountant



HÀ NGUYỆT NHI  
Legal Representative




**STATEMENT OF CASH FLOW (INDIRECT METHOD)**

**As of 31 December 2016**


Items	Code	Accumulated from the beginning of the year	
		Current year	Previous year
<b>I. CASH FLOWS FROM BUSINESS ACTIVITIES</b>			-
1. Profit before Taxes	01	220,273,307,468	181,307,284,512
2. Adjustments for		-	-
- Fixed Asset Depreciation	02	23,822,408,748	18,723,721,024
- Gains and Losses of Unrealized Exchange Rate Difference	04	4,419,905	(9,329,997)
- Gains and Losses from Investment Activities	05	(12,781,069,327)	(6,865,047,571)
<b>3. Profits from Business Activities before Adjustment of Working Capital</b>	<b>08</b>	<b>231,319,066,794</b>	<b>193,156,627,968</b>
- Increase/Decrease in Receivables	09	(6,211,346,365)	(1,877,739,000)
- Increase/Decrease in Stocks	10	(2,094,975,189)	(3,078,277,246)
- Increase/Decrease in Payables (excluding payable loan interest and enterprise income tax)	11	(1,085,651,415)	394,264,367
- Increase/Decrease in Prepaid Expenses	12	(1,077,791,701)	(74,356,799)
- Fluctuation of Trading Securities	13	-	-
- Loan Interest Paid	14	-	-
- Income Tax Paid	15	(7,253,219,521)	(5,894,116,868)
- Other Cash Receipts from Business Activities	16	-	-
- Other Cash Payments to Business Activities	17	-	-
<b>Net Cash Flows from Business Activities</b>	<b>20</b>	<b>213,596,082,603</b>	<b>182,626,402,422</b>
<b>II. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			-
1. Cash Payments to Procure and/or Construct Fixed Assets and Other Long-term Assets	21	(110,273,675,899)	(54,022,897,491)
2. Cash Receipts from the Liquidation, Assignment or Sale of Fixed Assets and Other Long-term Assets	22	-	-
3. Cash Payments to Provide loans, to Acquire Debt Instruments of Other Units	23	(377,100,000,000)	(146,700,000,000)
4. Cash Receipts from the Recovery of Loans Provided, from the Re-sale of Debt Instruments of Other Units	24	259,000,000,000	29,700,000,000
5. Cash Payments of Investments in Capital Contributions to Other Units	25	-	-
6. Cash Recovered from Investments in Capital Contributions to Other Units	26	-	-
7. Cash Receipts from Loan Interests, Dividends and Earned Profits	27	13,702,554,160	6,277,907,143
<b>Net Cash Flows from Investment Activities</b>	<b>30</b>	<b>(214,671,121,739)</b>	<b>(164,744,990,348)</b>
<b>III. CASH FLOWS FROM FINANCIAL ACTIVITIES</b>			-
1. Gain from stock issuance and capital contributions from shareholders	31	-	16,317,960,000
2. Repayment for capital contributions and re-purchases of stocks already issued	32	-	-
3. Short-term and long-term loans received	33	-	-
4. Loan principal amounts repaid	34	-	-
5. Payments for financial leasehold assets	35	-	-
6. Dividends and profit already paid to owners	36	(24,478,864,150)	(20,019,642,950)
<b>Net Cash Flows from Financial Activities</b>	<b>40</b>	<b>(24,478,864,150)</b>	<b>(3,701,682,950)</b>

Items	Cod e	Current year	Previous year
Net Cash Flows in the Period (50 = 20+30+40)	50	(25,553,903,286)	14,179,729,124
Cash and Cash Equivalents at the Beginning of Period	60	34,212,003,296	74,022,944,175
Effects of Changes in Foreign Exchange Rates	61	(4,419,905)	9,329,997
Cash and Cash Equivalents at the End of Period	70	8,653,680,105	88,212,003,296

Kien Giang, 16th December 2016

  
**LÂM THỊ NGỌC THƯƠNG**  
 Reporter

  
**LƯU HẢI ANH**  
 Chief Accountant

  
**HÀ NGUYỆT NHI**  
 Legal Representative



## **SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province  
INTERIM FINANCIAL STATEMENTS

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### **NOTES TO THE INTERIM FINANCIAL STATEMENTS 4TH QUARTER 2016**

#### **I. GENERAL INFORMATION**

##### **1. Investment form**

Superdong Fast Ferry Kien Giang Joint Stock Company (hereinafter referred to as “the Company”) is a joint stock company.

##### **2. Operating field**

The Company has operated in the servicing.

##### **3. Main operation**

Main operation of the Company is coastal passenger and cargo transportation.

##### **4. Normal operating cycle**

Normal operating cycle of the Company is not longer than 12 months.

