



2024

ANNUAL REPORT



VITRANSCHART JSC

www.vitranschart.com.vn


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VIETNAM SEA TRANSPORT AND CHARTERING JOINT STOCK COMPANY

I. GENERAL INFORMATION

1. Overview Information

1.1. Company Information

Name of company	Viet Nam Sea Transport and Chartering Joint Stock Company
English Name	Viet Nam Sea Transport and Chartering Joint Stock Company
Abbreviation	Vitranschart JSC
Stock code	VST
Charter capital	689,993,370,000 VND
Headquarters	428 Nguyen Tat Thanh, Ward 18, District 4, Ho Chi Minh City
Telephone	(028) 3940 4271
Website	www.vitranschart.com.vn
Business Registration Certificate	Issued by the Department of Planning and Investment of Ho Chi Minh City, first issued on December 31 th , 2007, and amended for the 17 th time on November 25 th , 2024, with enterprise code 0300448709.
Logo	

1.2. History and Development:

1975	Southern Vietnam Shipping Company was established under Decision No. 16 VP/QĐ/TC, General Department of Transport
1976	Under Decision No. 4683/QĐ-TC by the Minister of Transport, Southern Vietnam Shipping Company (SOVOSCO) was recognized as a transportation unit under the Vietnam Maritime Bureau.
1984	Transchart Shipping and Chartering Company and SOVOSCO Shipping Company were merged to form the Vietnam Sea Transport and Chartering Company (Vitranschart), which was managed by the Vietnam Maritime Bureau under Decision No. 706/TCCB of the Minister of Transport.
1993	The Ministry of Transport issued the re-establishment of the state-owned enterprise Vietnam Sea Transport and Chartering Company (Vitranschart) under Vietnam Maritime Administration according to Decision No. 377/QĐ-TCCB-LĐ.
2007	Vietnam Sea Transport and Chartering Joint Stock Company was established - Abbreviated as Vitranschart JSC.
2009	On 20/02/2009, Ho Chi Minh City Stock Exchange issued Listing Certificate No. 14/QĐSGDHCM allowing the Company to list 40 million shares on the Ho Chi Minh City Stock Exchange and the stock code VST was officially traded on 26/02/2009.
2010	The company increased its charter capital from 400,000,000,000 VND to 589,993,370,000 VND to facilitate business expansion.
2015	On 10/06/2015, the company registered for trading on the Hanoi Stock Exchange (Upcom) under stock code VST.
	From 2018 to present, the company has undergone 04 charter capital increases to

	restructure its finances. - 2018: Increased from 589,993,370,000 VND to 609,993,370,000 VND; - 2020: Increased from 609,993,370,000 VND to 629,993,370,000 VND; - February 2023: Increased from 629,993,370,000 VND to 669,993,370,000 VND; - November 2024: Increased from 669,993,370,000 VND to 689,993,370,000 VND.
2015-present	The company focused all resources on maintaining stable operations and comprehensive restructuring, including organizational models, business methods, and financial restructuring. Especially during the 2020-2024 period, overcoming financial difficulties and business obstacles, the company has now essentially resolved existing issues and is firmly on the path to development.

2. Business activities and locations

2.1. Business activities

The Company's main business activities are as follows:

- **Maritime Transportation:** The key business sector of the Company, specializing in ship operation and chartering with a fleet capacity of 05 ships, ranging from 6,500 DWT to 24,000 DWT, carrying dry bulk cargo to meet the diverse needs of domestic and international customers. After successfully selling and handing over the Vien Dong 3 ship at the end of November 2024, the fleet now has 04 ships, with a total tonnage of over 92,000 DWT.
- **Maritime Labor Recruitment and Supply:** Recruiting, training, and providing qualified and experienced crew members for the Company's fleet and other domestic and international shipowners (Japan, Taiwan, etc.).

2.2. Business Areas: (Calculated by the number of operating voyages in the year).

Location	Proportion (%) 2024	Proportion (%) 2023
Southeast Asia	40%	10%
Middle East - South Asia/Southeast Asia/Northeast Asia	11%	18%
Southeast Asia - Northeast Asia - Southeast Asia	11%	34%
Southeast Asia - South Asia	25%	14%
South Asia	3%	6%
North Asia - Northeast Asia - South Asia	9%	9%
Total	100%	100%

3. Information on Governance Model, Business Organization and Management Structure

3.1. Corporate Governance Model:

The Company's corporate governance model is in accordance with point a, Article 137 of the Law on Enterprises 2020, which includes: General Meeting of Shareholders, Board of Directors, Board of Supervisors, and Board of Management.

Vitranschart JSC is a member unit of Vietnam Maritime Corporation - JSC (VIMC). The number of shares held by VIMC as of the reporting date: 29,888,000 shares, accounting for 43.32% of Vitranschart JSC's charter capital.

VIMC headquarters: 17th Floor, Ocean Park Building - No. 1 Dao Duy Anh Street, Phuong Mai Ward, Dong Da District, Hanoi City.

VIMC's main operating activities:

- Coastal and international maritime transport, inland waterway and road transport, and related logistics services .
- Seaport and inland waterway port operations.
- Agency, freight forwarding, logistics; warehousing and storage of goods.

Subsidiary

SCC Crew Manning Co., Ltd. (SCCM)

Charter capital: 5,000,000,000 VND. Ownership ratio: 100%

Head Office: No. 36 Nguyen Thi Minh Khai, Dakao Ward, District 1, Ho Chi Minh City, Vietnam.

Operating activities:

- Maritime labor management and supply;
- Other supporting services related to transport;

HaiDang Ship Management Co., Ltd. (HaiDang SMC)

Charter capital: 20,000,000,000 VND. Ownership ratio: 100%

Head Office: No. 428 Nguyen Tat Thanh, Ward 18, District 4, Ho Chi Minh City, Vietnam.

Business activities:

- Maritime transport business, including Ship chartering and leasing;
- Ship management services; Other supporting services related to transport and ships;

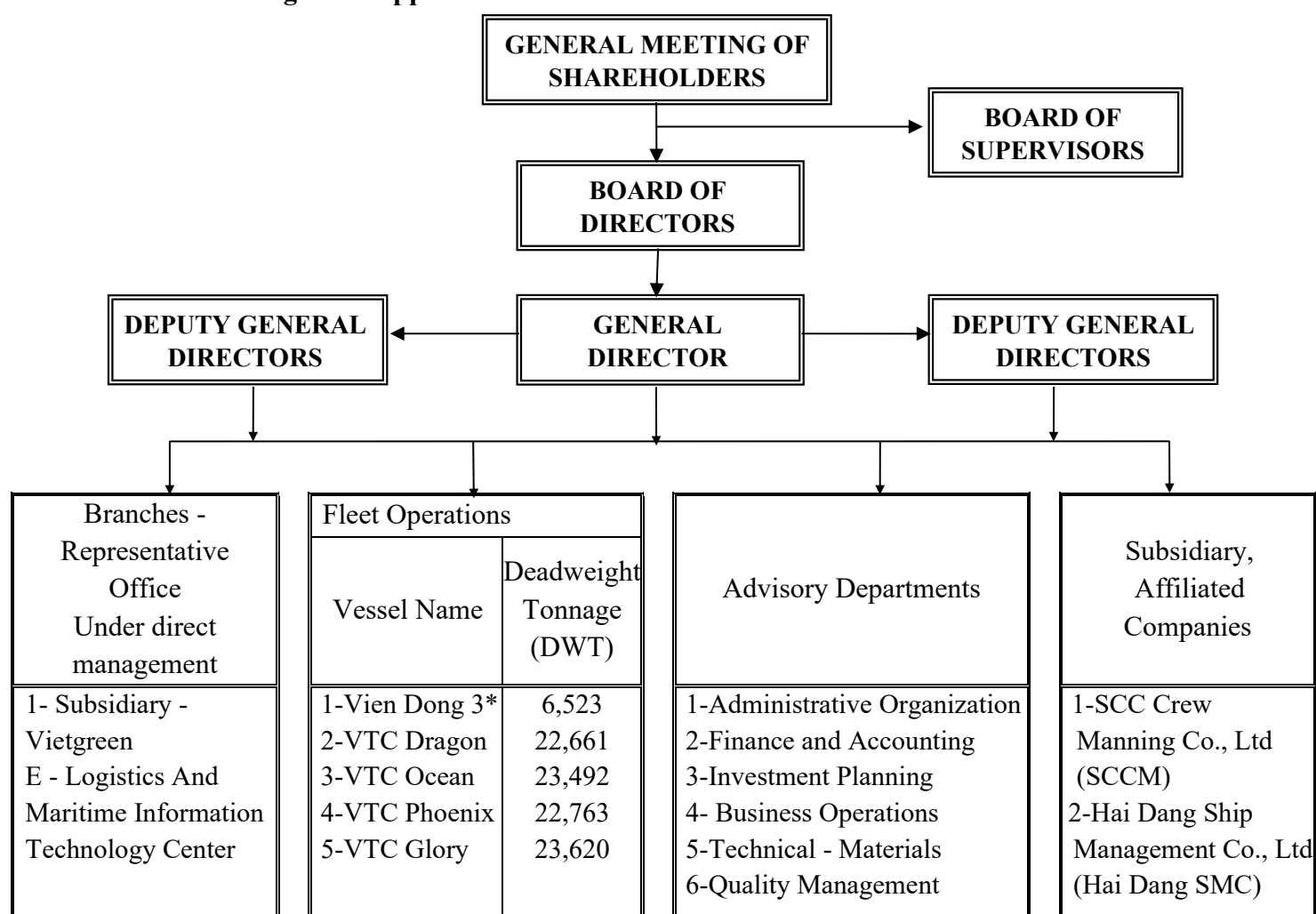
Branch Of Viet Nam Sea Transport And Chartering Joint Stock Company - Vietgreen E - Logistics And Maritime Information Technology Center (Vietgreen Center)

Head Office: No. 428 Nguyen Tat Thanh, Ward 18, District 4, Ho Chi Minh City

Business activities:

- E-commerce logistics services _ E-logistics.
- Business services provide maritime equipment, maritime communication equipment, etc.

3.2. Management apparatus structure:



Note: (*) Vien Dong 3 ship was successfully sold and delivered on 26/11/2024.

4. Development orientation

Business plan: The primary goal of the Company is to stabilize and develop its core business services, seek investment opportunities, and continuously expand business relationships with foreign partners. The Company aims to efficiently utilize capital, human resources, and agency networks, focusing on investment and improving the quality of essential services while eliminating low-performing services.

Financial plan:

- Implement financial restructuring and debt restructuring suitable to the actual situation.
- Through VIMC, continue to propose that the relevant authorities consider allowing Vitranschart JSC to have its loan interest waived and its principal debt rescheduled for new shipbuilding investment projects, as previously directed by the Government at the Vietnam Development Bank (VDB).

Human resource development:

- 🚧 Review the current workforce to adjust, allocate, recruit, and train employees appropriately.
- Operate the Key Performance Indicator (KPI) system according to the Balanced Scorecard (BSC) method and integrate 3Ps salary payment.
- Accurately assess employees based on their abilities and work performance, implementing appropriate compensation policies for talented and capable personnel.
- Assign tasks according to the competence and qualifications of each employee.
- Staffing suitable to tasks and jobs: Restructure staffing according to the advanced average, along with the current trend of gradually reducing staffing for all units, especially indirect units (service, management).
- Strictly implement crew competency assessment and interviews before the Company hires and assigns them to vessels.
- Focus on training and development to improve the quality of skills, professional expertise, foreign language proficiency, as well as professional ethics for crew members.

The Company's environmental, social, and community objectives

A sustainable development strategy with social responsibility as its foundation has been, is, and will continue to be a core focus of Vitranschart JSC. A company's success is not solely measured by financial figures but also by the long-term, tangible contributions it makes to the community.

Vitranschart JSC consistently prioritizes environmental protection, waste management, and actively seeks innovative methods to use fuel efficiently, minimize greenhouse gas emissions, and ensure a clean and green marine environment in compliance with IMO regulations. Additionally, the Company regularly organizes office and street clean-up campaigns in the vicinity of its headquarters.

Effectively implement policies and regimes, ensuring the living standards and employment of staff, officers, and crew members so that employees can feel secure in their work and complete assigned tasks well.

Continue to build and organize collective activities and emulation movements of the Company's Trade Union, contributing to enhancing the spirit of solidarity among staff, officers, and crew members within the Company, maintaining the Company's "Gratitude and Remembrance" activities to enhance the spirit of mutual love and support of employees with society and the community, while maintaining and promoting the Company's fine traditions.

5. Risk Factors:

5.1. Economic and Political Risks

The global economy in 2024 faced numerous risks due to prolonged geopolitical conflicts in Ukraine, the Middle East, and political instability in major economies like Germany, France, and South Korea. The rise of right-wing and populist movements following European parliamentary

elections and elections in several "Old Continent" countries, the return of Donald Trump and his "America First" policy after the US presidential race, along with the potential for a new trade war, also posed risks. Furthermore, the increasing fragmentation of global markets and technology, evident in the expansion of BRICS and US sanctions, weakened international cooperation and the efficiency of global supply chains. These developments presented new challenges to global economic stability and growth.

5.2. Legal Risks

As a joint-stock company registered for trading on the Hanoi Stock Exchange, the Company is subject to strict guidance and management by legal documents such as the Law on Enterprise, Law on Securities, Maritime Code, and related decrees and circulars. Vietnam's legal framework is still under development, with many inconsistencies, ambiguities in implementation, and frequent changes, impacting the Company's management and business operations.

Furthermore, since the Company's fleet primarily transports bulk cargo via international shipping routes, it must adhere to strict international maritime laws, conventions, and standards. Compliance with both international and local regulations in various jurisdictions where the fleet operates presents legal risks, particularly when unexpected regulatory changes occur.

Due to the specific nature of maritime laws and regulations, the Company also faces risks related to ship arrests arising from maritime disputes or claims. Additionally, Vietnamese labor laws governing overseas employment and the Maritime Labour Convention 2006 (MLC 2006) impose stringent requirements. Inconsistencies in social insurance and regional minimum wage regulations continue to pose challenges for managing seafarers during off-duty periods.

Recent IMO regulations have introduced new requirements, such as Ballast Water Management regulations (requiring ships to install ballast water treatment systems for international operations) and carbon emissions management rules. These mandates require ships to install engine power control devices, reducing engine performance to 65% of its original capacity. These regulations increase the risk of non-compliance with contractual speed requirements and pose challenges in meeting charterers' expectations.

To mitigate legal risks, the Company constantly monitors and updates itself on the latest legal documents to adjust policies and operational plans, promptly implement measures for compliance with new regulations, and focus on risk management to minimize risks during business operations.

5.3. Maritime Risks

The maritime transport industry is directly impacted by adverse weather conditions such as storms, cyclones, and tsunamis. In recent years, due to global climate change, weather patterns have become increasingly complex, negatively affecting the Company's business. These factors not only affect vessel operations and cause cargo delays but also relate to human safety. Additionally, the Company faces international issues like kidnapping, piracy, and political instability spreading across various sea regions.

Currently, the ongoing war between Russia and Ukraine poses numerous risks, including vessel detention, increased insurance premiums, and operational limitations due to sanctions when operating in these countries.

The instability caused by the Houthi rebels in Yemen, specifically in the Red Sea, presents risks of vessel attacks while transiting or operating in nearby areas.

Recent incidents of theft, equipment loss, and attacks on crew members during navigation and anchorage in Singapore and the Malacca Strait pose risks to vessels, especially when fully loaded.

Over the past year, port authorities in China have intensified inspections and administrative penalties under local regulations, creating difficulties, increasing costs, and potentially banning captains from returning to Chinese ports for a specific period for violations.

In response, the Company has comprehensive insurance policies covering personnel and assets and ensures that seafarers are equipped with safety gear during voyages.

5.4. Human Resource Risks

The maritime transport sector faces a relative scarcity of human resources due to stringent requirements for expertise, technical skills, and experience in handling potential hazards during maritime transport. In today's increasingly competitive labor market, attracting and retaining skilled employees is a top priority for the company. Adherence to the Maritime Labour Convention (MLC 2006) has significantly improved the working conditions for crew members.

The company prioritizes training and skill development for its employees, along with a transparent, fair, and market-competitive salary policy. Furthermore, the company provides opportunities for advancement and benefits to foster employee loyalty and attract future successors.

5.5. Other Risks

Shipping companies often have substantial revenues and debts; therefore, fluctuations in interest rates or foreign exchange rates can impact profits. At the end of 2024, the exchange rate between the Vietnamese Dong (VND) and the US dollar (USD) reached 25,450 VND/USD, a nearly 5% increase from 24,250 VND/USD at the beginning of 2024.

To minimize the impact of exchange rate volatility, the Company actively monitors market trends, develops financial plans, and strictly manages contract execution and payment methods.

II. OPERATING PERFORMANCE IN 2024

The dry bulk shipping market in 2024 experienced fluctuations and lacked significant improvement due to weak global economic growth and increasing geopolitical instability. The prolonged war disrupted global food and energy supplies, leading to increased energy costs and inflation in Europe and other regions. Additionally, the Israel-Hamas conflict, starting in late 2023, threatened to escalate into a regional war, jeopardizing crucial trade routes like the Red Sea. This increased maritime insurance costs, impacted energy supplies, and affected shipping.

