



## **SEPARATE FINANCIAL STATEMENTS**

### **SEA & AIR FREIGHT INTERNATIONAL**

For the fiscal year ended as at 31/12/2017  
(audited)

## CONTENTS

	Pages
Report of The Board of General Directors	02-03
Independent Auditors' report	04 -05
Audited Separate Financial statements	06-34
Separare Statement Of Financial Position	06-07
Separare Statement Of Income	08
Separare Statement Of Cashflows	09-10
Notes To Separare Financial Statements	11-34



**SEA & AIR FREIGHT INTERNATIONAL**

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

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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 Separate Financial statements for the fiscal year ended as at 31 December 2017.

**THE COMPANY**

Sea & Air Freight International was transformed 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 no.0301471330 dated 31/08/1998, the 29th amended registration license dated 10/01/2016 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, 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	Appointed on 01/04/2017
Mr. Tran Nguyen Hung	Member	Dismissed on 01/04/2017
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
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The members of the Board of Supervision are:

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

**AUDITORS**

The auditors of the AASC Auditing Firm Company Limited take the audit of Separate Financial statements for the Company.

## SEA & AIR FREIGHT INTERNATIONAL

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 SEPARATE FINANCIAL STATEMENTS

The Board of General Directors is responsible for the Separate Financial statements of each financial year which give a true and fair view of the financial position of the Company and of results of its operation and its cash flows for the year. In preparing those Separate 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 Separate 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 Separate Financial statements;
- Prepare the Separate 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 Financial Statements;
- Prepare the Separate 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 anytime and to ensure that the Separate 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 Separate Financial statements give a true and fair view of the financial position at 31 December 2017, its operation results and cash flows in the year 2017 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.

#### Other commitments

The Board of General Directors pledges that the company complies with Decree No. 71/2017/ND-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



\_\_\_\_\_  
Nguyễn Hoàng Anh  
General Director

*Ho Chi Minh city, 15 March 2018*



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the Separate Financial statements of Sea & Air Freight International prepared on 15 March 2018, as set out on pages 06 to 34, including: Statement of financial separate as at 31 December 2017, Separare Statement Of Income, Separare Statement Of Cashflows and Notes to separate financial statements for the fiscal year ended as at 31 December 2017.

### **The Board of General Directors' responsibility**

The Board of General Directors responsible for the preparation of Separate 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 Financial statements and for such internal control as management determines is necessary to enable the preparation of Separate 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 Separate Financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Separate Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Separate 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 Separate 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 Separate 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 Separate Financial statements give a true and fair view, in all material respects, of the financial position of Sea & Air Freight International as at 31 December 2017, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.



**Vu Xuan Bien**

Deputy General Director

Certificate of registration to audit practice

No: 0743-2018-002-1

*Ha Noi, 22 March 2018*



**Truong Thi Hoai Anh**

Auditor

Certificate of registration to audit practice

No: 2446-2018-002-1



## STATEMENT OF FINANCIAL SEPARATE

As at 31 December 2017

Code	ASSETS	Note	31/12/2017 VND	01/01/2017 VND
100	<b>A. SHORT-TERM ASSETS</b>		<b>280,568,289,653</b>	<b>247,906,404,118</b>
110	<b>I. Cash and cash equivalents</b>	3	<b>99,692,057,395</b>	<b>141,970,573,931</b>
111	1. Cash		62,809,557,395	105,005,573,931
112	2. Cash equivalents		36,882,500,000	36,965,000,000
130	<b>III. Short-term accounts receivable</b>		<b>147,737,883,928</b>	<b>105,455,515,069</b>
131	1. Short-term trade receivables	5	133,531,921,076	93,371,284,121
132	2. Short-term prepayments to suppliers	6	667,945,317	2,645,288,235
136	3. Other short-term receivables	8	13,538,017,535	9,438,942,713
140	<b>IV. Inventories</b>	9	<b>29,140,181,473</b>	<b>236,887,424</b>
141	1. Inventories		29,140,181,473	236,887,424
150	<b>V. Other current assets</b>		<b>3,998,166,857</b>	<b>243,427,694</b>
151	1. Short-term prepaid expenses	13	79,326,200	206,013,146
152	2. Deductible VAT		3,568,480,529	37,414,548
153	3. Taxes and other receivables from State budget	15	350,360,128	-
200	<b>B. LONG-TERM ASSETS</b>		<b>166,900,115,685</b>	<b>162,759,532,842</b>
210	<b>I. Long-term receivables</b>		<b>13,947,873,000</b>	<b>21,727,873,000</b>
215	1. Long-term loan receivables	7	13,770,000,000	21,550,000,000
216	2. Other long-term receivables	8	177,873,000	177,873,000
220	<b>II. Fixed assets</b>		<b>76,415,205,731</b>	<b>67,166,935,842</b>
221	1. Tangible fixed assets	11	72,618,315,129	62,948,549,416
222	- Historical costs		127,429,735,322	104,639,088,424
223	- Accumulated depreciation		(54,811,420,193)	(41,690,539,008)
227	2. Intangible fixed assets	12	3,796,890,602	4,218,386,426
228	- Historical costs		5,812,569,453	5,812,569,453
229	- Accumulated depreciation		(2,015,678,851)	(1,594,183,027)
240	<b>IV. Long-term unfinished asset</b>	10	<b>4,125,450,000</b>	-
242	1. Construction in progress		4,125,450,000	-
250	<b>V. Long-term investments</b>	4	<b>72,411,586,954</b>	<b>73,864,724,000</b>
251	1. Investment in subsidiaries		64,618,344,000	64,628,344,000
252	2. Investments in joint ventures and associates		7,736,380,000	7,736,380,000
253	3. Investments in equity of other entities		1,500,000,000	1,500,000,000
254	4. Provision for diminution in value of long-term investments		(1,443,137,046)	-
270	<b>TOTAL ASSETS</b>		<b>447,468,405,338</b>	<b>410,665,936,960</b>





