



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

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

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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 consolidated financial statements for the fiscal year ended 31 December 2019 including the 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 is regarding the change in legal representative.

Head office

- Address : 7th Floor, 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 in Ba Ria - Vung Tau – Hai An Transport and Stevedoring JSC	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:
 - Arranging or holding operation of transportation by road, sea;

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY
REPORT OF THE GENERAL DIRECTORS (cont.)

- 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 Executive officers of the Company during the year and as of the date of this report include:

The Board of Management

Full names	Position	Appointing date/Re-appointing date /Resigning 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 the resignation from the Board member, Mr. Bui Tuan Ngoc, commencing from 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 year 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 audit the consolidated financial statements for the fiscal year ended 31 December 2019 of the Group.

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 consolidated financial statements to give a true and fair view on the consolidated financial position, the consolidated business results and the consolidated cash flows of the Group during the year. In order to prepare these 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 consolidated financial statements;
- prepare the 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 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 consolidated financial statements are prepared.

Approval to the financial statements

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

For and on behalf of the General Directors,

General Director



Vu Thanh Hải

9 March 2020

Head Office : 02 Truong Son St., Tan Binh Dist., Ho Chi Minh City, Vietnam
Tel: +84 (028) 3547 2972 Fax: +84 (028) 3547 2970 kttv@a-c.com.vn
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No. 2.0126/20/TC-AC

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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 9 March 2020, from page 7 to page 47, including the consolidated balance sheet as of 31 December 2019, the consolidated income statement, the consolidated cash flow statement for the fiscal year then ended and the notes to the consolidated financial statements.

The General Directors' Responsibility

The Company's General Directors are responsible for the preparation, true and fair presentation of the 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 consolidated financial statements and responsible for such internal control as the Company's General Directors determine is necessary to enable the preparation and presentation of the consolidated financial statements to be free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Hai An Transport and Stevedoring Joint Stock Company and its subsidiaries as of 31 December 2019, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended in accordance with Vietnamese accounting standards and system and the legal regulations related to the preparation and presentation of 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, 9 March 2020



Tran Kim Anh – Auditor

*Audit Practice Registration Certificate:
No. 1907-2018-008-1*

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

CONSOLIDATED BALANCE SHEET

As of 31 December 2019

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		664,754,010,138	587,779,335,179
I. Cash and cash equivalents	110	V.1	243,326,890,100	272,125,233,675
1. Cash	111		118,294,170,323	88,635,204,571
2. Cash equivalents	112		125,032,719,777	183,490,029,104
II. Short-term financial investments	120		51,981,363,014	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	51,981,363,014	13,500,000,000
III. Short-term accounts receivable	130		267,343,034,818	217,513,466,269
1. Receivable from customers	131	V.3	117,897,225,787	122,272,253,242
2. Short-term prepayments to suppliers	132	V.4	27,299,869,009	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	123,210,836,378	89,093,891,301
7. Provision for short-term bad debts	137	V.6	(1,064,896,356)	(705,922,824)
8. Deficient assets to be treated	139		-	-
IV. Inventories	140		53,198,489,706	34,979,953,834
1. Inventories	141	V.7	53,198,489,706	34,979,953,834
2. Provisions for devaluation of inventories	149		-	-
V. Other current assets	150		48,904,232,500	49,660,681,401
1. Short-term prepaid expenses	151	V.8a	4,223,426,408	3,407,011,431
2. VAT deductible	152		44,680,806,092	46,253,669,970
3. Taxes and accounts receivable from the State	153		-	-
4. Transaction of repurchasing the Government's bonds	154		-	-
5. Other current assets	155		-	-

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Consolidated balance sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		1,162,790,192,860	1,068,200,173,118
I. Long-term accounts receivable	210		10,000,000	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	10,000,000	1,713,470,000
7. Provision for long-term bad debts	219		-	-
II. Fixed assets	220		854,670,089,064	812,401,135,234
1. Tangible assets	221	V.9	850,300,321,404	806,210,134,443
<i>Historical costs</i>	222		1,419,105,679,781	1,257,155,997,981
<i>Accumulated depreciation</i>	223		(568,805,358,377)	(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	4,369,767,660	6,191,000,791
<i>Historical costs</i>	228		11,754,927,885	11,754,927,885
<i>Accumulated depreciation</i>	229		(7,385,160,225)	(5,563,927,094)
III. Investment property	230		-	-
<i>Historical costs</i>	231		-	-
<i>Accumulated depreciation</i>	232		-	-
IV. Long-term assets in progress	240		11,702,435,197	3,816,588,904
1. Long-term operating expenses in progress	241		-	-
2. Construction in progress	242	V.11	11,702,435,197	3,816,588,904
V. Long-term financial investments	250	V.2b	44,474,068,209	42,123,582,570
1. Investments in subsidiaries	251		-	-
2. Investments in associates and joint ventures	252		34,023,201,709	31,672,716,070
3. Investments, capital contribution in other entities	253		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		251,933,600,390	208,145,396,410
1. Long-term prepaid expenses	261	V.8b	251,933,600,390	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		1,827,544,202,998	1,655,979,508,297

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Consolidated balance sheet (cont.)

CAPITAL SOURCES	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		572,861,976,118	437,303,264,078
I. Current liabilities	310		285,902,315,289	247,670,262,660
1. Short-term payable to suppliers	311	V.12	99,823,206,611	80,289,365,173
2. Short-term prepayments from customers	312	V.13	638,338,680	223,930,590
3. Taxes and other obligations to the State Budget	313	V.14	12,145,971,653	12,727,404,059
4. Payable to employees	314		17,203,459,004	19,584,718,240
5. Short-term accrued expenses	315	V.15	5,859,543,849	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.16	1,956,766,916	1,051,989,538
9. Other payable	319	V.17a	42,312,468,857	31,874,507,970
10. Short-term loans and financial lease debts	320	V.18a	83,593,297,362	77,066,607,842
11. Provision for current liabilities	321	V.19	2,648,342,710	2,648,342,710
12. Bonus and welfare funds	322	V.20	19,720,919,647	19,094,662,647
13. Price stabilization fund	323		-	-
14. Transaction of repurchasing the Government's bonds	324		-	-
II. Long-term liabilities	330		286,959,660,829	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.17b	50,000,000,000	25,000,000,000
8. Long-term loans and financial lease debts	338	V.18b	236,959,660,829	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

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Consolidated balance sheet (cont.)

