



SEPARATE FINANCIAL STATEMENTS

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

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

(audited)



CONTENTS

	Pages
Report of The Board of General Directors	02-03
Independent Auditors' Report	04-05
Audited Separate Financial Statements	06-36
Separate Statement of Financial Position	06-07
Separate Statement of Income	08
Separate Statement of Cashflows	09-10
Notes to Separate Financial Statements	11-36

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

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

REPORT OF THE BOARD OF GENERAL DIRECTORS

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

THE COMPANY

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

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

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

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

Mr. Nguyen Hoang Anh	Chairman	
Mr. Vu Van Truc	Member	
Mr. Ngo Trung Hieu	Member	Resigned on March 06, 2020
Mr. Nguyen Hoang Dung	Member	
Mr. Dang Tran Phuc	Member	

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

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

The members of The Board of Supervision are:

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

AUDITORS

The auditors of the AASC Auditing Firm Company Limited have taken the audit of Separate Financial Statements for the Company.

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; its operating results and its cash flows for the year. In preparing those Separate Financial Statements, The Board of General Directors is required to:

- Establish and maintain an internal control system which is determined necessary by The Board of General Directors and Board of Management to ensure the preparation and presentation of 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 Corporate 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.

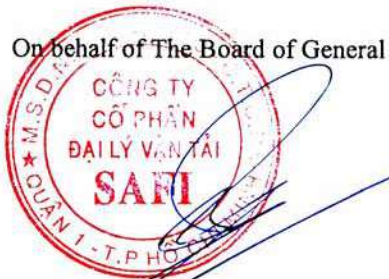
The Board of General Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at anytime and to ensure that the Separate Financial Statements comply with the registered accounting system. It is responsible for safeguarding 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 2019, its operation results and cash flows in the year 2019 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate 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/NĐ-CP dated 06 June 2017 guiding on corporate governance of public companies and the company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of The Board of General Directors



Nguyen Hoang Anh
General Director

Ho Chi Minh City, 01 March 2020

INDEPENDENT AUDITOR'S REPORT

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

We have audited the Separate Financial Statements of Sea & Air Freight International (SAFI) prepared on 01 March 2020, as set out on pages 06 to 36, including: Separate Statement of Financial Position as at 31 December 2019, Separate Statement of Income, Separate Statement of Cashflows and Notes to Separate Financial Statements for the fiscal year ended as at 31 December 2019.

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

AASC Auditing Firm Company Limited



Ngo Hoang Ha

Vu Xuan Bien

Deputy General Director
Certificate of registration to audit practice
No: 0743-2018-002-1

Ha Noi, 30 March 2020

Ngo Hoang Ha

Auditor
Certificate of registration to audit practice
No: 3999-2018-002-1

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

Code	ASSETS	Note	31/12/2019 VND	01/01/2019 VND
100	A. SHORT-TERM ASSETS		264,213,923,520	223,430,944,671
110	I. Cash and cash equivalents	3	73,632,180,107	48,278,816,318
111	1. Cash		68,485,180,107	43,122,816,318
112	2. Cash equivalents		5,147,000,000	5,156,000,000
130	III. Short-term receivables		183,114,745,124	174,742,038,454
131	1. Short-term trade receivables	5	155,394,282,440	152,993,958,002
132	2. Short-term prepayments to suppliers	6	2,181,936,297	1,596,409,020
136	3. Other short-term receivables	7	25,538,526,387	20,151,671,432
140	IV. Inventories	8	6,997,689,864	289,259,329
141	1. Inventories		6,997,689,864	289,259,329
150	V. Other short-term assets		469,308,425	120,830,570
151	1. Short-term prepaid expenses		75,380,000	65,220,000
152	2. Deductible VAT		393,928,425	55,610,570
200	B. NON-CURRENT ASSETS		250,417,531,548	254,474,322,098
210	I. Long-term receivables		177,873,000	4,317,873,000
215	1. Long-term loan receivables		-	4,140,000,000
216	2. Other long-term receivables	7	177,873,000	177,873,000
220	II. Fixed assets		82,113,313,688	95,668,532,301
221	1. Tangible fixed assets	10	76,749,356,391	89,888,715,298
222	- <i>Historical costs</i>		165,292,050,925	161,685,630,484
223	- <i>Accumulated depreciation</i>		(88,542,694,534)	(71,796,915,186)
227	2. Intangible fixed assets	11	5,363,957,297	5,779,817,003
228	- <i>Historical costs</i>		8,454,169,453	8,351,369,453
229	- <i>Accumulated amortization</i>		(3,090,212,156)	(2,571,552,450)
240	IV. Long-term unfinished asset	9	8,127,723,012	4,110,750,000
242	1. Construction in progress		8,127,723,012	4,110,750,000
250	V. Long-term investments	4	159,998,621,848	150,377,166,797
251	1. Investment in subsidiaries		61,566,300,000	65,194,644,000
252	2. Investments in joint ventures and associates		7,979,124,000	4,350,780,000
253	3. Equity investments in other entities		99,389,783,346	82,394,879,843
254	4. Provision for devaluation of long-term investments		(8,936,585,498)	(1,563,137,046)
270	TOTAL ASSETS		514,631,455,068	477,905,266,769

