

**TRANSPORT AND CHARTERING CORPORATION**

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# **ANNUAL REPORT**

**2024**



## INDEX

<b>I. GENERAL INFORMATION .....</b>	<b>3</b>
1. General information .....	3
2. Business lines and locations .....	3
3. Information on governance model, business organization and management apparatus .....	4
4. Development orientation .....	6
5. Risks .....	6
<b>II. PERFORMANCE STATUS IN THE YEAR .....</b>	<b>7</b>
1. Production and business performance.....	7
2. Organization and personnel .....	8
3. Investment situation .....	10
4. Financial situation .....	10
5. Shareholder structure, changes in owner's investment capital .....	11
6. Report on the Company's environmental and social impacts .....	11
<b>III. REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS .....</b>	<b>12</b>
1. Assessment of business performance .....	12
2. Financial situation .....	12
3. Improvements in organizational structure, policies, and management .....	12
4. Future development plan .....	12
5. Explanation of the Board of Directors for audit opinions .....	13
6. Assessment report related to the Company's environmental and social responsibilities .....	13
<b>IV. BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S PERFORMANCE ....</b>	<b>13</b>
1. Board of Directors' assessment of all aspects of the Company's operations .....	13
2. Board of Directors' assessment of the Company's Board of Directors' operations .....	13
3. Board of Directors' plans and orientations .....	14
<b>V. CORPORATE GOVERNANCE .....</b>	<b>14</b>
1. Board of Directors.....	14
2. Members of the Supervisory Board .....	15
3. Transactions, remuneration and benefits of the Board of Directors, the Board of Management and the Supervisory Board .....	16
<b>VI. FINANCIAL STATEMENTS .....</b>	<b>17</b>
1. Auditor's opinion .....	17
2. Audited financial statements .....	18



## I. GENERAL INFORMATION

### 1. General information

- Trading name: Transport and Chartering Corporation
- English name: Transport and Chartering Corporation
- business registration certificate No. 0100105937 issued by the Hanoi Department of Planning and Investment for the first time on October 2, 2006, registered for the ninth change on January 3, 2018.
- Charter capital: 150.000.000.000 đồng (One hundred and fifty billion dong)
- Address: No 74 Nguyen Du, Hai Ba Trung District, Ha Noi City
- Telephone number: 024 38 228915
- Fax number: 024 38 228916
- Website: [www.vietfracht.com.vn](http://www.vietfracht.com.vn)
- Stock code: VFR

### Formation and development process:

The Transport and Chartering Corporation was first established on February 18, 1963 with the name "Foreign Trade Transport Corporation", under the Ministry of Foreign Trade. In 1984, it was renamed "Ship Chartering and Maritime Brokerage Corporation" and transferred to the Ministry of Transport. In 2006, it was equitized and listed on the Hanoi Stock Exchange, with the new name from then until now being Transport and Chartering Corporation. The abbreviated name is also the brand name of the Company that has remained unchanged since its establishment, from 1963 to present, as **Vietfracht**.

Vietfracht is a member of many international organizations such as: International Maritime Organization and Baltic Sea (BIMCO), International Federation of Freight Forwarders Associations (FIATA), Federation of National Associations of Shipping Agents and Brokers (FONASBA), Association of Shipowners of the Association of Southeast Asian Nations (FASA), Asian Shipowners Forum (ASF), and is one of the founding members of many national organizations such as: Vietnam Shipowners Association (VSA), Vietnam Association of Shipping Agents and Brokers (VISABA), Vietnam Logistics Association (VLA) and Vietnam Chamber of Commerce and Industry (VCCI).

With more than 50 years of establishment and development, Vietfracht is known as one of the leading shipping companies in Vietnam. The company always innovates and improves service quality to meet the increasing demands of customers and achieve high efficiency in production and business. With the above proud achievements, the Company has been awarded many noble awards and titles by the Party and State: First/Second/Third Class Labor Medal, Third Class Independence Medal, Heroic Labor Unit in the renovation period.

### 2. Business sector and location

#### 2.1 Main business lines

+ Transporting goods by sea (including transporting containers, oversized and overweight cargo, bulk cargo, general cargo on domestic and international shipping routes). Chartering ships,



leasing ships, maritime brokerage and other brokerage services;

+ Shipping agency, multimodal freight forwarding agency by air, sea, road... under the authorization of ship owners and cargo owners and related services;

+ Exploiting container warehouses, bonded warehouses, transit warehouses, distributing and collecting import and export goods and domestic goods;

+ Doing business, leasing offices;

+ Investing in establishing joint venture companies operating in the same field (mentioned above) to expand the business network; Financial investment in other economic organizations.

