



CONSOLIDATED FINANCIAL STATEMENTS

SEA & AIR FREIGHT INTERNATIONAL
For the fiscal year ended as at 31/12/2014
(audited)

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SEA & AIR FREIGHT INTERNATIONAL

No. 209, Nguyen Van Thu Street, Dakao 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 Consolidated financial statements for the fiscal year ended as at 31 December 2014.

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 operated under business registration license number 0301471330 dated 31/08/1998, the 25th amended registration license dated 05/01/2015 by Department of Planning and Investment of Ho Chi Minh City.

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

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

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

Mr. Nguyen Hoang Anh	Chairman
Mr. Tran Manh Ha	Member
Mr. Nguyen Cao Cuong	Member
Mr. Vu Van Truc	Member
Mr. Tran Nguyen Hung	Member

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

Mr. Nguyen Cao Cuong	General Director	
Mr. Tran Nguyen Hung	Vice General Director	
Mr. Bui Quang Canh	Vice General Director	Dismissed on 01/01/2015

The members of the Board of Supervision are:

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

AUDITORS

The auditors of the AASC Auditing Firm Company Limited take the audit of Consolidated financial statements for the Company.

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SEA & AIR FREIGHT INTERNATIONAL

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

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

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

- Establish and maintain of an internal control system which is determined necessary by The Board of General Directors and Those charged with governance to ensure the preparation and presentation of Consolidated financial statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated financial statements;
- Prepare the Consolidated financial statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the current requirements relevant to preparation and presentation of Consolidated financial statements;
- Prepare the Consolidated financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

We, The Board of General Directors, confirm that the Consolidated financial statements for the fiscal year ended as at 31 December 2014 prepared by us, give a true and fair view of the financial position at 31 December 2014, results of its operations and its cash flows in the year 2014 of Company accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the current requirements relevant to preparation and presentation of

Other commitments

The Board of General Directors pledges that the Company does not offend obligation of information disclosure under the regulation of Circular No. 52/2012/TT-BTC dated 05 April 2012 issued by Ministry of Finance guiding the disclosure of information on securities market.

On behalf of The Board of General Directors



Nguyen Cao Cuong
General Director

Ho Chi Minh City, 09 March 2014



No.: 235 /2015/BC.KTTC-AASC.KT2

INDEPENDENT AUDITORS' REPORT

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

We have audited the Consolidated financial statements of Sea & Air Freight International prepared on 09 March 2014, as set out on pages 06 to 34, including: Consolidated statement of financial position as at 31 December 2014, Consolidated statement of comprehensive income, Consolidated statement of cash flows for the fiscal year ended as at 31 December 2014 and Notes to consolidated financial statements.

The Board of General Directors' responsibility

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements.

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

Auditor's opinion

In our opinion, the Consolidated financial statements give a true and fair view, in all material respects, of the financial position of Sea & Air Freight International as at 31 December 2014, and of the results of its operations and its cash flows for the fiscal year ended as at 31 December 2014 in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

AASC Auditing Firm Company Limited



Nguyen Thanh Tung
Deputy General Director
Certificate of registration to audit practice
No: 0063-2013-002-1

Le Duc Minh
Auditor
Certificate of registration to audit practice
No: 1628-2013-002-1

Ha Noi, 18 March 2015



CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 December 2014*

Code	ASSETS	Note	31/12/2014	01/01/2014
			VND	VND
100	A. CURRENT ASSETS		374,044,705,817	284,794,551,302
110	I. Cash and cash equivalents	3	234,092,697,111	152,342,187,433
111	1. Cash		123,043,697,111	77,934,687,433
112	2. Cash equivalents		111,049,000,000	74,407,500,000
130	III. Short-term accounts receivable		132,318,171,926	125,417,805,625
131	1. Trade receivables		56,015,458,981	34,164,928,443
132	2. Advances to suppliers		375,972,987	130,375,417
135	5. Other receivables	4	75,926,739,958	91,122,501,765
140	IV. Inventories		257,516,709	352,413,976
141	1. Inventories		257,516,709	352,413,976
150	V. Other current assets		7,376,320,071	6,682,144,268
151	1. Short-term prepaid expenses		1,032,710,689	1,529,613,087
152	2. VAT deductibles		468,093,461	572,908,406
154	3. Taxes and other receivables from the State		191,232,839	808,564,282
158	5. Other current assets	5	5,684,283,082	3,771,058,493
200	B. NON- CURRENT ASSETS		165,339,036,037	233,029,392,032
220	II. Fixed assets		148,690,709,199	138,946,343,024
221	1. Tangible fixed assets	6	135,599,365,024	129,531,255,269
222	- Cost		178,952,986,979	163,368,335,790
223	- Accumulated depreciation		(43,353,621,955)	(33,837,080,521)
227	3. Intangible fixed assets	7	9,631,344,175	9,415,087,755
228	- Cost		10,765,649,421	10,111,024,453
229	- Accumulated amortization		(1,134,305,246)	(695,936,698)
230	4. Construction in progress	8	3,460,000,000	-
250	IV. Long-term investments	9	12,878,481,276	88,644,228,254
252	2. Investments in joint-ventures, associates		11,272,919,276	87,038,666,254
258	3. Other long-term investments		1,605,562,000	1,605,562,000
260	V. Other long-term assets		3,769,845,562	5,438,820,754
261	1. Long-term prepaid expenses	10	1,659,679,944	3,217,382,324
268	3. Other long-term assets		2,110,165,618	2,221,438,430
270	TOTAL ASSETS		539,383,741,854	517,823,943,334

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 December 2014**(continue)*

Code	RESOURCES	Note	31/12/2014	01/01/2014
			VND	VND
300	A. LIABILITIES		268,405,035,919	254,987,099,666
310	I. Current liabilities		268,405,035,919	234,987,099,666
311	1. Short-term loans and debts		-	949,426,472
312	2. Trade payables		18,488,987,335	13,193,065,066
313	3. Advances from customers		10,315,759,541	15,497,822,105
314	4. Tax payables and statutory obligations	11	14,394,933,502	13,509,013,739
315	5. Payables to employees		7,625,235,000	3,844,414,873
316	6. Accrued expenses	12	288,589,385	2,252,320,717
319	9. Other payables	13	216,159,416,536	184,584,179,600
323	11. Bonus and welfare fund		1,132,114,620	1,156,857,094
330	II. Long-term liabilities		-	20,000,000,000
334	4. Long-term loans and debts		-	20,000,000,000
400	B. OWNER'S EQUITY		253,148,877,158	246,529,707,565
410	I. Equity	14	253,148,877,158	246,529,707,565
411	1. Contributed legal capital		103,177,040,000	87,044,800,000
412	2. Share capital surplus		41,816,120,654	33,636,120,654
418	8. Financial reserve fund		12,899,497,006	9,369,763,914
420	10. Undistributed earnings		95,256,219,498	116,479,022,997
439	C. MINORITY INTEREST		17,829,828,777	16,307,136,103
440	TOTAL RESOURCES		539,383,741,854	517,823,943,334