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2019
 (continue)

Code	CAPITAL	Note	31/12/2019 VND	01/01/2019 VND
300	C. LIABILITIES		92,171,431,061	93,912,945,375
310	I. Current liabilities		92,171,431,061	93,912,945,375
311	1. Short-term trade payables	12	77,816,643,626	78,815,621,115
312	2. Short-term prepayments from customers		-	40,000,000
313	3. Taxes and other payables to State budget	13	2,205,221,355	2,521,025,596
314	4. Payables to employees		5,924,374,125	7,378,031,744
315	5. Short-term accrued expenses		2,000,000	8,000,000
319	6. Other short-term payments	14	3,984,699,229	3,183,576,248
322	7. Bonus and welfare fund		2,238,492,726	1,966,690,672
400	D. OWNER'S EQUITY		422,460,024,007	383,992,321,394
410	I. Owner's equity	15	422,460,024,007	383,992,321,394
411	1. Contributed capital		143,745,770,000	125,201,610,000
411a	Ordinary shares with voting rights		143,745,770,000	125,201,610,000
412	2. Share Premium		41,816,120,654	41,816,120,654
415	3. Treasury shares		(1,600,120,000)	(1,300,120,000)
418	4. Development investment funds		42,344,656,047	37,421,413,596
420	5. Other reserves		137,025,747,333	112,973,779,512
421	6. Retained earnings		59,127,849,973	67,879,517,632
421a	Retained earnings accumulated till the end of the previous year		18,883,219,625	18,647,093,125
421b	Retained earnings of the current year		40,244,630,348	49,232,424,507
440	TOTAL CAPITAL		514,631,455,068	477,905,266,769

Doan Thu Ha

Doan Thu Ha
 Preparer

Nguyen Thanh Tuyen

Nguyen Thanh Tuyen
 Chief Accountant



Nguyen Hoang Anh
 General Director

Ho Chi Minh City, 01 March 2020

SEPARATE STATEMENT OF INCOME
Year 2019

Code	ITEM	Note	Year 2019	Year 2018
			VND	VND
01	1. Revenue from sales of goods and rendering of services	17	790,721,815,681	777,519,111,534
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		790,721,815,681	777,519,111,534
11	4. Cost of goods sold	18	660,059,491,431	644,324,750,892
20	5. Gross profit from sales of goods and rendering of services		130,662,324,250	133,194,360,642
21	6. Financial income	19	11,396,630,080	12,758,654,057
22	7. Financial expense	20	8,292,248,190	574,862,117
23	<i>In which: Interest expenses</i>		2,553,169	20,182,052
25	8. Selling expenses	21	71,413,403,114	69,979,748,993
26	9. General and administrative expense	22	14,692,118,058	15,244,781,944
30	10. Net profit from operating activities		47,661,184,968	60,153,621,645
31	11. Other income		292,981,818	10,868,000
32	12. Other expense		-	-
40	13. Other profit		292,981,818	10,868,000
50	14. Total net profit before tax		47,954,166,786	60,164,489,645
51	15. Current corporate income tax expenses	23	7,709,536,438	10,932,065,138
52	16. Deferred corporate income tax expenses		-	-
60	17. Profit after corporate income tax		<u>40,244,630,348</u>	<u>49,232,424,507</u>

Doan Thu Ha
 Preparer

Nguyen Thanh Tuyen
 Chief Accountant



Nguyen Hoang Anh
 General Director

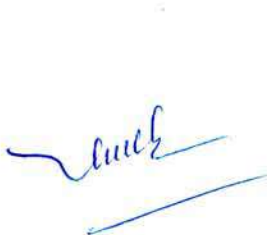
Ho Chi Minh City, 01 March 2020

SEPARATE STATEMENT OF CASH FLOWSYear 2019
(Indirect method)

