South Logistics Joint Stock Company

Consolidated financial statements

For the six – month period ended 30 June 2025

CÔNG TY CỔ PHẦN KHO VẬN MIỀN NAM
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South Logistics Joint Stock Company

GENERAL INFORMATION

THE COMPANY

South Logistics Joint Stock Company ("the Company") was originally a State-owned enterprise established in Vietnam in accordance with Decision No. 612TM/TCCB issued by the Ministry of Trade and Business (currently known as the Ministry of Industry and Trade) on 28 May 1993. The Company's original Business Registration Certificate ("BRC") No. 102783 was issued by the Economic Arbitration Board on 16 June 1993 and subsequently amended through BRC No. 4106000166 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 22 May 2006.

On 27 September 2006, the Company was equitized in accordance with Decision No. 1546/QĐ-BTM issued by the Ministry of Trade and Business. This equitization was formalized by the DPI of Ho Chi Minh City through the issuance of Enterprise Registration Certificate ("ERC") No. 0300645369 on 29 December 2006, and with its most recent 16th amendment on 19 May 2023.

The Company's shares were listed on the Ho Chi Minh Stock Exchange ("HOSE") in accordance with Decision No. 22/QĐ-SGDHCM issued by the HOSE on 4 February 2010.

The current principal activities of the Company are to provide inland cargo transport services; warehousing, bonded warehousing, ports, factories, offices; cargo handling, international freight forwarding services, sea, air and multimodal transport services; shipping agent, trans-shipment services, logistics services, customs services, courier services, CFS (collection, delivery), ICD (inland port), logistics centre, forwarding services for goods in transit and trans-shipment; and fuel agent services and oil/gasoline and chemical trading (except noxious chemical); and to trade, renew and repair iron or plastic barrels, and to trade in transport equipment.

The head office of the Company is located at 1B Hoang Dieu, Xom Chieu Ward, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Tran Tuan Anh	Chairman
Mr. Nguyen Quoc Thuc	Deputy Chairman
Mr. Dang Vu Thanh	Member
Mr. Do Le Hung	Member
Mr. Lee Kian Huat	Member
Mr. Kelvin Lim Chia Siong	Member
Ms. Seow Hwee	Member

AUDIT COMMITTEE

Members of the Audit Committee during the year and at the date of this report are:

Mr. Do Le Hung	Head
Mr. Nguyen Quoc Thuc	Member

MANAGEMENT

Members of the management during the year and at the date of this report are:

Mr. Dang Vu Thanh	General Director
Mr. Kelvin Lim Chia Siong	Deputy General Director

LEGAL REPRESENTATIVE

The company's legal representative during the year and at the date of this report is Mr. Dang Vu Thanh.

CONSOLIDATED BALANCE SHEET
as at 30 June 2025

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	**A. CURRENT ASSETS**		**1,198,656,655,157**	**1,127,107,316,081**
110	**I. Cash and cash equivalents**	5	**427,902,813,752**	**507,906,898,731**
111	1. Cash		134,902,813,752	108,806,898,731
112	2. Cash equivalents		293,000,000,000	399,100,000,000
120	**II. Short-term investments**	6	**104,269,489,737**	**86,485,928,093**
121	1. Held-for-trading securities	6.1	683,872,558	683,872,558
122	2. Provision for diminution in value of held-for-trading securities	6.1	(117,944,465)	(117,944,465)
123	3. Held-to-maturity investments	6.2	103,703,561,644	85,920,000,000
130	**III. Current accounts receivable**	7	**564,084,948,636**	**478,504,724,498**
131	1. Short-term trade receivables		448,222,683,094	412,094,746,818
132	2. Short-term advances to suppliers		59,151,173,241	36,084,994,598
136	3. Other short-term receivables		156,173,651,269	129,686,273,075
137	4. Provision for doubtful debts		(99,462,558,968)	(99,361,289,993)
140	**IV. Inventories**	8	**42,404,071,635**	**36,288,014,193**
141	1. Inventories		42,404,071,635	36,288,014,193
150	**V. Other current assets**		**59,995,331,397**	**17,921,750,566**
151	1. Short-term prepaid expenses	9	10,561,877,402	6,416,900,968
152	2. Value-added tax deductible	18	46,773,776,464	11,496,849,592
153	3. Tax and other receivables from the State	18	2,659,677,531	8,000,006

CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2025

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	**B. NON-CURRENT ASSETS**		**2,238,674,919,569**	**1,925,076,024,255**
210	**I. Non-current receivables**		**3,793,404,605**	**3,469,969,752**
216	1. Other long-term receivables	10	3,793,404,605	3,469,969,752
220	**II. Fixed assets**		**1,141,549,972,761**	**1,105,000,074,764**
221	1. Tangible fixed assets	11	1,079,939,122,792	981,511,829,319
222	Cost		2,459,866,976,916	2,274,344,251,132
223	Accumulated depreciation		(1,379,927,854,124)	(1,292,832,421,813)
224	2. Finance lease	13	14,060,776,307	74,445,133,924
225	Cost		16,685,454,545	94,544,645,726
226	Accumulated depreciation		(2,624,678,238)	(20,099,511,802)
227	3. Intangible fixed assets	12	47,550,073,662	49,043,111,521
228	Cost		97,269,951,300	97,269,951,300
229	Accumulated amortisation		(49,719,877,638)	(48,226,839,779)
240	**IV. Long term assets in progress**	14	**181,459,209,873**	**149,289,926,305**
242	1. Long term construction in progress		181,459,209,873	149,289,926,305
250	**V. Long-term investments**	15	**625,161,314,539**	**606,195,211,847**
252	1. Investments in associates		623,532,189,900	604,566,087,208
253	2. Investment in other entities		1,629,124,639	1,629,124,639
260	**IV. Other long-term assets**		**286,711,017,791**	**61,120,841,587**
261	1. Long-term prepaid expenses	9	264,193,937,175	33,490,320,019
262	2. Deferred tax assets		14,205,739,259	14,193,896,010
269	3. Goodwill	4	8,311,341,357	13,436,625,558
270	**TOTAL ASSETS**		**3,437,331,574,726**	**3,052,183,340,336**

CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2025

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	**C. LIABILITIES**		**901,606,258,802**	**652,348,496,098**
310	**I. Current liabilities**		**537,716,805,578**	**526,500,411,542**
311	1. Short-term trade payables	16	141,235,350,726	127,521,300,017
312	2. Short-term advances from customers	17	11,277,717,498	3,448,810,660
313	3. Statutory obligations	18	50,852,263,534	26,063,209,516
314	4. Payables to employees		24,473,348,982	31,972,375,091
315	5. Short-term accrued expenses		49,335,285,941	25,314,153,944
318	6. Short-term unearned revenues	19	36,906,834,725	37,594,234,725
319	7. Other short-term payables	20	129,296,356,800	127,660,305,327
320	8. Short-term loan and finance lease	21	83,912,643,484	135,964,190,631
321	9. Short-term provision		-	1,063,675,238
322	10. Bonus and welfare fund		10,427,003,888	9,898,156,393
330	**II. Non-current liabilities**		**363,889,453,224**	**125,848,084,556**
337	1. Other long-term liabilities	20	40,741,820,000	41,772,916,501
338	2. Long-term loans and finance lease obligations	21	317,540,295,996	78,515,219,488
341	3. Deferred tax liabilities	31	2,420,270,043	2,425,514,382
342	4. Other long-term provisions	22	3,187,067,185	3,134,434,185
400	**D. OWNERS' EQUITY**	23	**2,535,725,315,924**	**2,399,834,844,238**
410	**I. Capital**		**2,535,725,315,924**	**2,399,834,844,238**
411	1. Contributed charter capital/Share capital		982,533,570,000	982,533,570,000
411a	- Shares with voting rights		982,533,570,000	982,533,570,000
412	2. Share premium		(2,033,034,900)	(2,033,034,900)
414	3. Other owners' capital		(54,497,407,794)	(54,497,407,794)
414b	- Consolidation reserve		(54,497,407,794)	(54,497,407,794)
418	4. Investment and development fund		5,240,445,412	2,849,526,349
421	5. Undistributed earnings/ Accumulated losses		1,469,717,303,358	1,344,221,277,119
421a	- Undistributed earnings/Accumulated losses up to prior year-end		1,335,362,516,366	1,151,205,822,308
421b	- Net profit/loss after tax this period		134,354,786,992	193,015,454,811
429	6. Non-controlling interests	24	134,764,439,848	126,760,913,464
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**3,437,331,574,726**	**3,052,183,340,336**

