



CONSOLIDATED FINANCIAL STATEMENTS

SEA & AIR FREIGHT INTERNATIONAL
For the fiscal year ended as at 31/12/2018
(audited)

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Sea & Air Freight International (“the Company”) presents its report and the Company’s Consolidated Financial Statements for the fiscal year ended as at December 31st 2018.

THE COMPANY

Sea & Air Freight International was converted from State enterprises to Joint stock company under Decision No. 1247/1998/QĐ-BGTVT dated 25/05/1998 by Ministry of Transport and operates under Business Registration License number 0301471330 dated 31/08/1998, the 32th amended registration license dated 25 January 2019 by Department of Planning and Investment of Ho Chi Minh City.

The Company’s head office is located at: No. 209, Nguyen Van Thu Street, Dakao Ward, District 1, Ho Chi Minh City.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF SUPERVISION

The members of The Board of Management during the fiscal year and to the reporting date are:

Mr. Nguyen Hoang Anh	Chairman
Mr. Vu Van Truc	Member
Mr. Ngo Trung Hieu	Member
Mr. Nguyen Hoang Dung	Member
Mr. Dang Tran Phuc	Member

The members of The Board of General Directors in the fiscal year and to the reporting date are:

Mr. Nguyen Hoang Anh	General Director
Mr. Nguyen Hoang Dung	Logistic Director

The members of the Board of Supervision are:

Mr. Nhu Dinh Thien	Head of Control Department
Mr. Huynh Quang Thanh	Member
Mrs. Nguyen Thi Huyen Linh	Member

AUDITORS

The auditors of the AASC Auditing Firm Company Limited take the audit of Consolidated Financial Statements for the Company.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of General Directors is responsible for the Consolidated Financial Statements of each financial year which give a true and fair view of the state of affairs of the Company and of results of its operation and its cash flows for the year. In preparing those Consolidated Financial Statements, The Board of General Directors is required to:

- Establish and maintain of an internal control system which is determined necessary by The Board of General Directors and those charged with governance to ensure the preparation and presentation of Consolidated Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;

SEA & AIR FREIGHT INTERNATIONAL

No. 209, Nguyen Van Thu Street, Dakao Ward, District 1, Ho Chi Minh City

- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Consolidated Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirm that the Consolidated Financial Statements give a true and fair view of the financial position at December 31st 2018, its operations and cash flows in the year 2018 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and statutory requirements relevant to preparation and presentation of Consolidated Financial Statements.

Other commitments

The Board of General Directors confirms that the Company complies with Decree 71/2017/ND-CP dated 06/06/2017 on corporate governance guidelines applicable to public companies and the Company does not violate public obligations. Disclosure of information in accordance with Circular No.155/2015/TT-BTC dated 6 October 2015 of the Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of The Board of General Directors



Nguyen Hoang Anh
General Director

Ha Noi, March 14th 2019

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, The Board of Management and The Board of General Directors
Sea & Air Freight International**

We have audited the Consolidated Financial Statements of March 14th 2019, as set out on pages 06 to 40, including: Consolidated statement of financial position as at for the fiscal year ended as at December 31st 2018, Consolidated statement of comprehensive income, Consolidated statement of cash flows and Notes to Consolidated financial statements for the fiscal year ended as at December 31st 2018.

The Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated Financial Statements and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's opinion

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of Sea & Air Freight International as at December 31st 2018, and of the results of its operations and its cash flows for the fiscal year ended as at December 31st 2018 in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.

Emphasis of matter

We would like to note the readers to note number 2.8 - accounting policies on receivables: Since 2017, the Company's subsidiary, SITC Vietnam Co., Ltd., has changed the accounting software under the management of the Group (SITC International Holdings Co., Ltd), which does not have detailed and complete classification of account receivable of the same item as short-term receivables or other short-term receivables to present appropriately at the corresponding criteria on the Balance Sheet at December 31st 2018 and as at December 31st 2017 as instructed in Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance. Therefore, the balance of customer receivables must include service fees and customer repayments.

This emphasized matter does not change our unqualified opinion.

Other matter

This audit report and the financial statement included are translated from the audit report number 180319.004/2019/BCTC.KT2, issued on March 18th 2019 and accompanying financial statements in Vietnamese. In case of differences in content between these reports and the original report in Vietnamese, the contents of these reports will conformed to the original report in Vietnamese.

AASC Auditing Firm Company Limited



Pham Anh Tuan

Deputy General Director

Certificate of registration to audit practice

No: 0777-2018-002-1

Ha Noi, March 18th 2019

Truong Thi Hoai Anh

Auditor

Certificate of registration to audit practice

No: 2446-2018-002-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

Code	ASSETS	Note	31/12/2018	01/01/2018
			VND	VND
100	A. CURRENT ASSETS		445,452,535,091	397,973,524,916
110	I. Cash and cash equivalents	3	99,494,480,708	126,302,803,927
111	1. Cash		94,338,480,708	89,420,303,927
112	2. Cash equivalents		5,156,000,000	36,882,500,000
130	III. Short-term accounts receivable		339,673,495,744	232,296,890,478
131	1. Short-term trade receivables	5	238,696,914,259	188,779,707,477
132	2. Short-term prepayments to suppliers	6	1,780,889,020	897,588,690
136	3. Other short-term receivables	7	99,195,692,465	42,619,594,311
140	IV. Inventories	8	800,073,225	29,140,181,473
141	1. Inventories		800,073,225	29,140,181,473
150	V. Other current assets		5,484,485,414	10,233,649,038
151	1. Short-term prepaid expenses	13	320,173,499	250,632,131
152	2. Deductible VAT		5,164,311,915	9,632,656,779
153	3. Taxes and other receivables from State budget	16	-	350,360,128
200	B. LONG-TERM ASSETS		261,873,162,816	172,456,111,808
210	I. Long-term receivables		1,455,089,400	683,604,140
216	1. Other long-term receivables	7	1,455,089,400	683,604,140
220	II. Fixed assets		96,725,324,900	77,757,136,691
221	1. Tangible fixed assets	10	90,853,835,674	73,960,246,089
222	- <i>Historical costs</i>		166,943,737,575	132,657,496,958
223	- <i>Accumulated depreciation</i>		(76,089,901,901)	(58,697,250,869)
227	2. Intangible fixed assets	11	5,871,489,226	3,796,890,602
228	- <i>Historical costs</i>		8,517,669,453	5,865,069,453
229	- <i>Accumulated depreciation</i>		(2,646,180,227)	(2,068,178,851)
230	III. Investment properties	12	74,269,860,774	77,485,100,742
231	- Historical costs		98,875,436,767	98,875,436,767
232	- Accumulated depreciation		(24,605,575,993)	(21,390,336,025)
240	IV. Long-term unfinished asset	9	4,110,750,000	4,125,450,000
242	1. Construction in progress		4,110,750,000	4,125,450,000
250	V. Long-term investments	4	85,182,522,797	12,000,819,118
252	1. Investments in joint ventures and associates		3,507,642,954	11,100,819,118
253	2. Investments in equity of other entities		82,394,879,843	1,500,000,000
254	3. Provision for diminution in value of long-term investments		(720,000,000)	(600,000,000)
260	VI. Other long-term assets		129,614,945	404,001,117
261	1. Long-term prepaid expenses	13	129,614,945	404,001,117
270	TOTAL ASSETS		707,325,697,907	570,429,636,724

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

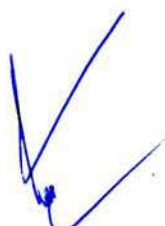
As at 31 December 2018

(continue)