##### **5. Effects of the Company’s operation during the period on the Interim Financial Statements**

During this period, the Company has invested to additionally purchase Superdong IX, X, XI and XII ferry over VND 140 billion and has made advances to purchase 02 other ferries, which are Con Dao ferry and Superdong SF1 ro-ro ferry. This acquisition of new ferries will help to enhance the Company’s competitiveness and better meet the demand for transportation in Phu Quoc in the coming time.

This year, the revenue and profit of the Company have sharply increased in comparison with those in the same period of the previous year since Superdong IX, X has been put into operation. In addition, the revenue from other ferries also has been higher than that in the same period of the previous year.

##### **6. Statement on information comparability on the Financial Statements**

As presented in the Note No. III.1, since 01 January 2015, the Company has applied the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the Vietnamese Accounting System in replacement for the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. The Company has re-presented the comparative figures; therefore, the figures presented in the Interim Financial Statements for the first 6 months of the fiscal year ending 31 December 2015 can be comparable with corresponding figures in the same period of the previous year.

##### **7. Employees**

As of the balance sheet date, there have been 209 employees working for the Company (beginning balance: 176 employees).

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

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

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



## **SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

### **INTERIM FINANCIAL STATEMENTS**

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

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

The accounting currency unit is Vietnam Dong (VND) because payments and receipts are primarily made in VND.

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

#### **1. Accounting Standards and System**

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC guiding the Vietnamese Accounting System in replacement for the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. This Circular takes effect and is applied to the fiscal year starting from or after 01 January 2015. The Company applies Vietnamese Accounting Standards, this Circular and other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Interim Financial Statements.

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

The General Director 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 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation of Interim Financial Statements.

### **IV. ACCOUNTING POLICIES**

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

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

#### **2. 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 period, 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 rates applied to foreign currency transactions are as follows:

- The actual exchange rate when trading foreign currency under spot contracts, forward contracts, futures contracts, option contracts, swap contracts: the exchange rate stipulated in the contracts of trading foreign currency between the Company and the Bank.
- If the contract does not regulate the exchange rate:



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### **INTERIM FINANCIAL STATEMENTS**

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

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- For capital contribution or receipt of contributed capital: the buying rate of the bank where the Company opens its account to receive contributed capital as of the date of capital contribution.
- For receivables: the buying rate of the commercial bank where the Company designates the customers to make payments as at the time of transactions.
- For payables: the selling rate of the commercial bank where the Company supposes to make payment as at the time of transactions.
- For acquisition of assets or immediate payments in foreign currency (not through payables): the buying rate of the commercial bank where the Company makes payments.

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 Company opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of Vietcombank (where the Company frequently makes transactions).
- For monetary items in foreign currencies classified as payables: the selling rate of Vietcombank (where the Company frequently makes transactions).

#### **3. Cash and cash equivalents**

Cash include 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.

#### **4. Financial investments**

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

Investments are classified as held-to-maturity investments that the Company intends and is able to hold to maturity. Held-to-maturity investments include term deposits (including treasury bills and promissory notes), bonds, preferred shares that the issuer compulsorily re-purchases at a certain time in the future, held-to-maturity loans for the purpose of periodical interest collecting, and other held-to-maturity investments.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other costs attributable to acquisition of these investments. 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 Company's acquisition of held-to-maturity investment are recorded as a decrease in the costs at the acquisition time.

When there are reliable evidences suggesting that a part or all of the investment may be unrecoverable and the losses can be measured reliably, the losses are recognized as "Financial expenses" during the period while the investment value is derecognized.

#### **5. 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 to the following principles:



## **SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

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### **INTERIM FINANCIAL STATEMENTS**

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

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

Allowance is made for each doubtful debt on the basis of the debt age or estimated loss as follows:

- As for outstanding debts:
  - 30% of the value of debts outstanding from over 06 months to under 01 year.
  - 50% of the value of debts outstanding from 01 year to under 02 years.
  - 70% of the value of debts outstanding from 02 years to under 03 years.
  - 100% of the value of debts outstanding from over 03 years.
- As for doubtful debts: Allowance is made 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".

#### **6. Inventories**

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

Original cost of inventories is determined as follows: Cost of materials and merchandises includes cost of purchase and other directly relevant costs incurred to bring their present location and conditions.

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.

Costs of inventories are determined in accordance with the first-in first-out method and recorded in line with the perpetual method.

Allowance for inventories is recognized when their costs are higher than their net realizable values. Increases/(decreases) in the allowance for inventories as of the balance sheet date are recorded into "Costs of sales".

#### **7. Prepaid expenses**

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods. Prepaid expenses of the Company include:

##### ***Tools***

Expenses on computers, motorbikes and other tools that have useful life of more than 01 year and are allocated into expenses in accordance with the straight-line method for the maximum period of 05 years.

##### ***Other long-term prepaid expenses***

Other long-term prepaid expenses include office rental and computer software that are allocated into expenses during the year in accordance with the straight-line method for the maximum period of 05 years.