## STATEMENT OF FINANCIAL SEPARATE


As at 31 December 2017

(continue)

Code	CAPITAL	Note	31/12/2017 VND	01/01/2017 VND
300	C. LIABILITIES		111,655,447,081	85,290,204,422
310	I. Current liabilities		111,655,447,081	85,290,204,422
311	1. Short-term trade payables	14	78,738,526,481	49,949,382,479
312	2. Short-term advances from customers		71,186,269	615,090,941
313	3. Taxes and other payables to State budget	15	892,867,289	1,944,264,302
314	4. Payables to employees		6,107,565,000	5,947,896,500
315	5. Short-term accrued expenses		120,581,818	118,581,818
319	6. Other short-term payments	16	23,887,059,829	25,516,120,956
322	7. Bonus and welfare fund		1,837,660,395	1,198,867,426
400	D. OWNER'S EQUITY		335,812,958,257	325,375,732,538
410	I. Owner's equity	17	335,812,958,257	325,375,732,538
411	1. Contributed capital		119,301,540,000	113,682,420,000
411a	0 Ordinary shares with voting rights		119,301,540,000	113,682,420,000
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		33,911,212,362	28,489,813,644
420	5. Other equity fund		100,135,241,781	69,826,417,931
421	6. Retained earnings		41,948,963,460	72,861,080,309
421a	Retained earnings accumulated till the end of the previous year		6,846,951,125	12,535,090,409
421b	Retained earnings of the current year		35,102,012,335	60,325,989,900
440	TOTAL CAPITAL		447,468,405,338	410,665,936,960

  
 Doan Thu Ha  
Preparer

  
 Nguyen Thanh Tuyen  
Chief Accountant

  
 Nguyen Hoang Anh  
General Director

Ho Chi Minh city, 15 March 2018




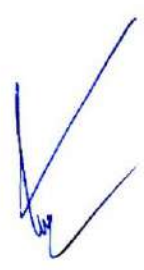



## SEPARATE OF INCOME

Year 2017

Code ITEM	Note	Year 2017	Year 2016
		VND	VND
01 1. Revenues from sales and services rendered	19	640,757,028,902	490,964,439,812
02 2. Revenue deductions		-	-
10 3. Net revenues from sales and services rendered		640,757,028,902	490,964,439,812
11 4. Cost of goods sold	20	525,486,335,629	380,650,390,950
20 5. Gross profit from sales of goods and rendering of services		115,270,693,273	110,314,048,862
21 6. Financial income	21	5,281,307,380	25,410,279,457
22 7. Financial expense	22	1,943,115,031	649,986,276
23 In which: Interest expenses		-	-
25 8. Selling expenses	23	60,036,247,638	51,832,148,116
26 9. General administrative expenses	24	15,680,240,766	14,011,546,443
30 10. Net profit from operating activities		42,892,397,218	69,230,647,484
31 11. Other income		16,200,000	537,069,165
32 12. Other expense		-	-
40 13. Other profit		16,200,000	537,069,165
50 14. Total profit before tax		42,908,597,218	69,767,716,649
51 15. Current corporate income tax expenses	25	7,806,584,883	9,441,726,749
52 16. Deferred corporate income tax expenses		-	-
60 17. Profit after corporate income tax		35,102,012,335	60,325,989,900

  
 Doan Thu Ha  
Preparer

  
 Nguyen Thanh Tuyen  
Chief Accountant

  
 Nguyen Hoang Anh  
General Director


Ho Chi Minh city, 15 March 2018

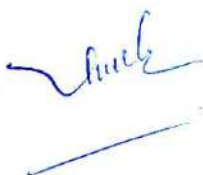
## SEPARATE OF CASH FLOWS

Year 2017  
(indirect method)

Code	ITEM	Note	Year 2017	Year 2016
			VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		42,908,597,218	69,767,716,649
	2. Adjustments for			
02	- Depreciation of fixed assets and investment properties		13,542,377,009	10,346,186,847
03	- Provisions		1,443,137,046	-
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency		234,095,544	(1,768,063,445)
05	- Gains / losses from investment		(4,251,459,970)	(22,911,659,091)
08	3. Operating profit before changes in working capital		53,876,746,847	55,434,180,960
09	- Increase or decrease in receivables		(45,813,434,840)	(20,930,732,871)
10	- Increase or decrease in inventories		(28,903,294,049)	183,194,467
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		15,179,549,555	3,385,415,325
12	- Increase or decrease in prepaid expenses		126,686,946	(78,096,204)
15	- Corporate income tax paid		(9,409,970,276)	(8,460,405,391)
17	- Other expenses on operating activities		(987,626,647)	(808,980,370)
20	Net cash flows from operating activities		(15,931,342,464)	28,724,575,916
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase of fixed assets and other long-term assets		(26,916,096,898)	(13,207,095,452)
22	2. Proceeds from disposals of fixed assets and other long-term assets		-	716,363,637
24	3. Collection of loans and resale of debt instrument of other entities		7,780,000,000	7,500,000,000
26	4. Proceeds from equity investment in other entities		10,000,000	5,662,000,000
27	5. Interest and dividend received		4,251,459,970	21,765,109,802
30	Net cash flows from investing activities		(14,874,636,928)	22,436,377,987
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	1. Proceeds from issuance of shares and receipt of contributed capital		5,619,120,000	5,351,530,000
32	2. Repayment of contributions capital and repurchase of stock issued		-	(900,000,000)
36	3. Dividends or profits paid to owners		(16,857,561,600)	(16,044,517,950)
40	Net cash flows from financing activities		(11,238,441,600)	(11,592,987,950)
50	Net cash flows within the year		(42,044,420,992)	39,567,965,953