Hoang Thi Anh Thu
Preparer

Nguyen Mai Khanh Trinh
Financial Director cum
Chief Accountant

Dang Vu Thanh
General Director

30 July 2025

CONSOLIDATED INCOME STATEMENT
for the six – month period ended 30 June 2025

VND

Code	ITEMS	2st Quarter		Accumulated to the end of the period	
		Current period	Previous period	Current period	Previous period
1	1. Revenue from sale of goods and rendering of services	677,688,422,927	610,510,187,422	1,234,608,764,962	1,086,315,003,202
2	2. Deductions of sale	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	677,688,422,927	610,510,187,422	1,234,608,764,962	1,086,315,003,202
11	4. Cost of goods sold and services rendered	(549,790,384,096)	(522,401,727,755)	(1,004,841,700,548)	(913,884,239,825)
20	5. Gross profit/(loss) from sale of goods and rendering of services	127,898,038,831	88,108,459,667	229,767,064,414	172,430,763,377
21	6. Finance income	10,349,306,897	8,388,783,506	15,071,127,714	11,897,017,639
22	7. Finance expenses	(9,276,060,206)	(4,084,805,094)	(14,311,366,485)	(6,624,274,205)
23	*- In which: Interest expense*	*(5,037,470,511)*	*(3,711,145,289)*	*(8,982,165,793)*	*(6,031,674,319)*
24	8. Shares of profit/(loss) of associates, joint-ventures	30,857,341,545	21,360,103,580	52,716,102,692	40,483,586,927
25	9. Selling expenses	(26,193,335,026)	(20,196,337,117)	(49,707,325,168)	(38,502,798,145)
26	10. General and administrative expenses	(31,211,463,536)	(31,981,378,154)	(61,673,730,471)	(63,448,950,916)
30	11. Operating profit/(loss)	102,423,828,505	61,594,826,388	171,861,872,696	116,235,344,677
31	12. Other income	611,805,468	1,672,559,426	2,506,099,501	3,790,211,296
32	13. Other expenses	(732,485,800)	(3,050,689,868)	(1,919,794,036)	(3,121,441,597)
40	14. Other profit/ (loss)	(120,680,332)	(1,378,130,442)	586,305,465	668,769,699
50	15. Accounting profit/ (loss) before tax	102,303,148,173	60,216,695,946	172,448,178,161	116,904,114,376
51	16. Current corporate income tax expense	(16,321,290,623)	(14,030,152,063)	(29,461,695,358)	(24,771,750,147)
52	17. Deferred income tax income/ (expense)	57,485,342	(264,792,956)	17,087,588	(515,320,457)
60	18. Net profit/ (loss) after tax	86,039,342,892	45,921,750,927	143,003,570,391	91,617,043,772
61	19. Net profit/ (loss) after tax attributable to shareholders of the parent	78,204,825,997	43,430,387,898	134,702,786,992	86,504,969,759
62	20. Net profit/ (loss) after tax attributable to non-controlling interests	7,834,516,895	2,491,363,029	8,300,783,399	5,112,074,013
70	21. Basic earnings per share	796	442	1,371	880
71	22. Diluted earnings per share	796	442	1,371	880

Hoang Thi Anh Thu
Preparer

30 July 2025

Nguyen Mai Khanh Trinh
Financial Director cum
Chief Accountant

CÔNG TY CỔ PHẦN KHO VẬN MIỀN NAM

Dang Vu Thanh
General Director

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six – month period ended 30 June 2025

VND

Code	*ITEMS*	*Notes*	*Accumulated to the end of the period*	
			Current period	Previous period
	I, CASH FLOWS FROM OPERATING ACTIVITIES			
1	**1, Income/(loss) before tax**		**172,448,178,161**	**116,904,114,376**
	2, Adjustments for:			
2	Depreciation and amortisation	4,11, 12,13	76,441,932,797	65,318,666,309
3	Provisions		(909,773,263)	1,688,980,862
4	Foreign exchange (gains)/losses arising from revaluation of monetary accounts denominated in monetary currency		(1,259,156,994)	920,363,078
5	(Profits)/losses from investing activity/fixed assets disposal		(61,214,395,365)	(48,479,947,166)
6	Interest expenses	27	8,982,165,793	6,031,674,319
8	**3, Operating income/(loss) before changes in working capital**		**194,488,951,129**	**142,383,851,778**
9	(Increase)/decrease in receivables		148,587,218,697	(71,610,052,739)
10	(Increase)/decrease in inventories		(6,116,057,442)	(13,685,310,951)
11	Increase/(decrease) in payables (excluding interest payable, EIT payables)		51,500,991,484	7,068,130,092
12	(Increase)/decrease in prepaid expenses		(234,848,593,590)	(1,466,260,670)
14	Interest paid		(5,285,400,272)	(3,935,214,607)
15	Enterprise income tax paid	18	(26,581,247,132)	(49,233,144,136)
17	Other cash outflows from operating activities		(1,862,071,568)	(1,488,333,847)
20	**Net cash from/(used in) operating activities**		**119,883,791,306**	**8,033,664,920**
	II, CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets and other long-term assets		(408,616,855,723)	(77,715,311,473)
22	Proceeds from disposals of fixed assets and other long-term assets		-	18,354,000,000
23	Loans to other entities and payments for purchase of debt instruments of other entities		(18,183,561,644)	(49,925,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		400,000,000	11,900,000,000
27	Interest and dividends received		38,904,354,949	19,183,043,149
28	Tiền thu từ hoạt động hợp nhất kinh doanh		-	-
30	**Net cash from/(used in) investing activities**		**(387,496,062,418)**	**(98,203,268,324)**