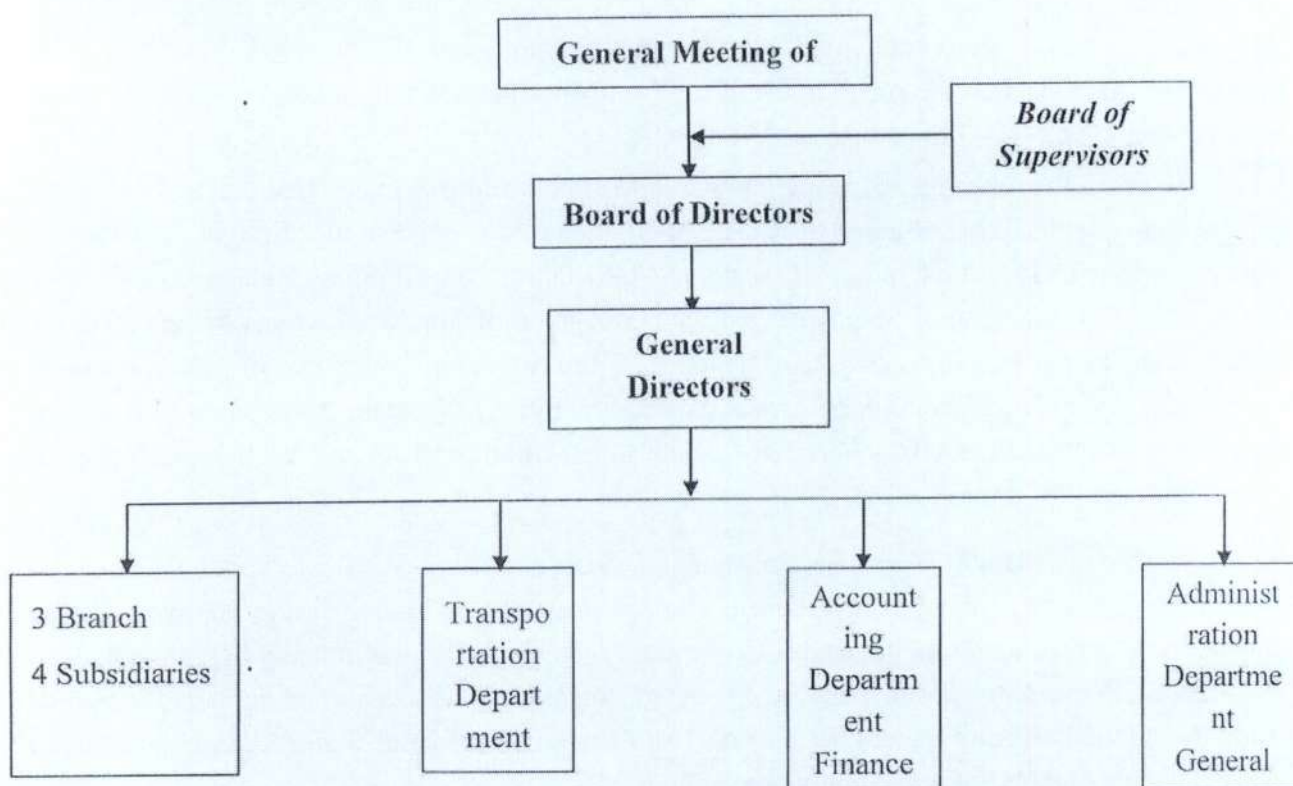
## 2.2 Business area:

The Company's business area is spread across all regions of the country, mainly concentrated in large cities or large seaport cities such as Hai Phong, Quang Ninh, Ho Chi Minh City, Da Nang, Vung Tau City.

## 3. Information on governance model, business organization and management apparatus

### 3.1 Management model:

#### COMPANY ORGANIZATION CHART 2024



Ghi chú:

#### Branches:

1. Ho Chi Minh Branch
2. Hai Phong Branch
3. Quang Ninh Branch

**Subsidiaries:**

No.	Name Company	Address	Main Business	Field Charter Capital (Unit: Million VND)	Vietfracht's ownership ratio in Subsidiaries
1	Vietfracht Hung Yen Logistics Joint Stock Company	Km24, National Highway 5A, Vinh Khuc, Van Giang, Hung Yen	Warehouse for rent	30.000	94.33%
2	Vietfracht Hai Phong One Member Co., Ltd.	No. 35, Minh Khai Street, Hoang Van Thu Ward, Hong Bang District, Hai Phong City	Warehouse for rent	30.000	100%
3	Vietfracht Hanoi One Member Co., Ltd.	74 Nguyen Du, Nguyen Du Ward, Hai Ba Trung District, Hanoi City	Real Estate Rentals, Freight Forwarding/Customs Services	12.000	100%
4	Vietfracht Ho Chi Minh City One Member Co., Ltd.	No. 11, Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City	Real Estate Rentals, Freight Forwarding/Customs Services	12.000	100%



Transport and Chartering Joint Stock Company is organized and operates in compliance with the Enterprise Law No. 59/2020/QH14 dated June 17, 2020 and its implementing documents, Securities Law No. 18/2019/L-CTN dated December 3, 2019, Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government detailing the implementation of a number of articles of the Securities Law and other guiding documents of the Securities Law, and the Charter of Transport and Chartering Joint Stock Company.

- General Meeting of Shareholders: The General Meeting of Shareholders is the highest authority of the Company. The annual General Meeting of Shareholders decides on matters in accordance with the provisions of law and the Company's Charter.

- Board of Directors: The Board of Directors is the body with full authority to exercise all rights on behalf of the Company except for the authority belonging to the General Meeting of Shareholders. The Company's Board of Directors currently has 3 members.

- Board of Supervisors: The Company's Board of Supervisors consists of 3 members, exercising powers and responsibilities as prescribed in the Law on Enterprises and the Company Charter.

### **3.2 Management structure:**

- Board of Directors.
- Departments: General Administration Department, Accounting and Finance Department, Transportation and Logistics Department.
- Branches and units under the Company: The Company currently has 3 branches.
- Subsidiaries: The Company has 04 subsidiaries.

## **4. Development orientation**

- + Striving to become one of the prestigious, typical, highly effective logistics and maritime enterprises with good service quality in the Vietnamese maritime industry, with the outstanding Vietfracht brand;;

- + Always focusing on improving working conditions and environment to improve the material and spiritual life of employees;

- + Focusing on expanding foreign relations, strengthening cooperation and association to improve business efficiency and maintain and develop the image and brand of Vietfracht in the market;

- + Actively participating in social work, striving to fulfill all obligations to the State and Society.

