



A&C AUDITING AND CONSULTING CO., LTD.

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**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST 6 MONTHS OF THE FISCAL YEAR
ENDED 31 DECEMBER 2019**

**HAI AN TRANSPORT AND
STEVEDORING
JOINT STOCK COMPANY**

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HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

REPORT OF THE GENERAL DIRECTORS

The General Directors of Hai An Transport and Stevedoring Joint Stock Company (hereinafter called "the Company") present this report together with the interim consolidated financial statements for the fiscal year ended 31 December 2019 including the interim financial statements of the Company and its subsidiaries (generally called "the Group").

Business highlights

The Company was transformed from Hai An Transport and Stevedoring Company Limited in accordance with the Business Registration Certificate of Joint Stock Company No. 0103818809 granted by Hanoi Authority for Planning and Investment, 1st registered on 8 May 2009.

During its operation course, the Company has been 11 times additionally granted by Hanoi Authority for Planning and Investment with the amended Business Registration Certificates regarding the change in the Company's address, the supplement of business operations and capital contributors. In which, the 11th amended Business Registration Certificate dated 15 August 2018 regards the change in the Company's legal representative.

Head office

- Address : Floor 7, No. 45 Trieu Viet Vuong, Bui Thi Xuan Ward, Hai Ba Trung District, Hanoi City
- Telephone : 0243 987 7515
- Fax : 0243 944 4022

The Company has the affiliates as follows:

Names	Address
Branch in Ho Chi Minh City – Hai An Transport and Stevedoring JSC.	No. 217 Nguyen Van Thu, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam
Branch of Hai An Transport and Stevedoring JSC. in Ba Ria – Vung Tau	Zone A, Lot 17 Phu My Residential Quarter, Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province

Operations of the Company as in the Business Registration Certificate include:

- Operation of direct support for waterway transportation, details:
 - Operation related to coastal and ocean transportation of passengers, animals or goods;
 - Operation of seaports, ports and quays;
 - Operation of pilots, towages and docking;
 - Operation of lighthouse stations;
- Goods transportation by roads;
- Goods transportation by coastal way and ocean shipping;
- Warehouses, yards and storing goods (not including trading real estates);
- Operation of direct support services for transportation by roads, in details:
 - Operation related to transportation of passengers, animals or goods by roads;
 - Operation of car parking, places for stevedoring goods;
 - Operation of managing roads, bridges, subways, car parking or garages, bike and motorbike parking;
- Service of stevedoring goods
- Operation of other support services related to transportation, in details:

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

REPORT OF THE GENERAL DIRECTORS (cont.)

- Arranging or holding operation of transportation by road, sea;
- Freight forwarding;
- Receipt and delivery of transportation vouchers and bill of lading;
- Operation of agency for making customs procedures;
- Operation of shipping and freight forwarding agency;
- Related activities including packaging goods in order to protect goods in transit, unloading goods, sampling and weighing goods;
- Service of vessel agency;
- Service of sea transport and liner agency;

Board of Management and Executive officers

The Board of Management and the General Directors of the Company during the period and as of the date of this report include:

The Board of Management

Full names	Position	Appointing date/Re-appointing date
Mr. Vu Ngoc Son	Chairman	Re-appointed on 29 June 2018
Mr. Vu Thanh Hai	Member	Re-appointed on 29 June 2018
Mr. Bui Tuan Ngoc (*)	Member	Re-appointed on 29 June 2018 Resigned on 1 August 2019
Ms. Tran Thi Hai Yen	Member	Appointed on 29 June 2018
Mr. Nguyen Ngoc Tuan	Member	Appointed on 11 April 2019
Ms. Nguyen Thi Van	Member	Appointed on 11 April 2019
Mr. Tran Quang Tien	Member	Appointed on 11 April 2019

(*) According to the Decision No. 0207-2019/NQ-HDQT dated 22 July 2019 of the Board of Management, the Company approved to the resignation of the Board member of Mr. Bui Tuan Ngoc since 1 August 2019.

The Board of Control

Full names	Position	Appointing date/ Re-appointing date
Ms. Nguyen Thi Thanh Tu	Manager	Re-appointed on 29 June 2018
Ms. Tran Thi Thom	Member	Appointed on 29 June 2018
Mr. Nguyen Xuan Loc	Member	Appointed on 29 June 2018

The General Directors

Full names	Position	Appointing date/ Resigning date
Mr. Vu Thanh Hai	General Director	Appointed on 29 June 2018
Mr. Nguyen Ngoc Tuan	Deputy General Director	Appointed on 5 October 2017
Ms. Pham Thi Hong Nhung	Deputy General Director	Resigned on 27 May 2019

Legal representative

The legal representative of the Company during the period and as of the date of this report is Mr. Vu Thanh Hai – General Director (appointed on 29 June 2018).

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to review the interim consolidated financial statements for the first 6 months of the fiscal year ended 31 December 2019 of the Company.

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

REPORT OF THE GENERAL DIRECTORS (cont.)

Responsibilities of the General Directors

The Company's General Directors are responsible for the preparation of the interim consolidated financial statements to give a true and fair view on the interim consolidated financial position, the interim consolidated business results and the interim consolidated cash flows of the Group during the period. In order to prepare these interim consolidated financial statements, the General Directors must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- point out whether the accounting standards applied to the Group have been complied or not and all material errors in comparison with these standards have been presented and explained in the interim consolidated financial statements;
- prepare the interim consolidated financial statements on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the interim consolidated financial statements are free from material misstatements due to frauds or errors.

The General Directors hereby ensure that all the accounting books of the Group have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The General Directors are also responsible for managing the Group's assets and consequently have taken appropriate measures to prevent and detect frauds and other irregularities.

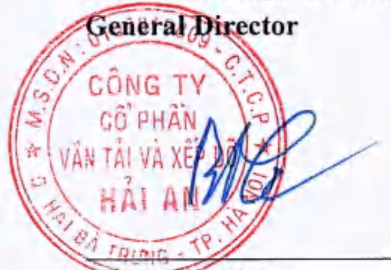
The General Directors hereby ensure that all the requirements above have been followed when the interim consolidated financial statements are prepared.

Approval to the financial statements

The General Directors hereby approve the accompanying interim consolidated financial statements, which give a true and fair view of the consolidated financial position as of 30 June 2019, the financial performance and the cash flows for the first 6 months of the fiscal year ended 31 December 2019 of the Group in conformity with the Vietnamese Accounting Standards and System and other legal regulations related to the preparation and presentation of interim consolidated financial statements.

For and on behalf of the General Directors,

General Director



Vũ Thanh Hải

12 August 2019

No. 2.0501/19/TC-AC

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE GENERAL DIRECTORS HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

We have reviewed the accompanying interim consolidated financial statements of Hai An Transport and Stevedoring Joint Stock Company (hereinafter called “the Company”) and its subsidiaries (generally called “the Group”), which were prepared on 12 August 2019, from page 7 to page 48, including the interim consolidated balance sheet as of 30 June 2019, the interim consolidated income statement, the interim consolidated cash flow statement for the first 6 months of the fiscal year ended 31 December 2019 and the notes to the interim consolidated financial statements.

The General Directors’ Responsibility

The Company’s General Directors is responsible for the preparation, true and fair presentation of these interim consolidated financial statements of the Group in accordance with the Vietnamese accounting standards and system and the legal regulations related to the preparation and presentation of interim consolidated financial statements and responsible for such internal control as the General Directors determine is necessary to enable the preparation and presentation of the interim consolidated financial statements to be free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to raise a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on review engagements No. 2410 – Review of interim financial information performed by the independent auditor of the entity.

The review works on the interim financial information mainly include interviews with persons in charge of finance, accounting and application of other analysis and review procedures. Reviewing the financial statements is basically narrower than that of auditing the financial statements in line with the Vietnamese Standards on Auditing and therefore, it does not allow us to obtain a reasonable assurance to enable us to detect all material issues during the engagement. Accordingly, we do not raise our audit opinion.

Auditor's Conclusion

Based on our review, we do not find out any events to suppose that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of the Company as of 30 June 2019, its consolidated financial performance and its consolidated cash flows for the first 6 months of the fiscal year ended 31 December 2019 in accordance with Vietnamese Accounting Standards and System and the legal regulations related to the preparation and presentation of interim consolidated financial statements.

A&C Auditing and Consulting Co., Ltd.

Branch in Hanoi



Nguyen Thi Tu

Deputy Director

Audit Practice Registration Certificate: No. 0059-2018-008-1

Hanoi, 13 August 2019

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Bui Thi Xuan Ward, Hai Ba Trung District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

INTERIM CONSOLIDATED BALANCE SHEET

(Complete form)

As of 30 June 2019

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		531,008,271,452	587,779,335,179
I. Cash and cash equivalents	110	V.1	187,265,063,595	272,125,233,675
1. Cash	111		78,417,019,189	88,635,204,571
2. Cash equivalents	112		108,848,044,406	183,490,029,104
II. Short-term financial investments	120		13,500,000,000	13,500,000,000
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Investments held until maturity date	123	V.2a	13,500,000,000	13,500,000,000
III. Short-term accounts receivable	130		210,940,178,117	217,513,466,269
1. Receivable from customers	131	V.3	111,894,437,043	122,272,253,242
2. Short-term prepayments to suppliers	132	V.4	3,656,342,818	6,853,244,550
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Receivable on short-term loans	135		-	-
6. Other receivable	136	V.5a	96,455,852,488	89,093,891,301
7. Provision for short-term bad debts	137	V.6	(1,066,454,232)	(705,922,824)
8. Deficient assets to be treated	139		-	-
IV. Inventories	140		60,195,475,744	34,979,953,834
1. Inventories	141	V.7	60,195,475,744	34,979,953,834
2. Provisions for devaluation of inventories	149		-	-
V. Other current assets	150		59,107,553,996	49,660,681,401
1. Short-term prepaid expenses	151	V.8a	7,670,143,265	3,407,011,431
2. VAT deductible	152		51,430,815,020	46,253,669,970
3. Taxes and accounts receivable from the State	153	V.14	6,595,711	-
4. Transaction of repurchasing the Government's bonds	154		-	-
5. Other current assets	155		-	-