#### **8. 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 Company's



# **SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

## **INTERIM FINANCIAL STATEMENTS**

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

operating expenses in accordance with the straight-line method over the lease term and are not subject to the method of lease payment.

#### **9. Tangible fixed assets**

Tangible fixed assets are determined by their historical costs deduct accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company 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 period.

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 period.

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	25
Vehicles	10 – 15
Office equipment	03
Other tangible fixed assets	05

#### **10. 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 Company 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 period 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 period.

The Company's intangible fixed assets include:

##### ***Land use right***

Land use right includes all the actual expenses the company has paid and directly related to the land being used such as expenses to obtain the land use right, expenses for compensation, land clearance, expenses on ground leveling, registration fees, etc. If the land use right is permanent, it is not amortized.

##### ***Computer software***

Purchase price of computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Company until the date the software is put into use. Computer software is amortized in accordance with the straight-line method in 05 years.



## **SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

### **INTERIM FINANCIAL STATEMENTS**

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

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#### **11. 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 concerning the nature of trade arising from purchases of goods, services, assets and the suppliers are independent to the Company, inclusive of payables for goods imported under entrustment.
- Accrued expenses reflect expenses for goods, services received or supplied but have not been paid due to the lack of invoices or accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables not concerning the nature of trade and irrelevant to purchase, sale or provision of goods and services.

#### **12. Capital**

The Company's capital only includes equity and is recorded according to the amounts actually contributed by the shareholders.

#### **13. Distribution of profit**

Profit after tax and fund appropriation in conformity with the Company's Charter and legal regulations is distributed to shareholders as being approved.

Profit distribution to members is done under consideration to non-monetary items belonging to retained earnings which probably affects cash flows and profit 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.

Dividend is recorded as payables upon the approval at the Shareholders' Meeting.

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

##### ***Sales of merchandises***

Sales of merchandises are recognized when the following conditions are satisfied:

- The Company transfers most of risks and benefits incident to the ownership of products or goods to customers.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of sales can be measured reliably. Where the contracts stipulate that buyers have the right to return products, goods purchased under specific conditions, sales are recorded only when those specific conditions are no longer exist and buyers retains no right to return products, goods (except for the case that such returns are in exchange for other goods or services).
- It is probable that the economic benefits associated with sale transactions will flow to the Company.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

##### ***Sales of rendering services***

Sales of rendering services 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 rendered under specific conditions, sales is recognized only when



## **SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

### **INTERIM FINANCIAL STATEMENTS**

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

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these specific conditions are no longer existed and the buyer is not entitled to return the services rendered.

- The Company received or shall probably receive the economic benefits associated with the transaction.
- 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 many accounting periods, the determination of sales is done on the basis of the stage of completion as of the balance sheet date.

#### ***Interest***

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

#### **15. Sales deductions**

Sales deductions include trade discount, sales allowances, sales return arisen during the period in which goods are sold and the revenue is derecognized accordingly.

Where the goods are sold in the previous periods but their trade discount, sales allowances and sales returns incurred in current period, revenue is derecognized according to the following principles:

- If sales allowances, trade discount, and sales returns arisen before the date of issuing the Interim Financial Statements: revenue is derecognized in the Interim Financial Statements of the current period.
- If sales allowances, trade discount, and sales returns arisen after the date of issuing the Interim Financial Statements: revenue is derecognized in the Interim Financial Statements in the following period.

#### **16. Expenses**

Expenses are those that result in outflows of the Company'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.

#### **17. 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 book values of assets and liabilities serving the preparation of the financial



## **SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

### **INTERIM FINANCIAL STATEMENTS**

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

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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.

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

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority:
  - Of the same subject to corporate income tax; or
  - The Company 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.

#### **18. Related parties**

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

#### **19. Segment reporting**

A business segment is a distinguishable component of the Company 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 Company 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.

#### **20. Financial instruments**

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



**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS****Notes to the Interim Financial Statements (cont.)**

The classification of financial assets depends on their nature and purposes and is determined at the date of initial recognition. The financial assets of the Company include cash and cash equivalents, trade receivables and receivables.

At the date of initial recognition, financial assets are recognized at historical costs plus other costs directly related to those financial liabilities.

***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 Company include trade payables, borrowings and other payables.

At the date of initial recognition, financial liabilities are initially recognized at historical costs less other costs directly related to those financial liabilities.

***Equity instrument***

Equity instrument is the contract which can prove the remaining benefits in the assets of the Company after deducting all of its liabilities.

***Offsetting financial instruments***

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 Company:

- 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 INTERIM BALANCE SHEET****1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	1.082.311.900	104.860.000
Demand deposit	5.571.368.205	8.107.143.296
Cash equivalents (under-3-month deposit)	2.000.000.000	26.000.000.000
<b>Total</b>	<b>8.653.680.105</b>	<b>34.212.003.296</b>

**2. Financial investments**

The Company's financial investments only include held-to-maturity investments. Information on the Company's financial investments is as follows:

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

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original cost</u>	<u>Carrying value</u>	<u>Original cost</u>	<u>Carrying value</u>
<b>Short-term</b>				
Term deposits	328.100.000.000	-	210.000.000.000	-
<b>Total</b>	<b>328.100.000.000</b>	<b>-</b>	<b>210.000.000.000</b>	<b>-</b>

**3. Short-term trade receivables**

This item reflects the receivables from local sales of ferry tickets.