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six – month period ended 30 June 2025

VND

Code	*ITEMS*	*Notes*	*Accumulated to the end of the period*	
			Current period	Previous period
	III, CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	21	328,951,432,040	11,761,636,019
34	Repayment of borrowings	21	(136,323,153,259)	(25,710,116,802)
35	Payment of principal of finance lease liabilities Payment of finance lease liabilities		(6,955,040,000)	(5,119,640,000)
40	**Net cash from/(used in) financing activities**		**185,673,238,781**	**(19,068,120,783)**
50	**Net increase/(decrease) in cash**		**(81,939,032,331)**	**(109,237,724,187)**
60	**Cash and cash equivalents at beginning of year/ (period)**		**507,906,898,731**	**606,879,728,298**
61	Impact of exchange rate fluctuation		**1,934,947,352**	**(362,495,046)**
70	**Cash and cash equivalents at end of year/(period)**	5	**427,902,813,752**	**497,279,509,065**

Hoang Thi Anh Thu
Preparer

Nguyen Mai Khanh Trinh
Financial Director cum
Chief Accountant

Dang Vu Thanh
General Director

30 July 2025

1. CORPORATE INFORMATION

The Group consists of South Logistics Joint Stock Company ("the Company") and its subsidiaries, jointly-controlled entities and associates as follows:

The Company

The Company was originally a State-owned enterprise established in Vietnam in accordance with Decision No. 612TM/TCCB issued by the Ministry of Trade and Business (currently known as the Ministry of Industry and Trade) dated 28 May 1993. The Company's original Business Registration Certificate ("BRC") No. 102783 was issued by the Economic Arbitration Board on 16 June 1993 and subsequently amended through BRC No. 4106000166 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 22 May 2006.

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The current principal activities of the Company are to provide inland cargo transport services; warehousing, bonded warehousing, ports, factories, offices; cargo handling, international freight forwarding services, sea, air and multimodal transport services; shipping agent, trans-shipment services, logistics services, customs services, courier services, CFS (collection, delivery), ICD (inland port), logistics centre, forwarding services for goods in transit and trans-shipment; fuel agent services, oil/gasoline and chemical trading (except noxious chemical); and to trade, renew and repair iron or plastic barrels, and to trade in transport equipment.

The Company's normal course of business cycle is 12 months

The head office of the Company is located at No. 1B Hoang Dieu, Xom Chieu Ward, Ho Chi Minh City, Vietnam.

The number of the Group's employees as of 30 June 2025 was 1,168 (31 December 2024: 1,170).

1. CORPORATE INFORMATION (continued)

Corporate structure

As of 30 July 2025, the Group's corporate structure included eight (9) direct and indirect subsidiaries and six (5) jointly-controlled entities and associates. Details are as follows:

Subsidiaries

				Ending balance		*Beginning balance*	
Name		*Head office*	*Business activity*	*Percentage of ownership of the Company (%)*	*Voting rights of the Company (%)*	*Percentage of ownership of the Company (%)*	*Voting rights of the Company (%)*
(1)	Sotrans Infrastructure Investment One Member Company Limited	Ho Chi Minh City	Logistics	100.00	100.00	100.00	100.00
(2)	Vietranstimex Multimodal Transport Holding Company	Ho Chi Minh City	Logistics	93.17	93.17	93.17	93.17
(3)	Sotrans Logistics One Member Company Limited	Ho Chi Minh City	Logistics	100.00	100.00	100.00	100.00
(4)	South Port Joint Stock Company	Ho Chi Minh City	Petroleum Trading	99.99	99.99	99.99	99.99
(5)	Southern Waterborne Transport Corporation	Ho Chi Minh City	Port services	93.34	93.34	93.34	93.34
(6)	Engineering Construction Joint Stock Company	Ho Chi Minh City	Building civil engineering work	92.43	99.02	92.43	99.02
(7)	Can Tho Shipyard Joint Stock Company	Can Tho City	Shipbuilding and float components	65.34	70.00	65.34	70.00
(8)	Southern Waterway Mechanic and Engineering Services Joint Stock Company	Ho Chi Minh City	Building civil engineering work	47.60	51.00	47.60	51.00
(9)	Sowatco Tri Phuong Joint Stock Company	Bac Ninh	Port services	93.34	99.997	93.34	99.997