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

Interim consolidated balance sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		1,207,017,883,896	1,068,200,173,118
I. Long-term accounts receivable	210		-	1,713,470,000
1. Long-term accounts receivable from customers	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivable	214		-	-
5. Receivable on long-term loans	215		-	-
6. Other long-term receivable	216	V.5b	-	1,713,470,000
7. Provision for long-term bad debts	219		-	-
II. Fixed assets	220		903,418,108,685	812,401,135,234
1. Tangible assets	221	V.9	898,172,251,613	806,210,134,443
<i>Historical costs</i>	222		1,407,066,478,699	1,257,155,997,981
<i>Accumulated depreciation</i>	223		(508,894,227,086)	(450,945,863,538)
2. Financial leasehold assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible assets	227	V.10	5,245,857,072	6,191,000,791
<i>Historical costs</i>	228		11,754,927,885	11,754,927,885
<i>Accumulated depreciation</i>	229		(6,509,070,813)	(5,563,927,094)
III. Investment property	230		-	-
Historical costs	231		-	-
Accumulated depreciation	232		-	-
IV. Long-term assets in progress	240		6,871,698,618	3,816,588,904
1. Long-term operating expenses in progress	241		-	-
2. Construction in progress	242	V.11	6,871,698,618	3,816,588,904
V. Long-term financial investments	250		42,418,789,364	42,123,582,570
1. Investments in subsidiaries	251		-	-
2. Investments in associates and joint ventures	252	V.2b	31,967,922,864	31,672,716,070
3. Investments, capital contribution in other entities	253	V.2c	10,450,866,500	10,450,866,500
4. Provision for long-term financial investments	254		-	-
5. Investments held until maturity date	255		-	-
VI. Other long-term assets	260		254,309,287,229	208,145,396,410
1. Long-term prepaid expenses	261	V.8b	254,309,287,229	208,145,396,410
2. Deferred income tax assets	262		-	-
3. Long-term equipment, materials, spare parts	263		-	-
4. Other long-term assets	268		-	-
5. Trade advantage	269		-	-
TOTAL ASSETS	270		1,738,026,155,348	1,655,979,508,297

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

Interim consolidated balance sheet (cont.)

CAPITAL SOURCES	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
C - LIABILITIES	300		540,208,294,587	437,303,264,078
I. Current liabilities	310		257,321,569,392	247,670,262,660
1. Short-term payable to suppliers	311	V.12	82,832,194,719	80,289,365,173
2. Short-term prepayments from customers	312		606,201,937	223,930,590
3. Taxes and other obligations to the State Budget	313	V.13	13,234,063,298	12,727,404,059
4. Payable to employees	314		8,604,879,237	19,584,718,240
5. Short-term accrued expenses	315	V.14	4,135,132,518	3,108,733,891
6. Short-term inter-company payable	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unrealized revenue	318	V.15	1,164,648,717	1,051,989,538
9. Other payable	319	V.16a	40,301,935,993	31,874,507,970
10. Short-term loans and financial lease debts	320	V.17a	81,480,250,616	77,066,607,842
11. Provision for current liabilities	321	V.18	2,648,342,710	2,648,342,710
12. Bonus and welfare funds	322	V.19	22,313,919,647	19,094,662,647
13. Price stabilization fund	323		-	-
14. Transaction of repurchasing the Government's bonds	324		-	-
II. Long-term liabilities	330		282,886,725,195	189,633,001,418
1. Long-term accounts payable to suppliers	331		-	-
2. Long-term prepayments from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payable on working capital	334		-	-
5. Long-term inter-company payable	335		-	-
6. Long-term unrealized revenue	336		-	-
7. Other long-term payable	337	V.16b	50,000,000,000	25,000,000,000
8. Long-term loans and financial lease debts	338	V.17b	232,886,725,195	164,633,001,418
9. Transferable bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax payable	341		-	-
12. Provision for long-term liabilities	342		-	-
13. Scientific and technological development fund	343		-	-

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

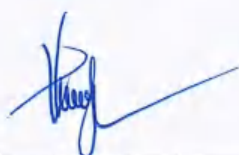
For the first 6 months of the fiscal year ended 31 December 2019

Interim consolidated balance sheet (cont.)

CAPITAL SOURCES	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		1,197,817,860,761	1,218,676,244,219
I. Owner's equity	410	V.20	1,197,817,860,761	1,218,676,244,219
1. Owner's contribution capital	411		487,827,510,000	487,827,510,000
- Common shares with voting right	411a		487,827,510,000	487,827,510,000
- Preferred shares	411b		-	-
2. Share premiums	412		115,606,612,922	115,606,612,922
3. Option on converting shares	413		-	-
4. Owner's other capital	414		-	-
5. Treasury stocks	415		(14,920,919,678)	(14,920,919,678)
6. Differences on asset revaluation	416		-	-
7. Foreign exchange rate differences	417		-	-
8. Business promotion fund	418		206,901,070,809	179,564,070,809
9. Business reorganization support fund	419		-	-
10. Other funds	420		-	-
11. Retained profit after tax	421		144,909,818,225	188,364,837,620
- Retained profit after tax accumulated to the end of previous period	421a		79,145,290,620	188,364,837,620
- Retained profit after tax of the current period	421b		65,764,527,605	-
12. Capital sources for construction	422		-	-
13. Interest of con-controlling shareholders	429		257,493,768,483	262,234,132,546
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL CAPITAL SOURCES	440		1,738,026,155,348	1,655,979,508,297

Prepared on 12 August 2019

Prepared by



Tran Thi Thanh Hao

Accountant in charge



Tran Thi Thanh Hao

General Director



Vu Thanh Hai

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Bui Thi Xuan Ward, Hai Ba Trung District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

INTERIM CONSOLIDATED INCOME STATEMENT

(Complete form)

For the first 6 months of the fiscal year ended 31 December 2019

Unit: VND

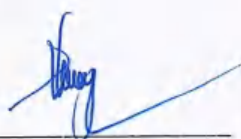
ITEMS	Code	Note	Accumulated from the beginning of the year to the end of the current period	
			Current year	Previous year
1. Sales	01	VI.1	524,403,365,535	495,987,125,579
2. Deductions	02		-	-
3. Net sales	10		524,403,365,535	495,987,125,579
4. Costs of goods sold	11	VI.2	406,866,296,469	400,640,463,344
5. Gross profit	20		117,537,069,066	95,346,662,235
6. Financial income	21	VI.3	8,868,341,137	6,589,980,052
7. Financial expenses	22	VI.4	7,958,309,742	4,705,835,797
In which: Loan interest expenses	23		7,029,278,629	3,163,234,803
8. Profits or losses in joint ventures, associates	24	V.2b	1,001,206,794	8,016,814
9. Selling expenses	25		-	-
10. Administrative overheads	26	VI.5	31,362,685,246	27,288,794,399
11. Net operating profit	30		88,085,622,009	69,950,028,905
12. Other income	31	VI.6	1,805,314,334	21,784,874,475
13. Other expenses	32	VI.7	53,425,483	174,364,850
14. Other profit	40		1,751,888,851	21,610,509,625
15. Profit before tax	50		89,837,510,860	91,560,538,530
16. Current corporate income tax	51	V.13	13,963,347,318	13,625,241,491
17. Deferred corporate income tax	52		-	-
18. Profit after tax	60		<u>75,874,163,542</u>	<u>77,935,297,039</u>
19. Profit after tax of the Holding Company	61		<u>65,764,527,605</u>	<u>69,797,235,930</u>
20. Profit after tax of non-controlling shareholders	62	V.20	<u>10,109,635,937</u>	<u>8,138,061,109</u>
21. Basic earnings per share	70	VI.8	<u>1,266</u>	<u>1,924</u>
22. Declined interest per share	71	VI.8	<u>1,266</u>	<u>1,924</u>

Prepared by



Tran Thi Thanh Hao

Accountant in charge



Tran Thi Thanh Hao

Prepared on 12 August 2019

General Director



Vu Thanh Hai

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Bui Thi Xuan Ward, Hai Ba Trung District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

INTERIM CONSOLIDATED CASH FLOW STATEMENT

(Complete form)

(Under indirect method)

For the first 6 months of the fiscal year ended 31 December 2019

ITEMS	Code	Note	Unit: VND	
			Current year	Previous year
			Accumulated from the beginning of the year to the end of the current period	
I. Cash flows from operating activities				
1. Profit before tax	01		89,837,510,860	91,560,538,530
2. Adjustments				
- Depreciation of fixed assets and investment property	02		56,840,219,457	49,775,086,593
- Provisions	03	V.6	360,531,408	-
- Gain/ loss from exchange rate differences due to revaluation of monetary items in foreign currencies	04		604,243,676	1,012,747,405
- Gain/ loss from investing activities	05		(7,914,055,158)	(24,470,991,722)
- Loan interest expenses	06	VI.4	7,029,278,629	3,163,234,803
- Others	07		-	-
3. Operating profit before changes of working capital	08		146,757,728,872	121,040,615,609
- Increase/ decrease of accounts receivable	09		3,925,760,506	(28,762,470,211)
- Increase/ decrease of inventories	10		(25,215,521,910)	(2,981,453,771)
- Increase/ decrease of accounts payable	11		15,078,540,834	(23,958,668,360)
- Increase/ decrease of prepaid expenses	12		(49,351,121,931)	(22,405,010,435)
- Increase/ decrease of trading securities	13		-	-
- Loan interests already paid	14		(6,835,736,064)	(3,248,868,715)
- Corporate income tax already paid	15	V.13	(15,835,228,883)	(14,397,052,509)
- Other gains	16		-	-
- Other disbursements	17	V.19	(6,348,743,000)	(3,421,900,000)
Net cash flows from operating activities	20		62,175,678,424	21,865,191,609
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(155,253,314,354)	(32,725,015,292)
2. Gains from disposal and liquidation of fixed assets and other long-term assets	22		-	177,407,105,426
3. Loans given and purchases of debt instruments of other entities	23		-	-
4. Recovery of loan given and disposals of debt instruments of other entities	24		-	-
5. Investments in other entities	25	V.2b	(294,000,000)	(1,200,000,000)
6. Withdrawals of investments in other entities	26		1,803,100,000	-
7. Receipts of loans given, dividends and profit shared	27		7,148,808,505	5,023,366,563
Net cash flows from investing activities	30		(146,595,405,849)	148,505,456,697

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Bui Thi Xuan Ward, Hai Ba Trung District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

Interim consolidated cash flow statement (cont.)

