



CONSOLIDATED FINANCIAL STATEMENTS

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

For the fiscal year ended as at 31/12/2019

(Audited)

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SEA & AIR FREIGHT INTERNATIONAL (SAFI)

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

REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Sea & Air Freight International (SAFI) (“the Company”) presents its report and the Company’s Consolidated Financial Statements for the fiscal year ended as at 31 December 2019.

THE COMPANY

Sea & Air Freight International (SAFI) was transformed from a state-owned enterprise to a joint stock company in accordance with Decision No.1247/1998/QĐ-BGTVT dated May 25, 1998 by the Ministry of Transport and operated under Business Registration Certificate of joint stock company No. 0301471330 issued by Department of Planning and Investment of Ho Chi Minh City for the first time on August 31, 1998, 34th re-registered on October 10, 2019.

The Company’s head office is located at: No. 209, Nguyen Van Thu Street, Da Kao 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	Resigned on March 06, 2020
Mr. Nguyen Hoang Dung	Member	
Mr. Dang Tran Phuc	Member	

The members of The Board of General Directors during 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 have taken the audit of Consolidated Financial Statements for the Company.

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

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

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

- Establish and maintain an internal control system which is determined necessary by The Board of General Directors and Board of Management 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;
- 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 Corporate 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 31 December 2019, its operations and cash flows in the year 2019 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and statutory requirements relevant to preparation and presentation of Consolidated Financial Statements.

Other commitments

The Board of General Directors pledges that the company complies with Decree No. 71/2017/NĐ-CP dated 06 June 2017 guiding on corporate governance of public companies and the company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of The Board of General Directors



Nguyen Hoang Anh
General Director

Ho Chi Minh City, 01 March 2020



No.: 300320.004/BCTC.KT2

INDEPENDENT AUDITORS' REPORT

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

We have audited the Consolidated Financial Statements of 01 March 2020, as set out on pages 06 to 39, including: Consolidated Statement of Financial Position as at 31/12/2019, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cashflows and Notes to Consolidated Financial Statements for the fiscal year ended as at 31 December 2019.

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 Corporate 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 and presentation 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; 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 The Board of General Directors, 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 (SAFI) as at 31 December 2019, and of the results of its operations and its cashflows for the fiscal year ended as at 31 December 2019 in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements.

AASC Auditing Firm Company Limited



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Vu Xuan Bien

Deputy General Director

Certificate of registration to audit practice

No: 0743-2018-002-1

Ngo Hoang Ha

Auditor

Certificate of registration to audit practice

No: 3999-2018-002-1

Hanoi, 30 March 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 December 2019*

Code	ASSETS	Note	31/12/2019 VND	01/01/2019 VND
100	A. CURRENT ASSETS		277,362,714,534	445,452,535,091
110	I. Cash and cash equivalents	3	79,970,773,901	99,494,480,708
111	1. Cash		74,823,773,901	94,338,480,708
112	2. Cash equivalents		5,147,000,000	5,156,000,000
130	III. Short-term receivables		185,355,135,026	339,673,495,744
131	1. Short-term trade receivables	5	156,341,237,330	238,696,914,259
132	2. Short-term prepayments to suppliers		2,181,936,297	1,780,889,020
136	3. Other short-term receivables	7	26,831,961,399	99,195,692,465
140	IV. Inventories	8	6,997,689,864	800,073,225
141	1. Inventories		6,997,689,864	800,073,225
150	V. Other short-term assets		5,039,115,743	5,484,485,414
151	1. Short-term prepaid expenses		75,380,000	320,173,499
152	2. Deductible VAT		4,963,735,743	5,164,311,915
200	B. NON-CURRENT ASSETS		261,572,378,493	261,873,162,816
210	I. Long-term receivables		177,873,000	1,455,089,400
216	1. Other long-term receivables	7	177,873,000	1,455,089,400
220	II. Fixed assets		82,167,052,579	96,725,324,900
221	1. Tangible fixed assets	10	76,749,356,391	90,853,835,674
222	- <i>Historical costs</i>		165,292,050,925	166,943,737,575
223	- <i>Accumulated depreciation</i>		(88,542,694,534)	(76,089,901,901)
227	2. Intangible fixed assets	11	5,417,696,188	5,871,489,226
228	- <i>Historical costs</i>		8,567,969,453	8,517,669,453
229	- <i>Accumulated amortization</i>		(3,150,273,265)	(2,646,180,227)
230	III. Investment properties	12	71,109,620,806	74,269,860,774
231	- Historical costs		98,875,436,767	98,875,436,767
232	- Accumulated depreciation		(27,765,815,961)	(24,605,575,993)
240	IV. Long-term assets in progress	9	8,127,723,012	4,110,750,000
242	1. Construction in progress		8,127,723,012	4,110,750,000
250	V. Long-term investments	4	99,990,109,096	85,182,522,797
252	1. Investments in joint ventures and associates		8,561,859,096	3,507,642,954
253	2. Equity investments in other entities		99,389,783,346	82,394,879,843
254	3. Provision for devaluation of long-term investments		(7,961,533,346)	(720,000,000)
260	VI. Other long-term assets		-	129,614,945
261	1. Long-term prepaid expenses		-	129,614,945
270	TOTAL ASSETS		538,935,093,027	707,325,697,907

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(continue)

Code CAPITAL	Note	31/12/2019	01/01/2019
		VND	VND
300 C. LIABILITIES		93,930,028,302	300,311,342,166
310 I. Current liabilities		92,499,677,862	298,581,060,414
311 1. Short-term trade payables	13	77,599,469,980	130,098,563,956
312 2. Short-term prepayments from customers		390,473	18,523,832,089
313 3. Taxes and other payables to State budget	15	2,737,158,098	15,903,198,984
314 4. Payables to employees		5,924,374,125	10,128,031,744
315 5. Short-term accrued expenses		2,000,000	38,000,000
319 6. Other short-term payments	16	3,997,792,460	121,922,742,969
322 7. Bonus and welfare fund		2,238,492,726	1,966,690,672
330 II. Non-current liabilities		1,430,350,440	1,730,281,752
337 1. Other long-term payables	16	1,430,350,440	1,730,281,752
400 D. OWNER'S EQUITY		445,005,064,725	407,014,355,741
410 I. Owner's equity	17	445,005,064,725	407,014,355,741
411 1. Contributed capital		143,745,770,000	125,201,610,000
411a Ordinary shares with voting rights		143,745,770,000	125,201,610,000
412 2. Share Premium		41,816,120,654	41,816,120,654
415 3. Treasury shares		(1,600,120,000)	(1,300,120,000)
418 4. Development investment funds		42,344,656,047	37,421,413,596
420 5. Other reserves		137,025,747,333	112,973,779,512
421 6. Retained earnings		80,008,968,270	84,475,601,272
421a Retained earnings accumulated till the end of the previous year		35,479,303,265	32,539,345,443
421b Retained earnings of the current year		44,529,665,005	51,936,255,829
429 8. Non controlling interest		1,663,922,421	6,425,950,707
440 TOTAL CAPITAL		538,935,093,027	707,325,697,907