CAPITAL SOURCES	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		1,254,682,226,880	1,218,676,244,219
I. Owner's equity	410	V.21	1,254,682,226,880	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		200,523,678,148	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		121,378,387,528	-
12. Capital sources for construction	422		-	-
13. Interest of con-controlling shareholders	429		258,744,274,679	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		1,827,544,202,998	1,655,979,508,297

Prepared on 9 March 2020

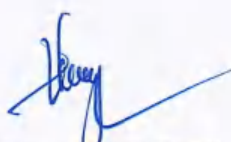
Prepared by

Accountant in charge

General Director



Tran Thi Thanh Hao



Tran Thi Thanh Hao



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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2019

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	1,108,933,049,361	1,054,283,124,381
2. Deductions	02		-	-
3. Net sales	10		1,108,933,049,361	1,054,283,124,381
4. Costs of goods sold	11	VI.2	889,647,403,512	834,979,388,181
5. Gross profit	20		219,285,645,849	219,303,736,200
6. Financial income	21	VI.3	15,447,852,651	14,671,888,632
7. Financial expenses	22	VI.4	17,355,030,825	10,422,309,018
In which: Loan interest expenses	23		17,035,078,178	7,127,084,332
8. Profits or losses in joint ventures, associates	24	V.2b	3,056,485,639	2,189,059,147
9. Selling expenses	25		-	-
10. Administrative overheads	26	VI.5	67,209,162,972	61,303,048,262
11. Net operating profit	30		153,225,790,342	164,439,326,699
12. Other income	31	VI.6	3,601,203,070	23,761,994,749
13. Other expenses	32	VI.7	724,380,661	365,828,499
14. Other profit	40		2,876,822,409	23,396,166,250
15. Profit before tax	50		156,102,612,751	187,835,492,949
16. Current corporate income tax	51	V.14	23,364,083,090	28,940,129,205
17. Deferred corporate income tax	52		-	-
18. Profit after tax	60		<u>132,738,529,661</u>	<u>158,895,363,744</u>
19. Profit after tax of the Holding Company	61	V.21	<u>121,378,387,528</u>	<u>135,158,763,266</u>
20. Profit after tax of non-controlling shareholders	62	V.21	<u>11,360,142,133</u>	<u>23,736,600,478</u>
21. Basic earnings per share	70	VI.8	<u>2,348</u>	<u>3,065</u>
22. Declined interest per share	71	VI.8	<u>2,348</u>	<u>3,065</u>

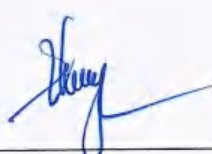
Prepared on 9 March 2020

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

CONSOLIDATED CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended 31 December 2019

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		156,102,612,751	187,835,492,949
2. Adjustments				
- Depreciation of fixed assets and investment property	02		116,852,289,217	94,186,620,292
- Provisions	03	V.6	358,973,532	491,089,212
- Gain/ loss from exchange rate differences due to revaluation of monetary items in foreign currencies	04	VI.4	19,136,700	(503,204,910)
- Gain/ loss from investing activities	05		(14,691,764,984)	(31,716,037,348)
- Loan interest expenses	06	VI.4	17,035,078,178	7,127,084,332
- Others	07		-	-
3. Operating profit before changes of working capital	08		275,676,325,394	257,421,044,527
- Increase/ decrease of accounts receivable	09		(24,335,946,689)	(100,917,260,715)
- Increase/ decrease of inventories	10		(18,218,535,872)	3,866,557,033
- Increase/ decrease of accounts payable	11		46,339,678,234	(74,914,166,684)
- Increase/ decrease of prepaid expenses	12		(43,528,718,235)	(72,116,898,092)
- Increase/ decrease of trading securities	13		-	-
- Loan interests already paid	14		(16,702,690,751)	(6,532,433,616)
- Corporate income tax already paid	15	V.14	(26,127,401,167)	(32,820,562,349)
- Other gains	16		-	-
- Other disbursements	17	V.20	(8,941,743,000)	(7,537,695,000)
Net cash flows from operating activities	20		184,160,967,914	(33,551,414,896)
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(197,767,023,014)	(314,897,800,369)
2. Gains from disposal and liquidation of fixed assets and other long-term assets	22		3,891,272,726	202,297,000,000
3. Loans given and purchases of debt instruments of other entities	23		(38,481,363,014)	(13,500,000,000)
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		11,343,108,119	11,511,837,359
Net cash flows from investing activities	30		(219,504,905,183)	(115,788,963,010)

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

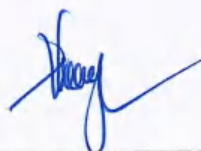
CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019


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		-	267,188,562,000
2. Repayments of capital contributions to owners and re-purchase of stocks already issued	32		-	-
3. Receipts from loans	33	V.18	185,287,410,295	173,704,659,735
4. Payment of loan principal	34	V.18	(106,346,905,689)	(153,054,296,287)
5. Payment of financial lease debts	35		-	-
6. Dividends and profit shared to the owners	36		(72,314,547,000)	(33,934,765,000)
<i>Net cash flows from financial activities</i>	<i>40</i>		<i>6,625,957,606</i>	<i>253,904,160,448</i>
Net cash flows during the year	50		(28,717,979,663)	104,563,782,542
Beginning cash and cash equivalents	60	V.1	272,125,233,675	167,334,700,107
Effects of fluctuations in foreign exchange rates	61		(80,363,912)	226,751,026
Ending cash and cash equivalents	70	V.1	243,326,890,100	272,125,233,675

Prepared by


Tran Thi Thanh Hao

Accountant in charge


Tran Thi Thanh Hao

Prepared on 9 March 2020

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For 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

The Company's main operations 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 consolidated financial statements.

5a. Information on Group restructuring

During the year, 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 Deport	51%	51%	51%	51%

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CONSOLIDATED FINANCIAL STATEMENTS

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Notes to the consolidated financial statements (cont.)

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

Name of company	Address of head office	Main operations	Rate of ownership		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	Good transport by road	36.89%	40%	36.89%	40%

^(*) Both associates mentioned above are associates of the subsidiary – Hai An Port Co., Ltd.