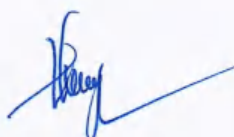
ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financial activities				
1. Gains from stock issuance and capital contributions from shareholders	31		-	199,634,062,000
2. Repayments of capital contributions to owners and re-purchase of stocks already issued	32		-	-
3. Receipts from loans	33	V.18	125,364,921,042	18,881,088,878
4. Payment of loan principal	34	V.18	(53,517,957,874)	(104,513,339,444)
5. Payment of financial lease debts	35		-	-
6. Dividends and profit shared to the owners	36		(72,308,847,000)	(33,934,765,000)
<i>Net cash flows from financial activities</i>	40		(461,883,832)	80,067,046,434
Net cash flows during the year	50		(84,881,611,257)	250,437,694,740
Beginning cash and cash equivalents	60	V.1	272,125,233,675	167,334,700,107
Effects of fluctuations in foreign exchange rates	61		21,441,177	222,614,497
Ending cash and cash equivalents	70	V.1	187,265,063,595	417,995,009,344

Prepared by



Tran Thi Thanh Hao

Accountant in charge



Tran Thi Thanh Hao

Prepared on 12 August 2019

General Director



Vu Thanh Hai

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Bui Thi Xuan Ward, Hai Ba Trung District, Hanoi City

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

I. OPERATION FEATURES

1. Investment form

Hai An Transport and Stevedoring Joint Stock Company (hereinafter called "the Company") is a joint stock company.

2. Operating field

The Company's operating field includes service.

3. Main operations

Main operations of the Company include: Leasing warehouses, yards, loading and unloading cargo at seaport, sea transport.

4. Ordinary course of business

The Company's ordinary course of business does not exceed 12 months.

5. Structure of Group

The Group includes the Holding Company and 3 subsidiaries which are controlled by the Holding Company. All subsidiaries are consolidated in these interim consolidated financial statements.

5a. Information on Group restructuring

During the period, the Group has not had any additional purchase, liquidation or divestment in subsidiaries.

5b. List of subsidiaries consolidated

Name of company	Address of head office	Main operations	Interest rate		Rate of voting right	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Hai An Port Co., Ltd.	1 st floor, Hai An Building, Km 2 Dinh Vu Road, Dong Hai 2 Ward, Hai An District, Hai Phong City	Providing services of seaport	100%	100%	100%	100%
Hai An Container Transport Co., Ltd.	5 th floor, Hai An Building, Km 2 Dinh Vu Road, Dong Hai 2 Ward, Hai An District, Hai Phong City	Services of transport	50.5%	50.5%	50.5%	50.5%
Pan Hai An Co., Ltd.	6 th floor, Hai An Building, Km 2 Dinh Vu Road, Dong Hai 2 Ward, Hai An District, Hai Phong City	Service of Depot	51%	51%	51%	51%

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For the first 6 months of the fiscal year ended 31 December 2019

Notes to the interim consolidated financial statements (cont.)

5c. List of associates reflected in the interim consolidated financial statements in accordance with the owner's equity method

Name of company	Address of head office	Main operations	Rate of interest		Rate of voting right	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Hai An General Service JSC.	3 rd floor, Hai An Building, Km+2 Dinh Vu Road, Dong Hai 2 Ward, Hai An District, Hai Phong City	Service of goods transport by road	0%	36%	0%	20%
Hai An Agency and Logistics Co., Ltd. (*)	2 nd floor, Hai An Building, Km+2 Dinh Vu Road, Dong Hai 2 Ward, Hai An District, Hai Phong City	Service of agency	50%	50%	50%	50%
Hai An Freight Forwarding JSC.	Room 502, 5 th Floor, 133 Thai Ha, Trung Liet Ward, Dong Da District, Hanoi City	Transportation of goods by road	36.89%	40%	36.89%	40%

(*) Including the associate of the subsidiary - Hai An Port Co., Ltd.

6. Statement on comparison of information in financial statements

The corresponding figures in the previous year can be compared with those in the current year.

7. Personnel

As of the balance sheet date, the Group had 333 employees working in companies in the Group (at the beginning of the year, the Group had 293 employees).

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

The fiscal year of the Group is from 1 January to 31 December annually.

2. Standard currency unit

The standard currency unit used in accounting is Vietnam Dong (VND) as most of transactions are primarily made in VND.

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. Accounting system

The Group has applied the Vietnamese Accounting Standards and System issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 on guidelines for accounting policies for enterprises, the Circular No. 202/2014/TT-BTC dated 22 December 2014 giving guidance on the preparation and presentation of consolidated financial statements and other Circulars giving guidance on the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of the interim consolidated financial statements.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Notes to the interim consolidated financial statements (cont.)

2. Statement on the compliance with the accounting standards and system

The General Directors ensure to follow all the requirements of the Vietnamese Accounting Standards and System issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars giving guidance on the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of these interim consolidated financial statements.

IV. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. Accounting convention

All the financial statements are prepared on the basis of accrued accounting (except for information related to cash flows).

2. Consolidation basis

The interim consolidated financial statements include the interim financial statements of the Holding Company and the interim financial statements of its subsidiaries. A subsidiary is a business that is controlled by the Holding Company. The control exists when the Holding Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control right, the potential voting right that is currently valid arising from call options or debt and equity instruments that can be converted to common shares as of the balance sheet date should also be taken into consideration.

The business results of the subsidiaries which are acquired or disposed during the period are included in the consolidated income statement from the date of acquisition until the date of disposal of the investments in those subsidiaries.

The interim financial statements of the Holding Company and subsidiaries used for consolidation are prepared for the same accounting period and apply the consistent accounting policies for similar transactions and events in similar circumstances. In case that the accounting policies of the subsidiaries are different from those which are applied consistently within the Group, the appropriate adjustments should be made to the financial statements of the subsidiaries before they are used to prepare the interim consolidated financial statements.

Intra-group balances in the balance sheet and intra-group transactions and unrealized intra-group profits resulting from these transactions are eliminated when the consolidated financial statements are prepared. Unrealized losses resulting from intra-group transactions are also eliminated unless costs which cause those losses cannot be recovered.

Interest of non-controlling shareholders shows gains/losses on the business results and net assets of a subsidiary which is not held by of the Group and is presented in a specific item in the interim consolidated income statement and the interim consolidated balance sheet (the owner's equity). Interest of non-controlling shareholders includes value of interest of non-controlling shareholders as of the initial business consolidation date and that in the fluctuation of owner's equity commencing from the business consolidation date. Losses arising in subsidiaries are allocated equivalent to the ownership rate of non-controlling shareholders, even if those losses are higher than the ownership rate of non-controlling shareholders in net assets of subsidiaries.

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Notes to the interim consolidated financial statements (cont.)

3. Transactions in foreign currencies

Transactions in foreign currencies are converted at the actual exchange rates as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rate as of the balance sheet date.

Foreign exchange rate differences arising during the year from transactions in foreign currencies are included in financial income or financial expenses. Foreign exchange rate differences due to revaluation of monetary items in foreign currencies as of the balance sheet date after offsetting increase differences and decrease differences are recorded into financial income or financial expenses.

Foreign exchange rate used to translate transactions occurred in foreign currencies is the actual exchange rate at the time of transaction. The actual exchange rate for transactions in foreign currencies is determined as follows:

- For liabilities receivable: it is buying exchange rate of foreign currencies of the commercial bank where the Group assigns customers to make payment at the time of transaction.
- For accounts payable: it is selling exchange rate of foreign currencies of the commercial bank where the Group intends to have transactions at the time of transaction.
- For transactions of purchasing assets or expenses paid immediately in foreign currencies (instead of recording accounts payable): it is buying exchange rate of foreign currencies of the commercial bank where the Group makes payment.

Foreign exchange rate used to re-valuate ending balances of monetary items in foreign currencies is determined as follows:

- For foreign currencies deposited in bank, the actual exchange rate is buying exchange rate of foreign currencies of the bank where the Group opens foreign currency accounts.
- For monetary items in foreign currencies classified as other assets, the actual exchange rate is buying exchange rate of foreign currencies of Vietcombank – Hai Phong Branch (with which the Group usually has transactions).
- For monetary items in foreign currencies classified as liabilities payable, the actual exchange rate is selling exchange rate of foreign currencies of Vietcombank – Hai Phong Branch (with which the Group usually has transactions).

4. Cash and cash equivalents

Cash includes cash on hand and demand deposits in bank. Cash equivalents include short-term investments of which the due dates cannot exceed 3 months from the dates of investment and the convertibility into cash is easy, and which do not have risks in the conversion into cash as of the reporting date.

5. Financial investments

Investments held to maturity date

Investments are classified as held-to-maturity investments that the Group intends and is able to hold to maturity. Investments held to maturity dates include term deposits in bank for the purpose of receiving periodical interest as well as other held-to-maturity investments.

Investments held to maturity date are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these investments held to maturity date after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Group's acquisition of investments held to maturity date are recorded as a decrease in the costs as at the acquisition time.

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Notes to the interim consolidated financial statements (cont.)

When there are reliable evidences proving that a part or the whole investment cannot be recovered and the loss are reliably determined, the loss is recognized as financial expenses during the year while the investment value is derecognized.

Investments in associates

An associate is an enterprise in which the Group has significant influence but not control over the financial policies and activities. Significant influence is the right to participate in making decisions about financial policies and business operations of the investee but not control those policies.

Investments in associates are recognized in accordance with the owner's equity method. Accordingly, the investments in associates are presented in the interim consolidated financial statements by the initial investment costs and adjusted for changes in benefits on net assets of associates after the investment date. If the benefits of the Group in losses of associates are higher than or equal to book value of the investments, the value of investments will be presented in the consolidated financial statements as zero unless the Group has an obligation to make the payment instead of associates.

The financial statements of associates are prepared for the same accounting period of the Group's interim consolidated financial statements. In case the accounting policies of an associate are different from those consistently applied in the Group, the financial statements of those associates will be suitably adjusted before being used to prepare the interim consolidated financial statements.

Unrealized gains or losses arising from transactions with associates are excluded in proportion to the Group's share when the interim consolidated financial statements are prepared.

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Group to have the control, joint control or significant influence on the investees.

Investments in equity instruments of other entities are initially recognized at original costs, including the cost of purchase or capital contribution plus other directly attributable investment activities. Dividends and profit arising in the periods after the purchase of investments are recorded into the revenue. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity of shares is followed up.

Provision of foreign currencies of investments in equity instruments of other entities is made as follows:

- For investments in listed shares or fair value of investments is reliably measured, provision is made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provision is made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital contributed by parties in other entities and the actual owner's equity multiplying (x) by the Group's rate of capital contribution over the total actual capital contributed by parties in other entities.

Increases/ (decreases) in provision for devaluation of investments in equity instruments of other entities which need appropriating as of the balance sheet date are recognized into financial expenses.

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Notes to the interim consolidated financial statements (cont.)

6. Accounts receivable

Accounts receivable are presented in accordance with book values less provisions for bad debts.

The classification of accounts receivable into receivables from customers and other receivables is done as follows:

- Receivables from customers reflect commercial receivables generating from purchase-sale related transactions between the Group and buyers which are independent units against the Group.
- Other receivables reflect non-commercial or non-trading receivables, unrelated to purchase-sale transactions.