**SEPARATE OF CASH FLOWS***Year 2017*  
*(indirect method)*

Code ITEM	Note	Year 2017	Year 2016
		VND	VND
60 Cash and cash equivalents at beginning of the year		141,970,573,931	101,195,986,500
61 Effect of exchange rate fluctuations		(234,095,544)	1,206,621,478
70 Cash and cash equivalents at end of the year	3	<u>99,692,057,395</u>	<u>141,970,573,931</u>


Doan Thu Ha  
Preparer

Nguyen Thanh Tuyen  
Chief AccountantNguyen Hoang Anh  
General Director

Ho Chi Minh city, 15 March 2018



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS***Year 2017***1 . BACKGROUND****Forms of Ownership**

Sea & Air Freight International was transformed 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 no.0301471330 dated 31/08/1998, the 29th amended registration license dated 10/01/2016 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, Da Kao Ward, District 1, Ho Chi Minh City.

Company's Charter capital: VND 119,301,540,000. Actual contributed capital to the date 31 December 2017 is VND 119,301,540,000 equivalent to 11,930,154 shares with the price of VND 10,000 per share.

**Business field**

Main business activity of the Company is: Transport service and Transport agent.

**Business field**

Main business activity of the Company are:

- Support services related to transportation. Details: Transport agent. Fiduciary agent container management and delivery goods. Mining, collection and domestic transport of goods. Shipping agent. Delivery of imported and exported goods. Marine services and supply ships. Plane ticket agent;
- Agent, 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.

**Operations of the company in the fiscal year affecting the financial serapate**

In the year, the Company promoted the development of logistic and marine and air freight forwarding activities. The number of orders increased simultaneously in all the Company's branches and offices. This led to revenue growth trend over the previous year. However, pre-tax profit this year decreased from last year because in 2016, the Company liquidated its investment in Cosco Container Lines Vietnam Limited and recognized the remaining profit from this company. amount of VND 19,781,859,024. This led to a lower pretax profit this year than last year.

**Structure of enterprises****The Company's member entities are as follows:**

	Address
- Branch of Safi Transportation Agent Company in Hai Phong	Commercial Building, No. 22 Ly Tu Trong Street, Hong Bang District, Hai Phong City, Vietnam
- Branch of Safi Transportation Agent Company in Ha Noi	Van Ho Trading Center, 51 Le Dai Hanh Street, Hai Ba Trung District, Hanoi, Vietnam
- Branch of Safi Transportation Agent Company in Da Nang	Lot 39, Road 02, Da Nang Industrial Park, Son Tra District, Da Nang City, Vietnam
- Branch of Safi Transportation Agent Company in Quy Nhon	No. 99 Phan Dinh Phung Street, Quy Nhon City, Binh Dinh Province, Vietnam

Information of subsidiaries, associates, joint ventures of the Company is provided in Note No 4.

## **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.

#### *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 Separate Financial statements**

Separate Financial statements are presented based on historical cost principle.

Separate Financial statements of the Company are prepared based on summarization of transactions incurred, then recorded into accounting books of dependent accounting entities and at the offices of the Company.

In the Separate financial statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payable are not eliminated in full.

The Users of this Separate Financial statements should study the separate financial statements combined with the consolidated financial statements of the Company and its subsidiaries ("the Group") for the fiscal year ended as at 31 December 2017 in order to gain enough information regarding the financial position, results of operations and cash flows of the Group.

### **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 and other payables, accrued expenses. At initial recognition, 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 Separate Financial statements is determined on the following principles:

- For accounts classifies 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 open
- 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.

**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**

*Investments in subsidiaries, joint ventures or associates* are initially recognized at original cost. After initial recognition, the value of these investments is measured at original cost less provision for devaluation of investments.

*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.

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

- With regard to investments in trading securities: the provision shall be made on the basis of the excess of original cost of the investments recorded in the accounting book over their market value at the provision date;
- 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**

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

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: Uncompleted production or business expenses are collected according to each case not yet completed or revenue is recognized, corresponding to the unfinished work volume 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
- Machine, equipment	05 - 10	years
- Transportation equipment	06 - 10	years
- Office equipment and furniture	03 - 05	years

Intangible fixed assets are land used rights, including the actual costs spent to have land use rights and are amortized by the straight line method over useful life, as follows:

- |  |          |
|--|----------|
| - Land used rights with 9,488.4 m <sup>2</sup> at Lot No.39, Road No.2, Da Nang Industrial Zone, Da Nang City with useful life of 35 years and depreciation according to use time; |          |
| - Managerment software.  | 03 years |

**2.11 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 profit and loss account in the year 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.

**2.12 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.

**2.13 Accrued expenses**

Payables to goods or services received from the seller or provided for the seller during a reporting period, 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 period.

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



**2.14 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.

Undistributed profit after tax is used to record business results (profit, loss) after corporate income tax and situation of income distribution or loss handling of company. The distribution of profits are made when the undistributed profit after tax of company shall not exceed the undistributed profit after tax on Consolidated Financial Statements after eliminating the impact of profits recorded from cheap purchase. In case payment of dividends, profits for the owners exceeding the undistributed profit after tax shall be essentially decrease of contributed capital. Undistributed profit after tax can be distributed to investors based on capital contribution rate after approval by General Meeting of Shareholders and after making appropriation to funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after declaration from the Board of Management and announcement closing date receipt dividends of Securities Depository Center of Vietnam.

**2.15 Revenues***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 reliably; and
- 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 entity;
- The amount of the revenue can be measured reliably.

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



**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

**2.16 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.

**2.17 Financial expenses**

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- 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.

**2.18 Corporate income tax**

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate.