SEA & AIR FREIGHT INTERNATIONAL

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

Consolidated financial statements
For the fiscal year ended as at 31/12/2014

OFF-CONSOLIDATED STATEMENT OF FINANCIAL POSITION ACCOUNTS

ITEM	Note	31/12/2014	01/01/2014
5. Foreign currencies			
- USD		3,151,064.61	2,293,061.66



Doan Thu Ha
Preparer



Nguyen Thanh Tuyen
Chief Accountant



Nguyen Cao Cuong
General Director

Ho Chi Minh City, 09 March 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year 2014

Code	ITEM	Note	Year 2014 VND	Year 2013 VND
01	1. Revenue from sale of goods and rendering of services	15	603,667,100,420	458,496,635,753
02	2. Deductible items		-	-
10	3. Net revenue from sale of goods and rendering		603,667,100,420	458,496,635,753
11	4. Cost of goods sold	16	406,695,236,611	326,347,423,455
20	5. Gross profit from sale of goods and rendering of services		196,971,863,809	132,149,212,298
21	6. Revenue from financial income	17	11,084,089,497	13,114,512,545
22	7. Financial expenses	18	2,853,999,222	4,368,901,596
23	<i>In which: Interest expenses</i>		922,818,663	1,894,517,226
24	8. Selling expenses		55,098,135,446	2,614,062,517
25	9. General administrative expenses		109,853,730,595	103,231,288,693
30	10. Net profit from operating activities		40,250,088,043	35,049,472,037
31	11. Other income		1,114,361,791	907,374,761
32	12. Other expense		567,206,437	911,514,704
40	13. Other profit (loss)		547,155,354	(4,139,943)
45	14. Profit (loss) in associates/joint ventures		23,411,553,597	12,571,661,411
50	15. Total profit before tax		64,208,796,994	47,616,993,505
51	16. Current business income tax expenses	19	9,071,289,613	12,319,662,574
60	18. Profit after tax		55,137,507,381	35,297,330,931
61	18.1. Profit after tax of minority shareholders		7,383,970,052	5,234,659,312
62	18.2. Profit after tax of holding company's shareholders		47,753,537,329	30,062,671,619
70	19. Basic earnings per share	20	3,048	3,454


Doan Thu Ha
Preparer

Nguyen Thanh Tuyen
Chief Accountant

Nguyen Cao Cuong
General Director

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2014

(Under indirect method)

Code ITEM	Note	Year 2014	Year 2013
		VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax	64,208,796,994	47,616,993,505
	2. Adjustments for		
02	- Depreciation and amortisation	10,731,089,717	7,751,934,062
04	- Gains/losses from unrealized foreign exchange	(1,227,931,910)	(926,177,104)
05	- Gains/losses from investing activities	(27,637,959,870)	(17,972,625,364)
06	- Interest expenses	922,818,663	1,894,517,226
08	3. Profit from operating activities before changes in working capital	46,996,813,594	38,364,642,325
09	- Increase/Decrease in receivables	(17,470,186,400)	(28,437,192,200)
10	- Increase/Decrease in inventory	94,897,267	(66,304,766)
11	- Increase/Decrease in payables (excluding interest payables, enterprise income tax payables)	37,736,696,563	2,241,245,265
12	- Increase/Decrease in prepaid expenses	1,291,520,273	(1,793,744,047)
13	- Interest expenses paid	(1,822,818,663)	(994,517,226)
14	- Corporate income tax paid	(11,499,070,014)	(11,564,162,992)
15	- Other receipts from operating activities	742,792,839,417	875,059,170,880
16	- Other expenses on operating activities	(732,667,291,370)	(892,976,635,204)
20	Net cash flows from operating activities	65,453,400,667	(20,167,497,965)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase of fixed assets and other long-term assets	(21,644,082,311)	(21,210,809,725)
22	2. Proceeds from disposals of fixed assets and other long-term assets	660,000,000	510,702,766
25	5. Investments in other entities	(9,685,757,127)	-
26	6. Investment returns from other entities	4,090,520,000	-
27	7. Interest, dividends and profit received	103,215,144,692	18,371,366,653
30	Net cash flows from investing activities	76,635,825,254	(2,328,740,306)
III CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Receipts from stocks issuing and capital contribution from equity owners	4,352,240,000	-
33	3. Long-term and short-term borrowings received	2,434,160,285	52,919,974,383
34	4. Loan repayment	(3,383,586,757)	(34,015,652,999)
36	6. Dividends, profit paid to equity owners	(64,538,362,150)	(12,794,200,250)
40	Net cash flows from financing activities	(61,135,548,622)	6,110,121,134
50	Net decrease/increase in cash and cash equivalents	80,953,677,299	(16,386,117,137)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2014
(Under indirect method)

Code ITEM	Note	Year 2014	Year 2013
		VND	VND
60 Cash and cash equivalents at beginning of the year		152,342,187,433	168,122,991,316
61 Impact of foreign exchange fluctuation		796,832,379	605,313,254
70 Cash and cash equivalents at end of the year	3	<u>234,092,697,111</u>	<u>152,342,187,433</u>



Doan Thu Ha
Preparer



Nguyen Thanh Tuyen
Chief Accountant



Nguyen Cao Cuong
General Director

Ho Chi Minh City, 09 March 2014

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*Year 2014***1 . BACKGROUND****1.1 . 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 operated under business registration license number 0301471330 dated 31/08/1998, the 25th amended registration license dated 05/01/2015 by Department of Planning and Investment of Ho Chi Minh City.

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

Company's Legal capital: VND 103,177,048,054, actual legal capital upto 31 December 2014: VND 103,177,040,000; equivalent to 10,317,704 shares with the price of VND 10,000 per share.

Shares of the company are officially registered transaction at Ho Chi Minh City Stock Exchange from 29 December 2006 with trading code SFI.