Code	ITEM	Note	Year 2019	Year 2018
			VND	VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		47,954,166,786	60,164,489,645
	2. Adjustments for			
02	- Depreciation and amortization of fixed assets and investment properties		19,564,145,520	17,583,779,501
03	- Provisions		7,373,448,452	120,000,000
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency		764,647,965	(108,502,477)
05	- Gains / losses from investment		(10,549,141,834)	(10,760,391,882)
06	- Interest expense		2,553,169	20,182,052
08	3. Operating profit before changes in working capital		65,109,820,058	67,019,556,839
09	- Increase or decrease in receivables		(8,711,024,525)	(23,491,284,567)
10	- Increase or decrease in inventories		(6,708,430,535)	28,850,922,144
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		(606,458,848)	(7,497,503,932)
12	- Increase or decrease in prepaid expenses		(10,160,000)	14,106,200
14	- Interest paid		(2,553,169)	(20,182,052)
15	- Corporate income tax paid		(9,115,316,658)	(9,160,369,086)
17	- Other payments on operating activities		(1,205,125,681)	(924,030,093)
20	Net cash flows from operating activities		38,750,750,642	54,791,215,453
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets		(10,025,899,919)	(36,822,406,071)
22	2. Proceeds from disposals of fixed assets and other long-term assets		288,181,818	-
24	3. Collection of loans and resale of debt instrument of other entities		4,140,000,000	9,630,000,000
25	4. Equity investments in other entities		(16,994,903,503)	(81,471,179,843)
26	5. Proceeds from equity investment in other entities		-	8,481,200,000
27	6. Interest and dividend received		10,260,960,016	5,664,791,882
30	Net cash flows from investing activities		(12,331,661,588)	(94,517,594,032)
	III CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from issuance of shares and receipt of contributed capital		-	5,900,070,000
32	2. Repayment of contributions capital and repurchase of stock issued		(300,000,000)	-
33	3. Proceeds from borrowings		10,931,285,265	35,289,355,316
34	4. Repayment of principal		(10,931,285,265)	(35,289,355,316)
36	5. Dividends or profits paid to owners		(1,077,300)	(17,695,434,975)
40	Net cash flows from financing activities		(301,077,300)	(11,795,364,975)

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

Code	ITEM	Note	Year 2019	Year 2018
			VND	VND
50	Net cash flows in the year		26,118,011,754	(51,521,743,554)
60	Cash and cash equivalents at beginning of the year		48,278,816,318	99,692,057,395
61	Effect of exchange rate fluctuations		(764,647,965)	108,502,477
70	Cash and cash equivalents at end of the year	3	<u>73,632,180,107</u>	<u>48,278,816,318</u>



Doan Thu Ha
Preparer

Ho Chi Minh City, 01 March 2020



Nguyen Thanh Tuyen
Chief Accountant



Nguyen Hoang Anh
General Director

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

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

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

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

Business fields

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

Business activities

Main business activities of the Company include:

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

Corporate structure**The Company's member entities are as follows:****Address**

- Branch of Sea & Air Freight International (SAFI) in Quang Ninh	No. 10, Le Thanh Tong Street, Ha Long City, Quang Ninh Province, Vietnam
- Branch of Sea & Air Freight International (SAFI) in Hai Phong	Commercial Building, No. 22, Ly Tu Trong Street, Hong Bang District, Hai Phong City, Vietnam
- Branch of Sea & Air Freight International (SAFI) in Ha Noi	Van Ho Trading Center, No. 51, Le Dai Hanh Street, Hai Ba Trung District, Hanoi City, Vietnam
- Branch of Sea & Air Freight International (SAFI) in Da Nang	Lot 39, Road 02, Da Nang Industrial Park, Son Tra District, Da Nang City, Vietnam
- Branch of Sea & Air Freight International (SAFI) 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 supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 . Basis for preparation of 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 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 2019 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, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

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

Subsequent measurement after initial recognition

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

2.5 . Foreign currency transactions

The foreign currency transactions during the year are translated into Vietnam Dong using the real exchange rate ruling at the transaction date. Real exchange rates are determined under the following principles:

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

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

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

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

2.6 . Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

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

2.7 . Financial investments

Investments in 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.

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

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

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

- With regard to investments in subsidiaries, joint ventures or associates: the provision shall be made based on the Financial Statements of subsidiaries, joint ventures or associates at the provision date;
- With regard to long-term investments (other than trading securities) without significant influence on the investee: If the investment is made in listed shares or the fair value of the investment is determined reliably, the provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, the provision shall be made based on the Financial Statements at the provision date of the investee.

2.8 . Receivables

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

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

2.9 . Inventories

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

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual method.

Method of determining the value of unfinished products at the end of a year: Costs of unfinished production and business activities are gathered by each uncompleted case or revenue, corresponding to the volume of unfinished work 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.

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

- Buildings, structures	05 - 30 years
- Machine, equipment	05 - 10 years
- Vehicles, Transportation equipment	06 - 10 years
- Office equipment and furniture	03 - 05 years
- Land use rights	35 years
- Management software	03 years

2.11 . Construction in progress

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

2.12 . Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

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

2.13 . Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company.

2.14 . 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.

2.15 . Accrued expenses

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

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

2.16 . Owner's equity

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

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

Treasury shares are shares issued and bought-back by the issuing company itself. Treasury shares are uncanceled and shall be re-issued within the period as regulated by the law on securities. Treasury shares shall be recorded at the actual buyback price and presented on the Statement of Financial position as a decrease in owner's equity. Cost of Treasury shares when being re-issued or used to pay dividend, bonus, etc. shall be calculated using the weighted average method.

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

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

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

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

2.17 . Revenues

Sale of goods

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

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

Rendering of services

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

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

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

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

Financial income

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

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

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

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

2.18 . 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.

2.19 . Financial expenses

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Provision for diminution in value of trading securities price; provision for losses from investment in other

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

2.20 . 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) Current corporate income tax rate

The Company is subject to corporate income tax of 20% for production and business activities with taxable income for the fiscal year ended as at 31 December 2019.

