



**CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2022

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

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Hai An Transport and Stevedoring Joint Stock Company (hereinafter called "the Company") presents this report together with the Consolidated Financial Statements for the fiscal year ended 31 December 2022 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 14 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 14th amended Business Registration Certificate dated 17 November 2022 regarded the change in the Company's charter capital.

Head office

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

The Company has the affiliates as follows:

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

Principal activities of the Group include:

- Transportation by inland waterway, coastal way and ocean shipping;
- Loading and unloading cargo at seaport;
- Operation of direct support services for transportation by waterway, services and other support services related to transportation.

Board of Management and Executive officers

The members of the Board of Management and the Executive Officers of the Company during the year and as of the date of this statement include:

The Board of Management

Full names	Position	Appointing date/Re-appointing date
Mr. Vu Ngoc Son	Chairman	Re-appointed on 29 June 2018
Mr. Vu Thanh Hai	Member	Re-appointed on 29 June 2018
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

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

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY
STATEMENT OF THE BOARD OF DIRECTORS (cont.)

The Executive officers

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
Mr. Pham Quang Khanh	Deputy General Director	Appointed on 8 September 2021
Mr. Vu Doan Hanh	Deputy General Director	Appointed on 8 September 2021
Mr. Tran Tien Dung	Deputy General Director	Appointed on 1 November 2021
Ms. Tran Thi Thanh Hao	Chief Accountant	Appointed on 1 June 2021

Legal representative

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

Auditor

A&C Auditing and Consulting Co., Ltd. has performed the audit on the Consolidated Financial Statements for the fiscal year ended 31 December 2022 of the Group.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements to give a true and fair view on the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group during the year. In order to prepare these Consolidated Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently.
- make judgments and estimates reasonably and prudently.
- state clearly whether the accounting standards applied to the Group are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements.
- prepare the Consolidated Financial Statements of the Group on the going-concern basis, 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 Board of Directors hereby ensures 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 Board of Directors is also responsible for managing the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Consolidated Financial Statements.

Approval on the Financial Statements

The Board of Directors hereby approves the accompanying Consolidated Financial Statements, which give a true and fair view of the consolidated financial position as of 31 December 2022, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and System and other legal regulations related to the preparation and presentation of the Consolidated Financial Statements.

For and on behalf of the Board of Directors,

General Director



Vu Thanh Hai
9 February 2023

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No. 2.0033/23/TC-AC

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF 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 February 2023, from page 6 to page 51, including the Consolidated Balance Sheet as of 31 December 2022, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

Responsibility of the Board of Directors

The Company's Board of Directors is responsible for the preparation, true and fair presentation of the Consolidated Financial Statements of the Group in accordance with Vietnamese Accounting Standards and System as well as the legal regulations related to the preparation and presentation of the Consolidated Financial Statements; and responsible for the internal control as the Board of Directors determines necessary to enable the preparation and presentation of the Consolidated Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

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 Board of 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.

Opinion of Auditors

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 2022, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended in conformity with the prevailing Vietnamese Accounting Standards System as well as the legal regulations relevant to preparation and presentation of Consolidated Financial Statements.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.

Hanoi Branch



Nguyen Thi Tu – Partner
Audit Practice Registration Certificate:
No. 0059-2023-008-1
Authorized signatory

Pham Quoc Huy – Auditor
Audit Practice Registration Certificate:
No. 4918-2019-008-1

Hanoi, 9 February 2023



HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Nguyen Du Ward, Hai Ba Trung District, Hanoi City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

CONSOLIDATED BALANCE SHEET

As of 31 December 2022

Unit: VND

ASSETS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
A - CURRENT ASSETS	100		1,744,506,986,111	1,287,237,970,137
I. Cash and cash equivalents	110	V.1	415,481,021,778	484,732,416,770
1. Cash	111		290,981,021,778	207,481,206,770
2. Cash equivalents	112		124,500,000,000	277,251,210,000
II. Short-term financial investments	120		140,099,281,797	87,372,980,427
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2a	140,099,281,797	87,372,980,427
III. Short-term receivables	130		978,676,238,299	633,042,082,092
1. Short-term trade receivables	131	V.3	238,251,488,945	233,995,316,855
2. Short-term prepayments to suppliers	132	V.4	321,203,215,652	209,432,319,623
3. Short-term inter-company receivables	133		-	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Receivables for short-term loans	135	V.5	50,000,000,000	37,000,000,000
6. Other short-term receivables	136	V.6a	371,209,860,938	154,660,539,929
7. Allowance for short-term doubtful debts	137	V.7	(1,988,327,236)	(2,046,094,315)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		78,439,535,424	48,419,634,267
1. Inventories	141	V.8	78,439,535,424	48,419,634,267
2. Allowance for inventories	149		-	-
V. Other current assets	150		131,810,908,813	33,670,856,581
1. Short-term prepaid expenses	151	V.9a	12,365,621,719	12,069,586,908
2. Deductible VAT	152		101,730,668,217	21,601,269,673
3. Taxes and other receivables from the State	153	V.10	17,714,618,877	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Nguyen Du Ward, Hai Ba Trung District, Hanoi City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Consolidated balance sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - NON-CURRENT ASSETS	200		3,304,912,510,965	1,945,107,403,834
I. Long-term receivables	210		112,894,400,000	74,000,000
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216	V.6b	112,894,400,000	74,000,000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		2,744,063,079,887	1,535,890,707,186
1. Tangible fixed assets	221	V.10	2,406,762,893,450	1,292,856,919,590
<i>Historical costs</i>	222		3,450,370,577,585	2,105,356,805,779
<i>Accumulated depreciation</i>	223		(1,043,607,684,135)	(812,499,886,189)
2. Financial leased assets	224	V.11	333,830,175,290	239,098,531,863
<i>Historical costs</i>	225		439,180,122,735	267,489,773,742
<i>Accumulated depreciation</i>	226		(105,349,947,445)	(28,391,241,879)
3. Intangible fixed assets	227	V.12	3,470,011,147	3,935,255,733
<i>Initial costs</i>	228		14,155,927,885	13,554,927,885
<i>Accumulated amortization</i>	229		(10,685,916,738)	(9,619,672,152)
III. Investment property	230		-	-
Historical costs	231		-	-
Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		45,414,706,626	6,568,959,439
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.13	45,414,706,626	6,568,959,439
V. Long-term financial investments	250		140,466,192,045	147,761,760,195
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2b	120,015,325,545	127,310,893,695
3. Investments in other entities	253	V.2c	20,450,866,500	20,450,866,500
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		262,074,132,407	254,811,977,014
1. Long-term prepaid expenses	261	V.9b	262,074,132,407	254,811,977,014
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
5. Trade advantage	269		-	-
TOTAL ASSETS	270		5,049,419,497,076	3,232,345,373,971

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Nguyen Du Ward, Hai Ba Trung District, Hanoi City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Consolidated balance sheet (cont.)

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		2,162,498,791,622	1,330,315,411,554
I. Current liabilities	310		910,335,413,837	620,603,862,899
1. Short-term trade payables	311	V.14	148,426,643,717	78,861,911,406
2. Short-term advances from customers	312		1,358,601,123	763,856,819
3. Taxes and other obligations to the State Budget	313	V.15	117,649,089,139	53,140,818,010
4. Payables to employees	314		39,028,845,672	28,715,046,180
5. Short-term accrued expenses	315	V.16	34,213,271,504	28,861,733,938
6. Short-term inter-company payables	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318	V.17	12,487,777,112	15,181,295,259
9. Other short-term payables	319	V.18a	169,312,336,585	142,815,441,175
10. Short-term borrowings and financial leases	320	V.19a	317,706,778,434	233,809,277,118
11. Provisions for short-term payables	321	V.20	2,648,342,710	2,648,342,710
12. Bonus and welfare funds	322	V.21	67,503,727,841	35,806,140,284
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Long-term liabilities	330		1,252,163,377,785	709,711,548,655
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337	V.18b	247,740,000,000	151,000,000,000
8. Long-term borrowings and financial leases	338	V.19b	1,004,423,377,785	558,711,548,655
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Consolidated balance sheet (cont.)

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		2,886,920,705,454	1,902,029,962,417
I. Owner's equity	410	V.22	2,886,920,705,454	1,902,029,962,417
1. Capital	411		703,446,670,000	487,827,510,000
- Ordinary shares carrying voting rights	411a		703,446,670,000	487,827,510,000
- Preferred shares	411b		-	-
2. Share premiums	412		191,640,648,159	191,640,648,159
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development funds	418		390,548,782,590	280,492,385,617
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421		1,025,370,124,082	591,761,088,614
- Retained earnings accumulated to the end of the previous period	421a		203,433,001,246	591,761,088,614
- Retained earnings of the current period	421b		821,937,122,836	-
12. Construction investment fund	422		-	-
13. Interest of non-controlling shareholders	429		575,914,480,623	350,308,330,027
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		5,049,419,497,076	3,232,345,373,971

Prepared by



Tran Thi Thanh Hao

Chief Accountant



Tran Thi Thanh Hao

Prepared on 9 February 2023

General Director



Vu Thanh Hai

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Nguyen Du Ward, Hai Ba Trung District, Hanoi City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2022

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VL1	3,205,610,066,164	1,955,301,419,313
2. Sales deductions	02		-	-
3. Net sales	10		3,205,610,066,164	1,955,301,419,313
4. Costs of sales	11	VL2	1,783,865,288,872	1,241,007,563,702
5. Gross profit/ (loss)	20		1,421,744,777,292	714,293,855,611
6. Financial income	21	VL3	38,702,889,553	26,276,353,563
7. Financial expenses	22	VL4	76,323,593,746	32,927,206,027
In which: Loan interest expenses	23		57,167,219,413	32,129,730,020
8. Profit/ (loss) in joint ventures, associates	24		29,339,272,188	19,313,009,227
9. Selling expenses	25		-	-
10. General and administration expenses	26	VL5	113,764,933,866	85,027,576,435
11. Net operating profit/ (loss)	30		1,299,698,411,421	641,928,435,939
12. Other income	31	VL6	5,603,455,788	23,096,351,626
13. Other expenses	32	VL7	32,885,613,998	2,707,424,146
14. Other profit/ (loss)	40		(27,282,158,210)	20,388,927,480
15. Total accounting profit/ (loss) before tax	50		1,272,416,253,211	662,317,363,419
16. Current income tax	51	V.15	231,623,019,508	111,702,007,956
17. Deferred income tax	52		-	-
18. Profit/ (loss) after tax	60		<u>1,040,793,233,703</u>	<u>550,615,355,463</u>
19. Profit/ (loss) after tax of the Holding Company	61		<u>821,937,122,836</u>	<u>445,513,497,100</u>
20. Profit/ (loss) after tax of non-controlling shareholders	62		<u>218,856,110,867</u>	<u>105,101,858,363</u>
21. Earnings per share	70	VL8	<u>11,306</u>	<u>6,207</u>
22. Diluted earnings per share	71	VL8	<u>11,306</u>	<u>6,207</u>

Prepared by



Tran Thi Thanh Hao

Chief Accountant



Tran Thi Thanh Hao

Prepared on 9 February 2023

General Director



Vu Thanh Hai

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Nguyen Du Ward, Hai Ba Trung District, Hanoi City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

CONSOLIDATED CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended 31 December 2022