<u>Name of member entities</u>	<u>establishment and</u>	<u>Principle activities</u>
Ha Noi Branch	Ha Noi city	Transportation, logistic
Hai Phong Branch	Hai Phong city	Transportation, logistic
Da Nang Branch	Da Nang city	Transportation, logistic
Binh Dinh Branch	Quy Nhon city	Transportation, logistic
Vung Tau Branch	Vung Tau city	Transportation, logistic

The Company's subsidiaries are 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>
COSCO Container lines Viet Nam Co., Ltd (1)	Ho Chi Minh city	51.00%	51.00%	Sea and Air freight.
COSFI Co., Ltd (2)	Ho Chi Minh city	100.00%	100.00%	Sea and Air freight.
SITC Vietnam Co., Ltd (3)	Hai Phong city	51.00%	51.00%	Forwarding, Sea and Air freight.
Safi Infrastructure Investment Limited Company (4)	Ho Chi Minh city	100.00%	100.00%	Trading real estate, leasing office

SEA & AIR FREIGHT INTERNATIONAL

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

Consolidated financial statements
For the fiscal year ended as at 31/12/2014

(1) According to the joint venture contract between the parties as Safi (Party A) and Freightworld Pte.Ltd. Co. (Party B) and Investment certificate license No.411022000232, first certificated on May 06th 2008, the chartered capital of COSFI Joint Venture Company is USD 600,000. In which contributed capital of parties are as follow: Safi (Party A) contributed USD 306,000 representing 51% chartered capital; Freightworld Pte.Ltd. Co. (Party B) contributed USD 294,000 representing 49% chartered capital.

However, according to the 4th Amended registration license dated 20/09/2014 the charter capital of Cosco Container Lines Co., Ltd. Vietnam is VND 15,401,445,000 equivalent to USD 874,300. Inwhich, contributed capital of SAFI Freight agent JSC is USD 306,000 occupied 35% charter capital.; Freightworld Pte Co., Ltd, is USD 568,300 occupied 65% charter capital. Additional charter capital being USD 274,300 completely contributed within 36 mounths from the date of the 4th Amended registration license was issued. As at 31/12/2014, the additional charter capital has not contributed yet. According to Resolution of Members Council of Cosco Container Lines Co., Ltd. Vietnam, the parties attended contribute agree that ratio of the voting rights and ratio of interest of parties remain as the first Investment Certificates until the parties attended additionally contribute make real contribution. So the investment in Cosco Container Lines Co., Ltd. Vietnam has been recognized as investments in subsidiary with 51% of ratio of the voting rights and ratio of interest.

(2) According to the business registration certificate No.0312441747, 1st registered on 31/08/2013, the charter capital of Cosfi is VND 1 billion . Upto 31/12/2013, the Company's actual charter capital is VND 100 million which Safi contributed as a whole.

(3) According to the joint venture contract between the parties as Safi (Party A) and SITC Shipping Asia Pte.Ltd. Co. (Party B) and Investment certificate license no.021022000145, first certificated on May 08th 2009, the chartered capital of SITC Vietnam Ltd. Co. is USD 400,000, in which contributed capital of parties are as follow: Safi (Party A) contributed USD 204,000 representing 51% chartered capital; SITC Shipping Asia Pte.Ltd. Co. (Party B) contributed USD 196,000 representing 49% chartered capital.

According to Business registration Certificate No. 0312971945 dated 15/10/2014, the charter capital of Safi Infrastructure Investment Co., Ltd, is VND 6 billion which is committed full contribution. he Company's actual charter capital is VND 100 million which Safi contributed as a whole.

Subsidiaries which were indirectly owned, liquidated during the year and not be consolidated financial statements are 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>
SITC Logistics Vietnam Limited Company	Hai Phong city	98.00%	98.00%	Logistics service.

The Company's associates are as follows:

Yusen Sea & Air (Vietnam) Limited Company
KCTC Vietnam Limited Company

International Yusen Logistics Co., Ltd, (Vietnam) expired business on 05/09/2014 and implement procedures to dissolve. Because of incomplete disposal procedures, the investment in associated company is still applying the equity method when the Company consolidate financial statements.

Supplement information of associates, joint ventures of the Company is provided in Note No 9.

1.2 . Business field

The Company's business fields are:

- Support services related to transportation. Details: Transport agent. Fiduciary agent container management and delivery goods. Mining, collection and domestic transport of goods. Shipping agent. Delivery of imported and exported goods. Marine services and supply ships. Plane ticket agent;
- Agent, broker, auction. Detail: Ship broker;
- Warehousing and storage of goods. Detail: warehouse business;
- Goods transport by land. Details: Transit goods to Laos, Cambodia and contrary (only when fully transit goods procedures). Multimodal international transport;
- Packing services. Details: Packaging of goods (excluding packaging plant protection products);
- Manufacture other products from paper and paperboard haven't classified yet. Details: Manufacture packing, dunnage (not work at headquarter);
- Trading real estate, land use rights of the owners, users or rental. Details: Trading real estate. Leasing office;
- Courier. Details: Expressage goods;
- Leasing machinery, equipment and other tangible implement. Details: Leasing cover of container;
- Wholesale other household appliance. Details: Purchase of furniture, garment and footwears. Trading ceramic, lacquer and craft art;
- Wholesale other specialized haven't classified yet. Details: Trading packing, dunnage, cover of container;
- Wholesale food. Details: Trading of fresh food, seafood (not work at headquarter);
- Wholesale machinery, equipment and other machine accessories. Details: Trading of appliances, electronics, refrigeration and accessories;
- Manufacture other products from wood; manufacturing products from bamboo, straw, rice stubble and and plaiting materials. Details: manufacture, processing, adjusting household wooden (not manufacture, process at headquarter) ;
- Sewing costume (excluding costume from animal skin and fur). Details: Manufacture, handling clothes (not manufacture, process at headquarter);
- Manufacture other electrical equipments. Details: Manufacture, handling machinery - equipment - accessories of electronics, refrigeration (not manufacture, process at headquarter);
- Manufacture footwears. Details: Manufacture, handling footwears (not manufacture, process at headquarter);
- Wholesale agricultural and forestry materials (excluding wood, bamboo, neohouzeaua) and live animal. Details: Purchase of live animals, reptiles (excluding trading wild animals on the list of international treaty which Vietnam has signed or attended to define and and the other rare animals in need of protection) (not work at headquarter);
- Leasing motor vehicles;
- Tour operating;
- Support services related to promoting and tour organizing;
- Short-stay services. Details: Hotels (star standard and not work at headquarter);
- Travel agents.