6. Statement on comparison of information in consolidated 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 338 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 consolidated financial statements.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the 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 consolidated financial statements.

IV. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. Accounting convention

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

2. Consolidation basis

The consolidated financial statements include the financial statements of the Holding Company and the 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 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 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 consolidated income statement and the 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.

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.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the consolidated financial statements (cont.)

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 liabilities 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 the Bank (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 the Bank (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 investments held to maturity date 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 investments held to maturity date.

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.

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.

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Notes to the consolidated financial statements (cont.)

Loans given

Loans given are determined in accordance with the historical costs less provision for bad debts. Their provision for bad debts is made basing on estimated loss.

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 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 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 consolidated financial statements.

Unrealized gains or losses arising from transactions with associates are excluded in proportion to the Group's share when the 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 plus other directly attributable transaction costs. Dividends and profits arising in the periods prior to the purchase of investments are recorded as a decrease in value of such investments. Dividends and profit arising in the periods after the purchase of investments are recorded into the Group's 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 for impairment 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 invested by parties in entities and the actual owner's equity as of the balance sheet date multiplying (x) by the ownership rate of actual charter capital contributed by the Company in those 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 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 after being offset with payable liabilities (if any). Provision is made basing on the overdue 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 and merchandise as follows: costs of inventories include 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, prepaid land rental and periodical repair costs of vessels. These prepaid expenses are allocated in the prepayment term or the term in which corresponding economic benefit is derived from these expenses.

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

Prepaid land rental

Prepaid land rental presents the land rental already paid for the land being used by the Company. Prepaid land rental is allocated into expenses in accordance with the straight-line method over the leasing period (498 months).

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 year.

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 year.

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	3-10
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

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Notes to the consolidated financial statements (cont.)

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 year.

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 historical 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 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.

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Notes to the consolidated financial statements (cont.)

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

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. The Board of Management has competence to advance dividends to the 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.

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Notes to the consolidated financial statements (cont.)

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.
- 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.

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANYAddress: 7th Floor, No. 45 Trieu Viet Vuong, Bui Thi Xuan Ward, Hai Ba Trung District, Hanoi City**CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2019

Notes to the consolidated financial statements (cont.)**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.

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 consolidated financial statements.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET**1. Cash and cash equivalents**

	Ending balance	Beginning balance
Cash on hand	2,958,232,290	2,811,200,781
Demand deposits in banks	115,335,938,033	85,824,003,790
Cash equivalents (<i>Under-3-month termed deposits in bank</i>)	125,032,719,777	183,490,029,104
Total	243,326,890,100	272,125,233,675

2. Financial investments

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

2a. Investments held to maturity date

Including bank deposits with the term from over 3 months to 12 months of which the historical costs are equal to their book value.

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	16,114,715,961	28,614,715,961	12,500,000,000	14,420,692,969	26,920,692,969
Hai An Freight Forwarding JSC ⁽ⁱⁱⁱ⁾	1,494,000,000	3,914,485,748	5,408,485,748	1,200,000,000	1,573,568,223	2,773,568,223
Total	13,994,000,000	20,029,201,709	34,023,201,709	14,700,000,000	16,972,716,070	31,672,716,070

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Notes to the consolidated financial statements (cont.)

- (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 all of its 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 31 December 2019, the subsidiary 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 additionally invested in 29,400 shares of Hai An Freight Forwarding JSC (HAFC) (the number of shares distributed to current shareholders), during the period the Company purchased 29,400 shares of HAFC with the price of VND 294,000,000. As of the balance sheet date, the Company owned 149,400 shares of HAFC, accounting for 36.89% of charter capital.

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

	Ownership value at the beginning of year	Capital contribution during the year	Gains or losses during the year	Transfer value	Ownership value at the end of year
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		1,694,022,992		28,614,715,961
Hai An Freight Forwarding JSC	2,773,568,223	294,000,000	2,340,917,525		5,408,485,748
Total	31,672,716,070	294,000,000	3,056,485,639	(1,000,000,000)	34,023,201,709

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:

	Current year	Previous year
<i>Hai An Agency and Logistics Co., Ltd. (HAAL)</i>		
Sales of providing services to the associate	18,765,693,145	4,878,921,726
The associate provided services of operating vessels	4,589,157,893	7,795,804,368
The associate contributed capital in accordance with BCC	-	10,000,000,000
Returning BCC contribution capital to the associate	-	10,000,000,000
The associate shared profit	1,875,000,000	2,500,000,000
Share of profit to the associate	2,175,000,000	-
Liquidation of investment to the associate	1,803,100,000	-
<i>Hai An General Service JSC (HAGS)</i>		
Sales of providing services to the associate	241,482,819	1,077,666,717
Sales of providing Diesel lubricant to the associate	-	141,933,918
The associate provided services of operating vessels	5,100,360,390	8,115,170,158
The associate provided services of transport by road	3,145,518,184	8,233,414,546
The associate provided other services	-	3,520,000

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	<u>Current year</u>	<u>Previous year</u>
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
Sales of providing services to the associate	81,456,610,663	44,569,588,667
The associate provided services	4,042,473,827	-
Receipt of capital contribution in accordance with BCC of the associate	5,000,000,000	-

2c. Capital contribution in other entities

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Historical costs</u>	<u>Provision</u>	<u>Historical costs</u>	<u>Provision</u>
<i>Capital contribution in other entities</i>	10,450,866,500		10,450,866,500	
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	

(*) During the year, the Group received dividends by shares from Dong Do CMC at the rate of 40%. As of 31 December 2019, the Group held 630,000 shares of Dong Do CMC.

Fair value

The Group has not determined fair value of investments without listed prices as there has not been any detailed guidance on determination of fair value.