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		1,272,416,253,211	662,317,363,419
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	VI.9	278,066,256,436	163,541,926,969
- Provisions and allowances	03	VI.5	(57,767,079)	620,627,605
- Exchange gain/ (loss) due to revaluation of monetary items in foreign currencies	04		13,540,702,178	(489,435,007)
- Gain/ loss from investing activities	05	VI.3	(25,194,563,826)	(40,144,582,374)
- Interest expenses	06	VI.4	57,167,219,413	32,129,730,020
- Others	07		-	-
3. Operating profit/ (loss) before changes of working capital	08		1,595,938,100,333	817,975,630,632
- Increase/ (decrease) of receivables	09		(322,175,529,880)	(92,595,313,295)
- Increase/ (decrease) of inventories	10		(30,019,901,157)	(2,719,585,051)
- Increase/ (decrease) of payables	11		332,960,334,249	210,459,450,847
- Increase/ (decrease) of prepaid expenses	12		(7,558,190,204)	(11,294,998,780)
- Increase/ (decrease) of trading securities	13		-	-
- Interests paid	14		(55,579,474,333)	(29,896,576,332)
- Corporate income tax paid	15	V.15	(209,255,547,886)	(96,159,681,045)
- Other cash inflows	16		-	-
- Other cash outflows	17	V.21	(9,591,441,000)	(5,684,400,000)
Net cash flows from operating activities	20		1,294,718,350,122	790,084,526,976
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(1,603,780,909,743)	(619,848,552,489)
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	53,027,017,421
3. Cash outflow for lending, buying debt instruments of other entities	23		(429,550,328,521)	(69,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24		363,824,027,151	44,620,250,629
5. Investments into other entities	25	V.2b	(17,000,000,000)	(78,000,000,000)
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27		25,219,332,244	19,662,948,880
Net cash flows from investing activities	30		(1,661,287,878,869)	(649,538,335,559)

This statement should be read in conjunction with the notes to the consolidated financial statements

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

Address: 7th Floor, No. 45 Trieu Viet Vuong, Nguyen Du Ward, Hai Ba Trung District, Hanoi City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Consolidated cash flow statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31	V.22	20,488,500,000	98,939,520,415
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33	V.19	716,284,525,841	286,572,789,457
4. Repayment for loan principal	34	V.19	(292,538,213,929)	(174,568,543,009)
5. Payments for financial leased assets	35	V.19	(76,445,954,186)	(20,198,242,945)
6. Dividends and profits paid to the owners	36		(68,559,959,300)	(67,084,355,500)
<i>Net cash flows from financing activities</i>	<i>40</i>		<i>299,228,898,426</i>	<i>123,661,168,418</i>
Net cash flows during the period	50		(67,340,630,321)	264,207,359,835
Beginning cash and cash equivalents	60	V.1	484,732,416,770	221,024,298,549
Effects of fluctuations in foreign exchange rates	61		(1,910,764,671)	(499,241,614)
Ending cash and cash equivalents	70	V.1	415,481,021,778	484,732,416,770

Prepared by



Tran Thi Thanh Hao

Chief Accountant



Tran Thi Thanh Hao

Prepared on 9 February 2023

General Director



Vu Thanh Hai

HAI AN TRANSPORT AND STEVEDORING JOINT STOCK COMPANY

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

I. GENERAL INFORMATION

1. Ownership form

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

2. Operating fields

The Company’s operating field includes service.

3. Principal activities

The Company’s principal activities include: Leasing warehouses, yards, loading and unloading cargo at seaport, sea transport.

4. Normal operating cycle

Normal operating cycle of the Company is within 12 months.

5. Effects of the Group’s operation during the year on the Consolidated Financial Statements

The business results in the current year increased compared to the previous year mainly from operating vessels: revenue from operating vessels increased due to the high increase in sea freight and vessel charter rates, during the year, the Company put Mv. Haian City into operation from 3 April 2022, at the same time, additionally received business results of Mv. An Bien Bay from An Bien Shipping Lines Corporation (the associate) in accordance with the BCC from 1 March 2022.

The Company’s business activities during the year were also affected by the incident of Mv. Haian City being collided by Mv. Orion Express in the waters of Bengal Bay on 14 April 2022. Up to now, the parties have been still handling, overcoming the incident. The Company has estimated the value of losses arising from overcoming this incident about VND 200 billion.

Initially, to ensure to overcome the incident, repair the vessel, and quickly put the vessels into operation, the Company agreed on the following plans:

- The Company will pay expenses incurred related to the incident from the time of the collision until the vessel departs from Chittagong (“temporary repair”) and expenses incurred from the time the vessel departs from Chittagong to Singapore or Vietnam for periodical repair until the completion of the repair (“permanent repair”);
- Loss compensation will be considered and evaluated by PVI Insurance Corporation based on the terms of the insurance policy with reasonable and valid expenses.

As of 30 June 2022, the Company paid more than VND 53 billion for overcoming the incident, repairing the vessel in Chittagong (“temporary repair”).

As of 31 December 2022, expenses for overcoming the incident, repairing the vessel the Company paid were about VND 200 billion. The Company has estimated that the uncompensated expenses are about VND 50 billion and has recorded into expenses by VND 50 billion during the year. PVI Insurance Corporation advanced compensation equivalent to about VND 16 billion. The remaining amount (about VND 134 billion) the Company is still working with PVI Insurance Corporation to agree on the compensation. (See note V.6a at page 28).

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Notes to the consolidated financial statements (cont.)

6. 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.

6a. Information on Group restructuring

Purchase of subsidiary

On 4 August 2022, Hai An Port Co., Ltd. – the subsidiary additionally purchased 10% of capital of Hai An Agency and Logistics Co., Ltd., increasing the rate of capital held in this company up to 60%. The purpose of additional purchase of capital of Hai An Agency and Logistics Co., Ltd is to expand the operation and complete the supply chain of the Group.

Value of business consolidation of subsidiaries purchased includes:

	<u>As of 31 July 2022</u>
Cash on hand	7,500,000,000
Fair value of 50% of contribution capital in Hai An Agency and Logistics Co., Ltd. exchanged as of the purchasing date	53,634,840,338
Total	<u>61,134,840,338</u>

Details of fair value of assets and liabilities of subsidiaries purchased on the purchasing date and interest from cheap purchasing transactions are as follows:

	<u>As of 31 July 2022</u>
Assets	<u>149,016,677,355</u>
Cash and cash equivalents	32,533,874,291
Short-term trade receivables	29,340,191,588
Short-term prepayments to suppliers	3,712,500
Receivables for short-term loans	3,000,000,000
Other short-term receivables	21,572,543,832
Inventories	23,358,393
Short-term prepaid expenses	338,772,367
Taxes and other receivables from the State	117,895,794
Other long-term receivables	41,410,250,000
Fixed assets	3,561,676,691
Investments into other entities	14,500,000,000
Long-term prepaid expenses	2,614,401,899
Liabilities	<u>41,746,996,680</u>
Short-term trade payables	30,821,738,326
Short-term advances from customers	203,716,320
Taxes and other obligations to the State Budget	525,505,230
Payables to employees	2,904,525,297
Short-term accrued expenses	1,875,059,065
Other short-term payables	343,535,821
Bonus and welfare funds	1,492,336,686
Interest of non-controlling shareholders in HAGS	3,580,579,935
Fair value of net assets	<u>107,269,680,675</u>
Interest of non-controlling shareholders	<u>42,907,872,270</u>
Fair value of net assets purchased (a)	<u>64,361,808,405</u>
Business consolidation costs (b)	<u>61,134,840,338</u>
Interest from cheap purchasing transactions (b) – (a)	<u>(3,226,968,067)</u>

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For the fiscal year ended 31 December 2022

Notes to the consolidated financial statements (cont.)

Net payment to purchase subsidiaries:	
Payment in cash	7,500,000,000
Cash and cash equivalents in the subsidiary as of the purchasing date	(32,533,874,291)
Net payment	(25,033,874,291)

6b. List of subsidiaries consolidated

Name of company	Address of head office	Principal activities	Benefit rate		Voting rate	
			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, Haiphong 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, Haiphong 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, Haiphong City	Services of exploiting Depot	51%	51%	51%	51%
Hai An Agency and Logistics Co., Ltd. ⁽ⁱ⁾	5 th floor, Hai An Building, Km 2 Dinh Vu Road, Dong Hai 2 Ward, Hai An District, Haiphong City	Services of agency	60%	50%	60%	50%
Hai An General Service JSC ⁽ⁱⁱ⁾	5 th floor, Hai An Building, Km 2 Dinh Vu Road, Dong Hai 2 Ward, Hai An District, Haiphong City	Services of loading and unloading, road transportation	40.82%	34.02%	68.03%	68.03%

(i) This has been the subsidiary of the subsidiary - Hai An Port Co., Ltd. since August 2022.

(ii) This is the subsidiary of Hai An Agency and Logistics Co., Ltd.

6c. List of associates reflected in the Consolidated Financial Statements in accordance with the owner's equity method

Name of company	Address of head office	Principal activities	Ownership rate		Voting rate	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Hai An Agency and Logistics Co., Ltd. ^(*)	5 th floor, Hai An Building, Km 2 Dinh Vu Road, Dong Hai 2 Ward, Hai An District, Haiphong City	Services of agency	50%	50%	50%	50%
Hai An Freight Forwarding JSC	Room 3B, 3 rd floor, Building B, Green Pearl Building, No. 378 Minh Khai, Vinh Tuy Ward, Hai Ba Trung District	Good transport	36.16%	36.89%	36.16%	36.89%
An Bien Shipping Lines Corporation ^(**)	Plot KB2.11 MP Dinh Vu Industrial Zone, Dong Hai 2 Ward, Hai An District, Haiphong City	Services of transport	17.17%	-	34%	-

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Notes to the consolidated financial statements (cont.)

(*) This was the associate of the subsidiary – Hai An Port Co., Ltd. until 4 August 2022.

(**) This is the associate of the subsidiary – Hai An Container Transport Co., Ltd.

7. Statement on information comparability on the Consolidated Financial Statements

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

8. Employees

As of the balance sheet date, there were 577 employees working in subsidiaries in the Group (at the beginning of the year: 470 employees).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

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

2. Accounting currency unit

The accounting currency unit is Vietnam Dong (VND) because payments and receipts of the Company are primarily made in VND.

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting Standards and 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 guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Consolidated Financial Statements.

2. Statement on the compliance with the Accounting Standards and System

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were 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 guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Consolidated Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the Consolidated Financial Statements are prepared on the accrual basis (except for the 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 power, the potential voting right that is currently valid or will be transferred should also be taken into consideration as of the balance sheet date.

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Notes to the consolidated financial statements (cont.)

The business results of the subsidiaries which are acquired or disposed during the year 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 non-controlling minority interest 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. Foreign currency transactions

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

Foreign exchange rate differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as of the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For receivables: the buying rate ruling as of the time of transaction of the commercial bank where the Group designates the customers to make payments.
- For payables: the selling rate ruling as of the time of transaction of the commercial bank where the Group supposes to make payments.
- For acquisition of assets or immediate payments in foreign currency (not included into payable accounts): the buying rate of the commercial bank where the Group makes payments.

The exchange rate used to revalue ending balances of monetary items in foreign currencies is determined as follows:

- For foreign currency deposits: the buying rate of the bank where the Group opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of the bank where the Group frequently conducts transactions.

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Notes to the consolidated financial statements (cont.)

- For monetary items in foreign currencies classified as payables: the selling rate of the bank where the Group frequently conducts transactions.

4. Cash and cash equivalents

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

5. Financial investments

Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Company intends and is able to hold to maturity. Held-to-maturity investments include held-to-maturity termed deposits in bank for the purpose of receiving periodical interest.

Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received.

Loans

Loans are determined at original costs less allowance for doubtful debts. Allowance for doubtful debts of loans is made on the basis of estimated losses.

Investments in associates

An associate is an entity which the Group has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate's financial and operating policies 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. In case the accounting policies of an associate are different from those consistently applied in the Group, the Financial Statements of that associate will be suitably adjusted before being used to prepare the Consolidated Financial Statements.

Unrealized gains/losses from transactions with associates are excluded equivalent to those of the Group 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 these entities.