31/12/2014
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1.3 . Operations of the company in the fiscal year affecting the financial statements

From the end of 2013, according to customers' request, the Company issued financial invoices for the full amount of the Company's revenues from sea and air transporting agent service (including the proceed for services that the Company offered to customers and expenses that the Company paid on behalf of customers), instead of, formerly, the Company just issued invoices and recognized revenues for the services that the company offers. About the service that Company does not offer but paid on behalf of customers, the Company did not issue invoice but recognized as payments and collection on behalf of customers and records in other receivables, payables. Therefore, the Company changed the accounting of revenue, cost of goods sold, receivables and payables for this activity. Accordingly, revenue is the amount of invoice that the Company issued, cost of goods sold is expense paid by the Company; and other receivables and payables are recognized as trade receivables and trade payables. This leads to revenue, cost of goods sold of this year are rapid increase compare with last year; and trade receivables, payables to suppliers at the end of the year increase compare with the beginning of the year and other receivables, other payables decrease.

Besides, in 2014, the Company also separates expenses related to sale department (including: salary, depreciate expense and other expenses) to account as selling expense, instead of, formerly, this expenses accounted as cost of services. This also leads to selling expense of this year is rapidly increased compare with last year, and ratio of gross profit/revenue of this year is also correspondence increase.

In addition, according to the joint venture contract, International Yusen Logistics Co., Ltd, (Vietnam) expired business on 05/09/2014. So, on 26/03/2014, Members Council of International Yusen Logistics Co., Ltd, (Vietnam) had resolution on distribution of accumulation profit and distribution of assets remaining after dissolution.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY**2.1 . Accounting period and accounting monetary unit**

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

The Company maintains its accounting records in VND.

2.2 . Accounting Standards and Accounting system*Accounting System*

The Company applies Enterprise Accounting System issued under Decision No.15/2006/QĐ-BTC dated 20 March, 2006 amended and supplemented in accordance with Circular No.244/2009/TT-BTC dated 31 December, 2009 of the Minister of Finance.

Announcement on compliance with Vietnamese 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 system.



Form of accounting record

The Company is applying accounting record by computer.

2.3 . Basis for consolidation of financial statements

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

Financial statements of subsidiaries are prepared for the same fiscal as the company, using consistent accounting policies. If necessary, financial statements of subsidiaries may be adjusted to ensure the consistence between accounting policies applied at the company and its subsidiaries.

Operation results of subsidiaries which were purchased or liquidated in the period are presented on consolidated financial statements since the purchasing or liquidated dates.

Balance, main income and expense, including unrealized profits from intra-group transactions are eliminated in full from consolidated financial statements.

Non-controlling interest reflecting profits or losses and net assets which are not held by shareholders of the company will be presented in a separate item on consolidated statement of financial position and consolidated statement of comprehensive income.

2.4 . Investment into associates

Associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor. In consolidated Financial Statements, the investments in associates are recorded under equity method.

2.5 . Financial Instruments

Initial recognition

Financial assets

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

Financial liabilities

Financial liabilities of the Company including 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.

Value after initial recognition

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

2.6 . Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

2.7 . Receivables

Receivables is presented on the Financial statements according to book value of trade receivable and other receivables after deducting provision for bad receivable debts.

The provision for bad receivable debts is made for each bad receivable debt based on overdue period of debts or possible loss.

2.8 . Inventories

Method for valuation of work in process: main material cost for each unfinished products.

2.9 . Fixed assets and depreciation of fixed assets

Fixed assets (tangible and intangible) are stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and net book value.

Depreciation is provided on a straight-line basis. Annual rates calculated to write off the cost of each asset evenly

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

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

- Land use right with 447.1 m2 at No.209 Nguyen Van Thu, Dakao Precinct, 1 District , Ho Chi Minh City for a long useful life;
- 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.

2.10 . Other long-term investments

Financial investments at the balance sheet date, if:

- Bill and treasury bill, fixed deposit with maturity not over than 3 months from the date of acquisition are recognised as “cash equivalents”;
- Having maturity less than 1 year/1 operating cycle are recognised as short-term assets;
- Having maturity over than 1 year/1 operating cycle are recognised as long-term assets.

Provisions for devaluation of investments are made at the end of the period based on the excess of original cost in accounting books over their market value, or fair value at the time of provision.

2.11 . Borrowing costs

Borrowing costs are recognized into operating costs during the period, except for which directly attributable to the acquisition, construction or production of a qualifying asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in VAS No. 16 “Borrowing costs”.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes more than 12 months to put into use under certified purposes or for sale should be included (capitalized) in the cost of that asset, including interest on borrowings, amortization of discounts or premiums relating to issuing bonds and ancillary costs incurred in connection with the arrangement of borrowings.

2.12 . Prepaid expenses

Prepaid expenses only related to present fiscal year are recognised as short-term prepaid expenses and are recorded into operating costs.

Prepaid expenses incurred during the year but related to business operations of several years are recorded as long-term prepaid expenses and are amortised to the income statement in several years.

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

2.13 . Accrued expenses

Expenses not yet occurred may be charged in advance into production and operating costs in order to ensure when these expenses arise, they do not make material influence on production and operating costs on the basis of suitability between revenue and cost. When these expenses arise, if there is any difference with the amount charged, accountants additionally record or make decrease to cost equivalent to the difference.

2.14 . Owner's equity

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

Premium reserve is recorded by the difference (over/under) between the selling price and the par value of treasury stocks when stocks are firstly or additionally issued or reissued. Direct expenses related to the additional issuance of shares or reissuing treasury stock is recorded to reduce the surplus capital stock.

Profit after tax retained is the profit of business operations after deduction (-) regulated items due to applying a change in accounting retrospectively or to make a retrospective restatement to correct materiality in previous years. The profit is available for appropriation to investors after approval by General Meeting of Shareholder and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

Dividends to be paid to shareholders are recognised as a payable in Statement of financial position after the Resolution of General Meeting of Shareholder announces sharing dividends and announcement closing date receipt dividends of Securities Depository Center of VietNam.