3. Short-term receivable from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivable from related parties</i>	30,415,636,726	20,167,108,440
Hai An Freight Forwarding JSC	18,264,644,398	14,140,755,902
Hai An Agency and Logistics Co., Ltd.	4,193,957,248	633,277,100
Marina Logistics & Agencies Co., Ltd.	661,078,545	612,709,000
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	7,290,556,535	4,567,529,087
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	-	100,072,351
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	5,400,000	112,765,000
<i>Receivable from other customers</i>	87,481,589,061	102,105,144,802
Sea Consortium Pte Ltd	-	22,658,437,552
Ocean Network Express Pte. Ltd.	13,302,195,064	-
Hapag-Lloyd Vietnam Co., Ltd.	12,647,063,334	12,016,989,965
Others	61,532,330,663	67,429,717,285
Total	117,897,225,787	122,272,253,242

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Notes to the consolidated financial statements (cont.)**4. Short-term prepayments to suppliers**

	Ending balance	Beginning balance
Tan Hong Trading Co., Ltd.	21,494,850,000	-
Wartsila Water Systems Limited	3,483,732,014	-
Vietnam Maritime Safety - North	-	239,222,508
Environmental Observation Center	-	68,000,000
AE Consulting & Trading bvba	-	5,364,712,000
Others	2,321,286,995	1,181,310,042
Total	27,299,869,009	6,853,244,550

5. Other short-term/long-term receivable**5a. Other short-term receivable**

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
<i>Receivable from related parties</i>	138,601,903		114,763,908	
BOM members	138,601,903		114,763,908	
<i>Receivable from other organizations and individuals</i>	123,072,234,475		88,979,127,393	
Estimated receipt of deposit interest	1,510,556,172		403,746,555	
Deposit for project transfer ⁽ⁱ⁾	92,763,292,500		70,000,000,000	
Deposit for assuming real estate transfer ⁽ⁱⁱ⁾	22,000,000,000		-	
Deposits and mortgages	2,114,986,820		396,872,836	
Advances	801,180,000		659,240,156	
Vietnam Maritime Development Investment JSC – repair costs of Mv. Hai An Gate	-		14,369,234,234	
Others	3,882,218,983		3,150,033,612	
Total	123,210,836,378		89,093,891,301	

(i) This is the deposit in accordance with the Deposit Contract No. 01/HDDC dated 6 December 2017 and the Deposit Contract Appendix No. 01/PLHD dated 7 May 2018 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. The project “Container yard and port service” has been approved by the People’s Committee of Ba Ria - Vung Tau Province to change the form from annual-paid land lease to one-time rent payment for the remaining lease term with the area of 310,507.9 m2 in accordance with the Decision No. 238/QD-UBND dated 14 April 2019.

(ii) According to the Deposit Contract dated 24 December 2019 and the Deposit Contract Appendix No. 01 dated 30 December 2019 between the Company and MHC JSC (hereinafter called as “MHC”), the Company deposited to MHC with the amount of VND 22,000,000,000 in order to sign the contract on real estate transfer which is Hai An Building. On 20 January 2020, the Company issued the Official Letter No. 1601-2020/CV-HATS regarding the extension of the appraisal time for transfer conditions of Hai An Building to 28 February 2020 and it was approved by MHC. By the issuance time of this report, the parties have been negotiating the 2nd extension of the appraisal time for transfer conditions of Hai An Building.

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Including long-term deposits and mortgages.

6. Bad debts

	Overdue time	Ending balance		Overdue time	Beginning balance	
		Historical costs	Provision		Historical costs	Provision
Hung Thinh Transport Co., Ltd.	Over 3 years	65,089,486	(65,089,486)	Over 3 years	65,089,486	(65,089,486)
Royal Transport Trading Co., Ltd.	Over 3 years	99,744,126	(99,744,126)	Over 3 years	99,744,126	(99,744,126)
Navigator Marine Corp	From 1 to 2 years	1,800,125,488	(900,062,744)	Over 6 months to under 1 year	1,803,630,707	(541,089,212)
Total		1,964,959,100	(1,064,896,356)		1,968,464,319	(705,922,824)

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

	Current year	Previous year
Beginning balance	705,922,824	214,833,612
Additional appropriation of provision	358,973,532	541,089,212
Refund of provision		(50,000,000)
Ending balance	1,064,896,356	705,922,824

7. Inventories

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Materials and supplies	53,084,622,433		34,897,068,379	
Tools, instruments	113,867,273		82,885,455	
Total	53,198,489,706		34,979,953,834	

8. Short-term/Long-term prepaid expenses**8a. Short-term prepaid expenses**

	Ending balance	Beginning balance
Insurance premium to be allocated	1,729,027,263	1,696,882,210
Lubricant costs	2,200,822,080	1,249,503,273
Tools, instruments	103,758,407	136,907,832
Highway toll	85,871,996	120,707,085
Office rental	64,000,000	84,102,200
Others	39,946,662	118,908,831
Total	4,223,426,408	3,407,011,431

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Notes to the consolidated financial statements (cont.)**8b. Long-term prepaid expenses**

	Ending balance	Beginning balance
Repair costs		706,449,273
Periodical repair cost of Mv. Hai An Park	536,562,224	6,975,308,840
Periodical repair cost of Mv. Hai An Song	9,384,671,266	2,633,327,131
Periodical repair cost of Mv. Hai An Time	7,458,341,659	
Periodical repair cost of Mv. Hai An Bell	9,195,758,111	15,003,605,339
Tools, instruments	2,124,443,594	844,131,343
Land rental (*)	223,017,147,144	181,728,035,590
Others	216,676,392	254,538,894
Total	251,933,600,390	208,145,396,410

- (*) Pan Hai An Co., Ltd. has leased the land of 154,000 m² in Non-tariff area and Nam Dinh Vu Industrial Park of Nam Dinh Vu Investment JSC (now known as "Sao Do Group") in accordance with the Contract No. 05.HDTD/2017 dated 25 October 2017 to invest in construction and trading of container yard along with other business activities in accordance with the Investment Certificate, total contract value excluding VAT 10% is VND 235,301,990,000, the leasing term is from the date of contract signing to 6 May 2059. The rental was paid in 8 installments, the 8th installment was before 30 June 2019.

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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 year	-	16,630,265,686	136,213,452,336	733,972,636	-	153,577,690,658
Complete construction	13,732,735,341	-	-	-	-	13,732,735,341
Liquidation, disposal	(3,064,627,046)	-	(2,296,117,153)	-	-	(5,360,744,199)
Ending balance	279,639,209,149	296,669,497,863	800,123,643,344	3,319,955,207	39,353,374,218	1,419,105,679,781
<i>In which:</i>						
Fully depreciated but being still in use	25,849,452,720	10,062,064,160	771,091,818	1,670,443,162	63,636,364	38,416,688,224
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 year	16,169,457,895	29,784,850,732	70,517,165,088	304,354,933	3,991,884,912	120,767,713,560
Liquidation, disposal	(612,101,568)	-	(2,296,117,153)	-	-	(2,908,218,721)
Ending balance	123,979,328,592	212,601,225,226	221,748,943,711	2,058,710,854	8,417,149,994	568,805,358,377
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	155,659,880,557	84,068,272,637	578,374,699,633	1,261,244,353	30,936,224,224	850,300,321,404
<i>In which:</i>						
Temporarily unused						
To be liquidated						

Some tangible fixed assets of which the net book value is VND 671,406,774,938 have been mortgaged to secure the loans from banks.