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

Jointly controlled-entities and associates

Name	*Head office*	*Business activity*	*Ending balance*		*Beginning balance*	
			Percentage of ownership (%)	*Voting rights (%)*	*Percentage of ownership (%)*	*Voting rights (%)*
(1) The Pier Real Estate Development Corporation ("The Pier")	Ho Chi Minh city	Real estate	50.00	50.00	50.00	50.00
(2) SORECO Real Estate Development Company Limited ("SORECO")	Ho Chi Minh city	Real estate	50.00	50.00	50.00	50.00
(3) First Logistics Development Joint Venture Company ("VICT")	Ho Chi Minh city	Logistics	34.54	37.00	34.54	37.00
(4) Southern Waterways General Service Joint Stock Company ("SOWATCOSER")	Ho Chi Minh city	Logistics	24.52	26.27	24.52	26.27
(5) Dong Nai Port Joint Stock Company ("PDN")	Dong Nai Province	Port services	18.90	20.25	18.90	20.25

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Group's applied accounting documentation system is the General Journal system.

2.3 *Fiscal year*

The Group's fiscal year applicable for the preparation of its financial statement starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

The financial statements are prepared in VND which is also the Group's accounting currency.

2.5 *Basis of consolidation*

The Group's consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

A subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group's shareholders and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without loss of control, is recorded in undistributed earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Inventories*

Inventories are measured at their historical costs. The costs of inventories comprise cost of purchase and cost of conversion (including raw materials, direct labor cost, other directly related cost and manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

Inventories are stated at the lower of cost and net realizable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories mainly including raw material, merchandise goods and work-in process, which are valued as follows:

Raw materials and merchandise goods	- cost of purchase on a first in first out basis.
Work-in process	- cost of direct materials and labour on a first in first out basis, cost of sub-contracts on specific identification basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc.) of merchandise goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.
Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.3 *Receivables*

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful receivables.

The provision for doubtful receivables represents outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded into the general and administration expense account in the consolidated income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the consolidated income statement.

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions and improvements are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions and improvements are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.
When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.6 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Assets held under finance leases are capitalised in the interim consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the interim consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful live of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Company's fixed assets in the interim consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the interim consolidated statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.7 *Intangible assets*

Depreciation and amortisation of fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	6 - 40 years
Machinery and equipment	6 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 5 years
Computer software	5 years
Website	5 years
Land lease advantage	2 - 38 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Construction in progress

Construction in progress represents tangible fixed assets under construction and is stated at cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into use.

3.9 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of loans and are recorded as expense during the year in which they are incurred.

3.10 Prepaid expenses

Prepaid expenses are reported either as short-term or long-term prepaid expenses in the consolidated balance sheet and amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

Expenditures on fixed asset overhaul arising with large value are recorded as long-term prepaid expense and amortised to the consolidated income statements over three years.

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract signed with Department Natural Resources and Environment of Ho Chi Minh City on 31 January 2008 and on 1 July 2008 for a period of 3 years. Such prepaid rental is recognised as a long-term prepaid expense for allocation to the consolidated income statement over the remaining lease period according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 providing guidance on management, use and depreciation of fixed assets.

3.11 Investments

The Group's investment in associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associates.

The share of post-acquisition profit (loss) of the associate is presented on the face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend or profit sharing received or receivable from associate reduce the carrying amount of the investment.

The financial statements of the associate are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investment in jointly-controlled entities

The Group's investment in jointly controlled entity is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity. The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

3. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

The share of profit (loss) of the jointly controlled entity is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from jointly controlled entities reduces the carrying amount of the investment.

The financial statements of the jointly-controlled entity is prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-for-trading securities and investment in other entities

Held-for-trading securities and investment in other entities are stated at their acquisition costs.

3.12 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.13 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting year for employees who have been worked for more than 12 months at Group/Corporation. The accrued amount is calculated at the rate of one-half of the average monthly salary for each year of service qualified for severance pay in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation is adjusted at the end of each reporting year following the average monthly salary of the last 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 46 of the Labour Code.

3.14 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual exchange rates at transaction dates, determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rate of the commercial bank designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rate of the commercial bank designated for payment.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet date, determined as follows:

- Monetary assets are translated at the buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at the selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnamese regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting.

Investment and development fund

This fund is set aside for use in the Group's expansion or upgrading of its operation or in-depth investments.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability in the consolidated balance sheet.