2.15 . Foreign currency transactions

Transactions in currencies other than accounting unit of the Company (VND) are recorded at the rate of exchange ruling at the dates of transactions. Monetary items denominated in foreign currencies (including cash on hand, cash at bank, cash in transit, receivables and payables and excluding advances from customers, advances to suppliers, revenue received in advance) are revalued on buying rate of the commercial banks that the Company opened account at the time of preparation of financial statements at the balance sheet date. All exchange differences arising on settlement or revaluation at the date of financial statements will be recorded into the financial income or expense in the period.

2.16 . Revenue

Rendering of services

Revenue from rendering of services is recognized when the outcome of that transaction can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, each period's revenue should be recognized by reference to the stage of completion at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

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

The stage of completion of a transaction may be determined by surveys of work completed method.

Finance income

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

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

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

2.17 . Financial expenses

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Expenses of capital borrowing;
- Loss due to foreign exchange differences arising from transactions relating to foreign currencies;
- Provision for devaluation of securities investment.

The above items are recorded by the total amount arising within the period without compensation to financial

2.18 . Taxation

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

2.19 . Related Parties

Entities, individuals, 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 affiliated companies, are related parties. Associates and 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 or affiliated parties or companies associated with these individuals are also considered related party.

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

SEA & AIR FREIGHT INTERNATIONALNo. 209, Nguyen Van Thu Street, Dakao Ward,
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For the fiscal year ended as at 31/12/2014**3 . CASH AND CASH EQUIVALENTS**

	<u>31/12/2014</u>	<u>01/01/2014</u>
	VND	VND
Cash on hand	2,961,520,124	3,362,390,257
Cash at bank	118,216,098,043	73,055,190,383
Cash in transit	1,866,078,944	1,517,106,793
Cash equivalents	111,049,000,000	74,407,500,000
	<u><u>234,092,697,111</u></u>	<u><u>152,342,187,433</u></u>

Cash equivalents are term deposits under 3 months at banks with interest rate 4.3%/year with VND and from 0.1%/year to 0.25%/year with foreign currencies.

4 . OTHER SHORT- TERM RECEIVABLES

	<u>31/12/2014</u>	<u>01/01/2014</u>
	VND	VND
Receivables from health insurance	108,406,200	-
Receivables from interest of deposit, loan, credit selling	72,820,914	45,416,666
Air freight department receivables	108,110,927	12,704,359,122
Sea freight department receivables	101,034,391	4,799,104,313
Logistic department receivables	-	7,398,121,989
Freight receivables from forwarding agent	2,079,938,289	828,022,456
Freight receivables and payments on behalf	73,206,838,473	51,322,149,160
Others	249,590,764	14,025,328,059
	<u><u>75,926,739,958</u></u>	<u><u>91,122,501,765</u></u>

5 . OTHER CURRENT ASSETS

	<u>31/12/2014</u>	<u>01/01/2014</u>
	VND	VND
Advances	5,142,802,164	3,110,371,895
Short-term deposits, mortgages and collateral	541,480,918	660,686,598
	<u><u>5,684,283,082</u></u>	<u><u>3,771,058,493</u></u>

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TANGIBLE FIXED ASSETS

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Original cost					
As at 01/01/2014	119,710,308,944	1,700,824,420	39,907,165,845	2,050,036,581	163,368,335,790
Purchase	399,970,000	256,460,534	11,940,128,724	78,535,400	12,675,094,658
Finished construction investment	5,274,272,113	-	-	-	5,274,272,113
Reclassify	-	-	-	(111,279,968)	(111,279,968)
Liquidating, disposed	-	-	(1,099,213,497)	-	(1,099,213,497)
Others	-	-	(1,154,222,117)	-	(1,154,222,117)
As at 31/12/2014	125,384,551,057	1,957,284,954	49,593,858,955	2,017,292,013	178,952,986,979
Accumulated depreciation					
As at 01/01/2014	18,027,776,370	44,021,430	14,600,654,605	1,164,628,116	33,837,080,521
Depreciation	4,975,001,296	266,620,159	4,749,010,195	400,036,151	10,390,667,801
Others	-	-	-	(111,279,968)	(111,279,968)
Liquidating, disposed	-	-	(660,371,405)	-	(660,371,405)
Others	-	-	(102,474,994)	-	(102,474,994)
As at 31/12/2014	23,002,777,666	310,641,589	18,586,818,401	1,453,384,299	43,353,621,955
Net carrying amount					
As at 01/01/2014	101,682,532,574	1,656,802,990	25,306,511,240	885,408,465	129,531,255,269
As at 31/12/2014	102,381,773,391	1,646,643,365	31,007,040,554	563,907,714	135,599,365,024

In which:

- Cost of fully depreciated tangible fixed assets but still in use

VND 4,794,998,070

- During the year, SITC Vietnam Co., Ltd. (directly owned subsidiary) has transferred the whole contributed capital of the SITC Logistics Vietnam Co., Ltd. (indirectly owned subsidiary) for other partner, so upto 31/12/2014, SITC Logistics Vietnam Co., Ltd. no longer a subsidiary of the Company. Therefore, other reduction is reduction of assets value of SITC Logistics Vietnam Co., Ltd which consolidate in the beginning year data in consolidated Balance sheet.



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7 . INTANGIBLE FIXED ASSETS

	Land use rights	Other intangible fixed assets	Total
	VND	VND	VND
Original cost			
As at 01/01/2014	9,882,524,453	228,500,000	10,111,024,453
Purchase	-	603,345,000	603,345,000
Reclassify	-	111,279,968	111,279,968
Others	-	(60,000,000)	(60,000,000)
As at 31/12/2014	9,882,524,453	883,124,968	10,765,649,421
Accumulated depreciation			
As at 01/01/2014	597,881,142	98,055,556	695,936,698
Depreciation	132,862,476	207,559,440	340,421,916
Others	-	111,279,968	111,279,968
Others	-	(13,333,336)	(13,333,336)
As at 31/12/2014	730,743,618	403,561,628	1,134,305,246
Net carrying amount			
As at 01/01/2014	9,284,643,311	130,444,444	9,415,087,755
As at 31/12/2014	9,151,780,835	479,563,340	9,631,344,175

During the year, SITC Vietnam Co., Ltd. (directly owned subsidiary) has transferred the whole contributed capital of the SITC Logistics Vietnam Co., Ltd. (indirectly owned subsidiary) for other partner, so upto 31/12/2014, SITC Logistics Vietnam Co., Ltd. no longer a subsidiary of the Company. Therefore, other reduction is reduction of assets value of SITC Logistics Vietnam Co., Ltd which consolidate in the beginning year data in consolidated Banlance sheet.

