

VIETNAM SEA TRANSPORT AND
CHARTERING JOINT STOCK
COMPANY

No: 08./ TCKT

Explanation of the Audit Results for the
Combined and Consolidated
Financial Statements of 2024

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Ho Chi Minh City, February 2025

To:

- State Securities Commission of Vietnam
- Hanoi Stock Exchange

Pursuant to Article 11 of Circular 96/2020/TT-BTC dated November 16, 2020, regarding the guidance on information disclosure on the stock market, Vietnam Sea Transport And Chartering Joint Stock Company (Stock Code: VST) hereby provides an explanation of the contents in the audited Financial Statements (FS) for 2024 compared to the same period last year as follows:

1. Net profit after corporate income tax for 2024 has changed by 10% or more compared to the same period previous year:

Unit: Million VND

INDICATOR	This Year	Previous Year	Comparison	
			Increase (+) /Decrease (-)	
			Value	%
Consolidated Total Revenue	736.549	1.100.929	-364.380	-33%
<i>Of which, Combined Figures</i>	443.047	869.148	-426.101	-49%
Consolidated Net Profit After Tax	217.871	557.820	-339.949	-61%
<i>Of which, Combined Figures</i>	207.672	563.711	-356.039	-63%

The financial statements for 2024 have been audited by AASC Audit Company Limited. According to the income statement for 2024, the net profit after corporate income tax is nearly VND 218 billion, a decrease of nearly VND 340 billion compared to the same period in 2023. This decline is primarily due to a significant reduction in other income, specifically:

(i) Income from debt obligation exemptions by the bank decreased by more than VND 381 billion compared to the same period last year. This was due to the Vietnam Development Bank forgiving penalty interest on shipbuilding loans, amounting to over VND 190 billion. In contrast, in 2023, the company received a reduction of more than VND 571 billion from commercial banks in repayment obligations for working capital loans and ship purchase loans.

(ii) Income from asset sales decreased by VND 46 billion due to the sale of smaller ships.

(iii) Profit from business operations increased by over VND 87 billion compared to 2023, due to a slight increase in the maritime transport market since the beginning of 2024,

along with the implementation of cost-saving measures that contributed to a reduction in the cost of goods sold and improved efficiency throughout the year.

2. Explanation of the Audit Opinion

(1) *Audit concern regarding going concern ability due to accumulated accounting losses and short-term liabilities exceeding short-term assets:* This is a common characteristic of shipping companies during the restructuring period. The company is striving to minimize losses and is seeking opportunities for financial restructuring to offset the losses and bring the company's profits to a balanced level. Currently, in addition to implementing business and market solutions to increase profits, the company has also reached an agreement on financial restructuring with the remaining banks and is expected to continue receiving debt repayment exemptions from the bank in 2025. Based on these facts, the company has sufficient grounds to assume its ability to continue operations in the future.

(2) *Penalty of VND 29.306 billion from Bao Viet Commercial Joint Stock Bank not recognized by the company in 2022:* This is a penalty fee incurred after the bank sold and transferred the debt to DATC, and as per the agreement between the two parties, the company is not obligated to pay this penalty to DATC.

Solutions to Resolve the Audit Opinion:

1- The company is seizing market opportunities to sign beneficial vessel and crew leasing contracts, while also enhancing cost control to improve business results.

2- Focus on implementing the 2025 Annual General Meeting resolutions of the company, which includes deploying a set of solutions to minimize losses and maintain overall business operations, as well as the Vitranschart fleet, including business and market solutions, financial management, financial restructuring, increasing revenue, reducing costs, and strengthening technical management of the fleet,...

3- Continue negotiations with the Vietnam Development Bank to find the optimal debt restructuring solution for this bank loan in order to reduce interest expenses.

These are the explanations provided by VST, submitted to the State Securities Commission of Vietnam and the Hanoi Stock Exchange for considering.

Sincerely yours.

Recipient:

- As above;
- BOD, BOS (report)
- Secretary
- Archives VT, TCKT

GENERAL DIRECTOR



Trinh Huu Luong