**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS**

Notes to the Interim Financial Statements (cont.)

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

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Prepayments to related parties</i>	<b>9.099.200.000</b>	<b>59.564.534.172</b>
Kaibuok Shipyard (M) Sdn. Bhd – Prepayment for the purchase of ferry	9.099.200.000	59.564.534.172
<i>Prepayments to other suppliers</i>	<b>17.074.275.300</b>	<b>247.428.000</b>
Other suppliers	74.936.800	59.520.000
Software BRB Ltd., Company	-	187.908.000
Petrolimex Kien Giang Company Ltd	-	-
Sai Gon Industry Company	16.899.706.000	-
Trường Văn hóa Nghệ thuật Kiên Giang	99.632.500	-
<b>Total</b>	<b>26.173.475.300</b>	<b>59.811.962.172</b>

**5. Other short-term receivables**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Provision</u>	<u>Value</u>	<u>Provision</u>
<i>Receivables from other organizations and individuals</i>	<b>596.302.014</b>	-	<b>1.412.520.833</b>	-
Interest expected to be received	-	-	921.484.833	-
Advances	426.659.000	-	325.000.000	-
Others	169.643.014	-	166.036.000	-
<b>Total</b>	<b>596.302.014</b>	-	<b>1.412.520.833</b>	-

The Company has not had any outstanding or doubtful debts.

**6. Inventories**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original cost</u>	<u>Allowance</u>	<u>Original cost</u>	<u>Allowance</u>
Spare parts	9.625.972.069	-	7.851.793.364	-
Oil	487.678.171	-	309.618.112	-
Fuel	98.850.000	-	52.933.364	-
Refreshment	155.130.927	-	58.311.138	-
<b>Total</b>	<b>10.367.631.167</b>	-	<b>8.272.655.978</b>	-

**7. Prepaid expenses****7a. Short-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Insurance premiums	749.824.770	621.579.500
Others	1.326.610.563	995.554.358
<b>Total</b>	<b>2.076.435.333</b>	<b>1.617.133.858</b>

**7b. Long-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Others	628.555.234	10.065.008
<b>Total</b>	<b>628.555.234</b>	<b>10.065.008</b>



**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS**

Notes to the Interim Financial Statements (cont.)

**7c. Deductible VAT:**

	<u>Ending balance</u>	<u>Beginning balance</u>
VAT of Superdong XI, XII	5.161.630.051	-
<b>Total</b>	<b><u>5.161.630.051</u></b>	<b><u>-</u></b>

**8. Tangible fixed assets**

	<u>Buildings and structures</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Other tangible fixed assets</u>	<u>Total</u>
<b>Historical costs</b>					
Beginning balance	3.898.625.100	273.890.690.549	53.560.000	116.748.857	277.959.624.506
New purchases	-	141.279.278.545	521.831.345	-	141.801.109.890
<b>Ending balance</b>	<b><u>3.898.625.100</u></b>	<b><u>415.169.969.094</u></b>	<b><u>575.391.345</u></b>	<b><u>116.748.857</u></b>	<b><u>419.760.734.396</u></b>
<i>In which:</i>					
Fully depreciated assets but being still in use	-	36.949.092	53.560.000	116.748.857	207.257.949
<b>Depreciation</b>					
Beginning balance	286.999.885	75.106.312.211	53.560.000	116.748.857	75.563.620.953
Depreciation during the period	164.581.260	23.554.362.876	86.428.966	-	23.805.373.102
<b>Ending balance</b>	<b><u>451.581.145</u></b>	<b><u>98.660.675.087</u></b>	<b><u>139.988.966</u></b>	<b><u>116.748.857</u></b>	<b><u>99.368.994.055</u></b>
<b>Net book values</b>					
Beginning balance	3.611.625.215	198.784.378.338	-	-	202.396.003.553
<b>Ending balance</b>	<b><u>3.447.043.955</u></b>	<b><u>316.509.294.007</u></b>	<b><u>435.402.379</u></b>	<b><u>-</u></b>	<b><u>320.391.740.341</u></b>
<i>In which:</i>					
Not yet being used	-	-	-	-	-
Waiting for liquidation	-	-	-	-	-

**9. Intangible fixed assets**

	<u>Land use right</u>	<u>Computer software</u>	<u>Other intangible fixed assets</u>	<u>Total</u>
<b>Initial costs</b>				
Beginning balance	7.126.349.000	144.635.390	90.909.091	7.361.893.481
New purchases		1.445.360.000		1.445.360.000
<b>Ending balance</b>	<b><u>7.126.349.000</u></b>	<b><u>1.589.995.390</u></b>	<b><u>90.909.091</u></b>	<b><u>8.807.253.481</u></b>
<i>In which:</i>				
Fully amortized assets but being still in use	-	31.064.240	90.909.091	121.973.331
<b>Amortization</b>				
Beginning balance	-	127.599.744	90.909.091	218.508.835
Amortization during the year	-	17.035.646		17.035.646
<b>Ending balance</b>	<b><u>-</u></b>	<b><u>144.635.390</u></b>	<b><u>90.909.091</u></b>	<b><u>235.544.481</u></b>

**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS**

Notes to the Interim Financial Statements (cont.)