8 . CONSTRUCTION IN PROGRESS

	31/12/2014	01/01/2014
	VND	VND
Purchase tangible assets	3,460,000,000	-
	3,460,000,000	-

9 . LONG- TERM INVESTMENTS

	31/12/2014	01/01/2014
	VND	VND
Investments in associates, joint ventures	11,272,919,276	87,038,666,254
Yusen Sea & Air (Vietnam) Limited Company	4,350,780,001	80,577,365,737
KCTC Vietnam Limited Company	6,922,139,275	6,461,300,517
Other long-term investments	1,605,562,000	1,605,562,000
Stocks of Vinalines Logistic jsc - Vietnam	1,500,000,000	1,500,000,000
Bond investment	5,000,000	5,000,000
Others	100,562,000	100,562,000
	12,878,481,276	88,644,228,254

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Detail information on the Company's associates as at 31/12/2014 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	Ho Chi Minh city	45.00%	45.00%	Forwarding, Sea and Air freight.
KCTC Vietnam Limited Company	Ho Chi Minh city	23.00%	23.00%	Forwarding, Sea and Air freight.

(1) According to the joint venture contract between the parties as Safi (Party A), Investment and Technology transferring consulting .Ltd. Co. (Party B) and Yusen Air & Sea Service Pte. Ltd. Co. (Party C), the chartered capital of Yusen Sea & Air (Vietnam) Ltd. Co. is USD 600,000, in which contributed capital of parties are as follow: Party A contributed USD 270,000 representing 45% chartered capital; Party B contributed USD 36,000 representing 6% chartered capital; Party C contributed USD 294,000 representing 49% chartered capital.

According to the joint venture contract, International Yusen Logistics Ltd. Co. (Vietnam) has expired business on 05/09/2014. As at 31/12/2014, International Yusen Logistics Ltd. Co. (Vietnam) is implementing procedures to dissolve. The disposal of investment is implemented when dissolution process are completed, thereby reducing cost of investment and expenses related to disposal and devided assets (if any) will be recorded at that time.

(2) According to the joint venture contract between the parties as Safi (Party A),Saigon Freight services jsc (Party B), Viet Business link and consulting jsc (Party C), and KCTC (Party D), and Investment certificate license no.411022000233, first certificated on May 15th 2008, first replacement certificated on November, 26th 2008, the chartered capital of KCTC Vietnam Ltd. Co. is USD 900,000, and in which contributed capital of parties are as follow: Party A contributed USD 207,000 representing 23% chartered capital; Party B contributed USD 92,000 representing 10% chartered capital; Party C contributed USD 160,000 representing 18% chartered capital and Party D contributed USD 441,000 representing 49%.

Other long-term investments

	<u>31/12/2014</u>		<u>01/01/2014</u>	
	<u>Quantity</u>	<u>Amount</u> VND	<u>Quantity</u>	<u>Amount</u> VND
Stock investment		1,500,000,000		1,500,000,000
- Stocks of Vinalines Logistic jsc - Vietnam	150,000	1,500,000,000	150,000	1,500,000,000
Bond investment		5,000,000		5,000,000
Others		100,562,000		100,562,000
		<u>1,605,562,000</u>		<u>1,605,562,000</u>

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For the fiscal year ended as at 31/12/2014**10 . LONG-TERM PREPAID EXPENSES**

	31/12/2014	01/01/2014
	VND	VND
Tools and consumables awaiting for allocation	1,633,164,938	2,799,680,120
Substantial expenditure on fixed asset overhaul	-	196,228,272
Others	26,515,006	221,473,932
	<u>1,659,679,944</u>	<u>3,217,382,324</u>

11 . TAX AND STATUTORY OBLIGATIONS

	31/12/2014	01/01/2014
	VND	VND
Value added tax	806,708,008	1,020,208,113
Business income tax	1,261,937,471	3,844,717,854
Personal income tax	1,305,354,221	1,005,634,215
Other taxes	11,020,933,802	7,638,453,557
	<u>14,394,933,502</u>	<u>13,509,013,739</u>

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

12 . ACCRUED EXPENSES

	31/12/2014	01/01/2014
	VND	VND
Accrued interest expenses	-	900,000,000
Other accrued expenses	288,589,385	1,352,320,717
	<u>288,589,385</u>	<u>2,252,320,717</u>

13 . OTHER SHORT-TERM PAYABLES

	31/12/2014	01/01/2014
	VND	VND
Trade union fund	550,026,740	324,928,042
Social insurance	61,965,029	110,692,493
Short-term deposits, collateral received	37,916,012,841	23,230,939,641
Dividend for shareholders payables	226,338,530	119,460,680
Air freight department payables	-	739,332,994
Sea freight department payables	-	27,436,153
Freight payable to principal according to agency agreement	22,762,316,672	18,049,025,254
Da Nang Branch payables	-	5,483,192,899
Hai Phong Branch payables	-	1,632,383,428
Payables collect freight to shipping companies and other collects	152,506,376,074	126,108,949,842
Others	2,136,380,650	8,757,838,174
	<u>216,159,416,536</u>	<u>184,584,179,600</u>



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OWNER'S EQUITY**Increase and decrease in owner's equity**

	Contributed legal capital	Share capital surplus	Financial reserve fund	Undistributed earnings	Total
	VND	VND	VND	VND	VND
As at 01/01/2013	87.044.800.000	33.636.120.654	9.369.763.914	99.642.185.786	229.692.870.354
Profit/loss of the year	-	-	-	30.062.671.619	30.062.671.619
Distribute profit	-	-	-	(13.225.834.408)	(13.225.834.408)
As at 31/12/2013	87.044.800.000	33.636.120.654	9.369.763.914	116.479.022.997	246.529.707.565
Increase in capital (1)	16.132.240.000	8.180.000.000	-	-	24.312.240.000
Profit of the year	-	-	-	47.753.537.329	47.753.537.329
Distribute profit (2)	-	-	3.529.733.092	(16.820.241.024)	(13.290.507.932)
This year advance dividend (3)	-	-	-	(51.588.520.000)	(51.588.520.000)
Reduction by disposal subsidiary	-	-	-	(567.579.804)	(567.579.804)
As at 31/12/2014	103.177.040.000	41.816.120.654	12.899.497.006	95.256.219.498	253.148.877.158

(1) Increase of capital in the period from the issuance of shares of the Company, including:

Issuing shares under option program for employees: the number of shares issued is 435,224 shares (equivalent to 5% of the current charter capital); issue price: VND 10,000 per share; total value of shares issued at par value: VND 4,352,240,000. The issuance of shares is completed on 19/06/2014.