Doan Thu Ha
Preparer

Nguyen Thanh Tuyen
Chief Accountant


Nguyen Hoang Anh
General Director

Ho Chi Minh City, 01 March 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year 2019

Code ITEM	Note	Year 2019	Year 2018	
		VND	VND	
01	1. Revenue from sales of goods and rendering of services	19	845,984,587,605	869,055,315,642
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		845,984,587,605	869,055,315,642
11	4. Cost of goods sold	20	709,331,712,916	666,274,168,260
20	5. Gross profit from sales of goods and rendering of services		136,652,874,689	202,781,147,382
21	6. Financial income	21	9,652,292,341	11,903,114,569
22	7. Financial expense	22	8,166,058,782	2,929,258,923
23	<i>In which: Interest expenses</i>		2,553,169	20,182,052
24	8. Share of joint ventures and associates' profit or loss		(264,021,639)	(3,977,207,105)
25	9. Selling expenses	23	69,706,970,415	68,121,523,155
26	10. General and administrative expense	24	14,237,130,314	71,643,661,573
30	11. Net profit from operating activities		53,930,985,880	68,012,611,195
31	12. Other income		292,981,818	180,540,706
32	13. Other expense		-	22,668,917
40	14. Other profit		292,981,818	157,871,789
50	15. Total net profit before tax		54,223,967,698	68,170,482,984
51	16. Current corporate income tax expenses	25	9,346,651,543	13,998,007,410
60	18. Profit after corporate income tax		44,877,316,155	54,172,475,574
61	19. Profit after tax attributable to owners of the parent		44,529,665,005	51,936,255,829
62	20. Profit after tax attributable to non-controlling interest		347,651,150	2,236,219,745
70	21. Basic earnings per share	26	3,129	3,799
71	22. Diluted earnings per share	27	2,980	3,799


Doan Thu Ha
Preparer

Nguyen Thanh Tuyen
Chief AccountantNguyen Hoang Anh
General Director

CONSOLIDATED STATEMENT OF CASH FLOWSYear 2019
(Indirect method)

Code	ITEM	Note	Year 2019	Year 2018
			VND	VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		54,223,967,698	68,170,482,984
	2. Adjustments for			
02	- Depreciation and amortization of fixed assets and investment properties		22,762,318,820	21,228,303,285
03	- Provisions		7,241,533,346	120,000,000
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency		764,647,965	19,169,723
05	- Gains / losses from investment		(8,539,703,210)	(5,922,903,186)
06	- Interest expense		2,553,169	20,182,052
08	3. Operating profit before changes in working capital		76,455,317,788	83,635,234,858
09	- Increase or decrease in receivables		(14,958,190,863)	(103,807,417,862)
10	- Increase or decrease in inventories		(6,197,616,639)	28,340,108,248
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		5,187,037,660	94,387,893,767
12	- Increase or decrease in prepaid expenses		(10,160,000)	204,844,804
14	- Interest paid		(2,553,169)	(20,182,052)
15	- Corporate income tax paid		(10,851,879,998)	(12,541,945,446)
17	- Other payments on operating activities		(1,205,125,681)	(992,690,498)
20	Net cash flows from operating activities		48,416,829,098	89,205,845,819
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets		(10,025,899,919)	(36,966,551,526)
22	2. Proceeds from disposals of fixed assets and other long-term assets		288,181,818	-
25	3. Equity investments in other entities		(65,652,635,570)	(80,894,879,843)
26	4. Proceeds from equity investment in other entities		-	8,481,200,000
27	5. Interest and dividend received		8,515,543,031	5,034,879,351
30	Net cash flows from investing activities		(66,874,810,640)	(104,345,352,018)
	III CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from issuance of shares and receipt of contributed capital		-	6,593,770,000
32	2. Repayment of contributions capital and repurchase of stock issued		(300,000,000)	-
33	3. Proceeds from borrowings		10,931,285,265	35,289,355,316
34	4. Repayment of principal		(10,931,285,265)	(35,289,355,316)
36	5. Dividends or profits paid to owners		(1,077,300)	(18,371,089,497)
40	Net cash flows from financing activities		(301,077,300)	(11,777,319,497)

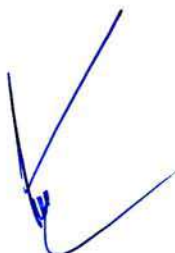
CONSOLIDATED STATEMENT OF CASH FLOWS*Year 2019*
(Indirect method)

Code	ITEM	Note	Year 2019	Year 2018
			VND	VND
50	Net cash flows in the year		(18,759,058,842)	(26,916,825,696)
60	Cash and cash equivalents at the beginning of the year		99,494,480,708	126,302,803,927
61	Effect of exchange rate fluctuations		(764,647,965)	108,502,477
70	Cash and cash equivalents at the end of the year	3	<u>79,970,773,901</u>	<u>99,494,480,708</u>



Doan Thu Ha
Preparer

Ho Chi Minh City, 01 March 2020



Nguyen Thanh Tuyen
Chief Accountant



Nguyen Hoang Anh
General Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS*Year 2019***1 . GENERAL INFORMATION OF THE COMPANY****Form of Ownership**

Sea & Air Freight International (SAFI) was transformed from a state-owned enterprise to a joint stock company in accordance with Decision No.1247/1998/QĐ-BGTVT dated May 25, 1998 by the Ministry of Transport and operated under Business Registration Certificate of joint stock company No. 0301471330 issued by Department of Planning and Investment of Ho Chi Minh City for the first time on August 31, 1998, 34th re-registered on October 10, 2019.

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

The registered charter capital of the Company is VND 143,745,770,000; the actual charter capital contributed to December 31, 2019 is VND 143,745,770,000. Equivalent to 14,374,577 shares with the price of VND 10,000 per share.

Business field

The company operates in the field of transport services business and transport agents.

Business activities

Main business activities of the Company include:

- Support services related to transportation. Details: Transport agency. Authorized agency for container management and freight forwarding. Exploiting, collecting goods and domestic transportation. Shipping agent. Delivery of imported and exported goods. Marine services and supply ships. Plane ticket agency;
- Agency, broker, auction. Detail: Ship broker;
- Warehousing and storage of goods. Detail: warehouse business;
- Goods transport by land. Details: Transit goods to Laos, Cambodia and contrary (only when fully transit goods procedures). Multimodal international transport.

The Company's operation in the year that affects the Consolidated Financial Statements

In 2019, SITC Vietnam Co., Ltd. (SITCVN) has expired its joint venture and has extended procedures. Because the Company no longer holds control of SITCVN after SITCVN expires the joint venture, from 2019, the Company presents its investment in SITCVN as an investment in a joint venture, associated company and consolidated under equity method. This led to the indicators on the Consolidated Statement of Financial Position, total assets and some indicators on the Consolidated Statement of Comprehensive Income in 2019 decreased compared to the comparable figures.