	<u>Land use right</u>	<u>Computer software</u>	<u>Other intangible fixed assets</u>	<u>Total</u>
<b>Net book values</b>				
Beginning balance	7.126.349.000	17.035.646	-	7.143.384.646
<b>Ending balance</b>	<b>7.126.349.000</b>	<b>1.445.360.000</b>	-	<b>8.571.709.000</b>
<i>In which:</i>				
Not yet being used	-	-	-	-
To be liquidated	-	-	-	-

**10. Short-term trade payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>		
Phu Quoc Port Authority	107.170.000	6.390.000
Petrolimex Kien Giang		137.860.000
SATCO	-	78.000.000
Phi Hai Petrol Pte.	525.000.000	-
Dai Thang KG Ltd., Company	131.800.000	
Toan Thuan Phat KG Ltd., Company	-	69.900.000
Bien Xanh Ltd., Company	146.492.500	
Software BRB Ltd., Company	253.741.825	-
The Shipowners' Mutual Protection and Indemnity Association	37.923.883	-
Others	216.189.466	180.730.669
<b>Total</b>	<b>1.418.317.674</b>	<b>472.880.669</b>

The Company has not had any balance overdue to suppliers.

**11. Short-term prepayments from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Prepayments from other customers</i>		
Trieu Hao Copamny	50.000.000	-
Thanh Dat Agency	27.789.000	-
Tourist Companies at Rach Gia	521.604.000	-
Tourist Companies at HCMC	352.801.700	-
Tourist Companies at Ha Tien	386.660.000	-
Tourist Companies at Phu Quoc	91.950.000	
Others	261.581.000	690.651.000
<b>Total</b>	<b>1.692.385.700</b>	<b>690.651.000</b>

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

	<u>Beginning balance</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Ending balance</u>
VAT on local sales	1.908.592.086	24.579.236.699	(26.487.828.785)	-
VAT on imports	-	14.355.869.001	(14.355.869.001)	-
Import tax	-	23.046.254	(23.046.254)	-
Corporate income tax	1.559.571.121	7.360.439.904	(7.253.219.521)	1.666.791.504



**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS**

Notes to the Interim Financial Statements (cont.)

	<b>Beginning balance</b>	<b>Amount payable</b>	<b>Amount already paid</b>	<b>Ending balance</b>
Personal income tax	31.617.782	1.494.410.902	(1.483.399.737)	42.628.947
Other taxes	-	1.270.587.227	(1.270.587.227)	-
<b>Total</b>	<b>3.499.780.989</b>	<b>49.083.589.987</b>	<b>50.873.950.525</b>	<b>1.709.420.451</b>

**Value added tax (VAT)**

The Company had paid VAT in line with the deduction method at the tax rate of 10%.

**Import - export duties**

The Company has declared and paid these duties in line with the Customs' notices.

**Corporate income tax**

According to the 12<sup>th</sup> amended Investment Certificate No. 561023000003 dated 31 October 2014, the Company is responsible for paying corporate income tax at the rate of 10% on income subject to tax during project development duration. The Company is fully exempted from corporate income tax in 04 years from the first profit-making year and is reduced 50% of corporate income tax payable in 09 following years. The fiscal year ended 31 December 2014 is the seventh fiscal year that the Company makes profit. The Company is eligible to enjoy tax reduction until 2020 for taxable income earning from Superdong I and Superdong II ferries, tax reduction until 2022 for taxable income earning from Superdong III and Superdong IV ferries.

Incomes from other business activities 2015 are subject to the corporate income tax rate of 22%.

Incomes from other business activities 2016 are subject to the corporate income tax rate of 20%.

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

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Total accounting profit before tax	220.273.307.468	181.307.284.512
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax:		
- Increases	2.178.346.214	1.357.823.520
- Decreases	-	-
Total income subject to tax	222.451.653.682	182.665.108.032
- Income from business operations subject to tax incentives	209.056.439.092	175.717.677.486
- Other income	13.395.214.590	6.947.430.546
<b>Estimated payable corporate income tax</b>	<b>23.584.686.827</b>	<b>19.100.202.469</b>
<b>Corporate income tax exempted and reduced</b>	<b>(16.224.246.923)</b>	<b>(12.772.791.913)</b>
<b>Adjustments of corporate income tax payable of the previous years</b>		
<b>Corporate income tax to be paid</b>	<b>7.360.439.904</b>	<b>6.327.410.556</b>

Determination of corporate income tax liability of the Company 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 Interim Financial Statements can be changed upon the inspection of tax authorities.