The dry bulk freight market declined in Q1/2024 compared to Q4/2023 due to the Lunar New Year holiday in Asian countries.

In Q2/2024, the market remained stable but did not improve significantly compared to Q1/2024.

The market in Q3/2024 was slower than expected due to weak economic growth affected by the Russia-Ukraine war and conflict.

In Q4/2024, the dry bulk shipping market performed poorly across all vessel segments.

The average BDI in 2024 was 1,761 points and the BHSI was 705 points. Although higher than the 2023 average, it did not make a breakthrough.

1. Production-business results:

In the context of continuously fluctuating business operations, thanks to the close guidance and appropriate strategic planning of the Company's leadership, along with the unity, effort, and determination of all employees, the Company successfully restructured its finances with credit institutions, generating revenue of approximately VND 190 billion. Additionally, it successfully sold Vien Dong 3 ship, earning nearly VND 39 billion. As a result, the company recorded a profit of VND 221 billion in 2024, ensuring stable employment and income for workers.

Indicator	Unit	FY 2023	Plan 2024	FY 2024	FY 2024/ FY 2023	FY 2024 / Plan 2024
1. Transport Volume	Million Tons	1.24	1.14	1.17	94%	103%
2. Total Revenue (*)	Billion VND	1,100.93	637.87	736.55	67%	115%
- Transportation	Billion VND	220.40	221.61	247.34	112%	112%
- Other business	Billion VND	217.27	214.21	248.68	114%	108%
- Financial Activities & Other Activities	Billion VND	663.26	186.81	240.53	36%	129%
3. Profit (+)/Loss (-)	Billion VND	560.42	162.33	220.84	39%	136%

Some key indicators are as follows:

- **Transport volume:** In 2024, the Company transported 1.17 million tons, exceeding the plan by 3% but decreasing by 6% compared to 2023 due to fleet reduction.

- **Total revenue:** In 2024, total revenue reached 736.55 billion VND, surpassing the plan by 15% but declining by 33% compared to the previous year. Specifically:

+ Transportation revenue reached 247.34 billion VND, exceeding the plan by 12% and increasing by 12% compared to the previous year due to increased freight rates.

+ Revenue from other business services (excluding internal revenue) reached 248.68 billion VND, increasing by 8% compared to the plan and increasing by 14% compared to the previous year due to the increase in exported crew members.

+ Revenue from financial and other activities (including revenue from financial restructuring and profit from the sale of Vien Dong 3 vessel) reached 240.53 billion VND, exceeding the plan by 29% and decreasing by 64% compared to the previous year, mainly due to the decrease in revenue from financial restructuring (Nearly 571 billion VND in 2023 and over 190 billion VND in 2024).

- **Profit (loss):** In 2024, the Company recorded a profit of 220.84 billion VND, surpassing the plan by 36% and achieving 39% compared to the previous year.

2. Organization and personnel:

a. Board of Management list (as of 31/12/2024):

No.	Name	Position	Number of shares held	Percentage of ownership shares
1	Trinh Huu Luong	General Director	Representative: 9,379,907	14%
2	Mai Thi Thu Van	Deputy General Director	8,002	0.01%
3	Vuong Nguyen Trieu Quang	Deputy General Director	0	0%
4	Le Kim Phuong	Chief Accountant	6,108	0.009%

b. Summary of Board of Management resumes:

➤ Mr. Trinh Huu Luong

- Position: Member of the Board of Directors and General Director
- Year of birth: 1977
- Qualification: Engineer - Master of Accounting, Bachelor of English

Work experience

Year	Work experience
2000–08/2006	Specialist, Finance and Accounting Department, Northern Shipping JSC.
09/2006–07/2007	Deputy Head of Financial Investment Department, Northern Shipping JSC.
08/2007–11/2011	Permanent Member of the Board of Directors and Chief Financial Officer, Northern Shipping JSC.
12/2011–08/2012	Head of General Secretariat Department - Secretary to the General Director, Vietnam Maritime Corporation (VIMC)
08/2012–02/2013	Deputy Head of Finance Department and Assistant to the General Director, Vietnam Maritime Corporation (VIMC)
02/2013–01/2014	Deputy Head of Internal Audit Department, Vietnam Maritime Corporation (VIMC)
02/2014–06/2014	Head of Internal Audit Department, Vietnam Maritime Corporation (VIMC)

07/2014–01/2015	Head of Internal Audit Department, Vietnam Maritime Corporation (VIMC) and Head of Supervisory Board, Hai Phong Port
02/2015–05/2015	Head of Internal Audit Department, Vietnam Maritime Corporation (VIMC), Head of Supervisory Board, Hai Phong Port; Chairman of the Board of Directors, Northern Shipping JSC.
05/2015–04/2016	Head of Internal Audit Department, Vietnam Maritime Corporation (VIMC), Head of Supervisory Board, Hai Phong Port; Chairman of the Board of Directors and General Director, Northern Shipping JSC.
05/2016–05/2020	Chairman of the Board of Directors and General Director, Oriental Shipping And Trading Joint Stock Company (renamed from Northern Shipping JSC.)
06/2020–08/2020	Chairman of the Board of Directors, Oriental Shipping And Trading Joint Stock Company; Board of Directors' members, Vietnam Sea Transport and Chartering JSC.
09/2020–04/2021	Chairman of the Board of Directors, Oriental Shipping And Trading Joint Stock Company; Board of Directors' members and General Director, Vietnam Sea Transport and Chartering JSC.
05/2021–04/2022	Chairman of the Board of Directors, Oriental Shipping And Trading Joint Stock Company; Vice Chairman of the Board of Directors and General Director, Vietnam Sea Transport and Chartering JSC.
05/2022–04/2023	Vice Chairman of the Board of Directors and General Director, Vietnam Sea Transport and Chartering JSC.
05/2023–present	Board of Directors' members and General Director, Vietnam Sea Transport and Chartering JSC.

➤ **Ms. Mai Thi Thu Van**

- Position: Member of the Board of Directors, Deputy General Director
- Year of birth: 1974
- Qualification: Master of Economics, Bachelor of English, Bachelor of Law

Work experience

Year	Work experience
1998–01/2008	Accountant, Vietnam Sea Transport and Chartering Company/ Vietnam Sea Transport and Chartering JSC. (from 31/12/2007)
01/2008–04/2012	Deputy Head of Finance and Accounting Department, Vietnam Sea Transport and Chartering JSC.
04/2012–06/2018	Chief Accountant, Vietnam Sea Transport and Chartering JSC.
07/2018–07/2019	Board of Directors' members, Chief Accountant, Vietnam Sea Transport and Chartering JSC.
07/2019 – present	Board of Directors' members, Deputy General Director of Vietnam Sea Transport and Chartering JSC.

➤ **Mr. Vuong Nguyen Trieu Quang**

- Position: Deputy General Director
- Year of birth: 1982
- Qualification: Master of Naval Architecture and Marine Engineering

Work experience

Year	Work experience
08/2008 – 10/2016	Senior Specialist, Technical Department, Vietnam Sea Transport and Chartering JSC.
11/2016 – 07/2020	Deputy Head of Materials Department, Vietnam Sea Transport and Chartering JSC.
08/2020 - present	Deputy General Director of Vietnam Sea Transport and Chartering JSC.

➤ **Mrs. Le Kim Phuong**

- Position: Chief Accountant
- Year of birth: 1976
- Qualification: Bachelor of Economics, majoring in Monetary - Credit Business, and Business Administration

Work experience

Year	Work experience
05/2000 – 08/2004	Accountant, Southern Crew Training, Brokerage and Export Center, Vietnam Sea Transport and Chartering JSC.
08/2004 – 09/2014	Accountant, Vietnam Maritime Transport and Chartering Company, Vietnam Sea Transport and Chartering JSC.
09/2014 – 07/2019	Deputy Head of Finance and Accounting Department, Vietnam Sea Transport and Chartering JSC.
07/2019 – present	Chief Accountant, Vietnam Sea Transport and Chartering JSC.

c. Changes in the Board of Management:

In 2024, there were no changes in the Board of Management.

d. Number of officers and employees as of 31/12/2024:

Company-wide:

No.	Classification	Quantity (people)	Percentage (%)
I	By labor qualification	721	100%
1	University and postgraduate degree	239	33.14
2	College degree	179	24.62
4	Intermediate degree	68	9.43
5	Technical worker/elementary level	234	32.45
6	Unskilled labor	1	0.15
II	By type of labor contract	721	100%
1	Indefinite term contract	639	88.62
2	Seasonal contract (under 1 year)	4	0.60
3	Fixed-term contract from 1-3 years	78	10.81
III	By gender	721	100%
1	Male	690	96.00
2	Female	31	4.00

Changes in employee policy

• **Salary and bonus policy**

In 2024, the Company continued to apply the 3Ps salary distribution policy, which focuses on evaluating work efficiency (KPI), ensuring compliance with legal regulations on salaries, and encouraging employees to complete assigned tasks.

Although facing difficulties due to many fluctuations and instabilities in the global political and economic landscape, the Company's Board of Management directed salary and wage distribution closely aligned with the actual production and business situation and the labor market. With timely incentive policies to motivate employees and crew members, Company maintains the stability in ours human resources.

At the same time, the Company paid a pre-Lunar New Year bonus to employees at 1.5 times actual monthly salary, depending on the individual's BSC-KPI completion level. Accordingly, the average monthly income of individuals in 2024 was higher than in 2023, representing a significant effort by the Company's Board of Management in the context of a challenging production and business situation.

The distribution of salaries, income, and wages for duties outside of official responsibilities for crew members, is carried out in accordance with state regulations and the Company's Salary Policy. Paying salaries through personal accounts has a positive effect on crew members working on ships.

The Company promptly paid all wages incurred in 2024, greatly encouraging the crew members. Notably, the salary payment schedule was not only guaranteed according to MLC 2006 regulations and the Collective Labor Agreement but also paid earlier and in a timely manner before holidays for crew members working on the Company's vessels.

Implementing the Company's reward policy correctly. In 2024, the Company issued an Competition and Reward Regulation, which includes many amendments that align with the actual production and business activities. These amendments include innovating forms of competition, awarding titles, implementing exceptional rewards, immediate rewards, and timely recognition of individuals and groups with positive contributions and effective results for the Company's production and business activities. Although the Reward Fund is still limited, the Company's leadership has tried to mobilize resources to spend over 200 million VND for groups and individuals, mainly crew members on the Company's vessels who have achieved results in ensuring ship days, delivering goods on time, and repairing ships..., this has truly encouraged employees to participate in the competition movement, explore solutions, and promote creativity to contribute to the Company's production and business.

No.	Year	Average income of the main production block (including income of of ship officers and crew members) (Million VND/person/month)
1	2020	24.10
2	2021	25.75
3	2022	31.25
4	2023	32.13
5	2024	30.12

The average income in 2024 is 30.12 million VND/person/month, a 6% decrease compared to 2023, mainly due to a decrease in crew members' income, specifically:

- In 2024, the Company adjusted and increased income for indirect labor block and company managers from April 2024, with an increase from 5% to 20% depending on the position, approaching the labor price on the market. The additional increase is structured into P2 income linked to work efficiency and paid quarterly, along with monetary support for holidays on April 30 and May 1, the Company's founding anniversary, September 2, New Year's Day, and the 13th-month salary bonus for the Lunar New Year. The average income of employees in 2024 is estimated at 21.62 million VND/person/month, an increase of nearly 12% compared to 2023.

The Company effectively implemented policies for crew members working on the Vitranschart fleet, ensuring benefits as committed in the crew labor contract and the signed Collective Labor Agreement. The average income of crew members in 2024, despite adjustments (decreases) for certain positions according to the general market level, reached 34.63 million VND/person/month, a decrease of 8.65% compared to 2023, but a 4% increase compared to the salary plan established at the beginning of the year.

- **Welfare policy**

The Company's welfare activities in 2024 were conducted in accordance with regulations, mainly focusing on the livelihood of employees and crew members. Annual activities organized by the Company's Trade Union achieved positive results. From 04-06/07/2024, a conference promotes "Corporate Culture" was held in combination with a vacation trip for over 100 employees and crew members in Ninh Binh province with a total cost of over **1 billion VND**, of which the Company's cost was **450 million VND**. This program contributed to creating a bond among employees under the same Vitranschart roof. In addition, the Company also provided additional financial support to employees on holidays and Tet and continued to maintain activities such as visiting and giving gifts to the Company's policy beneficiaries during the Lunar New Year.

3. Investment status, implementation status of projects

a) Major investments: After a period of working with Departments and Agencies, at the end of December 2024, the Company signed a land lease contract for Area I - 428 Nguyen Tat Thanh with the Department of Natural Resources and Environment, and was granted a Certificate of Land Use Right with a term of 50 years.

b) Company's subsidiaries: In 2024, two Company's subsidiaries, SCCM and Hai Dang SMC, operated stably and efficiently, specifically:

Unit: Million VND

No.	Unit name	Vitranchart's capital contribution/Charter Capital (%)	Revenue from goods sale	Earnings Before Taxes
1	SCC Crew Manning Co., Ltd. (SCCM)	100%	253,869.81	14,357.35
2	HaiDang Ship Management Co., Ltd. (HaiDang SMC)	100%	90,267.23	285.42

4. Financial situation

a) **Financial situation** (According to the audited 2024 Consolidated Financial Statements)

Unit: Million VND

Indicator	FY 2023	FY 2024	% Increase/decrease
Total asset	458,820	377,976	
<i>Of which:</i>			
- Current asset	225,560	208,182	-7.70%
- Non-current asset	233,260	169,793	-27.21%
Revenue from goods sales and service provision	437,667	496,024	13.33%
Gross profit from goods sales and service provision	-8,120	69,359	-954.17%
Operating profit	-87,842	-635	-99.28%
Other profit	648,260	221,476	-65.84%
Earnings Before Taxes	560,419	220,840	-60.59%
Profit After Tax	557,820	217,871	-60.94%
Dividend payout ratio			

Short-term assets as of 31/12/2024 decreased by more than 17 billion VND, the proportion of short-term assets to total assets increased by 6.3% compared to 31/12/2023. The Company has greatly improved its liquidity compared to the previous year.

b) Key financial indicators:

Indicator	Year 2023	Year 2024	Note
1. Solvency indicators:			
+ Current ratio: Current asset/Current liabilities	0,19	0,22	
+ Quick ratio: <u>Current asset - Inventory</u> Current liabilities	0,16	0,19	
2. Capital structure indicators			
+ Debt-to-Assets Ratio	2,97	2,77	
+ Debt-to-Equity Ratio	2,17	1,52	
3. Efficiency Ratios			
+ Inventory Turnover: Costs of goods sold/Average Inventor	12,21	14,36	
+ Total Asset Turnover: Revenue/Average Total Assets	0,85	1,19	
4. Profitability Ratio			
+ Net Profit/Net Revenue Ratio	127%	44%	
+ Net Profit/Owners' Equity Ratio	89%	32%	
+ Net Profit/Total Assets Rat	122%	58%	
+ Operating Profit/Net Revenue Ratio	-20%	-0,13%	

5. Shareholder structure:

a. Shares

Total outstanding shares:	68,999,337 common shares
Share Type:	Common shares
Par Value:	10,000 VND/share
Freely transferable shares:	68,999,337 shares
Treasury shares:	None

b. Shareholder structure

No.	Shareholder	Total number of shares owned	Ownership percentage	Number of Shareholders
I	Major shareholders and other shareholders			
1	Major shareholders	37,524,100	54.38%	2
	- Vietnam Maritime Corporation	29,888,000	43.316%	1
	- Vietnam Debt and Asset Trading Corporation	7,636,100	11.067%	1
2	Other shareholders	31,475,237	45.62%	2,941
II	Institutional and individual investors			
1	Institutional investors	41,380,704	59.97%	24
2	Individual investors	27,618,633	40.03%	2,919

(According to the list of shareholders finalized by VSDC on 25/02/2025)

c. Changes in owner's equity:

November 2024, The Company increased its charter capital from 669,993,370,000 VND to 689,993,370,000 VND for financial restructuring.

d. Treasury stock transactions: None.

e. Other securities: None.

6. Report on the company's environmental and social impact assessment:

6.1. Impact on the environment:

- The Company issued a policy demonstrating its focus on environmental protection, waste treatment of the fleet, as well as constantly exploring initiatives and methods to maximize fuel efficiency, reduce greenhouse gas emissions, and ensure a clean and green marine environment in accordance with IMO regulations. All employees of the Company are always aware of practicing energy saving to protect the environment, for the sustainable development goals of the Company.

- Propagating and launching plans on green environmental protection, using clean fuel, implementing the classification of domestic waste at source according to regulations, launching movements to clean and beautify the office and the streets where the office is located, responding to environmental protection movements with many specific and practical activities and achieving good results.

6.2. Raw Material Resource Management:

The company consistently monitors, strictly manages, and efficiently utilizes fuel, materials, supplies, and spare parts throughout the service delivery process chain.

6.3. Energy Consumption:

- The company has developed and implemented the "Action Program for Practicing savings, Combating Waste, and Reducing Management Costs and Product Prices in 2024," which emphasizes energy-saving targets throughout the company; reusing single-sided paper;

- The company emphasizes establishing usage quotas for energy resources and strictly adheres to international conventions to minimize pollution sources, such as using fuel not exceeding 0.5% S starting from 1/1/2021, applying and reporting energy usage periodically.