**2.19 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 Separate Financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

**3 . CASH AND CASH EQUIVALENTS**

	31/12/2017	01/01/2017
	VND	VND
Cash on hand	1,761,465,551	613,950,884
Non term deposit	61,048,091,844	104,391,623,047
Cash equivalents	36,882,500,000	36,965,000,000
	<b>99,692,057,395</b>	<b>141,970,573,931</b>

Cash equivalents of less than 3 months term deposits of USD 1,500,000 (equivalent to VND 33,997,500,000) were deposited at commercial banks at the interest rate of 0% per year and VND 2,885,000,000 at Commercial banks with interest rates ranging from 6% to 6.3% per year.

**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**  
For the fiscal year ended as at 31/12/2017

**4 . INVESTMENT**

	31/12/2017		01/01/2017	
	Historical cost	Provision	Historical cost	Provision
	VND	VND	VND	
<b>Subsidiaries</b>	<b>64,618,344,000</b>	-	<b>64,628,344,000</b>	-
- Cosfi Company Limited (1)	990,000,000	-	1,000,000,000	-
- SITC Vietnam Limited Company (2)	3,628,344,000	-	3,628,344,000	-
- Safi Infrastructure Investment Limited Company (3)	60,000,000,000	-	60,000,000,000	-
<b>Join ventures, associates</b>	<b>7,736,380,000</b>	<b>(843,137,046)</b>	<b>7,736,380,000</b>	-
- Yusen Sea & Air (Vietnam) Limited Company (4)	4,350,780,000	(843,137,046)	4,350,780,000	-
- KCTC Vietnam Limited Company (5)	3,385,600,000	-	3,385,600,000	-
<b>Investments in equity of other entities</b>	<b>1,500,000,000</b>	<b>(600,000,000)</b>	<b>1,500,000,000</b>	-
- Stocks of Vinalines Logistic Jsc - Vietnam	1,500,000,000	(600,000,000)	1,500,000,000	-
	<b>73,854,724,000</b>	<b>(1,443,137,046)</b>	<b>73,864,724,000</b>	-

The Company has not determined the fair value of financial investments because Viet Nam Accounting Standards, Viet Nam Enterprise accounting System has not guided in detail on the determination of the fair value.



**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

**Investments in subsidiaries**

Detail information on the Company's subsidiaries as at 31/12/2017 as follows:

<u>Name of subsidiaries</u>	<u>Place of establishment and operation</u>	<u>Rate of interest</u>	<u>Rate of voting rights</u>	<u>Principle activities</u>
Cosfi Company Limited (1)	Ho Chi Minh City	99.00%	99.00%	Forwarding, Sea and Air freight.
SITC Vietnam Limited Company (2)	Ho Chi Minh City	51.00%	51.00%	Forwarding, Sea and Trading real estate,
SAFI Infrastructure Investment Limited Company (3)	Ho Chi Minh City	100.00%	100.00%	leasing office

(1) According to the Business Registration Certificate No. 0312441747 for the third time on 20/12/2017, Cosfi Freight Forwarding Company Limited was transformed into a limited liability company with two members with a chartered capital of VND 2,270,000,000. Of which, Safi Transportation JSC contributed VND 1,566,300,000 accounting for 69% of charter capital, Qingdaofest Logistics Co., Ltd contributed VND 681,000,000 accounting for 30% of chartered capital, Mr. Nguyen Hoang Dung contributed VND 22,700,000 accounting for 1% of charter capital. As of 31/12/2017, the parties still have not contributed more capital according to business registration, so the rate of interest and voting rate of Safi Freight Forwarder JSC to December 31, 2017 is 99%.

(2) Under the joint venture agreement between SAFI Transportation Corporation and SITC Shipping Asia Pte.Limited and Investment Certificate No. 021022000145 certified for the first time on 08 May 2009, the charter capital of the limited liability company SITC Vietnam is USD 400,000, of which the parties are as follows: SAFI Transportation Company shares USD 204,000, accounting for 51% of charter capital; SITC Shipping Asia Pte.Limited contributes US \$ 196,000, accounting for 49% of charter capital.

(3) According to the Business Registration Certificate No. 0312971945, the charter capital of SAFI Infrastructure Investment Company Limited is VND 60,000,000,000 committed by Safi Transportation Corporation. The real capital contribution of the company as at 31/12/2017 is VND 60,000,000,000.

**Investments in joint ventures, associates**

Detail information on the Company's joint ventures, associates as at 31/12/2017 as follows:

<u>Name of associates</u>	<u>Place of establishment and operation</u>	<u>Rate of interest</u>	<u>Rate of voting rights</u>	<u>Principle activities</u>
Yusen Sea & Air (Vietnam) Limited Company (4)		45.00%	45.00%	Forwarding, Sea agent
KCTC Vietnam Limited Company (5)		23.00%	23.00%	Forwarding, Sea agent

(4) According to the joint venture contract between the parties as SAFI, INVESTCONSULT 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 parties are as follow: SAFI contributed USD 270,000 representing 45% chartered capital; INVESTCONSULT 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 31/12/2016, 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.



**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

- (5) According to the joint venture contract between the parties as SAFI, Saigon Transport Agent Joint Stock Company and Consulting and Business Connecting Joint Stock Company, KCTC; and the first Investment licence No 411022000233 dated 15/05/2008, the chartered capital of KCTC Vietnam is USD 900,000, in which contributed capital of parties are as follow: SAFI contributed USD 207,000 representing 23% chartered capital; Saigon Transport Agent Joint Stock Company contributed USD 92,000 USD representing 10% chartered capital and Consulting and Business Connecting Joint Stock Company contributed USD 160,000 representing 18% chartered capital and KCTC contributed USD 441,000 representing 49% chartered capital.