Group structure

- **The Group's subsidiaries have consolidated in Consolidated Financial Statements as at 31/12/2019 include :**

<u>Name of company</u>	<u>Address</u>	<u>Proportion of ownership</u>	<u>Proportion of voting rights</u>	<u>Principal activities</u>
Cosfi Transport Agent Joint Stock Company	Ho Chi Minh	69.00%	69.00%	Forwarding and shipping agents
Safi Infrastructure Investment Company Limited	Ho Chi Minh	100.00%	100.00%	Real estate business, office for rent

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, 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 and the Circular No. 202/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance 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 supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document 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 on consolidating Separate Financial Statements of the Company and Financial Statements of its subsidiaries under its control as at 31 December annually. Control right is achieved when the company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Consistent accounting policies are applied in Financial Statements of subsidiaries and the Company. If necessary, adjustments are made to the Financial Statements of subsidiaries to ensure the consistency of application of accounting policies among 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 interests

Non – controlling interests represents the portion of profit or loss and net assets of subsidiaries not held by the Company.

Profit and loss when there is a change in the Group's ownership in subsidiaries:

- In case the Parent company reduces their investment in subsidiaries and loses control over the subsidiaries, the subsidiaries become associates: Profit/loss recorded in the Consolidated Financial Statements is the difference between the receipt from divestment and the total value of net assets transferred and remaining goodwill;

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans, 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 borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses 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 translated into Vietnam Dong using the real exchange rate ruling at the transaction date. Real exchange rates are determined under the following principles:

- When buying or selling foreign currency, applying the exchange rates specified in the contracts of foreign exchange sale between Company and commercial banks;
- When recording receivables, applying the bid rate of the commercial bank stipulated by the Company for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Company expects to conduct transactions at the transaction time;
- When purchasing assets or paying immediately in foreign currency, applying the bid rate of the commercial bank where the Company makes payments.

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Consolidated Financial Statements is determined under the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Company regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Company opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Company regularly conducts transaction.

All exchange differences arising from foreign currency transactions in the year and from revaluation of remaining foreign currency monetary items at the end of the year are recorded immediately to operating results of the accounting year. In which, exchange rate differences due to revaluation of ending balances of monetary items denominated in foreign currencies cannot be used for profit distribution or dividend payment.

2.6 . Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.7 . Financial investments

Investments in joint ventures and associates: During the year, the buyer determines the date of purchase and the cost of investments and implements accounting procedures in accordance with the Accounting Standards on "Business combination" and "Investments in joint ventures and associates".

In the Consolidated Financial Statements, investments in joint ventures and associates are accounted for using equity method. Under this method, the investments are initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share in net assets of the associate after acquisition date. Goodwill incurred from the investment in the associates is reflected in the carrying amount of the investment in the associate. The Group will not allocate such goodwill but assess annually to determine whether the goodwill is under impaired loss or not.

The share of investor in post-acquisition profits or losses of the associate is recognised in the consolidated income statement, and the share of investor in post-acquisition movements in equity of the associate is recognised in equity. The post-acquisition accumulated changes are adjusted to carrying amount of investments. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Financial Statements of associates are prepared in the same period with the Group's Consolidated Financial Statements and use the consistent accounting policies with the Group's policies. Adjustment shall be made if necessary to ensure the consistence with the Group's accounting policies.

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.

Dividends received in the form of shares only monitor the number of shares received but do not record the increase in the value of the investment and financial income.

Provision for devaluation of long-term investments (other than trading securities) without significant influence on the investee is made at the end of year: If the investment is made in listed shares or the fair value of the investment is determined reliably, the provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, the provision shall be made based on the Financial Statements at the provision date of the investee.

2.8 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company. Receivables related to shipping agency services and logistic services including payments for customers such as port charges, quarantine, pilotage, warehousing, lifting and other fees.

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 including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

The cost of inventory is calculated by weighted average method.

Inventory is recorded by perpetual.

Method for valuation of work in process at the end of the year: Cost of work in progress is aggregated according to actual costs incurred for each type of services not yet completed.

Provision for devaluation of inventories made at the end of the year 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.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

- Buildings, structures	05 - 30 years
- Machinery, equipment	05 - 10 years
- Vehicles, 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 method over their useful lives, specifically as follows:

- Definite-term land use rights are amortized over time. Indefinite land use rights are not amortized.	
- Computer software	03 years

2.11 . Investment properties

Investment property is recognised at historical cost.

Investment properties held for operating lease are recorded at cost, accumulated depreciation and carrying amount. Investment properties are depreciated using the straight-line method with expected useful life as follows:

- Buildings, structures	05 - 30 year
- Long-term land use rights are not amortized	

2.12 . Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and put into use.

2.13 . Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results 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 the nature of those expenses to select a reasonable allocation method and criteria. Prepaid expenses are allocated gradually into operating expenses on the straight-line basis.

2.14 . Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company. Payables related to shipping agency services and logistic services including amounts collected on behalf of customers such as port charges, quarantine, pilotage, warehousing, lifting and other fees. other.

2.15 . Borrowings

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

2.16 . Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.17 . Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made which are recorded as operating expenses of the reporting period.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.18 . Owner's equity

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

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Treasury shares are shares issued and bought-back by the issuing company itself. Treasury shares are uncanceled and shall be re-issued within the period as regulated by the law on securities. Treasury shares shall be recorded at the actual buyback price and presented on the Statement of Financial Position as a decrease in owner's equity. Cost of Treasury shares when being re-issued or used to pay dividend, bonus, etc. shall be calculated using the 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 and after being appropriated to funds in accordance with the Company's Articles of Incorporation and Vietnamese statutory requirements.

The Company's retained earnings is distributed to other funds according to recommendation of the Board of Management and approval of shareholders at annual General Meeting of Shareholders:

- Development and investment funds: The fund is reserved for the purpose of business expansion or in depth investment.
- Bonus and welfare fund and bonus for the Board of Executive: The fund is reserved for the purpose of bonus, material incentives, common benefit and increasing welfare for employees and presented as a liability on the Statement of Financial Position.

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 of goods

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

- Significant risks and rewards associated with the ownership of the goods have been transferred to the buyer;
- 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 Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from rendering of services shall be recognised when all the following conditions have been

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

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

In case customers entrust the Company to resolve all Customs procedures and transport import and export shipments at ports / border gates to the locations specified by the customer and vice versa. The revenue is recognized as the entire service that the Company directly carries out and the expenses entrusted by the customer.

Financial income

Revenue arising from the used by the others of entity assets yielding interest, royalties, dividends, divided profits and other financial activities revenues is recognized when simultaneously satisfying the following two (2) conditions:

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

Dividends and profit shared shall be recognised when the Company is entitled to receive dividends or receive profit from the capital contribution.