Issuing share to convert of convertible shares to investors: the number of shares issued is 1,178,000 shares; issue price: VND 16,978 per share; total value of shares issued at par value: VND 11.78 billion. The issuance of shares is completed on 15/07/2014.

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(2) According to Resolution No. 01/NQ-ĐHĐCĐ/SAFI-2014 dated 26/04/2014 issued by General Meeting of shareholders, the Company announced its 2013 profit distribution plan as follows:

	Rate (%)	Amount VND
Profit after tax	100.00%	28,926,039,365
Financial reserve fund	12.20%	3,529,733,092
Paid dividends (15% charter capital)	45.14%	13,056,720,000
Retained profit	42.66%	12,339,586,273

(3) According to Resolution No. 08/NQ-HĐQT dated 04/09/2104 and No. 09/NQ-HĐQT dated 05/11/2014 issued by Accouncement issued by Board of Management, the Company ratified 1st and 2nd advance dividend with a total rate of 50% of charter capital.

(4) During the year, SITC Vietnam Co., Ltd. (directly owned subsidiary) has transferred the whole contributed capital of the SITC Logistics Vietnam Co., Ltd. (indirectly owned subsidiary) for other partner, so upto 31/12/2014, SITC Logistics Vietnam Co., Ltd. no longer a subsidiary of the Company. Therefore, other reduction is reduction of profit of SITC Logistics Vietnam Co., Ltd is totaled in consolidated statement of financial position as at 01/01/2014.

b) Details of owner's invested capital

	Rate (%)	31/12/2014 VND	Rate (%)	01/01/2014 VND
Vietnam National Shipping Lines	0.0001%	140,000	8.94%	7,780,340,000
Mr Nguyen Hoang Anh	16.30%	16,817,490,000	13.10%	11,399,990,000
Invested capital of others	83.70%	86,359,410,000	77.96%	67,864,470,000
	100%	103,177,040,000	100%	87,044,800,000

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

	Year 2014 VND	Year 2013 VND
Owner's invested capital	103,177,040,000	87,044,800,000
- At the beginning of year	87,044,800,000	87,044,800,000
- Increase in the year	16,132,240,000	-
- At the ending of year	103,177,040,000	87,044,800,000
Distributed dividends and profit	64,645,240,000	13,056,720,000
- Distributed dividends on last year profit	13,056,720,000	13,056,720,000
- Estimate-distributed dividends on this year profit	51,588,520,000	-

d) Stock

	31/12/2014	01/01/2014
Quantity of Authorized issuing stocks	10,317,704	8,704,480
Quantity of issued stocks	10,317,704	8,704,480
- Common stocks	10,317,704	8,704,480
Quantity of circulation stocks	10,317,704	8,704,480
- Common stocks	10,317,704	8,704,480
Par value per stock (VND)	10,000	10,000

SEA & AIR FREIGHT INTERNATIONALNo. 209, Nguyen Van Thu Street, Dakao Ward,
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For the fiscal year ended as at 31/12/2014**e) Company's funds**

	<u>31/12/2014</u>	<u>01/01/2014</u>
	VND	VND
Financial reserve fund	12,899,497,006	9,369,763,914
	<u>12,899,497,006</u>	<u>9,369,763,914</u>
15 . TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES		
	<u>Year 2014</u>	<u>Year 2013</u>
	VND	VND
Revenue from rendering of services	603,667,100,420	458,496,635,753
	<u>603,667,100,420</u>	<u>458,496,635,753</u>
16 . COSTS OF GOODS SOLD		
	<u>Year 2014</u>	<u>Year 2013</u>
	VND	VND
Costs of services rendered	406,695,236,611	326,347,423,455
	<u>406,695,236,611</u>	<u>326,347,423,455</u>
17 . FINANCE INCOME		
	<u>Year 2014</u>	<u>Year 2013</u>
	VND	VND
Interest income, interest from loans	3,164,275,533	5,260,748,229
Dividends, profits earned	900,972,832	-
Realized gain from foreign exchange difference	5,790,909,222	6,901,867,309
Unrealized gain from foreign exchange difference	1,227,931,910	951,897,007
	<u>11,084,089,497</u>	<u>13,114,512,545</u>
18 . FINANCIAL EXPENSES		
	<u>Year 2014</u>	<u>Year 2013</u>
	VND	VND
Interest expenses	922,818,663	1,894,517,226
Realized loss from foreign exchange difference	1,931,180,559	2,448,664,467
Unrealized loss from foreign exchange difference	-	25,719,903
	<u>2,853,999,222</u>	<u>4,368,901,596</u>

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SEA & AIR FREIGHT INTERNATIONALNo. 209, Nguyen Van Thu Street, Dakao Ward,
District 1, Ho Chi Minh City**Consolidated financial statements**
For the fiscal year ended as at 31/12/2014**19 . CORPORATE INCOME TAX**

	<u>Year 2014</u> VND	<u>Year 2013</u> VND
Tax expenses in respect of the current year taxable profit	9,071,289,613	12,319,662,574
Current corporate income tax expense	<u>9,071,289,613</u>	<u>12,319,662,574</u>
Tax payable at the beginning of year	3,844,717,854	3,089,218,272
Tax paid in the year	(11,499,070,014)	(11,564,162,992)
Reduce the Tax payable at the beginning of year of the subsidiary	(154,999,982)	-
Corporate income tax payable end of the year	<u>1,261,937,471</u>	<u>3,844,717,854</u>

20 . BASIC EARNINGS PER SHARE

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

	<u>Year 2014</u> VND	<u>Year 2013</u> VND
Profit after tax of holding company's shareholders	47,753,537,329	30,062,671,619
Profit distributed for common stocks	47,753,537,329	30,062,671,619
Average circulated common stocks in the year	9,459,870	8,704,480
Basic earnings per share	<u>5,048</u>	<u>3,454</u>

21 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	<u>Year 2014</u> VND	<u>Year 2013</u> VND
Raw materials	7,388,378,634	4,248,330,941
Labour	106,657,477,705	96,857,507,226
Depreciation and amortisation	10,731,089,717	7,751,934,062
Expenses from external services	377,835,017,717	301,021,802,850
Other expenses by cash	66,885,636,834	22,313,199,586
	<u>569,497,600,607</u>	<u>432,192,774,665</u>



22 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company include:

	Carrying amount			
	31/12/2014		01/01/2014	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	234,092,697,111	-	152,342,187,433	-
Trade receivables, other receivables	131,942,198,939	-	125,287,430,208	-
Long term investments	1,605,562,000	-	1,605,562,000	-
	<u>367,640,458,050</u>	<u>-</u>	<u>279,235,179,641</u>	<u>-</u>

	Carrying amount	
	31/12/2014	01/01/2014
	VND	VND
Financial Liabilities		
Loans and debts	-	20,949,426,472
Trade payables, other payables	234,648,403,871	197,777,244,666
Accrued expenses	288,589,385	2,252,320,717
	<u>234,936,993,256</u>	<u>220,978,991,855</u>

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

Financial risk management

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

Market risk

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

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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.