**Investments in equity of other entities**

<u>Name of entities received capital</u>	<u>Place of establishment and operation</u>	<u>Rate of voting rights</u>	<u>Principle activities</u>
Share of Vinalines Logistic Joint Stock Company - Vietnam	Ha Noi	150,000	Transport service

**5 . TRADE RECEIVABLES**

	<u>31/12/2017</u>	<u>01/01/2017</u>
	<u>VND</u>	<u>VND</u>
a) <b>Trade receivables detailed by large account balances</b>		
Shipping agent receivables	16,400,576,069	16,320,396,108
Forwarding Receivables	42,924,264,149	32,474,198,845
Sea and air freight receivables	74,141,080,858	44,576,689,168
Office leasing receivables	66,000,000	-
	<u>133,531,921,076</u>	<u>93,371,284,121</u>

**6 . SHORT-TERM PREPAYMENT TO SUPPLIES**

	<u>31/12/2017</u>		<u>01/01/2017</u>	
	<u>Value</u>	<u>Provision</u>	<u>Value</u>	<u>Provision</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Safi Infrastructure Investment Limited Company	-	-	2,327,103,786	-
Others	667,945,317	-	318,184,449	-
	<u>667,945,317</u>	<u>-</u>	<u>2,645,288,235</u>	<u>-</u>

**7 . LOAN RECEVIABLES**

	<u>31/12/2017</u>		<u>01/01/2017</u>	
	<u>Value</u>	<u>Provision</u>	<u>Value</u>	<u>Provision</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
SAFI Infrastructure Investment Limited Company	13,770,000,000	-	21,550,000,000	-
	<u>13,770,000,000</u>	<u>-</u>	<u>21,550,000,000</u>	<u>-</u>

Loan receivables for Safi Infrastructure Investment Co., Ltd. has a term of 5 years, interest free for payment of debts from the purchase of building 209 - Nguyen Van Thu - Da Kao Ward, District 1, Ho Chi Minh City.

**SEA & AIR FREIGHT INTERNATIONAL**No 209, Nguyen Van Thu Street, Da Kao Ward,  
District 1, Ho Chi Minh City**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

**8 . OTHER RECEIVABLES**

		31/12/2017		01/01/2017	
		Value	Provision	Value	Provision
		VND	VND	VND	VND
a) Short-term	13,538,017,535	-	9,438,942,713	-	
Receivables from social insurance	90,270,425	-	75,566,203	-	
Advances	10,621,862,150	-	7,704,114,683	-	
Deposits	1,778,283,639	-	1,120,935,604	-	
Others	1,047,601,321	-	538,326,223	-	
	<b>13,538,017,535</b>	<b>-</b>	<b>9,438,942,713</b>	<b>-</b>	
b) Long-term	177,873,000	-	177,873,000	-	
Deposits	177,873,000	-	177,873,000	-	
	<b>177,873,000</b>	<b>-</b>	<b>177,873,000</b>	<b>-</b>	

**9 . INVENTORIES**

		31/12/2017		01/01/2017	
		Original cost	Provision	Original cost	Provision
		VND	VND	VND	VND
Raw material	118,183,879	-	103,030,167	-	
Work in process	881,997,594	-	133,857,257	-	
Goods (*)	28,140,000,000	-	-	-	
	<b>29,140,181,473</b>	<b>-</b>	<b>236,887,424</b>	<b>-</b>	

(\*) Commodities are generators purchased by the Company in 2017 for commercial purposes.

**10 . LOAN STRUCSION IN PROGRESS**

	31/12/2017	01/01/2017
	VND	VND
Purchase of fixed assets (*)	4,125,450,000	-
	<b>4,125,450,000</b>	<b>-</b>

This is mainly the means of transportation invested in late 2017 to serve the transportation of the company. However, registration procedures, registration procedures and other procedures should not be monitored on "fixed asset procurement" as at 31/12/2017. These assets have completed the procedure and are recognized as an increase in fixed assets in 2018.

**SEA & AIR FREIGHT INTERNATIONAL**

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

Separate Financial statements  
For the fiscal year ended as at 31/12/2017

**11 - TANGIBLE FIXED ASSETS**

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
<b>Original cost</b>					
As at opening year	36,305,604,855	256,460,534	67,021,584,685	1,055,438,350	104,639,088,424
- Purchase	-	-	22,724,737,807	65,909,091	22,790,646,898
As at closing year	<u>36,305,604,855</u>	<u>256,460,534</u>	<u>89,746,322,492</u>	<u>1,121,347,441</u>	<u>127,429,735,322</u>
<b>Accumulated depreciation</b>					
As at opening year	14,702,291,569	103,296,608	25,924,398,768	960,552,063	41,690,539,008
- Depreciation	1,673,901,672	42,743,424	11,323,035,675	81,200,414	13,120,881,185
As at closing year	<u>16,376,193,241</u>	<u>146,040,032</u>	<u>37,247,434,443</u>	<u>1,041,752,477</u>	<u>54,811,420,193</u>
<b>Net carrying amount</b>					
As at opening year	21,603,313,286	153,163,926	41,097,185,917	94,886,287	62,948,549,416
As at closing year	<u>19,929,411,614</u>	<u>110,420,502</u>	<u>52,498,888,049</u>	<u>79,594,964</u>	<u>72,618,315,129</u>

*In which:*

- Cost of fully depreciated tangible fixed assets but still in use: VND 7,680,227,530.



**SEA & AIR FREIGHT INTERNATIONAL**No 209, Nguyen Van Thu Street, Da Kao Ward,  
District 1, Ho Chi Minh City**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

**12 INTANGIBLE FIXED ASSETS**

	Land use rights	Computer software	Total
	VND	VND	VND
<b>Original cost</b>			
As at opening year	4,517,324,453	1,295,245,000	5,812,569,453
As at closing year	<u>4,517,324,453</u>	<u>1,295,245,000</u>	<u>5,812,569,453</u>
<b>Accumulated depreciation</b>			
As at opening year	996,468,581	597,714,446	1,594,183,027
- Depreciation	132,862,488	288,633,336	421,495,824
As at closing year	<u>1,129,331,069</u>	<u>886,347,782</u>	<u>2,015,678,851</u>
<b>Net carrying amount</b>			
As at opening year	3,520,855,872	697,530,554	4,218,386,426
As at closing year	<u>3,387,993,384</u>	<u>408,897,218</u>	<u>3,796,890,602</u>

Cost of fixed assets at the end of the year was fully depreciated but still used: VND 429,345,000.