Investments in equity instruments of other entities are initially recognized at costs, including cost of purchase or capital contribution plus other directly attributable transaction costs. Values of these investments are derecognized for dividends and profits arising in the periods prior to the acquisition of such investments. Dividends and profit arising in the periods after the acquisition of

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investments are recorded into 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.

Provisions for impairment of investments in equity instruments of other entities are made as follows:

- For investments in listed shares or fair value of investments which is reliably measured, provisions are 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, provisions are made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital invested by investors and the actual owner's equity multiplying (x) by the Group's rate of charter capital in these investees.

Increases/ (decreases) in the provisions for impairment of investments in equity instruments of other entities are recorded into "Financial expenses".

6. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Group and customers who are independent to the Group.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt after being offset with payable liabilities (if any). The appropriation rate is on the basis of the debt age or the estimated loss as follows:

- As for outstanding debts:
 - 30% of the value of debts outstanding from over 6 months to under 1 year.
 - 50% of the value of debts outstanding from 1 year to under 2 years.
 - 70% of the value of debts outstanding from 2 years to under 3 years.
 - 100% of the value of debts outstanding from over 3 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

Increases/ (decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into "General and administration expenses".

7. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories include materials and merchandises which comprises costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location 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.

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Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for inventories is recognized for each type of inventories when their costs are higher than their net realizable values. Increases/ (decreases) in the obligatory allowance for inventories as of the balance sheet date are recorded into "Costs of sales".

8. Prepaid expenses

Prepaid expenses comprise actual expenses arising and relevant to financial performance in several accounting periods. These prepaid expenses are allocated in the prepayment term or term in which corresponding economic benefit is derived from these expenses.

Tools

Expenses for tools being put into use are allocated into expenses in accordance with the straight-line method for the maximum period of 3 years.

Fixed asset repair and periodical repair costs of vessels

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

Insurance premium

Prepaid insurance premium represents the insurance premium already paid for the following periods. Prepaid insurance premium is allocated into expenses in accordance with the straight-line method corresponding to insurance term.

Prepaid land rental

Prepaid land rental reflects the land rental already paid for the land being used by Pan Hai An Co., Ltd. Prepaid land rental is allocated into expenses in accordance with the straight-line method over the lease term (498 months).

9. Operating leased assets

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Group's operation costs in accordance with the straight-line method over the lease term and are not depend on 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 paid by the Group to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the year.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

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

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<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	5-20
Machinery and equipment	3-10
Vehicles	6-12
Office equipment	3-8
Other fixed assets	4-10

11. Financial leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessee. Financial leased assets are determined by their historical costs less accumulated depreciation. Historical cost is the lower cost of the fair value of the leased asset at commencement of the lease term and the present value of the minimum lease payments. Discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease or else mentioned in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate at commencement of the lease term will be applied.

Financial leased assets are depreciated in accordance with the straight-line method over their estimated useful lives. If there is no reasonable certainty that the Group will obtain ownership at the end of the lease, the fixed asset shall be depreciated over the shorter of the lease term and the estimated useful life of the asset. The depreciation years of the fixed assets under financial lease which are containers are 5 years.

12. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Group to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Group's intangible fixed asset includes:

Land use right

Land use right includes all the actual expenses paid by the Group directly related to the land being used such as expenses to obtain the land use right, expenses for house removal, land clearance and ground leveling, registration fees, etc. The land use right is amortized in accordance with the straight-line method in 35 years.

Computer software

Purchase price of computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Group until the date the software is put into use. Computer software is amortized in accordance with the straight-line method from 3 to 5 years.

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13. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Group) directly related to the construction of plants and the installation of machinery and equipment to serve for production, leasing, and management as well as the repair of fixed assets, which have not been completed yet. Assets in the progress of construction and installation are recorded at historical costs and not depreciated.

14. Contractual arrangement

Jointly controlled operations

In respect of its interests in jointly controlled operations, the Group shall recognize in its Financial Statements:

- the assets that the Group controls.
- the liabilities that the Group incurs.
- the Group earns from the sale of goods or services by the joint venture.
- the expenses that the Group incurs.

15. Payables and accrued expenses

Payables and accrued expenses are recorded based on the amounts payable for goods and services already used. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets and the seller is an independent entity with the Group.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

Payables and accrued expenses are classified into short-term and long-term ones in the Consolidated Balance Sheet based on the remaining terms as of the balance sheet date.

16. Owner's equity

Capital

Capital is recorded according to the actual amounts invested by the shareholders of the Company.

Share premiums

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

Treasury shares

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury shares and a corresponding decrease in owner's equity then is recognized. When this share capital is re-issued, the difference between the re-issuance price and carrying value of treasury shares is recorded in share premiums.

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17. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and approved by the Shareholders' Meeting.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends are recorded as payables upon approval of the Board of Members' Meeting.

18. Recognition of sales and income

Sales of rendering services

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

- the amount of sales can be measured reliably. When the contract stipulates that the buyer is entitled to return the services rendered under specific conditions, sales is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services rendered.
- the Group received or shall probably receive the economic benefits associated with the rendering 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 the case that the services are provided in several accounting periods, the determination of sales is done on the basis of the stage of completion as of the balance sheet date.

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular 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. Particularly, the dividends paid in form of shares are not recorded as an increase in value, but the increasing quantity is followed up.

19. Borrowing costs

Borrowing costs are interests and other costs that the Company directly incurs in connection with the borrowing. Borrowing costs are recorded as an expense when it is incurred.

20. Expenses

Expenses are those that result in outflows of the economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

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21. Corporate income tax

Corporate income tax only 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, non-deductible expenses as well as those of non-taxable income and losses brought forward.

22. Related parties

A party is considered a related party of the company in case that party is able to control the Company or to cause material effects on the financial decisions as well as the operations of the Company. A party is also considered a related party in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

23. Segment reporting

A business segment is a distinguishable component that is engaged in manufacturing or providing 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 manufacturing or 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.

The segment information is prepared and presented in conformity with the accounting policy applied for the preparation and presentation of the Group's Consolidated Financial Statements.

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Notes to the consolidated financial statements (cont.)

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	4,966,014,297	1,747,324,634
Demand deposits in banks	286,015,007,481	205,733,882,136
Cash equivalents (<i>Bank deposits of which the principal maturity is under 3 months</i>)	124,500,000,000	277,251,210,000
Total	<u>415,481,021,778</u>	<u>484,732,416,770</u>

2. Financial investments

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

2a. Held-to-maturity investments

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

2b. Investments in associates

	Ending balance			Beginning balance		
	Original costs	Profit after investment date	Total	Original costs	Profit after investment date	Total
Hai An Freight Forwarding JSC ⁽ⁱ⁾	1,494,000,000	28,753,878,905	30,247,878,905	1,494,000,000	15,612,764,091	17,106,764,091
Hai An Agency and Logistics Co., Ltd. ⁽ⁱⁱ⁾	-	-	-	12,500,000,000	29,704,129,604	42,204,129,604
An Bien Shipping Lines Corporation ⁽ⁱⁱⁱ⁾	85,000,000,000	4,767,446,640	89,767,446,640	68,000,000,000	-	68,000,000,000
Total	<u>86,494,000,000</u>	<u>33,521,325,545</u>	<u>120,015,325,545</u>	<u>81,994,000,000</u>	<u>45,316,893,695</u>	<u>127,310,893,695</u>

⁽ⁱ⁾ According to the Business Registration Certificate No. 0108111428 dated 27 December 2017, the charter capital of Hai An Freight Forwarding JSC is VND 8,100,000,000. During the year, Hai An Freight Forwarding JSC paid dividends by shares and issued shares to the employees, increasing its charter capital from VND 8,100,000,000 up to VND 33,050,000,000 equivalent to 3,305,000 shares. The Company received 896,400 shares of Hai An Freight Forwarding JSC as this company paid dividends by shares. Hai An Freight Forwarding JSC was granted by the Hanoi Authority for Planning and Investment with the 5th amended Business Registration Certificate No. 0108111428 dated 24 August 2022 with the charter capital of VND 33,050,000,000 equivalent to 3,305,000 shares. As of the balance sheet date, the Company had held 1,195,200 shares equivalent to 36.16% of charter capital of Hai An Freight Forwarding JSC (the beginning balance was 298,800 shares equivalent to 36.89% of charter capital).

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(ii) According to the 4th amended Business Registration Certificate No. 0201244461 dated 18 August 2022 granted by Department of Planning and Investment of Haiphong City, the charter capital of Hai An Agency and Logistics Co., Ltd. is VND 75,000,000,000, Hai An Port Co., Ltd. would invest in Hai An Agency and Logistics Co., Ltd. with the amount of VND 45,000,000,000 (including, the amount of VND 30,000,000,000 invested by the profit shared in 2022) equivalent to 60% of charter capital.

(iii) According to the Business Registration Certificate No. 0202133595 dated 22 November 2021, the 1st amended Business Registration Certificate dated 14 January 2022 granted by Department of Planning and Investment of Haiphong City, An Bien Shipping Lines Corporation has its charter capital of VND 250,000,000,000 equivalent to 25,000,000 shares. During the year, Hai An Container Transport Co., Ltd. additionally purchased 1,700,000 shares of An Bien Shipping Lines Corporation with the purchasing price of VND 17,000,000,000. As of the balance sheet date, the Group had held 8,500,000 shares equivalent to 34% of charter capital of An Bien Shipping Lines Corporation (the beginning balance was 6,800,000 shares equivalent to 34% of charter capital).

Value of the Group's ownership in the associates is as follows:

	Hai An Freight Forwarding JSC	Hai An Agency and Logistics Co., Ltd.	An Bien Shipping Lines Corporation	Total
Value of ownership at the beginning of the year	17,106,764,091	42,204,129,604	68,000,000,000	127,310,893,695
Capital contribution during the year	-	-	17,000,000,000	17,000,000,000
Profit/ (loss) during the year	14,186,914,814	13,930,710,734	4,767,446,640	32,885,072,188
Dividends, profit received during the year	(1,045,800,000)	(2,500,000,000)	-	(3,545,800,000)
Re-classification of investments	-	(53,634,840,338)	-	(53,634,840,338)
Value of ownership at the end of the year	30,247,878,905	-	89,767,446,640	120,015,325,545

Operation of associates

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

Transactions with associates

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

	Current year	Previous year
Hai An Freight Forwarding JSC		
Providing services to the associate	185,541,197,737	120,663,037,506
Receipt of BCC contribution capital from the associate	8,440,000,000	-
The associate provided services	15,168,193,946	27,528,140,236
Share of BCC profit to the associate	19,972,012,296	7,430,922,884
The associate shared profit	1,045,800,000	747,000,000
An Bien Shipping Lines Corporation		
Providing services to the associate	24,649,356,079	-
Capital contribution into the associate	17,000,000,000	68,000,000,000
The associate provided services	38,652,085,953	-
Receipt of BCC contribution capital from the associate	13,000,000,000	7,000,000,000
Share of BCC profit to the associate	(7,138,041,531)	-
BCC contribution capital into the associate	106,410,150,000	-
Receipt of BCC profit from the associate	40,451,392,760	-

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Notes to the consolidated financial statements (cont.)**2c. Investments into other entities**

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Marina Logistics & Agencies Co., Ltd. ⁽ⁱ⁾	20,000,000,000	-	20,000,000,000	-
Dong Do CMC ⁽ⁱⁱ⁾	450,000,000	-	450,000,000	-
Marine Supply and Engineering Service JSC	864,000	-	864,000	-
MHC JSC	2,500	-	2,500	-
Total	20,450,866,500	-	20,450,866,500	-

(i) According to the 11th amended Business Registration Certificate No. 0105430472 dated 2 November 2021 granted by Hanoi Authority for Planning and Investment, the Group would invest in Marina Logistics & Agencies Co., Ltd. with the amount of VND 20,000,000,000 equivalent to 16.67% of charter capital.