Provision is made for each bad debt basing on the debt age or the estimated loss. Details are as follows:

- As for overdue debts:
 - 30% of the value for debts overdue from over 6 months to under 1 year.
 - 50% of the value for debts overdue from 1 year to under 2 years.
 - 70% of the value for debts overdue from 2 years to under 3 years.
 - 100% of the value for debts overdue from 3 years and over.
- As for doubtful debts but not overdue: provision is made basing on the estimated loss.

Increases/(decreases) of balance of provision for bad debts which need appropriating as of the balance sheet date are recorded into administrative overheads.

7. Inventories

Inventories are recorded in accordance with the lower value between the historical costs and the net realizable values.

Costs of inventories are determined for raw materials including purchasing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Ex-warehouse prices are determined in accordance with the first-in-first-out method and recorded in line with the perpetual recording method. Particularly for materials using for vessels, costs of inventories are determined in accordance with the weighted average method for each input/output.

Net realizable values are the estimated selling prices of inventories in an ordinary course of business less the estimated expenses on product completion and other necessary expenses on product consumption.

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values. Increases/(decreases) in balances of provision for devaluation of inventories which need appropriating as of the balance sheet date are recognized into costs of goods sold.

8. Prepaid expenses

Prepaid expenses include expenses actually incurred but they are related to operation output of many accounting periods. Prepaid expenses of the Group mainly include expenses for tools, instruments, insurance premium, fixed asset repair costs and periodical repair costs of vessels. These prepaid expenses are allocated in the prepayment term or term in which corresponding economic benefit is derived from these expenses.

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Notes to the interim consolidated financial statements (cont.)

Expenses for tools, instruments

Expenses for tools, instruments being put into use are allocated into expenses in accordance with the straight-line method for the maximum period of 2 years.

Fixed asset repair costs and periodical repair costs of vessels

Fixed asset repair costs and periodical repair costs of vessels arising once with high value are allocated into expenses in accordance with the straight-line method within 3 years.

Insurance premium

Prepaid insurance premium presents insurance premium already paid for the following periods. Prepaid insurance premium is allocated in accordance with the straight-line method over the insurance period.

9. Operating leasehold assets

A lease of asset is considered an operating lease in case most of the risks and rewards associated with the ownership of that asset belong to the lessor. The lease expenses are allocated in the operating expenses in accordance with the straight-line method over the leasing period and are not subject to the method of lease payment.

10. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses during the period.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the period.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of tangible fixed assets are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	5-20
Machinery and equipment	5-10
Vehicles	6-12
Office equipment	3-5
Other fixed assets	4-10

11. Intangible fixed assets

Intangible fixed assets are determined by their historical costs less accumulated depreciation.

Historical costs of intangible fixed assets include all the expenses of the Group to have these fixed assets as of the dates they are ready to be put into use. Costs related to intangible fixed assets, which are incurred after initial recognition, are recognized as operating costs in the period unless these costs are associated with a specific intangible fixed asset and increase economic benefits from these assets.

When an intangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/loss arisen is posted into income or expenses during the period.

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Notes to the interim consolidated financial statements (cont.)

The intangible fixed assets of the Group include:

Land use right

Land use right includes all the actual expenses related to the land being used such as expenses to obtain the land use right, expenses for compensation and land clearance, expenses on ground leveling, registration fees, etc. The land use right is depreciated in accordance with the straight-line method in 35 years.

Software program

The expenses related to computer software which is not an integral part of related hardware are capitalized. Historical cost of computer software includes all expenses paid by the Group until the date the software is put into use. Computer software is depreciated in accordance with the straight-line method from 3 to 5 years.

12. Construction in progress

Construction in progress reflects costs directly related (including related loan interest expenses in accordance with the Group's accounting policies) to assets in progress of construction and machinery, equipment in progress of installation to serve the purpose of production, lease and management as well as costs related to repair of fixed assets in progress. These assets are recognized in accordance with their original costs and not depreciated.

13. Business cooperation contracts

Jointly controlled operations

The Group includes business cooperation contracts under the form of jointly controlled operations in the interim consolidated financial statements with the following contents:

- The assets that the Group controls.
- The liabilities that the Group incurs.
- The share of the income that it earns from the sale of goods and services by the joint venture.
- The expenses that the Group incurs.

14. Liabilities payable and accrued expenses

Liabilities payable and accrued expenses are recognized for the amount payable in the future related to goods and services already received. Accrued expenses are recognized based on reasonable estimates on the amount payable.

The classification of accounts payable into payables to suppliers, accrued expenses and other payables is done as follows:

- Payables to suppliers reflect trade payables occurred from purchase-sale transaction of goods, services, assets and the suppliers are independent units against the Group.
- Accrued expenses reflect payables for goods and services already received from suppliers or provided to customers but for which the payment has not been made due to lack of invoices or accounting documents and payables for employees on leave pay, appropriated operating costs.
- Other payables reflect non-trade payables or payables unrelated to purchase-sale transactions, provision of goods and services.

Liabilities payable and accrued expenses are classified into short-term and long-term ones on the interim consolidated balance sheet based on the remaining terms as of the balance sheet date.

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Notes to the interim consolidated financial statements (cont.)

15. Owner's equity

Owner's contribution capital

Owner's contribution capital is recognized in line with the amount actually contributed by the shareholders of the Company.

Share premiums

Share premiums are recorded in accordance with the difference between issuance price and face value of shares in the first issuance, additional issuance or the difference between reissuance price and book value of treasury stocks and the equity component of convertible bonds upon maturity. Direct expenses related to the additional issuance of shares and reissuance of treasury stocks are recorded to decrease share premiums.

Treasury stocks

When re-purchasing shares issued by the Company, the amount payable including the expenses related to the transaction is recorded as treasury stocks and are recorded as a decrease in owner's equity. When re-issuing, the differences between re-issuance price and book value of treasury stocks are recognized into item of share premium.

16. Profit distribution

Profit after corporate income tax is distributed to the shareholders after appropriation of funds in accordance with the Company's Charter as well as legal regulations and being approved by the General Meeting of Shareholders.

The profit distribution to the shareholders considers non-monetary items in retained profit after tax which can have impacts on cash flows and possibility of profit payment such as gains from revaluation of assets for capital contribution, revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities payable upon the approval by the General Meeting of Shareholders.

17. Recognition of sales and income

Sales of selling goods

Sales of selling goods shall be recognized when all of the following conditions are satisfied:

- The Group transfers most of risks and benefits incident to the ownership of goods to customers.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of sales can be measured reliably. Where contracts stipulate that buyers are entitled to return goods purchased under specific conditions, sales are recorded only when those specific conditions no longer exist and buyers are not entitled to return goods (except for the case that such returns are in exchange for other goods or services).
- The Group received or shall probably receive the economic benefits associated with the sale transactions.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

Sales of providing services

Sales of providing services shall be recognized when all of the following conditions are satisfied:

- The amount of sales can be measured reliably. When contracts stipulate that buyers are entitled to return services provided under specific conditions, sales are recognized only when those specific conditions no longer exist and buyers are not entitled to return services provided.

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- The Group received or shall probably receive the economic benefits associated with the providing of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In case the service is carried out in many accounting periods, sales are recognized during the period based on the result of completed work as of the balance sheet date.

Interests

Interests are recorded based on the term and the interest rates applied for each period.

Dividends and profit shared

Dividends and profit shared are recognized when the Group has the right to receive dividends or profit from the capital contribution. Dividends received by shares are only followed by the increasing number of shares but not recognized with the value of shares received.

18. Borrowing costs

Borrowing costs include loan interest and other costs directly related to borrowings. Borrowing costs are recognized into expenses when arising.

19. Costs

Costs are amounts reducing economic benefits, recorded at the time the transaction arises or shall be likely to arise in the future regardless of spending money or not.

Costs and revenues set up by it must be recognized simultaneously on the principle of conformity. In case, conformity principle may conflict with precautionary principle in accounting, costs are recognized based on the nature and regulations of accounting standards to reflect transactions honestly and reasonably.

20. Corporate income tax

Corporate income tax includes current income tax which is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses, losses transferred.

21. Related parties

A party is considered a related party in case one party is able to control the other or to cause considerable effects on the financial decisions as well as the operations of the other. A party is also considered a related party in case of together being controlled or affected significantly.

In the consideration of relations among related parties, the nature of relations is paid more attention than the legal form.

22. Segment reporting

A business segment is a distinguishable component that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

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A geographical segment is a distinguishable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is prepared and presented in line with the accounting policies applied for preparation and presentation of the Group's interim consolidated financial statements.

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V. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM CONSOLIDATED BALANCE SHEET

1. Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	2,384,772,074	2,811,200,781
Demand deposits in banks	76,032,247,115	85,824,003,790
Cash equivalents (Under-3-month termed deposits in bank)	108,848,044,406	183,490,029,104
Total	<u>187,265,063,595</u>	<u>272,125,233,675</u>

2. Financial investments

The Group's financial investments include investments held to maturity dates, investments in associates, capital contribution in other entities. Information on the Group's financial investments is as follows:

2a. Investments held to maturity dates

Including bank deposit with the term from over 3 months to 12 months.

2b. Investments in associates

	Ending balance			Beginning balance		
	Historical costs	Profit after investment date	Total	Historical costs	Profit after investment date	Total
Hai An General Service JSC. ⁽ⁱ⁾				1,000,000,000	978,454,878	1,978,454,878
Hai An Agency and Logistics Co., Ltd. ⁽ⁱⁱ⁾	12,500,000,000	14,988,873,063	27,488,873,063	12,500,000,000	14,420,692,969	26,920,692,969
Hai An Freight Forwarding JSC. ⁽ⁱⁱⁱ⁾	1,494,000,000	2,985,049,801	4,479,049,801	1,200,000,000	1,573,568,223	2,773,568,223
Total	<u>13,994,000,000</u>	<u>17,973,922,864</u>	<u>31,967,922,864</u>	<u>14,700,000,000</u>	<u>16,972,716,070</u>	<u>31,672,716,070</u>

(i) According to the Meeting Minutes No. 0101-2019/BB-HDQT dated 2 January 2019 of the Board of Management, during the year Hai An Port Co., Ltd. transferred the whole contribution capital in Hai An General Service JSC. to Hai An Agency and Logistics Co., Ltd. with the transfer price of VND 1,803,100,000. As of 30 June 2019, the subsidiary had no longer held contribution capital in this Company.