Bonus shares or stock dividends shall not be recognized as income when the right to receive bonus shares or stock dividend is established. Instead, the number of bonus shares or stock dividends will be presented on the related Note to Consolidated Financial Statements.

2.20 . Cost of goods sold

The recognition of cost of goods sold is matched against the revenue in the period and complies 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, etc. is 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;
- Losses from the disposal and transfer of short-term securities, transaction cost of selling securities;
- 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) Current corporate income tax rate

The Company applies the corporate income tax rate of 20% for production and business activities which has taxable income for the fiscal year ended as at 31 December 2019.

2.23 . Earnings per share

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

Diluted earnings per share are calculated by dividing the net profit or loss after tax attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund, allowance for Board of Executive and interest on the convertible preference shares) by the weighted average number of ordinary shares that would be issued by conversion of all dilutive potential ordinary shares into ordinary shares.

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 to serve for the preparation and presentation of Consolidated Financial Statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.25 . Segment information

A segment is a distinguishable component of the Company that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other components.

Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company in order to help users of financial statements better understand and make more informed judgements about the Company as a whole.

3 . CASH AND CASH EQUIVALENTS

	<u>31/12/2019</u>	<u>01/01/2019</u>
	VND	VND
Cash on hand	3,391,422,918	1,999,550,990
Demand deposits	71,432,350,983	91,036,375,221
Cash in transit	-	1,302,554,497
Cash equivalents	5,147,000,000	5,156,000,000
	<u><u>79,970,773,901</u></u>	<u><u>99,494,480,708</u></u>

As at December 31, 2019, cash equivalents are deposits of less than 3 months valued at USD 200,000 equivalent to VND 4,622,000,000 deposited at commercial banks with interest rate of 0%/year and VND 525,000,000 deposited at commercial banks with the interest rates from 6%/year to 6.5%/year.

4 . FINANCIAL INVESTMENTS

a) Equity investments in associates and joint - ventures

	31/12/2019			01/01/2019				
	Address	Proportion of ownership	Proportion of voting rights	Book value under the equity method	Address	Proportion of ownership	Proportion of voting rights	Book value under the equity method
				VND				VND
Investments in associates and joint - ventures				8,561,859,096				3,507,642,954
- Yusen Logistics International (Vietnam) Company Limited ⁽¹⁾	Ho Chi Minh	45.00%	45.00%	3,375,727,848	Ho Chi Minh	45.00%	45.00%	3,507,642,954
- SITC Vietnam Company Limited ⁽²⁾	Hai Phong	51.00%	50.00%	5,186,131,248				-
				<u><u>8,561,859,096</u></u>				<u><u>3,507,642,954</u></u>

(1) Under a joint venture contract between Sea & Air Freight International (SAFI), Investment Consultancy and Technology Transfer Co., Ltd. and Yusen Air & Sea Service Co., Ltd., charter capital of Yusen Logistics International (Vietnam) Co., Ltd (formerly known as Yusen International Transportation and Logistics (Vietnam) Co., Ltd) is USD 600,000, in which the capital contribution of the parties is as follows: Sea & Air Freight International (SAFI) contributes USD 270,000 accounting for 45% of charter capital; Investment Consultancy and Technology Transfer Co., Ltd contributed USD 36,000 accounting for 6% of charter capital and Yusen Air & Sea Service Co., Ltd contributed USD 294,000, accounting for 49% of the charter capital.

Under the joint venture contract, Yusen Logistics International (Vietnam) Co., Ltd has expired its business operation on September 5, 2014. Up to the present time, Yusen Logistics International (Vietnam) Co., Ltd is carrying out procedures for dissolution. The liquidation of the investment will be made upon completion of the dissolution procedure, so the recording of the original cost of the investment and the costs related to the liquidation as well as distributed assets (if any) will be recorded at that time.

(2) SITC Vietnam Co., Ltd. (SITC Vietnam) has expired the joint venture and has extended procedures. However, after the extension, the Company ceased to control the business activities of SITC Vietnam, so the Company recorded an investment in SITC Vietnam as an investment in a joint venture or associate.

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b) Equity investments in other entities

	31/12/2019		01/01/2019	
	Original cost VND	Fair value (*) VND	Provision VND	Original cost VND
- Stocks of Vinalines Logistic - Vietnam., JSC (VLG)	1,500,000,000	735,000,000	(720,000,000)	1,500,000,000
- Stocks of Vietnam Container Shipping Corporation .,JSC (VSC)	97,302,783,346	90,061,250,000	(7,241,533,346)	80,894,879,843
- New SITC Containers Vietnam Company Limited	467,000,000	-	-	-
- SITC Bondex Vietnam Logistitics Company Limited	120,000,000	-	-	-
	99,389,783,346		(7,961,533,346)	82,394,879,843
				(720,000,000)

(*) The Company has not determined the fair value of long-term financial investments since Vietnam Accounting Standards and Vietnam Enterprise Accounting System has not had any detailed guidance on the determination of the fair value. Particularly for long-term investments in shares of Vinalines Logistic - Vietnam Joint Stock Company (VLG) and Vietnam Container Shipping Corporation Joint Stock Company (VSC) are determined by the closing prices of This securities is listed on UPCOM and HOSE on January 1, 2019 and December 31, 2019.

Investments in other entities

Name of entities	Place of establishment and operation	Number of		Principle activities
		shares hold/	Rate of interest	
- Vinalines Logistic - Vietnam Joint Stock Company	Ha Noi	150,000 shares		Transport service
- Vietnam Container Shipping Corporation Joint Stock Company	Hai Phong	3,023,430 shares		Maritime service
- New SITC Containers Vietnam Company Limited (*)	Hai Phong		20.00%	Freight agency services
- SITC Bondex Vietnam Logistitics Company Limited (*)	Hai Phong		1.00%	Forwarding and shipping agents

(*) According to the Board of Management' Resolution No. 08-2019/NQ-HDQT dated September 16, 2019, the Company decided to contribute capital to establish companies including: New SITC Containers Vietnam Co., Ltd and SITC Bondex Vietnam Logistics Co., Ltd with the charter capital of VND 2,335,000,000 and VND 12,000,000,000 respectively. For New SITC Containers Vietnam Co., Ltd., although the interest rate is 20%, but the Company is not involved in the operation, this investment is classified as other long-term investments.