(ii) According to the Business Registration Certificate No. 0201796751 dated 3 July 2017, the 1st amended Business Registration Certificate dated 24 May 2019 granted by Department of Planning and Investment of Haiphong City, Dong Do CMC has its charter capital of VND 3,500,000,000 equivalent to 350,000 shares. As of the balance sheet date, the Group had held 63,000 shares equivalent to 18% of charter capital of this company, having no fluctuations compared to the beginning balance.

Fair value

The Group has not determined fair value of investments as there has not been any detailed guidance on determination of fair value of unlisted investments.

3. Short-term trade receivables

	Ending balance	Beginning balance
Receivables from related parties	45,400,839,342	47,391,675,020
Hai An Agency and Logistics Co., Ltd.	-	12,651,230,681
Hai An Freight Forwarding JSC	33,034,470,515	26,197,715,211
Marina Logistics & Agencies Co., Ltd.	2,158,186,705	1,001,582,223
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	9,838,028,122	7,496,643,305
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	-	24,879,600
Transimex Corporation	345,600,000	-
New Way Logistics JSC.	24,554,000	19,624,000
Receivables from other customers	192,850,649,603	186,603,641,835
Hapag-Lloyd Vietnam Co., Ltd.	27,141,330,261	36,860,121,573
Other customers	165,709,319,342	149,743,520,262
Total	238,251,488,945	233,995,316,855

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	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Prepayments to related parties</i>	-	221,005,900
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	-	221,005,900
<i>Prepayments to other suppliers</i>	321,203,215,652	209,211,313,723
Huanghai Shipbuilding Co., Ltd.	304,051,069,400	119,698,860,000
Fresh South Shipping S.A.,	-	84,730,678,650
Other suppliers	17,152,146,252	4,781,775,073
Total	<u>321,203,215,652</u>	<u>209,432,319,623</u>

5. Receivables for short-term loans

This is the loan to Mr. Le Phong Hieu to pay land rental once for the project "Container yard and port service" in Phuoc Hoa Commune, Tan Thanh District, Ba Ria – Vung Tau Province for which at present, two parties are co-operating. The term of loan is 6 months, the loan principal and interest are once paid on the due date. The first loan was from 12 May 2020. This loan is extended for the 9th time and paid no later than 31 March 2023. This loan is mortgaged by the land use right in accordance with the Certificate No. CC481398.

6. Other receivable**6a. Other short-term receivable**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Value	Allowance	Value	Allowance
<i>Receivables from related parties</i>	50,576,828,143		208,241,363	
An Bien Shipping Lines Corporation - BCC	50,026,265,182		-	
Payments on other's behalf	550,562,961		208,241,363	
<i>Receivables from other organizations and individuals</i>	320,633,032,795		154,452,298,566	
Estimated receipt of deposit interest	79,656,241		104,424,659	
Sao AD.C Investment Corporation - BCC business results	17,853,745,525		-	
Deposit for project transfer ⁽ⁱ⁾	124,423,676,376		112,423,676,376	
Expenses for overcoming the incident of Mv. Hai An City waiting for compensation ⁽ⁱⁱ⁾	133,976,708,530		-	
ZimHai An	1,203,553,828		-	
Seacube Containers - Deposits	3,257,369,640		3,107,747,520	
Mortgages and deposits	11,828,370,000		280,370,000	
Advances	1,070,895,906		519,212,754	
Temporarily calculated sea freight	22,230,090,244		36,442,558,309	
Other short-term receivables	4,708,966,505		1,574,308,948	
Total	<u>371,209,860,938</u>		<u>154,660,539,929</u>	

⁽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 and was granted with the Certificate of Land Use Right, Housing Ownership Right and other assets associated with the land No. BN 981472 dated 29 May 2020.

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(ii) Details of expenses for overcoming the incident, repairing Mv. Hai An City are as follows

	<u>Amount</u>
<i>Expenses the Company paid</i>	<u>200,087,476,084</u>
Moving the vessel from the mooring point to the wharf in Chitagong	9,025,018,967
Overcoming the incident in Chitagong	31,871,457,793
Crew and personnel costs	1,124,353,206
Fuel costs	16,567,173,445
Compensation for defective goods	70,354,763,251
Dry dock, vessel repair costs	71,144,709,422
<i>The insurer advanced the compensation</i>	<u>(16,110,767,554)</u>
<i>Estimated uncompensated loss costs (25%/total costs)</i>	<u>(50,000,000,000)</u>
<i>The remaining waiting for compensation</i>	<u>133,976,708,530</u>

6b. Other long-term receivables

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Value	Allowance	Value	Allowance
<i>Receivables from related parties</i>	<u>112,820,400,000</u>	-	-	-
An Bien Shipping Lines Corporation (*)	112,820,400,000	-	-	-
<i>Receivables from other organizations and individuals</i>	<u>74,000,000</u>	-	<u>74,000,000</u>	-
Mortgages and deposits	74,000,000	-	74,000,000	-
Total	<u>112,894,400,000</u>	-	<u>74,000,000</u>	-

(*) This is the receivable from Hai An Container Transport Co., Ltd. ("the Control Party") on business cooperation capital in accordance with the Business Cooperation Contract (BCC) No. 0122/HDHTKD dated 24 January 2022. 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. Details are as follows:

	<u>Amount</u>	<u>Rate (%)</u>
An Bien Shipping Lines Corporation (the Control Party)	76,923,000,000	30.00%
Hai An Transport and Stevedoring JSC	80,769,150,000	31.50%
Hai An Container Transport Co., Ltd. (the subsidiary)	25,641,000,000	10.00%
Hai An Agency and Logistics Co., Ltd. (the subsidiary)	6,410,250,000	2.50%
Hai Ha Investment and Transportation JSC	10,256,400,000	4.00%
Marina Logistics & Agencies Co., Ltd.	5,128,200,000	2.00%
TM Holding Fund Co., Ltd.	51,282,000,000	20.00%
Total	<u>256,410,000,000</u>	<u>100%</u>

7. Doubtful debts

	<u>Ending balance</u>			<u>Beginning balance</u>		
	Outstanding period	Original costs	Allowance	Outstanding period	Original costs	Allowance
Hung Think 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	Over 3 years	1,823,493,624	(1,823,493,624)	Over 3 years	1,763,515,406	(1,763,515,406)

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	Ending balance			Beginning balance		
	Outstanding period	Original costs	Allowance	Outstanding period	Original costs	Allowance
Wan Hai Lines Ltd			-	Over 1 year to 2 years	392,484,324	(117,745,297)
Total		1,988,327,236	(1,988,327,236)		2,320,833,342	(2,046,094,315)

Fluctuations in allowances for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	2,046,094,315	1,425,466,710
Additional extraction	59,978,218	620,627,605
Reversal	(117,745,297)	-
Ending balance	1,988,327,236	2,046,094,315

8. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	77,857,614,618	-	48,346,039,722	-
Tools	581,920,806	-	73,594,545	-
Total	78,439,535,424	-	48,419,634,267	-

9. Prepaid expenses

9a. Short-term prepaid expenses

	Ending balance	Beginning balance
Lubricant costs	5,919,311,413	6,611,291,973
Insurance premium	4,654,097,541	2,536,768,362
Tools	985,337,518	1,926,882,189
Office rental	80,000,000	80,000,000
Other short-term prepaid expenses	726,875,247	914,644,385
Total	12,365,621,719	12,069,586,908

9b. Long-term prepaid expenses

	Ending balance	Beginning balance
Periodical repair costs	44,009,402,383	35,289,306,458
Tools	2,001,693,699	2,801,661,353
Asset repair costs	7,938,329,210	3,722,571,360
Land rental (*)	206,007,364,728	211,677,292,200
Others long-term prepaid expenses	2,117,342,387	1,321,145,643
Total	262,074,132,407	254,811,977,014

(*) 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.

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10. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Other fixed assets	Total
Historical costs						
Beginning balance	462,658,926,412	338,467,189,989	1,259,875,966,898	4,819,478,262	39,535,244,218	2,105,356,805,779
Increase due to the purchase of subsidiaries	-	-	18,779,761,702	169,527,273	-	18,949,288,975
Acquisition during the year	-	16,235,523,172	1,309,087,438,972	392,236,364	-	1,325,715,198,508
Adjustment in accordance with construction audit results	220,784,323	-	-	-	128,500,000	349,284,323
Ending balance	462,879,710,735	354,702,713,161	2,587,743,167,572	5,381,241,899	39,663,744,218	3,450,370,577,585
<i>In which:</i>						
Assets fully depreciated but still in use	48,916,808,091	190,574,814,103	25,055,182,670	2,546,517,707	141,136,364	267,234,458,935
Assets waiting for liquidation						
Depreciation						
Beginning balance	168,212,477,564	263,108,443,131	361,690,272,563	3,095,351,506	16,393,341,425	812,499,886,189
Increase due to the purchase of subsidiaries	-	-	15,278,362,779	169,527,273	-	15,447,890,052
Depreciation during the year	23,983,943,275	19,588,479,059	167,396,633,739	648,763,365	4,042,088,456	215,659,907,894
Ending balance	192,196,420,839	282,696,922,190	544,365,269,081	3,913,642,144	20,435,429,881	1,043,607,684,135
Net book values						
Beginning balance	294,446,448,848	75,358,746,858	898,185,694,335	1,724,126,756	23,141,902,793	1,292,856,919,590
Ending balance	270,683,289,896	72,005,790,971	2,043,377,898,491	1,467,599,755	19,228,314,337	2,406,762,893,450
<i>In which:</i>						
Assets temporarily not in use						
Assets waiting for liquidation						

Some tangible fixed assets of which the net book value is VND 1,908,890,089,028 have been mortgaged to secure the loans from banks.

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11. Financial leased assets

	<u>Historical costs</u>	<u>Accumulated depreciation</u>	<u>Net book values</u>
Beginning balance	267,489,773,742	(28,391,241,879)	239,098,531,863
Financial lease during the year	171,690,348,993	-	171,690,348,993
Depreciation during the year	-	(76,958,705,566)	(76,958,705,566)
Ending balance	439,180,122,735	(105,349,947,445)	333,830,175,290

12. Intangible fixed assets

	<u>Land use right</u>	<u>Softwares</u>	<u>Total</u>
Initial costs			
Beginning balance	4,945,015,236	8,609,912,649	13,554,927,885
Increase due to the purchase of subsidiaries	-	601,000,000	601,000,000
Ending balance	4,945,015,236	9,210,912,649	14,155,927,885
<i>In which:</i>			
Assets fully amortized but still in use	-	5,244,172,649	5,244,172,649
Amortization			
Beginning balance	2,532,790,317	7,086,881,835	9,619,672,152
Increase due to the purchase of subsidiaries	-	540,722,232	540,722,232
Amortization during the year	141,286,152	384,236,202	525,522,354
Ending balance	2,674,076,469	8,011,840,269	10,685,916,738
Net book values			
Beginning balance	2,412,224,919	1,523,030,814	3,935,255,733
Ending balance	2,270,938,767	1,199,072,380	3,470,011,147
<i>In which:</i>			
Assets temporarily not in use			
Assets waiting for liquidation			

13. Construction-in-progress

	<u>Beginning balance</u>	<u>Increase during the year</u>	<u>Inclusion into fixed assets during the year</u>	<u>Inclusion into expenses waiting for allocation</u>	<u>Ending balance</u>
Acquisition of fixed assets	670,996,106	1,318,739,128,406	(1,316,566,204,038)	-	2,843,920,474
Construction-in-progress	5,897,963,333	14,488,761,808	-	-	20,386,725,141
Large repair of fixed assets	-	65,191,216,001	-	(43,007,154,990)	22,184,061,011
Total	6,568,959,439	1,398,419,106,215	(1,316,566,204,038)	(43,007,154,990)	45,414,706,626

