



SEPARATE FINANCIAL STATEMENTS

SEA & AIR FREIGHT INTERNATIONAL

For the fiscal year ended as at 31/12/2018
(audited)

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SEA & AIR FREIGHT INTERNATIONAL

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 ("the Company") presents its report and the Company's Separate Financial statements for the fiscal year ended as at December 31st 2018.

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 32th amended registration license dated 25/01/2019 by Department of Planning and Investment of Ho Chi Minh City.

The Company's head office is located at: No 209, Nguyen Van Thu Street, 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
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 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 December 31st 2018, its operation results and cash flows in the year 2018 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

Ha Noi, March 14th 2019

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 March 14th 2019, as set out on pages 06 to 38, including: Separate Statement of financial position as at December 31st 2018, Separate Statement Of Income, Separate Statement Of Cashflows and Notes to Separate Financial Statements for the fiscal year ended as at December 31st 2018 .

The Board of General Directors' responsibility

The Board of General Directors is responsible for the preparation of 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 comply with standards, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Separate Financial statements are free from material misstatement.

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 December 31st 2018, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.

Other matter

This audit report and the separate financial statement included are translated from the audit report number 180319.003/2019/BCTC.KT2, issued on March 18th 2019 and accompanying financial statements in Vietnamese. In case of differences in content between these reports and the original report in Vietnamese, the contents of these reports will conformed to the original report in Vietnamese.

AASC Auditing Firm Company Limited



Phạm Anh Tuan

Deputy General Director

Certificate of registration to audit practice

Số: 0777-2018-002-1

Hà Nội, March 18th 2019

Truong Thi Hoai Anh

Auditor

Certificate of registration to audit practice

No: 2446-2018-002-1

STATEMENT OF FINANCIAL SEPARATE*As at December 31st 2018*


Code	ASSETS	Note	31/12/2018 VND	01/01/2018 VND
100	A. SHORT-TERM ASSETS		223,430,944,671	280,568,289,653
110	I. Cash and cash equivalents	3	48,278,816,318	99,692,057,395
111	1. Cash		43,122,816,318	62,809,557,395
112	2. Cash equivalents		5,156,000,000	36,882,500,000
130	III. Short-term accounts receivable		174,742,038,454	147,737,883,928
131	1. Short-term trade receivables	5	152,993,958,002	133,531,921,076
132	2. Short-term prepayments to suppliers	6	1,596,409,020	667,945,317
136	3. Other short-term receivables	8	20,151,671,432	13,538,017,535
140	IV. Inventories	9	289,259,329	29,140,181,473
141	1. Inventories		289,259,329	29,140,181,473
150	V. Other current assets		120,830,570	3,998,166,857
151	1. Short-term prepaid expenses		65,220,000	79,326,200
152	2. Deductible VAT		55,610,570	3,568,480,529
153	3. Taxes and other receivables from State budget	14	-	350,360,128
200	B. LONG-TERM ASSETS		254,474,322,098	166,900,115,685
210	I. Long-term receivables		4,317,873,000	13,947,873,000
215	1. Long-term loan receivables	7	4,140,000,000	13,770,000,000
216	2. Other long-term receivables	8	177,873,000	177,873,000
220	II. Fixed assets		95,668,532,301	76,415,205,731
221	1. Tangible fixed assets	11	89,888,715,298	72,618,315,129
222	- Historical costs		161,685,630,484	127,429,735,322
223	- Accumulated depreciation		(71,796,915,186)	(54,811,420,193)
227	2. Intangible fixed assets	12	5,779,817,003	3,796,890,602
228	- Historical costs		8,351,369,453	5,812,569,453
229	- Accumulated depreciation		(2,571,552,450)	(2,015,678,851)
240	IV. Long-term unfinished asset	10	4,110,750,000	4,125,450,000
242	1. Construction in progress		4,110,750,000	4,125,450,000
250	V. Long-term investments	4	150,377,166,797	72,411,586,954
251	1. Investment in subsidiaries		65,194,644,000	64,618,344,000
252	2. Investments in joint ventures and associates		4,350,780,000	7,736,380,000
253	3. Investments in equity of other entities		82,394,879,843	1,500,000,000
254	4. Provision for diminution in value of long-term investments		(1,563,137,046)	(1,443,137,046)
270	TOTAL ASSETS		477,905,266,769	447,468,405,338

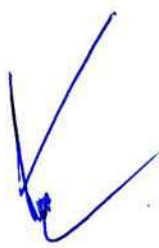
STATEMENT OF FINANCIAL SEPARATE

As at December 31st 2018

(continue)