2.21 . Segment information

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

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

3 . CASH AND CASH EQUIVALENTS

	<u>31/12/2019</u>	<u>01/01/2019</u>
	VND	VND
Cash on hand	3,162,145,686	1,662,122,112
Demand deposits	65,323,034,421	41,460,694,206
Cash equivalents	5,147,000,000	5,156,000,000
	<u><u>73,632,180,107</u></u>	<u><u>48,278,816,318</u></u>

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

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

Separate Financial Statements

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

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

4 . FINANCIAL INVESTMENTS

- Investments in equity of other entities

	31/12/2019			01/01/2019		
	Original cost	Fair value (*)	Provision	Original cost	Fair value (*)	Provision
	VND	VND	VND	VND	VND	VND
Subsidiaries						
- Cosfi Transport Agent Joint Stock Company ⁽¹⁾	61,566,300,000	-	-	65,194,644,000	-	-
- SITC Vietnam Company Limited ⁽³⁾	-	-	-	3,628,344,000	-	-
- Safi Infrastructure Investment Company Limited ⁽²⁾	60,000,000,000	-	-	60,000,000,000	-	-
Join ventures, associates						
- SITC Vietnam Company Limited ⁽³⁾	7,979,124,000	-	(975,052,152)	4,350,780,000	-	(843,137,046)
- Yusen Logistics International (Vietnam) Company Limited ⁽⁴⁾	3,628,344,000	-	-	-	-	-
	4,350,780,000	-	(975,052,152)	4,350,780,000	-	(843,137,046)
Investments in equity of other entities						
- Stocks of Vinalines Logistic - Vietnam., JSC (VLG)	99,389,783,346	-	(7,961,533,346)	82,394,879,843	-	(720,000,000)
	1,500,000,000	735,000,000	(720,000,000)	1,500,000,000	780,000,000	(720,000,000)
- Stocks of Vietnam Container Shipping Corporation., JSC (VSC)	97,302,783,346	90,061,250,000	(7,241,533,346)	80,894,879,843	101,646,198,400	-
- New SITC Containers Vietnam Company Limited ⁽⁵⁾	467,000,000	-	-	-	-	-
- SITC Bondex Vietnam Logistics Company Limited ⁽⁶⁾	120,000,000	-	-	-	-	-
	168,935,207,346	-	(8,936,585,498)	151,940,303,843	-	(1,563,137,046)

The fair value of long-term investments in Vinalines Logistic - Vietnam Joint Stock Company (VLG) and Vietnam Container Shipping Corporation Joint Stock Company (VSC) are determined by the closing prices of This securities is listed on UPCOM and HOSE on January 1, 2019 and December 31, 2019.

(*) The Company has not determined the fair value of the remaining financial investments since Viet Nam Accounting Standards and Viet Nam Enterprise Accounting System has not had any detailed guidance on the determination of the fair value.

Investments in equity of other entities**Investments in subsidiaries**

Detail information on the Company's subsidiaries as at 31/12/2019 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 Transport Agent Joint Stock Company ⁽¹⁾	Ho Chi Minh	69.00%	69.00%	Forwarding and shipping agents
Safi Infrastructure Investment Company Limited ⁽²⁾	Ho Chi Minh	100.00%	100.00%	Real estate business, office for rent

(1) Sea & Air Freight International (SAFI) contributed VND 1,566,300,000, accounting for 69% of the charter capital, Qingdaofest Logistics Co., Ltd. contributed VND 681,000,000, accounting for 30% of the charter capital, Mr. Nguyen Hoang Dung contributed VND 22,700,000, accounting for 1% of charter capital.

(2) According to the Business Registration Certificate No. 0312971945, the charter capital of SAFI Infrastructure Investment Company Limited is VND 60 billion, which is wholly contributed by Sea & Air Freight International (SAFI). The actual contributed capital of the Company as of December 31, 2019 was VND 60 billion.

Investments in joint ventures, associates

Detail information on the Company's joint ventures, associates as at 31/12/2019 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>
SITC Vietnam Company Limited ⁽³⁾	Hai Phong	51.00%	50.00%	Forwarding and shipping agents
Yusen Logistics International (Vietnam) Company Limited ⁽⁴⁾	Ho Chi Minh	45.00%	45.00%	International forwarding service and transport business

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

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

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

Investments in equity of other entities

<u>Name of entities received capital</u>	<u>Place of establishment and operation</u>	<u>Number of shares hold/ Rate of interest</u>	<u>Principle activities</u>
Stocks of Vinalines Logistic - Vietnam., JSC (VLG)	Ha Noi	150,000 shares	Transport service
Stocks of Vietnam Container Shipping Corporation., JSC (VSC)	Hai Phong	3,305,000 shares	Maritime service
New SITC Containers Vietnam Company Limited ⁽⁵⁾	Hai Phong	20.00%	Freight agency services
SITC Bondex Vietnam Logistics Company Limited ⁽⁶⁾	Hai Phong	1.00%	Forwarding and shipping agents