## **5. Risks**

Macroeconomic fluctuations such as growth rate, inflation, interest rates, exchange rates and general development policies of the economy as well as the industry will have a direct or indirect impact on the business activities of the enterprise.

The Vietnamese and global maritime industry continues to face difficulties and challenges. The shortage of orders, low charter rates and freight rates for all dry cargo segments continues to persist and there are no signs of improvement. The Company is currently in the



process of restructuring, with unstable personnel, many fluctuations, and degraded facilities, which have greatly affected the Company's business activities.

## II. PERFORMANCE SITUATION IN THE YEAR

### 1. Production and business performance situation

Production and business performance results in the year, implementation status compared to the plan and the previous year:

Business results in 2024 are as follows

*Unit: Billion VND*

Targets	Actual 2024	Plan 2024	Difference Actual - Plan 2024	Actual 2023	Difference Actual 2024 Actual 2023
1, Net revenue from sales and service provision	11,93	12,05	(0.12)	15,07	(3,14)
2, Cost of goods sold	10,02			13,92	(3,90)
3, Revenue from financial activities	14,57			20,14	(5,57)
4, Management expenses	5,67			7,91	(2,24)
5, Net profit from operating activities	10,81	7,8	3,01	12,54	(1,73)
6, Other profit	(0.26)			61,59	(61,85)
7, Accounting profit before tax	10,40			74,13	(63,73)
8, Accounting profit after tax	10,40			74,13	(63,73)

+ Business results by service type:

*Unit: billion VND*

Content	Revenue				Gross profit	
	Year 2024		Year 2023		Year 2024	Year 2023
	Amount	Proportion	Amount	Proportion	Amount	Amount
Sea transport activities	0	0%	4,29	27,58%	0	(1,09)
Transportation and delivery activities	3,68	30,84%	6,23	40,02%	0,28	(0,10)
Real estate leasing activities + others	8,25	69,16%	5,04	32,40%	1,49	2,34
<b>Total</b>	<b>11,93</b>	<b>100,00%</b>	<b>15,57</b>	<b>100,00%</b>	<b>1,77</b>	<b>1,15</b>

+ Sea transport:

From April 2024, the Company's sea transport activities have stopped, so the revenue has reached 0 billion VND. The proportion of sea transport revenue accounts for 0% of the total sales and service revenue of the entire Company.



+ Delivery services:

Delivery services in 2024 reached 3.68 billion VND, nearly 60% compared to 2023, but increased gross profit compared to the same period in 2023 by 0.38 billion VND. This is a great effort of the Board of Directors and the Transportation Department in the restructuring period and finding new customers..

+ Real estate exploitation/leasing activities:

In 2024, office rental prices in the market will decrease because many companies have to stop operating and return premises, causing the vacant space for lease to increase. In addition, the Company's rental infrastructure is degraded, the completion of the fire protection system is facing many difficulties, making it difficult to put the property into operation, the competitiveness with new real estate is currently very low and the rental price must be reduced for some customers. However, the Company has coordinated with a professional real estate exploitation unit to find customers, while the Company is still making efforts and proactively seeking customers in all forms to increase the occupancy rate. Although the 2024 revenue reached 8.25 billion, equal to 163.69% compared to 2023, the profit was only 1.49 billion because the cost of renting land in 2024 also increased and was not reduced by 30% as in 2023.

## 2. Organization and personnel

### 2.1 List of Executive Board 2024:

1	Mr. Bui Trung Kien	General Director (Resigned on July 1, 2024)
2	Mr. Dao Nguyen Dang	General Director (Appointed on July 1, 2024)
3	Ms. Vu Thi Lan	Chief Accountant (Resigned on May 6, 2024)
4	Mr. Pham Quoc Chinh	Chief Accountant (Appointed on June 3, 2024)

#### Summary of Executive Board members

##### **General Director: Mr. Bui Trung Kien**

(Resigned on July 1, 2024)

**Number of representative shares held: 0 shares**

**Number of individual shares held: 0 shares**

**Total number of shares held: 0 shares**

##### **General Director: Mr. Dao Nguyen Dang**

Born on February 5, 1982, Master of Business Administration, Bachelor of Economics. From 2005 to 2007, he held the position of Chief Accountant of Hong Ha Petroleum Construction Joint Stock Company Branch. From 2007 to 2016, he held the position of Chief Accountant of XN, Deputy Director - Director of the Member Company of Hanoi Investment and Development Company. From 2017 to November 22, 2021, he held the position of Chief Accountant of Transport and Chartering Corporation.. From November 23, 2021, he was appointed to the position of Deputy General Director and Chief Accountant of Transport and Chartering Corporation. From October 1,



2022, he held the position of Deputy General Director of Transport and Chartering Corporation. From July 1, 2024, he held the position of General Director of Transport and Chartering Corporation.

**Number of representative shares held: 0 shares**

**Number of individual shares held: 0 shares**

**Total number of shares held: 0 shares**

**Chief Accountant: Ms. Vu Thi Lan**

(Resigned on May 6, 2024)

**Number of representative shares held: 0 shares**

**Number of individual shares held: 0 shares**

**Total number of shares held: 0 shares**

**Chief Accountant: Mr. Pham Quoc Chinh**

(Appointed on June 3, 2024)

**Number of representative shares held: 0 shares**

**Number of individual shares held: 0 shares**

**Total number of shares held: 0 shares**

## **2.2 Number of staff. Employee policies**

<b><u>Qualifications:</u></b>	<b><u>Number:</u></b>
Postgraduate	01
University	12
<b>Total</b>	<b>13</b>

### **Salary and bonus policy**

The distribution of salaries to employees is carried out publicly and democratically according to the Company's Salary Regulations. These regulations are built to ensure that they are consistent with the qualifications, experience and job position of each person, encouraging officers and employees to work actively and enthusiastically. Monthly salaries are always paid in full and on time. Every year, the Company considers raising salary grades or transferring salary scales for employees who meet the conditions according to the regulations of the State and the Company. The Company implements policies on social insurance, health insurance, labor protection, etc. in accordance with regulations, and the Company fully meets the protective and safety equipment for employees.