- Strictly control the consumption of fuel, lubricants, supplies, and freshwater to prevent loss and waste. Enhance monitoring of fuel levels on board vessels. Maintain good technical condition of the fleet, prioritize supplying authentic spare parts for critical equipment to maintain optimal technical condition, meet emission requirements, protect the environment, and reduce fuel consumption.

- Direct energy consumption in 2024 included 123,112 KW of electricity with a cost of 425,010,082 VND, primarily for office operations; 2,138 liters of gasoline for vehicles with a cost of 47,057,331 VND.

It can be said that the company has thoroughly implemented the policies and laws of the Party and State on environmental protection, following the slogan "Act for a Green and Sustainable Environment."

6.4. Water Consumption:

The company encourages employees to save water and constantly emphasizes in dealing with water pollution, with adherence to regulations on discharge areas and continued compliance with equipping vessels with ballast water management systems according to the roadmap. Implementing regulations on waste sorting on board, proper waste disposal, and the collection and transfer of non-degradable waste ashore minimizes negative environmental impacts, especially on the marine environment.

The main water supply source is the municipal water supply. In 2024, water consumption for the company's office was 1,081m3 with a cost of 30,340,047 VND.

6.5. Compliance with Environmental Protection Laws:

The company consistently complies with environmental laws and regulations. There were no violations during the year.

6.6. Policies Related to Employees:

a) Number of employees and average salary for employees.

The total number of employees working at the company as of 31/12/2024 was 721 (31 females). Vitranschart Office had 54 employees, and SCCM had 667, including 643 direct labor (officer crew). In 2024, the average salary of employees reached 30.12 million VND/person/month (for crew members working directly on ships, the average salary was 34.63 million VND/person/month). Every month, the company pays salaries to employees fully and in accordance with regulations.

b) Labor policies to ensure the health, safety, and welfare of employees.

- Human resources are the company's most valuable asset and a decisive factor in the success of its strategies. For each employee, the company ensures a suitable job, deserved income, and benefits. The company signs labor contracts and pays salaries to employees in accordance with legal regulations and the company's internal personnel regulations. Employees working overtime have appropriate policies. Contributing to the sustainable development of the company.

- Organize periodic health check-ups for employees; Create playgrounds for sports, arts, and culture for employees to practice and improve their physical strength, health, and morale.

c) Employee training activities:

The company organizes training according to regulations, focusing on training, coaching, and professional development. In 2024:

- Develop and implement the 2024 training plan.

- Organize for employees to attend more than 10 training courses, more than 20 internal training courses, and more than 40 training courses for crew members, and send 7 employees for external training.

The company deployed and organized quite a few internal training sessions on corporate culture, maritime expertise, ship insurance, accounting, and labor law, with a **particular focus on soft skills training courses such as communication skills, problem-solving skills, self-discipline, and emotional management skills**, which are very useful and beneficial for employees. In addition, many employees and crew members self-study and foster to improve their qualifications through extracurricular courses and online learning according to the program of Vietnam maritime corporation.

Working environment

The company has a consistent policy and focuses on taking care of the working conditions and environment for employees and crew members, so it has achieved many positive results, contributing to increasing productivity and labor efficiency while ensuring health, minimizing occupational accidents and diseases at the company, contributing to creating peace of mind and attachment to the company for employees. Besides, the company also focuses on tradition, creating corporate culture, promoting communication, studying the company's code of conduct, creating a friendly, harmonious, and sharing working environment, helping each other to progress together.

The company's office and branch offices ensure adequate and appropriate working tools for each position; offices are well-lit, air-conditioned, and ventilated; the campus is green, clean, beautiful, and safe. In 2024, the Company continues to make uniforms for all office staff. Organize lunch in the company's kitchen to ensure adequate nutrition and food hygiene and safety. Organize periodic health check-ups for employees (October 2024); The company has purchased shipowner's liability insurance and crew insurance for crew members working on Vitranschart vessels; maintain the purchase of comprehensive and high-liability insurance for onshore employees.

On the company's ships, along with strictly adhering to the Maritime Labor Convention (MLC 2006) from policy to implementation, has significantly contributed to creating a noticeably improved working environment and conditions for crew members. Ensure adequate supply of medicines according to IMO standards, always replenish expired medicines. Ensure hygiene in the living and working environment, provide adequate medicine and means to exterminate termites, cockroaches, rats, and prevent mosquitoes. The company's fleet is fully equipped with medicines and medical supplies according to the Ministry of Health's guidelines.

Ensure working hours and rest time according to the regulations of the Labor Code, the Ministry of Transport, and the company's labor regulations, and more beneficial for employees.

Occupational safety and health

The company has regulations on occupational safety and health, stipulating the responsibilities of units and individuals in their activities to ensure occupational safety, labor hygiene, and fire prevention and fighting at the unit, minimizing risks in production and business activities. The company has developed an occupational safety plan, including costs for occupational safety, labor hygiene, and fire prevention and fighting.

Fire safety and prevention work is always a priority. The Company's office has an on-site fire prevention and fighting team, fully equipped with fire extinguishing equipment, regularly inspected and maintained. Every quarter and during long holidays and Tet, fire prevention and fighting officers inspect and review all fire safety and prevention work of the Company. The Company coordinated with the District 4 Fire Police Department to organize training, fire drills, and rescue and rescue exercises for employees. Organized a hygiene training course in May 2024.

On the Company's fleet, occupational safety and health are also prioritized. Crew members boarding the vessels are provided with full personal protective equipment. Despite financial difficulties, the Company ensures the provision of PPE to employees correctly, adequately, promptly, and economically, in accordance with the PPE equipment standards issued in Decision No. 435/QĐ-TCLĐ dated 03/11/2015. During the year, a total of 108 crew members were provided with PPE for boarding vessels.

Firefighting equipment and signs are fully arranged and comply with regulations. When vessels arrive at ports in Ho Chi Minh City, there are officers in charge of inspecting occupational safety and hygiene, fire prevention and fighting, and reminding compliance with labor protection regulations. In 2024, 04 vessels were inspected, and the general assessment is that all vessels have seriously and effectively implemented this work.

6.7. Report related to responsibilities to the local community:

Maintaining the Company's "Gratitude and Remembrance" activities to enhance the spirit of mutual love and support of employees and union members with society and the community, as well as promoting the Company's fine traditions. On Lunar New Year of the Dragon 2024, gifts were given to the People's Committee of Ward 18, District 4, Ho Chi Minh City to take care of poor households. Together with the Company's Trade Union, supported the construction of a charity house for Mrs. Vo Thi Lieu, a near-poor household in Cho Lach district, Ben Tre, with a cost of **40 million VND** from the fund for the poor. Despite the Company's financial difficulties, the Company still maintains the support for the Vietnamese Heroic Mother Nguyen Thi Diep, annually on the occasion of the Lunar New Year and the Day of War Invalids and Martyrs, visits and gifts are given to the Mother, and visits are made to the martyrs' cemetery in Cho Lach district, Ben Tre.

In addition, the Trade Union also mobilized employees to actively contribute and support compatriots affected by floods with **500 million VND**, contribute **50 million VND** to the Social Fund of the Vietnam Maritime Corporation's Trade Union, contribute 210 million VND to pave the martyrs' cemetery in Yen Hong commune, mobilize employees to participate in blood donation, etc.

III. REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS

1. Assessment of production and business results

In 2024, the Company exploits maximally its own resources with a dry cargo fleet of 05 vessels, with a total tonnage of more than 99,000 DWT, an average vessel age of 20.8 years, including the Vien Dong 3 vessel, which is 20 years old (sold and successfully handed over at the end of November 2024 due to the vessel's small size, old age, and high repair costs). The Company strives to increase business efficiency in its core business by taking advantage of every opportunity to increase revenue and at the same time minimize all costs, while developing the Maritime Labor Management and Supply service business to contribute to enhancing the Company's operational efficiency.

With dedicated effort, determination, leveraging market opportunities, and implementing appropriate business solutions, the Company has surpassed its total revenue and profit targets.

The progress the Company has achieved.

- Successfully restructured finances with credit institutions, resulting in over 190 billion VND of debt cancellation.

- Implemented measures to ensure continuous fleet operation, minimizing vessel waiting time, proactively working with charterers to arrange maintenance schedules, crew changes, etc., in the most efficient and economical manner; combined cargo handling time with the supply of spare parts and vessel repairs.

- Closely monitored and managed the circumstance of lubricants, fuel, and spare parts, conducting thorough checks before using.

- Conducted regular maintenance to ensure the technical condition of the fleet.

- Monitored and managed the proper implementation of the Maritime Labor and Safety Management System, with no vessels incurring serious violations related to MLC 2006. Effectively controlled PSC costs and cargo handling volumes at ports.

- Applied IT to management: development a vessel management software system, including key functions such as maintenance management; compliance management; spare parts management; crew management; and onboard management.

- Successfully development, operated, and managed the KPI performance evaluation system using the Balanced Scorecard (BSC) method within the company.

- Promoted decentralization and delegation of authority between the Board of Directors and the General Director; between the General Director and Deputy General Directors, departments/divisions/units, ensuring consistency in business activities.

2. Financial Situation

a) Asset Status (According to the Audited 2024 Consolidated Financial Statements)

As of 31/12/2024, the Company's total assets were 378 billion VND, a decrease of 81 billion VND compared to 31/12/2023. Wherein:

- Current assets were 208 billion VND, accounting for 55% of total assets; a decrease of 17 billion VND compared to 31/12/2023.

- Non-current assets were 170 billion VND, accounting for 45% of total assets, a decrease of 63 billion VND compared to 31/12/2023.

b) Liabilities Status: According to the 2024 Consolidated Financial Statements, as of 31/12/2024, the Company's total capital was 378 billion VND, consisting of the following items:

- Total liabilities were 1,047 billion VND, accounting for 277% of total capital, a decrease of 317 billion VND compared to 31/12/2023.

- Current liabilities were 943 billion VND, a decrease of 254 billion VND compared to 31/12/2023.

- Non-current liabilities were 104 billion VND, a decrease of 64 billion VND compared to

31/12/2023.

- Total short-term receivables were 135 billion VND.

The Company's debts are mainly focused on investments in the formation of means of production, which are marine vessels. The Company has strengthened its debt management. Overdue debts have decreased compared to the same period last year. For doubtful receivables, the Company accounts for and monitors each item separately to apply appropriate handling methods or make provisions.

* Analysis of overdue payables, the impact of exchange rate fluctuations on the Company's production and business results, and the impact of interest rate differentials.

Overdue liability: Overdue liability will affect the working capital turnover and the company's reputation. Therefore, the Company always manages and classifies debts to reduce overdue debts.

Impact of exchange rate differences: As a unit with original revenue and original debt in foreign currency, if the exchange rate increases, it will cause large exchange rate difference losses for the Company.

Impact of interest expense: In 2024, the Company's accumulated interest expense balance was 584 billion VND, a decrease of nearly 165 billion VND compared to the same period last year.

3. Improvements in organizational structure, policies, and management:

The Company always closely follows and implements the Restructuring Project for the period 2020 – 2025, and the organizational and personnel restructuring has achieved certain initial results.

- Regarding organizational restructuring, the Company has continued to review and rearrange the organizational structure towards greater streamlining and efficiency.

- Regarding the crew, the Company has promoted the review and classification of direct labor (crew members) to implement policies for those who do not ensure health, have poor organizational discipline, as well as cases of retirement under the regime, and resignation at personal request. At the same time, the company recruits labor to supplement retired and resigned crew members; the labor situation is stable, with no major fluctuations. In addition, the Company also strengthens training and education to improve the quality of the crew, meeting the requirements of tasks in the new situation.

- For the Company's office, the number of employees decreased due to resignations balanced by the number of recruits, at the beginning of 2024 it was 55 people, to date (6 decreased and 5 recruited) there are 54 people.

- For the Company's fleet of 5 ships, the number of crew members at the beginning of 2024 was 106 people, in April 2024 the quota decreased according to the roadmap of ships returning to Vietnam to 102, to date there are 4 ships (after successfully selling and handing over the Vien Dong 3 ship at the end of November 2024) with the quota remaining at 80 people.

- Continue to arrange a number of concurrent positions for Hai Dang Ship Management Company Limited.

4. Production and business plan for 2025:

4.1 Global economic and trade situation:

According to the January 2025 update report of the International Monetary Fund (IMF), world GDP grew by 3.2% in 2024 and is forecast to grow at 3.3% for both 2025 and 2026 (lower than the average of 3.7% for the period 2000-2019). The US economic forecast shows positive signs, however other countries still face many difficulties, such as energy problems in Europe and the real estate crisis in China, etc. The increase in domestic protectionist policies can cause increased international trade tensions, affect investment sources, reducing market economic efficiency, reducing trade flows, and disrupting supply chains.

Although China's industrial output increased thanks to the government's economic stimulus measures, supporting the manufacturing and export sectors; however, the country's economy is still facing a real estate crisis, deflation, and weak domestic consumer demand. China's Consumer Price

Index (CPI) in February 2025 was negative -0.7%, quite weak. Currently, the US-China trade tensions still exist, tariff measures and restrictive policies from the US put pressure on China's exports. (Source: IMF, Clarksons Research, Reuters, the Guardian, National Bureau of Statistics of China, Finance Times)

Dry bulk fleet growth:

According to Clarksons Research data (14/02/2025), the global dry bulk fleet grew by 3.0% in 2024 and is forecast to grow by approximately 3.7% in 2025. The handysize segment (10,000-45,000 DWT) grew by approximately 4.2% in 2024, and is forecast to grow by approximately 4.4% in 2025. The Handymax (45,000-70,000 DWT)/Panamax (70,000-100,000 DWT)/Capesize (100,000+ DWT) segments grew by approximately 4.1% / 3.2% / 1.7% respectively in 2024; and are forecast to grow by approximately 4.4%/ 4.3%/ 2.0% respectively in 2025. Fleet growth prospects in the coming period remain relatively high.

Demand for dry bulk seaborne transportation:

According to Clarksons Research data (14/02/2025), the volume of dry bulk seaborne cargo in 2024 is estimated to have reached approximately 5742 million tons, a growth of approximately 3.3% compared to 2023, with a very poor outlook predicted for 2025, with growth of only about 0.6%. According to BIMCO's forecast (January 2025), the demand for dry bulk transportation in terms of volume will grow by less than 1% in 2025, and between 1.5% and 2.5% in 2026.

Market forecast: The market forecast for 2025 is relatively weak due to supply growing more than demand.

Based on key political and economic factors, market forecasts, and the Company's fleet capacity and human resources, the Board of Directors has developed a production-business plan for 2025 with the following key projected targets:

Indicator	Unit	2025 Plan
1. Transportation Output	Million Tons	1.26
2. Total revenue	Billion VND	795.51
3. Earnings Before Taxes	Billion VND	320.00

Note: The consolidated 2025 plan targets for the entire Company do not include results from unplanned unusual activities, and take into account the successful investment in one Handysize vessel with a deadweight of 28,000 DWT – 32,000 DWT at the subsidiary Hai Dang SMC and the commissioning of this vessel from Q4/2025.

4.2 Solution groups for implementation:

Given the unpredictable developments in the maritime transport market, the plan outlined above presents challenges for the Company. Therefore, to achieve the planned targets, it requires the joint efforts of each individual and department in fulfilling their tasks, as well as enhanced management throughout the organization, specifically as follows:

4.2.1 Solutions for market and production-business:

- Focus on core areas of strength, such as crew chartering and vessel chartering.
- Modernize the fleet, focusing on large and cost-effective vessels to enhance operational efficiency. Apply digital technology to optimize operational and management processes, thereby reducing costs and increasing efficiency.
- Strengthen domestic and international cooperation to expand the market.
- Invest in the construction of an office building at 428 Nguyen Tat Thanh, developing office leasing services.

4.2.2 Solutions regarding customer policy:

- *Pricing policy solutions:* Continue to implement flexible cooperation policies to gain customer support if the company faces difficulties at certain times. The company prioritizes serving traditional customers with sound finances; cooperating in a win-win spirit where both sides benefit; having promotional programs and reasonable freight rate adjustments to support each other when the market reverses, etc.

- *Solutions for customer care and development:* Continue to strengthen contact and cooperation with partners in different market segments to be able to choose flexible vessel operation methods according to the company's technical and financial status. Although the Company currently plans to operate the fleet on a time charter basis, the Company still maintains contact with former customer relationships (previous voyage operations) so that when conditions permit, the Company can return to voyage operations or engage in external vessel chartering. The Company recognizes that developing the market in parallel with building as many customer relationships as possible will create favorable conditions not only for operating the Company's fleet but also for new services in the future (such as external vessel chartering, vessel operation management services, etc.). In addition to maintaining relationships with existing customers and caring for current customers, we also strive to build new customer relationships.

4.2.3 Solutions for corporate governance and innovation:

- Continue applying for the BSC KPI balanced scorecard and digitize the entire management and business process.

- Strengthen the leadership capacity of management levels through training and recruitment programs.

4.2.4 Solutions for finance and investment:

- Cash flow management: maintain the development and implementation of monthly/annual financial plans; control weekly income and expenditure balance and evaluate monthly implementation; prioritize cash flow for production and business activities, accumulate cash flow to implement and complete the restructuring of VDB's debt, and improve and strengthen the company's financial situation.