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14. Short-term trade payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	<i>13,192,810,627</i>	<i>2,318,557,223</i>
Hai An General Service JSC	-	1,869,184,083
Hai An Freight Forwarding JSC	100,106,280	-
Hai Ha Investment and Transportation JSC	437,802,304	270,939,931
Marina Logistics & Agencies Co., Ltd.	6,397,035,123	92,433,209
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	49,725,000	80,000,000
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	5,762,966,080	6,000,000
Transimex Corporation	445,175,840	-
<i>Payables to other suppliers</i>	<i>135,233,833,090</i>	<i>76,543,354,183</i>
Ben Line Agencies Singapore Pte., Ltd	25,212,439,376	-
BMS United Bunkers (Asia) Limited	26,614,245,290	-
Other suppliers	83,407,148,424	76,543,354,183
Total	<u>148,426,643,717</u>	<u>78,861,911,406</u>

15. Taxes and other obligations to the State Budget

	<u>Beginning balance</u>	<u>Increase due to the purchase of subsidiaries</u>	<u>Amount payable during the year</u>	<u>Amount already paid during the year</u>	<u>Amount payable at the end of the year</u>	<u>Amount receivable at the end of the year</u>
VAT on local sales	2,647,456,820	99,614,363	93,388,606,288	(94,423,402,509)	1,712,274,962	-
VAT on imports	-	-	108,455,663,534	(108,455,663,534)	-	-
Export-import duties	-	-	328,487,460	(328,487,460)	-	-
Corporate income tax	46,843,028,354	132,767,462	257,094,422,262	(209,255,547,886)	112,529,289,069	17,714,618,877
Personal income tax	3,650,332,836	175,227,611	12,553,284,400	(12,971,319,739)	3,407,525,108	-
Property tax	-	-	2,113,469,423	(2,113,469,423)	-	-
Environmental protection tax	-	-	1,301,653,336	(1,301,653,336)	-	-
Other taxes	-	-	113,652,632	(113,652,632)	-	-
Total	<u>53,140,818,010</u>	<u>407,609,436</u>	<u>475,349,239,335</u>	<u>(428,963,196,519)</u>	<u>117,649,089,139</u>	<u>17,714,618,877</u>

Value added tax (VAT)

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

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

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Export-import duties

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

Corporate income tax

Operating ports of the 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.

Incentive term: CIT exemption in 4 years since 2011, 50% reduction of the tax payable in the following 9 years since 2015 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.

According to the Investment Certificate No. 6388338018 dated 9 October 2017 granted by Hai Phong Economic Zone Management Board, Pan Hai An Co., Ltd. has to pay corporate income tax for income from the operation of warehouses, yards and goods storage and stevedoring at the rate of 10% within 15 years commencing from the new investment project has income (from 2018 to 2032); is exempted from tax within 4 years commencing from the first taxable income from the new investment project, in case the enterprises has no taxable income in the first 3 years commencing from the first taxable income from the investment project, the tax-exempted period starts from the 4th year (from 2021 to 2024) and reduced 50% of tax payable in 9 following years (from 2025 to 2033).

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

Details of payable corporate income tax are as follows:

	<u>Current year</u>	<u>Previous year</u>
Corporate income tax payable calculated on taxable income in the prevailing year	231,623,019,508	111,702,007,956
Corporate income tax payable on behalf of business cooperation parties	37,265,302,841	20,941,020,399
Corporate income tax paid by business cooperation parties on behalf	(11,793,900,087)	-
Total corporate income tax payable	<u>257,094,422,262</u>	<u>132,643,028,355</u>

The determination of corporate income tax payable of 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 Company has declared and paid these taxes in line with the prevailing regulations.

16. Short-term accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Loan interest expenses	8,420,915,765	5,094,932,226
Vessel operation costs	2,044,220,000	3,406,550,000
Expenses for purchasing lubricants	14,586,892,800	6,946,771,324
Temporarily calculated vessel operation costs	8,139,128,458	11,969,628,735
Other accrued expenses	1,022,114,481	1,443,851,653
Total	<u>34,213,271,504</u>	<u>28,861,733,938</u>

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Including revenue received in advance of leasing vessel.

18. Other payables**18a. Other short-term payables**

	Ending balance	Beginning balance
<i>Payable to related parties</i>	134,126,651,806	84,244,081,608
BCC interest	133,646,651,806	83,764,081,608
<i>Hai An Freight Forwarding JSC</i>	<i>19,972,012,296</i>	<i>7,430,922,884</i>
<i>Hai An Agency and Logistics Co., Ltd.</i>	-	18,293,273,983
<i>Hai Ha Investment and Transportation JSC</i>	<i>55,087,087,492</i>	<i>33,444,520,992</i>
<i>Marina Logistics & Agencies Co., Ltd.</i>	<i>58,587,552,018</i>	<i>24,595,363,749</i>
Allowance for the BOM, the Board of Control	480,000,000	480,000,000
<i>Payable to other organizations and individuals</i>	35,185,684,779	58,571,359,567
Receipts on behalf of SM Line Corporation	28,409,241,900	51,225,520,935
Receipt of short-term deposits, mortgages	4,510,881,000	5,531,000,000
Trade Union's expenditure	375,630,187	430,315,551
Dividends payable	667,045,600	644,253,900
Other short-term payable	1,222,886,092	740,269,181
Total	169,312,336,585	142,815,441,175

18b. Other long-term payables

	Ending balance	Beginning balance
<i>Payable to related parties</i>	197,740,000,000	133,000,000,000
Hai An Agency and Logistics Co., Ltd.	-	29,000,000,000
Hai An Freight Forwarding JSC	18,440,000,000	10,000,000,000
An Bien Shipping Lines Corporation	20,000,000,000	7,000,000,000
Hai Ha Investment and Transportation JSC	77,100,000,000	50,000,000,000
Marina Logistics & Agencies Co., Ltd.	82,200,000,000	37,000,000,000
<i>Payable to other organization</i>	50,000,000,000	18,000,000,000
Sao A D.C Investment JSC.	50,000,000,000	18,000,000,000
Total	247,740,000,000	151,000,000,000

These are the receipts of capital contribution in accordance with the Business Cooperation Contracts (BCC) No. 48/HDHTKD dated 18 April 2017, No. 66/HDHTKD dated 8 May 2019, No. 68/HDHTKD 29 June 2020, No. 01-2021 BCC HACT dated 2 February 2021 and No. 02-2021 HDHTKD dated 2 February 2021, No. 03-2021 HDHTKD dated 25 November 2021 and No. 02-2022 HDHTKD dated 15 September 2022. According to these Contracts, the Group 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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- (i) The BCC No. 48-HDHTKD regarding the capital contribution to purchase Mv. HAIAN BELL, the rates of capital contribution are as follows:

	<u>Amount (VND)</u>	<u>Rate %</u>
Hai An Transport and Stevedoring JSC	45,000,000,000	56.25%
Hai An Container Transport Co., Ltd.	10,000,000,000	12.50%
Hai An Agency and Logistics Co., Ltd.	10,000,000,000	12.50%
Hai Ha Investment and Transportation JSC	10,000,000,000	12.50%
Marina Logistics & Agencies Co., Ltd.	5,000,000,000	6.25%
Total	<u>80,000,000,000</u>	<u>100.00%</u>

- (ii) The BCC No. 66/HĐHTKD regarding the capital contribution to purchase Mv. HAIAN MIND, the rates of capital contribution are as follows:

	<u>Amount (VND)</u>	<u>Rate %</u>
Hai An Transport and Stevedoring JSC	40,000,000,000	53.33%
Hai An Container Transport Co., Ltd.	10,000,000,000	13.33%
Hai An Freight Forwarding JSC	5,000,000,000	6.68%
Hai Ha Investment and Transportation JSC	10,000,000,000	13.33%
Marina Logistics & Agencies Co., Ltd.	10,000,000,000	13.33%
Total	<u>75,000,000,000</u>	<u>100%</u>

- (iii) The BCC No. 68/HĐHTKD regarding the capital contribution to purchase Mv. HAIAN VIEW, the rates of capital contribution are as follows:

	<u>Amount (VND)</u>	<u>Rate %</u>
Hai An Transport and Stevedoring JSC	30,000,000,000	30%
Hai An Container Transport Co., Ltd.	30,000,000,000	30%
Hai An Freight Forwarding JSC	5,000,000,000	5%
Hai An Agency and Logistics Co., Ltd.	10,000,000,000	10%
Hai Ha Investment and Transportation JSC	10,000,000,000	10%
Marina Logistics & Agencies Co., Ltd.	15,000,000,000	15%
Total	<u>100,000,000,000</u>	<u>100%</u>

- (iv) The BCC No. 0101-2021 BCC/HACT regarding the capital contribution to purchase Mv. HAIAN EAST, the rates of capital contribution are as follows:

	<u>Amount (VND)</u>	<u>Rate %</u>
Hai An Transport and Stevedoring JSC	25,000,000,000	25%
Hai An Container Transport Co., Ltd.	60,000,000,000	60%
Hai An Agency and Logistics Co., Ltd.	5,000,000,000	5%
Hai Ha Investment and Transportation JSC	5,000,000,000	5%
Marina Logistics & Agencies Co., Ltd.	5,000,000,000	5%
Total	<u>100,000,000,000</u>	<u>100%</u>

- (v) The BCC No. 02-2021 HDHTKD regarding the capital contribution to purchase Mv. HAIAN WEST, the rates of capital contribution are as follows:

	<u>Amount (VND)</u>	<u>Rate %</u>
Hai An Transport and Stevedoring JSC	66,000,000,000	60%
Hai An Container Transport Co., Ltd.	33,000,000,000	30%
Hai Ha Investment and Transportation JSC	11,000,000,000	10%
Total	<u>110,000,000,000</u>	<u>100%</u>

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- (vi) The Business Cooperation Contract No. 03-2021 HDHTKD regarding the capital contribution to purchase Mv. Marina Bia (renamed to Mv. Hai An City), the rates of capital contribution are as follows:

	<u>Amount (VND)</u>	<u>Rate %</u>
Hai An Transport and Stevedoring JSC	127,000,000,000	52.48%
Hai An Container Transport Co., Ltd.	20,000,000,000	8.26%
Hai An Agency and Logistics Co., Ltd.	10,000,000,000	4.13%
Sao A D.C Investment JSC.	50,000,000,000	20.66%
An Bien Shipping Lines Corporation	20,000,000,000	8.26%
Hai Ha Investment and Transportation JSC	10,000,000,000	4.13%
Marina Logistics & Agencies Co., Ltd.	5,000,000,000	2.07%
Total	<u>242,000,000,000</u>	<u>100%</u>

- (vii) The Business Cooperation Contract No. 02-2022 HDHTKD regarding the capital contribution to purchase Mv. Hai An Rose, the rates of capital contribution are as follows:

	<u>Amount (VND)</u>	<u>Rate %</u>
Hai An Transport and Stevedoring JSC	236,000,000,000	51.75%
Hai An Container Transport Co., Ltd.	135,600,000,000	29.74%
Hai An Freight Forwarding JSC	8,440,000,000	1.85%
Hai An Agency and Logistics Co., Ltd.	12,660,000,000	2.78%
Hai Ha Investment and Transportation JSC	21,100,000,000	4.63%
Marina Logistics & Agencies Co., Ltd.	42,200,000,000	9.25%
Total	<u>456,000,000,000</u>	<u>100%</u>

19. Borrowings and financial lease**19a. Short-term borrowings and financial lease**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Short-term loans from banks</i>	<i>56,520,339,315</i>	<i>56,358,887,069</i>
Vietcombank – Haiphong Branch ⁽ⁱ⁾	29,413,305,979	46,358,887,069
Vietinbank – Hong Bang Branch	-	10,000,000,000
HSBC Bank (Vietnam) Ltd. – Hanoi Branch ⁽ⁱⁱ⁾	27,107,033,336	-
<i>Current portions of long-term loans (See Note V.19b)</i>	<i>167,536,408,207</i>	<i>123,988,544,035</i>
MB – Transaction Office 1	-	2,166,925,800
Vietcombank – Haiphong Branch	147,969,248,207	102,590,458,235
BaoVietBank – Head office	10,063,160,000	10,063,160,000
Pantos Holding Incorporation	9,504,000,000	9,168,000,000
<i>Current portions of financial leases</i>	<i>93,650,030,912</i>	<i>53,461,846,014</i>
Beacon Intermodal Leasing LLC	30,791,454,750	15,614,450,009
Cai International, INC	13,992,252,120	12,442,203,294
Seaco Global Limited	14,745,763,862	12,999,401,088
Seacube Containers	13,870,090,080	12,405,791,623
Sao A D.C Investment JSC.	20,250,470,100	-
Total	<u>317,706,778,434</u>	<u>233,809,277,118</u>

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The Group has solvency to pay short-term borrowings.