The company also has a policy of periodic and special bonuses for individuals and groups. The bonus is based on work achievements, technical innovations, business organization methods, finding new customers, achievements in fighting negativity, practicing thrift and fighting embezzlement and waste.



### Training policy

The Company always focuses on training and fostering its staff to regularly improve their qualifications and working skills to promptly meet the requirements of production and business activities. In terms of training, the Company focuses on professional training, training in management science and English or information technology. When there are new policies, training is provided to disseminate the State's policies and regimes.

Training activities include domestic and foreign training. The Company also focuses on internal training, with classes opened at the Company by experienced Company staff to guide and teach.

Every year, the Company plans training to maintain and improve the work efficiency of employees. All employees are encouraged to register for training classes.

**3. Investment status:** No investment activities

### **4. Financial situation**

#### *4.1 Financial situation*

*Unit: Vietnam Dong*

Indicator	Year 2024	Year 2023	% increase/decrease
Total asset value	212.364.980.761	202.309.507.820	5%
Net revenue	11.934.236.937	15.072.311.184	-21%
Profit from business activities	10.656.153.413	12.540.269.172	-15%
Other profit	(255.711.442)	61.588.392.128	-100%
Profit before tax	10.400.441.971	74.128.661.300	-86%
Profit after tax	10.400.441.971	74.128.661.300	-86%

#### *4.2 Key financial indicators*

Indicator	Year 2024	Year 2023	Note
<i>1. Liquidity ratio</i>			
□ Current ratio: Current assets/Current liabilities	289,8%	192,3%	
□ Quick ratio: <u>Current assets - Inventories</u> Current liabilities	289,8%	192,3%	
<i>2. Capital structure ratio</i>			
□ Debt/Total assets ratio	8,7%	9,3%	
□ Debt/Equity ratio	9,6%	10,3%	
<i>3. Operating capacity ratio</i>			
□ Inventory turnoverkho:			



<u>Cost of goods sold</u> Average inventor			
<input type="checkbox"/> Net revenue/Total assets	5,6%	7,4%	
<b>4. Profitability ratio</b>			
<input type="checkbox"/> Profit after tax ratio/Net revenue	87,2%	491,9%	
<input type="checkbox"/> Profit after tax ratio/Equity	5,37%	40,42%	

#### 5. Shareholder structure, changes in owner's capital

No	Organization	Individual	Domestic	Foreign	Shareholders from 30,000 shares or more	Total number of shareholders
1	07	495	494	08	11	502

#### 6. Report on the Company's environmental and social impacts

**6.1 Management of raw materials:** The Company has no manufacturing activities.

**6.2 Raw material management:** The company has no manufacturing activities.

##### 6.3 Energy consumption

- a) Direct and indirect energy consumption: using national grid power.
- b) Energy saved through energy efficiency initiatives: None.
- c) Reports on energy saving initiatives (providing energy saving products and services or using renewable energy): None.

##### 6.4 Water consumption

- a) Water supply and water usage: The Company uses clean water provided by Hanoi Clean Water Plant.
- b) Percentage and total amount of recycled and reused water: none

##### 6.5 Compliance with environmental protection laws

- a) Number of times fined for non-compliance with environmental laws and regulations: none.
- b) Total amount of fines for non-compliance with environmental laws and regulations: none.

##### 6.6 Employee-related policies

###### a) Number of employees, average salary for employees

The number of employees in the Company as of December 31, 2024 is: 13 people.  
Average income: 13.7 million/person/month

###### b) Labor policy to ensure the health, safety and welfare of employees

The Company has ensured the correct and sufficient implementation and timely settlement of policies for the Company's employees, specifically as follows:

The Company has fully paid social insurance, health insurance, and unemployment insurance for employees in the Company in accordance with regulations. In addition, it



participates in human insurance for all employees.

Timely, correctly and fully settle insurance policies for employees and other policies for employees when they are sick, on leave, on maternity leave, retired, or quit their jobs.

Solve termination of employment for employees when unilaterally terminating the labor contract in accordance with regulations and procedures. Provide instructions on procedures for receiving unemployment benefits after employees terminate their labor contracts.

Periodic health check-ups for all officers and employees in the Company.

*c) Employee training activities*

Implement professional training to improve employee skills.

Annual fire prevention and fighting training for warehouse staff and other related employees.

**6.7 Report on responsibility to local communities:** None

### **III. REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS**

#### **1. Assessment of production and business performance**

With the close direction of the management agency, the Board of Directors, the Executive Board and the efforts and solidarity of all officers and employees to take care of jobs and income for workers, however, due to strong competition in the shipping and logistics services market, the business performance in 2024 was affected.

The business performance in 2024 is as follows: Net revenue is 11,934,236,937 VND, reaching 99.5% of the annual plan, Profit before tax is 10,400,441,971 VND, down 86% compared to 2023.

#### **2. Financial situation**

##### **Asset situation:**

The Company strictly controls expenses, strengthens management and debt collection to improve business efficiency, the asset situation fluctuates in the direction of increasing value and efficiency of asset use.

