



*Hai Phong, June ..., 2025*

## **REPORT OF THE BOARD OF DIRECTORS AND EACH MEMBER OF THE BOARD OF DIRECTORS TO THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

### **I. Assessment of business performance in 2024**

In 2024, according to Alphaliner and Drewry, container freight rates on major trade routes, particularly Asia-Europe and Trans-Pacific, surged due to disruptions in the Red Sea and port congestion issues. This resulted in substantial profits for container shipping companies in 2024, far exceeding previous forecasts.

Although a significant number of new container vessels were delivered in 2024, prolonged transit times and operational disruptions absorbed much of the excess capacity, even leading to vessel shortages on certain routes.

According to AXS-Alphaliner, the market witnessed structural changes in alliances among major container shipping lines, with the formation of new alliances that could impact competition and freight rates in the future.

Hai An Transport and Stevedoring Joint Stock Company remained focused on increasing service frequency, collaborating with partners to expand intra-Asia routes, and chartering vessels to international markets at high rates. As a result, the company's fleet operations remained stable, and both fleet and overall company financial performance improved significantly, as detailed below:

- Total throughput reached 1,337,787 TEU, including: Port operations: 549,229 TEU, Container transport: 605,900 TEU, Depot operations: 182,658 TEU.
- Total revenue: VND 4,024 billion, Consolidated net profit after tax: VND 650 billion, exceeding the adjusted plan by 44%.

### **II. Market outlook for 2025 and beyond**

According to forecasts from leading maritime consultancy firms, the container shipping market in 2025 and subsequent years is expected to develop as follows:

- In 2025, container freight rates are projected to decline significantly from the peak levels of 2024 due to the return of excess vessel capacity, continued new vessel deliveries, stabilization of the Red Sea situation, and resolution of port congestion issues.
- In the following years, container shipping will continue to face long-term overcapacity challenges due to the large number of vessels ordered in recent years and stringent environmental regulations, requiring shipping lines to invest heavily in





technology and clean fuels. Shipping companies will need to optimize operations, develop value-added services, and adapt to global supply chain shifts (such as near-shoring and friend-shoring trends). Competition among shipping lines and alliances is expected to intensify.

### **III. Assessment of the performance of each member of the Board of Directors**

The Board of Directors (BOD) operates under the principles of collective leadership, with individual members responsible for specific areas to support the Executive Board. In 2024, all BOD members successfully fulfilled their assigned duties:

- The Chairman of the BOD oversaw the overall management of the Board's activities.
- Other BOD members assisted the Chairman in supervising various company operations.
- Independent Board Members and Their Assessment of BOD Activities:
  - + The company has two independent BOD members who make autonomous decisions on corporate matters and provide objective oversight of executive activities.
  - + According to the independent BOD members' assessment: The BOD has effectively exercised its rights and responsibilities in accordance with its authority and legal regulations. The BOD has ensured the company operates safely, efficiently, and in compliance with the Charter, laws, and internal regulations, treating all shareholders equitably and respecting the interests of stakeholders.
  - + Independent BOD members actively participated in meetings, voted on key issues, and provided recommendations for corporate governance and business development.

### **IV. 2025 business plan**

- a) Estimated performance for the first half of 2025: Total throughput is expected to reach 724,000 TEUs, including 300,000 TEUs from Terminal operations, 333,000 TEUs from container transport, and 90,000 TEUs from depot services. Total revenue is projected at VND 2,513 billion, with total expenses of VND 1,721 billion. Consolidated after-tax profit of the holding company is estimated at VND 550 billion
- b) Business performance: Total throughput reached 1,455,000 TEU, including: Terminal operations: 588,000 TEU, Container transport: 689,000 TEU, Depot operations: 178,000 TEU. Total revenue amounted to VND 4,556 billion, with total expenses of VND 3,562 billion. Consolidated net profit attributable to the holding company: VND 865 billion.
- c) Investment plan
  - Fleet Expansion
    - + Construct four new container vessels ranging from 3,000 TEU to 4,500 TEU.

- + Acquire two to three secondhand vessels when suitable opportunities arise to meet operational demands and fleet expansion goals.
- Port and Logistics Investments
  - + Divestment of container yard and port service project in Ba Ria - Vung Tau Province.
  - + Exploring investment opportunities in Hai Phong's seaport sector to enhance port operations and reduce transshipment costs for the company's fleet.
  - + Seeking infrastructure investment opportunities in logistics services in other regions, such as Central Vietnam and the Mekong Delta.
- d) Corporate governance enhancements
  - Develop and refine management software to support digital transformation across the company and subsidiaries.
  - Recruit and train new personnel to meet the company's expansion and operational needs.

#### **V. Proposed resolutions for the annual general meeting**

- The BOD submits the following matters for shareholder approval: Audited financial statements for 2024, dividend payment plan for 2024 including: 10% cash dividend and 30% stock dividend, 2025 business and investment plan and other matters within the authority of the General Meeting of Shareholders.
- Approval of the issuance of shares under the employee stock ownership plan (ESOP) for the parent company and its subsidiaries with the ratio of 1.48%.
- Approval of the dismissal of members of the Board of Directors and electing additional members of the Board of Directors for the term 2023-2028.

The Board of Directors of Hai An Transport and Stevedoring Joint Stock Company respectfully submits this report to the General Meeting.

Sincerely,

**ON BEHALF OF THE BOARD OF  
DIRECTORS**

**CHAIRMAN**



**VU THANH HAI**