5 . SHORT - TERM TRADE RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Trade receivables detailed by type of service				
Receivables from customers of shipping lines	25,367,025,446	-	37,042,656,369	-
Receivables from customers of forwarding	64,878,557,483	-	130,752,024,653	-
Receivables from customers of sea and air freight	48,918,494,401	-	70,900,972,088	-
Others	17,177,160,000	-	1,261,149	-
	156,341,237,330	-	238,696,914,259	-
b) Trade receivables detailed by customers with large account balances				
- Cosco Shipping Lines (Vietnam) Co., Ltd	29,191,803,503	-	33,789,735,933	-
- Wenparker Logistics USA	-	-	11,753,898,085	-
- Nissan Vietnam Co., Ltd	5,806,359,304	-	4,270,519,755	-
- Denso Vietnam Co., Ltd	-	-	2,613,004,407	-
- Ford Vietnam Co., Ltd	-	-	9,535,560,585	-
- Viet Duc Furniture Trading Co., Ltd.	17,756,105,306	-	1,179,666,689	-
- Shanghai Donghong Logistics Co., Ltd	10,995,333,117	-	1,191,652,481	-
- Others	92,591,636,100	-	174,362,876,324	-
	156,341,237,330	-	238,696,914,259	-
c) Trade receivables from related parties				
	1,105,651,353	-	-	-
(Details as in Notes 32)				

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6 . SHORT - TERM PREPAYMENTS TO SUPPLIERS

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Prepayments to shipping lines	2,006,932,025	-	1,265,553,561	-
Others	175,004,272	-	515,335,459	-
	2,181,936,297	-	1,780,889,020	-

7 . OTHER RECEIVABLES

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
Receivables from social insurance	104,489,300	-	96,429,850	-
Advances	16,716,410,000	-	16,006,613,721	-
Deposits	4,378,809,823	-	1,307,420,268	-
Receivables from freight and payables on behalf (*)	-	-	78,880,342,004	-
Da Nang Port., JSC	-	-	1,377,775,775	-
Chu Lai Truong Hai Port One Member Co., Ltd	-	-	397,874,540	-
CMA - CGM Vietnam., JSC	1,366,961,903	-	-	-
Others	4,265,290,373	-	1,129,236,307	-
	26,831,961,399	-	99,195,692,465	-
b) Long-term				
Deposits	177,873,000	-	1,455,089,400	-
	177,873,000	-	1,455,089,400	-

(*) Receivables from customers using services at SITC Vietnam Co., Ltd on freights, service charges and returned to the beneficiary, SITC Container Lines Co., Ltd. The figures as at 31/12/2019 decreased due to no longer adding the figures of SITC Vietnam Co., Ltd to the Consolidated Financial Statements in 2019.

SEA & AIR FREIGHT INTERNATIONAL (SAFI)No. 209, Nguyen Van Thu Street, Da Kao Ward,
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For the fiscal year ended as at 31/12/2019**8 . INVENTORIES**

	31/12/2019		01/01/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw materials	86,676,816	-	125,413,280	-
Work in process	6,911,013,048	-	674,659,945	-
	6,997,689,864	-	800,073,225	-

9 . CONSTRUCTION IN PROGRESS

	31/12/2019	01/01/2019
	VND	VND
Procurement of fixed assets	4,196,850,000	4,110,750,000
- Sealink Villa in Quy Nhon (*)	4,050,000,000	4,050,000,000
- Others	146,850,000	60,750,000
Major repairs of fixed assets	3,930,873,012	-
- Repair Ho Chi Minh office	3,930,873,012	-
	8,127,723,012	4,110,750,000

(*) As at December 31, 2019, this villa has not yet completed the transfer procedures so it is not eligible to record an increase in fixed assets.

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10 . TANGIBLE FIXED ASSETS

	Buildings, structures VND	Machinery, equipment VND	Vehicles, transportation equipment VND	Management equipment VND	Total VND
Original cost					
Beginning balance	48,575,780,400	368,460,534	116,311,695,674	1,687,800,967	166,943,737,575
- Purchase in the year	-	190,630,000	5,613,096,907	102,400,000	5,906,126,907
- Liquidation, disposal	-	-	(2,299,706,466)	-	(2,299,706,466)
- Reduction due to business combination	-	-	(5,085,795,454)	(172,311,637)	(5,258,107,091)
Ending balance of the year	48,575,780,400	559,090,534	114,539,290,661	1,617,889,330	165,292,050,925
Accumulated depreciation					
Beginning balance	18,187,455,913	277,617,090	56,028,745,311	1,596,083,587	76,089,901,901
- Depreciation for the year	2,172,951,672	134,613,560	16,672,726,646	65,193,936	19,045,485,814
- Liquidation, disposal	-	-	(2,299,706,466)	-	(2,299,706,466)
- Reduction due to business combination	-	-	(4,142,350,403)	(150,636,312)	(4,292,986,715)
Ending balance of the year	20,360,407,585	412,230,650	66,259,415,088	1,510,641,211	88,542,694,534
Net carrying amount					
Beginning balance	30,388,324,487	90,843,444	60,282,950,363	91,717,380	90,853,835,674
Ending balance	28,215,372,815	146,859,884	48,279,875,573	107,248,119	76,749,356,391
<i>In which:</i>					
- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 16,207,442,560.					

11 . INTANGIBLE FIXED ASSETS

	<u>Land use rights</u> VND	<u>Computer software</u> VND	<u>Total</u> VND
Historical cost			
Beginning balance	6,362,324,453	2,155,345,000	8,517,669,453
- Purchase in the year	-	102,800,000	102,800,000
- Others decrease	-	(52,500,000)	(52,500,000)
Ending balance of the year	<u>6,362,324,453</u>	<u>2,205,645,000</u>	<u>8,567,969,453</u>
Accumulated depreciation			
Beginning balance	1,262,193,557	1,383,986,670	2,646,180,227
- Depreciation for the year	132,862,488	423,730,550	556,593,038
- Other decrease	-	(52,500,000)	(52,500,000)
Ending balance of the year	<u>1,395,056,045</u>	<u>1,755,217,220</u>	<u>3,150,273,265</u>
Net carrying amount			
Beginning balance	5,100,130,896	771,358,330	5,871,489,226
Ending balance	<u>4,967,268,408</u>	<u>450,427,780</u>	<u>5,417,696,188</u>

12 . INVESTMENT PROPERTIES**Investment properties for lease**

	<u>Land use rights</u> VND	<u>Buildings</u> VND	<u>Infrastructure</u> VND	<u>Total</u> 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	<u>21,684,350,000</u>	<u>73,053,236,092</u>	<u>4,137,850,675</u>	<u>98,875,436,767</u>
Accumulated depreciation				
As at opening year	-	21,117,946,327	3,487,629,666	24,605,575,993
- Depreciation	-	2,646,641,664	513,598,304	3,160,239,968
As at closing year	<u>-</u>	<u>23,764,587,991</u>	<u>4,001,227,970</u>	<u>27,765,815,961</u>
Net carrying amount				
As at opening year	21,684,350,000	51,935,289,765	650,221,009	74,269,860,774
As at closing year	<u>21,684,350,000</u>	<u>49,288,648,101</u>	<u>136,622,705</u>	<u>71,109,620,806</u>

During the year, revenue generated from investment properties was VND 12,439,261,372 (The year 2018 was VND 11,601,579,489).