**13 . PREPAID EXPENSES**

	31/12/2017	01/01/2017
	VND	VND
Tools and consumables awaiting for allocation	79,326,200	206,013,146
	<u>79,326,200</u>	<u>206,013,146</u>

**14 . TRADE PAYABLES**

	31/12/2017		01/01/2017	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
<b>Trade payables</b>				
Airlines companies	23,515,390,676	23,515,390,676	14,760,840,319	14,760,840,319
Sea-way service companies	28,961,496,694	28,961,496,694	13,689,561,425	13,689,561,425
Logistics service companies	20,913,722,756	20,913,722,756	15,531,407,830	15,531,407,830
Shipping agents	5,264,554,400	5,264,554,400	5,903,099,303	5,903,099,303
Others	83,361,955	83,361,955	64,473,602	64,473,602
	<u>78,738,526,481</u>	<u>78,738,526,481</u>	<u>49,949,382,479</u>	<u>49,949,382,479</u>

**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**  
For the fiscal year ended as at 31/12/2017

**15 . TAX AND PAYABLES FROM STATE BUDGET**

	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
Value added tax	292,787,123	5,953,985,994	5,974,714,492	-	272,058,625
Business income tax	1,253,025,265	7,806,584,883	9,409,970,276	350,360,128	-
Personal income tax	398,451,914	3,890,644,053	3,668,287,303	-	620,808,664
Property tax and land rental	-	142,645,948	142,645,948	-	-
Other taxes	-	10,000,000	10,000,000	-	-
	<b>1,944,264,302</b>	<b>17,803,860,878</b>	<b>19,205,618,019</b>	<b>350,360,128</b>	<b>892,867,289</b>

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 Separate financial statements could be changed at a later date upon final determination by the tax authorities.

**16 . OTHER PAYABLES**

	31/12/2017	01/01/2017
	VND	VND
- Trade union fund	758,432,151	650,659,985
- Short-term deposits, collateral received	801,512,841	387,512,841
- Dividend, profit payables	11,951,629,080	151,703,680
Freight payable to principal according to agency agreement (*)	7,336,830,848	23,310,618,257
- Others	3,038,654,909	1,015,626,193
	<b>23,887,059,829</b>	<b>25,516,120,956</b>

(\*) The counterparty advance payment to the Company for the payment of freight charges for which the two parties haven't been able to reconcile their freight charges during the year.

17 . 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	Total
	VND	VND	VND	VND	VND	VND	VND
<b>Previous year opening balance</b>	108,330,890,000	41,816,120,654	(400,120,000)	24,989,189,178	55,786,103,434	47,346,317,072	277,868,500,338
Previous year increase in capital	5,351,530,000	-	-	-	-	-	5,351,530,000
Profit of the previous year	-	-	-	-	-	60,325,989,900	60,325,989,900
Distribute profit	-	-	-	3,500,624,466	14,040,314,497	(17,540,938,963)	-
Buying treasury stock	-	-	(900,000,000)	-	-	-	(900,000,000)
<b>Other increase</b>	-	-	-	-	-	(1,215,672,200)	(1,215,672,200)
Previous year decrease in capital	-	-	-	-	-	(16,054,615,500)	(16,054,615,500)
<b>Previous year closing balance</b>	113,682,420,000	41,816,120,654	(1,300,120,000)	28,489,813,644	69,826,417,931	72,861,080,309	325,375,732,538
<b>Current year opening balance</b>	113,682,420,000	41,816,120,654	(1,300,120,000)	28,489,813,644	69,826,417,931	72,861,080,309	325,375,732,538
Current year increase in capital	5,619,120,000	-	-	-	-	-	5,619,120,000
Profit of the current year	-	-	-	-	-	35,102,012,335	35,102,012,335
Distribute profit	-	-	-	5,421,398,718	30,308,823,850	(35,730,222,568)	-
Deductions for the operating funds of the Board of Directors and the Board of Supervisors	-	-	-	-	-	(1,626,419,616)	(1,626,419,616)
Dividend payment in 2016	-	-	-	-	-	(16,857,345,000)	(16,857,345,000)
Advance payment for dividend in 2017 (**)	-	-	-	-	-	(11,800,142,000)	(11,800,142,000)
<b>Current year closing balance</b>	119,301,540,000	41,816,120,654	(1,300,120,000)	33,911,212,362	100,135,241,781	41,948,963,460	335,812,958,257



**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

According to Resolution No 01/NQĐHCHĐ/SAFI-2017 dated 01/04/2017 issued by General Meeting of shareholders, the Company announced its profit distribution plan as follows:

	Rate	Amount
	(%)	VND
Profit after tax	100.00%	54,213,987,184
Deduction for investment and development fund	10.00%	5,421,398,718
Extraction of other funds belonging to owners' equity	55.91%	30,308,823,850
Deductions for the operating funds of the Board of Directors and the Board of Supervisors	3.00%	1,626,419,616
Paid dividends (15%)	31.09%	16,857,345,000

(\*) Issue shares under the company's employee selection program. The number of shares issued for 2017 is 561,912 shares, the issue price is VND 10,000 per share.

(\*\*) According to the Resolution No.06/NQ-HDQT-2017 of the Board of Directors, the Board of Directors approved the payment of cash dividend in 2017 with the payment rate of 10%, ex-rights date is 22/12/2017, the date of payment is January 10, 2018.