- Continue to cooperate with Viet Nam Debt and Asset Trading Corporation (DATC) to implement the plan to purchase and handle finances for the shipbuilding loan at Vietnam Development Bank.

- Develop feasible options to ensure the successful implementation of the plan to invest in additional ships, the office building construction project, and the transformation of the Company's subsidiaries model to mobilize additional investment from outside to help the Company develop.

4.2.5 Solutions for human resources:

- Send key personnel to participate in training and refresher courses on management and administration knowledge to improve management capacity at the unit.

- Send officials and employees to participate in professional training courses related to their assigned functions and tasks according to the unit's needs to improve the quality of human resources and meet assigned tasks.

- Continue to effectively implement the training and development regulations, operate the BSC-KPIs strategic management system linked to 3Ps salary payment to monitor and improve the operating results of the enterprise as well as departments with strategic goals, which is a lever to motivate employees to work better.

- Develop training programs, the main training forms include integration, on-the-job training, off-the-job training. Especially focus on building a team of internal trainers to implement training plans that are close to reality and specific to the industry's work, strengthen soft skills training courses, and corporate culture to develop the capacity of employees, officers – crew members comprehensively in terms of knowledge, skills, and attitude, as well as save costs for the Company.

4.2.6 Solutions for Technology - Engineering:

- Implement digital transformation at the Company:
- + Continue to deploy and complete the software: Electronic Office (e-office), Vessel Material Management (VMM).
- + Digitize documents and certificates to serve as input data for e-office, VMM, and BSC-KPI.
- Enhance cybersecurity for ships and shore:
- + Maintain and service the network system, firewall, and anti-virus system.
- + Maintain, upgrade, and deploy cybersecurity for the company's fleet.

4.2.7 Risk response solutions:

Strengthen the management of safety, engineering, and crew for the fleet to minimize incidents, detention during PSC, off-hire days, etc. Have practical measures to strictly control costs and fuel and lubricant consumption norms to ensure compliance with the technical and economic targets set out in the fleet's production and business plan.

Increase remuneration to retain competent crew members for training and supplement the shortage of crew members.

Develop a crew replacement plan when conditions permit, combined with the vessel's operating schedule to save costs, such as convenient ports abroad with low crew replacement costs or vessels calling at Vietnamese ports for loading and unloading cargo.

Strengthen professional training for officers - crew members. Regularly remind vessels to be well-prepared in all aspects for PSC inspections (if any), remind vessels to organize friendly, professional, and cooperative reception and service for PSCO, and avoid showing tension in communication with PSCO.

Guide the inspection of essential equipment and promptly rectify any discrepancies found periodically or before arrival at port.

Inspect, monitor, and evaluate the vessel internally when conditions permit. Regularly remind officers - crew members to fully comply with the Safety Management System (SMS). Strengthen professional training for officers - crew members.

Keep records, consider disciplinary actions, and potentially discontinue the use of these crew members; Implement effective deterrents if crew members violate discipline.

Notify, warn, and remind vessels to enhance security measures when passing through or calling at ports or waters with high security risks. Comply with the recommendations and guidance of relevant organizations and agencies.

Enhance close monitoring of weather bulletins and provide timely recommendations to support vessels.

Strengthen control and prevention of incidents occurring on the fleet.

Organize and assign personnel reasonably to support vessels smoothly and promptly.

5. Explanation of the Board of Management regarding audit opinions: *See the attached Explanation and Audited Financial Statements.*

6. Assessment report related to the Company's environmental and social responsibility.

6.1. Assessment related to environmental indicators (water consumption, energy, emissions, etc.):

For the fleet, the Company has made efforts to apply policies to ensure minimizing gas emissions into the environment and has provided the fleet with low-sulfur fuel oils according to IMO standards and regulations. For the office block, the use of electricity and water is balanced, economical, and efficient. The Company has installed a wastewater treatment system and does not violate wastewater treatment regulations.

6.2. Assessment related to labor issues: The Company has strictly and fully implemented

relevant policies and regulations regarding labor. Employees enjoy full legal and legitimate rights as prescribed by law.

6.3. Assessment related to corporate responsibility to the local community: Understanding the important role as well as the benefits from fulfilling social responsibility and responsibility to the community and locality, the Company has seriously implemented its social responsibility to the community and locality.

IV. ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S ACTIVITIES.

1. General assessment of the Company's activities:

In the context of weak global economic growth in 2024 along with prolonged geopolitical instability in many countries, but overall, the dry bulk shipping market remained stable with indexes increasing compared to the same period last year. The Company always closely follows market developments and takes advantage of opportunities, coupled with the successful implementation of financial restructuring and the successful sale of the Vien Dong 3 vessel at the end of November 2024, the Company's business results in 2024 profited nearly 221 billion VND, ensuring jobs and income for employees, specifically:

1.1. Production and business performance:

Indicator	Unit	Plan 2024	Actual 2024	Actual 2024/ Plan 2024
1. Transportation Output	Million Tons	1,137	1,170	103%
2. Total revenue (*)	Billion VND	637,869	736,548	115%
3. Profit (+)/Loss (-)	Billion VND	162,331	220,840	134%

1.2. Investment and asset liquidation status:

The Company has completed the sale of the vessel Vien Dong 3 with better results than estimated in the approved Vessel Sale Project, meeting the financial restructuring target.

The Company is carrying out procedures to apply for a construction permit for an office building at 428 Nguyen Tat Thanh Street, Ward 18, District 4, in accordance with the planning approved by the City People's Committee.

2. Evaluation of the Board of Management's activities

The Board of Directors has provided direction, guidance, and timely resolution of arising issues within its authority to facilitate the operations of the Board of Management (BoM). The BoM has complied with the provisions of the Enterprise Law, the Company's Charter, and the resolutions of the General Meeting of Shareholders, as well as the resolutions and decisions of the Board of Directors in business activities and financial restructuring, contributing to the gradual improvement of the Company's financial situation.

The Board of Management has made significant efforts in directing the organizational apparatus to implement the Company's production and business plan for 2024, fully and promptly deploying the guidelines and directions of the Board of Directors and reporting detailed implementation results with a high sense of responsibility. Analyze options, negotiate, and decide on signing contracts with appropriate terms and durations to optimize business efficiency; Ensure the technical condition of the fleet, reduce fuel consumption standards to enhance operational efficiency, improve service quality, and minimize related costs (off-hire, PSC, etc.). As a result, the achieved results have exceeded targets in all areas of production and business, contributing to maintaining and strengthening trust from partners, customers, and shareholders. The Board of Directors believes that the firm and flexible solutions in the management of the Board of Management will contribute to maintaining stability in business operations, in the context of a global economy facing many difficulties, especially military conflicts, escalating political instability in the Middle East, the

Russia-Ukraine war, and frequent congestion at major ports around the world, which have directly and comprehensively affected the global maritime industry as well as the Vitranschart fleet.

The Board of Directors assesses that the Board of Management have excellently completed their assigned tasks in 2024.

3. Plans and orientations of the Board of Directors:

- Continue to closely monitor and direct the Board of Management to implement the goal of strengthening the Company's financial situation to maintain stable and developing production and business activities.

- Continue to research and evaluate feasible and effective business areas, specifically:

- + Promote crew export and leasing activities.

- + Expand ship management and operation services.

- Strengthen risk control, corporate governance, technical improvements, and continue to apply information technology to improve work productivity, update production and business data promptly, thereby contributing to saving production costs and reducing product prices;

- Continue to improve the living standards and income of employees, and improve the working environment to attract and enhance the creativity, dedication, and commitment of employees to the Company;

- Maintain and ensure the implementation of information disclosure in accordance with legal regulations;

- Develop the 2025 business plan in accordance with the Company's actual situation, closely following the developments of the economy and the transportation market.

- Focus efforts on completing the set targets, including the production-business plan, investment plan, sales plan, and asset liquidation plan according to the Resolution of the Annual General Meeting of Shareholders.

- In accordance with the assigned authority, the Board of Directors approves the plan/policy/project for investing in ships and borrowing capital for development at the Company's subsidiaries, thereby allowing Hai Dang SMC to invest in 01 cargo ship with a tonnage of 28,000 – 32,000 DWT in 2025.

V. CORPORATE GOVERNANCE

1. Board of Directors

a. Members and structure of the Board of Directors (as of 31/12/2024)

No.	Name	Position	Number of shares held	Shareholding Percentage
1	Huynh Nam Anh	Chairman of the Board of Directors	Representative: 11,128,186 Individual: 96,962	16.13% 0.14%
2	Trinh Huu Luong	Board of Directors' members	Representative: 9,379,907	13.59%
3	Mai Thi Thu Van	Board of Directors' members	8,002	0.01%
4	Le Duy Duong	Board of Directors' members	Representative: 9,379,907	13.59%
5	Nguyen Hoang Sang	Board of Directors' members	4,000	0.006%

Management positions held by each member of the Company's Board of Directors at other companies:

- Mr. Huynh Nam Anh: Chairman of Hai Dang Ship Management Company Limited until 30/09/2024.
- Mr. Trinh Huu Luong: Chairman of SCC Crew Management Company Limited until 30/09/2024.
- Mr. Le Duy Duong: Head of Finance and Accounting Department of Vietnam Maritime Corporation.
- Mr. Nguyen Hoang Sang: Director of Hai Dang Ship Management Company Limited until 01/07/2024.

b. Sub-committees of the Board of Directors: The Board of Directors does not establish sub-committees.

c. Activities of the Board of Directors

In 2024, the Company's Board of Directors issued 42 Resolutions and Decisions related to all activities of organization, personnel, production-business, investment, etc. The Resolutions and decisions issued by the Board of Directors were unanimously agreed upon by the Board of Directors' members and complied with the Company's Charter.

No.	Resolution/ Decision No.	Date	Content	Approval rate
01	01/NQ-HĐQT	02/01/2024	Decision on approving the human resources for management and executive personnel of the Company for the period 2020-2025 and subsequent years	100%
02	02/NQ-HĐQT	10/01/2024	Resolution awarding the title "Emulation Fighter" in 2023	100%
03	03/QĐ-HĐQT	11/01/2024	Resolution of the meeting on January 11 th , 2024	100%
04	04/QĐ-HĐQT	11/01/2024	Resolution establishing the Organizing Committee for the 2024 Annual General Meeting of Shareholders	100%
05	05/NQ-HĐQT	11/01/2024	Resolution on the Company's Board of Directors' action plan for 2024	100%
06	06/NQ-HĐQT	25/01/2024	Resolution on the distribution of after-tax profit in 2023 of SCC Crew Manning Co., Ltd.	100%
07	07/QĐ-HĐQT	02/02/2024	Decision on issuing Regulations on the use of the company's reward and welfare fund	100%
08	08/QĐ-HĐQT	02/02/2024	Resolution on organizing the 2024 Annual General Meeting of Shareholders	100%
09	09/NQ-HĐQT	07/03/2024	Resolution approving the content of the Meeting Agenda and Documents of the 2024 Annual General Meeting of Shareholders	100%
10	10/QĐ-HĐQT	29/03/2024	Resolution of the Board of Directors meeting on March 29 th , 2024	100%
11	11/NQ-HĐQT	12/04/2024	Resolution on signing a contract between Vitranschart and subsidiaries	100%
12	12/NQ-HĐQT	22/04/2024	Resolution establishing the Organizing Committee for the 50th anniversary of the Company's founding	100%
13	13/QĐ-HĐQT	27/05/2024	Resolution on Implementing the Private Placement of Shares to Swap Debt.	100%

14	14/QĐ-HĐQT	27/05/2024	Resolution on Approving the Dossier for Private Placement of Shares to Swap Debt	100%
15	15/QĐ-HĐQT	27/05/2024	Resolution establishing the Liquidation and Sale Council for the Vien Dong 3 vessel	100%
16	16/QĐ-HĐQT	26/06/2024	Decision on reappointing Mrs. Mai Thi Thu Van - Deputy General Director of the company	100%
17	17/NQ-HĐQT	26/06/2024	Decision on reappointing Mrs. Le Kim Phuong - Chief Accountant of the company	100%
18	18/QĐ-HĐQT	26/06/2024	Resolution on Approving the Plan for SCCM to relocate the office of SCCM's representative office in Hai Phong	100%
19	19/NQ-HĐQT	02/07/2024	Resolution on signing a contract between Vitranschart and a affiliated persons	100%
20	20/QĐ-HĐQT	03/07/2024	Resolution on changing the legal representative of Hai Dang Ship Management Co., Ltd	100%
21	21/NQ-HĐQT	12/07/2024	Resolution of the Board of Directors meeting on July 12 th , 2024	100%
22	22/QĐ-HĐQT	26/07/2024	Decision on assigning Personnel for Overseas Business Trip	100%
23	23/QĐ-HĐQT	26/07/2024	Decision on assigning Personnel for Overseas Business Trip	100%
24	24/QĐ-HĐQT	01/08/2024	Decision approving the Vien Dong 3 Vessel Sale Project	100%
25	25/QĐ-HĐQT	12/08/2024	Decision approving the Human Resource Planning for Management and Executive Personnel for the Period 2020-2024 and Subsequent Years	100%
26	26/NQ-HĐQT	16/09/2024	Resolution regarding Human Resource matters	100%
27	27/QĐ-HĐQT	19/09/2024	Decision approving the Sale of Vien Dong 3 Vessel	100%
28	28/QĐ-HĐQT	19/09/2024	Decision on dismissal of Capital Representative and Chairman of SCCM	100%
29	29/QĐ-HĐQT	19/09/2024	Decision on appointing Capital Representative and Assigning Chairman of SCCM	100%
30	30/QĐ-HĐQT	19/09/2024	Decision on dismissal of Capital Representative and Chairman of Hai Dang SMC	100%
31	31/QĐ-HĐQT	19/09/2024	Decision on appointing Capital Representative and assigning the role of Chairman of Hai Dang SMC	100%
32	32/QĐ-HĐQT	20/09/2024	Decision on Changing the Legal Representative of Hai Dang Shipping Management Company Limited	100%
33	33/NQ-HĐQT	08/10/2024	Resolution of the Board of Directors Meeting on October 8 th , 2024	100%
34	34/QĐ-HĐQT	30/10/2024	Decision on Issuing the Personnel Working Regulations of Vitranschart	100%

35	35/NQ-HĐQT	11/11/2024	Resolution on Registering Charter Capital Increase, Amending the Business Registration Certificate, Supplemental Securities Registration, and Supplemental Securities Trading Registration	100%
36	36/NQ-HĐQT	28/11/2024	Resolution on handling the loan at MSB	100%
37	37/QĐ-HĐQT	05/12/2024	Decision on Signing the land lease contract and Issuing the Certificate of land use rights for zone I - 428NTT	100%
38	38/QĐ-HĐQT	09/12/2024	Decision on Funding for the 50th Anniversary of Vitranschart	100%
39	39/QĐ-HĐQT	10/12/2024	Decision Approving the 2024 salary and income fund, and provisionally assigning the 2025 salary and income plan	100%
40	40/QĐ-HĐQT	25/12/2024	Decision on awarding the title of "Emulation Fighter" in 2024	100%
41	41/QĐ-HĐQT	25/12/2024	Decision on Issuing Regulations on procedures and documents for purchasing, selling, and building new vessels of Vitranschart	100%
42	42/QĐ-HĐQT	31/12/2024	Decision on Rewarding BoMs for outstanding achievements bringing high economic efficiency to the Company	100%

d. List of Board of Directors' members with corporate governance training certificates.

- Mr. Huynh Nam Anh: Chairman of the Board of Directors.
- Mr. Trinh Huu Luong: Member of the Board of Directors.

e. List of Board of Directors' members participating in corporate governance programs during the year

In 2024, the Board of Directors' members, the Board of Management, the Board of Supervisors and key personnel of the Company participated in corporate governance programs online, and E-learning courses organized by Vietnam Maritime Corporation:

- Thematic Conference "Corporate Culture"; Seminar "ESG with practical actions"; "For a renewed and effective general meeting of shareholders".
- Professional activity program: some points to note regarding Decree 13 on Personal Data Protection.
- Internal training courses: Effective planning and Work organization, High-performance teamwork, Communication skills, Problem-solving skills, Emotional management skills, Self-discipline, Customer journey map and action plan "Customer-centric".

2. Board of Supervisors

a. List of members of the Board of Supervisors (as of 31/12/2024)

No.	Name	Position	Number of shares held	Shareholding Percentage
1	Vu Thu Diep	Head of the Board of Supervisors	0	0%
2	Nguyen Thi Phuong Thao	Member of the Board of Supervisors	0	0%
3	Nguyen Quynh Lien	Member of the Board of Supervisors	17,285	0.026%

** The members of the Company's Supervisory Board work on a concurrent basis.*

b. Activities of the Board of Supervisors:

- The Board of Supervisors inspected and supervised the compliance with the Company's Charter, legal regulations in the management activities of the Company's Board of Directors:

+ Supervise the implementation of the Resolution of the 2024 Annual General Meeting of Shareholders on the implementation of the 2024 production-business and investment plan targets; sale and liquidation of ships; implementation of the office building construction project; payment of salaries and remuneration of Board of Directors' members and Member of the Board of Supervisors; selection of an independent audit unit to audit the 2024 financial statements; private placement of shares to swap debts;...