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

5 . SHORT - TERM TRADE RECEIVABLES

	<u>31/12/2019</u>		<u>01/01/2019</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 by type of service				
- Receivables from customers of shipping lines	25,367,025,446	-	37,042,656,369	-
- Receivables from customers of forwarding	65,047,138,297	-	50,629,679,427	-
- Receivables from customers of sea and air freight	47,802,958,697	-	65,321,622,206	-
- Receivables from customers of selling goods	17,177,160,000	-	-	-
	<u>155,394,282,440</u>	<u>-</u>	<u>152,993,958,002</u>	<u>-</u>

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

 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 31/12/2019

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
b) Trade receivables detailed by customers with large account balances				
- Cosco Shipping Lines (Vietnam) Co., Ltd	29,191,803,503	-	33,789,735,933	-
- Wenparker Logistics USA	-	-	11,753,898,085	-
- Nissan Vietnam Co., Ltd	5,806,359,304	-	4,270,519,755	-
- Viet Duc Furniture Trading Co., Ltd.	17,756,105,306	-	1,179,666,689	-
- Shanghai Donghong Logistics Co., Ltd	10,995,333,117	-	1,191,652,481	-
- Cosfi Transport Agent., JSC	14,198,612,088	-	767,332,195	-
- Others	77,446,069,122	-	100,041,152,864	-
	155,394,282,440	-	152,993,958,002	-

6 . SHORT - TERM PREPAYMENTS TO SUPPLIERS

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Prepayments to shipping lines	2,006,932,025	-	1,265,553,561	-
Others	175,004,272	-	330,855,459	-
	2,181,936,297	-	1,596,409,020	-

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

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 31/12/2019

7 . OTHER RECEIVABLES

	31/12/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
Receivables from social insurance	104,489,300	-	96,429,850	-
Advances	15,651,410,000	-	15,290,833,000	-
Deposits	4,164,809,823	-	1,886,605,528	-
SITC Vietnam Co., Ltd	526,912,743	-	-	-
Vantage Logistics., JSC	498,911,255	-	-	-
CMA - CGM Vietnam., JSC	1,366,961,903	-	-	-
Others	3,225,031,363	-	2,877,803,054	-
	25,538,526,387	-	20,151,671,432	-
b) Long-term				
Deposits	177,873,000	-	177,873,000	-
	177,873,000	-	177,873,000	-

8 . INVENTORIES

	31/12/2019		01/01/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw material	86,676,816	-	125,413,280	-
Work in process	6,911,013,048	-	163,846,049	-
	6,997,689,864	-	289,259,329	-

9 . CONSTRUCTION IN PROGRESS

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

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

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

Separate Financial Statements

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

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

10 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Historical cost					
Beginning balance	48,781,854,855	368,460,534	111,456,378,563	1,078,936,532	161,685,630,484
- Purchase in the year	-	190,630,000	5,613,096,907	102,400,000	5,906,126,907
- Liquidation, disposal	-	-	(2,299,706,466)	-	(2,299,706,466)
Ending balance of the year	48,781,854,855	559,090,534	114,769,769,004	1,181,336,532	165,292,050,925
Accumulated depreciation					
Beginning balance	18,382,794,913	221,144,565	52,145,099,784	1,047,875,924	71,796,915,186
- Depreciation for the year	2,172,951,672	134,613,560	16,672,726,646	65,193,936	19,045,485,814
- Liquidation, disposal	-	-	(2,299,706,466)	-	(2,299,706,466)
Ending balance of the year	20,555,746,585	355,758,125	66,518,119,964	1,113,069,860	88,542,694,534
Net carrying amount					
Beginning balance	30,399,059,942	147,315,969	59,311,278,779	31,060,608	89,888,715,298
Ending balance	28,226,108,270	203,332,409	48,251,649,040	68,266,672	76,749,356,391

In which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 16,207,442,560.

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

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 31/12/2019

11 . INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer software VND	Total VND
Historical cost			
Beginning balance	6,362,324,453	1,989,045,000	8,351,369,453
- Purchase in the year	-	102,800,000	102,800,000
Ending balance of the year	6,362,324,453	2,091,845,000	8,454,169,453
Accumulated depreciation			
Beginning balance	1,262,193,557	1,309,358,893	2,571,552,450
- Depreciation for the year	132,862,488	385,797,218	518,659,706
Ending balance of the year	1,395,056,045	1,695,156,111	3,090,212,156
Net carrying amount			
Beginning balance	5,100,130,896	679,686,107	5,779,817,003
Ending balance	4,967,268,408	396,688,889	5,363,957,297