Code	CAPITAL	Note	31/12/2018	01/01/2018
			VND	VND
300	C. LIABILITIES		300,311,342,166	216,549,322,206
310	I. Current liabilities		298,581,060,414	215,218,560,606
311	1. Short-term trade payables	14	130,098,563,956	80,320,842,642
312	2. Short-term advances from customers	15	18,523,832,089	17,676,628,127
313	3. Taxes and other payables to State budget	16	15,903,198,984	6,322,499,990
314	4. Payables to employees		10,128,031,744	9,055,886,710
315	5. Short-term accrued expenses		38,000,000	180,765,536
319	6. Other short-term payments	17	121,922,742,969	99,755,616,801
322	7. Bonus and welfare fund		1,966,690,672	1,906,320,800
330	II. Long-term liabilities		1,730,281,752	1,330,761,600
337	1. Other long-term payables	17	1,730,281,752	1,330,761,600
400	D. OWNER'S EQUITY		407,014,355,741	353,880,314,518
410	I. Owner's equity	19	407,014,355,741	353,880,314,518
411	1. Contributed capital		125,201,610,000	119,301,540,000
411a	Ordinary shares with voting rights		125,201,610,000	119,301,540,000
412	2. Share Premium		41,816,120,654	41,816,120,654
415	3. Treasury shares		(1,300,120,000)	(1,300,120,000)
418	4. Development investment funds		37,421,413,596	33,911,212,362
420	5. Other equity fund		112,973,779,512	100,135,241,781
421	6. Retained earnings		84,475,601,272	55,830,627,133
421a	Retained earnings accumulated till the end of the previous year		32,539,345,443	16,873,247,140
421b	Retained earnings of the current year		51,936,255,829	38,957,379,993
429	8. Non controlling interest		6,425,950,707	4,185,692,588
440	TOTAL CAPITAL		707,325,697,907	570,429,636,724



Doan Thu Ha
Preparer



Nguyen Thanh Tuyen
Chief Accountant




Nguyen Hoang Anh
General Director

Ha Noi, March 14th 2019


CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year 2018

Code ITEM	Note	Year 2018	Year 2017	
		VND	VND	
01	1. Revenues from sales and services rendered	21	869,055,315,642	716,293,108,929
02	2. Revenue deductions		-	-
10	3. Net revenues from sales and services rendered		869,055,315,642	716,293,108,929
11	4. Cost of goods sold	22	666,274,168,260	543,471,577,201
20	5. Gross profit from sales of goods and rendering of services		202,781,147,382	172,821,531,728
21	6. Financial income	23	11,903,114,569	2,532,050,917
22	7. Financial expense	24	2,929,258,923	1,288,643,572
23	<i>In which: Interest expenses</i>		20,182,052	-
24	8. Profit or loss in joint ventures and associates		(3,977,207,105)	(824,416,034)
25	9. Selling expenses	25	68,121,523,155	58,393,324,646
26	10. General administrative expenses	26	71,643,661,573	70,446,596,876
30	11. Net profit from operating activities		68,012,611,195	44,400,601,517
31	12. Other income	27	180,540,706	9,158,980,173
32	13. Other expense	28	22,668,917	1,803,659,847
40	14. Other profit		157,871,789	7,355,320,326
50	15. Total profit before tax		68,170,482,984	51,755,921,843
51	16. Current corporate income tax expenses	29	13,998,007,410	10,808,794,049
60	18. Profit after corporate income tax		<u>54,172,475,574</u>	<u>40,947,127,794</u>
61	19. Profit after tax attributable to shareholders of the parent		51,936,255,829	38,957,379,993
62	20. Profit after tax attributable to non-controlling interests		2,236,219,745	1,989,747,801
70	21. Basic earnings per share	30	4,395	3,449


Doan Thu Ha
Preparer

Ha Noi, March 14th 2019


Nguyen Thanh Tuyen
Chief Accountant


Nguyen Hoang Anh
General Director

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2018
 (Under indirect method)

Code ITEM	Note	Year 2018 VND	Year 2017 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax	68,170,482,984	51,755,921,843
	2. Adjustments for		
02	- Depreciation of fixed assets and investment properties	21,228,303,285	17,300,222,244
03	- Provisions	120,000,000	600,000,000
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency	19,169,723	238,368,676
05	- Gains / losses from investment	(5,922,903,186)	(194,014,304)
06	- Interest expense	20,182,052	-
08	3. Operating profit before changes in working capital	83,635,234,858	69,700,498,459
09	- Increase or decrease in receivables	(103,807,417,862)	(60,362,958,562)
10	- Increase or decrease in inventories	28,340,108,248	(28,903,294,049)
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)	94,387,893,767	6,897,229,010
12	- Increase or decrease in prepaid expenses	204,844,804	304,197,915
14	- Interest paid	(20,182,052)	-
15	- Corporate income tax paid	(12,541,945,446)	(11,260,215,294)
17	- Other expenses on operating activities	(992,690,498)	(1,282,746,647)
20	Net cash flows from operating activities	89,205,845,819	(24,907,289,168)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase of fixed assets and other long-term assets	(36,966,551,526)	(27,527,100,534)
22	2. Proceeds from disposals of fixed assets and other long-term assets	-	4,545,455
25	3. Equity investments in other entities	(80,894,879,843)	-
26	4. Proceeds from equity investment in other entities	8,481,200,000	10,000,000
27	5. Interest and dividend received	5,034,879,351	1,031,143,391
30	Net cash flows from investing activities	(104,345,352,018)	(26,481,411,688)
III CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from issuance of shares and receipt of contributed capital	6,593,770,000	5,619,120,000
33	2. Proceeds from borrowings	35,289,355,316	-
34	3. Repayment of principal	(35,289,355,316)	-
36	4. Dividends or profits paid to owners	(18,371,089,497)	(18,430,663,047)
40	Net cash flows from financing activities	(11,777,319,497)	(12,811,543,047)
50	Net decrease/increase in cash and cash equivalents	(26,916,825,696)	(64,200,243,903)

CONSOLIDATED STATEMENT OF CASH FLOWS

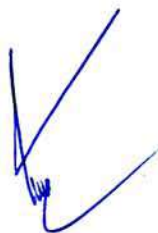
Year 2018

(Under indirect method)

60	Cash and cash equivalents at beginning of the year	126,302,803,927	190,741,416,506
61	Effect of exchange rate fluctuations	108,502,477	(238,368,676)
70	Cash and cash equivalents at end of the year	3	99,494,480,708
			126,302,803,927



Doan Thu Ha
Preparer



Nguyen Thanh Tuyen
Chief Accountant



Nguyen Hoang Anh
General Director

Ha Noi, March 14th 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*Year 2018***1 . BACKGROUND****Forms of Ownership**

Sea & Air Freight International was converted from State enterprises to Joint stock company under Decision No. 1247/1998/QĐ-BGTVT dated 25/05/1998 by Ministry of Transport and operates under Business Registration License number 0301471330 dated 31/08/1998, the 32th amended registration license dated 25 January 2019 by Department of Planning and Investment of Ho Chi Minh City.

The Company's head office is located at: No. 209, Nguyen Van Thu Street, Dakao Ward, District 1, Ho Chi Minh City.

Company's Charter capital: 125,201,610,000 VND. Actual contributed capital at December 31st 2018 is 125,201,610,000 VND, equivalent to 12,520,161 shares with the price of 10,000 per share.

Business section

Main business activities of the Company are: Transportation service and agency.