+ Oversee the Board of Directors' management activities through the issuance of Board resolutions/decisions; the issuance of internal regulations; the organization of General Meetings of Shareholders and Board meetings; participation in and contribution to Board meetings; etc.

- The Board of Supervisors has inspected and supervised compliance with the Company Charter and legal regulations in the management and administration of the Company's General Director:

+ Supervise the implementation of the Board of Directors' resolutions/decisions/directives.

+ Monitor the Company's production, business, and investment activities through periodic and ad-hoc reports to provide feedback to the Company.

+ Monitor the issuance of internal rules, regulations, and processes, and their implementation.

- Review and evaluate financial statements:

The Board of Supervisors reviewed the audited semi-annual and annual 2024 financial statements to assess the reasonableness of the financial data and compliance with current Vietnamese accounting standards, regulations, and financial policies.

- Board of Supervisors' report to the General Meeting of Shareholders:

In performing its duties, the Board of Supervisors reported to the 2024 Annual General Meeting of Shareholders on the results of its supervision of the Board of Directors and the General Director of the Company in management and administration; the results of supervising the Company's production, business, and investment activities; and the results of the Board of Supervisors' performance of its duties in 2024.

- In the course of performing its duties, the Board of Supervisors maintained good working relationships and coordination with the Board of Directors and the Board of Management of the Company. The Board of Supervisors fully implemented the supervisory reports and other reports as requested.

- Meetings of the Board of Supervisors in 2024:

No.	Date	Content	Meeting attendance rate	Voting rate
1	11/03/2024	Approve the Board of Supervisors' report presented at the 2024 Annual General Meeting of Shareholders.	100%	100%
2	27/03/2024	Conduct inspection, supervision, and approval of the Inspection and Supervision Report of the enterprise's activities for the 2023 fiscal year.	100%	100%
3	09/08/2024	Conduct inspection, supervision, and approval of the Inspection and Supervision Report of the enterprise's activities for the first 6 months of 2024.	100%	100%
4	20/12/2024	Summarize the results of the 2024 operational plan and agree on the 2025 operational plan of the Board of Supervisors.	100%	100%

3. Transactions, remuneration, and benefits of the Board of Directors, Board of Supervisors, and Board of Management:

a) Salary, bonus, remuneration, benefits

- The Chairman of the Board of Directors works on a full-time basis, while other Board of Directors' members and members of the Board of Supervisors work on a concurrent basis. The annual full-time Board of Directors' salary fund and part-time remuneration are submitted to the General Meeting of Shareholders for approval of the plan and settlement of the previous year's remuneration. At the time of reporting, the full-time Board of Directors' salary fund and part-time remuneration for Board of Directors' members and Board of Supervisors' members are as follows:

+ Full-time Board of Directors' salary fund in 2024: 585 million VND

+ Remuneration for Board of Directors' members, Head of the Board of Supervisors: 5 million VND/person/month.

+ Remuneration for Member of the Board of Supervisors: 4 million VND/person/month.

- Total salary and bonus of the Chairman of the Board of Directors in 2024: 692 million VND.

- Total salary and bonus of the Board of Management (3 people) in 2024: 1.647 billion VND.

b) Internal person's share transactions:

The Trade Union of Vietnam Sea Transport and Chartering Joint Stock Company (the President of the Trade Union is a member of the Company's Board of Directors) sold 78,900 VST shares from 01/01/2024 to 31/12/2024.

c) Contracts or transactions with internal person:

The Company's Board of Directors issued Resolution No. 10/NQ-HĐQT dated 07/04/2022 and Resolution No. 11/NQ-HĐQT dated 12/04/2024 regarding transactions with related persons:

- Bareboat charter contract, ship management contract VTC Ocean/ ship VTC Glory with a related party, Hai Dang Ship Management Company Limited (subsidiary, 100% ownership) with a total transaction value in 2024: 46.4 billion VND;

- Crew hiring contract, office equipment lease contract with SCC Crew Manning Company Limited (subsidiary, 100% ownership) with a total transaction value in 2024: 5.2 billion VND and 0.5 billion VND.

d) Evaluation of the implementation of regulations on corporate governance:

- The Board of Directors has properly performed its functions, duties, and powers in accordance with the Enterprise Law, the Company's Charter, and legal regulations, and has strictly implemented the Resolutions of the General Meeting of Shareholders.

- Organize meetings in accordance with regulations to exchange, analyze, and reach unanimous decisions among members, and promptly direct arising tasks.

- The Board of Management manages the Company in accordance with its functions and duties as prescribed by law, the Company's Charter, and current regulations.

VI. FINANCIAL REPORT:

1. Audit opinion, Audited financial statements (attached)

2. Explanation of the Board of Management regarding the audit opinion (attached)

Recipients:

- SSC- Hanoi
- Stock Exchange
- Archived TK

Ho Chi Minh City, March 24th, 2025



Trinh Huu Luong



CONSOLIDATED FINANCIAL STATEMENTS

VIET NAM SEA TRANSPORT AND CHARTERING JOINT STOCK COMPANY

For the fiscal year ended as at 31/12/2024
(Audited)



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THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

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REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Viet Nam Sea Transport And Chartering Joint Stock Company ("the Company") presents its report and the Company's Consolidated Financial Statements for the fiscal year ended as at 31 December 2024.

THE COMPANY

Viet Nam Sea Transport and Chartering Joint Stock Company was equitized from a state-owned enterprise under Decision No.2137/QĐ-BGTVT dated 11 July 2007 of the Ministry of Transport. The Company operates under Business Registration Certificate No. 4103008926 issued by Ho Chi Minh City Department of Planning and Investment for the first time on 31 December 2007, amended for the 17th time on 25 November 2024 with the business code No.0300448709.

The Company's head office is located at No. 428 Nguyen Tat Thanh Street, Ward 18, District 4, Ho Chi Minh City.

BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISION

Members of the Board of Directors during the fiscal year and to the reporting date are:

Mr. Huynh Nam Anh	Chairman
Mr. Trinh Huu Luong	Member
Mrs. Mai Thi Thu Van	Member
Mr. Le Duy Duong	Member
Mr. Nguyen Hoang Sang	Member

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

Mr. Trinh Huu Luong	General Director
Mrs. Mai Thi Thu Van	Vice General Director of Finance
Mr. Vuong Nguyen Trieu Quang	Vice General Director

Members of the Board of Supervision are:

Mrs. Vu Thi Diep	Head of Control Department
Mrs. Nguyen Quynh Lien	Member
Mrs. Nguyen Thi Phuong Thao	Member

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and until the preparation of this Consolidated Financial Statements is Mr. Trinh Huu Luong – General Director.

AUDITORS

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

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Board of Management is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Consolidated Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirms that the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024, its operations and cash flows in the year 2024 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.

Other commitments

The Board of Management pledges that the Company complies with Decree No. 155/2020/ND-CP dated 31 December 2020 on detailing and guiding the implementation of a number of articles of the Law on Securities and the Company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance guiding the disclosure of information on Securities Market and the Circular No. 68/2024/TT-BTC dated 18 September 2024 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 96/2020/TT-BTC.



Trinh Huu Luong
General Director

Ho Chi Minh City, 24 February 2025

No.: 240225.003/BCTC.KT2

INDEPENDENT AUDITORS' REPORT

To: Shareholders, Board of Director and Board of Management
Viet Nam Sea Transport and Chartering Joint Stock Company

We have audited the accompanying Consolidated Financial Statements of Viet Nam Sea Transport And Chartering Joint Stock Company prepared on 24 February 2025 from pages 06 to 41 including: Consolidated Statement of Financial Position as at 31 December 2024, Consolidated Statement of Income, Consolidated Statement of Cash flows and Notes to Consolidated Financial Statements for the fiscal year ended as at 31 December 2024.

Board of Management' Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion

1. As at 31 December 2024, the Company's current liabilities exceeded its current assets by VND 734.51 billion, with an accumulated loss of VND 1,375.76 billion and negative equity of VND 669.11 billion. Additionally, as disclosed in Note 19 - Borrowings, overdue borrowings amounted to VND 218.72 billion. The Company has not yet developed an effective plan to address liquidity issues or secure sufficient funding to settle its due obligations within the next 12 months under normal operating conditions. These events, along with the matters discussed in Note 1, indicate the existence of a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern. However, the Consolidated financial statements for the financial year ended as at 31 December 2024, have still been prepared on a going concern basis.

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2. According to the "Confirmation and Transfer of Creditor Rights Agreement between Bao Viet Joint Stock Commercial Bank, Vietnam Debt and Asset Trading Corporation, and Viet Nam Sea Transport and Chartering Joint Stock Company" dated 17 January 2023, the Company has under-recognized late payment penalty expenses amounting to VND 29.306 billion. The under-recognition of this penalty in the previous year has resulted in the "Short-term accrued expenses" item being understated and the "Retained earnings" item being overstated by the same amount of VND 29.306 billion on the Statement of Financial position as at 1 January 2024 and 31 December 2024.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the Consolidated Financial Statements give a true and fair view, in all material respects, of the Financial Position of Viet Nam Sea Transport And Chartering Joint Stock Company as at 31 December 2024, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

AASC Auditing Firm Company Limited



Vu Xuan Bien

Deputy General Director
Registered Auditor
No.: 0743-2023-002-1

Hanoi, 24 February 2025

Dang Huy Hoang

Auditor
Registered Auditor
No.: 4461-2023-002-1

VIET NAM SEA TRANSPORT AND CHARTERING JOINT STOCK COMPANY

No. 428 Nguyen Tat Thanh Street, Ward 18, District 4,
Ho Chi Minh City

Consolidated Financial Statements
for the fiscal year ended as at 31/12/2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Code	ASSETS	Note	31/12/2024 VND	01/01/2024 VND
100	A. CURRENT ASSETS		208,182,413,368	225,560,235,350
110	I. Cash and cash equivalents	3	32,588,671,927	29,266,281,987
111	1. Cash		32,588,671,927	29,266,281,987
130	II. Short-term receivables		134,506,197,465	154,023,112,395
131	1. Short-term trade receivables	5	2,303,696,422	1,431,710,576
132	2. Short-term prepayments to suppliers	6	2,095,832,181	840,799,009
136	3. Other short-term receivables	7	139,304,706,988	160,948,640,936
137	4. Provision for short-term doubtful debts		(9,198,038,126)	(9,198,038,126)
140	III. Inventories	9	28,694,481,051	30,709,440,421
141	1. Inventories		28,694,481,051	30,709,440,421
150	IV. Other short-term assets		12,393,062,925	11,561,400,547
151	1. Short-term prepaid expenses	12	4,465,174,849	2,374,477,248
152	2. Deductible VAT		7,861,315,901	9,045,218,310
153	3. Taxes and other receivables from State budget	15	66,572,175	141,704,989
200	B. NON-CURRENT ASSETS		169,793,374,506	233,259,823,595
210	I. Long-term receivables		23,311,896,375	23,249,186,422
216	1. Other long-term receivables	7	23,311,896,375	23,249,186,422
220	II. Fixed assets		123,188,297,446	180,654,828,605
221	1. Tangible fixed assets	10	123,084,837,596	180,412,277,159
222	- Historical costs		1,252,201,395,273	1,355,539,741,760
223	- Accumulated depreciation		(1,129,116,557,677)	(1,175,127,464,601)
227	2. Intangible fixed assets	11	103,459,850	242,551,446
228	- Historical costs		7,580,995,096	7,580,995,096
229	- Accumulated amortization		(7,477,535,246)	(7,338,443,650)
240	III. Long-term assets in progress		-	625,985,288
242	1. Construction in progress		-	625,985,288
250	IV. Long-term investments	4	2,000,000,000	2,000,000,000
253	1. Equity investments in other entities		2,000,000,000	2,000,000,000
260	V. Other long-term assets		21,293,180,685	26,729,823,280
261	1. Long-term prepaid expenses	12	21,293,180,685	26,729,823,280
270	TOTAL ASSETS		377,975,787,874	458,820,058,945

VIET NAM SEA TRANSPORT AND CHARTERING JOINT STOCK COMPANY

No. 428 Nguyen Tat Thanh Street, Ward 18, District 4,
Ho Chi Minh City

Consolidated Financial Statements
for the fiscal year ended as at 31/12/2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(continue)

Code	CAPITAL	Note	31/12/2024 VND	01/01/2024 VND
300	C. LIABILITIES		1,047,085,949,117	1,364,519,347,786
310	I. Current liabilities		942,695,689,518	1,196,465,385,409
311	1. Short-term trade payables	13	16,873,201,385	12,541,539,495
312	2. Short-term prepayments from customers	14	17,327,893,049	16,385,948,733
313	3. Taxes and other payables to State budget	15	797,180,007	966,081,065
314	4. Payables to employees		38,935,302,073	35,940,152,730
315	5. Short-term accrued expenses	16	588,184,790,578	754,688,358,682
318	6. Short-term unearned revenue	17	8,750,194,161	5,020,152,205
319	7. Other short-term payments	18	30,006,168,893	29,475,869,654
320	8. Short-term borrowings and finance lease liabilities	19	240,580,996,862	339,379,820,692
322	9. Bonus and welfare fund		1,239,962,510	2,067,462,153
330	II. Non-current liabilities		104,390,259,599	168,053,962,377
337	1. Other long-term payables	18	8,404,589,178	8,404,589,178
338	2. Long-term borrowings and finance lease liabilities	19	95,985,670,421	159,649,373,199
400	D. OWNER'S EQUITY		(669,110,161,243)	(905,699,288,841)
410	I. Owner's equity	20	(669,110,161,243)	(905,699,288,841)
411	1. Contributed capital		689,993,370,000	669,993,370,000
411a	Ordinary shares with voting rights		689,993,370,000	669,993,370,000
412	2. Share Premium		88,258,000	88,258,000
418	3. Development and investment funds		11,731,245,480	11,731,245,480
420	4. Other reserves		4,840,727,077	4,840,727,077
421	5. Retained earnings		(1,375,763,761,800)	(1,592,352,889,398)
421a	Retained earnings accumulated to previous year		(1,593,635,250,495)	(2,149,500,139,436)
421b	Retained earnings of the current year		217,871,488,695	557,147,250,038
440	TOTAL CAPITAL		377,975,787,874	458,820,058,945

Le Kim Phuong
Preparer, Chief Accountant

Mai Thi Thu Van
Vice General Director of
Finance



Trinh Huu Luong
General Director

Ho Chi Minh City, 24 February 2025

VIET NAM SEA TRANSPORT AND CHARTERING JOINT STOCK COMPANY

No. 428 Nguyen Tat Thanh Street, Ward 18, District 4,
Ho Chi Minh City

Consolidated Financial Statements
for the fiscal year ended as at 31/12/2024

CONSOLIDATED STATEMENT OF INCOME

Year 2024

Code ITEM	Note	Year 2024	Year 2023
		VND	VND
01 1. Revenue from sales of goods and rendering of services	22	496,024,249,089	437,666,578,753
02 2. Revenue deductions		-	-
10 3. Net revenue from sales of goods and rendering of services		496,024,249,089	437,666,578,753
11 4. Cost of goods sold and services rendered	23	426,665,719,542	445,786,982,439
20 5. Gross profit from sales of goods and rendering of services		69,358,529,547	(8,120,403,686)
21 6. Financial income	24	11,190,991,172	7,175,019,027
22 7. Financial expense	25	38,898,815,773	50,429,555,474
23 In which: Interest expenses		35,176,776,493	43,475,407,392
24 8. Share of joint ventures and associates' profit or loss		-	-
25 9. Selling expense	26	6,118,353,853	5,592,023,058
26 10 General and administrative expenses	27	36,167,768,679	30,874,558,244
30 11. Net profit from operating activities		(635,417,586)	(87,841,521,435)
31 12. Other income	28	229,334,119,867	656,087,600,507
32 13. Other expense	29	7,858,397,047	7,827,305,919
40 14. Other profit		221,475,722,820	648,260,294,588
50 15. Total net profit before tax		220,840,305,234	560,418,773,153
51 16. Current corporate income tax expenses	30	2,968,816,539	2,598,368,778
60 18. Profit after corporate income tax		<u>217,871,488,695</u>	<u>557,820,404,375</u>
61 19. Profit after tax attributable to owners of the parent		217,871,488,695	557,820,404,375
62 20. Profit after tax attributable to non-controlling interest		-	-
70 21. Basic earnings per share	31	3,239	8,379

Le Kim Phuong
Preparer, Chief Accountant

Mai Thi Thu Van
Vice General Director of
Finance

Trinh Huu Luong
General Director

Ho Chi Minh City, 24 February 2025

CONSOLIDATED STATEMENT OF CASH FLOWS*Year 2024*
(Indirect method)