12 . SHORT - TERM TRADE PAYABLES

	31/12/2019		01/01/2019	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
a) Trade payables detailed by type of service				
Payables to air service companies	19,321,778,306	19,321,778,306	23,671,832,243	23,671,832,243
Payables to sea service companies	22,721,310,432	22,721,310,432	23,514,480,982	23,514,480,982
Payables to logistic service companies	31,304,239,666	31,304,239,666	23,712,259,222	23,712,259,222
Payables for ship agency service	3,503,521,214	3,503,521,214	7,655,874,557	7,655,874,557
Others	965,794,008	965,794,008	261,174,111	261,174,111
	77,816,643,626	77,816,643,626	78,815,621,115	78,815,621,115
b) Trade payables detailed by suppliers with large account balances				
Cosco Shipping Lines (Vietnam) Co., Ltd	10,718,917,334	10,718,917,334	10,417,995,429	10,417,995,429
Ticket office of Japan Airlines Corporation	3,726,406,045	3,726,406,045	5,543,729,262	5,543,729,262
Quy Nhon Port., JSC	3,300,808,378	3,300,808,378	3,020,007,526	3,020,007,526
Others	60,070,511,869	60,070,511,869	59,833,888,898	59,833,888,898
	77,816,643,626	77,816,643,626	78,815,621,115	78,815,621,115

SEA & AIR FREIGHT INTERNATIONAL (SAFI)**Separate Financial Statements**

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

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

13 . TAX AND PAYABLES FROM STATE BUDGET

	Receivable at the	Payable at the	Payable arise in the	Amount paid in the	Receivable at the	Payable at the closing
	opening year	opening year	year	year	closing year	year
	VND	VND	VND	VND	VND	VND
Value added tax	-	448,655,200	8,742,121,115	7,418,363,904	-	1,772,412,411
Corporate income tax	-	1,421,335,924	7,709,536,438	9,115,316,658	-	15,555,704
Personal income tax	-	651,034,472	4,225,136,645	4,458,917,877	-	417,253,240
Property tax and land rental	-	-	48,080,050	48,080,050	-	-
Other taxes	-	-	11,500,000	11,500,000	-	-
	-	2,521,025,596	20,736,374,248	21,052,178,489	-	2,205,221,355

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.

14 . OTHER SHORT-TERM PAYABLES

	31/12/2019	01/01/2019
	VND	VND
- Trade union fund	198,674,750	59,179,120
- Short-term deposits, collateral received	468,512,841	554,762,841
- Dividend, profit payables	155,187,805	156,265,105
- Payables for freight advances	161,395,690	195,717,039
- Others	3,000,928,143	2,217,652,143
	3,984,699,229	3,183,576,248

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

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 31/12/2019

15 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Share capital surplus	Treasury stocks	Investment and development funds	Other reserves	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND
Beginning balance of previous year	119,301,540,000	41,816,120,654	(1,300,120,000)	33,911,212,362	100,135,241,781	41,948,963,460	335,812,958,257
Increase in capital in previous year	5,900,070,000	-	-	-	-	-	5,900,070,000
Profit for previous year	-	-	-	-	-	49,232,424,507	49,232,424,507
Profit distribution	-	-	-	3,510,201,234	12,838,537,731	(16,348,738,965)	-
Deductions for operating funds of the Board of Management and the Board of Supervision	-	-	-	-	-	(1,053,060,370)	(1,053,060,370)
Dividend distribution	-	-	-	-	-	(5,900,071,000)	(5,900,071,000)
Ending balance of previous year	125,201,610,000	41,816,120,654	(1,300,120,000)	37,421,413,596	112,973,779,512	67,879,517,632	383,992,321,394
Beginning balance of current year	125,201,610,000	41,816,120,654	(1,300,120,000)	37,421,413,596	112,973,779,512	67,879,517,632	383,992,321,394
Profit for current year	-	-	-	-	-	40,244,630,348	40,244,630,348
Profit distribution	18,544,160,000	-	-	4,923,242,451	24,051,967,821	(48,996,298,007)	(1,476,927,735)
Buying treasury stock	-	-	(300,000,000)	-	-	-	(300,000,000)
Ending balance of this year	143,745,770,000	41,816,120,654	(1,600,120,000)	42,344,656,047	137,025,747,333	59,127,849,973	422,460,024,007

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

	Amount
	VND
Profit after corporate income tax according to the Separate Financial Statements for 2018	49,232,379,507
Investment and development funds	4,923,242,451
Other funds belonging to owner's equity	24,051,967,821
Extracted the operating budget of the Board of Management and the Board of Supervision	1,476,927,735
Payment of dividends by stock (corresponding to 15% of charter capital) (*)	18,544,160,000
Retained profit	236,081,500

SEA & AIR FREIGHT INTERNATIONAL (SAFI)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 31/12/2019

- (*) According to the report of share issuance result to pay dividends on July 30, 2019:
- Purpose of issuance: Issue shares to pay dividends in 2018 at the rate of 15% of charter capital;
 - Last registration date: July 12, 2019;
 - Number of shares distributed 1,854,416 VND;
 - Number of shareholders distributed: 1,111 shareholders;
 - Total number of shares at the closing date: 14,374,577 shares.