Business field

The Company's business fields are:

- Provides support services related to transportation including: Transportation agency, Entrusted container management and goods delivery agency, Domestic consolidator, Shipping agency, Freight forwarder. Maritime services and Plane ticket agency;
- Provides shipbroking;
- Provides warehousing business;
- Provides Trucking business to all inland destinations in Vietnam, Laos and Cambodia and Multimodal international transport.

Structure of the Group

- **The Group's subsidiaries have consolidated in Consolidated Financial Statements as at 31/12/2018:**

<u>Name of company</u>	<u>Head office</u>	<u>Proportion of</u>	<u>Voting rights held</u>	<u>Principal activities</u>
Cosfi Joint Stock Company (1)	Ho Chi Minh City	69.00%	69.00%	Logistics and shipping agent
SITC Vietnam Co., Ltd (2)	Ho Chi Minh City	51.00%	51.00%	Logistics and shipping agent
Safi Infrastructure Investment Co., Ltd	Ho Chi Minh City	100.00%	100.00%	Trading real estate, office for rent

(1) According to the 4th revised business registration certificate on May 11, 2018, the Company's charter capital is VND 2,270,000,000. In which, Sea and air freight international contributed 1,566,300,000 VND, Mr. Nguyen Hoang Dung contributed 22,700,000 VND and Qingdao Festival Limited Company contributed VND 681,000,000 which correspond to 69%, 30% and 1% of total capital respectively.

(2) According to the Resolution of the Board of Directors No.02/NQ-HĐQT dated 6 March, 2019 regarding the change in the ratio of contributed capital in SITC Vietnam Company Limited, the Board of Directors approved changing the capital contribution ratio of the Company at SITC Vietnam Co., Ltd. from 51% to 30% through transferring the Company's capital contribution to SITC Shipping Asia Pte.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

Annual accounting period commences from 1st January and ends as at 31st December.

The Company maintains its accounting records in VND.

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC guiding the preparation and presentation of Consolidated Financial Statements.

Declaration of compliance with Accounting Standards and Accounting System

The Company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current Accounting Standards and Accounting System.

2.3 . Basis for preparation of consolidated financial statements

Consolidated financial statements are prepared based upon consolidating Separate financial statements of the Company and its subsidiaries under its control as at 31 December annually. Control right is in practice when the company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Financial statements of subsidiaries are used consistent accounting policies of the Company. If necessary, adjustments are made to the Financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company and its subsidiaries.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from Consolidated financial statements.

Non – controlling interest.

Non – controlling interest is the benefits in profits or losses, and in the net assets of subsidiaries not held by the Company.

2.4 . Financial Instruments*Initial recognition*

Financial assets

Financial assets of the Company include cash and cash equivalents, trade receivables and other receivables, lending, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company include loans, trade payables, other payables and accrued expenses. At initial recognition and financial liabilities are determined by issuing price plus other expense directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

There are currently no regulations on revaluation of financial instruments after initial recognition.

2.5 . Foreign currency transactions

The foreign currency transactions during the year are converted into Vietnam dong with the real exchange rate at the transaction date. Real exchange rates are determined as the following principles:

- When buying or selling foreign currency: are exchange rates concluded in contracts of foreign exchange sale between Company and commercial banks;
- When capital contribution or receipt of contributed capital: are exchange rate of purchase of foreign currency of the bank where Company opens the account to receive capital from investors at the date of the contribution of capital;
- When recording receivables: are exchange rates of purchase of commercial banks where Company assigned customers to make payment at the time of incurred transactions;
- When recording liabilities: are exchange rates of purchase of commercial banks where Company expects to conduct transactions at the time of incurred transactions;
- When purchases of assets or expenses paid immediately in foreign currency: are the rate of purchase of commercial banks where Company makes payments.

Real exchange rate upon re-determining accounts derived from foreign currencies at the date of the Consolidated Financial Statements is determined on the following principles:

- For accounts classified as asset: applies exchange rates of purchase of commercial banks where Company regularly conducts transaction;
- For foreign currency deposited in bank: applies exchange rate of purchase of the bank where Company opens foreign currency accounts;
- For accounts classified as liabilities: applies exchange rates of selling foreign currency of commercial banks where Company regularly conducts transaction.

All sums of real exchange rates for foreign currency transactions in the year and real exchange rate upon re-determining accounts derived from foreign currencies at the end of the year are recorded immediately to results of business operations in accounting year.

11/05/2019

2.6 . Cash and cash equivalents

Cash includes cash on hand, demand deposits.

Cash equivalents is short-term highly liquid investments with maturity less than 3 months from the date investment, can be converted easily into a certain amount of cash and there is no risk in conversion into cash.

2.7 . Financial investments

In the Financial Statements, investments in associates are accounted for using equity method. According to the equity method, the investment is initially recognized on the consolidated balance sheet at historical cost, then adjusted according to changes in the Group's ownership in net asset value of affiliated companies after buying. Goodwill arising from investment in associates is reflected in the carrying amount of the investment. The Group does not allocate this goodwill, but annually assesses whether goodwill is diminished in value. The consolidated statement of income reflects the Group's ownership in the associate's income statement after purchase.

The ownership part of the investor in the profit (loss) of the associate after the purchase is reflected in the consolidated statement of income and ownership of the investor in the change after the purchase of the funds of associates are recorded into funds. The cumulative changes after purchase is adjusted to the remaining value of the investment in the associate. Dividends received from associates are deducted from investments in associates.

The financial statements of associates are prepared for the same period as the Group's consolidated financial statements and use consistent accounting policies with the Group. Appropriate consolidation adjustments have been recorded to ensure that accounting policies are consistently applied to the Group in case of necessity.

Investments in equity of other entities comprise investments in equity instruments of other entities without having control, joint control, or significant influence on the investee. These investments are initially stated at original cost. After initial recognition, these investments are measured at original cost less provision for devaluation of investments.

Provision for devaluation of investments are made at the end of the year as followings:

- With regard to investments held long-term (other than trade securities) and not influencing significantly on the investee: If an investment in listed shares or the fair value of the investment is determined reliably, the provisions shall be made according to the market value of the shares; if an investment is not determined the fair value at the reporting time, the provision shall be made according to Financial Statements on provision date of the investee.

2.8 . Receivables

Receivables are monitored in detail of receivable terms, receivable objects, types of receivables, and other factors according to the Company's management needs. For receivables related to shipping agency services and customs clearance services including payments for customers.

Since 2017, the Subsidiary Company of SITC Vietnam Co., Ltd. has changed the application of accounting software in accounting books under the Group's management (SITC International Holdings Co., Ltd), which does not have detailed and complete classification of account receivable of the same item as short-term receivables or other short-term receivables to present appropriately at the corresponding criteria on the Balance Sheet at 31/12/2018 and as at 31/12/2017 as instructed in Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance. Therefore, the balance of customer receivables must include service fees and customer repayments.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

2.9 . Inventories

Inventories are initially recognized at original cost included: the purchase price, costs of conversion and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the time the financial statements are prepared if the net realizable value is lower than cost, inventories should be measured at the net realizable value.

The cost of inventory is calculated by weighted average method.

Inventory is recorded by perpetual method.

Method for valuation of work in process at the end of the year:

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

2.10 . Fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

Depreciation is provided on a straight-line basis. Depreciation period is estimated as follows:

- Buildings	05 - 30 years
- Machinery, equipment	05 - 10 years
- Transportation equipment	06 - 10 years
- Office equipment and furniture	03 - 05 years

Intangible fixed assets are computer software and land use rights and are amortized on a straight-line basis over the term of use, specifically as follows:

- Land use rights with definite term are amortized over the term of use. Long-term right of land use are not amortized;
- Management software 03 years

2.11 . Investment properties

Investment property is recognised at historical cost.