(ii) According to the 3rd amended Business and Tax Registration Certificate No. 0201244461 dated 13 October 2016 granted by Department of Planning and Investment of Haiphong City, Hai An Port Co., Ltd. would invest in Hai An Agency and Logistics Co., Ltd. with the amount of VND 12,500,000,000, equivalent to 50% charter capital. As of the balance sheet date, the subsidiary had fully invested as registered, with no changes compared to the beginning balance. In which, the initial contribution capital was VND 5,000,000,000, the capital increased from shared profit was VND 7,500,000,000.

(iii) According to the Resolution No. 0310-2018/NQ-HDQT dated 18 October 2018 of the Board of Management, the Company would additionally invest 29,400 shares of Hai An Freight Forwarding JSC. (GNVTHA) (the share amount would be allocated for current shareholders), during the

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period, the Company purchased 29,400 shares of GNVTHA with the purchasing price of VND 294,000,000. As of the balance sheet date, the Company owned 149,400 shares of GNVTHA accounting for 36.89% of charter capital.

The ownership value of the Group in associates is as follows:

	Ownership value at the beginning of the year	Capital contribution during the period	Gains or losses during the period	Transfer value	Ownership value at the end of the period
Hai An General Service JSC	1,978,454,878		(978,454,878)	(1,000,000,000)	
Hai An Agency and Logistics Co., Ltd.	26,920,692,969		568,180,094		27,488,873,063
Hai An Freight Forwarding JSC.	2,773,568,223	294,000,000	1,411,481,578		4,479,049,801
Total	31,672,716,070	294,000,000	1,001,206,794	(1,000,000,000)	31,967,922,864

Operation of associates

The associates are in normal business condition, with no major changes compared to the previous year.

Transactions with associates

Material transactions between the Group and its associates were as follows:

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
<i>Hai An Agency and Logistics Co., Ltd. (HAAL)</i>		
Sales of providing services to the associate	127,962,000	21,653,058,337
Sales of selling goods to the associate		18,248,484,526
Using agency service of the associate	2,123,557,907	5,192,749,372
Assuming capital of the associate under BCC		10,000,000,000
Returning BCC contribution capital to the associate		10,000,000,000
Returning BCC profit in 2018 to the associate	1,727,775,307	
The associate shared profit	2,175,000,000	2,500,000,000
<i>Hai An General Service JSC (HAGS)</i>		
The associate provided services		8,884,634,834
The associate provided transport services	1,532,651,820	
The associate shared dividends		270,465,000
<i>Hai An Freight Forwarding JSC.</i>		
Capital contribution into the associate	294,000,000	1,200,000,000
Using service of the associate	1,413,324,156	66,640,001
Providing service to the associate	267,932,000	14,031,231,542
Recovery of capital contribution of BCC from the associate	5,000,000,000	

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Notes to the interim consolidated financial statements (cont.)**2c. Capital contribution in other entities**

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Marina Logistics & Agencies Co., Ltd.	10,000,000,000		10,000,000,000	
Dong Do CMC	450,000,000		450,000,000	
Marine Supply and Engineering Service JSC	864,000		864,000	
MHC JSC	2,500		2,500	
Total	10,450,866,500		10,450,866,500	

Fair value

For investments with listed prices, their fair value is determined in accordance with the listed prices as of the balance sheet date. The Group has not determined fair value of investments without listed prices as there has no detailed guidance on determination of fair value.

3. Short-term receivable from customers

	Ending balance	Beginning balance
Receivable from related parties	30,642,123,059	20,181,750,540
Hai An Freight Forwarding JSC.	15,451,033,175	14,140,755,902
Hai An Agency and Logistics Co., Ltd.	4,398,764,386	633,277,100
Hai An General Service JSC	198,000	
Macs Shipping Corporation	5,400,000	
Branch of Transimex Corporation in Hanoi	15,899,400	14,642,100
Marina Logistics & Agencies Co., Ltd.	942,200,750	612,709,000
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	9,720,822,154	4,567,529,087
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	99,665,194	100,072,351
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	8,140,000	112,765,000
Receivable from other customers	81,252,313,984	102,090,502,702
Sea Consortium Pte Ltd	225,362,361	22,658,437,552
Hapag-Lloyd Vietnam Co., Ltd.	13,706,442,443	12,016,989,965
Ocean Network Express PTE Ltd.	8,061,109,529	
Tico International Corporation	264,651,998	3,719,043,402
Others	58,994,747,653	63,696,031,783
Total	111,894,437,043	122,272,253,242

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4. Short-term prepayments to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Vietnam Maritime Safety - North	239,222,508	239,222,508
HASECOM	1,211,823,200	
Wartsila Services Switzerland Ltd	1,012,791,580	
AE Consulting & Trading bvba		5,364,712,000
Others	1,192,505,530	1,249,310,042
Total	<u>3,656,342,818</u>	<u>6,853,244,550</u>

5. Other short-term/long-term receivable

5a. Other short-term receivable

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Value	Provision	Value	Provision
<i>Receivable from related parties</i>	<i>672,660,127</i>		<i>114,763,908</i>	
Marina Logistics & Agencies Co., Ltd.- BCC business results	209,694,368			
HAI HA IT.,JSC – BCC business results	209,694,368			
Hai An Freight Forwarding JSC. – BCC business results	105,083,149			
Payments on behalf	148,188,242		114,763,908	
<i>Receivable from other organizations and individuals</i>	<i>95,783,192,361</i>		<i>88,979,127,393</i>	
Estimated receipt of deposit interest	365,893,208		403,746,555	
Deposit for project transfer (*)	90,000,000,000		70,000,000,000	
Deposits and mortgages	2,128,894,372		396,872,836	
Advances	1,225,974,005		659,240,156	
Vietnam Maritime Development Investment JSC – repair costs of Mv. Hai An Gate			14,369,234,234	
Others	2,062,430,776		3,150,033,612	
Total	<u>96,455,852,488</u>		<u>89,093,891,301</u>	

(*) Pursuant to the BOM's Resolution No. 01B10-2017/NQ-HDQT dated 5 December 2017, the Company deposited the amount of VND 90,000,000,000 in order to sign the contract of assuming transfer of 90% of investment right in the project "Container yard and port service" in Phuoc Hoa Commune, Tan Thanh District, Ba Ria – Vung Tau Province.

5b. Other long-term receivable

Including long-term deposits and mortgages.

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6. Provision for bad debts

	Overdue time	Ending balance		Overdue time	Beginning balance	
		Historical costs	Provision		Historical costs	Provision
<i>Other organizations</i>		1,974,306,353	(1,066,454,232)		1,968,464,319	(705,922,824)
Hung Thinh Transport Co., Ltd.	Over 3 years	65,089,486	(65,089,486)	3 years	65,089,486	(65,089,486)
Royal Transport Trading Co., Ltd.	Over 3 years	99,744,126	(99,744,126)	3 years	99,744,126	(99,744,126)
Navigator Marine Corp	From 1 year to 2 years	1,809,472,741	(901,620,620)	Over 6 months under 1 year	1,803,630,707	(541,089,212)
Total		<u>1,974,306,353</u>	<u>(1,066,454,232)</u>		<u>1,968,464,319</u>	<u>(705,922,824)</u>

Situation of fluctuations in provision for bad debts is as follows:

	<u>Current period</u>	<u>Previous period</u>
Beginning balance	705,922,824	214,833,612
Additional appropriation of provision	360,531,408	
Other decrease		(50,000,000)
Ending balance	<u>1,066,454,232</u>	<u>164,833,612</u>

7. Inventories

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Materials and supplies	59,758,306,095		34,897,068,379	
Tools, instruments	437,169,649		82,885,455	
Total	<u>60,195,475,744</u>		<u>34,979,953,834</u>	

8. Short-term/Long-term prepaid expenses

8a. Short-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses for dredging	2,840,504,415	
Insurance to be allocated	2,254,115,474	1,696,882,210
Lubricant cost	2,195,147,965	1,249,503,273
Tools, instruments	61,564,555	136,907,832
Highway toll	35,432,081	120,707,085
Office rental	211,000,000	84,102,200
Others	72,378,775	118,908,831
Total	<u>7,670,143,265</u>	<u>3,407,011,431</u>

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8b. Long-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Repair costs	224,326,317	706,449,273
Periodical repair cost of Mv. Hai An Park	3,755,935,532	6,975,308,840
Periodical repair cost of Mv. Hai An Time	10,900,653,193	
Periodical repair cost of Mv. Hai An Song	376,189,591	2,633,327,131
Periodical repair cost of Mv. Hai An Bell	12,099,681,725	15,003,605,339
Tools, instruments	835,429,495	844,131,343
Land rental (*)	225,966,053,314	181,728,035,590
Software copyright	151,018,062	254,538,894
Total	<u>254,309,287,229</u>	<u>208,145,396,410</u>

- (*) This is the land rental of Pan Hai An Co., Ltd. in Nam Dinh Vu Industrial Park for investment, construction and trading of container yard.

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Notes to the interim consolidated financial statements (cont.)**9. Tangible fixed assets**

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Other fixed assets	Total
Historical costs						
Beginning balance	268,971,100,854	280,039,232,177	666,206,308,161	2,585,982,571	39,353,374,218	1,257,155,997,981
Purchase during the period		16,498,675,504	128,753,013,854			145,251,689,358
Completed construction	4,658,791,360					4,658,791,360
Ending balance	<u>273,629,892,214</u>	<u>296,537,907,681</u>	<u>794,959,322,015</u>	<u>2,585,982,571</u>	<u>39,353,374,218</u>	<u>1,407,066,478,699</u>
<i>In which:</i>						
Fully depreciated but being still in use	25,849,452,720	9,473,583,660	3,067,208,971	1,631,734,071		40,021,979,422
To be liquidated						
Depreciation						
Beginning balance	108,421,972,265	182,816,374,494	153,527,895,776	1,754,355,921	4,425,265,082	450,945,863,538
Depreciation during the period	8,340,009,395	14,653,520,047	32,816,368,408	142,523,236	1,995,942,462	57,948,363,548
Ending balance	<u>116,761,981,660</u>	<u>197,469,894,541</u>	<u>186,344,264,184</u>	<u>1,896,879,157</u>	<u>6,421,207,544</u>	<u>508,894,227,086</u>
Net book value						
Beginning balance	160,549,128,589	97,222,857,683	512,678,412,385	831,626,650	34,928,109,136	806,210,134,443
Ending balance	<u>156,867,910,554</u>	<u>99,068,013,140</u>	<u>608,615,057,831</u>	<u>689,103,414</u>	<u>32,932,166,674</u>	<u>898,172,251,613</u>
<i>In which:</i>						
Temporarily unused						
To be liquidated						

Some tangible fixed assets of which the net book value is VND 681,881,813,045 have been mortgaged to secure the loans from banks.