b) Details of owner's invested capital

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

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

	Year 2019	Year 2018
	VND	VND
Owner's invested capital		
- <i>At the beginning of year</i>	125,201,610,000	119,301,540,000
- <i>Increase in the year</i>	18,544,160,000	5,900,070,000
- <i>At the ending of year</i>	<u>143,745,770,000</u>	<u>125,201,610,000</u>
Distributed dividends and profit:		
- <i>Dividend payable at the beginning of the year</i>	156,265,105	11,951,629,080
- <i>Dividend payable in the year:</i>	18,544,160,000	5,900,071,000
+ Dividend payable from last year's profit	18,544,160,000	5,900,071,000
- <i>Dividend paid in cash</i>	(1,077,300)	(17,695,434,975)
+ Dividend payable from last year's profit	(1,077,300)	(17,695,434,975)
- <i>Dividend paid in stocks</i>	(18,544,160,000)	-
+ Dividend payable from last year's profit	(18,544,160,000)	-
- <i>Dividend payable at the end of the year</i>	<u>155,187,805</u>	<u>156,265,105</u>

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

No. 209, Nguyen Van Thu Street, Da Kao Ward,
District 1, Ho Chi Minh CitySeparate Financial Statements
For the fiscal year ended as at 31/12/2019

d) Stock

	<u>31/12/2019</u>	<u>01/01/2019</u>
Quantity of Authorized issuing stocks	14,374,577	12,520,161
Quantity of issued stocks	14,374,577	12,520,161
- <i>Common stocks</i>	14,374,577	12,520,161
Quantity of repurchased stocks	160,012	130,012
- <i>Common stocks</i>	160,012	130,012
Quantity of circulation stocks	14,214,565	12,390,149
- <i>Common stocks</i>	14,214,565	12,390,149
Par value per stock (VND)	10,000	10,000

e) Company's funds

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

16 . OFF STATEMENT OF FINANCIAL POSITION ITEMS

Foreign currencies

	<u>31/12/2019</u>	<u>01/01/2019</u>
- USD	1,472,961.20	1,085,643.64
- EUR	455.52	1,007.84

17 . TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Revenue from sale of goods	24,645,600,000	29,437,600,000
Revenue from rendering of services	766,076,215,681	748,081,511,534
	<u>790,721,815,681</u>	<u>777,519,111,534</u>

18 . COSTS OF GOODS SOLD

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Costs of merchandise	24,600,000,000	28,140,000,000
Costs of services rendered	635,459,491,431	616,184,750,892
	<u>660,059,491,431</u>	<u>644,324,750,892</u>

SEA & AIR FREIGHT INTERNATIONAL (SAFI)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 31/12/2019

19 . FINANCE INCOME

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Interest income, interest from loans	89,827,456	254,225,191
Gain from selling investments	-	5,095,600,000
Dividends, profits earned	10,171,132,560	5,410,566,691
Realized gain from foreign exchange difference	1,135,670,064	1,889,759,698
Unrealized gain from foreign exchange difference	-	108,502,477
	<u>11,396,630,080</u>	<u>12,758,654,057</u>

20 . FINANCIAL EXPENSES

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Interest expenses	2,553,169	20,182,052
Realized loss from foreign exchange difference	140,469,881	434,680,065
Unrealized loss from foreign exchange difference	764,647,965	-
Provisions for devaluation of trading securities and investments	7,373,448,452	120,000,000
Others	11,128,723	-
	<u>8,292,248,190</u>	<u>574,862,117</u>

21 . SELLING EXPENSES

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Labor	52,069,401,925	51,108,506,954
Depreciation and amortisation	2,890,013,058	2,680,365,984
Expenses from external services	12,322,487,763	12,438,989,585
Other expenses by cash	4,131,500,368	3,751,886,470
	<u>71,413,403,114</u>	<u>69,979,748,993</u>

22 . GENERAL ADMINISTRATIVE EXPENSES

	<u>Year 2019</u>	<u>Year 2018</u>
	VND	VND
Labor	6,211,228,935	7,118,949,614
Depreciation and amortisation	2,355,708,177	2,064,883,635
Expenses from external services	5,053,621,918	1,145,136,613
Other expenses by cash	1,071,559,028	4,915,812,082
	<u>14,692,118,058</u>	<u>15,244,781,944</u>

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

 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 31/12/2019

23 . CURRENT BUSINESS INCOME TAX EXPENSES

	Year 2019	Year 2018
	VND	VND
Total profit before tax	47,954,166,786	60,164,489,645
Increase	764,647,965	14,905,214
- <i>Ineligible expenses</i>	-	14,905,214
- <i>Loss from foreign exchange difference</i>	764,647,965	-
Decrease	(10,171,132,560)	(5,519,069,168)
- <i>Dividend payment</i>	(10,171,132,560)	(5,410,566,691)
- <i>Gain from foreign exchange difference</i>	-	(108,502,477)
Taxable income	38,547,682,191	54,660,325,691
Current corporate income tax expense (Tax rate 20%)	<u>7,709,536,438</u>	<u>10,932,065,138</u>
Tax payable at the beginning of year	1,421,335,924	(350,360,128)
Tax paid in the year	(9,115,316,658)	(9,160,369,086)
Closing year income tax payable of main business activities	<u>15,555,704</u>	<u>1,421,335,924</u>