Pursuant to the Law No. 32/2013/QH13 on amending and supplementing a number of Articles of the Law on Corporate Income Tax approved by the XIII<sup>th</sup> National Assembly of the Socialist



**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS****Notes to the Interim Financial Statements (cont.)**

Republic of Vietnam at its 5<sup>th</sup> session on 19 June 2013, the common corporate income tax rate shall decrease from 22% to 20% from 01 January 2016.

**Other taxes**

The Company has declared and paid these taxes in line with the prevailing regulations.

**13. Payables to employees**

This item reflects the salary to be paid to employees.

**14. Other short-term payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payable to other organizations and individuals</i>		
Trade Union's expenditures, social insurance, health insurance and unemployment insurance	-	5.497.140
Remuneration for the Board of Management	99.825.000	64.850.000
Dividend payable (i)	2.524.800	1.803.950
Other payables	266.635.407	275.721.466
<b>Total</b>	<b>368.985.207</b>	<b>347.872.556</b>

(i) Dividends already paid during the period: VND 24.478.864.150

**15. Bonus and welfare funds****Beginning balance****3.108.436.572**

Bonus for employees

2.152.434.000

**Ending balance****956.002.572****16. Owner's equity****16a. Statement of fluctuation in owner's equity**

	<u>Capital</u>	<u>Share premiums</u>	<u>Investment and development fund</u>	<u>Other sources of capital</u>	<u>Retained earnings</u>	<u>Total</u>
Beginning balance of the previous year	199.997.920.000	-	9.325.309.715	3.108.436.572	131.728.969.679	344.160.636.966
Interest in the previous year	-	-	-	-	174.979.873.956	174.979.873.956
Capital increased from profit	39.998.530.000	-	-	-	(39.998.530.000)	(39.998.530.000)
Issuing ESOP share	4.799.400.000	11.469.923.636	-	-	-	16.269.323.636
Dividends shared in 2014	-	-	-	-	(19.999.792.000)	(19.999.792.000)
<b>Số cuối kỳ trước</b>	<b>244.795.850.000</b>	<b>11.469.923.636</b>	<b>9.325.309.715</b>	<b>3.108.436.572</b>	<b>246.710.521.635</b>	<b>515.410.041.558</b>
Beginning balance of the current year	244.795.850.000	11.469.923.636	9.325.309.715	3.108.436.572	246.710.521.635	515.410.041.558
Capital increased from profit	97.916.570.000	-	-	-	(97.916.570.000)	-
Profit during the year	-	-	-	-	212.912.867.564	212.912.867.564
Dividends shared in 2015	-	-	-	-	(24.479.585.000)	(24.479.585.000)
<b>Ending balance of the</b>	<b>342.712.420.000</b>	<b>11.469.923.636</b>	<b>9.325.309.715</b>	<b>3.108.436.572</b>	<b>337.227.234.199</b>	<b>703.843.324.122</b>



**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS**

Notes to the Interim Financial Statements (cont.)

	Capital	Share premiums	Investment and development fund	Other sources of capital	Retained earnings	Total
current period						

**16b. Shares**

	Ending balance	Beginning balance
Number of shares registered to be issued	34.271.242	24.479.585
Number of shares already sold to the public	34.271.242	24.479.585
- Common shares	34.271.242	24.479.585
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	34.271.242	24.479.585
- Common shares	34.271.242	24.479.585
- Preferred shares	-	-

Face value per outstanding share: VND 10.000.

**17. Off-Balance Sheet items****Foreign currency**

	Ending balance	Beginning balance
US Dollar (USD)	358.48	237,471.68

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

Sales of service provision.

**1b. Sales to related parties**

There are no sale transactions between the Company and related parties.

**2. Sales deduction**

Sales returns.

**3. Costs of sales**

	Accumulated from the beginning of the year	
	Current year	Previous year
Fuel and oil	45.186.138.715	48.356.787.596
Labor	19.487.750.475	15.485.981.944
Depreciation	23.559.085.100	18.627.475.531
External services rendered	14.039.119.459	10.381.922.007
Other expenses	11.382.316.008	8.651.919.597
<b>Total</b>	<b>113.654.409.757</b>	<b>101.504.086.675</b>

**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS**

Notes to the Interim Financial Statements (cont.)