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Notes to the consolidated financial statements (cont.)**10. Intangible fixed assets**

	Land use right	Computer software	Total
Historical costs			
Beginning balance	4,945,015,236	6,809,912,649	11,754,927,885
Ending balance	4,945,015,236	6,809,912,649	11,754,927,885
<i>In which:</i>			
Fully depreciated but being still in use			
Depreciation			
Beginning balance	2,108,931,861	3,454,995,233	5,563,927,094
Depreciation during the year	141,286,152	1,679,946,979	1,821,233,131
Ending balance	2,250,218,013	5,134,942,212	7,385,160,225
Net book value			
Beginning balance	2,836,083,375	3,354,917,416	6,191,000,791
Ending balance	2,694,797,223	1,674,970,437	4,369,767,660
<i>In which:</i>			
Temporarily unused			
To be liquidated			

11. Construction in progress

	Beginning balance	Increasing during the year	Inclusion in fixed assets during the year	Transfer to expenses to be allocated	Ending balance
Purchase of fixed assets	-	145,037,521,154	(133,884,888,364)	-	11,152,632,790
Construction in progress	2,740,688,182	11,427,501,704	(13,732,735,341)	-	435,454,545
Large repair of fixed assets	1,075,900,722	23,045,516,478	-	(24,007,069,338)	114,347,862
Total	3,816,588,904	179,510,539,336	(147,617,623,705)	(24,007,069,338)	11,702,435,197

12. Short-term payable to suppliers

	Ending balance	Beginning balance
Payable to related parties	15,340,925,199	7,318,542,393
Hai An Freight Forwarding JSC	1,281,250,193	266,543,009
Hai An Agency and Logistics Co., Ltd.	-	750,796,415
Hai An General Service JSC	1,604,994,027	2,626,212,731
Hai Ha Investment and Transportation JSC	423,691,560	308,670,922
Marina Logistics & Agencies Co., Ltd.	2,916,537,266	2,709,721,516
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	-	7,260,000
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	99,660,000	483,955,000
First Logistics Development (JV) Company	8,571,196,122	-

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	Ending balance	Beginning balance
Green Field Corporation	443,596,031	165,382,800
Payable to other suppliers	84,482,281,412	72,970,822,780
ForkliftCenter Rental B.V	8,921,523,520	-
BMS United Bunkers (Asia) Limited	13,569,819,367	10,202,569,877
MIDV	-	10,352,777,607
Others	61,990,938,525	52,415,475,296
Total	99,823,206,611	80,289,365,173

13. Short-term prepayments from suppliers

	Ending balance	Beginning balance
Viet A Transport Service Trading Co., Ltd.	65,665,000	-
Others	572,673,680	223,930,590
Total	638,338,680	223,930,590

14. Taxes and other obligations to the State Budget

	Beginning balance	Amount payable during the year	Amount already paid during the year	Ending balance
VAT on local sales	3,106,715,908	45,715,835,912	(45,816,031,776)	3,006,520,044
VAT on imports	-	1,279,955,415	(1,279,955,415)	-
Import-export duties	-	40,926,106	(40,926,106)	-
Corporate income tax	7,799,608,005	25,110,682,149	(26,127,401,167)	6,782,888,987
Personal income tax	1,821,080,146	6,263,748,555	(5,728,266,079)	2,356,562,622
Land rental	-	1,777,640,083	(1,777,640,083)	-
License tax	-	14,000,000	(14,000,000)	-
Fees, legal fees and other duties	-	665,895,849	(665,895,849)	-
Total	12,727,404,059	80,868,684,069	(81,450,116,475)	12,145,971,653

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%

Import - export duties

The Group has declared and paid these duties in line with the Customs' notices.

Corporate income tax

Operating ports of the Holding Company 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.

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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%.

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

	<u>Current year</u>	<u>Previous year</u>
Corporate income tax payable calculated on taxable income of the current year	23,364,083,090	28,940,129,205
Corporate income tax payable on behalf of business cooperation parties	1,746,599,059	2,863,185,745
Total corporate income tax payable	<u>25,110,682,149</u>	<u>31,803,314,950</u>

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 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.

15. Short-term accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Fuel costs of Mv. Haian Song	-	1,802,532,141
Loan interest expenses payable	1,389,254,763	1,056,867,336
Hull insurance premium	106,779,250	-
Brokerage fee	160,189,500	-
Estimated expenses for vessel exploitation	3,900,654,995	249,334,414
Others	302,665,341	-
Total	<u>5,859,543,849</u>	<u>3,108,733,891</u>

16. Short-term unrealized revenue

Including revenue received in advance of leasing vessel in 2020.

17. Other short-term/long-term payable**17a. Other short-term payable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Payable to related parties	<u>7,381,780,374</u>	<u>4,438,822,422</u>
Marina Logistics & Agencies Co., Ltd. – business cooperation interest	1,772,128,724	939,108,094
Hai An Agency and Logistics Co., Ltd. – business cooperation interest	2,238,924,406	1,771,939,021
Hai Ha Investment and Transportation JSC – business cooperation interest	2,794,288,634	1,727,775,307

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	<u>Ending balance</u>	<u>Beginning balance</u>
Hai An Freight Forwarding JSC – business cooperation interest	300,438,610	-
Remuneration for the BOM, the Board of Control	276,000,000	-
<i>Payable to other organization and individuals</i>	34,930,688,483	27,435,685,548
MHC JSC – business cooperation interest	30,477,701	30,477,701
Macs Shipping Corporation – business cooperation interest	25,898,150	25,898,150
Transimex Corporation – business cooperation interest	100,276,373	100,276,373
Receipts on behalf of SM Line Corporation	32,866,011,150	25,575,794,806
Assuming short-term deposits, mortgages	780,000,000	380,000,000
Trade Union's expenditure	462,357,036	358,859,625
Social insurance, health insurance, unemployment insurance	3,273,700	49,078,020
Dividends payable	418,950,000	418,950,000
Infrequent tax payable	-	317,832,237
Others	243,444,373	178,518,636
Total	42,312,468,857	31,874,507,970