Code	CAPITAL	Note	31/12/2018 VND	01/01/2018 VND
300	C. LIABILITIES		93,912,945,375	111,655,447,081
310	I. Current liabilities		93,912,945,375	111,655,447,081
311	1. Short-term trade payables	13	78,815,621,115	78,738,526,481
312	2. Short-term advances from customers		40,000,000	71,186,269
313	3. Taxes and other payables to State budget	14	2,521,025,596	892,867,289
314	4. Payables to employees		7,378,031,744	6,107,565,000
315	5. Short-term accrued expenses		8,000,000	120,581,818
319	6. Other short-term payments	15	3,183,576,248	23,887,059,829
322	7. Bonus and welfare fund		1,966,690,672	1,837,660,395
400	D. OWNER'S EQUITY		383,992,321,394	335,812,958,257
410	I. Owner's equity	17	383,992,321,394	335,812,958,257
411	1. Contributed capital		125,201,610,000	119,301,540,000
411a	Ordinary shares with voting rights		125,201,610,000	119,301,540,000
412	2. Share Premium		41,816,120,654	41,816,120,654
415	3. Treasury shares		(1,300,120,000)	(1,300,120,000)
418	4. Development investment funds		37,421,413,596	33,911,212,362
420	5. Other equity fund		112,973,779,512	100,135,241,781
421	6. Retained earnings		67,879,517,632	41,948,963,460
421a	Retained earnings accumulated till the end of the previous year		18,647,093,125	6,846,951,125
421b	Retained earnings of the current year		49,232,424,507	35,102,012,335
440	TOTAL CAPITAL		477,905,266,769	447,468,405,338


 Doan Thu Ha
Preparer



 Nguyen Thanh Tuyen
Chief Accountant



 Nguyen Hoang Anh
General Director
Ha Noi, March 14th 2019


STATEMENT OF INCOME SEPARATE

Year 2018

Code ITEM	Note	Year 2018	Year 2017
		VND	VND
01 1. Revenues from sales and services rendered	19	777,519,111,534	640,757,028,902
02 2. Revenue deductions		-	-
10 3. Net revenues from sales and services rendered		777,519,111,534	640,757,028,902
11 4. Cost of goods sold	20	644,324,750,892	525,486,335,629
20 5. Gross profit from sales of goods and rendering of services		133,194,360,642	115,270,693,273
21 6. Financial income	21	12,758,654,057	5,281,307,380
22 7. Financial expense	22	574,862,117	1,943,115,031
23 In which: Interest expenses		20,182,052	-
25 8. Selling expenses	23	69,979,748,993	60,036,247,638
26 9. General administrative expenses	24	15,244,781,944	15,680,240,766
30 10. Net profit from operating activities		60,153,621,645	42,892,397,218
31 11. Other income		10,868,000	16,200,000
32 12. Other expense		-	-
40 13. Other profit		10,868,000	16,200,000
50 14. Total profit before tax		60,164,489,645	42,908,597,218
51 15. Current corporate income tax expenses	25	10,932,065,138	7,806,584,883
60 17. Profit after corporate income tax		<u>49,232,424,507</u>	<u>35,102,012,335</u>


Doan Thu Ha
Preparer


Nguyen Thanh Tuyen
Chief Accountant


Nguyen Hoang Anh
General Director

Ha Noi, March 14th 2019

STATEMENT OF CASH FLOWS SEPARATE*Year 2018*
(indirect method)