Dividends

Dividends are recognised as a liability in the consolidated balance sheet upon approval by the shareholders at the Annual General Meeting and subsequent declaration by the Group's Board of Directors.

3.16 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Group (after adjusting for bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.17 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Revenue is recognised when the services had been performed and completed.

Interest

Revenue is recognised as the interest accrues unless collectability is in doubt.

Rental income

Rental income arising from operating leases is accounted in the consolidated income statement on a straight-line basis over the lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividends
Income is recognised when the Group's entitlement as an investor to receive the dividend is established

3.18 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences and carried forward unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Business combination and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any non-controlling shareholders.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

After initial recognition, goodwill is measured at cost less accumulated amortisation. Amortisation of goodwill is calculated on a straight-line basis over ten (10) years during which the source embodying economic benefits are recovered by the Group. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

3.20 Related parties

Parties are considered to be related parties of the Group if one party has the ability, direct or indirect to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

4. GOODWILL

Goodwill is amortised on a straight-line basis over ten years from the acquisition date, as follows:

	Sowatco	*Vietranstimex*	*VND Total*
Cost			
Beginning balance	77,569,081,610	24,936,602,386	102,505,683,996
Ending balance	77,569,081,610	24,936,602,386	102,505,683,996
Accumulated amortisation			
Beginning balance	(67,872,946,408)	(21,196,112,030)	(89,069,058,438)
Amortisation for the year	(3,878,454,081)	(1,246,830,119)	(5,125,284,200)
Ending balance	(71,751,400,489)	(22,442,942,149)	(94,194,342,638)
Net carrying amount			
Beginning balance	9,696,135,202	3,740,490,356	13,436,625,558
Ending balance	5,817,681,121	2,493,660,237	8,311,341,357

5. CASH AND CASH EQUIVALENTS

	Ending balance	*VND Beginning balance*
Cash on hand	5,906,335,653	3,443,862,055
Cash in banks	128,996,478,099	105,363,036,676
Cash equivalents	293,000,000,000	399,100,000,000
TOTAL	**427,902,813,752**	**507,906,898,731**

6. SHORT-TERM INVESTMENTS

6.1 *Held-for-trading securities*

VND

	Ending balance			*Beginning balance*		
	Cost	*Provision*	*Fair value*	*Cost*	*Provision*	*Fair value*
Simco Song Da Joint Stock Company	*126,752,447*	*(117,469,247)*	*9,283,200*	*126,752,447*	*(117,469,247)*	*12,764,400*
Other shares	*1,120,111*	*(475,218)*	*644,893*	*1,120,111*	*(475,218)*	*1,141,250*
Phong Phu Corporation	556,000,000	-	688,521,739	*556,000,000*	-	*688,521,739*
TOTAL	**683,872,558**	**(117,944,465)**	**698,449,832**	**683,872,558**	**(117,944,465)**	**698,449,832**

6. SHORT-TERM INVESTMENTS (continued)

6.2 *Held-to-maturity investment*

This comprises bank deposits at Vietnam Joint Stock Commercial Bank For Industry and Trade – Ho Chi Minh Branch with twelve (12) months maturity and interest at rates ranging from 2.3% to 5.3% per annum. A term deposit amounting to VND 50,000,000,000 was placed as collateral for the Group's long-term bank loans.

7. SHORT-TERM ACCOUNTS RECEIVABLE

VND

	Ending balance	*Beginning balance*
Short-term trade receivables		
Due from related parties	25,055,147,269	30,719,773,938
Due from customers	423,167,535,825	381,374,972,880
	448,222,683,094	412,094,746,818
Short-term advances to suppliers		
Cam Anh Trading Construction One Member Company Limited	8,773,817,614	8,773,817,614
Due from others customers	50,377,355,627	27,311,176,984
	59,151,173,241	36,084,994,598
Other short-term receivables		
Staff advance	9,058,124,352	8,841,137,396
Deposits	7,268,042,368	15,535,118,202
Receivables from agencies for payroll and social insurance of crew members	1,438,140,774	1,438,140,774
Interest receivable from bank term deposits	2,871,712,328	1,674,821,917
Due from related parties	18,778,040,000	23,722,880,676
Others	116,759,591,447	78,474,174,110
	156,173,651,269	129,686,273,075
Provision for doubtful short-term accounts rece	(99,462,558,968)	(99,361,289,993)
NET	**564,084,948,636**	**478,504,724,498**

Movements of provision for doubtful short-term receivables were as follows:

VND

	Current period	*Previous period*
Beginning balance	99,361,289,993	71,870,969,662
Provision created during the year	1,401,268,975	30,412,053,831
Utilisation and reversal of provision during the year	(1,300,000,000)	(2,921,733,500)
Ending balance	99,462,558,968	99,361,289,993