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 by its subsidiary - Safi Infrastructure Co., Ltd to rent.

The fair value of investment properties has not been officially evaluated and determined as of December 31, 2019. However, based on the rental situation and market value of these assets, the Board of General Directors believes that the fair value of the investment assets is greater than the book value at the balance sheet date.

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13 . SHORT-TERM TRADE PAYABLES

	31/12/2019		01/01/2019	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
a) Trade payables detailed by type of service				
Payables to air service companies	19,395,921,188	19,395,921,188	23,671,832,243	23,671,832,243
Payables to sea service companies	22,843,815,594	22,843,815,594	23,514,480,982	23,514,480,982
Payables to logistic service companies	31,268,855,195	31,268,855,195	74,987,502,063	74,987,502,063
Payables for ship agency service	3,503,521,214	3,503,521,214	7,655,874,557	7,655,874,557
Others	587,356,789	587,356,789	268,874,111	268,874,111
	<u>77,599,469,980</u>	<u>77,599,469,980</u>	<u>130,098,563,956</u>	<u>130,098,563,956</u>
b) Trade payables detailed by suppliers with large account balances				
Cosco Shipping Linses (Vietnam) Co., Ltd	10,718,917,334	10,718,917,334	10,417,995,429	10,417,995,429
Ticket office of Japan Airlines Corporation	3,726,406,045	3,726,406,045	5,543,729,262	5,543,729,262
Tan Cang Pilot One Member Co., Ltd	-	-	4,842,237,862	4,842,237,862
Quy Nhon Port., JSC	3,300,808,378	3,300,808,378	2,774,047,492	2,774,047,492
Others	59,853,338,223	59,853,338,223	106,520,553,911	106,520,553,911
	<u>77,599,469,980</u>	<u>77,599,469,980</u>	<u>130,098,563,956</u>	<u>130,098,563,956</u>
c) Trade payables to related parties				
	<u>286,882,000</u>	<u>286,882,000</u>	<u>252,890</u>	<u>252,890</u>

(Details as in Notes 32)

14 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	31/12/2019	01/01/2019
	VND	VND
Prepayments from customers for forwarding and shipping lines (*)	-	18,483,832,089
Others	390,473	40,000,000
	<u>390,473</u>	<u>18,523,832,089</u>

(*) The balance of short-term prepayments from customers as of December 31, 2019 decreased due to no longer adding the figures of SITC Vietnam Co., Ltd. to the Consolidated Financial Statements in 2019.

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15 . 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	Reduction due to business combination	Receivable at the closing year	Payable at the closing year
	VND	VND	VND		VND	VND	VND
Value added tax	-	1,252,806,882	9,251,759,434	8,239,184,618	(492,969,287)	-	1,772,412,411
Corporate income tax	-	3,080,904,937	9,346,651,543	10,851,879,998	(1,032,929,910)	-	542,746,572
Personal income tax	-	718,205,525	4,234,851,850	4,464,004,842	(67,053,418)	-	421,999,115
Property tax and land rental	-	-	48,080,050	48,080,050	-	-	-
Other taxes	-	10,851,281,640	14,000,000	14,000,000	(10,851,281,640)	-	-
Fees and other obligations	-	-	4,200,000	4,200,000	-	-	-
	-	15,903,198,984	22,899,542,877	23,621,349,508	(12,444,234,255)	-	2,737,158,098

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 Consolidated Financial Statements could be changed at a later date upon final determination by the tax authorities.

16 . OTHER PAYABLES

	31/12/2019	01/01/2019
	VND	VND
a) Short-term		
- Trade union fund	198,674,750	138,896,620
- Short-term deposits, collateral received	468,512,841	40,200,728,732
- Dividend, profit payables	155,187,805	156,265,105
- Payables for freight and other collections (*)	-	74,544,583,908
- Others	3,175,417,064	6,882,268,604
	3,997,792,460	121,922,742,969
b) Long-term		
- Long-term deposits, collateral received	1,430,350,440	1,730,281,752
	1,430,350,440	1,730,281,752

(*) Major payables to SITC Container Lines Co., Ltd for freights, service charges and deposits of customers using SITC Vietnam Co., Ltd. The figures as at 31/12/2019 decreased due to no longer adding the figures of SITC Vietnam Co., Ltd. to the Consolidated Financial Statements in 2019.

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17 . OWNER'S EQUITY

a) Increase and decrease in owner's equity

	Contributed capital	Share premium	Treasury shares	Investment and development funds	Other reserves	Retained earnings	Non controlling interest	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Beginning balance of previous year	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
Increase in capital of previous year	5,900,070,000	-	-	-	-	-	-	5,900,070,000
Profit for previous year	-	-	-	-	-	51,936,255,829	2,236,219,745	54,172,475,574
Profit distribution at the parent company	-	-	-	3,510,201,234	-	(16,348,738,965)	-	-
Deductions for operating funds of the Board of Management and the Board of Supervision	-	-	-	-	12,838,537,731	(1,053,060,369)	-	(1,053,060,369)
Dividend distribution at the parent company	-	-	-	-	-	(5,900,071,000)	-	(5,900,071,000)
Dividend distribution at subsidiaries	-	-	-	-	-	-	(679,072,982)	(679,072,982)
Influence by subsidiary capital increase during the year	-	-	-	-	-	10,588,644	683,111,356	693,700,000
Ending balance of previous year	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
Beginning balance of current year	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
Profit for current year	-	-	-	-	-	44,529,665,005	347,651,150	44,877,316,155
Profit distribution (*)	18,544,160,000	-	-	4,923,242,451	24,051,967,821	(48,996,298,007)	-	(1,476,927,735)
Buying treasury stock	-	-	(300,000,000)	-	-	-	-	(300,000,000)
Reduction due to conversion of subsidiaries into associated and joint ventures company	-	-	-	-	-	-	(5,109,679,436)	(5,109,679,436)
Ending balance of current year	143,745,770,000	41,816,120,654	(1,600,120,000)	42,344,656,047	137,025,747,333	80,008,968,270	1,663,922,421	445,005,064,725

(*) According to the Resolution No. 01/NQ-ĐHĐCĐ/SAFI-2019 dated 30 March, 2019 issued by General Meeting of Shareholders, the Company announced its 2018 profit distribution as follows:

Profit distribution	Parent company		Total
	VND	VND	
Investment and development fund	4,923,242,451	4,923,242,451	
Other funds belonging to owner's equity	24,051,967,821	24,051,967,821	
Extracted the operating budget of the Board of Management and the Board of Supervision	1,476,927,735	1,476,927,735	
Payment of dividends by stock (corresponding to 15% of charter capital)	18,544,160,000	18,544,160,000	
Retained profit	236,081,500	236,081,500	

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b) Details of owner's invested capital