Code	ITEM	Note	Year 2018	Year 2017
			VND	VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. <i>Profit before tax</i>		60,164,489,645	42,908,597,218
	2. <i>Adjustments for</i>			
02	- Depreciation of fixed assets and investment properties		17,583,779,501	13,542,377,009
03	- Provisions		120,000,000	1,443,137,046
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency		(108,502,477)	234,095,544
05	- Gains / losses from investment		(10,760,391,882)	(4,251,459,970)
06	- Interest expense		20,182,052	-
08	3. <i>Operating profit before changes in working capital</i>		67,019,556,839	53,876,746,847
09	- Increase or decrease in receivables		(23,491,284,567)	(45,813,434,840)
10	- Increase or decrease in inventories		28,850,922,144	(28,903,294,049)
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		(7,497,503,932)	15,179,549,555
12	- Increase or decrease in prepaid expenses		14,106,200	126,686,946
14	- Interest paid		(20,182,052)	-
15	- Corporate income tax paid		(9,160,369,086)	(9,409,970,276)
17	- Other expenses on operating activities		(924,030,093)	(987,626,647)
20	<i>Net cash flows from operating activities</i>		54,791,215,453	(15,931,342,464)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase of fixed assets and other long-term assets		(36,822,406,071)	(26,916,096,898)
24	2. Collection of loans and resale of debt instrument of other entities		9,630,000,000	7,780,000,000
25	3. Equity investments in other entities		(81,471,179,843)	-
26	4. Proceeds from equity investment in other entities		8,481,200,000	10,000,000
27	5. Interest and dividend received		5,664,791,882	4,251,459,970
30	<i>Net cash flows from investing activities</i>		(94,517,594,032)	(14,874,636,928)
	III CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from issuance of shares and receipt of contributed capital		5,900,070,000	5,619,120,000
33	2. Proceeds from borrowings		35,289,355,316	-
34	3. Repayment of principal		(35,289,355,316)	-
36	4. Dividends or profits paid to owners		(17,695,434,975)	(16,857,561,600)
40	<i>Net cash flows from financing activities</i>		(11,795,364,975)	(11,238,441,600)
50	<i>Net cash flows within the year</i>		(51,521,743,554)	(42,044,420,992)

STATEMENT OF CASH FLOWS SEPARATE*Year 2018*
(indirect method)

Code ITEM	Note	Year 2018	Year 2017
		VND	VND
60 Cash and cash equivalents at beginning of the year		99,692,057,395	141,970,573,931
61 Effect of exchange rate fluctuations		108,502,477	(234,095,544)
70 Cash and cash equivalents at end of the year	3	<u>48,278,816,318</u>	<u>99,692,057,395</u>


Doan Thu Ha
PreparerHa Noi, March 14th 2019

Nguyen Thanh Tuyen
Chief Accountant

 Nguyen Hoang Anh
General Director

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year 2018

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 32th amended registration license dated 25/01/2019 by Department of Planning and Investment of Ho Chi Minh City.

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

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

Business field

Main business activity of the Company is: Transportation services and Transport agency.

Business field

Main business activities of the Company are:

- 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.

Operations of the company in the fiscal year affecting the financial statements

In 2018, the Company promoted the investment in fleet vehicles, increased Logistic orders, resulting in significant increase in logistic revenue compared to the previous year. On the other way, in 2018, the Company divested from KCTC Vietnam Co., Ltd. and recorded a profit on the financial statements. This leads to a significant increase in revenue and profit of the Company compared to 2017.

Structure of enterprises

Name	Address
- Branch of Safi Transportation Agent Company in Quang Ninh	No. 10 Le Thanh Tong Street, Ha Long city, Quang Ninh, Vietnam.
- 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. 52-53 Le Duc Tho 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 December 31st 2018 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 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 classified as asset: applies exchange rates of purchase of commercial banks where Company regularly conducts transaction;
- For foreign currency deposited in bank: applies exchange rate of purchase of the bank where Company open foreign currency accounts;
- For accounts classified as liabilities: applies exchange rates of selling foreign currency of commercial banks where Company regularly conducts transaction.

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

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. For receivables related to shipping agency services and customs clearance services including payments for customers.

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: Incompleted 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, Finance lease assets and Invesment properties

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 m² 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 . Construction in progress

Construction in progress includes fixed assets which are being purchased and are not yet completed at the balance sheet date and are recorded by original price. This includes the costs of construction and installation of machinery and other direct costs. Construction in progress is only depreciated when these assets are completed and put into use.

2.12 . 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 criteria. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

2.13 . 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. For payables related to shipping agency services and customs clearance services including charges for customers.

2.14 . Borrowings

The value of finance lease liabilities is the total payable amount calculated on the present value of minimum lease payments or the fair value of leased assets.

2.15 . Borrowing costs

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

2.16 . 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 office rental costs,... 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.

2.17 . Owner's equity

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

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

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

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

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

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

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

2.18 . Revenues

Sale of goods

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

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

Services rendered

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

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

2.19 . 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.

2.20 . 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.

2.21 . Corporate income tax**a) Current corporate income tax expenses**

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

b) Tax incentives

The Company is subjected to corporate income tax at 20 % for the fiscal year ended as 31 December 2018.

2.22 . Earning per share

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

2.23 . 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.