For investment property operating lease are recorded at cost, accumulated depreciation and net book value. In which, depreciation is provided on a straight-line basis with expected useful life as follows:

- Buildings 05 - 30 year
- Long-term right of land use are not amortized.

2.12 . Construction in progress

Construction in progress includes fixed assets which are in progress and are not yet completed at the balance sheet date and are stated at historical cost. This includes the costs of construction and installation of machinery and other direct costs. Construction in progress is only depreciated when these assets are completed and put into use.

2.13 . Prepaid expenses

The expenses incurred but related to results of business operations of several accounting periods are recorded as prepaid expenses and are amortised to the income statement in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on nature of those expenses to select a reasonable method and allocated factors. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

2.14 . Payables

The payables shall be kept records in details according to period payables, entities payables, types of currency payable and other factors according to requirements for management of the Company.

2.15 . Borrowings and finance lease liabilities

Loans and finance lease liabilities shall be kept records in details according to entities loans, loan agreement and loans and finance lease liabilities term. In case of loans or liabilities in foreign currency shall be kept records in detail the currency.

2.16 . Borrowing costs

Borrowing costs are recognized into operating costs in the year, except for which directly attributable to the construction or production of unfinished asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in VAS No. 16 "Borrowing costs". Beside, regarding loans serving the construction of fixed assets, investment properties, and the interests shall be capitalized even if the construction duration is under 12 months.

2.17 . Accrued expenses

Payables to goods or services received from the seller or provided for the seller during a reporting year, but payments of such goods or services have not been made and other payables such as annual leave salary, expenses in seasonal cessation of production period, interest expenses... which are recorded to operating expenses of the reporting year.

The recording of accrued expenses to operating expenses during a period shall be carried out in conformity with revenues and expenses incurring during the year. Accrued expenses payable are settled with actual expenses incurred. The difference between accrualment and actual expenses are reverted.

2.18 . Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Share premium shall record the difference between the par value, direct costs related to the issuing shares and issue price of shares (including the case of re-issuing stock fund) and can be a positive premium (if the issue price is higher than par value and direct costs related to the issuance of shares) or negative premium (if the issue price is lower than par value and direct costs related to the issuance of shares).

Treasury shares are shares issued by companies and bought-back by the companies which issued shares, but they are not cancelled and shall be re-issued in the period which complies with law on securities. Treasury shares shall be recorded under to back-buying actual value and presented on the Balance sheet as a decrease in owner's capital. Cost of Treasury shares when re-issuing or using to pay dividend, bonus... shall be calculated according to weighted average method.

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Company. The distribution of net profits is made when the net profit of the company does not exceed the net profit presented on Consolidated Financial Statements after eliminating the profits from cheap purchase. In case dividend payment or profit distribution for the owners exceeds the net profit, the difference shall be recorded as a decrease in contributed capital. Net profit can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders/Board of Management and after being appropriated to funds in accordance with the Company's Articles of Incorporation and Vietnamese statutory requirements.

The Company appropriates the following funds from the Company's net profit after tax as proposed by the Board of Directors and approved by shareholders at the Annual General Meeting of Shareholders:

- Investment and development fund: This fund is set aside for use in the Company's expansion of its operation or in-depth investment;
- Bonus and welfare fund and bonus fund for the Executive Board: This fund is set aside for rewarding and encouraging material benefits, providing mutual benefits and improving the welfare of employees and is presented as a must paid on the balance sheet.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Management and announcement of cut-off date for dividend payment of Vietnam Securities Depository Center.

2.19 . Revenue

Sales

Revenue from sale of goods shall be recognized when all the following conditions have been satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliable.

Services rendered

Services rendered shall be recognised when all the following conditions have been satisfied:

- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of the completion of the transaction at the end of the reporting period can be measured
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliable.

The stage of the completion of the transaction may be determined by evaluating the volume of work performed.

Financial income

Revenue arising from the used by the others of entity assets yielding interest, royalties and dividends shall be recognised when:

- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The amount of the income can be measured reliably;

Dividends shall be recognised when the shareholder's right to receive payment is established.

2.20 . Cost of goods sold

Cost of goods sold is recognized in accordance with revenue arising and ensure compliance with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses, and losses of inventories after deducting the responsibility of collective and individuals concerned,... are recognized fully and promptly into cost of goods sold in the year.

2.21 . Financial expenses

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Provision for diminution in value of trading securities price; provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc.

The above items are recorded by the total amount arising in the year without offsetting against financial income

2.22 . Corporate income tax

a) Current corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during period, and current corporate income tax rate.

b) Tax incentives

The company currently corporate income tax expenses applies a current corporate income tax rate of 20% for business operations for the fiscal year ended 31 December 2018.

2.23 . Earning per share

Basic earnings per share are calculated by dividing the profit or loss after tax attributable to the shareholders owning the common shares of the Company (after adjusting for the appropriation of the bonus, welfare and bonus fund). reward the Executive Board) for the weighted average number of ordinary shares outstanding in the year.

2.24 . Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties, one should also consider the nature, not only the legal form of the relationship.

2.25 . Segment information

A segment is a separate identifiable component of the Company engaged in the provision of related products or services (division by business activity), or providing products or services in a specific economic environment (divisions divided by geographic area). Each of these parts is subject to different risks and benefits than other parts.

Segment information is prepared and presented in accordance with the accounting policies applicable to the preparation and presentation of the Company's financial statements, in order to help the user of the financial statements understand and evaluate the situation. image of the Company's operations in a comprehensive way.

3 . CASH AND CASH EQUIVALENTS

	<u>31/12/2018</u>	<u>01/01/2018</u>
	VND	VND
Cash on hand	1,999,550,990	2,413,371,516
Non term deposit	91,036,375,221	85,852,616,870
Cash in transit	1,302,554,497	1,154,315,541
Cash equivalents	5,156,000,000	36,882,500,000
	<u>99,494,480,708</u>	<u>126,302,803,927</u>

(*) As at 31/12/2018, cash equivalents term deposit with a term of less than 3 months of USD 200,000 (equivalent to 4,631,000,000 VND) were deposited at commercial banks at the interest rate of 0% per annum and 525,000,000 VND at commercial banks with interest rates ranging from 6% per year to 6.5% per year.

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4 . FINANCIAL INVESTMENT

	31/12/2018	01/01/2018					
	Rate of interest	Rate of voting rights	Book value under the equity method	Address	Rate of interest	Rate of voting rights	Book value under the equity method
- Yusen Sea & Air (Vietnam) Limited Company (1)	45.00%	45.00%	3,507,642,954	Ho Chi Minh city	45.00%	45.00%	3,507,642,954
- KCTC Vietnam Limited Company (2)	0.00%	0.00%	-	Ho Chi Minh city	23.00%	23.00%	7,593,176,164
			<u>3,507,642,954</u>				<u>11,100,819,118</u>

(1) According to the joint venture contract between SAFI, Invest consult group Co.,Ltd and Yusen Sea & Air Service Co.,Ltd , the chartered capital of Yusen Logistics International (Vietnam) Co., Ltd is USD 600,000, in which contributed capital of each company are as follow: Safi contributed USD 270,000 representing 45% chartered capital; Invest consult group Co., Ltd contributed USD 36,000 USD representing 6% chartered capital and Yusen Sea & Air Service Ltd. Co contributed USD 294,000 representing 49% chartered capital.