8. INVENTORIES

VND

	Ending balance	*Beginning balance*
Work in process	24,771,291,601	17,976,741,167
Raw materials	16,480,606,397	16,268,936,432
Goods in transit	188,727,273	964,454,546
Merchandise goods	772,447,519	936,625,409
Tools and supplies	190,998,845	141,256,639
TOTAL	**42,404,071,635**	**36,288,014,193**
Provision for obsolete inventories	-	-
TOTAL	**42,404,071,635**	**36,288,014,193**

9. PREPAID EXPENSES

VND

	Ending balance	*Beginning balance*
Short-term		
Land and office rental	1,817,666,313	144,385,714
Insurance fee	2,289,648,516	1,281,215,700
Tools and equipment	2,868,950,263	2,314,756,494
Others	3,585,612,310	2,676,543,060
	10,561,877,402	**6,416,900,968**
Long-term		
Land and warehouse rental	247,183,664,273	12,698,973,832
Office renovation	4,329,054,634	9,128,603,196
Tools and equipment	10,688,192,892	11,134,503,389
Others	1,993,025,376	528,239,602
	264,193,937,175	**33,490,320,019**
TỔNG CỘNG	**274,755,814,577**	**39,907,220,987**

10. OTHER LONG-TERM RECEIVABLE

VND

	Ending balance	*Beginning balance*
Long-term deposits	3,793,404,605	3,469,969,752
TOTAL	**3,793,404,605**	**3,469,969,752**

11. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	*Machinery and equipment*	*Means of transportation*	*Office equipment*	*Office equipment*	*Total*
Cost						
Beginning balance	870,427,105,767	208,471,859,912	1,188,703,964,906	6,741,320,547	-	2,274,344,251,132
Buying subsidiaries	(135,341,327)	-	-	-	-	(135,341,327)
New purchases	98,661,088,564	578,750,693	4,967,613,743	-	1,340,155,238	105,547,608,238
Reclassification	2,175,054,842	77,935,404,031	-	-	-	80,110,458,873
Ending balance	971,127,907,846	286,986,014,636	1,193,671,578,649	6,741,320,547	1,340,155,238	2,459,866,976,916
In which:						
Fully depreciated	59,572,036,535	45,975,459,946	403,012,492,242	3,198,974,745	-	*511,758,963,468*
Accumulated depreciation						
Beginning balance	(329,249,094,075)	(140,171,431,848)	(817,271,102,337)	(6,140,793,553)	-	(1,292,832,421,813)
Depreciation for the year	(22,213,130,058)	(11,132,010,229)	(33,479,915,519)	(116,117,166)	(41,789,785)	(66,982,962,757)
Buying subsidiaries	203,011,991	(20,315,481,545)	-	-	-	(20,112,469,554)
Ending balance	(351,259,212,142)	(171,618,923,622)	(850,751,017,856)	(6,256,910,719)	(41,789,785)	(1,379,927,854,124)
Net carrying amount						
Beginning balance	541,178,011,692	68,300,428,064	371,432,862,569	600,526,994	-	981,511,829,319
Ending balance	619,868,695,704	115,367,091,014	342,920,560,793	484,409,828	1,298,365,453	1,079,939,122,792

12. INTANGIBLE ASSETS

	Land use rights	*Computer softwares*	*Land lease advantage*	*VND Total*
Cost				
Beginning balance	37,648,585,981	21,530,532,475	38,090,832,844	97,269,951,300
Ending balance	37,648,585,981	21,530,532,475	38,090,832,844	97,269,951,300
Accumulated depreciation				
Beginning balance	(2,397,359,065)	(9,118,729,300)	(36,710,751,414)	(48,226,839,779)
Depreciation for the year	(260,929,596)	(1,205,886,570)	(26,221,693)	(1,493,037,859)
Ending balance	(2,658,288,661)	(10,324,615,870)	(36,736,973,107)	(49,719,877,638)
Net carrying amount				
Beginning balance	35,251,226,916	12,411,803,175	1,380,081,430	49,043,111,521
Ending balance	34,990,297,320	11,205,916,605	1,353,859,737	47,550,073,662