2.24 . Segment information

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

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

3 . CASH AND CASH EQUIVALENTS

	<u>31/12/2018</u>	<u>01/01/2018</u>
	VND	VND
Cash on hand	1,662,122,112	1,761,465,551
Non term deposit	41,460,694,206	61,048,091,844
Cash equivalents	5,156,000,000	36,882,500,000
	<u><u>48,278,816,318</u></u>	<u><u>99,692,057,395</u></u>

On 31/12/2018, Cash equivalents is less than 3 months term deposits of USD 200,000 (equivalent to VND 4,631,000,000) were deposited at commercial banks at the interest rate of 0% per year and VND 525,000,000 at Commercial banks with interest rates ranging from 6% per year to 6.5% per year.

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4 . INVESTMENT

	31/12/2018			01/01/2018		
	Historical cost	Fair value	Provision	Historical cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
Investments in subsidiaries	65,194,644,000	(*)	-	64,618,344,000	(*)	-
- Cosfi Company Limited (1)	1,566,300,000	(*)	-	990,000,000	(*)	-
- 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	(*)	-
Investments in joint ventures, associates	4,350,780,000			7,736,380,000		(843,137,046)
- Yusen Sea & Air (Vietnam) Limited Company (4)	4,350,780,000	(*)	(843,137,046)	4,350,780,000	(*)	(843,137,046)
- KCTC Vietnam Limited Company (5)	-	(*)	-	3,385,600,000	(*)	-
Investments in equity of other entities	82,394,879,843	102,426,198,400	(720,000,000)	1,500,000,000	900,000,000	(600,000,000)
- Stocks of Vinalines Logistic Jsc - Vietnam (VLG)	1,500,000,000	780,000,000	(720,000,000)	1,500,000,000	900,000,000	(600,000,000)
- Stocks of Vinalines Container VietNam Jsc - Vietnam (VSC)	80,894,879,843	101,646,198,400	-	-	-	-
151,940,303,843	102,426,198,400	(1,563,137,046)	73,854,724,000	900,000,000	(1,443,137,046)	

Fair value of other long-term investments is determined based on closing prices of these securities on HOSE and UPCOM on 31/12/2018 and on 01/01/2018.

(*) The Company has not determined the fair value of financial investments because Viet Nam Accounting Standards, Viet Nam Enterprise Accounting System do not have detailed guidance on the determination of the fair value.



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Investments in subsidiaries

Detail information on the Company's subsidiaries as at 31/12/2018 as follows:

<u>Name of subsidiaries</u>	<u>Place of establishment and</u>	<u>Rate of interest</u>	<u>Rate of voting rights</u>	<u>Principle activities</u>
Cosfi Company Limited (1)	Ho Chi Minh city	69.00%	69.00%	Forwarding, Sea and Air freight.
SITC Vietnam Limited Company (2)	Hai Phong city	51.00%	51.00%	Forwarding, Sea and Air freight.
Safi Infrastructure Investment Limited Company (3)	Ho Chi Minh city	100.00%	100.00%	Trading real estate, leasing office

(1) According to the Business Registration Certificate No.0312441747 changed for the fourth time on 11/05/2018, Cosfi Company Limited was transformed into a Joint Stock company with a chartered capital of VND 2,270,000,000. Of which, Sea and air freight international 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.

(2) Under the joint venture agreement between Sea and air freight international and SITC Shipping Asia Pte.Limited 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: Sea and air freight international shares USD 204,000, accounting for 51% of charter capital; SITC Shipping Asia Pte.Limited contributes USD 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 31/12/2018 is VND 60,000,000,000.

Investments in joint ventures, associates

Detail information on the Company's joint ventures, associates as at 31/12/2018 as follows:

<u>Name of associates</u>	<u>Place of establishment and</u>	<u>Rate of interest</u>	<u>Rate of voting rights</u>	<u>Principle activities</u>
Yusen Sea & Air (Vietnam) Limited Company (4)	Ho Chi Minh city	45.00%	45.00%	Forwarding, Sea agent

(4) According to the joint venture contract between the parties as Sea and air freight international 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; invest consult group Co.,Ltd contributed USD 36,000 USD representing 6% chartered capital and Yusen Sea & Air Service Ltd. Co contributed USD 294,000 representing 49% chartered capital.