**4. Financial income**

	Accumulated from the beginning of the year	
	Current year	Previous year
Interests on term deposits	12.781.069.327	6.865.047.571
Interests on demand deposits	29.911.786	49.986.279
Unrealized exchange gains	868.200	9.329.997
Realized exchange gains	19.661.421	153.129.760
<b>Total</b>	<b>12.831.510.734</b>	<b>7.077.493.607</b>

**5. Expenses from Financial Activities**

	Accumulated from the beginning of the year	
	Current year	Previous year
Unrealized exchange gains	8.181.146	-
Realized exchange gains	57.609.370	80.339.241
<b>Total</b>	<b>65.790.516</b>	<b>80.339.241</b>

**6. Selling expenses and general and administration expenses****6a. Selling expenses**

	Accumulated from the beginning of the year	
	Current year	Previous year
Employees	5.234.569.760	4.217.632.223
Depreciation of fixed assets	177.308.534	73.531.257
External services rendered	2.417.798.219	1.753.340.759
Other expenses	19.572.001.725	17.015.334.332
<b>Total</b>	<b>27.401.678.238</b>	<b>23.059.838.571</b>

**6b. General and administration expenses**

	Accumulated from the beginning of the year	
	Current year	Previous year
Employees	2.769.167.691	2.210.991.615
Depreciation of fixed assets	86.015.114	22.714.236
Other Tax, fees	3.000.000	5.000.000
External service rendered	4.547.611.490	3.154.726.589
Other expenses	358.386.849	738.929.247
<b>Total</b>	<b>7.764.181.144</b>	<b>6.132.361.687</b>

**7. Earnings per share****7a. Earnings per share**

	Accumulated from the beginning of the year	
	Current year	Previous year
Accounting profit after corporate income tax	212.912.867.564	174.979.873.956



**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS****Notes to the Interim Financial Statements (cont.)**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Increase/(decrease) of accounting profit to determine profit attributable to ordinary equity holders:		-
Profit attributable to ordinary equity holders	212.912.867.564	174.979.873.956
Average common shares outstanding during the year	34.271.242	34.271.242
<b>Earnings per share</b>	<b>6.213</b>	<b>5.106</b>

In the year 2016, the Company had raised its charter capital from retained earnings. Therefore, earnings per share of the previous period were adjusted in line with these additional shares. This retroactive adjustment has made earnings per share of the previous year down from VND 7.267 to VND 5.106.

**8. Operating costs**

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Materials	45.186.138.715	48.356.787.596
Labor	27.491.487.926	21.914.605.782
Depreciation of fixed assets	23.822.408.748	18.723.721.024
Other tax, fees	3.000.000	5.000.000
External service rendered	21.004.529.168	15.289.989.355
Other expenses	31.312.704.582	26.406.183.176
<b>Total</b>	<b>148.820.269.139</b>	<b>130.696.286.933</b>

**VII. OTHER DISCLOSURES****1. Transactions and balances with related parties**

Related parties of the Company include key managers, individuals relating to key managers and other related parties.

**1a. Transactions and balances with key managers and their related individuals**

Key managers include members of the Board of Management, the Executive Officers (General Director). The individuals related to the key managers are their close family members.

*Transactions with key managers and related individuals*

There are no transactions in terms of sales and other transactions between the Company and key managers and related individuals.

*Balances with key managers*

Income of key managers includes only the total salary paid during the period of VND 1.698.382.307 (in the same period of the previous year: VND 1.304.500.000).

**1b. Balances and transactions with other related parties**

Other related parties of the Company include:

<b>Related parties</b>	<b>Relationship</b>
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**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS****Notes to the Interim Financial Statements (cont.)**

<b>Related parties</b>	<b>Relationship</b>
Tien Grow Industrial Sdn.Bhd.	Company of the same investor
Kaibuok Shipyard (M) Sdn. Bhd.	Company of the same investor

*Transactions with other related parties*

Transactions between the Company and other related parties are as follows:

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
<b><i>Tien Grow Industrial Sdn.Bhd.</i></b>		
Purchases of ferry and spare parts	-	31.162.375.066
Payment for spare parts		369.080.548
<b><i>Kaibuok Shipyard (M) Sdn. Bhd.</i></b>		
Purchases of ferry IX, X and spare parts	74.650.046.062	-
Payment for IX, X and spare parts	13.480.732.400	43.656.921.672
Purchases of ferry XI, XII	66.671.912.500	-
Payment for the purchase of ferry XI, XII	66.697.987.500	
Prepayment for the purchase of ferry Con Dao	9.099.200.000	

*Balances with other related parties*

Balances between the Company and other related parties are presented at Note No. V.4.

**2. Information on segment**

The Company only operates in the business segment of coastal passenger and cargo transportation and in the geographical segment of Kien Giang Province.

**3. Comparative figures*****Application of new Accounting System***

As presented in Note No. III.1, since 01 January 2015, the Company has applied the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the Vietnamese Accounting System in replacement for the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. The Company has re-presented the comparative figures in compliance with regulations of this new Accounting System.

**4. Financial risk management**

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

**4a. Credit risk**

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

The Company is exposed to credit risks mainly from trade receivables and cash in banks.