17b. Other long-term payable

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payable to related parties on 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 Investment and Transportation JSC	20,000,000,000	10,000,000,000
Total	50,000,000,000	25,000,000,000

(*) Ending balance is the amount payable to the parties on business cooperation capital in accordance with the following Business Cooperation Contracts:

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 (BCC) 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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Notes to the consolidated financial statements (cont.)**18. Short-term/Long-term loans and financial lease debts****18a. Short-term loans and financial lease debts**

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term loans from banks	7,861,226,074	5,049,365,476
MB – Transaction Office 1	-	5,049,365,476
Vietcombank – Haiphong Branch ⁽ⁱ⁾	7,861,226,074	-
Due long-term loans (see Note V.18b)	75,732,071,288	72,017,242,366
Bao Viet Bank – Head office	-	6,455,700,160
Vietcombank – Haiphong Branch	69,502,128,825	52,001,607,390
TPBank – Hanoi Branch	-	7,327,578,396
MB – Transaction Office 1	6,229,942,463	6,232,356,420
Total	83,593,297,362	77,066,607,842

The Group has solvency to pay short-term loans.

- ⁽ⁱ⁾ This is the loan from Vietcombank – Haiphong Branch in accordance with the credit grant contract No. 01.2019/VCB-HAIAN dated 20 December 2019 with the loan limit of VND 30,000,000,000 to serve short-term production and business activities of the Company, the term of 4 months.

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

	<u>Short-term loans</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 year	28,800,313,395	-	28,800,313,395
Transfer from long-term loans and debts	-	75,732,071,288	75,732,071,288
Amount already paid during year	(25,988,452,797)	(72,017,242,366)	(98,005,695,163)
Ending balance	7,861,226,074	75,732,071,288	83,593,297,362

18b. Long-term loans

	<u>Ending balance</u>	<u>Beginning balance</u>
Long-term loans from banks	236,959,660,829	164,633,001,418
Vietcombank – Haiphong Branch ⁽ⁱ⁾	228,432,137,009	149,869,183,740
MB – Transaction Office 1 ⁽ⁱⁱ⁾	8,527,523,820	14,763,817,678
Total	236,959,660,829	164,633,001,418

The Group has solvency to pay short-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 first 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 vessel, the term of 60 months (5 years) commencing from the following date of disbursement date of the initial capital loan, the grace time of 6 months commencing from the following date of disbursement date of the initial capital loan 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, the loan interest is paid every 3 months. This loan is secured by Mv. Hai An Link.
 - The Medium-term and Long-term Credit Contract No. 01.2019/HDCV/VCB-HAIAN dated 29 May 2019 to invest in VNL Ruby container vessel project with the term of 60 months, the grace time of 6 months commencing from the following date of disbursement date of the 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 mortgaging assets including 2 PPM Terex fork-lift trucks, Kirow Ardel GMBH crane, 5 tractors and 5 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 contract No. 01/2018/VCB-PANHAIAN dated 12 September 2018 to implement Logistics Pantos- Hai An Project with the maximum amount of VND 300 billion, the term of 120 months commencing from the first disbursement date, the grace time of 6 months. This loan is secured by all assets formed in the future under the Project (including: Assets attached to land, machinery, equipment/specialized vehicles, transport vehicles).
- (iii) 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, the interest rate equal to residential saving interest rate in USD with the term of 12 months plus margin of 2%/year, 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 1 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 the long-term loans is as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Under 1 year	75,732,071,288	72,017,242,366
From 1 year to 5 years	169,325,079,429	164,633,001,418
Over 5 years	67,634,581,400	
Total	<u>312,691,732,117</u>	<u>236,650,243,784</u>

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

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	164,633,001,418	143,122,894,109
Increase	156,487,096,900	143,927,623,500
Amount already paid	(8,341,210,526)	(51,314,104,800)
Transfer to short-term loans and debts	(75,732,071,288)	(72,017,242,366)
Exchange rate differences due to revaluation of loans in foreign currencies at the end of the year	(87,155,675)	913,830,975
Ending balance	<u>236,959,660,829</u>	<u>164,633,001,418</u>

19. Provision for current liabilities

Provisions for current liabilities related to compensation for damaged goods.

20. Bonus, welfare funds

	<u>Beginning balance</u>	<u>Increase due to appropriation from profit</u>	<u>Disbursement during the year</u>	<u>Ending balance</u>
Bonus funds	14,463,218,213	5,467,000,000	(4,803,743,000)	15,126,475,213
BOM's bonus fund	4,631,444,434	4,101,000,000	(4,138,000,000)	4,594,444,434
Total	<u>19,094,662,647</u>	<u>9,568,000,000</u>	<u>(8,941,743,000)</u>	<u>19,720,919,647</u>

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21. Owner's equity**21a. 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	56,868,232,000	-	-	-	-	199,617,562,000
Non-controlling shareholders' capital contribution during the year	-	-	-	-	-	67,571,000,000	67,571,000,000
Profit in the previous year	-	-	-	-	135,158,763,266	23,736,600,478	158,895,363,744
Appropriation of funds	-	-	-	27,500,000,000	(37,150,000,000)	-	(9,650,000,000)
Share of dividends of the year 2017	-	-	-	-	(33,934,765,000)	-	(33,934,765,000)
Ending balance of the previous 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
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 year	-	-	-	-	121,378,387,528	11,360,142,133	132,738,529,661
Appropriation of funds	-	-	-	27,337,000,000	(36,905,000,000)	-	(9,568,000,000)
Share of dividends of the year 2018	-	-	-	-	(72,314,547,000)	(14,850,000,000)	(87,164,547,000)
Ending balance of the current year	487,827,510,000	115,606,612,922	(14,920,919,678)	206,901,070,809	200,523,678,148	258,744,274,679	1,254,682,226,880

(*) For the implementation of the Resolution of 2017 Annual General Meeting of Shareholders No. 0203-2017/NQ-DHDCD dated 30 March 2017, the Company offered to sell 14,274,933 shares to the public at the selling price of VND 14,000/share. According to the Resolution of the BOM No. 0204-2019/NQ-HDQT dated 8 April 2019 regarding the change in capital using plan, the money received from share issuance would be used to invest in Nam Dinh Vu Project with the amount of VND 139,622,700,000, Cai Mep Project with the amount of VND 40,000,000,000, to supplement working capital for business production in the year 2018 with the amount of VND 20,013,774,941. As of 31 December 2019, Hai An Transport and Stevedoring JSC had invested in Nam Dinh Vu Project with the amount of VND 139,622,700,000, supplemented working capital for business production with the amount of VND 20,013,774,941, the remaining amount received from share issuance being still unused is VND 40,000,000,000.