**b) Details of owner's invested capital**

	Rate	31/12/2017	Rate	01/01/2017
	(%)	VND	(%)	VND
Mr. Nguyen Hoang Anh	18.88%	22,517,490,000	18.35%	20,867,490,000
Mrs .Le Dung Nhi	5.50%	6,565,220,000	5.39%	6,130,000,000
PYN Elite Fund	4.94%	5,888,000,000	5.18%	5,888,000,000
America LLC	12.48%	14,889,000,000	11.32%	12,864,600,000
Halley Sicav	6.52%	7,782,700,000	6.85%	7,782,700,000
Others	50.59%	60,359,010,000	51.77%	58,849,510,000
Treasury stock	1.09%	1,300,120,000	1.14%	1,300,120,000
	<b>100%</b>	<b>119,301,540,000</b>	<b>100%</b>	<b>113,682,420,000</b>

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

	Year 2017	Year 2016
	VND	VND
Owner's invested capital	119,301,540,000	113,682,420,000
- At the beginning of year	113,682,420,000	108,330,890,000
- Increase in the year	5,619,120,000	5,351,530,000
- At the ending of year	119,301,540,000	113,682,420,000
Distributed dividends and profit	28,657,487,000	16,054,615,500
- Distributed dividends on last year profit	16,857,345,000	16,054,615,500
- Estimate-distributed dividends on this year profit	11,800,142,000	-

**d) Company's funds**

	31/12/2017	01/01/2017
	VND	VND
Investment and development fund	33,911,212,362	28,489,813,644
Other funds belonging to owners' equity	100,135,241,781	69,826,417,931
	<b>134,046,454,143</b>	<b>98,316,231,575</b>

**SEA & AIR FREIGHT INTERNATIONAL**No 209, Nguyen Van Thu Street, Da Kao Ward,  
District 1, Ho Chi Minh City**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

**18 . OFF-STATEMENT OF FINANCIAL POSITION ACCOUNTS****Foreign currencies**

	<u>31/12/2017</u>	<u>01/01/2017</u>
- USD	3,267,395.18	4,606,835.52
- EUR	46,504.30	-

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

	<u>Year 2017</u>	<u>Year 2016</u>
	<u>VND</u>	<u>VND</u>
Revenue from services rendered	640,757,028,902	490,964,439,812
	<u><b>640,757,028,902</b></u>	<u><b>490,964,439,812</b></u>

**20 . COSTS OF GOODS SOLD**

	<u>Year 2017</u>	<u>Year 2016</u>
	<u>VND</u>	<u>VND</u>
Costs of services rendered	525,486,335,629	380,650,390,950
	<u><b>525,486,335,629</b></u>	<u><b>380,650,390,950</b></u>

**21 . FINANCE INCOME**

	<u>Year 2017</u>	<u>Year 2016</u>
	<u>VND</u>	<u>VND</u>
Interest income, interest from loans	128,293,915	214,676,998
Gain from selling investments	-	632,870,124
Dividends, profits earned	4,123,166,055	21,550,432,804
Realized gain from foreign exchange difference	1,029,847,410	1,244,236,086
Unrealized gain from foreign exchange difference	-	1,768,063,445
	<u><b>5,281,307,380</b></u>	<u><b>25,410,279,457</b></u>

**22 . FINANCIAL EXPENSES**

	<u>Year 2017</u>	<u>Year 2016</u>
	<u>VND</u>	<u>VND</u>
Realized loss from foreign exchange difference	265,882,441	649,986,276
Unrealized loss from foreign exchange difference	234,095,544	-
Provisions for devaluation of trading securities and investments	1,443,137,046	-
	<u><b>1,943,115,031</b></u>	<u><b>649,986,276</b></u>

**SEA & AIR FREIGHT INTERNATIONAL**No 209, Nguyen Van Thu Street, Da Kao Ward,  
District 1, Ho Chi Minh City**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

**23 . SELLING EXPENSES**

	Year 2017	Year 2016
	VND	VND
Labor	45,130,880,177	37,500,286,219
Depreciation and amortisation	2,121,897,097	1,449,113,220
Expenses from external services	9,703,136,006	9,298,228,927
Other expenses by cash	3,080,334,358	3,584,519,750
	<b>60,036,247,638</b>	<b>51,832,148,116</b>

**24 . GENERAL ADMINISTRATIVE EXPENSES**

	Year 2017	Year 2016
	VND	VND
Labor	7,903,122,264	6,546,474,311
Depreciation and amortisation	2,009,373,554	1,950,034,958
Expenses from external services	1,584,882,485	1,338,431,596
Other expenses by cash	4,182,862,463	4,176,605,578
	<b>15,680,240,766</b>	<b>14,011,546,443</b>

**25 . CURRENT BUSINESS INCOME TAX EXPENSE**

	Year 2017	Year 2016
	VND	VND
Total profit before tax	42,908,597,218	69,767,716,649
Increase	247,493,250	95,871,192
- <i>Unreasonable expenses</i>	13,397,706	95,871,192
- <i>Loss from foreign exchange difference</i>	234,095,544	-
Decrease	(4,123,166,055)	(23,318,496,249)
- <i>Dividend</i>	(4,123,166,055)	(21,550,432,804)
- <i>Gain from foreign exchange difference</i>	-	(1,768,063,445)
Taxable income	39,032,924,413	46,545,091,592
<b>Current corporate income tax expense (Tax rate 20%)</b>	<b>7,806,584,883</b>	<b>9,309,018,318</b>
Adjustment of tax expenses in previous years and tax expenses in the current year	-	132,708,431
Tax payable at the beginning of year	1,253,025,265	271,703,907
Tax paid in the year	(9,409,970,276)	(8,460,405,391)
<b>Closing year income tax payable of main business activities</b>	<b>(350,360,128)</b>	<b>1,253,025,265</b>