Exchange rate risk

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

Interest rate risk

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

Credit Risk

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

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2014				
Cash and cash equivalents	234,092,697,111	-	-	234,092,697,111
Trade receivables, other receivables	131,942,198,939	-	-	131,942,198,939
Long term investments	-	1,605,562,000	-	1,605,562,000
	<u>366,034,896,050</u>	<u>1,605,562,000</u>	<u>-</u>	<u>367,640,458,050</u>
As at 31/12/2014				
Cash and cash equivalents	152,342,187,433	-	-	152,342,187,433
Trade receivables, other receivables	125,287,430,208	-	-	125,287,430,208
Long term investments	-	1,605,562,000	-	1,605,562,000
	<u>277,629,617,641</u>	<u>1,605,562,000</u>	<u>-</u>	<u>279,235,179,641</u>

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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:

	<u>Up to 1 year</u> VND	<u>In 1 to 5 years</u> VND	<u>In more than 5 years</u> VND	<u>Total</u> VND
As at 31/12/2014				
Trade payables, other payables	234,648,403,871	-	-	234,648,403,871
Accrued expenses	288,589,385	-	-	288,589,385
	<u>234,936,993,256</u>	<u>-</u>	<u>-</u>	<u>234,936,993,256</u>
As at 01/01/2014				
Loans and borrowings	949,426,472	20,000,000,000	-	20,949,426,472
Trade payables, other payables	197,777,244,666	-	-	197,777,244,666
Accrued expenses	2,252,320,717	-	-	2,252,320,717
	<u>200,978,991,855</u>	<u>20,000,000,000</u>	<u>-</u>	<u>220,978,991,855</u>

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

23 . EVENTS AFTER BALANCE SHEET DATE

According to Resolution No. 01/NQ-HĐQT-2015 dated 30/01/2015, Board of Management unified and agreed to ratify the transfer of real estate "SAFI Office Building" at No. 209, Nguyen Van Thu Street, Da Kao Ward, 1 district, Ho Chi Minh city to subsidiary, the Company owns 100% of the charter capital, that is Safi Infrastructure Investment Co., Ltd.

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

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Consolidated financial statements
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24 . SEGMENT REPORTING**Under business fields**

	Logistic activities		Forwarding activities		Shipping agent activities and Other activities		Total from all segments		Grant total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Net revenue from sale of goods and rendering of	205,430,963,923	331,612,680,039	66,623,456,458	603,667,100,420	603,667,100,420					603,667,100,420
Segment expenses	108,536,985,703	289,313,639,793	8,844,611,115	406,695,236,611	406,695,236,611					406,695,236,611
Net profit from operating activities	96,893,978,220	42,299,040,246	57,778,845,343	196,971,863,809	196,971,863,809					196,971,863,809
Segment assets	15,400,128,724	-	256,460,534	22,012,711,771	22,012,711,771					22,012,711,771
Segment assets	68,660,291,671	34,456,815,051	41,099,237,226	144,216,343,948	144,216,343,948					144,216,343,948
Unallocated assets	-	-	-	395,167,397,906	395,167,397,906					395,167,397,906
Total assets	68,660,291,671	34,456,815,051	41,099,237,226	539,383,741,854	539,383,741,854					539,383,741,854
Segment liabilities	89,760,757,653	45,766,037,340	118,883,134,621	254,409,929,614	254,409,929,614					254,409,929,614
Unallocated liabilities	-	-	-	13,995,106,305	13,995,106,305					13,995,106,305
Total liabilities	89,760,757,653	45,766,037,340	118,883,134,621	268,405,035,919	268,405,035,919					268,405,035,919

Under geographical areas

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

SEA & AIR FREIGHT INTERNATIONALNo. 209, Nguyen Van Thu Street, Dakao Ward,
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For the fiscal year ended as at 31/12/2014**25 . TRANSACTION AND BALANCES WITH RELATED PARTIES**

During operation, there are a number of transactions between the companies with related parties as follows:

	<u>Relation</u>	<u>Year 2014</u> VND	<u>Year 2013</u> VND
Revenue			
KCTC Vietnam Limited Company	Associate	290,980	-
Purchase			
KCTC Vietnam Limited Company	Associate	124,891,745	-
Interest receivables			
Yusen Sea & Air (Vietnam) Limited Company	Associate	99,177,300,575	13,156,035,090

Up to financial statements date, payments which have not been made with related parties are as follows:

	<u>Relation</u>	<u>31/12/2014</u> VND	<u>01/01/2014</u> VND
Payables			
KCTC Vietnam Limited Company	Associate	2,337,500	-

Transactions with other related parties:

	<u>Year 2014</u> VND	<u>Year 2013</u> VND
Remuneration to members of The Board of General Directors and The Board of Management	2,019,668,000	2,255,314,000

26 . COMPARATIVE FIGURES

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2013, which was audited by AASC Auditing Firm Company Limited AASC.

The comparative figures in the 2013 Consolidated financial statements included data of SITC Logistics Vietnam Co., Ltd. which is indirectly owned subsidiary through SITC Vietnam Co., Ltd. However in the year, SITC Vietnam Co., Ltd. (directly owned subsidiary) has transferred the whole contributed capital of the SITC Logistics Vietnam Co., Ltd. (indirectly owned subsidiary) for other partner, so upto 31/12/2014, SITC Logistics Vietnam Co., Ltd. no longer a subsidiary of the Company and is not consolidated in the consolidated financial statements in 2014, so can not compare this year's figures with the corresponding figures of the comparative period.


Doan Thu Ha
Preparer

Nguyen Thanh Tuyen
Chief Accountant

Nguyen Cao Cuong
General Director

Ho Chi Minh City, 09 March 2014