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Notes to the consolidated financial statements (cont.)**21b. 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.

21c. Profit distribution

During the year, the Company has distributed profit in accordance with the Resolution of 2018 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

22. Off-balance sheet items**Foreign currencies**

	<u>Ending balance</u>	<u>Beginning balance</u>
US Dollar (USD)	1,844,541.81	1,073,229.92
Euro (EUR)	301.83	312.75

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

	<u>Current year</u>	<u>Previous year</u>
Sales of operating ports	167,863,270,629	203,150,743,738
Sales of operating vessels	880,237,417,463	795,651,564,319
In which:		
<i>Sales of the BCC No. 48/HDHTKD</i>	127,610,970,962	118,867,336,490
<i>Sales of the BCC No. 66/HDHTKD</i>	34,452,435,320	
<i>Sales of operating Mv. Hai An Link</i>	58,714,147,765	10,399,266,151
Sales of other activities	60,832,361,269	55,480,816,324
Total	1,108,933,049,361	1,054,283,124,381

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Notes to the consolidated financial statements (cont.)**1b. Sales of selling goods and providing services to related parties**

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

	<u>Current year</u>	<u>Previous year</u>
Marina Logistics & Agencies Co., Ltd.	3,438,689,460	1,822,556,668
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	28,846,133,865	16,697,124,504
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	895,925,455	4,606,629,366

2. Costs of goods sold

	<u>Current year</u>	<u>Previous year</u>
Costs of operating ports	88,839,755,624	113,300,072,496
Costs of operating vessels	767,605,552,440	684,872,195,939
In which:		
Costs of the BCC No. 48/HDHTKD	115,101,015,476	108,201,348,121
Costs of the BCC No. 66/HDHTKD	26,948,203,148	
Costs of operating Mv. Hai An Link	39,969,261,328	9,275,219,702
Costs of other activities	33,202,095,448	36,807,119,746
Total	<u>889,647,403,512</u>	<u>834,979,388,181</u>

3. Financial income

	<u>Current year</u>	<u>Previous year</u>
Bank deposit interest	8,726,502,162	8,135,501,574
Loan interest	-	135,526,027
Dividends and profits shared	3,912,576,990	3,562,355,911
Gain on transfer of associate	803,100,000	-
Gain on exchange rate differences	2,005,673,499	2,085,658,437
Gain on exchange rate differences due to revaluation of monetary items in foreign currencies	-	752,846,683
Total	<u>15,447,852,651</u>	<u>14,671,888,632</u>

4. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	17,035,078,178	7,127,084,332
Loss from exchange rate differences	300,815,947	3,045,582,913
Loss from exchange rate differences due to revaluation of monetary items in foreign currencies	19,136,700	249,641,773
Total	<u>17,355,030,825</u>	<u>10,422,309,018</u>

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Notes to the consolidated financial statements (cont.)**5. Administrative overheads**

	<u>Current year</u>	<u>Previous year</u>
Expenses for staff	34,926,512,913	30,007,658,310
Expenses for managing materials	1,397,699,416	1,822,250,818
Expenses for office stationery	884,330,371	619,101,648
Depreciation of fixed assets	3,959,419,534	3,865,551,535
Taxes, fees and duties	126,584,000	158,501,000
Provision for bad debts	358,973,532	541,089,212
External services hired	8,046,668,140	9,248,769,646
Others	17,508,975,066	15,040,126,093
Total	67,209,162,972	61,303,048,262

6. Other income

	<u>Current year</u>	<u>Previous year</u>
Gain from disposal and liquidation of fixed assets	1,438,747,248	-
BCC shared proceeds from liquidation of fixed assets	-	19,940,106,330
BCC shared damage compensation for tuning machine of Mv. Hai an Bell	927,203,999	-
BCC shared deposits for container in stock in 2018	33,620,886	-
Compensation	648,733,744	2,897,056,881
Settlement of liabilities	221,028,147	778,627,435
Others	331,869,046	146,204,103
Total	3,601,203,070	23,761,994,749

7. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Taxed fined, recovered	260,657,191	-
Penalty due to administrative breach	80,960,000	109,087,436
Loss compensation	-	125,875,243
Settlement of liabilities	370,642,595	21,770,000
Others	12,120,875	109,095,820
Total	724,380,661	365,828,499

8. Earnings per share**8a. Basic earnings/declined interest per share**

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax of the shareholders of the Holding Company	121,378,387,528	135,158,763,266
Appropriation of bonus fund, BOM fund ⁽ⁱ⁾	(8,184,281,814)	(8,856,372,339)
Profit for determination of basic earnings/declined interest per share	113,194,105,714	126,302,390,927
Weighted average number of common shares outstanding during the year	48,209,698	41,209,114
Basic earnings/declined interest per share	2,348	3,065

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- (i) Bonus fund, BOM fund in 2018 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 year is calculated as follows:

	<u>Current year</u>	<u>Previous year</u>
Common shares outstanding at the beginning of the year	48,209,698	33,934,765
Effects of 14,274,933 common shares issued on 28 June 2018		7,274,349
Average common shares outstanding during the year	48,209,698	41,209,114

8b. Other information

There have not been any transactions of common shares or potential transactions of common shares from the balance sheet date to the disclosure date of these consolidated financial statements.