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

- The Credit Grant Agreement with the loan limit of VND 60,000,000,000 to serve short-term business operation of the Company, the term of 6 months commencing from the following date of the loan capital disbursement date. The term of loan limit maintenance is 12 months.
- The Loan Agreement No. 01.2021/HDCVHM/VCB-PANHAIAN dated 14 July 2021 to sponsor short-term credit demands but not including short-term demands serving investments in fixed assets; the maximum loan is VND 7,000,000,000. Loan interest rate is determined as of the loan capital disbursement date according to the Bank's loan interest rate notice for each time and specified for each bill of debt. The loan term is 12 months. The loan has no collaterals.

(ii) This is the loan from HSBC Bank (Vietnam) Ltd. – Hanoi Branch in accordance with the General Utility Agreement dated 20 April 2022 to finance working capital needs including but not limited to commercial services including forklift and tractor rental to operate ports/warehouses, purchase materials and equipment for vessels and ports, expenses for hiring external workers with the maximum term of 04 months. Specific interest rates applied to each loan will be confirmed under the form of loan notices disclosed by the Bank to the Company right after loan disbursement or after each interest rate consideration.

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

	Short-term loans from bank	Current portions of long-term loans	Current portions of financial lease	Total
Beginning balance	56,358,887,069	123,988,544,035	53,461,846,014	233,809,277,118
Increase during the year	96,261,025,841	-	-	96,261,025,841
Transfer from long-term borrowings and debts	-	221,270,170,757	93,650,030,912	314,920,201,669
Amount already paid during the year	(96,099,573,595)	(177,722,306,585)	(53,461,846,014)	(327,283,726,194)
Ending balance	56,520,339,315	167,536,408,207	93,650,030,912	317,706,778,434

19b. Long-term borrowings

	Ending balance	Beginning balance
<i>Long-term loans from banks</i>	<i>731,153,178,533</i>	<i>341,612,183,039</i>
Vietcombank – Haiphong Branch ⁽ⁱ⁾	716,058,448,533	314,829,098,689
MB – Transaction Office 1	-	1,625,194,350
BaoVietBank – Head office ⁽ⁱⁱ⁾	15,094,730,000	25,157,890,000
<i>Loan from other organization</i>	<i>19,008,000,000</i>	<i>27,504,000,000</i>
Pantos Holding Incorporation ⁽ⁱⁱⁱ⁾	19,008,000,000	27,504,000,000
<i>Financial lease</i>	<i>254,262,199,252</i>	<i>189,595,365,616</i>
Beacon Intermodal Leasing LLC ^(iv)	82,836,114,480	48,373,240,582
Cai International, INC ^(v)	34,061,947,081	46,363,300,722
Seaco Global Limited ^(vi)	37,230,195,144	49,674,148,775
Seacube Containers ^(vii)	32,703,777,852	45,184,675,537
Sao A D.C Investment JSC. ^(viii)	67,430,164,695	-
Total	1,004,423,377,785	558,711,548,655

The Group has solvency to pay long-term borrowings and financial lease.

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- (i) These are the loans from Vietcombank – Haiphong Branch in accordance with the following agreements:
- The Credit Agreement No. 01/2018/VCB-HAIAN dated 15 October 2018 for the purpose of financing the implementation of the project of investment in Sinar Brani container vessel, the term of 60 months (5 years) commencing from the following date of the first disbursement date of the loan capital, the grace time of 6 months commencing from the following date of the first disbursement date of the loan capital 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 is after the termination of grace time. This loan is secured by Mv. HaiAn Link.
 - The Medium-term and Long-term Credit Agreement 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 the first disbursement date of the loan capital 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 (HaiAn Mind).
 - The Credit Agreement No. 012021/HDCV/VCB-XDHA dated 9 April 2021 to purchase Mv. HAIAN WEST with the amount of VND 84,378,240,000, the term of 60 months commencing from the first disbursement date on 15 April 2021. Principal debt and interest are paid every 3 months, the first debt payment period was on 15 July 2021. This loan is secured by Mv. HAIAN WEST in accordance with the Vessel Mortgage Agreement No. 01.2021/HDTC/VCB-XDHA.
 - The Credit Agreement No. 02.2021/HDCV/VCB-XDHA dated 19 May 2021 to invest in 2 Kalmar fork-lift trucks with the amount of VND 9,604,886,250, the term of 60 months commencing from the first disbursement date of each bill of debt. Loan interest rate of the first 2 years is 7.8%/year, the interest rate is adjusted every 3 months from the 3rd year onwards. Principal debt and interest are paid every 3 months. The loan is guaranteed by 2 Kalmar fork-lift trucks.
 - The Credit Agreement No. 01.2021/HDCV/VCB-HACT to purchase Mv. HAIAN EAST with the maximum loan of VND 73,880,400,000, the term of 60 months commencing from the disbursement date, the loan interest rate is fixed for the first 2 years. The loan is secured by the asset formed in the future which is Mv. Container HaiAn East.
 - The Credit Agreement No. 01.2022/HDCV/VCB-XDHA dated 25 March 2022 with the amount of VND 341,950,000,000 for the purpose of investing in the project of Mv. Marine Bia, the term of 60 months commencing from the following day of the first disbursement date of each bill of debt. Loan interest rate is fixed for the first 2 years, from the 3rd year onwards, the interest rate is adjusted every 3 months. Principal debt and interest are paid every 3 months, the first debt payment period is on 25 September 2022. This loan is guaranteed by Mv. HAIAN CITY in accordance with the Vessel Mortgage Agreement No. 02.2022/HDTC/VCB-XDHA.
 - The Loan Agreement No. 01/2018/VCB-PANHAIAN dated 12 September 2018 to implement Pantos - Hai An Logistics Center Project with the maximum loan 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).
 - The Loan Agreement No. 01.2021/HDCV/VCB-PANHAIAN dated 14 July 2021 to sponsor expenses for investing in vehicles, equipment to improve the warehouse exploitation capacity; the maximum loan is VND 13,404,000,000, the interest rate for the first 2 years is 7.8%/year, from the 3rd year, the interest rate is equal to the 12-month savings interest rate plus 2.8%/year. The loan term is 60 months commencing from the loan capital disbursement date. The loan is secured by assets, equipment under the Project (including: Assets attached to land, rights arising from land lease contract, warehouse exploitation rights formed from the project, machinery, equipment/specialized vehicles, transport vehicles).

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- (ii) This is the loan from BaoVietBank – Head office in accordance with the Agreement No. 0056-2020-HDDTD1-BV007 dated 17 July 2020 to purchase the used container vessel (IMO: 9470717) with the amount of VND 47,800,000,000, the term of 60 months, the due date is on 17 July 2025, the guarantee asset is the vehicle formed from the loan capital.
- (iii) This is the loan from Pantos Holding Incorporation in accordance with the Loan Agreement No. 01/HDVV/PANTOS-PANHAIAN dated 6 March 2020 with the amount of USD 2,000,000 to supplement capital for the implementation of phase II of Pantos Logistics - Hai An Center Project with the fixed interest rate of 5%/year. The loan term is 05 years commencing from the first loan receipt date (26 March 2020) and can refund the principal once or many times. The loan has no collaterals.
- (iv) These are the financial leases from Beacon Intermodal Leasing LLC in accordance with the following contracts:
- Leasing 300 containers of 40HC in accordance with the Lease Schedule No. HCT-002 dated 1 November 2019 with the leasing price of USD 1.99/cont/day, the leasing term of 5 years commencing from 1 February 2020. After the leasing term, the lessee will repurchase the entire batch of 300 containers of 40HC with the price of USD 1/cont.
 - Leasing 300 containers of 40HC in accordance with the Lease Schedule No. HCT-003 dated 14 April 2021 with the leasing price of USD 4.19/cont/day, the leasing term of 5 years commencing from 1 November 2021. After the leasing term, the lessee will repurchase the entire batch of 300 containers of 40HC with the price of USD 1/cont.
 - Leasing 200 containers of 20 Dry Standard and 300 containers of 40 Dry High Cube in accordance with the Lease Schedule No. HCT-004 dated 18 January 2022 with the leasing prices of USD 2.4/cont/day and USD 4.07/cont/day respectively, the leasing term of 5 years commencing from 30 April 2022. After the leasing term, the lessee will repurchase the entire batch of 200 containers of 20 Dry Standard and 300 containers of 40 Dry High Cube with the price of USD 1/cont.
- (v) Financial lease of the batch of 300 containers of 20DC and 200 containers of 40HC from CAI International, Inc in accordance with the Contract HAIN-550 dated 12 May 2021 with the leasing prices of USD 2.33/cont/day and USD 3.95/cont/day respectively, the leasing term of 5 years commencing from the container delivery date. After the leasing term, the lessee will repurchase the entire batch of containers with the price of USD 1/cont.
- (vi) Financial lease of the batch of 300 containers of 20 Box Standard and 200 containers of 40HC from Seaco Global Limited in accordance with the Lease Number - 182972 dated 1 January 2021 with the leasing prices of USD 2.45/cont/days and USD 4.17/cont/day respectively, the leasing term of 5 years commencing from the container delivery date. After the leasing term, the lessee will repurchase the entire batch of containers with the price of USD 1/cont.
- (vii) Financial lease of the batch of 300 containers of 20DC and 300 containers of 40HC from Seacube Containers LLC in accordance with the agreement dated 12 November 2020 and Appendix No. HATS001 dated 16 April 2021 with the leasing prices of USD 1.81/cont/day and USD 3.11/cont/day respectively, the leasing term of 5 years commencing from the container delivery date. After the leasing term, the lessee will repurchase the entire batch of containers with the price of USD 1/cont.
- (viii) Financial lease of the batch of 400 containers of 40HC (BW4) and 200 containers of 20 Box Standard (BX2) from Sao A D.C Investment JSC. in accordance with the Leasing Contract No. HDTMTTC/SAOAD.C-HACT dated 1 April 2022 with the leasing prices of USD 4.52/cont/day and USD 2.65/cont/day, the leasing term of 5 years commencing from the container delivery date. After the leasing term, the lessee will repurchase the entire batch of containers with the price of USD 1/cont.