*Trade receivables*

In order to control the trade receivables, the Company's General Director has released regulations on sales of goods with close stipulations in details on purchase subjects, sales limits, debt limit and



**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS****Notes to the Interim Financial Statements (cont.)**

debt term. The General Director will inspect the conformity with these regulations on sales of goods every month. Besides, the accountant follows up the receivables regularly to speed up the recovery.

Trade receivables of the Company are related to various entities and individuals, and therefore the credit risk exposed from trade receivables is low.

*Cash in bank*

Most of the Company's term and demand deposits are in well-known banks in Vietnam, so the credit risk level from cash in bank is low.

The maximum credit risk level for the Company's financial assets is their carrying values (Note VII.5 regarding the carrying values of the financial assets).

The Company's financial assets have not been due and are not devalued.

**4b. Liquidity risk**

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

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

The Company'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 Company.

The terms of payments to non-derivative financial liabilities are based on the undiscounted payments supposed to make according to the contracts as follows:

	<b>Less than 01 year</b>	<b>From 01 year to 05 years</b>	<b>Over 05 years</b>	<b>Total</b>
<b>Ending balance</b>				
Trade payables	1.418.317.674	-	-	1.418.317.674
Other payables	368.985.207	-	-	368.985.207
<b>Total</b>	<b>1.787.302.881</b>	-	-	<b>1.787.302.881</b>
<b>Beginning balance</b>				
Trade payables	472.880.669	-	-	472.880.669
Other payables	347.872.556	-	-	347.872.556
<b>Total</b>	<b>820.753.225</b>	-	-	<b>820.753.225</b>

The General Director believes that the risk level associated with payments to financial liabilities is low. The Company 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.

**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.

The market risks related to the Company's operations only include interest rate risk.



**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS****Notes to the Interim Financial Statements (cont.)**

The sensitivity analyses and evaluations below are related to the Company's financial position as of 31 December 2016 and 31 December 2015 on the basis of net debt value. The changes in interest rates used in analyzing the sensitivity are based on the judgments of what can be happen in the next 1 year in the observable conditions of the current market.

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

The Company controls the interest rate risk by analyzing the market situation on order to give appropriate decision on choosing the time for choosing appropriate loan terms to get the most favorable interest rates.

The balance of cash and cash equivalents at floating interest rate of the Company as of 31 December 2016 is VND 2.000.000.000 (as of 31 December 2015: VND 26.000.000.000).

The Company assesses that the effects due to fluctuation of interest rates on profit after tax and owner's equity of the Company are unremarkable since the balances of term deposits are small.

**4d. Collaterals**

The Company has not had any financial assets used as collateral given to or received from other entities as of 31 December 2016 and 31 December 2015.

**5. Fair values of financial assets and liabilities**

	Carrying values		Fair values	
	Ending balance	Beginning balance	Ending balance	Beginning balance
<b>Financial assets</b>				
Cash and cash equivalents	8.653.680.105	34.212.003.296	8.653.680.105	34.212.003.296
Held-to-maturity investments	328.100.000.000	210.000.000.000	328.100.000.000	210.000.000.000
Trade receivables	579.694.000	749.885.000	579.694.000	749.885.000
Other receivables	3.072.143.014	2.802.520.833	3.072.143.014	2.802.520.833
<b>Total</b>	<b>340.405.517.119</b>	<b>247.764.409.129</b>	<b>340.405.517.119</b>	<b>247.764.409.129</b>
<b>Financial liabilities</b>				
Trade payables	1.418.317.674	472.880.669	1.418.317.674	472.880.669
Other payables	368.985.207	347.872.556	368.985.207	347.872.556
<b>Total</b>	<b>1.787.302.881</b>	<b>820.753.225</b>	<b>1.787.302.881</b>	<b>820.753.225</b>

Fair values of financial assets and liabilities of the Company are reflected at the values which can be converted in a current transaction among parties having adequate knowledge and expecting to involve in the transaction.

The Company has applied the following method and assumption to estimate the fair value of financial assets and liabilities: Fair values of cash and cash equivalents, short-term financial investment, trade receivables, other receivables, trade payables as well as other current liabilities are equivalent to their carrying values (already excluded estimation of doubtful debts) since these instruments have short-term periods.



**SUPERDONG FAST FERRY KIEN GIANG JOINT STOCK COMPANY**

Address: No. 10, 30/4 Street, Quarter 2, Duong Dong Town, Phu Quoc District, Kien Giang Province

**INTERIM FINANCIAL STATEMENTS**

Notes to the Interim Financial Statements (cont.)

**6. Subsequent event**

There have been no subsequent events, which need any adjustments on the figures or the disclosures in the Interim Financial Statements.

Kien Giang, 16<sup>th</sup> January, 2017



**Lâm Thị Ngọc Thương**  
Preparer



**Lưu Hải Anh**  
Chief Accountant



**Hà Nguyệt Nhi**  
Legal Representative