CodeITEM	Note	Year 2024	Year 2023
		VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax	220,840,305,234	560,418,773,153
	2. Adjustments for		
02	- Depreciation and amortization of fixed assets and investment properties	57,811,805,704	82,478,896,893
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency	58,513,190	23,070,195
05	- Gains / losses from investment activities	(46,424,067,597)	(90,157,176,974)
06	- Interest expense	35,176,776,493	46,139,593,170
07	- Other adjustments	(189,711,788,915)	(570,817,021,456)
08	3. Operating profit before changes in working capital	77,751,544,109	28,086,134,981
09	- Increase/decrease in receivables	21,926,324,926	3,566,954,727
10	- Increase/decrease in inventories	2,014,959,370	11,617,806,550
11	- Increase/decrease in payables (excluding interest payable/ corporate income tax payable)	11,400,864,864	(31,864,028,092)
12	- Increase/decrease in prepaid expenses	22,983,825,961	25,096,575,597
14	- Interest paid	(9,986,214,549)	(16,053,279,554)
15	- Corporate income tax paid	(3,047,153,159)	(2,627,601,952)
17	- Other payments on operating activities	(2,090,160,670)	(1,024,641,669)
20	Net cash flows from operating activities	120,953,990,852	16,797,920,588
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets	(26,804,169,785)	(15,563,502,293)
22	2. Proceeds from disposals of fixed assets and other long-term assets	45,491,405,586	87,995,067,862
23	3. Loans and purchase of debt instruments from other entities	-	(30,000,000,000)
24	4. Collection of loans and resale of debt instrument of other entities	-	30,000,000,000
27	5. Interest and dividend received	6,444,394,091	5,455,146,183
30	Net cash flows from investing activities	25,131,629,892	77,886,711,752

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CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2024
(Indirect method)
(continued)

Code ITEM	Note	Year 2024 VND	Year 2023 VND
III CASH FLOWS FROM FINANCING ACTIVITIES			
33 1. Proceeds from borrowings		18,869,625,000	20,000,000,000
34 2. Repayment of principal		(161,667,151,608)	(119,824,134,193)
40 <i>Net cash flows from financing activities</i>		<i>(142,797,526,608)</i>	<i>(99,824,134,193)</i>
50 Net cash flows in the year		3,288,094,136	(5,139,501,853)
60 Cash and cash equivalents at the beginning of the year		29,266,281,987	34,476,381,562
61 Effect of exchange rate fluctuations		34,295,804	(70,597,722)
70 Cash and cash equivalents at the end of the year	3	<u>32,588,671,927</u>	<u>29,266,281,987</u>



Le Kim Phuong
Preparer, Chief Accountant



Mai Thi Thu Van
Vice General Director of
Finance



Trinh Huu Luong
General Director

Ho Chi Minh City, 24 February 2025

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS*Year 2024***1 . GENERAL INFORMATION****Form of Ownership**

Viet Nam Sea Transport and Chartering Joint Stock Company was equitized from a state-owned enterprise under Decision No.2137/QĐ-BGTVT dated 11 July 2007 of the Ministry of Transport. The Company operates under Business Registration Certificate No. 4103008926 issued by Ho Chi Minh City Department of Planning and Investment for the first time on 31 December 2007, amended for the 17th time on 25 November 2024 with the business code No.0300448709.

The Company's head office is located at No. 428 Nguyen Tat Thanh Street, Ward 18, District 4, Ho Chi Minh City.

The Company's registered charter capital is VND 689,993,370,000, and the actually contributed capital as of 31 December 2024 is VND 689,993,370,000, equivalent to 68,999,337 shares, with a par value of VND 10,000 per share.

The number of employees of the Company as at 31 December 2024 is 724 people (it was 655 people as at 31 December 2023).

Business field

Trade and services.

Business activities

Main business activities of the Company include:

- Coastal and ocean freight. In details: Sea freight trading;
- Inland waterway cargo transport;
- Warehousing and storage of goods. In details: Warehousing and storage of goods in bonded warehouses;
- Loading and unloading goods. In details: Loading and unloading road cargo;
- Other support services activities related to transportation. In details: Ship supply service. Cargo delivery service. International multi-modal transport business. Logistics service. Customs declarancy Services. Leasing Warehouse, container. Ship Agency services. Broker renting ship. Weighing goods related to transport;
- Supply and manage labor resources. In details: export labor;
- Repair and maintenance of means of transport (except cars, motorcycles, motorcycles and other motor vehicles). In details: Ship repair;
- Wholesale of machines, equipment and other spare parts. In details: Buying and selling vehicles, equipment, Spare parts for marine transport, materials, chemicals, paints for repair and maintenance of ships;
- Wholesale of materials and other installation equipment in construction. In details: trading of construction materials;
- Wholesale of solid fuel, liquid, gas and related products. In details: Petroleum trading agents;
- Real estate business, land use rights belonging to the owner, owner or tenant. In details: Real estate business;
- Wholesale of agricultural and forestry materials (except wood, bamboo) and living animals (not operating at the headquarters).

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

As at 31 December 2024, the Company's current liabilities exceeded its current assets by VND 734.51 billion, with an accumulated loss of VND 1,375.76 billion and negative equity of VND 669.11 billion. Additionally, as disclosed in Note 19 - Borrowings, overdue borrowings amounted to VND 218.72 billion. As disclosed in Note 16 - Short-term accrued expenses, interest expenses payable on these overdue borrowings amounted to VND 584.33 billion.

The Company is striving to minimize losses and seeking financial restructuring opportunities to offset the deficit and bring its profitability back to a balanced level. Currently, in addition to implementing business and market strategies to increase profits, the Company has also reached financial restructuring agreements with banks and is expected to receive debt relief of more than VND 530 billion in 2024-2025. Furthermore, the Company's fleet of four vessels has been fully depreciated but still holds sufficient market value to cover outstanding loans. With the outlined plans and strategic direction, the Company's Board of Management believes that the preparation and presentation of the Consolidated financial statements for the financial year ended 31 December 2024, on a going concern basis is appropriate.

During the year, the Company was forgiven interest on overdue interest payments by the Vietnam Development Bank – Northeast Branch and the Vietnam Development Bank – Transaction Office II, with a total amount of VND 190.37 billion. The Company has recognized this amount as other income (Note 28)

Group structure

- The Group's subsidiaries consolidated in Consolidated Financial Statements as at 31/12/2024 include :

Name of company	Head office	Proportion of	Proportion of voting	Principal activities
SCC Crew Manning Company Limited (SCCM)	Ho Chi Minh City	100.00%	100.00%	Labor export, crew supply
Hai Dang Ship Management Company Limited	Ho Chi Minh City	100.00%	100.00%	Shipping

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

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

The Company maintains its accounting records in VND.

2.2 . Standards and Applicable Accounting Policies*Applicable Accounting Policies*

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance, the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC and the Circular No. 202/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance guiding the preparation and presentation of Consolidated Financial Statements.

Declaration of compliance with Accounting Standards and Accounting System

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 . Basis for preparation of consolidated financial statements

Consolidated Financial Statements are prepared based on consolidating Combined Financial Statements of the Company and Financial Statements of its subsidiaries under its control as at 31 December annually. Control right is achieved when the company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

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

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from Consolidated financial statements.

2.4 . Accounting estimates

The preparation of Consolidated Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the accounting year.

The estimates and assumptions that have a material impact in the Consolidated Financial Statements include:

- Provision for bad debts;
- Provision for devaluation of inventory;
- Provision for payables;
- Estimated allocation of prepaid expenses;
- Estimated useful life of fixed assets;
- Classification and provision of financial investments;
- Estimated income tax.

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company's Consolidated Financial Statements and that are assessed by the Board of Management to be reasonable under the circumstances.

2.5 . 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

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 not provide any relevant instruction for assessment and recognition of fair value of financial assets and financial liabilities.

2.6 . Foreign currency transactions

Foreign currency transactions during the year are converted into Vietnamese dong at an approximate actual exchange rate, as this rate differs by no more than 1% from the average transfer buying and selling exchange rate.

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of the combined financial statements is determined on the following principles: The Company's office uses the average transfer buying and selling rate of commercial banks where businesses regularly have transactions to revalue monetary items denominated in foreign currencies.

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.

2.7 . Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

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. The receivables shall be classified into short-term receivables or long-term receivables on the consolidated financial statements according to their remaining terms at the reporting date.

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 or estimating possible losses.

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.

Net realizable value is estimated based on the selling price of the inventory minus the estimated costs for completing the products and the estimated costs needed for their consumption.

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The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual method.

Provision for devaluation of inventories made at the end of the year is based on the excess of original cost of inventory over their net realizable value.

2.10 . Fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

Subsequent measurement after initial recognition

If these costs augment future economic benefits obtained from the use of tangible fixed assets are extended to their initial standards conditions, these costs are capitalized as an incremental in their historical cost.

Other costs incurred after tangible fixed assets have been put into operation such as repair, maintenance and overhaul costs are recognized in the Consolidated Statement of income in the period in which the costs are incurred.

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

- Buildings, structures	10 - 50 years
- Machinery, equipment	03 - 12 years
- Vehicles, Transportation equipment	06 - 20 years
- Office equipment and furniture	03 - 08 years
- Management software	03 - 08 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.

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.

Types of prepaid expenses include:

- Tools and supplies include assets which are possessed by the Company in an ordinary course of business, with historical cost of each asset less than 30 million dongs and therefore not eligible for recording as fixed asset under current legal regulations. The historical cost of tools and supplies are allocated on the straight-line basis from 01 to 36 months.

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- The Company's major repair costs are allocated on a straight-line basis over a period of 30 months according to the ship's repair cycle.
- Other prepaid expenses are recorded at their historical costs and allocated on the straight-line basis from 01 to 36 months.

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. The payables shall be classified into short-term payables or long-term payables on the consolidated financial statements according to their remaining terms at the reporting date.

2.14 . Borrowings

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

2.15 . Borrowing costs

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

2.16 . 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 and other payables such as interest expenses, etc. which are recorded as operating expenses of the reporting year.

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.

2.17 . Unearned revenues

Unearned revenue is the revenue received in advance from the amount of money prepaid by customers for one or more accounting periods for ship leasing and transportation services.

Unrealized revenue is transferred to Sales of goods and rendering of services in the amount determined in accordance with each accounting period.

2.18 . Owner's equity

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

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

Other capital is the operating capital formed from the operating results or from gifts, presents, financing, assets revaluation (if these items are allowed to be recorded as a decrease or increase in the owner's equity).

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Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profits appropriation or loss handling of the Company.

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 Directors and announcement of cut-off date for dividend payment of Vietnam Securities Depository and Clearing Corporation.

2.19 . Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales returns. The following specific recognition conditions must also be met when recognizing revenue:

Revenue from sale of goods

- The majority of risks and benefits associated with the right to own the products or goods have been transferred to the buyer;
- The company no longer holds the right to manage the goods as the goods owner, or the right to control the goods;

Revenue from rendering of services

- The percentage of completion of the transaction at the Balance sheet date can be measured reliably.

Financial income

Financial incomes include income from assets yielding interest, royalties, dividends and other financial gains by the company shall be recognised when the two conditions are satisfied:

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

2.20 . Cost of goods sold and serviced rendered

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis. Cases of loss of materials and goods exceeded the norm, labour cost and fixed manufacturing overheads not allocated to the value of inventory, provision for devaluation of inventory, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year even when products and goods have not been determined as sold.

2.21 . Financial expenses

Items recorded into financial expenses comprise:

- Borrowing costs;
- Provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc.

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

2.22 . Corporate income tax

a) Current corporate income tax expenses

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

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b) Current corporate income tax rate

The Company applies the corporate income tax rate of 20% for the operating activities which has taxable income for the fiscal year ended as at 31 December 2024.

2.23 . Earnings per share

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

2.24 . Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

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

2.25 . Segment information

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

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

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	42,791,000	18,327,000
Demand deposits (*)	32,537,226,613	29,247,954,987
+ Vietnamese dong	18,261,644,306	7,134,172,940
+ Foreign currency	14,275,582,307	14,275,582,307
Cash in transit	8,654,314	-
	<u>32,588,671,927</u>	<u>29,266,281,987</u>

(*) Includes unpaid December 2024 salary and other amounts payable to employees.

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4 . FINANCIAL INVESTMENTS

a) Equity investments in other entities

	31/12/2024			01/01/2024		
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
	VND	VND	VND	VND	VND	VND
Equity investments in other entities	2,000,000,000	-	-	2,000,000,000	-	-
- Lancaster Tan Thuan Company Limited	2,000,000,000	-	-	2,000,000,000	-	-
	2,000,000,000	-	-	2,000,000,000	-	-

The Company has not determined the fair value of financial investments since Vietnamese Accounting Standards and Vietnamese Corporate Accounting System has not provided any detailed guidance on the determination of the fair value.

Name of entities	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Lancaster Tan Thuan Company Limited	Ho Chi Minh City	10.00%	10.00%	Real estate business for rent

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5 . SHORT-TERM TRADE RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Others</i>				
Evergreen Marine Corporation	735,092,373	-	322,906,984	-
Daiichi Chuo Naiko Kaisha	1,364,729,988	-	45,397,056	-
Vinabridge Shipping Co.,Ltd	-	-	897,686,625	-
Other trade receivables	203,874,061	(164,122,591)	165,719,911	(164,122,591)
	<u>2,303,696,422</u>	<u>(164,122,591)</u>	<u>1,431,710,576</u>	<u>(164,122,591)</u>

6 . SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Others</i>				
Viet Tri Elevator Limited Company	441,311,200	-	-	-
Blue Ocean Marine Mechanical Company Limited	306,707,000	-	-	-
Eol Shipping Limited	1,051,742,456	-	-	-
Other trade receivables	296,071,525	-	840,799,009	-
	<u>2,095,832,181</u>	<u>-</u>	<u>840,799,009</u>	<u>-</u>

7 . OTHER RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
a.1) Details by content				
Receivables from interest of deposit	1,309,282,193	-	-	-
Advances	5,119,949,274	-	6,993,424,180	-
Mortgages	122,016,500,000	-	140,016,500,000	-
Supporting money for repairing Vinashin Eagle	9,033,915,535	(9,033,915,535)	9,033,915,535	(9,033,915,535)
Others	1,825,059,986	-	4,904,801,221	-
	<u>139,304,706,988</u>	<u>(9,033,915,535)</u>	<u>160,948,640,936</u>	<u>(9,033,915,535)</u>

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		31/12/2024		01/01/2024	
		Value	Provision	Value	Provision
		VND	VND	VND	VND
a.2) Detail by object					
Vinashin Ocean Shipping Company Limited	9,033,915,535	(9,033,915,535)	9,033,915,535	(9,033,915,535)	
Orient Commercial Joint Stock Bank	45,500,000,000	-	48,000,000,000	-	
An Binh Commercial Joint Stock Bank	-	-	81,000,000,000	-	
Joint Stock Commercial Bank for Investment and Development of Vietnam	61,500,000,000	-	11,000,000,000	-	
Joint Stock Commercial Bank For Foreign Trade Of Vietnam	15,000,000,000	-	-	-	
First Marine Service Co., Ltd	-	-	185,830,557	-	
Daiichi Chuo Naiko Kaisha	247,598,350	-	1,193,656,055	-	
Other trade receivables	8,023,193,103	-	10,535,238,789	-	
	<u>139,304,706,988</u>	<u>(9,033,915,535)</u>	<u>160,948,640,936</u>	<u>(9,033,915,535)</u>	
b) Long-term					
b.1) Details by content					
Mortgages (*)	23,311,896,375	-	23,249,186,422	-	
	<u>23,311,896,375</u>	<u>-</u>	<u>23,249,186,422</u>	<u>-</u>	
b.2) Detail by object					
Trung Thuy Lancaster Company Limited	19,194,718,575	-	19,194,686,422	-	
Other trade receivables	4,117,177,800	-	4,054,500,000	-	
	<u>23,311,896,375</u>	<u>-</u>	<u>23,249,186,422</u>	<u>-</u>	

(*) The deposit was made to execute Investment Cooperation Contract No. 01/2015/HD-TTL dated 24 July 2015, with Trung Thuy Lancaster Co., Ltd. This investment cooperation contract established a new legal entity, Lancaster Tan Thuan Co., Ltd., to develop a residential and commercial service project at Zone II, 428 Nguyen Tat Thanh Street, District 4, Ho Chi Minh City. This deposit has been blocked by Vietnam Export Import Commercial Joint Stock Bank. For more details, refer to Note 04 – Financial Investments and Note 18 – Other Payables.

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8 . DOUBTFUL DEBTS

	31/12/2024		01/01/2024	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables and debts that are overdue or not due but difficult to be recovered				
- Vinashin Ocean Shipping Company Limited (Vinashinlines)	9,033,915,535	-	9,033,915,535	-
- Others	164,122,591	-	164,122,591	-
	<u>9,198,038,126</u>	<u>-</u>	<u>9,198,038,126</u>	<u>-</u>

9 . INVENTORIES

	31/12/2024		01/01/2024	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw materials	24,050,371,279	-	24,902,144,540	-
Tools, supplies	4,644,109,772	-	5,807,295,881	-
	<u>28,694,481,051</u>	<u>-</u>	<u>30,709,440,421</u>	<u>-</u>

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10 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Historical cost					
Beginning balance	8,191,134,400	5,870,152,613	1,334,432,444,203	7,046,010,544	1,355,539,741,760
- Purchase in the year	-	264,730,000	-	80,544,545	345,274,545
- Liquidation, disposal	-	(857,884,431)	(102,789,345,965)	(36,390,636)	(103,683,621,032)
Ending balance of the year	8,191,134,400	5,276,998,182	1,231,643,098,238	7,090,164,453	1,252,201,395,273
Accumulated depreciation					
Beginning balance	8,191,134,400	5,386,387,534	1,155,029,581,715	6,520,360,952	1,175,127,464,601
- Depreciation for the year	-	553,340,871	56,768,383,238	350,989,999	57,672,714,108
- Liquidation, disposal	-	(857,884,431)	(102,789,345,965)	(36,390,636)	(103,683,621,032)
Ending balance of the year	8,191,134,400	5,081,843,974	1,109,008,618,988	6,834,960,315	1,129,116,557,677
Net carrying amount					
Beginning balance	-	483,765,079	179,402,862,488	525,649,592	180,412,277,159
Ending balance	-	195,154,208	122,634,479,250	255,204,138	123,084,837,596

In which:

- The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 121,776,131,543.
- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 286,940,064,208.