Payment schedule of long-term borrowings and financial lease is as follows:

	Total debts	Under 1 year	From 1 year to 5 years	Over 5 years
Ending balance				
Long-term loans from banks	889,185,586,740	158,032,408,207	712,292,808,353	18,860,370,180
Long-term loans from other organizations	28,512,000,000	9,504,000,000	19,008,000,000	-
Financial leases	347,912,230,164	93,650,030,912	254,262,199,252	-
Total	1,265,609,816,904	261,186,439,119	985,563,007,605	18,860,370,180

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	Total debts	Under 1 year	From 1 year to 5 years	Over 5 years
Beginning balance				
Long-term loans from banks	456,432,727,074	114,820,544,035	298,703,812,859	42,908,370,180
Long-term loans from other organizations	36,672,000,000	9,168,000,000	27,504,000,000	-
Financial leases	243,057,211,630	53,461,846,014	189,595,365,616	-
Total	736,161,938,704	177,450,390,049	515,803,178,475	42,908,370,180

Details of increase/ (decrease) of long-term borrowings and financial leases are as follows:

	Loans from other organizations	Long-term loans from banks	Financial leases	Total
Beginning balance	27,504,000,000	341,612,183,039	189,595,365,616	558,711,548,655
Increase during the year	-	620,023,500,000	171,690,348,993	791,713,848,993
Amount already paid during the year	-	(18,716,333,749)	(22,984,108,172)	(41,700,441,921)
Transfer to current portions of long-term loans	(9,504,000,000)	(211,766,170,757)	(93,650,030,912)	(314,920,201,669)
Exchange differences due to revaluation of ending balances in foreign currencies	1,008,000,000	-	9,610,623,727	10,618,623,727
Ending balance	19,008,000,000	731,153,178,533	254,262,199,252	1,004,423,377,785

20. Provisions for short-term payables

Provisions for short-term payables relate to compensation for defective goods.

21. Bonus and welfare funds

	Beginning balance	Increase due to appropriation for profit	Increase due to additional purchase of subsidiaries	Disbursement during the year	Ending balance
Bonus fund	21,356,031,531	21,956,345,935	27,736,686	(5,371,441,000)	37,968,673,152
Welfare fund	2,059,864,319	5,493,345,936	-	-	7,553,210,255
Bonus fund for the Executive Officers	12,390,244,434	12,347,000,000	1,464,600,000	(4,220,000,000)	21,981,844,434
Total	35,806,140,284	39,796,691,871	1,492,336,686	(9,591,441,000)	67,503,727,841

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22. Owner's equity

22a. Statement on fluctuations in owner's equity

	Owner's contribution capital	Share premiums	Treasury shares	Investment and development funds	Retained earnings	Interests of non- controlling shareholders	Total
Beginning balance of the previous year	487,827,510,000	115,606,612,922	(22,905,485,178)	235,778,070,809	252,444,167,284	267,045,737,339	1,335,796,613,176
Purchasing treasury shares	-	76,034,035,237	22,905,485,178	-	-	-	98,939,520,415
Profit in the previous year	-	-	-	-	445,513,497,100	105,101,858,363	550,615,355,463
Appropriation of funds	-	-	-	44,714,314,808	(58,803,777,770)	(2,039,265,675)	(16,128,728,637)
Share of dividends	-	-	-	-	(47,392,798,000)	(19,800,000,000)	(67,192,798,000)
Ending balance of the previous year	487,827,510,000	191,640,648,159	-	280,492,385,617	591,761,088,614	350,308,330,027	1,902,029,962,417
Beginning balance of the current year	487,827,510,000	191,640,648,159	-	280,492,385,617	591,761,088,614	350,308,330,027	1,902,029,962,417
Share of dividends by shares	195,130,660,000	-	-	-	(195,130,660,000)	-	-
Increase of capital during the year	20,488,500,000	-	-	-	-	-	20,488,500,000
Increase due to the purchase of subsidiaries	-	-	-	-	-	31,988,452,205	31,988,452,205
Profit in the current year	-	-	-	-	821,937,122,836	218,856,110,867	1,040,793,233,703
Appropriation of funds during the year	-	-	-	110,056,396,973	(144,414,676,368)	(5,438,412,476)	(39,796,691,871)
Share of dividends	-	-	-	-	(48,782,751,000)	(19,800,000,000)	(68,582,751,000)
Ending balance of the current year	703,446,670,000	191,640,648,159	-	390,548,782,590	1,025,370,124,082	575,914,480,623	2,886,920,705,454

22b. Details of owner's contribution capital

	Ending balance	Beginning balance
Owner's contribution capital (*)	703,446,670,000	487,827,510,000
Share premium	191,640,648,159	191,640,648,159
Treasury shares	-	-
Total	895,087,318,159	679,468,158,159

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- (*) During the year, the Company issued shares to share dividends to the current shareholders at the rate of 4:10 (the current shareholders owning 10 shares will receive 4 shares additionally issued) and issued Employee Stock Ownership Plan (ESOP) shares in the Company in accordance with the Resolution of 2022 Annual General Meeting of Shareholders dated 18 March 2022. On that basis, the Company recognized an increase in owner's investment capital and a decrease in retained earnings with the amount of VND 195,130,660,000, recognized an increase in owner's investment capital with the amount of VND 20,488,500,000. On 17 November 2022, the Company received the 14th amended Business Registration Certificate granted by Hanoi Authority for Planning and Investment regarding the increase in charter capital up to VND 703,446,670,000.

22c. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	70,344,667	48,782,751
Number of shares already issued	70,344,667	48,782,751
- Common shares	70,344,667	48,782,751
Number of shares repurchased	-	-
- Common shares	-	-
Number of outstanding shares	70,344,667	48,782,751
- Common shares	70,344,667	48,782,751

Face value of outstanding shares: VND 10,000.

22d. Profit distribution

During the year, the Company has distributed profit in accordance with the Resolution of 2022 Annual General Meeting of the Shareholders No. 0203-2022/NQ-DHDCD dated 18 March 2022 as follows:

	VND
• Share of dividends to the shareholders	:
- Dividends in cash (VND 1,000/share)	: 48,782,751,000
- Dividends by shares (VND 4,000/share)	: 195,130,660,000
• Appropriation of investment and development funds (20% of profit after tax)	: 82,315,000,000
• Appropriation of BOM's fund (3% of profit after tax)	: 12,347,000,000
• Appropriation of bonus and welfare funds (4% of profit after tax)	: 16,463,000,000

23. Off-consolidated balance sheet items**Foreign currencies**

	<u>Ending balance</u>	<u>Beginning balance</u>
US Dollar (USD)	5,918,222.65	4,493,413.93
Euro (EUR)	269.07	279.99

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VI. ADDITIONAL INFORMATION ON THE ITEMS OF CONSOLIDATED THE INCOME STATEMENT

1. Sales

1a. Gross sales

	<u>Current year</u>	<u>Previous year</u>
Sales of operating ports	213,697,646,115	213,760,918,661
Sales of operating vessels	2,739,622,829,777	1,604,397,455,894
Sales of other activities	252,289,590,272	137,143,044,758
Total	<u>3,205,610,066,164</u>	<u>1,955,301,419,313</u>

1b. Sales to related parties

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

	<u>Current year</u>	<u>Previous year</u>
Hai An General Service JSC	-	194,191,957
Marina Logistics & Agencies Co., Ltd.	7,905,699,276	4,987,778,149
Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong	56,509,618,309	44,321,965,758
Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City	255,079,548	175,010,190
Branch of K" Line Logistic (Vietnam) Co., Ltd. in Haiphong	1,346,945,779	-
New Way Logistics JSC.	260,701,856	1,006,897,534

2. Costs of sales

	<u>Current year</u>	<u>Previous year</u>
Costs of operating ports	109,370,584,873	91,947,341,973
Costs of operating vessels	1,438,168,433,899	1,043,659,013,890
Costs of other activities	236,326,270,100	105,401,207,839
Total	<u>1,783,865,288,872</u>	<u>1,241,007,563,702</u>

3. Financial income

	<u>Current year</u>	<u>Previous year</u>
Bank deposit interests	14,641,531,720	4,204,078,882
Loan interests	6,638,301,371	1,555,726,027
Dividends and profit received	4,545,800,500	13,602,000,000
Exchange gain	12,827,614,821	6,165,711,377
Exchange gain due to the revaluation of monetary items in foreign currencies	49,641,141	748,837,277
Total	<u>38,702,889,553</u>	<u>26,276,353,563</u>

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Notes to the consolidated financial statements (cont.)**4. Financial expenses**

	<u>Current year</u>	<u>Previous year</u>
Interest expenses	57,167,219,413	32,129,730,020
Exchange loss	5,566,031,014	538,073,737
Exchange loss due to the revaluation of monetary items in foreign currencies	13,590,343,319	259,402,270
Total	<u>76,323,593,746</u>	<u>32,927,206,027</u>

5. General and administration expenses

	<u>Current year</u>	<u>Previous year</u>
Employees	73,810,890,721	51,731,852,129
Materials, supplies	1,904,728,487	981,963,081
Office supplies	2,420,677,263	1,640,388,959
Depreciation/ (amortization) of fixed assets	2,078,163,836	2,405,841,530
Taxes, fees and legal fees	135,534,837	69,527,084
Allowance/(Reversal) of allowance for doubtful debts	(57,767,079)	620,627,605
External services rendered	6,898,472,763	5,521,510,623
Other expenses	26,574,233,038	22,055,865,424
Total	<u>113,764,933,866</u>	<u>85,027,576,435</u>

6. Other incomes

	<u>Current year</u>	<u>Previous year</u>
Interest from cheap purchasing transactions	3,226,968,067	-
Proceeds from liquidation, disposal of fixed assets	-	21,088,282,755
Compensation	1,302,164,607	1,585,138,884
Treatment of liabilities	813,558,419	247,140,001
Other incomes	260,764,695	175,789,986
Total	<u>5,603,455,788</u>	<u>23,096,351,626</u>

7. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Expenses for overcoming the vessel incident ^(*)	31,596,771,997	-
Compensation	119,749,218	244,483,088
Expenses for support	-	2,000,000,000
Other expenses	1,169,092,783	462,941,058
Total	<u>32,885,613,998</u>	<u>2,707,424,146</u>

(*) In which, expenses for overcoming the incident, repairing Mv. Hai-an City were VND 31,285,163,050. Details are as follows:

Estimated uncompensated costs	50,000,000,000
Deductible rate as in insurance policy	138,540,000
Share of BCC costs to capital contributors under the BCC No. 03-2021/HDHTKD dated 25 November 2021 (39.26%)	(18,853,376,950)
The amount the Company bears	<u>31,285,163,050</u>

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8. Earnings per share**8a. Basic earnings/Diluted earnings per share**

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax of the shareholders of the Holding Company	821,937,122,836	445,513,497,100
Appropriation of bonus fund and BOM's fund ⁽ⁱ⁾	<u>(47,229,000,000)</u>	<u>(28,810,000,000)</u>
Profit used to calculate diluted earnings per share	774,708,122,836	416,703,497,100
The average number of ordinary shares outstanding during the year	68,520,349	67,137,518
Basic earnings/Diluted earnings per share	<u>11,306</u>	<u>6,207</u>

- (i) Bonus fund and the Executive Officers' bonus fund in 2022 were temporarily calculated by the appropriated rate of 7% on retained earnings of the Holding Company.

The average number of ordinary shares outstanding during the year is determined as follows:

	<u>Current year</u>	<u>Previous year</u>
Ordinary shares outstanding at the beginning of the year	48,782,751	47,392,798
Effects of 19,513,066 ordinary shares issued on 24 May 2022	19,513,066	19,513,066
Effects of 2,048,850 ordinary shares issued on 21 November 2022	224,532	-
Effects of 1,389,900 treasury shares sold in November 2021	-	231,650
Effects of 53 treasury shares sold in December 2021	-	4
Average ordinary shares outstanding during the year	<u>68,520,349</u>	<u>67,137,518</u>

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.

Besides, basic earnings per share in the same period of the previous year have been re-calculated due to effects of dividends by shares. These adjustments have made basic earnings per share in the same period of the previous year decrease from VND 8,750 down to VND 6,207.