The Company has regularly and periodically reconciled debts, urged the collection of receivables, evaluated overdue receivables to set up provisions for receivables according to regulations...

##### **Debt situation:**

The Company's payable debts are mainly short-term payables, the Company makes payments to customers within the prescribed time limit.

#### **3. Improvements in organizational structure, policies, and management**

In 2024, the Company has completed the organizational structure in a streamlined and efficient manner, arranging Company and Branch personnel in accordance with the business conditions and scale of the Company.

#### **4. Future development plan**



Continue to prioritize investment and strive to become a reputable, typical, effective logistics and maritime enterprise with a prominent Vietfracht brand.

To stabilize and develop business activities, it is necessary to improve the quality of human resources, facilities, equipment and management technology.

Recruitment structure, training to improve the quality of human resources for employees, especially the sales team.

Strengthen long-term cooperation and development with current partners and suppliers and attract new suppliers by providing the best service quality.

Strengthen management work according to state, industry and Company regulations.

Strengthen debt collection control, cost control, and effective use of capital.

Review, revise and supplement to perfect the processes, regulations and rules related to the Company's activities in accordance with the provisions of law and the Company's operating model.

Strive to maintain the stability of the Company, unite employees, increase support from agencies and departments, gradually improve facilities and working conditions; improve welfare, care for the material and spiritual life of employees to create a long-term connection between employees and the Company, contributing to the sustainable development of the Company.

#### **5. Explanation of the Board of Directors on the auditor's opinion**

In the 2024 audited financial statements, the auditor fully approved the Company's 2024 financial statements.

#### **6. Assessment report related to the Company's environmental and social responsibilities**

- a) Assessment related to environmental indicators (water consumption, energy, emissions, etc.): The Company has used and consumed electricity and water economically and complied with environmental protection regulations.
- b) Assessment related to the issue of employees: The majority of employees in the Company are properly trained and have a sense of responsibility at work, comply with and comply with the policies and laws of the State, the Company's regulations, etc., thus contributing to the completion of the Company's business targets as well as contributing to building the Vietfracht brand. The Company complies with policies and regimes for employees in accordance with State regulations as well as pays attention to welfare policies for employees to create long-term ties between employees and the Company.
- c) Assessment related to the responsibility of the enterprise to the local community: Assessment related to corporate responsibility towards the local community: The Company always clearly understands its responsibility towards the community, actively participates in humanitarian, charitable and gratitude activities.

### **IV. BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S PERFORMANCE**

#### **1. Board of Directors' assessment of the Company's operations**

In 2024, with many difficulties and challenges, the Company has always strived to ensure key production and business targets, and to provide jobs and income for employees. The company has used and consumed electricity and water economically and complied with environmental protection regulations. The Board of Directors highly appreciates the efforts of the management



staff and all employees of the Company to overcome difficulties and achieve the above results.

## **2. Board of Directors' assessment of the performance of the Company's Board of Directors**

The Board of Directors has strictly complied with and implemented, operating the Company in accordance with the provisions of law, the Company's Charter, the Resolution of the General Meeting of Shareholders, the Resolution of the Board of Directors; ensuring jobs and income for employees, fully performing obligations to the State, complying with the law as well as contributing to social activities; Pay attention to the activities of the Company's trade union, creating a foundation for the Company's stable development in the context of economic difficulties.

## **3. Plans and orientations of the Board of Directors**

In order to achieve the common goals and resolutions of the General Meeting of Shareholders, the Company strives to become one of the prestigious, typical, highly effective logistics and maritime enterprises with good service quality in the Vietnamese maritime industry, continuing to prioritize the development of the outstanding Vietfracht brand.

To maintain the stability and development of the Company's activities, the Board of Directors continues to monitor and promptly and promptly direct the implementation of tasks of the Board of Directors and the Company's management team in all areas such as: business activities, finance, human resources, investment and construction, asset exploitation.

Maintain and develop with current supplier partners by meeting increasingly high service quality in terms of policies, scale, and human resources; Search for new partners and develop logistics services; Restructure the fleet, effectively implement human resources work in accordance with the development requirements of the Company.

Strengthen management work according to state, industry and Company regulations, do a good job of financial management, internal expenditure, ensure compliance with regulations and legal standards, reduce costs.

Strive to maintain the stability of the Company, solidarity of employees, increase support from agencies and departments, gradually improve facilities and working conditions; improve welfare, care for the material and spiritual life of employees.

Direct and supervise the Board of Directors in implementing issues according to the Resolution of the General Meeting of Shareholders and the Board of Directors of the Company.

Closely direct and promptly resolve all difficulties in the Company's business activities to properly implement the set plans and goals.

## **V. Corporate Governance**

### **1. Board of Directors**

#### **1.1. Members and structure of the Board of Directors**

No	Full name	Title	Number of shares represented and owned
1	Ms. Khuc Thi Quynh Lam	Chairman of the Board of Directors	0



2	Mr. Nguyen Nang Tuyen	Member of the Board of Directors	0
3	Mr. Pham Thanh Hai	Member of the Board of Directors	0

**1.2. Subcommittees of the Board of Directors:** Vietfracht does not establish subcommittees.

**1.3. Activities of the Board of Directors:**

- The Board of Directors operates in accordance with the provisions of the Enterprise Law and the Charter of Vietfracht. The Board of Directors directs the activities of Vietfracht through the issuance of Resolutions and Decisions under the authority of the Board of Directors. The Resolutions and Decisions of the Board of Directors are all in line with the practical situation of Vietfracht and are approved with a high consensus rate with 100% of the Board of Directors members in agreement.