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

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

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Investments in equity of other entities

<u>Name of entities received capital</u>	<u>Place of establishment and</u>	<u>Number of shares hold</u>	<u>Principle activities</u>
Share of Vinalines Logistic Joint Stock Company - Vietnam (VLG)	Ha Noi	150,000	Transport service
Share off Vietnam Container group joint stock company (VSC) (6)	Hai Phong	2,506,688	Maritime service

5 . TRADE RECEIVABLES

	<u>31/12/2018</u>		<u>01/01/2018</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>
a) Trade receivables detailed according to type of services				
Shipping agent receivables	37,042,656,369	-	16,400,576,069	-
Forwarding Receivables	50,629,679,427	-	42,924,264,149	-
Sea and air freight receivables	65,321,622,206	-	74,141,080,858	-
Office leasing receivables	-	-	66,000,000	-
	<u>152,993,958,002</u>	<u>-</u>	<u>133,531,921,076</u>	<u>-</u>
b) Trade receivables are details according to customers with large balances				
Cosco shipping lines Vietnam Limited	33,789,735,933	-	23,306,484,834	-
Wenparker Logistics USA	11,753,898,085	-	20,271,964,782	-
Nissan Vietnam Limited	4,270,519,755	-	3,951,308,924	-
Denso Vietnam Limited Company	2,613,004,407	-	3,351,418,882	-
Other trade recervables	100,566,799,822	-	82,650,743,654	-
	<u>152,993,958,002</u>	<u>-</u>	<u>133,531,921,076</u>	<u>-</u>

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6 . SHORT-TERM PREPAYMENT TO SUPPLIERS

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Shipping agent prepayments	1,265,553,561	-	600,410,872	-
Other prepayments to suppliers	330,855,459	-	67,534,445	-
	1,596,409,020	-	667,945,317	-

7 . LONG-TERM LOAN RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Safi Infrastructure Investment Limited Company	4,140,000,000	-	13,770,000,000	-
	4,140,000,000	-	13,770,000,000	-

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.

8 . OTHER RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
Receivables from social insurance	96,429,850	-	90,270,425	-
Advances	15,290,833,000	-	10,621,862,150	-
Deposits	1,886,605,528	-	1,778,283,639	-
Others	2,877,803,054	-	1,047,601,321	-
	20,151,671,432	-	13,538,017,535	-
b) Long-term				
Deposits	177,873,000	-	177,873,000	-
	177,873,000	-	177,873,000	-

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9 . INVENTORIES

	31/12/2018		01/01/2018	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw material	125,413,280	-	118,183,879	-
Work in process	163,846,049	-	881,997,594	-
Goods	-	-	28,140,000,000	-
	289,259,329	-	29,140,181,473	-

10 . CONSTRUCTION IN PROGRESS

	31/12/2018	01/01/2018
	VND	VND
Purchase of fixed assets (*)	4,110,750,000	4,125,450,000
	4,110,750,000	4,125,450,000

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

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11 . TANGIBLE FIXED ASSETS

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Original cost					
As at opening year	36,305,604,855	256,460,534	89,746,322,492	1,121,347,441	127,429,735,322
- Purchase	12,476,250,000	112,000,000	21,710,056,071	-	34,298,306,071
- Liquidating, disposed	-	-	-	(42,410,909)	(42,410,909)
As at closing year	48,781,854,855	368,460,534	111,456,378,563	1,078,936,532	161,685,630,484
Accumulated depreciation					
As at opening year	16,376,193,241	146,040,032	37,247,434,443	1,041,752,477	54,811,420,193
- Depreciation	2,006,601,672	75,104,533	14,897,665,341	48,534,356	17,027,905,902
- Liquidating, disposed	-	-	-	(42,410,909)	(42,410,909)
As at closing year	18,382,794,913	221,144,565	52,145,099,784	1,047,875,924	71,796,915,186
Net carrying amount					
As at opening year	19,929,411,614	110,420,502	52,498,888,049	79,594,964	72,618,315,129
As at closing year	30,399,059,942	147,315,969	59,311,278,779	31,060,608	89,888,715,298

In which:

- Cost of fully depreciated tangible fixed assets but still in use: 13,338,516,983VND

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12 . INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer software VND	Total VND
Original cost			
As at opening year	4,517,324,453	1,295,245,000	5,812,569,453
- Purchase	1,845,000,000	693,800,000	2,538,800,000
As at closing year	6,362,324,453	1,989,045,000	8,351,369,453
Accumulated depreciation			
As at opening year	1,129,331,069	886,347,782	2,015,678,851
- Depreciation	132,862,488	423,011,111	555,873,599
As at closing year	1,262,193,557	1,309,358,893	2,571,552,450
Net carrying amount			
As at opening year	3,387,993,384	408,897,218	3,796,890,602
As at closing year	5,100,130,896	679,686,107	5,779,817,003