9. Operating costs

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	663,077,925,656	452,491,131,879
Labor	227,542,715,691	166,157,137,112
Depreciation/ (amortization) of fixed assets	278,066,256,436	163,541,926,969
External service rendered	583,263,891,046	389,188,983,587
Other expenses	145,679,433,909	154,655,960,590
Total	<u>1,897,630,222,738</u>	<u>1,326,035,140,137</u>

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(c) Details of depreciation/ (amortization) of fixed assets are as follows:

	<u>Current year</u>	<u>Previous year</u>
Depreciation/ (amortization) of fixed assets	293,144,135,814	182,217,419,824
Depreciation/(amortization) costs under BCC shared to the Entities	(31,024,929,272)	(18,675,492,855)
Depreciation/(amortization) costs under BCC allocated	15,947,049,894	-
Total	<u>278,066,256,436</u>	<u>163,541,926,969</u>

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOWS STATEMENT**1. Non-cash transactions**

During the year, the Company increased its charter capital by paying dividends in shares with the value of VND 195,130,660,000.

VII. OTHER DISCLOSURES**1. Balances and transactions with related parties**

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

1a. Balances and transactions with key managers and their related individuals

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

Transactions with key managers and their related individuals

The Group has not had any transactions of sales of goods and service provisions with 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 and the Control Board with the amount of VND 913,200,000 (that in the same period of the previous year was VND 740,400,000).

Liabilities with the key managers and their related individuals

Liabilities with the key managers and their related individuals are presented in the Note V.18a.

Incomes of the key managers and the Control Board

	<u>Salary</u>	<u>Allowance</u>	<u>Bonus</u>	<u>Total income</u>
Current year				
Mr. Vu Ngoc Son – Board Chairman	1,860,738,462	120,000,000	1,537,589,939	3,518,328,401
Mr. Vu Thanh Hai – Board Member /General Director	1,176,240,000	120,000,000	1,053,591,174	2,349,831,174
Mr. Nguyen Ngoc Tuan – Board Member/Deputy General Director	939,891,400	120,000,000	802,410,900	1,862,302,300
Mr. Tran Quang Tien – Board Member/Deputy General Director	-	120,000,000	90,000,000	210,000,000
Ms. Tran Thi Hai Yen – Board Member	-	120,000,000	90,000,000	210,000,000
Ms. Nguyen Thi Van – Board Member	415,150,000	133,200,000	239,200,000	787,550,000

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	<u>Salary</u>	<u>Allowance</u>	<u>Bonus</u>	<u>Total income</u>
Mr. Pham Quang Khanh - Deputy General Director	1,268,074,987	-	-	1,268,074,987
Mr. Vu Doan Hanh – Deputy General Director	761,760,000	-	495,382,404	1,257,142,404
Mr. Tran Tien Dung – Deputy General Director	314,400,000	-	84,965,277	399,365,277
Ms. Nguyen Thi Thanh Tu – Manager of the Control Board	25,000,000	60,000,000	72,000,000	157,000,000
Ms. Tran Thi Thom – Member of the Control Board	-	60,000,000	36,000,000	96,000,000
Mr. Nguyen Xuan Loc – Member of the Control Board	-	60,000,000	36,000,000	96,000,000
Ms. Tran Thi Thanh Hao – Chief Accountant	620,050,000	-	406,218,964	1,026,268,964
	<u>7,381,304,849</u>	<u>913,200,000</u>	<u>4,943,358,658</u>	<u>13,237,863,507</u>
Previous year				
Mr. Vu Ngoc Son – Board Chairman	1,450,430,772	96,000,000	1,450,934,282	2,997,365,054
Mr. Vu Thanh Hai – Board Member /General Director	944,500,000	96,000,000	839,055,936	1,879,555,936
Mr. Nguyen Ngoc Tuan – Board Member/Deputy General Director	641,129,250	103,200,000	418,032,500	1,162,361,750
Mr. Tran Quang Tien – Board Member/Deputy General Director	308,420,000	96,000,000	272,281,993	676,701,993
Ms. Tran Thi Hai Yen – Board Member	-	96,000,000	60,000,000	156,000,000
Ms. Nguyen Thi Van – Board Member	415,150,000	109,200,000	209,200,000	733,550,000
Mr. Pham Quang Khanh - Deputy General Director đốc	611,227,200	-	373,710,567	984,937,767
Mr. Vu Doan Hanh – Deputy General Director	184,760,000	-	92,046,666	276,806,666
Mr. Tran Tien Dung – Deputy General Director	74,920,000	-	9,970,000	84,890,000
Ms. Nguyen Thi Thanh Tu – Manager of the Control Board	-	48,000,000	36,000,000	84,000,000
Ms. Tran Thi Thom – Member of the Control Board	-	48,000,000	24,000,000	72,000,000
Mr. Nguyen Xuan Loc – Member of the Control Board	-	48,000,000	24,000,000	72,000,000
Ms. Tran Thi Thanh Hao – Chief Accountant	453,740,000	-	293,611,096	747,351,096
Total	<u>5,084,277,222</u>	<u>740,400,000</u>	<u>4,102,843,040</u>	<u>9,927,520,262</u>

Ib. Balances and transactions with other related parties

Other related parties of the Group include:

<u>Other related parties</u>	<u>Relationship</u>
Hai An Port Co., Ltd.	Subsidiary
Hai An Container Transport Co., Ltd.	Subsidiary
Pan Hai An Co., Ltd.	Subsidiary
Hai An Agency and Logistics Co., Ltd.	Subsidiary
Hai An General Service JSC	Subsidiary
Hai An Freight Forwarding JSC	Associate
An Bien Shipping Lines Corporation	Associate of the subsidiary
Hai Ha Investment and Transportation JSC	With the same key manager
Marina Logistics & Agencies Co., Ltd.	With the same key manager
"K" Line Logistic (Vietnam) Co., Ltd.	With the same key manager
Green Field Corporation	With the same key manager
Hai Minh Corporation	With the same key manager

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Other related parties	Relationship	
Vietnam Container Shipping Joint Stock Corporation	With the same key manager	
Nam Hai ICD JSC.	With the same key manager	
<i>Transactions with other related parties</i>		
Apart from transactions with associates as presented in Note V.2b as well as transactions of sales of goods and service provisions to other related parties which are not the associates 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>		
Office rental	3,593,588,486	3,258,233,471
HATS paid dividends	5,567,500,000	5,567,500,000
Receipt of BCC contribution capital	27,100,000,000	20,000,000,000
Share of BCC profit	70,087,087,492	33,444,520,992
<i>Marina Logistics & Agencies Co., Ltd.</i>		
HATS paid dividends	1,722,060,000	1,722,060,000
HACT shared profit	5,200,000,000	5,200,000,000
HACT used services of agent	33,434,259,269	20,099,196,379
HACT used services of transport	92,105,500	7,858,290,902
Receipt of BCC contribution capital	45,200,000,000	7,000,000,000
Share of BCC profit	58,587,552,018	24,595,363,747
Related party shared dividends	-	10,800,000,000
Providing warehouse software and software maintenance to Pan Hai An	-	2,160,000,000
Loan given	23,000,000,000	-
Recovery of loan	23,000,000,000	-
Loan interest	84,821,917	-
<i>Branch of Marina Logistics & Agencies Co., Ltd. in Haiphong</i>		
Using services	342,555,560	364,909,088
<i>Branch of Marina Logistics & Agencies Co., Ltd. in Ho Chi Minh City</i>		
HATS used services	-	80,636,450
Using services of operating ports	33,176,226,110	21,471,220,748
Using other services	180,556	145,700,000
<i>Green Field Corporation</i>		
HATS paid dividends	-	1,503,200,000

Liabilities with other related parties

Liabilities with other related parties are presented in Notes V.3, V.4, V.6, V.14 and V.18.

2. Segment information

The primary reporting format is the business segments based 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. Information on business segment**

The Group has had the major business segments as follows:

- Segment 1: Operating ports.
- Segment 2: Operating vessels.
- Segment 3: Other activities (including road transport, agency service, leasing assets, etc.).

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

	<u>Operating ports</u>	<u>Operating vessels</u>	<u>Other segments</u>	<u>Total</u>
Current year				
Net external sales	213,697,646,115	2,739,622,829,777	252,289,590,272	3,205,610,066,164
Net inter-segment sales				
Total net sales	<u>213,697,646,115</u>	<u>2,739,622,829,777</u>	<u>252,289,590,272</u>	<u>3,205,610,066,164</u>
Segment financial performance	104,327,061,242	1,301,454,395,878	15,963,320,172	1,421,744,777,292
Expenses not attributable to segments				(113,764,933,866)
Operating profit				1,307,979,843,426
Financial income				38,702,889,553
Financial expenses				(76,323,593,746)
Profit/ (loss) in joint ventures, associates				29,339,272,188
Other incomes				5,603,455,788
Other expenses				(32,885,613,998)
Current income tax				(231,623,019,508)
Profit after tax				<u>1,040,793,233,703</u>
Total expenses for acquisition of fixed assets and other non-current assets	<u>18,161,932,963</u>	<u>1,511,362,985,240</u>	<u>1,878,712,987</u>	<u>1,531,403,631,190</u>
Total depreciation/ (amortization) and allocation of long-term prepayments	<u>23,916,262,366</u>	<u>174,163,695,995</u>	<u>20,137,240,532</u>	<u>218,217,198,893</u>
Previous year				
Net external sales	213,760,918,661	1,604,397,455,894	137,143,044,758	1,955,301,419,313
Net inter-segment sales				
Total net sales	<u>213,760,918,661</u>	<u>1,604,397,455,894</u>	<u>137,143,044,758</u>	<u>1,955,301,419,313</u>
Segment financial performance	121,813,576,688	560,738,442,004	31,741,836,919	714,293,855,611
Expenses not attributable to segments				(85,027,576,435)
Operating profit				629,266,279,176
Financial income				26,276,353,563
Financial expenses				(32,927,206,027)
Profit/ (loss) in joint ventures, associates				19,313,009,227
Other incomes				23,096,351,626
Other expenses				(2,707,424,146)

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

For the fiscal year ended 31 December 2022

Notes to the consolidated financial statements (cont.)

	<u>Operating ports</u>	<u>Operating vessels</u>	<u>Other segments</u>	<u>Total</u>
Current income tax				(111,702,007,956)
Profit after tax				550,615,355,463
Total expenses for acquisition of fixed assets and other non-current assets	33,910,551,026	631,106,118,648	16,938,483,000	681,955,152,674
Total depreciation/ (amortization) and allocation of long-term prepayments	27,325,791,317	116,582,652,110	18,683,753,400	162,592,196,827

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

	<u>Operating ports</u>	<u>Operating vessels</u>	<u>Other segments</u>	<u>Total</u>
Ending balance				
Direct assets of segment	200,060,158,880	3,271,400,971,792	694,374,677,284	4,165,835,807,956
Allocated assets				-
Unallocated assets				883,583,689,120
Total assets				5,049,419,497,076
Direct liabilities of segment	24,449,683,398	1,503,352,351,843	604,702,106,297	2,132,504,141,538
Allocated liabilities				
Unallocated liabilities				29,994,650,084
Total liabilities				2,162,498,791,622
Beginning balance				
Direct assets of segment	188,351,769,721	1,879,832,234,122	497,264,264,955	2,565,448,268,798
Allocated assets				
Unallocated assets				666,897,105,173
Total assets				3,232,345,373,971
Direct liabilities of segment	15,025,115,708	920,014,451,724	315,923,164,151	1,250,962,731,583
Allocated liabilities				
Unallocated liabilities				79,352,679,971
Total liabilities				1,330,315,411,554

2b. Information on geographical segment

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

3. Subsequent events

There have been no material events after the balance sheet date, which require to make adjustments on the figures or disclosures in the Consolidated Financial Statements.

Prepared on 9 February 2023

Prepared by



Tran Thi Thanh Hao

Chief Accountant



Tran Thi Thanh Hao

General Director



Vu Thanh Hai



**Now,
for tomorrow**

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