- The Board of Directors has held regular and extraordinary meetings as required by the Charter and legal regulations to handle work with the following main contents:

1. Approval of the plan to organize the 2024 Annual General Meeting of Shareholders;
  2. Approval of the change of the Company's Chief Accountant;
  3. Approval of the change of the Company's General Director;
  4. Approval of the selection of an auditing unit to review the semi-annual financial statements and audit the 2024 financial statements;
  5. Approval of the change of Director - Head of the Company's Quang Ninh Branch;
  6. Approval of the Subsidiary using unused capital for lending/saving;
  7. Approval of the Reports and Proposals of the Board of Directors submitted to the 2024 Annual General Meeting of Shareholders:
- Report of the General Director on the results of production and business activities in 2023 and the plan for 2024;
  - Separate and Consolidated financial statements in 2023;
  - Report on the results of the Board of Directors' activities in 2023 and the plan for the Board of Directors' activities in 2024;
  - Report on the activities of the Board of Supervisors in 2023 and the plan for 2024;
  - Approval of the remuneration of members of the Board of Directors and the Board of Supervisors in 2023 and the estimated remuneration of the Board of Directors and the Board of Supervisors in 2024;
  - Approving the authorization for the Board of Directors to decide on the selection of an auditing unit to audit the 2024 financial statements;
  - Approving the allocation of funds and not paying dividends to shareholders in 2023.
  - In governance, the Board of Directors has closely coordinated with the Executive Board and the Supervisory Board in handling important tasks of Vietfracht, creating conditions for the Supervisory Board to perform well the control work at Vietfracht and actively supporting the



Board of Directors in management and operation, striving to complete the common goals of Vietfracht.

## **2. Members of the Supervisory Board:**

### **2.1. Members and structure of the Board of Supervisors**

The Board of Supervisors consists of 03 members, including:

- Mr. Nguyen Thanh Tuyen - Head of the Board
- Ms. Dang Thi Ha Nguyen - Member
- Mr Nguyen Dang Viet Trung – Member

### **2.2. Activities of the Board of Supervisors**

In 2024, the members of the Board of Supervisors coordinated to inspect and supervise the Company's production and business activities in the following main areas:

- Periodically review the production and business activities according to the Board of Supervisors' work program;
- Appraise the reports on the implementation of the production and business plans, financial reports, and management reports of the Company, and provide comments for the Company to promptly make corrections to ensure that the reports are prepared in accordance with the correct procedures and honestly reflect the Company's financial situation;
- Monitor the implementation of the Resolution of the 2024 Annual General Meeting of Shareholders;
- Monitor the activities of the Board of Directors, the Executive Board and management staff;
- Monitor compliance with State laws. The inspection and supervision work of the members of the Supervisory Board is carried out continuously and systematically to promptly grasp the Company's activities to help the Company detect and overcome shortcomings in the management, operation and internal control systems.

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

### **3.1. Salary, bonus, remuneration and benefits**

- The remuneration level of the Board of Directors in 2024 for the Chairman of the Board of Directors and members of the Board of Directors is specifically as follows:
  - + Chairman of the Board of Directors: VND 4,500,000/month
  - + Members of the Board of Directors: VND 4,000,000/person/month.
- The remuneration level of the Board of Supervisors in 2024 has been approved by the General Meeting of Shareholders, specifically as follows:
  - + Head of the Board of Supervisors: VND 4,000,000/month.
  - + Members of the Board of Supervisors: VND 3,200,000/person/month.

### **3.2. Stock transactions of insiders: None**

### **3.3. Contracts or transactions with insiders**



In 2024, the Company will not have any transactions between the Company, its subsidiaries, or companies in which it controls 50% or more of the charter capital with members of the Board of Directors and related persons of such members; transactions between the Company and companies in which members of the Board of Directors are founding members or business managers in the last 3 years prior to the transaction.

### 3.4. Assessment of implementation of corporate governance regulations

Vietfracht performs its obligations to disclose information, management reports, and annual reports regularly and seriously, ensuring that all information is public, transparent, and protects the interests of the Company and its shareholders. The activities of the Company's Board of Directors comply with the provisions of law in the current situation, comply with the Charter and internal regulations/rules of the Company.

## VI. FINANCIAL STATEMENTS

### 1. Auditor's opinion

"In our opinion, the accompanying separate financial statements give a true and fair view, in all material respects, of the financial position as at 31 December 2024, and of the results of its operations and its separate cash flows for the year then ended of the Transport and Chartering Joint Stock Company, and have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant legal regulations on preparation and presentation of separate financial statements."