13 . SHORT-TERM TRADE PAYABLES

		31/12/2018		01/01/2018	
		Outstanding balance VND	Amount can be paid VND	Outstanding balance VND	Amount can be paid VND
a)	Trade payables detailed according to type of services				
	Airlines companies	23,671,832,243	23,671,832,243	23,515,390,676	23,515,390,676
	Sea-way service companies	23,514,480,982	23,514,480,982	28,961,496,694	28,961,496,694
	Logistics service companies	23,712,259,222	23,712,259,222	20,913,722,756	20,913,722,756
	Shipping agents	7,655,874,557	7,655,874,557	5,264,554,400	5,264,554,400
	Others	261,174,111	261,174,111	83,361,955	83,361,955
		78,815,621,115	78,815,621,115	78,738,526,481	78,738,526,481
b)	Trade payables detailed by large account balances				
	Cosco Shipping Line Vietnam	10,417,995,429	10,417,995,429	15,026,689,366	15,026,689,366
	Ticket office of HK Japan Airline	5,543,729,262	5,543,729,262	2,284,730,340	2,284,730,340
	Pilot New Port Company Limited	4,842,237,862	4,842,237,862	3,434,695,859	3,434,695,859
	Others	58,011,658,562	58,011,658,562	57,992,410,916	57,992,410,916
		78,815,621,115	78,815,621,115	78,738,526,481	78,738,526,481

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14 . TAX AND PAYABLES FROM STATE BUDGET

	Receivable at the opening year	Payable at the opening year	Payable arise in the year	Amount paid in the year	Receivable at the closing year	Payable at the closing year
	VND	VND	VND	VND	VND	VND
Value added tax	-	272,058,625	7,192,399,326	7,015,802,751	-	448,655,200
Business income tax	350,360,128	-	10,932,065,138	9,160,369,086	-	1,421,335,924
Personal income tax	-	620,808,664	4,537,424,507	4,507,198,699	-	651,034,472
Property tax and land rental	-	-	168,849,968	168,849,968	-	-
Fees and other obligations	-	-	11,000,000	11,000,000	-	-
	350,360,128	892,867,289	22,841,738,939	20,863,220,504	-	2,521,025,596

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.

15 . OTHER PAYABLES

	31/12/2018	01/01/2018
	VND	VND
- Trade union fund	59,179,120	758,432,151
- Short-term deposits, collateral received	554,762,841	801,512,841
- Dividend, profit payables	156,265,105	11,951,629,080
- Freight payable to principal according to agency	195,717,039	7,336,830,848
- Others	2,217,652,143	3,038,654,909
	3,183,576,248	23,887,059,829

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16 . LOAN AND FINANCE LEASE LIABILITIES

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

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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
Previous year opening balance	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
Previous year increase in capital	5,619,120,000	-	-	-	-	-	5,619,120,000
Profit of the previous year	-	-	-	-	-	35,102,012,335	35,102,012,335
Distribute profit	-	-	-	5,421,398,718	30,308,823,850	(35,730,222,568)	-
Deduction for operation fund of the Board of Directors and Supervisory Board	-	-	-	-	-	(1,626,419,616)	(1,626,419,616)
Dividend for 2016	-	-	-	-	-	(16,857,345,000)	(16,857,345,000)
Advance dividends for 2017	-	-	-	-	-	(11,800,142,000)	(11,800,142,000)
Previous year closing balance	119,301,540,000	41,816,120,654	(1,300,120,000)	33,911,212,362	100,135,241,781	41,948,963,460	335,812,958,257
Current year opening balance	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
Current year increase in capital (*)	5,900,070,000	-	-	-	-	-	5,900,070,000
Profit of the current year	-	-	-	-	-	49,232,424,507	49,232,424,507
Distribute profit	-	-	-	3,510,201,234	12,838,537,731	(16,348,738,965)	-
Deduction for operation fund of the Board of Directors and Supervisory Board	-	-	-	-	-	(1,053,060,370)	(1,053,060,370)
Dividend (**)	-	-	-	-	-	(5,900,071,000)	(5,900,071,000)
Current year closing balance	125,201,610,000	41,816,120,654	(1,300,120,000)	37,421,413,596	112,973,779,512	67,879,517,632	383,992,321,394

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(*) Issue shares under the company's employee selection program. The number of shares issued for 2018 is 590.007 shares, the issue price is VND 10,000 per share.