**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

**26 . BUSINESS AND PRODUCTIONS COST BY ITEMS**

	Year 2017	Year 2016
	VND	VND
Raw materials	18,201,021,854	12,073,735,992
Labour	54,838,840,013	45,776,495,244
Depreciation and amortisation	13,542,377,009	10,346,186,847
Expenses from external services	479,810,731,067	350,472,526,445
Other expenses by cash	35,557,994,427	27,538,916,347
	<b>601,950,964,370</b>	<b>446,207,860,875</b>

**27 . FINANCIAL INSTRUMENTS**

The types of financial instruments of the Company include:

		Carrying amount		
		31/12/2017	01/01/2017	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
<b>Financial Assets</b>				
Cash and cash equivalents	99,692,057,395	-	141,970,573,931	-
Trade receivables, other receivables	147,247,811,611	-	102,988,099,834	-
Lendings	13,770,000,000	-	21,550,000,000	-
Long term investments	1,500,000,000	(1,443,137,046)	1,500,000,000	-
	<b>262,209,869,006</b>	<b>(1,443,137,046)</b>	<b>268,008,673,765</b>	<b>-</b>

		Carrying amount	
		31/12/2017	01/01/2017
		VND	VND
<b>Financial Liabilities</b>			
Trade payables, other payables		102,625,586,310	75,465,503,435
Accrued expenses		120,581,818	118,581,818
		<b>102,746,168,128</b>	<b>75,584,085,253</b>

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.

	Up to 1 year	In 1 to 5 years	In more than	Total
	VND	VND	5 years	VND
<b>As at 31/12/2017</b>				
Long term investments	-	56,862,954	-	56,862,954
	-	56,862,954	-	56,862,954
<b>As at 01/01/2017</b>				
Long term investments	-	1,500,000,000	-	1,500,000,000
	-	1,500,000,000	-	1,500,000,000

*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.

**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**  
For the fiscal year ended as at 31/12/2017

**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
<b>As at 31/12/2017</b>				
Cash and cash equivalents	99,692,057,395	-	-	99,692,057,395
Trade receivables, other receivables	147,069,938,611	177,873,000	-	147,247,811,611
Lendings	-	13,770,000,000	-	13,770,000,000
	<u>246,761,996,006</u>	<u>13,947,873,000</u>	<u>-</u>	<u>260,709,869,006</u>
<b>As at 01/01/2017</b>				
Cash and cash equivalents	141,970,573,931	-	-	141,970,573,931
Trade receivables, other receivables	102,810,226,834	177,873,000	-	102,988,099,834
Lendings	-	21,550,000,000	-	21,550,000,000
	<u>244,780,800,765</u>	<u>21,727,873,000</u>	<u>-</u>	<u>266,508,673,765</u>



**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**

For the fiscal year ended as at 31/12/2017

**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
<b>As at 31/12/2017</b>				
Trade payables, other payables	102,625,586,310	-	-	102,625,586,310
Accrued expenses	120,581,818	-	-	120,581,818
	<b>102,746,168,128</b>	<b>-</b>	<b>-</b>	<b>102,746,168,128</b>
<b>As at 01/01/2017</b>				
Trade payables, other payables	75,465,503,435	-	-	75,465,503,435
Accrued expenses	118,581,818	-	-	118,581,818
	<b>75,584,085,253</b>	<b>-</b>	<b>-</b>	<b>75,584,085,253</b>

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.

**28 . EVENTS AFTER BALANCE SHEET DATE**

There have been no significant events occurring after the reporting year, which would require adjustments or disclosures to be made in the Separate financial statements.

**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**  
For the fiscal year ended as at 31/12/2017

**29 . SEGMENT REPORTING**

**Under business fields**

	Logistic activities VND	Forwarding activities VND	Ship agency service and other activities VND	Total from all segments VND	Grant total VND
Net revenue from sale of goods and rendering of services to external parties	187,441,674,633	438,674,168,985	14,641,185,284	640,757,028,902	640,757,028,902
Net revenue from sale of goods and rendering of services to other segments	153,813,037,114	363,817,983,700	7,855,314,815	525,486,335,629	525,486,335,629
<b>Profit from operating activities</b>	<b>33,628,637,519</b>	<b>74,856,185,285</b>	<b>6,785,870,469</b>	<b>115,270,693,273</b>	<b>115,270,693,273</b>
The total cost to acquire fixed assets	26,916,096,898	-	-	26,916,096,898	26,916,096,898
Segment assets	79,346,067,831	185,695,472,663	6,197,770,495	271,239,310,989	271,239,310,989
Unallocated assets	-	-	-	176,229,094,349	176,229,094,349
<b>Total assets</b>	<b>79,346,067,831</b>	<b>185,695,472,663</b>	<b>6,197,770,495</b>	<b>447,468,405,338</b>	<b>447,468,405,338</b>
Segment liabilities	32,662,745,844	76,441,393,932	2,551,307,305	111,655,447,081	111,655,447,081
<b>Total liabilities</b>	<b>32,662,745,844</b>	<b>76,441,393,932</b>	<b>2,551,307,305</b>	<b>111,655,447,081</b>	<b>111,655,447,081</b>

**Under geographical areas**

All of the business activities of the Company act in Vietnamese territory, hence the Company does not disclose segment report under geographical areas.



**SEA & AIR FREIGHT INTERNATIONAL**

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

**Separate Financial statements**

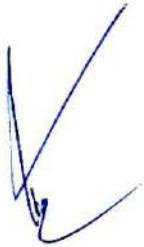
For the fiscal year ended as at 31/12/2017

**30 . COMPARATIVE FIGURES**

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2016, 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, 15 March 2018*