### 2. Audited financial statements (attached report).

Hanoi, 17 April 2025

Legal representative of the Company

Chairman of the Board of Directors



Ms. Khuc Thi Quynh Lam



## Balance Sheet

### SEPARATE BALANCE SHEET

As of December 31, 2024

Unit: VND

ASSET	Code	Explanation	Year-end number	Beginning of year number
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>35,180,389,544</b>	<b>24,279,432,676</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>18,152,678,210</b>	<b>8,798,644,771</b>
1. Money	111		3,152,678,210	3,798,644,771
2. Cash equivalents	112		15,000,000,000	5,000,000,000
<b>II. Short-term financial investment</b>	<b>120</b>		-	-
1. Trading securities	121		-	-
2. Provision for impairment of trading securities	122		-	-
3. Held to maturity investment	123		-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>16,483,209,516</b>	<b>14,256,468,227</b>
1. Short-term trade receivables	131	V.3	4,313,207,097	2,941,930,160
2. Short-term seller advance	132	V.4	2,264,509,929	2,263,279,654
3. Short-term internal receivables	133		-	-
4. Receivable according to construction contract progress plan	134		-	-
5. Short-term loan receivable	135	V.5	1,950,000,000	1,950,000,000
6. Other short-term receivables	136	V.6a	8,658,787,901	7,804,553,824
7. Provision for doubtful short-term receivables	137	V.7	(703,295,411)	(703,295,411)
8. Assets missing pending resolution	139		-	-
<b>IV. Inventory</b>	<b>140</b>		-	-
1. Inventory	141		-	-
2. Provision for inventory write-down	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>544,501,818</b>	<b>1,224,319,678</b>
1. Short-term prepaid expenses	151	V.8a	58,279,524	129,239,388
2. Deductible value added tax	152		-	-
3. Taxes and other amounts receivable from the State	153	V.12	486,222,294	1,095,080,290
4. Government bond repurchase transaction	154		-	-
5. Other current assets	155		-	-



ASSET	Code	Explanation	Year-end number	Beginning of year number
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>177,184,591,217</b>	<b>178,030,075,144</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>404,060,520</b>	<b>404,060,520</b>
1. Long-term receivables from customers	211		-	-
2. Long-term prepayment to seller	212		-	-
3. Working capital in affiliated units	213		-	-
4. Long-term internal receivables	214		-	-
5. Long-term loan receivable	215		-	-
6. Other long-term receivables	216	V.6b	404,060,520	404,060,520
7. Provision for doubtful long-term receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>12,199,467,409</b>	<b>12,881,074,885</b>
1. Tangible fixed assets	221	V.9	4,909,379,195	5,569,316,771
Original price	222		21,330,277,742	22,002,629,924
Accumulated depreciation	223		(16,420,898,547)	(16,433,313,153)
2. Financial lease fixed assets	224		-	-
Original price	225		-	-
Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	7,290,088,214	7,311,758,114
Original price	228		7,511,097,914	7,511,097,914
Accumulated depreciation	229		(221,009,700)	(199,339,800)
<b>III. Investment real estate</b>	<b>230</b>		-	-
Original price	231		-	-
Accumulated depreciation	232		-	-
<b>IV. Long-term unfinished assets</b>	<b>240</b>		-	-
1. Long-term unfinished production and business costs	241		-	-
2. Cost of basic construction in progress	242		-	-
<b>V. Long-term financial investment</b>	<b>250</b>	V.2	<b>159,750,000,000</b>	<b>159,750,000,000</b>
1. Investment in subsidiaries	251	V.2	82,300,000,000	82,300,000,000
2. Investment in joint ventures and associates	252		-	-
3. Investing in other entities	253	V.2	77,450,000,000	77,450,000,000
4. Long-term financial investment reserve	254		-	-
5. Held to maturity investment	255		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>4,831,063,288</b>	<b>4,994,939,739</b>
1. Long-term prepaid expenses	261	V.8b	4,831,063,288	4,994,939,739
2. Deferred income tax assets	262		-	-
3. Long-term replacement equipment, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TỔNG CỘNG TÀI SẢN</b>	<b>270</b>		<b>212,364,980,761</b>	<b>202,309,507,820</b>



CAPITAL SOURCE	Code	Explanation	Year-end number	Beginning of year number
<b>C - LIABILITIES PAYABLE</b>	<b>300</b>		<b>18,564,096,748</b>	<b>18,909,065,778</b>
<b>I. Short-term debt</b>	<b>310</b>		<b>12,214,252,073</b>	<b>12,625,253,023</b>
1. Short-term trade payables	311	V.11	1,615,759,085	1,605,052,456
2. Short-term advance payment buyer	312		39,034,399	39,034,399
3. Taxes and other payments to the State	313	V.12	5,720,724,203	5,673,662,814
4. Payable to workers	314		620,542,893	779,249,449
5. Short-term payable expenses	315	V.13	332,480,876	385,542,906
6. Short-term internal payables	316		-	-
7. Payable according to construction contract progress schedule	317		-	-
8. Short-term unearned revenue	318	V.14	184,759,992	152,149,399
9. Other short-term payables	319	V.15a	3,654,833,922	3,908,656,847
10. Short-term loans and finance leases	320		-	-
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322		46,116,703	81,904,753
13. Price stabilization fund	323		-	-
14. Government bond repurchase transaction	324		-	-
<b>II. Long-term debt</b>	<b>330</b>		<b>6,349,844,675</b>	<b>6,283,812,755</b>
1. Long-term trade payables	331		-	-
2. Long term prepayment buyer	332		-	-
3. Long-term payable expenses	333		-	-
4. Internal payable on working capital	334		-	-
5. Long-term internal payables	335		-	-
6. Long-term unrealized revenue	336		-	-
7. Other long-term payables	337	V.15b	6,349,844,675	6,283,812,755
8. Long-term loans and financial leases	338		-	-
9. Convertible bonds	339		-	-
10. Preferred stock	340		-	-
11. Deferred income tax payable	341		-	-
12. Long-term payables provision	342		-	-
13. Science and Technology Development Fund	343		-	-