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11 . INTANGIBLE FIXED ASSETS

	Computer software	Cộng
	VND	VND
Historical cost		
Beginning balance	7,580,995,096	7,580,995,096
Ending balance of the year	7,580,995,096	7,580,995,096
Accumulated depreciation		
Beginning balance	7,338,443,650	7,338,443,650
- Depreciation for the year	139,091,596	139,091,596
Ending balance of the year	7,477,535,246	7,477,535,246
Net carrying amount		
Beginning balance	242,551,446	242,551,446
Ending balance	103,459,850	103,459,850

12 . PREPAID EXPENSES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term		
Dispatched tools and supplies	-	8,234,521
Cost of fleet insurance, fire insurance	2,666,049,233	1,099,971,033
Ship repair costs	1,326,144,629	600,276,726
Others	472,980,987	665,994,968
	4,465,174,849	2,374,477,248
b) Long-term		
Overhaul of fixed assets pending allocation (*)	20,676,309,046	25,981,158,667
Dispatched tools and supplies	608,536,329	735,286,785
Others	8,335,310	13,377,828
	21,293,180,685	26,729,823,280

(*) Pursuant to regulations on inspection and classification of Vietnamese sea-going vessels in a 5-year cycle (in which dock inspections are conducted twice within a 5-year cycle with a period not exceeding 3 years between two dockings). During the year, the Company carried out dock repairs for the VTC Ocean and Vien Dong 3 vessels.

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13 . SHORT-TERM TRADE PAYABLES

	31/12/2024		01/01/2024	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
<i>Others</i>				
PS International Petroleum Joint Stock Company	2,272,273,751	2,272,273,751	5,100,448,739	5,100,448,739
Hong Thu Service and Trading Company Limited	216,389,424	216,389,424	866,389,424	866,389,424
Petro Vietnam Paint Joint Stock Company	-	-	422,771,500	422,771,500
Tuan Anh Trading and Services Company Limited	514,221,664	514,221,664	864,221,664	864,221,664
Sai Gon Shipbuilding And Marine Industry Company Limited	2,892,801,339	2,892,801,339	-	-
Others	10,977,515,207	10,977,515,207	5,287,708,168	5,287,708,168
	<u>16,873,201,385</u>	<u>16,873,201,385</u>	<u>12,541,539,495</u>	<u>12,541,539,495</u>

14 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	31/12/2024	01/01/2024
	VND	VND
<i>Others</i>		
- Daedong Shipping Co., Ltd	9,632,655,746	16,060,461,235
- Chen Ship Management Pte., Ltd	7,695,237,303	-
- Others	-	325,487,498
	<u>17,327,893,049</u>	<u>16,385,948,733</u>

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15 . TAX AND PAYABLES FROM STATE BUDGET

	Receivable at the opening year	Payable at the opening year	Payable arise in the year	Amount paid in the year	Receivable at the closing year	Payable at the closing year
	VND	VND	VND	VND	VND	VND
Value added tax	-	113,037,507	5,175,583,055	5,303,272,734	14,652,172	-
Export, import duties	-	-	31,004,583	31,004,583	-	-
Business income tax	140,704,989	819,194,307	3,019,607,485	3,047,153,159	51,920,003	702,863,647
Personal income tax	-	33,849,251	773,464,921	712,997,812	-	94,316,360
Property tax and land rental	-	-	2,523,104,636	2,523,104,636	-	-
Other taxes	1,000,000	-	10,000,000	9,000,000	-	-
	141,704,989	966,081,065	11,532,764,680	11,626,532,924	66,572,175	797,180,007

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

16 . SHORT-TERM ACCRUED EXPENSES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term		
- Interest expense (*)	584,332,176,922	749,099,215,307
- Meals for crew members	2,120,363,941	4,284,079,425
- Other accrued expenses	1,732,249,715	1,305,063,950
	588,184,790,578	754,688,358,682
b) Unpaid overdue debt		
- Interest expense	584,332,176,922	749,099,215,307
	584,332,176,922	749,099,215,307

(*) During the year, the Company had interest on late payment for the loan from the Vietnam Development Bank - Northeast Region Branch written off, amounting to VND 170,789,098,374, and from the Vietnam Development Bank - Transaction Office II, amounting to VND 19,579,766,705 (Note 28).

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17 . SHORT-TERM UNEARNED REVENUES

	31/12/2024	01/01/2024
	VND	VND
- Prepaid revenue (*)	8,750,194,161	5,020,152,205
	<u>8,750,194,161</u>	<u>5,020,152,205</u>

(*) This is unearned revenue from Deadong Shipping Co.,Ltd and Chenship Management Pte Ltd for the provision of maritime transportation services.

18 . OTHER PAYABLES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term		
a1) Details by content		
- Trade union fee	3,501,369,934	3,500,887,072
- Social insurance	967,532,832	942,083,212
- Health insurance	135,181,383	88,259,357
- Unemployment insurance	72,125,844	67,883,591
- Others	25,329,958,900	24,876,756,422
	<u>30,006,168,893</u>	<u>29,475,869,654</u>
a2) Details by object		
- Trung Thuy Lancaster Company Limited (1)	19,341,989,689	19,341,982,796
- Loan from Ms. Duong Thanh Thuy with interest rate of 0%	2,000,000,000	2,000,000,000
- Others	8,664,179,204	8,133,886,858
	<u>30,006,168,893</u>	<u>29,475,869,654</u>
b) Long-term		
- Payable to Bach Dang Shipbuilding Company Limited about VTC Phoenix Ship (2)	8,404,589,178	8,404,589,178
	<u>8,404,589,178</u>	<u>8,404,589,178</u>

(1) The deposit received from Trung Thuy Lancaster Co., Ltd. for the purpose of acquiring the Company's ownership in Lancaster Tan Thuan Co., Ltd.

(2) The VTC Phoenix vessel, built by Bach Dang Shipbuilding Company for the Company, has not been settled yet. Therefore, the Company has temporarily increased the original cost to put it into production and business operations. The amount of VND 8.4 billion is the difference between the temporarily increased value and the value already paid to the supplier.

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19 . BORROWINGS

	01/01/2024		During the year		31/12/2024	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term borrowings						
Short-term borrowings	20,000,000,000	20,000,000,000	18,869,625,000	20,000,000,000	18,869,625,000	18,869,625,000
- An Binh Commercial Joint Stock Bank	20,000,000,000	20,000,000,000	-	20,000,000,000	-	-
- Joint Stock Commercial Bank for Investment and Development of Vietnam (1)	-	-	18,869,625,000	-	18,869,625,000	18,869,625,000
Long-term loans are overdue	279,379,820,692	279,379,820,692	7,195,000,000	67,850,000,000	218,724,820,692	218,724,820,692
- Vietnam Maritime Commercial Join Stock Bank - Ho Chi Minh Branch (2)	25,408,220,692	25,408,220,692	-	200,000,000	25,208,220,692	25,208,220,692
- Vietnam Development Bank - Transaction Office II	8,160,000,000	8,160,000,000	-	8,160,000,000	-	-
- Vietnam Development Bank - Northeast Branch (3)	245,811,600,000	245,811,600,000	7,195,000,000	59,490,000,000	193,516,600,000	193,516,600,000
Long-term loans and debts are due	40,000,000,000	40,000,000,000	22,936,551,170	59,950,000,000	2,986,551,170	2,986,551,170
- Vietnam Debt and Asset Trading Corporation - Ho Chi Minh Brach (4)	40,000,000,000	40,000,000,000	22,936,551,170	59,950,000,000	2,986,551,170	2,986,551,170
	<u>339,379,820,692</u>	<u>339,379,820,692</u>	<u>49,001,176,170</u>	<u>147,800,000,000</u>	<u>240,580,996,862</u>	<u>240,580,996,862</u>

19 . BORROWINGS (continued)

	01/01/2024		During the year		31/12/2024	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
b) Long-term borrowings						
- Vietnam Maritime Commercial Join Stock Bank - Ho Chi Minh Branch (2)	25,408,220,692	25,408,220,692	-	200,000,000	25,208,220,692	25,208,220,692
- Vietnam Development Bank - Transaction Office II	8,160,000,000	8,160,000,000	-	8,160,000,000	-	-
- Vietnam Development Bank - Northeast Branch (3)	245,811,600,000	245,811,600,000	7,195,000,000	59,490,000,000	193,516,600,000	193,516,600,000
- Vietnam Debt and Asset Trading Corporation - Ho Chi Minh Brach (4)	199,649,373,199	199,649,373,199	-	100,677,151,608	98,972,221,591	98,972,221,591
	<u>479,029,193,891</u>	<u>479,029,193,891</u>	<u>7,195,000,000</u>	<u>168,527,151,608</u>	<u>317,697,042,283</u>	<u>317,697,042,283</u>
Amount due for settlement within 12 months	(319,379,820,692)	(319,379,820,692)	(30,131,551,170)	(127,800,000,000)	(221,711,371,862)	(221,711,371,862)
Amount due for settlement after 12 months	<u>159,649,373,199</u>	<u>159,649,373,199</u>			<u>95,985,670,421</u>	<u>95,985,670,421</u>

Detailed information of borrowings:

No.	Bank	Tenor	Balance converted into VND 31/12/2024	Classify			Loan purpose	Status	Collateral
				Short-term borrowings (VND)	Long-term loans are overdue (VND)	Current portion of long-term loan (VND)			
1	Joint Stock Commercial Bank for Investment and Development of Vietnam - Thu Duc City Branch		18,869,625,000	18,869,625,000	-	-	-		
	No. 01/2024/24339899/HDTĐ dated December 27, 2024	27/12/2025	18,869,625,000	18,869,625,000	-	-	Supplementing working capital, providing guarantees, and issuing L/Cs to support business operations	Not overdue yet	Term deposit contracts
2	Vietnam Maritime Commercial Joint Stock Bank - Ho Chi Minh Branch		25,208,220,692	-	25,208,220,692	-	-		
	No. 89/07/HCM dated 02 January 2007	96 months	25,208,220,692	-	25,208,220,692	-	Payment for new investment in dry cargo ships of 22,500 DWT - 02/KH2005 (VTC Phoenix)	Overdue and extended until July 29, 2020	VTC Phoenix Vessel, Model number / IMO number: 3WXR / 9536337 under the project of building a new 22,500 DWT dry cargo ship No. 02 / KH2005
3	Vietnam Development Bank - Northeastern Branch		193,516,600,000	-	193,516,600,000	-	-		
	No. 83/2011/HDTĐ-TSBS-NHPT dated December 27, 2011	180 months	6,860,000,000	-	6,860,000,000	-	Invest in building dry cargo ship 6,500 DWT - The No. 04 / KH2004	Overdue and extended until August 2020	The Vien Dong 5 vessel was sold on July 3, 2019. Currently, there is no collateral.
	No. 05/2005 / HDTĐ-TDTW dated July 28, 2005	144 months	99,372,000,000	-	99,372,000,000	-	Invest in building dry cargo ships of 22,500 DWT	Overdue and extended until August 2020	Assets formed from the loan are 22,500 DWT dry cargo vessel - VTC Dragon Ship

Detailed information of borrowings:

No.	Bank	Tenor	Balance converted into VND 31/12/2024	Classify				Loan purpose	Status	Collateral
				Short-term borrowings (VND)	Long-term loans are overdue (VND)	Current portion of long-term loan (VND)	Long-term borrowings (VND)			
	No. 07/2006 / HỘTDSD-TDI dated August 31, 2011	144 months	87,284,600,000	-	87,284,600,000	-		Invest in building dry cargo ships of 22,500 DWT	Extended for payment until November 2021	Assets formed from the loan are dry cargo ships 22,500 DWT - VTC Phoenix
4	Vietnam Debt and Asset Trading Corporation - Ho Chi Minh Branch		98,972,221,591	-	-	2,986,551,170	95,985,670,421			
	Confirmation and Transfer Agreement of Creditor's Rights between Indovina Joint Stock Bank - Cho Lon Branch, Vietnam Debt Trading Company Limited - Ho Chi Minh City Branch, and Vietnam Transport and Chartering Joint Stock Company on December 20, 2022. Confirmation and Transfer Agreement of Creditor's Rights between Bao Viet Commercial Joint Stock Bank, Vietnam Debt Trading Company Limited, and Vietnam Transport and Chartering Joint Stock Company on January 17, 2023.		98,972,221,591	-	-	2,986,551,170	95,985,670,421	The debts owed to Indovina Joint Stock Bank - Cho Lon Branch and Bao Viet Commercial Joint Stock Bank arose from the investment in purchasing the VTC Glory vessel with a capacity of 23,620 DWT, have been transferred to Vietnam Debt Trading Company Limited - Ho Chi Minh City Branch.	Payment is in progress	- VTC Ocean dry cargo vessel, with a capacity of 23,000 tons, built in 1999, built in the Philippines. - VTC Glory vessel with a capacity of 23,620 DWT.
	Total		336,566,667,283	18,869,625,000	218,724,820,692	2,986,551,170	95,985,670,421			

c) Unpaid overdue borrowing amount

	31/12/2024		01/01/2024	
	Principal VND	Interest VND	Principal VND	Interest VND
- Borrowings	218,724,820,692	584,332,176,922	279,379,820,692	749,099,215,307

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20 . OWNER'S EQUITY
a) Increase and decrease in owner's equity

	Contributed capital	Share premium	Development and investment funds	Other reserves	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Beginning balance of previous year	629,993,370,000	88,258,000	11,199,638,880	4,840,727,077	(2,148,351,647,089)	(1,502,229,653,132)
Increase in capital of previous year	40,000,000,000	-	-	-	-	40,000,000,000
Profit for previous year	-	-	-	-	557,820,404,375	557,820,404,375
Profit distribution at the subsidiary company	-	-	531,606,600	-	(1,817,403,577)	(1,285,796,977)
Other decrease	-	-	-	-	(4,243,107)	(4,243,107)
Ending balance of previous year	<u>669,993,370,000</u>	<u>88,258,000</u>	<u>11,731,245,480</u>	<u>4,840,727,077</u>	<u>(1,592,352,889,398)</u>	<u>(905,699,288,841)</u>
Beginning balance of current year	669,993,370,000	88,258,000	11,731,245,480	4,840,727,077	(1,592,352,889,398)	(905,699,288,841)
Increase in capital of this year	20,000,000,000	-	-	-	-	20,000,000,000
Profit for current year	-	-	-	-	217,871,488,695	217,871,488,695
Profit distribution at the subsidiary company	-	-	-	-	(1,262,661,027)	(1,262,661,027)
Other decrease	-	-	-	-	(19,700,070)	(19,700,070)
Ending balance of current year	<u>689,993,370,000</u>	<u>88,258,000</u>	<u>11,731,245,480</u>	<u>4,840,727,077</u>	<u>(1,375,763,761,800)</u>	<u>(669,110,161,243)</u>

(*) According to Decision No. 06/QĐ-HĐQT dated 25 January 2024, of Viet Nam Sea Transport and Chartering Joint Stock Company, the Board of Director of the Company has decided to distribute the after-tax profit for the year 2023 of SCC Crew Manning Comany Limited (a subsidiary of the Company) as follows:

<u>Profit distribution</u>	<u>Subsidiaries</u>
Bonus and welfare fund	1,262,661,027
Profit transfer to the parent company	1,474,384,204

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b) Details of Contributed capital

	Rate	31/12/2024	Rate	01/01/2024
	(%)	VND	(%)	VND
Vietnam Maritime Corporation	43.32	298,880,000,000	44.61	298,880,000,000
Viet Nam Debt And Asset Trading Corporation	11.59	80,000,000,000	8.96	60,000,000,000
Union of Viet Nam Sea Transport And Chartering Joint Stock Company	2.93	20,195,000,000	3.13	20,984,000,000
Other shareholders	42.16	290,918,370,000	43.30	290,129,370,000
	<u>100.00</u>	<u>689,993,370,000</u>	<u>100.00</u>	<u>669,993,370,000</u>

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

	Year 2024	Year 2023
	VND	VND
Owner's contributed capital	689,993,370,000	669,993,370,000
- At the beginning of year	669,993,370,000	629,993,370,000
- Increase in the year	20,000,000,000	40,000,000,000
- At the ending of year	689,993,370,000	669,993,370,000
- Dividend payable at the beginning of the year	-	-

d) Share

	31/12/2024	01/01/2024
Quantity of Authorized issuing shares	68,999,337	66,999,337
Quantity of issued shares and full capital contribution	68,999,337	66,999,337
- Common shares	68,999,337	66,999,337
Quantity of outstanding shares in circulation	68,999,337	66,999,337
- Common shares	68,999,337	66,999,337
Par value per share (VND)	10,000	10,000

e) Company's reserves

	31/12/2024	01/01/2024
	VND	VND
Investment and development fund	11,731,245,480	11,731,245,480
Other funds belonging to owners' equity	4,840,727,077	4,840,727,077
	<u>16,571,972,557</u>	<u>16,571,972,557</u>