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10. Intangible fixed assets

	<u>Land use right</u>	<u>Software copyright</u>	<u>Total</u>
Historical costs			
Beginning balance	4,945,015,236	6,809,912,649	11,754,927,885
Ending balance	<u>4,945,015,236</u>	<u>6,809,912,649</u>	<u>11,754,927,885</u>
<i>In which:</i>			
Fully depreciated but being still in use			
Amortization			
Beginning balance	2,108,931,861	3,454,995,233	5,563,927,094
Depreciation during the period	70,643,076	874,500,643	945,143,719
Ending balance	<u>2,179,574,937</u>	<u>4,329,495,876</u>	<u>6,509,070,813</u>
Net book value			
Beginning balance	2,836,083,375	3,354,917,416	6,191,000,791
Ending balance	<u>2,765,440,299</u>	<u>2,480,416,773</u>	<u>5,245,857,072</u>
<i>In which:</i>			
Temporarily unused			
To be liquidated			

11. Construction in progress

	<u>Beginning balance</u>	<u>Increasing during the period</u>	<u>Inclusion in fixed assets during the period</u>	<u>Transfer to expenses to be allocated</u>	<u>Ending balance</u>
Purchase of fixed assets		145,416,850,176	(145,251,689,358)		165,160,818
Construction in progress	2,740,688,182	8,624,640,978	(4,658,791,360)		6,706,537,800
Large repair of fixed assets	1,075,900,722	12,693,345,416		(13,769,246,138)	
Total	<u>3,816,588,904</u>	<u>166,734,836,570</u>	<u>(149,910,480,718)</u>	<u>(13,769,246,138)</u>	<u>6,871,698,618</u>

12. Short-term payable to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Payable to related parties	<u>9,787,018,246</u>	<u>7,168,799,593</u>
Hai An Freight Forwarding JSC.	849,232,917	266,543,009
Hai An Agency and Logistics Co., Ltd.		750,796,415
Hai An General Service JSC	1,309,472,019	2,626,212,731
Transimex Corporation		15,640,000
HAI HA IT.,JSC	586,845,261	308,670,922
Dong Do Crew Manning JSC.	3,564,514,326	
Marina Logistics & Agencies Co., Ltd.	3,064,322,015	2,709,721,516
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	43,636,708	7,260,000
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	368,995,000	483,955,000

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	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payable to other suppliers</i>	73,045,176,473	73,120,565,580
Triton Container International Limited-Colle	2,124,150,668	2,137,259,433
South Horizons International Petroleum (S) Pte Ltd	17,611,912,391	
BMS United Bunkers (Asia) Limited	7,975,007,335	10,202,569,877
MIDV	1,413,543,373	10,352,777,607
Hung Dung Trading Dredging and Construction JSC.	5,489,882,800	
Others	38,430,679,906	50,427,958,663
Total	<u>82,832,194,719</u>	<u>80,289,365,173</u>

13. Taxes and other obligations to the State Budget

	<u>Beginning balance</u>		<u>Increase during the period</u>		<u>Ending balance</u>	
	Payable	Amount payable	Amount already paid	Payable	Receivable	
VAT on local sales	3,106,715,908	22,947,257,782	(22,098,782,201)	3,955,191,489		
Corporate income tax	7,799,608,005	15,185,084,953	(15,835,228,883)	7,156,059,786	6,595,711	
Personal income tax	1,821,080,146	4,945,614,365	(4,643,882,488)	2,122,812,023		
Land rental		909,474,178	(909,474,178)			
Other taxes		14,000,000	(14,000,000)			
Total	<u>12,727,404,059</u>	<u>44,001,431,278</u>	<u>(43,501,367,750)</u>	<u>13,234,063,298</u>	<u>6,595,711</u>	

Value added tax (VAT)

The Group has to pay VAT in accordance with the deduction method. VAT rate is as follows:

Stevedoring for foreign vessels, ocean freight, vessel freight abroad	0%
Service of providing fresh water	5%
Other services of transport, stevedoring	10%

Corporate income tax

Operating ports of the Group enjoys incentive tax rate of 10% within fifteen years (15 years) from the first year of income from business operations enjoying tax incentive (year 2011) in accordance with Point 3, Part B, Point 1.3 and Point 6, Section II, Part H of the Circular No. 130/2008/TT-BTC dated 26 December 2008 of the Ministry of Finance,

Incentive term: CIT exemption in 4 years, 50% reduction of the tax payable in the following 9 years since 2011 in accordance with Point 1.3, Section III, Part H of the Circular No. 130/2008/TT-BTC dated 26 December 2008 of the Ministry of Finance.

The Group has to pay corporate income tax for income from other operations at the rate of 20%.

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Corporate income tax payable during the period is estimated as follows:

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Corporate income tax payable calculated on taxable income of the current year	13,963,347,318	13,625,241,491
Corporate income tax paid by business cooperation parties on behalf	1,221,737,635	2,435,340,928
Total corporate income tax payable	15,185,084,953	16,060,582,419

The determination of corporate income tax payable of the companies in the Group is based on the prevailing regulations on taxes. However, these regulations change for each period and the regulations on taxes for various transactions can be explained in various ways. Therefore, the tax amount presented in the interim consolidated financial statements could change when being examined by the Tax Office.

Land rental

Land rental is paid according to the notices of the Tax Department.

Other taxes

The Group has declared and paid these taxes in line with the prevailing regulations.

14. Short-term accrued expenses

	Ending balance	Beginning balance
Fuel costs of Mv. Hai An Song		1,802,532,141
Loan interest expenses payable	1,250,409,901	1,056,867,336
Expenses for loading and unloading vessels temporarily calculated	517,760,982	
Expenses for operating vessels temporarily calculated	1,996,134,911	249,334,414
Others	370,826,724	
Total	4,135,132,518	3,108,733,891

15. Short-term unrealized revenue

Including revenue received in advance of leasing vessel.

16. Other short-term/long-term accounts payable

16a. Other short-term payable

	Ending balance	Beginning balance
<i>Payable to related parties</i>	5,384,509,207	4,564,996,945
Transimex Corporation – business cooperation interest	100,276,373	100,276,373
Marina Logistics & Agencies Co., Ltd. – business cooperation interest	1,052,610,546	939,108,094
Hai An Agency and Logistics Co., Ltd. – business cooperation interest	1,998,943,926	1,771,939,021
Macs Shipping Corporation – business cooperation interest	25,898,150	25,898,150
HAI HA IT., JSC - business cooperation interest	1,954,780,212	1,727,775,307
Allowances for the Board of Management, the Control Board	252,000,000	

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	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payable to other organizations and individuals</i>	34,917,426,786	27,309,511,025
MHC JSC – business co-operation interest	30,477,701	30,477,701
SM Line Corporation - Receipts on behalf	32,832,900,576	25,575,794,806
Assuming short-term deposits, mortgages	620,000,000	380,000,000
Trade Union’s expenditure	318,355,913	358,859,625
Social insurance, health insurance, unemployment insurance	167,233,716	49,078,020
Dividends payable	424,650,000	418,950,000
Infrequent tax payable	343,307,525	317,832,237
Others	180,501,355	178,518,636
Total	<u>40,301,935,993</u>	<u>31,874,507,970</u>

16b. Other long-term payable

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payable to related parties – BCC capital contribution ^(*)</i>	50,000,000,000	25,000,000,000
Hai An Freight Forwarding JSC.	5,000,000,000	
Marina Logistics & Agencies Co., Ltd.	15,000,000,000	5,000,000,000
Hai An Agency and Logistics Co., Ltd.	10,000,000,000	10,000,000,000
Hai Ha IT., JSC	20,000,000,000	10,000,000,000
Total	<u>50,000,000,000</u>	<u>25,000,000,000</u>

^(*) Including:

- The Business Cooperation Contract (BCC) No. 48-HDHTKD dated 18 April 2017 regarding capital contribution cooperation to invest, trade and operate Container vessels. The parties committed to contributing capital to purchase vessels, handing over assets for capital contribution and all project assets to Hai An Container Transport Co., Ltd. (“the control party”) and agreed to let the control party to register ownership, organize business and operate vessel leasing efficiently. The parties would jointly share profit and suffer all losses and risks (if any) from trading and operating vessels in accordance with the rates of capital contribution, terms and conditions of the Contract and the prevailing legal regulations.

- the Business Cooperation Contract No. 66/HDHTKD dated 8 May 2019 regarding capital contribution cooperation to invest, trade and operate Container vessels, the Company is “the Control party”. The parties committed to contributing capital to purchase vessels, handing over assets for capital contribution and all project assets to “the control party” and agreed to let the control party to register ownership, organize business and operate vessel leasing efficiently. The parties would jointly share profit and suffer all losses and risks (if any) from trading and operating vessels in accordance with the rates of capital contribution, terms and conditions of the Contract and the prevailing legal regulations,

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17. Short-term/Long-term loans

17a. Short-term loans

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Short-term loans from bank</i>	4,785,897,143	5,049,365,476
MB – Transaction Office 1 ⁽ⁱ⁾	4,785,897,143	5,049,365,476
<i>Due long-term loans (see Note V.18b)</i>	76,694,353,473	72,017,242,366
Bao Viet Bank – Head office		6,455,700,160
Vietcombank – Haiphong Branch	66,765,376,282	52,001,607,390
TPBank – Hanoi Branch ⁽ⁱⁱ⁾	3,689,999,373	7,327,578,396
MB – Transaction Office 1	6,238,977,818	6,232,356,420
Total	<u>81,480,250,616</u>	<u>77,066,607,842</u>

The Group has solvency to pay short-term loans.

- (i) This is the loan from MB – Transaction Office 1 to pay for purchasing oil and liabilities, the term of 3 months. This loan does not have guarantee assets.
- (ii) This is the due long-term loan from TPBank – Hanoi Branch in accordance with the Loan Agreement No. 25-10.14/HDTD/TPB.HTH dated 16 October 2014 to implement the project of investment in container vessel with the interest rate adjusted every 3 months, the term of 60 months. This loan is secured by the right of purchasing and selling Mv. HAIAN SONG.