According to Resolution No.01/NQĐHCĐ/SAFI-2018 dated 20/2/2018 issued by General Meeting of shareholders, the Company announced its profit distribution plan in 2017 as follows:

	Rate (%)	Amount VND
Profit after corporate income tax according to 2017 separate financial statements	100.00%	35,102,012,335
Distribute development investment funds	10.00%	3,510,201,234
Distribute equity fund	36.57%	12,838,537,731
Distribute for the operating funds of the Board of Directors and the Board of Supervision	3.00%	1,053,060,370
Paid dividends (equal to 15% of the voting shares in circulation) (**)	50.43%	17,700,213,000

(**) In 2017, the Company had advanced dividends according to the Resolution of the Board of Directors No.06/NQ-HĐQT - 2017, the Board of Directors had approved the payment of dividends in cash in 2017 with the payment rate of 10 %, not entitled to right date 22/12/2017, payment date 10/01/2018.

b) Details of owner's invested capital

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

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

	Year 2018 VND	Year 2017 VND
Owner's invested capital	125,201,610,000	119,301,540,000
- At the beginning of year	119,301,540,000	113,682,420,000
- Increase in the year	5,900,070,000	5,619,120,000
- At the ending of year	125,201,610,000	119,301,540,000
Distributed dividends and profit		
- Payables dividends at the beginning of the year	11,951,629,080	151,703,680
- Payables dividends in the year profit	5,900,071,000	28,657,487,000
+ Distributed temporarily divided on profit of the previous year	5,900,071,000	16,857,345,000
+ Distributed dividends on this year profit	-	11,800,142,000
- Distributed dividends in cash	(17,695,434,975)	(16,857,561,600)
+ Payables dividends of the previous year	(17,695,434,975)	(16,857,561,600)
- Distributed dividends at the end of the year	156,265,105	11,951,629,080

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

	<u>31/12/2018</u>	<u>01/01/2018</u>
- USD	1,085,643.64	3,267,395.18
- EUR	1,007.84	46,504.30

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

	<u>Year 2018</u>	<u>Year 2017</u>
	<u>VND</u>	<u>VND</u>
Revenue from sale of goods	29,437,600,000	-
Revenue from services rendered	748,081,511,534	640,757,028,902
	<u>777,519,111,534</u>	<u>640,757,028,902</u>

20 . COSTS OF GOODS SOLD

	<u>Year 2018</u>	<u>Year 2017</u>
	<u>VND</u>	<u>VND</u>
Costs of merchandise	28,140,000,000	-
Costs of services rendered	616,184,750,892	525,486,335,629
	<u>644,324,750,892</u>	<u>525,486,335,629</u>

21 . FINANCIAL INCOME

	<u>Year 2018</u>	<u>Year 2017</u>
	<u>VND</u>	<u>VND</u>
Interest income, interest from loans	254,225,191	128,293,915
Gain from selling investments	5,095,600,000	-
Dividends, profits earned	5,410,566,691	4,123,166,055
Realized gain from foreign exchange difference	1,889,759,698	1,029,847,410
Unrealized gain from foreign exchange difference	108,502,477	-
	<u>12,758,654,057</u>	<u>5,281,307,380</u>

22 . FINANCIAL EXPENSES

	<u>Year 2018</u>	<u>Year 2017</u>
	<u>VND</u>	<u>VND</u>
Interest expenses	20,182,052	-
Realized loss from foreign exchange difference	434,680,065	265,882,441
Unrealized loss from foreign exchange difference	-	234,095,544
Provisions for devaluation of trading securities and investments	120,000,000	1,443,137,046
	<u>574,862,117</u>	<u>1,943,115,031</u>

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23 . SELLING EXPENSES

	Year 2018	Year 2017
	VND	VND
Labor	51,108,506,954	45,130,880,177
Depreciation and amortisation	2,680,365,984	2,121,897,097
Expenses from external services	12,438,989,585	9,703,136,006
Other expenses by cash	3,751,886,470	3,080,334,358
	69,979,748,993	60,036,247,638

24 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2018	Year 2017
	VND	VND
Labor	7,118,949,614	7,903,122,264
Depreciation and amortisation	2,064,883,635	2,009,373,554
Expenses from external services	1,145,136,613	1,584,882,485
Other expenses by cash	4,915,812,082	4,182,862,463
	15,244,781,944	15,680,240,766

25 . CURRENT CORPORATE INCOME TAX EXPENSE

	Year 2018	Year 2017
	VND	VND
Total profit before tax	60,164,489,645	42,908,597,218
Increase	14,905,214	247,493,250
- <i>Unreasonable expenses</i>	14,905,214	13,397,706
- <i>Loss from foreign exchange difference</i>	-	234,095,544
Decrease	(5,519,069,168)	(4,123,166,055)
- <i>Dividend, profits earned</i>	(5,410,566,691)	(4,123,166,055)
- <i>Gain from foreign exchange difference</i>	(108,502,477)	-
Taxable income	54,660,325,691	39,032,924,413
Current corporate income tax expense (Tax rate 20%)	10,932,065,138	7,806,584,883
Tax payable at the beginning of year	(350,360,128)	1,253,025,265
Tax paid in the year	(9,160,369,086)	(9,409,970,276)
Closing year income tax payable of main business activities	1,421,335,924	(350,360,128)