Also according to the joint venture contract, the business registration license of Yusen Logistics International (Vietnam) Co.,Ltd. has expired on 05/09/2014. At the moment, Yusen Logistics International (Vietnam) Co., Ltd is carrying out procedures for dissolution. The liquidation of the investment will be made upon the completion of the procedures for dissolution; therefore, at that time, the original cost of investment will be written off; in addition, expenses related to liquidation and assets allocated (if any) will be recorded at that time.

(2) In 2018, the Company transferred the entire capital contribution of the Company at KCTC Vietnam Co., Ltd. due to the expiration of the joint venture and the Company has no intention to continue renewing the joint venture with the KCTC Vietnam Limited Company.

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4 . FINANCIAL INVESTMENT

b) Investments in equity of other entities

	31/12/2018		01/01/2018	
	Historical cost VND	Fair value VND	Historical cost VND	Fair value VND
- Share of Vinalines Logistic Joint Stock Company - Vietnam	1,500,000,000	780,000,000	1,500,000,000	900,000,000
- Share of Vietnam Container Group Joint Stock Company	80,894,879,843	101,646,198,400	-	-
	<u>82,394,879,843</u>	<u>102,426,198,400</u>	<u>1,500,000,000</u>	<u>900,000,000</u>
				<u>(600,000,000)</u>

Fair value of other long-term investments is determined based on closing prices of these securities on HOSE and UPCOM on December 31, 2018 and on 01/01/2018.

Investments in equity of other entities

Name of entities	Place of establishment and operation	Number of shares holding	Principle activities
- Share of Vinalines Logistic Joint Stock Company - Vietnam	Ha Noi	150,000	Transportation
- Share of Vietnam Container Group Joint Stock Company	Hai Phong	2,506,688	Maritime

(3) As at 31/12/2018, the Company has invested 2,506,688 shares in Vietnam Container Group Joint Stock Company, which operates in the same sector in order to get profit for the Company.

5 . SHORT - TERM TRADE RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Receivables detailed by according to the type of services				
Shipping agent receivables	37,042,656,369	-	16,400,576,069	-
Forwarding Receivables	130,752,024,653	-	94,844,723,357	-
Sea and air freight receivables	70,900,972,088	-	77,534,408,051	-
Others	1,261,149	-	-	-
	238,696,914,259	-	188,779,707,477	-
b) Receivables detailed by according to large account balances				
Cosco shipping lines Viet Nam	33,789,735,933	-	23,306,484,834	-
Wenparker Logistics USA	11,753,898,085	-	20,271,964,782	-
Nissan Vietnam Co., Ltd	4,270,519,755	-	3,951,308,924	-
Denso Vietnam Co., Ltd	2,613,004,407	-	3,351,418,882	-
Ford Vietnam Co., Ltd	9,535,560,585	-	3,177,796,700	-
Toyota Vietnam Motor Company	3,298,052,150	-	3,177,796,700	-
Others	173,436,143,344	-	131,542,936,655	-
	238,696,914,259	-	188,779,707,477	-

6 . PREPAYMENTS TO SUPPLIERS

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Prepayments to shipping lines	1,265,553,561	-	600,410,872	-
Others	515,335,459	-	297,177,818	-
	1,780,889,020	-	897,588,690	-

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7 . OTHER RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
Receivables from social insurance	96,429,850	-	90,270,425	-
Advances	16,006,613,721	-	10,775,462,150	-
Deposits	1,307,420,268	-	1,778,283,639	-
Receivable fees and expenses (*)	78,880,342,004	-	28,927,976,776	-
Others	2,904,886,622	-	1,047,601,321	-
	99,195,692,465	-	42,619,594,311	-
b) Long-term				
Deposits	1,455,089,400	-	683,604,140	-
	1,455,089,400	-	683,604,140	-

(*) Receivables from SITC Vietnam Liability Co., Ltd. for service charges and fees paid to SITC Container Lines Co., Ltd.

8 . INVENTORIES

	31/12/2018		01/01/2018	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw material	125,413,280	-	118,183,879	-
Work in process	674,659,945	-	881,997,594	-
Goods	-	-	28,140,000,000	-
	800,073,225	-	29,140,181,473	-

9 . CONSTRUCTION IN PROGRESS

	31/12/2018	01/01/2018
	VND	VND
Fixed assets acquisition (*)	4,110,750,000	4,125,450,000
	4,110,750,000	4,125,450,000

(*) As at December 31st 2018, the value of procurement of fixed assets is mainly the value of houses and structures in Quy Nhon which have not yet completed the transfer procedures and expenses for registration of means of transport arising in the year.

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10 . TANGIBLE FIXED ASSETS

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Original cost					
As at opening year	36,099,530,400	256,460,534	94,601,639,603	1,699,866,421	132,657,496,958
- Purchase	12,476,250,000	112,000,000	21,710,056,071	30,345,455	34,328,651,526
- Liquidating, disposed	-	-	-	(42,410,909)	(42,410,909)
As at closing year	48,575,780,400	368,460,534	116,311,695,674	1,687,800,967	166,943,737,575
Accumulated depreciation					
As at opening year	16,180,854,241	202,512,557	40,738,563,758	1,575,320,313	58,697,250,869
- Depreciation	2,006,601,672	75,104,533	15,290,181,553	63,174,183	17,435,061,941
- Liquidating, disposed	-	-	-	(42,410,909)	(42,410,909)
As at closing year	18,187,455,913	277,617,090	56,028,745,311	1,596,083,587	76,089,901,901
Net carrying amount					
As at opening year	19,918,676,159	53,947,977	53,863,075,845	124,546,108	73,960,246,089
As at closing year	30,388,324,487	90,843,444	60,282,950,363	91,717,380	90,853,835,674
<i>In which:</i>					
- Cost of fully depreciated tangible fixed assets but still in use:	16,588,853,165	VND			

11 . INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer software VND	Cộng VND
Original cost			
As at opening year	4,517,324,453	1,347,745,000	5,865,069,453
- Purchase	1,845,000,000	807,600,000	2,652,600,000
As at closing year	6,362,324,453	2,155,345,000	8,517,669,453
Accumulated depreciation			
As at opening year	1,129,331,069	938,847,782	2,068,178,851
- Depreciation	132,862,488	445,138,888	578,001,376
As at closing year	1,262,193,557	1,383,986,670	2,646,180,227
Net carrying amount			
As at opening year	3,387,993,384	408,897,218	3,796,890,602
As at closing year	5,100,130,896	771,358,330	5,871,489,226

12 . INVESTMENT PROPERTIES

a) Investment properties for lease

	Land use rights VND	Buildings VND	Others VND	Total VND
Original cost				
As at opening year	21,684,350,000	73,053,236,092	4,137,850,675	98,875,436,767
As at closing year	21,684,350,000	73,053,236,092	4,137,850,675	98,875,436,767
Accumulated depreciation				
As at opening year	-	18,471,304,663	2,919,031,362	21,390,336,025
- Depreciation	-	2,646,641,664	568,598,304	3,215,239,968
As at closing year	-	21,117,946,327	3,487,629,666	24,605,575,993
Net carrying amount				
As at opening year	21,684,350,000	54,581,931,429	1,218,819,313	77,485,100,742
As at closing year	21,684,350,000	51,935,289,765	650,221,009	74,269,860,774

The investment property is Safi Tower at No.209, Nguyen Van Thu Street, Da Kao Ward, District 1, Ho Chi Minh City, which is used for lease.