	Rate	31/12/2019	Rate	01/01/2019
	(%)	VND	(%)	VND
Mr. Nguyen Hoang Anh	20.17%	29,000,000,000	21.91%	27,437,400,000
Mrs. Le Dung Nhi	6.72%	9,661,400,000	5.24%	6,565,220,000
AFC VF Limited	5.26%	7,565,390,000	5.09%	6,370,600,000
America LLC	11.85%	17,036,790,000	11.89%	14,889,000,000
Samarang Ucits	6.23%	8,950,100,000	6.22%	7,782,700,000
NMVT Investment., JSC	9.98%	14,340,800,000	0.00%	-
Others	38.68%	55,591,170,000	48.61%	60,856,570,000
Treasury stock	1.11%	1,600,120,000	1.04%	1,300,120,000
	100%	143,745,770,000	100%	125,201,610,000

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

	Year 2019	Year 2018
	VND	VND
Owner's contributed capital		
- At the beginning of year	125,201,610,000	119,301,540,000
- Increase in the year	18,544,160,000	5,900,070,000
- At the ending of year	143,745,770,000	125,201,610,000
- Dividend payable at the beginning of the year	156,265,105	11,948,427,220
- Dividend payable in the year:	18,544,160,000	6,579,143,982
+ Dividend payable from last year's profit	-	6,579,143,982
- Dividend paid in cash during the year	(1,077,300)	(18,371,089,497)
+ Dividend paid from last year's profit	(1,077,300)	(18,371,089,497)
- Dividend paid in shares during the year	(18,544,160,000)	-
+ Dividend paid from last year's profit	(18,544,160,000)	-
- Dividend payable at the end of the year	<u>155,187,805</u>	<u>156,481,705</u>

d) Stock

	31/12/2019	01/01/2019
Quantity of Authorized issuing stocks	14,374,577	12,520,161
Quantity of issued shares and full capital contribution	14,374,577	12,520,161
- Common stocks	14,374,577	12,520,161
Quantity of shares repurchased	160,012	130,012
- Common stocks	160,012	130,012
Quantity of outstanding shares in circulation	14,214,565	12,390,149
- Common stocks	14,214,565	12,390,149
Par value per stock (VND)	10,000	10,000

e) Company's funds

	31/12/2019	01/01/2019
	VND	VND
Investment and development fund	42,344,656,047	37,421,413,596
Other funds belonging to owners' equity	137,025,747,333	112,973,779,512
	179,370,403,380	150,395,193,108

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18 . OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT
Foreign currencies

	<u>31/12/2019</u>	<u>01/01/2019</u>
- USD	1,517,151.29	1,137,142.24
- EUR	455.52	1,007.84

19 . TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Revenue from sale of goods	24,645,600,000	29,437,600,000
Revenue from rendering of services	821,338,987,605	839,617,715,642
	<u>845,984,587,605</u>	<u>869,055,315,642</u>
Revenue from related parties <i>(Details as in Notes 32)</i>	<u>2,164,009,177</u>	<u>-</u>

20 . COSTS OF GOODS SOLD

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Costs of merchandise	24,600,000,000	28,140,000,000
Costs of services rendered	684,731,712,916	638,134,168,260
	<u>709,331,712,916</u>	<u>666,274,168,260</u>
Cost of goods sold from related parties <i>(Details as in Notes 32)</i>	<u>5,696,227,428</u>	<u>1,143,950</u>

21 . FINANCE INCOME

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Interest income, interest from loans	100,581,190	722,303,190
Gain from selling investments	-	4,865,230,940
Dividends, profits earned	8,414,961,841	4,312,576,161
Realized gain from foreign exchange difference	1,136,749,310	1,894,501,801
Unrealized gain from foreign exchange difference	-	108,502,477
	<u>9,652,292,341</u>	<u>11,903,114,569</u>
Finance income from related parties <i>(Details as in Notes 32)</i>	<u>1,689,919,841</u>	<u>-</u>

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	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Interest expenses	2,553,169	20,182,052
Realized loss from foreign exchange difference	146,195,579	2,661,404,671
Unrealized loss from foreign exchange difference	764,647,965	127,672,200
Provisions for devaluation of trading securities and investments	7,241,533,346	120,000,000
Others	11,128,723	-
	<u>8,166,058,782</u>	<u>2,929,258,923</u>

23 . SELLING EXPENSES

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Labor	52,069,401,925	51,108,506,954
Depreciation and amortisation	2,890,013,058	2,680,365,984
Expenses from external services	10,616,055,064	4,128,086,470
Other expenses by cash	4,131,500,368	10,204,563,747
	<u>69,706,970,415</u>	<u>68,121,523,155</u>

24 . GENERAL ADMINISTRATIVE EXPENSES

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Labor	7,143,602,962	46,697,274,292
Depreciation and amortisation	2,393,641,509	2,494,167,451
Tax, Charge, Fee	28,797,360	-
Expenses from external services	3,589,931,302	13,285,726,586
Other expenses by cash	1,081,157,181	9,166,493,244
	<u>14,237,130,314</u>	<u>71,643,661,573</u>

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	Year 2019	Year 2018
	VND	VND
Current corporate income tax expense in parent company	7,709,536,438	10,932,065,138
Current corporate income tax expense in subsidiaries	1,637,115,105	3,065,942,272
- <i>Cosfi Transport Agent Joint Stock Company</i>	287,238,171	1,332,929,910
- <i>Safi Infrastructure Investment Company Limited</i>	1,349,876,934	494,009,090
- <i>SITC Vietnam Company Limited</i>	-	1,239,003,272
Current corporate income tax expense	<u>9,346,651,543</u>	<u>13,998,007,410</u>
Tax payable at the beginning of year	3,080,904,937	1,624,842,973
Reduction due to business combination	(1,032,929,910)	-
Tax paid in the year	(10,851,879,998)	(12,541,945,446)
Closing year income tax payable of main business activities	<u>542,746,572</u>	<u>3,080,904,937</u>

26 . BASIC EARNINGS PER SHARE

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

	Year 2019	Year 2018
	VND	VND
Net profit after tax	44,529,665,005	51,936,255,829
Profit distributed for common stocks	44,529,665,005	51,936,255,829
Average number of outstanding common shares in circulation in the year	14,230,073	13,672,388
Basic earnings per share	<u>3,129</u>	<u>3,799</u>

The company has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of Executive from the net profit after tax at the date of preparing Consolidated Financial Statements.

Basic earnings per share have been adjusted retrospectively as regulated by Vietnamese Accounting Standards No. 30 – Basic earnings per share.