9. Operating expenses per element

	<u>Current year</u>	<u>Previous year</u>
Expenses for materials and supplies	324,723,742,074	308,972,314,208
Labor costs	115,960,854,371	103,133,738,840
Depreciation of fixed assets	116,852,289,217	94,186,620,292
External services hired	321,744,738,251	315,388,617,022
Others	71,609,478,771	69,693,335,316
Total	950,891,102,684	891,374,625,678

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT**1. Proceeds from issuing shares**

	<u>Current year</u>	<u>Previous year</u>
Proceeds from issuing shares to the Holding Company's shareholders		199,617,562,000
Proceeds from issuing shares to the non-controlling shareholders		67,571,000,000
Total		267,188,562,000

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VIII. OTHER INFORMATION

1. Transactions and balances with related parties

Related parties of the Group include: the 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.

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 year only included the transaction of allowance payment for the members of the BOM, the Board of Control with the amount of 252,000,000 (that in the same period of the previous year was VND 540,000,000).

Liabilities with the key managers and their related individuals

Liabilities with the key managers and their related individuals are presented in Note V.17a.

Income of the key managers is as follows:

	Current year	Previous year
Salary	3,896,728,210	3,934,618,545
Allowance	618,400,000	982,000,000
Bonus	2,450,945,433	2,002,000,000
Total	6,966,073,643	6,918,618,545

1b. Transactions and balances with other related parties

Other related parties of the Company 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	Subsidiary of the associate
Hai Ha Investment and Transportation JSC	Large shareholder with the same key manager
Marine Supply and Engineering Service JSC	With the same key manager
"K" Line Logistic (Vietnam) Co., Ltd.	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
First Logistics Development (JV) Company (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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Notes to the consolidated financial statements (cont.)*Transactions with other related parties*

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

	Current year	Previous year
<i>Hai Ha Investment and Transportation JSC</i>		
Share of dividends to the related parties	8,351,250,000	3,045,000,000
Office rental	3,160,146,289	2,404,410,912
Using consulting services	2,683,290,000	2,074,260,000
Office rental, electricity charge in Ho Chi Minh City		460,685,757
Receipt of BCC contribution capital	10,000,000,000	
Payment of BCC contribution capital		10,000,000,000
<i>Marina Logistics & Agencies Co., Ltd.</i>		
Share of dividends to the related parties	6,483,090,000	300,330,000
Payable on fee for making customs procedures		5,839,660
Payment of BCC contribution capital		5,000,000,000
Receipt of BCC contribution capital	10,000,000,000	
Loans		3,000,000,000
Payment of loans		3,000,000,000
Using agency service	15,265,501,675	13,239,672,685
Related parties shared dividends	700,000,000	700,000,000
<i>Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong</i>		
Using agency service	43,636,708	6,600,000
<i>Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City</i>		
Using agency service	2,811,753,636	3,469,076,909
<i>GFC</i>		
Dividend payment	3,000,000,000	
Using lifting and lowering service	2,198,803,401	825,946,500
<i>GFAC</i>		
Dividend payment	1,500,000,000	
<i>First Logistics Development (JV) Company (FLDC)</i>		
Using service of operating vessels	39,101,233,293	46,663,408,465
<i>SOWATCO</i>		
Payable on towage fee	9,000,000	

Liabilities with other related parties

Liabilities with other related parties are presented in Notes V.3, V.5a, V.12 and V.17.

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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Notes to the consolidated financial statements (cont.)**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 vessels, 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 year				
Net sales of selling goods and providing services externally	167,863,270,629	880,237,417,463	60,832,361,269	1,108,933,049,361
Net sales of selling goods and providing services among segments				
Total net sales of selling goods and providing services	167,863,270,629	880,237,417,463	60,832,361,269	1,108,933,049,361
Segment business results	79,023,515,005	112,631,865,023	27,630,265,821	219,285,645,849
Expenses not allocated for each segment				67,209,162,972
Profit from business operation				152,076,482,877
Financial income				15,447,852,651
Financial expenses				(17,355,030,825)
Gain/loss in joint ventures, associates				3,056,485,639
Other income				3,601,203,070
Other expenses				(724,380,661)
Current corporate income tax				(23,364,083,090)
Profit after corporate income tax				132,738,529,661
Total expenses arising to purchase fixed assets and other long-term assets	12,680,105,846	158,278,047,884	75,485,527,886	246,443,681,616
Total depreciation expenses and allocation of long-term prepaid expenses	42,823,119,031	91,101,183,927	16,543,843,107	150,468,146,065
Previous year				
Net sales of selling goods and providing services externally	203,150,743,738	795,651,564,319	55,480,816,324	1,054,283,124,381
Net sales of selling goods and providing services among segments				-
Total net sales of selling goods and providing services	203,150,743,738	795,651,564,319	55,480,816,324	1,054,283,124,381

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANYAddress: 7th Floor, No. 45 Trieu Viet Vuong, Bui Thi Xuan Ward, Hai Ba Trung District, Hanoi City**CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2019

Notes to the consolidated financial statements (cont.)

	Activity of operating ports	Activity of operating vessels	Other activities	Total
Segment business results	89,850,671,242	110,779,368,380	18,673,696,578	219,303,736,200
Expenses not allocated for each segment				(61,303,048,262)
Profit from business operation				158,000,687,938
Financial income				14,671,888,632
Financial expenses				(10,422,309,018)
Gain/loss in joint ventures, associates				2,189,059,147
Other income				23,761,994,749
Other expenses				(365,828,499)
Current corporate income tax				(28,940,129,205)
Profit after corporate income tax				158,895,363,744

Total expenses arising to purchase fixed assets and other long-term assets	5,366,405,455	238,286,417,522	82,324,682,217	325,977,505,194
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Total depreciation expenses and allocation of long-term prepaid expenses	47,971,024,535	57,062,554,648	13,747,408,160	118,780,987,343
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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	529,040,392,576	786,540,035,431	417,256,681,039	1,732,837,109,046
Assets allocated for segment				
Assets not allocated for each segment				94,705,860,907
Total assets				1,827,542,969,953
Direct payable liabilities of segments	21,821,128,420	326,928,853,056	166,000,424,017	514,750,405,493
Payable liabilities allocated for each segment				
Payable liabilities not allocated for each segment				58,111,570,625
Total payable liabilities				572,861,976,118
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

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2019

Notes to the 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 consolidated financial statements.

Prepared on 9 March 2020

Prepared by



Tran Thi Thanh Hao

Accountant in charge



Tran Thi Thanh Hao

General Director




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for tomorrow**

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