13 . PREPAID EXPENSES

	VND	VND
a) Short-term		
Renting cost	65,220,000	79,326,200
Others	254,953,499	171,305,931
	320,173,499	250,632,131
b) Long-term		
Tools and consumables awaiting for allocation	33,673,459	363,386,345
Others	95,941,486	40,614,772
	129,614,945	404,001,117

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14 . SHORT - TERM TRADE PAYABLES

	31/12/2018		01/01/2018	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
a) Trade payables detailed by according to the type of services				
Airline Companies	23,671,832,243	23,671,832,243	23,515,390,676	23,515,390,676
Sea-way service companies	23,514,480,982	23,514,480,982	28,961,496,694	28,961,496,694
Logistics service companies	74,987,502,063	74,987,502,063	20,272,115,875	20,272,115,875
Shipping agents	7,655,874,557	7,655,874,557	5,264,554,400	5,264,554,400
Others	268,874,111	268,874,111	2,307,284,997	2,307,284,997
	130,098,563,956	130,098,563,956	80,320,842,642	80,320,842,642
b) Trade payables detailed by large account balances				
Cosco Shipping Line Vietnam Co., Ltd.	10,417,995,429	10,417,995,429	15,026,689,366	15,026,689,366
Ticket office of HK Japan Airline	5,543,729,262	5,543,729,262	2,284,730,340	2,284,730,340
New Port Pilot Company Limited	4,842,237,862	4,842,237,862	3,434,695,859	3,434,695,859
Dinh Vu Port Investment and Development Joint Stock Company - Ministry of Defense	19,048,952,092	19,048,952,092	-	-
Hai Phong New Port 189 Joint Stock Company	15,446,259,986	15,446,259,986	611,108,729	611,108,729
Others	3,648,729,692	3,648,729,692	-	-
	71,150,659,633	71,150,659,633	58,963,618,348	58,963,618,348
	130,098,563,956	130,098,563,956	80,320,842,642	80,320,842,642

15 . SHORT - TERM ADVANCE FROM CUSTOMERS

	31/12/2018	01/01/2018
	VND	VND
Forwarding and Shipping agents (*)	18,483,832,089	17,605,441,858
Others	40,000,000	71,186,269
	18,523,832,089	17,676,628,127

(*) Short-term deferred revenue balances as at 31/12/2018 is mainly prepaid by Forwarder, which will be settled with receivables from customers and other short-term payables when SITC Vietnam Co., Ltd. - The subsidiary completed the service for these Forwarders.

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16 . TAX AND PAYABLES FROM STATE BUDGET

	Receivable at the opening year	Payable at the opening year	Payable arise in the year	Amount paid in the year	Receivable at the closing year	Payable at the closing year
	VND	VND	VND	VND	VND	VND
Value added tax	-	815,016,066	14,316,922,643	13,879,131,827	-	1,252,806,882
Business income tax	350,360,128	1,975,203,101	13,998,007,410	12,541,945,446	-	3,080,904,957
Personal income tax	-	709,697,194	7,878,722,762	7,870,214,431	-	718,205,525
Property tax and land rental	-	-	168,849,968	168,849,968	-	-
Other taxes	-	2,822,583,629	157,770,856,564	149,742,158,553	-	10,851,281,640
	350,360,128	6,322,499,990	194,133,359,347	184,202,300,225	-	15,903,198,984

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on 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.

17 . OTHER PAYABLES

	31/12/2018	01/01/2018
	VND	VND
a) Short-term		
- Trade union fund	138,896,620	758,492,151
- Short-term deposits, collateral received	40,200,728,732	32,445,351,432
- Dividend, profit payables	159,683,565	11,951,629,080
- Advance postage fee payable	195,717,039	7,336,830,848
- Postage fee and other collections(*)	74,544,583,908	39,865,745,425
- Others	6,683,133,105	7,397,567,865
	121,922,742,969	99,755,616,801
b) Long-term		
- Long-term deposits, collateral received	1,730,281,752	1,330,761,600
	1,730,281,752	1,330,761,600

(*) The principal payables for SITC Container Lines Co., Ltd of SITC Vietnam Co., Ltd. includes service fees and charges of customers using the service.

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18 . LOAN AND FINANCE LEASE LIABILITIES

	01/01/2018		Interim		31/12/2018	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
- Joint Stock Commercial Bank for Foreign Trade of Vietnam	-	-	1,763,635,957	1,763,635,957	-	-
- SSI Securities Corporation	-	-	33,525,719,359	33,525,719,359	-	-
			35,289,355,316	35,289,355,316		

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19 . OWNER'S EQUITY

a) Increase and decrease in owner's equity

	Contributed legal capital	Share capital surplus	Treasury stocks	Investment and development funds	Other funds belonging to owner's equity	Undistributed earnings	Non controlling interest	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Previous year opening balance	113,682,420,000	41,816,120,654	(1,300,120,000)	28,489,813,644	69,826,417,931	82,887,376,323	3,741,787,726	339,143,816,278
Previous year increase in capital	5,619,120,000	-	-	-	-	-	-	5,619,120,000
Profit of the previous year	-	-	-	-	-	38,957,379,993	1,989,747,801	40,947,127,794
Profit distribution at parent company	-	-	-	5,421,398,718	30,308,823,850	(35,730,222,568)	-	-
Profit distribution of subsidiaries	-	-	-	-	-	-	-	-
Deduction for operation fund of the Board of Directors and Supervisory Board	-	-	-	-	-	-	-	-
Divided for 2016	-	-	-	-	-	-	(1,573,101,447)	(1,573,101,447)
Advance payment for dividend in 2017 (**)	-	-	-	-	-	(1,626,419,615)	-	(1,626,419,615)
Influence parent company to withdraw its investment in subsidiary	-	-	-	-	-	(16,857,345,000)	-	(16,857,345,000)
	-	-	-	-	-	(11,800,142,000)	-	(11,800,142,000)
Previous year closing balance	119,301,540,000	41,816,120,654	(1,300,120,000)	33,911,212,362	100,135,241,781	55,830,627,133	27,258,508	27,258,508
Current year opening balance	119,301,540,000	41,816,120,654	(1,300,120,000)	33,911,212,362	100,135,241,781	55,830,627,133	4,185,692,588	353,880,314,518
Current year increase in capital (*)	5,900,070,000	-	-	-	-	-	-	5,900,070,000
Profit of the current year	-	-	-	-	-	51,936,255,829	2,236,219,745	54,172,475,574
Profit distribution at parent company	-	-	-	3,510,201,234	12,838,537,731	(16,348,738,965)	-	-
Deduction for operation fund of the Board of Directors and Supervisory Board	-	-	-	-	-	-	-	-
Dividend payment at Parent Company (**)	-	-	-	-	-	(1,053,060,369)	-	(1,053,060,369)
Dividend dividend at Subsidiary	-	-	-	-	-	(5,900,071,000)	-	(5,900,071,000)
Influence caused by increased capital in the subsidiary in the year	-	-	-	-	-	-	(679,072,982)	(679,072,982)
Current year closing balance	125,201,610,000	41,816,120,654	(1,300,120,000)	37,421,413,596	112,973,779,512	84,475,601,272	6,425,950,707	407,014,355,741

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(*) Issuance of shares under the company's employee selection program. The number of shares issued for 2018 is 590,007 shares, the issuing price is 10,000 dong per share.