27 . DILUTED EARNINGS PER SHARE

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

	Year 2019	Year 2018
	VND	VND
Net profit after tax	44,529,665,005	51,936,255,829
Profit distributed for common stocks	44,529,665,005	51,936,255,829
Average number of outstanding common shares in circulation in the year	14,230,073	13,672,388
The number of common shares expected to be additionally issued	710,728	-
Diluted earnings per share	<u>2,980</u>	<u>3,799</u>

28 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2019	Year 2018
	VND	VND
Raw materials	26,690,881,363	33,142,058,182
Labour	65,808,204,489	101,695,833,251
Depreciation and amortisation	22,762,318,820	21,228,303,285
Expenses from external services	652,105,662,814	604,621,649,714
Other expenses by cash	7,491,629,262	45,144,170,907
	<u>774,858,696,748</u>	<u>805,832,015,339</u>

29 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company include:

	Carrying amount			
	31/12/2019		01/01/2019	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	79,970,773,901	-	99,494,480,708	-
Trade receivables, other receivables	183,351,071,729	-	339,347,696,124	-
Long term investments	98,802,783,346	(7,961,533,346)	82,394,879,843	(720,000,000)
	<u>362,124,628,976</u>	<u>(7,961,533,346)</u>	<u>521,237,056,675</u>	<u>(720,000,000)</u>

	Carrying amount	
	31/12/2019	01/01/2019
	VND	VND
Financial Liabilities		
Trade payables, other payables	83,027,612,880	253,751,588,677
Accrued expenses	2,000,000	38,000,000
	<u>83,029,612,880</u>	<u>253,789,588,677</u>

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and Notes to financial instruments but do not provide any relevant instruction for assessment and recognition of fair value of financial assets and liabilities, excluding provision for doubtful debts and provision for diminution in value of trading securities 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 investments in securities due to the uncertainty of future prices of the securities. As regards, long-term securities held for long-term strategies, at the end of the fiscal year, the Company has no plan to sell these investments.

	Under 1 year	From 1 to 5 years	From more than 5	Total
	VND	VND	years	VND
	VND	VND	VND	VND
As at 31/12/2019				
Long term investments	-	90,841,250,000	-	90,841,250,000
	<u>-</u>	<u>90,841,250,000</u>	<u>-</u>	<u>90,841,250,000</u>
As at 01/01/2019				
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>

Exchange rate risk

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

Interest rate risk

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

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

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	<u>Under 1 year</u> VND	<u>From 1 to 5 years</u> VND	<u>From more than 5</u> <u>years</u> VND	<u>Total</u> VND
As at 31/12/2019				
Cash and cash equivalents	79,970,773,901	-	-	79,970,773,901
Trade receivables, other receivables	183,173,198,729	177,873,000	-	183,351,071,729
	<u>263,143,972,630</u>	<u>177,873,000</u>	<u>-</u>	<u>263,321,845,630</u>
As at 01/01/2019				
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>

Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the 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:

	<u>Under 1 year</u> VND	<u>From 1 to 5 years</u> VND	<u>From more than 5</u> <u>years</u> VND	<u>Total</u> VND
As at 31/12/2019				
Trade payables, other payables	81,597,262,440	1,430,350,440	-	83,027,612,880
Accrued expenses	2,000,000	-	-	2,000,000
	<u>81,599,262,440</u>	<u>1,430,350,440</u>	<u>-</u>	<u>83,029,612,880</u>
As at 01/01/2019				
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>

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

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30 . SEGMENT REPORTING**Under business fields**

	Logistic activities	Forwarding activities	Shipping agency services and other activities	Grant total
	VND	VND	VND	VND
Net revenue from sales to external customers	344,158,462,567	454,118,321,455	47,707,803,583	845,984,587,605
Direct segment costs	266,429,534,757	410,573,226,294	32,328,951,865	709,331,712,916
Profit from business activities	77,728,927,810	43,545,095,161	15,378,851,718	136,652,874,689
The total cost of acquisition of fixed assets	5,613,096,907	-	395,830,000	6,008,926,907
Segment assets	178,569,010,635	235,622,447,778	24,753,525,518	438,944,983,931
Unallocated assets	-	-	-	99,990,109,096
Total assets	178,569,010,635	235,622,447,778	24,753,525,518	538,935,093,027
Segment liabilities	37,301,409,951	49,219,343,753	5,170,781,872	91,691,535,576
Unallocated liabilities	-	-	-	2,238,492,726
Total liabilities	37,301,409,951	49,219,343,753	5,170,781,872	93,930,028,302
Under geographical areas				

The entire operation of the Company takes place in the territory of Vietnam, so the Company does not make a division report by geographical area.

31 . EVENTS AFTER BALANCE SHEET DATE

According to the report on share issuance results under the selection program for employees in the Company dated 12 February 2020:

- Issuing purpose: Recognize and reward employees with outstanding achievements, encourage the attachment and improve the rights and sense of responsibility of the employees for the Company;
- Release date: February 12, 2020;
- Expected trading date: February 14, 2022;
- Number of shares distributed: 710,728 shares;
- Issuing price: VND 10,000 / share
- Number of employees distributed: 11 people;
- Total number of shares at the date of issuance: 15,085,305 shares, of which the number of outstanding shares is 14,925,293 shares, the number of treasury shares is 160,012 shares.

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Consolidated Financial Statements.

32 . TRANSACTION AND BALANCES WITH RELATED PARTIES

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

Transactions during the year:

	<u>Relation</u>	<u>Year 2019</u>	<u>Year 2018</u>
		VND	VND
Revenue		2,164,009,177	-
SITC Vietnam Company Limited (2)	Associates	2,164,009,177	-
Purchases		5,696,227,428	1,143,950
KCTC Vietnam Company Limited (1)	Associates	-	1,143,950
SITC Vietnam Company Limited (2)	Associates	5,696,227,428	-
Dividends distributed		1,689,919,841	-
SITC Vietnam Company Limited (2)	Associates	1,689,919,841	-

Outstanding balances up to the reporting date are as follows:

	<u>Relation</u>	<u>31/12/2019</u>	<u>01/01/2019</u>
		VND	VND
Short-term trade receivables		1,105,651,353	-
SITC Vietnam Company Limited (2)	Associates	1,105,651,353	-
Short-term trade payables		286,882,000	252,890
KCTC Vietnam Company Limited (1)	Associates	-	252,890
SITC Vietnam Company Limited (2)	Associates	286,882,000	-

(1) The company divested from KCTC Vietnam Co., Ltd. in 2018.

(2) SITC Vietnam Co., Ltd. is classified as an investment in an associate from January 1, 2019.

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

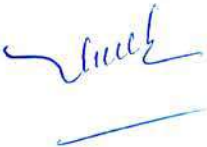



Consolidated Financial Statements
For the fiscal year ended as at 31/12/2019

Transactions with other related parties:

	Year 2019	Year 2018
	VND	VND
Remuneration to General Director	862,500,000	911,100,000
Remuneration to other members of The Board of General Directors and The Board of Management	2,193,500,000	2,147,700,000

33 . COMPARATIVE FIGURES

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2018 which was audited by AASC Auditing Firm Company Limited.

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

Ho Chi Minh City, 01 March 2020