24 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2019	Year 2018
	VND	VND
Raw materials	25,541,254,589	33,060,281,200
Labour	65,764,710,700	62,117,508,573
Depreciation and amortisation	19,564,145,520	17,583,779,501
Expenses from external services	609,967,300,544	547,028,109,428
Other expenses by cash	7,421,298,249	40,901,451,582
	<u>728,258,709,602</u>	<u>700,691,130,284</u>

25 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company include:

	Carrying amount			
	31/12/2019		01/01/2019	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	73,632,180,107	-	48,278,816,318	-
Trade receivables, other receivables	181,110,681,827	-	173,323,502,434	-
Loans	-	-	4,140,000,000	-
Long term investments	98,802,783,346	(7,961,533,346)	82,394,879,843	(720,000,000)
	<u>353,545,645,280</u>	<u>(7,961,533,346)</u>	<u>308,137,198,595</u>	<u>(720,000,000)</u>

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

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 31/12/2019

	Carrying amount	
	31/12/2019	01/01/2019
	VND	VND
Financial Liabilities		
Trade payables, other payables	81,801,342,855	81,999,197,363
Accrued expenses	2,000,000	8,000,000
	81,803,342,855	82,007,197,363

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and Notes to financial instruments but do not provide any relevant instruction for assessment and recognition of fair value of financial assets and liabilities, excluding provision for doubtful debts and provision for diminution in value of trading securities which are presented in relevant notes.

Financial risk management

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

Market risk

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

Price Risk

The Company bears price risk of equity instruments from short-term and long-term investments in securities due to the uncertainty of future prices of the securities. As regards, long-term securities held for long-term strategies, at the end of the fiscal year, the Company has no plan to sell these investments.

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2019				
Long term investments	-	90,841,250,000	-	90,841,250,000
	-	90,841,250,000	-	90,841,250,000
As at 01/01/2019				
Long term investments	-	81,674,879,843	-	81,674,879,843
	-	81,674,879,843	-	81,674,879,843

Exchange rate risk

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

Interest rate risk

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

Credit Risk

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

	Under 1 year	From 1 to 5	From more	Total
	VND	VND	VND	VND
As at 31/12/2019				
Cash and cash equivalents	73,632,180,107	-	-	73,632,180,107
Trade receivables, other receivables	180,932,808,827	177,873,000	-	181,110,681,827
	<u>254,564,988,934</u>	<u>177,873,000</u>	<u>-</u>	<u>254,742,861,934</u>
As at 01/01/2019				
Cash and cash equivalents	48,278,816,318	-	-	48,278,816,318
Trade receivables, other receivables	173,145,629,434	177,873,000	-	173,323,502,434
Loans	-	4,140,000,000	-	4,140,000,000
	<u>221,424,445,752</u>	<u>4,317,873,000</u>	<u>-</u>	<u>225,742,318,752</u>

Liquidity Risk

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

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

	Under 1 year VND	From 1 to 5 VND	From more VND	Total VND
As at 31/12/2019				
Trade payables, other payables	81,801,342,855	-	-	81,801,342,855
Accrued expenses	2,000,000	-	-	2,000,000
	<u>81,803,342,855</u>	<u>-</u>	<u>-</u>	<u>81,803,342,855</u>
As at 01/01/2019				
Trade payables, other payables	81,999,197,363	-	-	81,999,197,363
Accrued expenses	8,000,000	-	-	8,000,000
	<u>82,007,197,363</u>	<u>-</u>	<u>-</u>	<u>82,007,197,363</u>

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

26 . EVENTS AFTER BALANCE SHEET DATE

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

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

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

SEA & AIR FREIGHT INTERNATIONAL (SAFI)

Separate Financial Statements

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

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

27 . SEGMENT REPORTING

Under business fields

	Logistic activities		Forwarding activities		Shipping agency services and other activities		Grant total
	VND	VND	VND	VND	VND	VND	
Net revenue from sales to external customers	301,334,952,015	454,118,321,455	35,268,542,211	790,721,815,681			
Direct segment costs	222,819,677,171	410,573,226,294	26,666,587,966	660,059,491,431			
Profit from business activities	78,515,274,844	43,545,095,161	8,601,954,245	130,662,324,250			
The total cost of acquisition of fixed assets	5,613,096,907	-	395,830,000	6,008,926,907			
Segment assets	135,146,477,133	203,668,678,113	15,817,677,974	354,632,833,220			
Unallocated assets	-	-	-	159,998,621,848			
Total assets	135,146,477,133	203,668,678,113	15,817,677,974	514,631,455,068			
Segment liabilities	34,272,404,176	51,649,257,919	4,011,276,240	89,932,938,335			
Unallocated liabilities	-	-	-	2,238,492,726			
Total liabilities	34,272,404,176	51,649,257,919	4,011,276,240	92,171,431,061			
Under geographical areas							

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

28 . COMPARATIVE FIGURES

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



Doan Thu Ha
Preparer



Nguyen Thanh Tuyen
Chief Accountant



Nguyen Hoang Anh
General Director

Ho Chi Minh City, 01 March 2020