26 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2018	Year 2017
	VND	VND
Raw materials	33,060,281,200	18,201,021,854
Labour	62,117,508,573	54,838,840,013
Depreciation and amortisation	17,583,779,501	13,542,377,009
Expenses from external services	547,028,109,428	479,810,731,067
Other expenses by cash	40,901,451,582	35,557,994,427
	700,691,130,284	601,950,964,370

27 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company include:

	Carrying amount			
	31/12/2018		01/01/2018	
	Original Cost VND	Provision VND	Original Cost VND	Provision VND
Financial Assets				
Cash and cash equivalents	48,278,816,318	-	99,692,057,395	-
Trade receivables,	173,323,502,434	-	147,247,811,611	-
Lendings	4,140,000,000	-	13,770,000,000	-
Long term investments	82,394,879,843	(720,000,000)	1,500,000,000	(600,000,000)
	308,137,198,595	(720,000,000)	262,209,869,006	(600,000,000)

	Carrying amount	
	31/12/2018	01/01/2018
	VND	VND
Financial Liabilities		
Trade payables, other payables	81,999,197,363	102,625,586,310
Accrued expenses	8,000,000	120,581,818
	82,007,197,363	102,746,168,128

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
	VND	VND	VND	VND
As at 31/12/2018				
Long term investments	-	81,674,879,843	-	81,674,879,843
	-	81,674,879,843	-	81,674,879,843
As at 01/01/2018				
Long term investments	-	900,000,000	-	900,000,000
	-	900,000,000	-	900,000,000

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.

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	Total
	VND	VND	5 years	VND
	VND	VND	VND	VND
As at 31/12/2018				
Cash and cash equivalents	48,278,816,318	-	-	48,278,816,318
Trade receivables, other	173,145,629,434	177,873,000	-	173,323,502,434
Lendings	-	4,140,000,000	-	4,140,000,000
	221,424,445,752	4,317,873,000	-	225,742,318,752
As at 01/01/2018				
Cash and cash equivalents	99,692,057,395	-	-	99,692,057,395
Trade receivables, other	147,069,938,611	177,873,000	-	147,247,811,611
Lendings	-	13,770,000,000	-	13,770,000,000
	246,761,996,006	13,947,873,000	-	260,709,869,006

Liquidity Risk

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

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

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2018				
Trade payables, other	81,999,197,363	-	-	81,999,197,363
Accrued expens	8,000,000	-	-	8,000,000
	82,007,197,363	-	-	82,007,197,363
As at 01/01/2018				
Trade payables, other	102,625,586,310	-	-	102,625,586,310
Accrued expens	120,581,818	-	-	120,581,818
	102,746,168,128	-	-	102,746,168,128

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

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

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

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29 . SEGMENT REPORTING


Under business fields

	Business activities VND	Business activities VND	Business activities VND	Total from all segments VND	Grant total VND
Net sales from outside sales	253,060,043,459	485,957,802,997	38,501,265,078	777,519,111,534	777,519,111,534
Direct parts cost	192,932,852,878	421,551,277,264	29,840,620,750	644,324,750,892	644,324,750,892
Profit from operating activities	60,127,190,581	64,406,525,733	8,660,644,328	133,194,360,642	133,194,360,642
The total cost to acquire fixed assets	21,822,056,071	-	15,015,050,000	36,837,106,071	36,837,106,071
Segment assets	106,600,949,074	204,708,583,392	16,218,567,506	327,528,099,972	327,528,099,972
Unallocated assets	-	-	-	150,377,166,797	150,377,166,797
Total assets	106,600,949,074	204,708,583,392	16,218,567,506	477,905,266,769	477,905,266,769
Segment liabilities	29,925,853,739	57,467,397,607	4,553,003,357	91,946,254,703	91,946,254,703
Unallocated liabilities	-	-	-	1,966,690,672	1,966,690,672
Total liabilities	29,925,853,739	57,467,397,607	4,553,003,357	93,912,945,375	93,912,945,375
Under geographical areas					

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

30 . COMPARATIVE FIGURES

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



Doan Thu Ha
Preparer

Hà Nội, March 14th 2019



Nguyen Thanh Tuyen
Chief Accountant



Nguyen Hoang Anh
General Director