Details of increases/decreases of short-term loans during the period are as follows:

	<u>Short-term loans from banks</u>	<u>Due long-term loans</u>	<u>Total</u>
Beginning balance	5,049,365,476	72,017,242,366	77,066,607,842
Increase during the period	14,513,840,513		14,513,840,513
Transfer from long-term loans and debts		43,391,549,612	43,391,549,612
Exchange rate differences due to revaluation of balances of loans in foreign currencies at the end of the period		26,210,523	26,210,523
Amount already paid during period	(14,777,308,846)	(38,740,649,028)	(53,517,957,874)
Ending balance	<u>4,785,897,143</u>	<u>76,694,353,473</u>	<u>81,480,250,616</u>

17b. Long-term loans

	<u>Ending balance</u>	<u>Beginning balance</u>
Vietcombank – Haiphong Branch ⁽ⁱ⁾	221,134,175,255	149,869,183,740
MB – Transaction Office 1 ⁽ⁱⁱ⁾	11,752,549,940	14,763,817,678
Total	<u>232,886,725,195</u>	<u>164,633,001,418</u>

The Group has solvency to pay long-term loans.

⁽ⁱ⁾These are the loans from Vietcombank – Haiphong Branch in accordance with the following contracts:

- The Credit Contract No. 2016/DA/HDTD/VCB-HA dated 6 September 2016 to invest in the system of 10 container trucks with the term of 48 months commencing from the initial disbursement date, no grace. This loan is secured by the whole assets formed after investment.

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- The Credit Contract No. 01/2018/VCB-HAIAN dated 15 October 2018 for the purpose of financing the implementation of the project of investment in Mv. Sinar Brani container, the term of 60 months (5years) commencing from the following date of disbursement date of initial capital loan, the grace time of 6 months but not over 3 months commencing from the date of the first receipt resource from operating/hiring vessel, the debt payment term is 19 periods (every 3 months), the first period of principal debt payment would be after the termination of grace time. This loan is secured by Mv. Hai An Link.
 - The medium-long term Credit Contract No. 01.2019/HDCV/VCB-HAIAN dated 29 May 2019 to invest in the project of VNL Ruby container vessel with the term of 60 months, the grace duration of 6 months commencing from the following date of disbursement date of initial capital loan but not over 3 months commencing from the date of the first receipt resource from operating/hiring vessel, the first period of principal debt payment would be after the termination of grace time, the loan interest is paid every 3 months. This loan is secured by the mortgaged assets including 2 forklift trucks branded PPM Terex, Kirow Ardel GMBH kicker crane, 5 tractors and 5 semi-trailers, Mv. Hai An Link and Mv. VNL Ruby.
 - The Credit contract No. 2015/DA/HDTD/VCB-HA dated 22 September 2015 to implement the investment project of Mv. Container HAIAN TIME with the interest rate adjusted every 3 months, the term until 22 September 2020. This loan is secured by the asset after investment from loan capital and own capital, which is Mv. Container HAIAN TIME of the Project.
 - The Loan Agreement No. 01/2018/VCB-PANHAIAN dated 12 September 2018 to implement Logistics Pantos- Hai An project with the maximum loan of VND 300 billion, the term of 120 months commencing from the initial disbursement date, the grace duration of 6 months. This loan is secured by the whole assets formed in the future of the project (including: Assets associated with land, specialized machinery and equipment/vehicles).
- (ii) These are the loans from MB – Transaction Office 1 in accordance with the following contracts:
- The Credit Contract No. 66755.15.002.2486868.TD dated 25 October 2015 to pay LC to import 2 truck pin container lifters with the term of 60 months. This loan is secured by machinery and equipment formed after investment.
 - The Credit Contract No. 88928.16.002.2486868.TD dated 7 December 2015 to supplement the medium-term capital demands to import containers with the interest rate is stipulated in the bills of debt with the maximum term of 60 months. This loan is secured by the assets which are 400 containers of all kinds of the Company.
 - The loan contract to invest in 01 Container vessel with the interest rate adjusted every 3 months, the term of 5 years commencing from the first disbursement date, the grace duration of 3 months. This loan is secured by the asset formed from the loan capital.

Payment schedule of long-term loans is as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Under 1 year	76,694,353,473	72,017,242,366
From 1 year to 5 years	192,990,096,595	164,633,001,418
Over 5 years	39,896,628,600	
Total	<u>309,581,078,668</u>	<u>236,650,243,784</u>

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Details of increases/decreases of long-term loans are as follows:

	<u>Current period</u>	<u>Previous period</u>
Beginning balance	164,633,001,418	143,122,894,109
Increase	110,851,080,529	
Increase due to evaluation of exchange rate at the end of the period	794,192,860	939,342,471
Amount already paid		(51,475,714,200)
Transfer to short-term loans and debts	(43,391,549,612)	(29,582,766,374)
Ending balance	<u>232,886,725,195</u>	<u>63,003,756,006</u>

The Group has not had any outstanding overdue loans.

18. Provision for current liabilities

Provisions for short-term payable related to compensation for damaged goods.

19. Bonus, welfare funds

	<u>Beginning balance</u>	<u>Increase due to appropriation from profit</u>	<u>Disbursement during the period</u>	<u>Ending balance</u>
Bonus funds	14,463,218,213	5,467,000,000	(4,521,743,000)	15,408,475,213
BOM's bonus fund	4,631,444,434	4,101,000,000	(1,827,000,000)	6,905,444,434
Total	<u>19,094,662,647</u>	<u>9,568,000,000</u>	<u>(6,348,743,000)</u>	<u>22,313,919,647</u>

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20. Owner's equity**20a. Statement of fluctuations in owner's equity**

	Owner's contribution capital	Share premium	Treasury stocks	Business promotion fund	Retained profit after tax	Interest of non- controlling shareholders	Total
Beginning balance of the previous year	345,078,180,000	58,738,380,922	(14,920,919,678)	152,064,070,809	124,290,839,354	170,926,532,068	836,177,083,475
Issuing shares to receive cash	142,749,330,000	56,884,732,000					199,634,062,000
Profit in the previous period					69,797,235,930	8,138,061,109	77,935,297,039
Capital contribution during the period						22,178,644,650	22,178,644,650
Appropriation of funds				27,500,000,000	(37,150,000,000)		(9,650,000,000)
Share of dividends					(33,934,765,000)		(33,934,765,000)
Ending balance of the previous period	487,827,510,000	115,623,112,922	(14,920,919,678)	179,564,070,809	123,003,310,284	201,243,237,827	1,092,340,322,164
Beginning balance of the current year	487,827,510,000	115,606,612,922	(14,920,919,678)	179,564,070,809	188,364,837,620	262,234,132,546	1,218,676,244,219
Profit in the current period					65,764,527,605	10,109,635,937	75,874,163,542
Appropriation of funds				27,337,000,000	(36,905,000,000)		(9,568,000,000)
Share of dividends					(72,314,547,000)	(14,850,000,000)	(87,164,547,000)
Ending balance of the current period	487,827,510,000	115,606,612,922	(14,920,919,678)	206,901,070,809	144,909,818,225	257,493,768,483	1,197,817,860,761



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20b. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	48,782,751	48,782,751
Number of shares already issued	48,782,751	48,782,751
- <i>Common shares</i>	48,782,751	48,782,751
Number of shares repurchased	573,053	573,053
- <i>Common shares</i>	573,053	573,053
Number of outstanding shares	48,209,698	48,209,698
- <i>Common shares</i>	48,209,698	48,209,698

Face value per outstanding share: VND 10,000.

20c. Profit distribution

During the period, the Company has distributed profit in accordance with the Resolution of 2019 Annual General Meeting of the Shareholders No. 0204-2019/NQ-DHDCD dated 11 April 2019 as follows:

	VND
• Share of dividends to shareholders	: 72,314,547,000
• Appropriation of business promotion fund	: 27,337,000,000
• Appropriation of BOM Fund	: 4,101,000,000
• Appropriation of bonus and welfare fund	: 5,467,000,000

21. Off-interim consolidated balance sheet items**Foreign currencies**

	<u>Ending balance</u>	<u>Beginning balance</u>
US Dollar (USD)	1,476,536.20	1,073,229.92
Euro (EUR)	40.54	312.75

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM CONSOLIDATED INCOME STATEMENT**1. Sales of selling goods and providing services****1a. Gross sales**

	Accumulated from the beginning of the year to the end of the current period	
	<u>Current year</u>	<u>Previous year</u>
Sales of operating ports	80,859,866,546	130,383,592,053
Sales of operating vessels	411,851,326,439	343,777,882,751
In which:		
<i>Sales of the BCC No. 48/HDHTKD</i>	66,797,707,429	64,217,043,367
<i>Sales of the BCC No. 66/HDHTKD</i>	6,024,672,165	
<i>Sales of operating Mv. Hai An Link</i>	29,953,165,314	
Sales of other activities	31,692,172,550	21,825,650,775
Total	<u>524,403,365,535</u>	<u>495,987,125,579</u>

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1b. Sales of providing services to related parties

Apart from transactions of providing services to associate as presented in Note V.2b, the Company has also had transactions of providing services of operating vessels, operating ports and leasing assets to related parties which are not associate as follows:

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Macs Shipping Corporation	1,813,636,365	988,727,272
Branch of Macs Shipping Corporation in Haiphong		66,633,383
Hai Minh JSC	156,727,273	13,454,546
Transimex Corporation	1,368,818,190	2,255,909,096
Marina Logistics & Agencies Co., Ltd.	1,673,364,149	872,586,960
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	12,715,782,432	8,042,661,811
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	900,000	4,335,332,090
Marina Haiphong		217,376,781

2. Costs of goods sold

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Costs of operating ports	43,887,869,288	70,900,480,353
Costs of operating vessels	346,026,123,611	318,361,159,258
In which:		
<i>Costs of the BCC No. 48/HDHTKD</i>	56,043,413,470	57,540,626,164
<i>Costs of the BCC No. 66/HDHTKD</i>	5,925,907,827	
<i>Costs of operating Mv. Hai An Link</i>	20,197,577,498	
Costs of other activities	16,952,303,570	11,378,823,733
Total	406,866,296,469	400,640,463,344

3. Financial income

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Bank deposit interest	4,645,722,482	1,972,357,466
Loan interest		11,342,465
Gain on transfer of associate	803,100,000	
Dividends and profits shared	2,575,000,000	3,470,465,000
Gain on exchange rate differences	842,034,240	1,029,268,638
Gain on exchange rate differences due to revaluation of monetary items in foreign currencies	2,484,415	106,546,483
Total	8,868,341,137	6,589,980,052

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4. Financial expenses

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Loan interest expenses	7,029,278,629	3,163,234,803
Payment discount	326,885	
Loss from exchange rate differences	321,976,137	423,307,106
Loss from exchange rate differences due to revaluation of monetary items in foreign currencies	606,728,091	1,119,293,888
Total	7,958,309,742	4,705,835,797