CAPITAL SOURCE		Code	Explanation	Year-end number	Beginning of year number
<b>D - OWNER'S EQUITY</b>		<b>400</b>		<b>193,800,884,013</b>	<b>183,400,442,042</b>
<b>I. Equity</b>		<b>410</b>	<b>V.16</b>	<b>193,800,884,013</b>	<b>183,400,442,042</b>
1. Owner's equity		411		150,000,000,000	150,000,000,000
- Common shares with voting rights		411a		150,000,000,000	150,000,000,000
- Preferred stock		411b		-	-
2. Share capital surplus		412		-	-
3. Bond conversion option		413		-	-
4. Other owners' equity		414		-	-
5. Treasury stock		415		-	-
6. Asset revaluation difference		416		-	-
7. Exchange rate difference		417		-	-
8. Development investment fund		418		33,013,831,925	33,013,831,925
9. Enterprise Arrangement Support Fund		419		-	-
10. Other equity funds		420		3,410,429,248	3,410,429,248
11. Undistributed profit after tax		421		7,376,622,840	(3,023,819,131)
- Undistributed profit after tax accumulated to the end of previous period		421a		(3,023,819,131)	(77,152,480,431)
- Undistributed profit for this period		421b		10,400,441,971	74,128,661,300
12. Source of capital for basic construction investment		422		-	-
<b>II. Other funding and funds</b>		<b>430</b>		-	-
1. Funding sources		431		-	-
2. Funds for forming fixed assets		432		-	-
<b>TOTAL CAPITAL</b>		<b>440</b>		<b>212,364,980,761</b>	<b>202,309,507,820</b>



## Business performance report

### SEPARATE BUSINESS PERFORMANCE REPORT

For the fiscal year ending December 31, 2024

Unit: VND

INDICATORS	Code	Explanation	This year	Last year
1. Sales and service revenue	01	VI.1	11,934,236,937	15,565,826,274
2. Revenue deductions	02		-	493,515,090
3. Net revenue from sales and services	10		11,934,236,937	15,072,311,184
4. Cost of goods sold	11	VI.2	10,023,315,158	13,917,335,443
5. Gross profit from sales and service provision	20		1,910,921,779	1,154,975,741
6. Financial revenue	21	VI.3	14,569,273,183	20,138,364,420
7. Financial costs	22	VI.4	154,112,015	839,094,174
Including: interest expense	23		-	759,756,071
8. Cost of sales	25		-	-
9. Business management costs	26	VI.5	5,669,929,534	7,913,976,815
10. Net operating profit	30		10,656,153,413	12,540,269,172
11. Other income	31	VI.6	151,000,497	63,751,853,515
12. Other costs	32	VI.7	406,711,939	2,163,461,387
13. Other profits	40		(255,711,442)	61,588,392,128
14. Total accounting profit before tax	50		10,400,441,971	74,128,661,300
15. Current corporate income tax expense	51	VI.8	-	-
16. Deferred corporate income tax expense	52		-	-
17. Profit after corporate income tax	60		10,400,441,971	74,128,661,300



## Cash flow

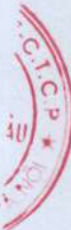
### SEPARATE CASH FLOW STATEMENT

(By indirect method)

For the fiscal year ending December 31, 2024

Unit: VND

INDICATORS	Code	Explanation	This year	Last year
<b>I. Cash flow from operating activities</b>				
1. Profit before tax	01		10,400,441,971	74,128,661,300
2. Adjustments for the following items:				
- Depreciation of fixed assets and investment real estate	02		681,607,476	5,908,684,032
- Provisions	03		-	-
- Exchange rate gains and losses due to revaluation foreign currency monetary items	04		154,112,015	30,340,170
- Profit and loss from investment activities	05		(14,519,969,586)	(65,459,298,882)
- Interest expense	06		-	759,756,071
- Other adjustments	07		-	-
3. Profit from business activities before changes in working capital	08		(3,283,808,124)	15,368,142,691
- Increase, decrease receivables	09		(1,438,915,255)	51,607,308
- Increase, decrease inventory	10		-	-
- Increase, decrease payables	11		(342,033,473)	(20,800,495,056)
- Increase, decrease prepaid expenses	12		234,836,315	(232,078,047)
- Increase, decrease trading securities	13		-	-
- Interest paid	14		-	(8,217,399,541)
- Corporate income tax paid	15		-	-
- Other income from operating activities	16		-	-
- Other expenses for business activities	17		(35,788,050)	(159,068,001)
Net cash flow from operating activities	20		(4,865,708,587)	(13,989,290,646)
<b>II. Cash flow from investing activities</b>				
1. Money spent on purchasing and constructing fixed assets and other long-term assets	21		-	-
2. Proceeds from liquidation and sale of fixed assets and other long-term assets	22		110,000,000	36,561,599,535
3. Money spent on lending, buying debt instruments other units	23		-	(8,000,000,000)
4. Proceeds from loan recovery, resale of debt instruments other units	24		-	23,550,000,000
5. Money spent on investment in other entities	25		-	-
6. Proceeds from capital investment in other entities	26		-	-
7. Interest income, dividends and profits	27		14,203,955,355	18,663,563,863
Net cash flow from investing activities	30		14,313,955,355	70,775,163,398





INDICATORS	Code	Explanation	This year	Last year
<b>III Cash flow from financing activities</b>				
1. Proceeds from issuing shares, receiving capital contributions owner	31		-	-
2. Money returned to owners, buyback issued company shares	32		-	-
3. Proceeds from borrowing	33		-	-
4. Loan principal repayment	34		-	(54,734,817.337)
5. Lease principal repayment	35		-	-
6. Dividends, profits paid to owners	36		-	-
<i>Net cash flow from financing activities</i>	40		-	(54,734,817.337)
Net cash flow during the year	50		9,448,246,768	2,051,055,415
Cash and cash equivalents at the beginning of the year	60	V.1	8,798,644,771	6,734,836,353
Impact of foreign exchange rate changes on foreign currency conversic	61		(94,213,329)	12,753,003
Cash and cash equivalents at year end	70	V.1	18,152,678,210	8,798,644,771