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21 . OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMEN
a) Operating leased assets

The Company has been granted land leases by the State for several plots located in Ho Chi Minh City to serve its production and business activities. The land lease payments are made annually in accordance with the current State regulations. Details are as follows:

No.	Address	Land area	Lease term
1	428 Nguyen Tat Thanh, Ward 18, District 4, Ho Chi Minh City	1167 m ²	50 years, starting from 5 February 2013.
2	438 Nguyen Tat Thanh, Ward 18, District 4, Ho Chi Minh City	143,4 m ²	Annual rental payment
3	36 Nguyen Thi Minh Khai, DaKao Ward, District 1, Ho Chi Minh City.	431 m ²	Annual rental payment

b) Foreign currencies

	31/12/2024	01/01/2024
- USD	561,491	911,830

c) Doubtful debts written-off

	31/12/2024	01/01/2024
	VND	VND
- PetroVietnam Transports Corporation	1,208,068,467	1,208,068,467
- Others	7,472,240,260	7,472,240,260

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

	Year 2024	Year 2023
	VND	VND
Revenue from sale of goods	18,317,019,671	19,206,515,500
Revenue from rendering of services	477,707,229,418	418,460,063,253
	<u>496,024,249,089</u>	<u>437,666,578,753</u>

23 . COSTS OF GOODS SOLD

	Year 2024	Year 2023
	VND	VND
Cost of goods sold	17,567,963,455	18,498,920,088
Costs of services rendered	409,097,756,087	427,288,062,351
	<u>426,665,719,542</u>	<u>445,786,982,439</u>

24 . FINANCE INCOME

	Year 2024	Year 2023
	VND	VND
Interest income, interest from loans	7,753,676,284	5,455,146,183
Gain on exchange difference in the year	3,428,528,977	1,414,117,159
Gain on exchange difference at the year - end	8,785,911	305,755,685
	<u>11,190,991,172</u>	<u>7,175,019,027</u>

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25 . FINANCIAL EXPENSES

	Year 2024	Year 2023
	VND	VND
Interest expenses	35,176,776,493	43,475,407,392
Loss on exchange difference in the year	3,654,740,179	3,709,352,372
Loss on exchange difference at the year - end	67,299,101	49,869,791
Others	-	3,194,925,919
	38,898,815,773	50,429,555,474

26 . SELLING EXPENSES

	Year 2024	Year 2023
	VND	VND
Brokerage commission costs	6,118,353,853	5,592,023,058
	6,118,353,853	5,592,023,058

27 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2024	Year 2023
	VND	VND
Raw materials	871,757,690	1,153,570,685
Labour expenses	19,525,810,987	17,777,422,866
Depreciation and amortisation	603,270,304	552,329,623
Tax, Charge, Fee	1,145,637,106	1,227,031,111
Expenses of outsourcing services	5,802,366,849	4,862,434,723
Other expenses in cash	8,218,925,743	5,301,769,236
	36,167,768,679	30,874,558,244

28 . OTHER INCOME

	Year 2024	Year 2023
	VND	VND
Gain from liquidation, disposal of fixed assets	38,670,391,313	84,702,030,791
Debt obligations are reduced when commitments are completed (*)	190,368,865,079	570,902,797,915
Others	294,863,475	482,771,801
	229,334,119,867	656,087,600,507

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(*) Pursuant to Notice No. 107/TB-TD1 dated 27 March 2024 of the Vietnam Development Bank - Northeast Branch regarding the debt cancellation of interest on overdue debt arising until 21 December 2023, for the Company's project "Building a 22,500 DWT dry cargo ship, No. 3/KH 2004 - VTC Dragon Ship". The amount of debt written off is VND 57,005,110,770.

Pursuant to Notice No. 108/TB-TD1 dated 27 March 2024 of the Vietnam Development Bank - Northeast Branch regarding the debt cancellation of interest on overdue debt arising until 21 December 2023, for the Company's project "Building a 22,500 DWT dry cargo ship, No. 2/KH 2005 - VTC Phoenix Ship". The amount of debt written off is VND 113,783,987,604.

Pursuant to Notice No. 242/TB-NHPT.SGDII dated 27 March 2024 of the Vietnam Development Bank - Transaction Office II regarding the debt cancellation of interest on overdue debt arising until 21 December 2023, for the Company's project "Building a 6,500 DWT dry cargo ship, No. 4/KH 2004". The amount of debt written off is VND 19,579,766,705.

29 . OTHER EXPENSES

	Year 2024	Year 2023
	VND	VND
Fines	81,500,000	8,008,588
Penalty interest expenses on overdue loans and interest loan interest for the sold Vien Dong 5 vessel	746,264,750	2,664,185,778
Late payment of taxes and tax arrears	-	168,399,332
Damaged goods compensation expenses	2,593,707,984	-
Others	4,436,924,313	4,986,712,221
	<u>7,858,397,047</u>	<u>7,827,305,919</u>

30 . CURRENT BUSINESS INCOME TAX EXPENSE

	Year 2024	Year 2023
	VND	VND
<i>Corporate income tax from main business activities</i>		
- Current corporate income tax expense in parent company	-	-
- Current corporate income tax expense in SCCM subsidiary	2,899,729,208	2,598,368,778
- Current corporate income tax expense in Hai Dang subsidiary	69,087,331	-
Current corporate income tax expense	<u>2,968,816,539</u>	<u>2,598,368,778</u>
Adjustment of tax expenses from previous years to current year	50,790,946	90,019,566
Tax payable at the beginning of year	678,489,318	617,702,926
Tax paid in the year	(3,047,153,159)	(2,627,601,952)
Closing year income tax payable of main business activities	<u>650,943,644</u>	<u>678,489,318</u>

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31 . BASIC EARNINGS PER SHARE

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

	Year 2024	Year 2023
	VND	VND
Net profit after tax	217,871,488,695	557,820,404,375
Profit distributed for common stocks	217,871,488,695	557,820,404,375
Average number of outstanding common shares in circulation in the year	67,273,310	66,570,766
Basic earnings per share	3,239	8,379

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

As at 31 December 2024, the Company dose not have shares with dilutive potential for earnings per share.

32 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2024	Year 2023
	VND	VND
Raw materials	21,699,919,730	32,618,162,276
Labour expenses	275,524,173,755	248,637,650,152
Depreciation and amortisation	57,811,805,704	82,478,896,893
Expenses from external services	14,315,119,764	14,714,423,709
Other expenses by cash	99,600,823,121	103,804,430,711
	468,951,842,074	482,253,563,741

33 . FINANCIAL INSTRUMENTS**Financial risk management**

Financial risks that the Company may face 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 Management 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 may face with the market risk such as: changes in prices, exchange rates and interest rates.

Exchange rate risk

The Company bears the risk of interest rates due to the transaction made in a foreign currency other than VND such as: borrowings and debts, revenue, cost, importing materials, good, machinery and equipment...

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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 years	Over 5 years	Total
	VND	VND	VND	VND
As at 31/12/2024				
Cash and cash	32,537,226,613	-	-	32,537,226,613
Trade receivables, other receivables	132,410,365,284	23,311,896,375	-	155,722,261,659
	<u>164,947,591,897</u>	<u>23,311,896,375</u>	<u>-</u>	<u>188,259,488,272</u>
As at 01/01/2024				
Cash and cash	29,247,954,987	-	-	29,247,954,987
Trade receivables, other receivables	153,182,313,386	23,249,186,422	-	176,431,499,808
	<u>182,430,268,373</u>	<u>23,249,186,422</u>	<u>-</u>	<u>205,679,454,795</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 mainly arises 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	From 1 to 5 years	Over 5 years	Total
	VND	VND	VND	VND
As at 31/12/2024				
Borrowings and debts	240,580,996,862	95,985,670,421	-	336,566,667,283
Trade payables, other payables	46,879,370,278	8,404,589,178	-	55,283,959,456
Accrued expenses	588,184,790,578	-	-	588,184,790,578
	<u>875,645,157,718</u>	<u>104,390,259,599</u>	<u>-</u>	<u>980,035,417,317</u>

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As at 01/01/2024

Borrowings and debts	339,379,820,692	159,649,373,199	-	499,029,193,891
Trade payables, other payables	42,017,409,149	8,404,589,178	-	50,421,998,327
Accrued expenses	754,688,358,682	-	-	754,688,358,682
	<u>1,136,085,588,523</u>	<u>168,053,962,377</u>	<u>-</u>	<u>1,304,139,550,900</u>

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

34 . OTHER INFORMATION

As at 31 December 2024, the Company has an investment in Lancaster Tan Thuan Co., Ltd. under Investment Cooperation Agreement No. 01/2015/HD-TTL dated 24 July 2015, with Trung Thuy Lancaster Co., Ltd. The details are as follows:

- Purpose of the business cooperation: Joint venture to establish and operate a limited liability company to implement a mixed-use apartment and commercial service project at Block II, No. 428 Nguyen Tat Thanh Street, Ward 18, District 4, Ho Chi Minh City;
- Content of cooperation: Establishment of Lancaster Tan Thuan Co., Ltd.;
- Contribution ratio, form, and schedule: The charter capital is VND 20 billion, with the Company contributing 10%, equivalent to VND 2 billion, and Trung Thuy Lancaster Co., Ltd. contributing 90%, equivalent to VND 18 billion;
- Business result distribution plan: Profits of Lancaster Tan Thuan Co., Ltd. shall be distributed according to the capital contribution ratio;
- Business results distributed: As the project is still in the implementation stage, there is no revenue or profit to distribute;
- Status of the agreement as at 31 December 2024: The project is still being reviewed by the People's Committee of Ho Chi Minh City to ensure the project's procedures comply with the regulations.

35 . SUBSEQUENT EVENTS

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.

36 . SEGMENT REPORTING
a) Under business fields

	Sea transport activities	Other business activities	Grant total
	VND	VND	VND
Net revenue from sales of goods and rendering of services	293,025,523,265	202,998,725,824	496,024,249,089
Direct department costs	(252,585,356,958)	(174,080,362,584)	(426,665,719,542)
Profit from business activities	<u>40,440,166,307</u>	<u>28,918,363,240</u>	<u>69,358,529,547</u>
The total cost of acquisition of fixed assets	-	-	345,274,545
Segment assets	326,466,308,952	51,509,478,922	377,975,787,874
Unallocated assets	-	-	-
Total assets	<u>326,466,308,952</u>	<u>51,509,478,922</u>	<u>377,975,787,874</u>
Segment liabilities	1,007,223,667,359	39,862,281,758	1,047,085,949,117
Total liabilities	<u>1,007,223,667,359</u>	<u>39,862,281,758</u>	<u>1,047,085,949,117</u>

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b) Under geographical areas

	<u>International</u>	<u>Domestic</u>	<u>Grant total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>
Net revenue from sales of goods and rendering of services	496,024,249,089	-	496,024,249,089
Segment assets	-	-	377,975,787,874
Segment liabilities	583,881,582	1,046,502,067,535	1,047,085,949,117

37 . TRANSACTION AND BALANCES WITH RELATED PARTIES

Transactions with other related parties:

	<u>Relation</u>	<u>Year 2024</u>	<u>Year 2023</u>
		<u>VND</u>	<u>VND</u>
Manager's income			
Mr. Huynh Nam Anh	Chairman of the Board of Directors	692,565,360	594,510,606
Mr. Trinh Huu Luong	Member of the Board of Directors and General Director	650,155,511	596,681,668
Mrs. Mai Thi Thu Van	Member of the Board of Directors and Vice General Director	524,869,260	463,611,001
Mr. Le Duy Duong	Member of the Board of Directors	60,000,000	32,000,000
Mr. Nguyen Hoang Sang	Member of the Board of Directors	60,000,000	32,000,000
Mr. Nguyen Thanh Ngoc	Member of the Board of Directors (Resigned on 21 April 2023)	-	16,000,000
Mr. Tran Trung Dung	Member of the Board of Directors (Resigned on 21 April 2023)	-	16,000,000
Mr. Vuong Nguyen Trieu Quang	Vice General Director	472,022,694	389,648,159
Mrs. Vu Thi Diep	Head of Control Department of the Board of Supervision	60,000,000	48,000,000
Mrs. Nguyen Quynh Lien	Member of the Board of Supervision	48,000,000	36,000,000
Mrs. Nguyen Thi Phuong Thao	Member of the Board of Supervision	48,000,000	24,000,000
Mrs. Tran Thi Thu Ha	Member of the Board of Supervision (Resigned on 21 April 2023)	-	12,000,000

In addition to the above related parties transactions, other related parties did not have any transactions during the period and have no balance at the end of the accounting period with the Company.

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38 . COMPARATIVE FIGURES

The comparative figures are figures in the Consolidated Financial Statements for the fiscal year ended as at 31 December 2023 which was audited by AASC Auditing Firm Company Limited.



Le Kim Phuong
Preparer, Chief Accountant



Mai Thi Thu Van
Vice General Director of Finance



Trinh Huu Luong
General Director

Ho Chi Minh City, 24 February 2025



**VIETNAM SEA TRANSPORT AND
CHARTERING JOINT STOCK
COMPANY**

No: 08./ TCKT

Explanation of the Audit Results for the
Combined and Consolidated
Financial Statements of 2024

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Ho Chi Minh City, February 2025

To:

- State Securities Commission of Vietnam**
- Hanoi Stock Exchange**

Pursuant to Article 11 of Circular 96/2020/TT-BTC dated November 16, 2020, regarding the guidance on information disclosure on the stock market, Vietnam Sea Transport And Chartering Joint Stock Company (Stock Code: VST) hereby provides an explanation of the contents in the audited Financial Statements (FS) for 2024 compared to the same period last year as follows:

- 1. Net profit after corporate income tax for 2024 has changed by 10% or more compared to the same period previous year:**

Unit: Million VND

INDICATOR	This Year	Previous Year	Comparison	
			Increase (+) /Decrease (-)	
			Value	%
Consolidated Total Revenue	736.549	1.100.929	-364.380	-33%
<i>Of which, Combined Figures</i>	443.047	869.148	-426.101	-49%
Consolidated Net Profit After Tax	217.871	557.820	-339.949	-61%
<i>Of which, Combined Figures</i>	207.672	563.711	-356.039	-63%

The financial statements for 2024 have been audited by AASC Audit Company Limited. According to the income statement for 2024, the net profit after corporate income tax is nearly VND 218 billion, a decrease of nearly VND 340 billion compared to the same period in 2023. This decline is primarily due to a significant reduction in other income, specifically:

(i) Income from debt obligation exemptions by the bank decreased by more than VND 381 billion compared to the same period last year. This was due to the Vietnam Development Bank forgiving penalty interest on shipbuilding loans, amounting to over VND 190 billion. In contrast, in 2023, the company received a reduction of more than VND 571 billion from commercial banks in repayment obligations for working capital loans and ship purchase loans.

(ii) Income from asset sales decreased by VND 46 billion due to the sale of smaller ships.

(iii) Profit from business operations increased by over VND 87 billion compared to 2023, due to a slight increase in the maritime transport market since the beginning of 2024,

along with the implementation of cost-saving measures that contributed to a reduction in the cost of goods sold and improved efficiency throughout the year.

2. Explanation of the Audit Opinion

(1) *Audit concern regarding going concern ability due to accumulated accounting losses and short-term liabilities exceeding short-term assets:* This is a common characteristic of shipping companies during the restructuring period. The company is striving to minimize losses and is seeking opportunities for financial restructuring to offset the losses and bring the company's profits to a balanced level. Currently, in addition to implementing business and market solutions to increase profits, the company has also reached an agreement on financial restructuring with the remaining banks and is expected to continue receiving debt repayment exemptions from the bank in 2025. Based on these facts, the company has sufficient grounds to assume its ability to continue operations in the future.

(2) *Penalty of VND 29.306 billion from Bao Viet Commercial Joint Stock Bank not recognized by the company in 2022:* This is a penalty fee incurred after the bank sold and transferred the debt to DATC, and as per the agreement between the two parties, the company is not obligated to pay this penalty to DATC.

Solutions to Resolve the Audit Opinion:

1- The company is seizing market opportunities to sign beneficial vessel and crew leasing contracts, while also enhancing cost control to improve business results.

2- Focus on implementing the 2025 Annual General Meeting resolutions of the company, which includes deploying a set of solutions to minimize losses and maintain overall business operations, as well as the Vitranschart fleet, including business and market solutions, financial management, financial restructuring, increasing revenue, reducing costs, and strengthening technical management of the fleet,...

3- Continue negotiations with the Vietnam Development Bank to find the optimal debt restructuring solution for this bank loan in order to reduce interest expenses.

These are the explanations provided by VST, submitted to the State Securities Commission of Vietnam and the Hanoi Stock Exchange for considering.

Sincerely yours.

Recipient:

- As above;
- BOD, BOS (report)
- Secretary
- Archives VT, TCKT

GENERAL DIRECTOR



Trình Huu Luong