According to the Board of Directors' Resolution No.01/NQ-DHĐCĐ/SAFI-2018 on 20 February 2018, the Company announced the distribution of profits in 2017 as follows:

	Rate (%)	Amount VND
Profit after tax according to Separate financial statement in 2017	100.00%	35,102,012,335
Appropriation for development and investment fund	10.00%	3,510,201,234
Appropriation for other funds belonging to owners' equity	36.57%	12,838,537,731
Appropriation for operation funds of the Board of Directors and Supervisory Board	3.00%	1,053,060,370
Dividend payment (equal to 15% of voting shares in circulation) (**)	50.43%	17,700,213,000

(**) In 2017, the Company has advanced dividends according to the Resolution of the Board of Directors No. 06 / NQ-HĐQT - 2017, the Board of Directors has approved the payment of dividends in cash in 2017 with the payment rate of 10 %, ex-right date is 22/12/2017, payment date is 10/01/2018.

b) Details of owner's invested capital

	Rate (%)	31/12/2018 VND	Rate (%)	01/01/2018 VND
- Mr. Nguyen Hoang Anh	21.91%	27,437,400,000	18.87%	22,517,490,000
- Mrs. Le Dung Nhi	5.24%	6,565,220,000	5.50%	6,565,220,000
- AFC VF Ltd	5.09%	6,370,600,000	0.00%	-
- America LLC	11.89%	14,889,000,000	12.48%	14,889,000,000
- Samarang Ucits	6.22%	7,782,700,000	6.52%	7,782,700,000
- Other shareholders	48.61%	60,856,570,000	55.53%	66,247,010,000
- Treasury stock	1.05%	1,300,120,000	1.10%	1,300,120,000
	100%	125,201,610,000	100%	119,301,540,000

c) Capital transactions with owners and distribution of dividends and profits

	Year 2018 VND	Year 2017 VND
Owner's invested capital	125,201,610,000	119,301,540,000
- At the beginning of year	119,301,540,000	113,682,420,000
- Increase in the year	5,900,070,000	5,619,120,000
- At the ending of year	<u>125,201,610,000</u>	<u>119,301,540,000</u>
Distributed dividends and profit		
- Payable dividends at the beginning of the year	11,951,845,680	151,703,680
- Payable dividends in the year profit	6,579,143,982	30,230,588,447
+ Distributed dividends on last year profit	6,579,143,982	18,430,446,447
+ Temporarily distributed dividends on this year profit	-	11,800,142,000
- Distributed dividends paid in cash	(18,371,089,497)	(18,430,446,447)
+ Distributed dividends on last year profit	(18,371,089,497)	(18,430,446,447)
+ Temporarily distributed dividends on this year profit	-	-
- Payable dividends at the end of the year	<u>159,900,165</u>	<u>11,951,845,680</u>

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d) Stock		<u>31/12/2018</u>	<u>01/01/2018</u>
Quantity of Authorized issuing stocks		12,520,161	11,930,154
Quantity of issued stocks		12,520,161	11,930,154
- <i>Common stocks</i>		<i>12,520,161</i>	<i>11,930,154</i>
Quantity of repurchased stocks		130,012	130,012
- <i>Common stocks</i>		<i>130,012</i>	<i>130,012</i>
Quantity of circulation stocks		12,390,149	11,800,142
- <i>Common stocks</i>		<i>12,390,149</i>	<i>11,800,142</i>
Par value per stock (VND)		10,000	10,000
f) Company's funds		<u>31/12/2018</u>	<u>01/01/2018</u>
		VND	VND
Investment and development fund		37,421,413,596	33,911,212,362
Other funds belonging to owners' equity		112,973,779,512	100,135,241,781
		<u>150,395,193,108</u>	<u>134,046,454,143</u>
20 . OFF-STATEMENT OF FINANCIAL POSITION ACCOUNTS			
Foreign currencies		<u>31/12/2018</u>	<u>01/01/2018</u>
- USD		1,137,142	3,278,169
- EUR		1,008	46,504
21 . TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES			
		<u>Year 2018</u>	<u>Year 2017</u>
		VND	VND
Revenue from sale of finished goods, merchandise		29,437,600,000	-
Revenue from rendering of services		839,617,715,642	716,293,108,929
		<u>869,055,315,642</u>	<u>716,293,108,929</u>
22 . COSTS OF GOODS SOLD			
		<u>Year 2018</u>	<u>Year 2017</u>
		VND	VND
Costs of merchandise		28,140,000,000	-
Costs of services rendered		638,134,168,260	543,471,577,201
		<u>666,274,168,260</u>	<u>543,471,577,201</u>

23 . FINANCIAL INCOME

	Year 2018	Year 2017
	VND	VND
Interest income, interest from loans	722,303,190	641,143,391
Gain from selling investments	4,865,230,940	-
Dividends, profits earned	4,312,576,161	390,000,000
Realized gain from foreign exchange difference	1,894,501,801	1,500,907,526
Unrealized gain from foreign exchange difference	108,502,477	-
	<u>11,903,114,569</u>	<u>2,532,050,917</u>

24 . FINANCIAL EXPENSES

	Year 2018	Year 2017
	VND	VND
Interest expenses	20,182,052	-
Loss from disposal of investments	-	17,258,508
Realized loss from foreign exchange difference	2,661,404,671	433,016,388
Unrealized loss from foreign exchange difference	127,672,200	238,368,676
Provisions for devaluation of trading securities and investments	120,000,000	600,000,000
	<u>2,929,258,923</u>	<u>1,288,643,572</u>

25 . SELLING EXPENSES

	Year 2018	Year 2017
	VND	VND
Labor	51,108,506,954	45,130,880,177
Depreciation and amortisation	2,680,365,984	2,121,897,097
Expenses from external services	4,128,086,470	3,080,334,358
Other expenses by cash	10,204,563,747	8,060,213,014
	<u>68,121,523,155</u>	<u>58,393,324,646</u>

26 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2018	Year 2017
	VND	VND
Labor	46,697,274,292	47,026,062,315
Depreciation and amortisation	2,494,167,451	2,538,432,642
Expenses from external services	13,285,726,586	11,309,471,707
Other expenses by cash	9,166,493,244	9,572,630,212
	<u>71,643,661,573</u>	<u>70,446,596,876</u>

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	<u>Year 2018</u>	<u>Year 2017</u>
	VND	VND
Income from transferring, disposal fixed assets	-	4,545,455
The reward from SITC Container Lines Co., Ltd for completing the annual plan	-	9,118,950,000
Others	180,540,706	35,484,718
	<u>180,540,706</u>	<u>9,158,980,173</u>

28 . OTHER EXPENSE

	<u>Year 2018</u>	<u>Year 2017</u>
	VND	VND
Penalty fee paid	-	1,747,767,156
Others	22,668,917	55,892,691
	<u>22,668,917</u>	<u>1,803,659,847</u>

29 . CURRENT BUSINESS INCOME TAX EXPENSE

	<u>Year 2018</u>	<u>Year 2017</u>
	VND	VND
Current corporate income tax expense at parent company	10,932,065,138	7,806,584,883
Current corporate income tax expense at SITC Viet Nam	1,332,929,910	1,617,534,622
Current corporate income tax expense at Cosfi JSC	494,009,090	366,098,311
Current corporate income tax expense Safi Infrastructure Investment Limited Company	1,239,003,272	1,018,576,233
Current corporate income tax expense	<u>13,998,007,410</u>	<u>10,808,794,049</u>
Adjustment of tax expenses in previous years and tax expenses in the current year	-	(2,575,716,799)
Tax payable at the beginning of year	1,624,842,973	4,651,981,017
Tax paid in the year	(12,541,945,446)	(11,260,215,294)
Closing year income tax payable of main business activities	<u>3,080,904,937</u>	<u>1,624,842,973</u>

30 . BASIC EARNINGS PER SHARE

Earning per share distributed to common shareholders of the company is calculated as follows :

	<u>Year 2018</u>	<u>Year 2017</u>
	VND	VND
Profit after tax	51,936,255,829	38,957,379,993
Profit distributed for common stocks	51,936,255,829	38,957,379,993
Average circulated common stocks in the year	11,817,972	11,296,891
Basic earnings per share	<u>4,395</u>	<u>3,449</u>

The company has not planned to appropriate Bonus and welfare and Bonus to Supervisory Board from the profit after tax at the date of making the Consolidated Financial Statement.