5. Administrative overheads

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Expenses for staff	16,094,487,152	13,395,255,164
Expenses for managing materials	663,534,134	819,209,454
Expenses for office stationery	368,156,857	357,976,049
Depreciation of fixed assets	1,934,090,606	1,803,711,041
Taxes, fees and duties	74,999,000	106,707,000
Refund of provision for bad debts	360,531,408	
External services hired	3,855,971,021	3,642,084,232
Others	8,010,915,068	7,163,851,459
Total	31,362,685,246	27,288,794,399

6. Other income

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Gain on liquidation, disposal of fixed assets under BCC		19,359,307,134
Compensation	1,507,492,089	2,416,887,102
Penalty due to breach of contract	161,700,845	
Others	136,121,400	8,680,239
Total	1,805,314,334	21,784,874,475

7. Other expenses

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Loss compensation		43,680,447
Taxed fined, recovered	8,832,292	4,769,661
Penalty due to administrative breach	40,840,000	
Others	3,753,191	125,914,742
Total	53,425,483	174,364,850

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8. Earnings per share

8a. Basic earnings/declined interest per share

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Accounting profit after corporate income tax of the shareholders of the Holding Company	65,764,527,605	69,797,235,930
Appropriation of bonus and welfare fund ⁽ⁱ⁾	(4,714,128,794)	(4,207,596,344)
Profit for determination of basic earnings per share	61,050,398,811	65,589,639,586
Weighted average number of common shares outstanding during the period	48,209,698	34,093,375
Basic earnings/declined interest per share	1,266	1,924

- ⁽ⁱ⁾ Bonus fund, BOM fund in 2019 are temporarily calculated by the appropriation rate of bonus fund, BOM fund in accordance with the Resolution of the 2019 Annual General Meeting of Shareholders dated 11 April 2019 (7%) on profit after corporate income tax of the Holding Company.

Weighted average number of common shares outstanding during the period is calculated as follows:

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Common shares outstanding at the beginning of the year	48,209,698	33,934,765
Effects of common shares issued on 28 June 2018		158,610
Average common shares outstanding during the period	48,209,698	34,093,375

9. Operating expenses per element

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Expenses for materials and supplies	145,942,524,945	162,616,637,060
Labor costs	53,392,214,281	44,855,049,777
Depreciation of fixed assets	56,840,219,457	56,071,970,914
External services hired	143,066,435,077	130,907,763,208
Others	38,650,397,400	33,477,836,784
Total	437,891,791,160	427,929,257,743

VII. OTHER INFORMATION

1. Transactions and balances with related parties

Related parties of the Group include: key managers, their related individuals and other related parties.

1a. Transactions and balances with the key managers and their related individuals

The key managers include: the Board members and the Executive officers. Related individuals with the key managers are their relatives.

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Notes to the interim consolidated financial statements (cont.)

Transactions with the key managers and their related individuals

The Group has not had any transactions of selling goods and providing services to the key managers and their related individuals. Other transaction during the period only included the transaction of payment of allowance for the BOM, the Board of Control, the members of the BOM, the Board of Control with the amount of VND 252,000,000 (that in the same period of the previous year was VND 270,000,000).

Liabilities with the key managers and their related individuals

The Group has not had any liabilities with the key managers and their related individuals.

Income of the key managers

	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
Salary	1,452,830,772	2,147,192,310
Allowance	198,000,000	124,800,000
Bonus	2,446,314,664	1,784,153,622
Total	4,097,145,436	4,056,145,932

1a. Transactions and balances with other related parties

Other related parties of the Group include:

Other related parties	Relationship
Hai An Freight Forwarding JSC.	Associate
Hai An Agency and Logistics Co., Ltd.	Associate of the subsidiary
Hai An General Service JSC	Associate of the subsidiary until 8 January 2019
Transimex Corporation	Large shareholder/with the same key manager
Hai Ha IT., JSC	Large shareholder/with the same key manager
Marine Supply and Engineering Service JSC	Large shareholder/with the same key manager
Macs Shipping Corporation	With the same key manager
Hai Minh JSC	With the same key manager
Marina Logistics & Agencies Co., Ltd.	With the same key manager
NADUCO	With the same key manager
"K" Line Logistic (Vietnam) Co., Ltd.	With the same key manager
Vina Investment JSC	With the same key manager
Toan Viet Investment JSC	With the same key manager
Vinafreight JSC	With the same key manager
An Phuc Thinh Trading and Services Co., Ltd.	With the same key manager
Transvina	With the same key manager
Gelex Logistics One Member Co., Ltd.	With the same key manager
SOTRANS	With the same key manager
SOWATCO	With the same key manager
FLDC	With the same key manager
SOUTH PORT JSC.	With the same key manager
GFC	With the same key manager
GFAC	With the same key manager

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Transactions with other related parties

Apart from transactions with associate as presented in Note V.2a as well as transactions of providing services to other related parties which are not associate as presented in Note VI.1b, the Company has also had other transactions with other related parties as follows:

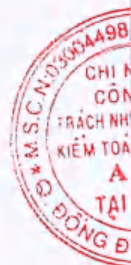
	Accumulated from the beginning of the year to the end of the current period	
	Current year	Previous year
<i>Hai An General Service JSC (HAGS)</i>		
Using service of operating ports	2,917,467,959	4,682,688,468
<i>Macs Shipping Corporation (Macs)</i>		
Dividend payment		1,546,875,000
<i>Transimex Corporation</i>		
Dividend payment	683,257,500	4,414,385,000
Using service of transporting barges	41,818,182	540,400,001
<i>HAI HA IT.,JSC</i>		
Payment of BCC contribution capital		10,000,000,000
Payment of dividends	8,351,250,000	3,045,000,000
Using service of operating ports	1,279,504,248	1,188,386,884
Using service for agency operation	1,354,408,775	1,210,499,201
<i>Marine Supply and Engineering Service JSC</i>		
Payment of dividends		1,242,811,000
Using service of operating ports	170,136,704	
<i>Marina Logistics & Agencies Co., Ltd.</i>		
Payment of dividends to related parties	6,483,090,000	300,330,000
Using service of operating ports		31,101,321
Using service for agency operation	7,357,083,669	6,152,459,230
Payment of BCC contribution capital		5,000,000,000
<i>Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong</i>		
Using agency service	39,997,006	
<i>GFC</i>		
Payment of dividends	3,000,000,000	
<i>GFAC</i>		
Payment of dividends	1,500,000,000	

Liabilities with other related parties

Liabilities with other related parties are presented in Notes V.3, V.5a, V.12, V.13 and V.16.

2. Segment information

The segment information is presented according to business segments and geographical segments. The primary reporting format is the business segments basing on the internal organizational and management structure as well as the system of internal financial reporting of the Group.



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2a. Business segments

The Group has had the major business segments as follows:

- Segment 01: Operating ports
- Segment 02: Operating vessels
- Segment 03: Other activities (including road transport, agency service, leasing assets, etc.)

Information on the business results, fixed assets, other long-term assets and non-cash large expenses of business segments of the Group is presented as follows:

	Activity of operating ports	Activity of operating vessels	Other activities	Total
Current period				
Net sales of selling goods and providing services externally	80,859,866,546	411,851,326,439	31,692,172,550	524,403,365,535
Net sales of selling goods and providing services among segments				
Total net sales of selling goods and providing services	80,859,866,546	411,851,326,439	31,692,172,550	524,403,365,535
Segment business results	36,971,997,258	65,825,202,828	14,739,868,980	117,537,069,066
Expenses not allocated for each segment				31,362,685,246
Profit from business operation				86,174,383,820
Financial income				8,868,341,137
Financial expenses				(7,958,309,742)
Gain/loss in joint ventures, associates				1,001,206,794
Other income				1,805,314,334
Other expenses				(53,425,483)
Current corporate income tax				(13,963,347,318)
Profit after corporate income tax				75,874,163,542
Total expenses arising to purchase fixed assets and other long-term assets	366,699,084	155,215,605,408	72,629,342,565	228,211,647,057
Total depreciation expenses and allocation of long-term prepaid expenses	22,363,071,339	46,188,584,619	7,569,190,906	76,120,846,864
Previous period				
Net sales of selling goods and providing services externally	129,107,764,799	343,777,882,751	23,101,478,029	495,987,125,579
Net sales of selling goods and providing services among segments				
Total net sales of selling goods and providing services	129,107,764,799	343,777,882,751	23,101,478,029	495,987,125,579
Segment business results	59,437,930,789	25,416,723,493	10,492,007,953	95,346,662,235
Expenses not allocated for each segment				(27,288,794,399)
Profit from business operation				68,057,867,836

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

Notes to the interim consolidated financial statements (cont.)

	Activity of operating ports	Activity of operating vessels	Other activities	Total
Financial income				6,589,980,052
Financial expenses				(4,705,835,797)
Gain/loss in joint ventures, associates				8,016,814
Other income				21,784,874,475
Other expenses				(174,364,850)
Current corporate income tax				(13,625,241,491)
Profit after corporate income tax				77,935,297,039
Total expenses arising to purchase fixed assets and other long-term assets	2,215,681,818	17,395,401,417	38,647,597,972	58,258,681,207
Total depreciation expenses and allocation of long-term prepaid expenses	27,359,165,879	43,320,142,560	10,165,504,754	80,844,813,193

Assets and liabilities of business segments based on the Group are as follows:

	Activity of operating ports	Activity of operating vessels	Other activities	Total
Ending balance				
Direct assets of segments	238,006,256,955	742,404,720,666	404,817,995,295	1,385,228,972,916
Assets allocated for segment				
Assets not allocated for each segment				352,797,182,432
Total assets				1,738,026,155,348
Direct payable liabilities of segments	59,946,978,809	290,998,672,269	142,106,598,146	493,052,249,224
Payable liabilities allocated for each segment				
Payable liabilities not allocated for each segment				47,156,045,363
Total payable liabilities				540,208,294,587
Beginning balance				
Direct assets of segments	504,585,763,378	671,054,654,637	200,696,339,783	1,376,336,757,798
Assets allocated for segment				
Assets not allocated for each segment				279,642,750,499
Total assets				1,655,979,508,297
Direct payable liabilities of segments	41,645,320,294	302,096,156,607	41,462,024,923	385,203,501,824
Payable liabilities allocated for each segment				
Payable liabilities not allocated for each segment				52,099,762,254
Total payable liabilities				437,303,264,078

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

Notes to the interim consolidated financial statements (cont.)

2b. Geographical segments

All the operations of the Group only take place in Vietnamese territory.

3. Subsequent event

There have been no material events after the balance sheet date, which need to make adjustments on the figures or the disclosures in the interim consolidated financial statements.

Prepared by

Tran Thi Thanh Hao

Accountant in charge

Tran Thi Thanh Hao

Prepare don 12 August 2019

General Director



Yu Thanh Hai