31 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	<u>Year 2018</u>	<u>Year 2017</u>
	VND	VND
Raw materials	33,142,058,182	19,721,847,561
Labour	101,695,833,251	93,961,780,064
Depreciation and amortisation	21,228,303,285	17,300,222,244
Expenses from external services	604,621,649,714	491,852,949,988
Other expenses by cash	45,144,170,907	50,222,839,203
	<u>805,832,015,339</u>	<u>673,059,639,060</u>

32 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company include:

	Carrying amount			
	31/12/2018		01/01/2018	
	Original Cost VND	Provision VND	Original Cost VND	Provision VND
Financial Assets				
Cash and cash equivalents	99,494,480,708	-	126,302,803,927	-
Trade receivables, other receivables	339,347,696,124	-	232,082,905,928	-
Long term investments	82,394,879,843	(720,000,000)	1,500,000,000	(600,000,000)
	<u>521,237,056,675</u>	<u>(720,000,000)</u>	<u>359,885,709,855</u>	<u>(600,000,000)</u>
			Carrying amount	
			31/12/2018	01/01/2018
			VND	VND
Financial Liabilities				
Trade payables, other payables			253,751,588,677	181,407,221,043
Accrued expenses			38,000,000	180,765,536
			<u>253,789,588,677</u>	<u>181,587,986,579</u>

Financial assets and financial liabilities are not revalued according to fair value at the year ended because Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and additional note for financial instruments but do not provide any relevant instructions for assessment and recognition of fair value of financial assets and liabilities, excluding provisions for bad debts and provision for devaluation of securities investments which are presented in relevant notes.

Financial risk management

The Company's financial risks including market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of General Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company's business operations will bear the risks of changes on prices, exchange rates and interest rates.

Price Risk

The Company bears price risk of equity instruments from short-term and long-term security investments due to uncertainty on future prices of the securities. Long-term securities are held for long-term strategies, at the end of the fiscal year, the Company has no plans to sell these investments.

	<u>Up to 1 year</u>	<u>In 1 to 5 years</u>	<u>In more than</u> <u>5 years</u>	<u>Total</u>
	VND	VND	VND	VND
As at 31/12/2018				
Long term investments	-	81,674,879,843	-	81,674,879,843
	<u>-</u>	<u>81,674,879,843</u>	<u>-</u>	<u>81,674,879,843</u>
As at 01/01/2018				
Long term investments	-	900,000,000	-	900,000,000
	<u>-</u>	<u>900,000,000</u>	<u>-</u>	<u>900,000,000</u>

Exchange rate risk

The Company bears the risk of exchange rate due to fluctuation in fair value of future cash flows of a financial instrument according to changes in exchange rates if loans, revenues and expenses of the Company are done in foreign currencies other than VND.

Interest rate risk

The Company bears the risk of interest rates due to fluctuation in fair value of future cash flow of a financial instrument according to changes in market interest rates if the Company has time or demand deposits, loans and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain any interest profitable for its operation purpose.

Credit Risk

Credit risk is risk in which the potential loss may be incurred if a counterpart fails to perform its obligations under contractual terms or financial instruments. The Company has credit risk from operating activities (mainly for trade receivables) and financial activities (including bank deposits, loans and other financial instruments).

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2018				
Cash and cash equivalents	99,494,480,708	-	-	99,494,480,708
Trade receivables, other receivables	337,892,606,724	1,455,089,400	-	339,347,696,124
	<u>437,387,087,432</u>	<u>1,455,089,400</u>	<u>-</u>	<u>438,842,176,832</u>
As at 01/01/2018				
Cash and cash equivalents	126,302,803,927	-	-	126,302,803,927
Trade receivables, other receivables	231,399,301,788	683,604,140	-	232,082,905,928
	<u>357,702,105,715</u>	<u>683,604,140</u>	<u>-</u>	<u>358,385,709,855</u>

Liquidity Risk

Liquidity risk is the risk in which the Company has trouble in settlement of its financial obligations due to lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2018				
Trade payables, other payables	252,021,306,925	1,730,281,752	-	253,751,588,677
Accrued expenses	38,000,000	-	-	38,000,000
	<u>252,059,306,925</u>	<u>1,730,281,752</u>	<u>-</u>	<u>253,789,588,677</u>
As at 01/01/2018				
Trade payables, other payables	180,076,459,443	1,330,761,600	-	181,407,221,043
Accrued expenses	180,765,536	-	-	180,765,536
	<u>180,257,224,979</u>	<u>1,330,761,600</u>	<u>-</u>	<u>181,587,986,579</u>

The Company believes that risk level of loan repayment is low. The Company has the ability to pay debts matured from cash flows from its operating activities and cash received from matured financial assets.

33 . EVENTS AFTER BALANCE SHEET DATE

According to the Resolution of the Board of Directors No. 02/NQ-HĐQT dated March 6, 2019 on the change of the ratio of contributed capital in SITC Vietnam Company Limited, in which the Board of Directors has approved the change in the Company's contributed capital in SITC Vietnam Co., Ltd. from 51% to 30% through transferring of the Company's contributed capital to SITC Shipping Asia Pte.

In addition, there are no significant events occurring after the end of the financial year requiring adjustments or disclosures in this separate Financial Statements.

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34 . SEGMENT REPORTING

Under business fields

	Logistic activities	Forwarding operations	Ship agency service, other activities	Total from all segments	Grant total
	VND	VND	VND	VND	VND
Net sales from outside sales	276,572,445,269	485,957,802,997	106,525,067,376	869,055,315,642	869,055,315,642
Direct segment cost	212,961,185,781	421,551,277,264	31,761,705,215	666,274,168,260	666,274,168,260
Profit from operating activities	63,611,259,488	64,406,525,733	74,763,362,161	202,781,147,382	202,781,147,382
The total cost to acquire fixed assets	21,822,056,071	-	15,159,195,455	36,981,251,526	36,981,251,526
Segment assets	197,993,909,191	347,889,628,064	76,259,637,855	622,143,175,110	622,143,175,110
Unallocated assets	-	-	-	85,182,522,797	85,182,522,797
Total assets	197,993,909,191	347,889,628,064	76,259,637,855	707,325,697,907	707,325,697,907
Segment liabilities	95,572,561,090	167,927,906,806	36,810,874,270	300,311,342,166	300,311,342,166
Total liabilities	95,572,561,090	167,927,906,806	36,810,874,270	300,311,342,166	300,311,342,166

35 . TRANSACTION AND BALANCES WITH RELATED PARTIES

In the year, the Company has the transactions and balances with related parties as follows:

Transactions during the year:


	<u>Relation</u>	<u>Year 2018</u> VND	<u>Year 2017</u> VND
Purchase			
KCTC Vietnam Co., Ltd	Associate company	1,143,950	227,700

Transactions with other related parties:

	<u>Year 2018</u> VND	<u>Year 2017</u> VND
Income of the General Director of the Company	911,100,000	830,000,000
Remuneration to members of The Board of General Directors and The Board of Management	2,147,700,000	1,956,000,000

36 . COMPARATIVE FIGURES

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2017 which was audited by AASC Auditing Firm Company Limited.

		
Doan Thu Ha Preparer	Nguyen Thanh Tuyen Chief Accountant	Nguyen Hoang Anh General Director



Ha Noi, March 14th 2019