18. STATUTORY OBLIGATIONS

VND

	Beginning balance	*Increase*	*Decrease*	*Ending balance*
Receivables				
Deductible value-added tax	11,496,849,592	44,056,673,233	(8,779,746,361)	46,773,776,464
Others	8,000,006	2,680,517,455	(28,839,930)	2,659,677,531
TOTAL	**11,504,849,598**	**46,737,190,688**	**(8,808,586,291)**	**49,433,453,995**
Payables				
Personal income tax	1,973,693,265	6,194,894,335	(6,431,093,008)	1,737,494,592
Corporate income tax	16,422,018,518	29,461,695,358	(26,581,247,132)	19,302,466,744
Value-added tax	7,759,592,253	27,313,173,526	(21,984,471,444)	13,088,294,335
Others	(92,094,520)	46,902,889,756	(30,086,787,373)	16,724,007,863
TOTAL	**26,063,209,516**	**109,872,652,975**	**(85,083,598,957)**	**50,852,263,534**

19. SHORT-TERM UNEARNED REVENUES

VND

	Ending balance	*Beginning balance*
Income from reallocation support *(*)*	36,050,598,364	36,050,598,364
Others	856,236,361	1,543,636,361
TOTAL	**36,906,834,725**	**37,594,234,725**

(*) This comprises income received in accordance with the relocation support agreements for the clearance and handover of the land located at Km9, Hanoi Highway, Truong Tho Ward, Thu Duc City, Ho Chi Minh City and 1B Hoang Dieu and 117A Nguyen Tat Thanh, Ward 13, District 4, Ho Chi Minh City.

20. OTHER PAYABLES

VND

	Ending balance	*Beginning balance*
Short-term		
Advances received for relocation support (i)	40,000,000,000	40,000,000,000
Advances received for disposalof investment (ii)	39,940,000,000	39,940,000,000
Deposits received	8,794,345,547	4,302,507,386
Payable to crew members	6,159,413,938	6,159,413,938
Others	34,402,597,315	37,258,384,003
	129,296,356,800	**127,660,305,327**
Long-term		
Deposit received from Vietnam Electrical Equipment Joint Stock Corporation ("VEE") (iii)	30,000,000,000	30,000,000,000
Other deposits received	10,741,820,000	11,772,916,501
	40,741,820,000	**41,772,916,501**

(i) These are advances received from SORECO in accordance with the Relocation Support Agreements for the clearance and handover of the land located at Km9, Hanoi Highway, Truong Tho Ward, Thu Duc City, Ho Chi Minh City.

(ii) These are advances received from R.C Real Estate Development and Finance Corporation in accordance with Investment Cooperation Agreement No. 01/2016/HDHT/REFICO&SOTRANS for the transfer of shares of The Pier that belongs to the Group.

(iii) Deposit was received from VEE under the Deposit Contract dated 10 September 2020 to jointly implement all related works and procedures as well as maintain the right and benefits to property rights at 1B Hoang Dieu, Ward 13, District 4, Ho Chi Minh City, 117A Nguyen Tat Thanh, Ward 13, District 4, Ho Chi Minh City, Km9, Hanoi Highway, Truong Tho Ward, Thu Duc City, Ho Chi Minh City, and No. 2B, Street 13, Long Binh Ward, District 9, Thu Duc City, Ho Chi Minh City.

21. LOANS

VND

	Ending balance	*Beginning balance*
Short-term loans	**83,912,643,484**	**135,964,190,631**
Bank loan	59,323,753,948	63,363,927,685
Personal loan	-	1,400,000,000
Buying subsidiaries	-	43,803,961,996
Current portion of long-term loans	24,588,889,536	27,396,300,950
Long-term loans	**317,540,295,996**	**78,515,219,488**
Bank loans	317,540,295,996	78,515,219,488
TOTAL	**401,452,939,480**	**214,479,410,119**

25. REVENUES

25.1 Net revenue from sale of goods and rendering of services

VND

	2st Quarter		Accumulated to the end of the period	
	Current period	Previous period	Current period	Previous period
Revenues	**677,688,422,927**	**610,510,187,422**	**1,234,608,764,962**	***1,086,315,003,202***
In which:				
Sale of goods	35,756,074,486	15,582,285,283	71,410,062,284	58,141,602,386
Rendering of services	641,932,348,441	594,927,902,139	1,163,198,702,678	1,028,173,400,816
Deduction	-	-	-	-
Net revenues	***677,688,422,927***	***610,510,187,422***	***1,234,608,764,962***	***1,086,315,003,202***
In which:				
Sale of goods	35,756,074,486	15,582,285,283	71,410,062,284	58,141,602,386
Rendering of services	641,932,348,441	594,927,902,139	1,163,198,702,678	1,028,173,400,816

25.2 Finance income

VND

	2st Quarter		Accumulated to the end of the period	
	Current period	Previous period	Current period	Previous period
Dividend income	-	20,000,000	-	60,000,000
Interest income	4,252,471,486	4,183,194,943	8,498,292,673	7,681,730,608
Foreign exchange gains	6,096,835,411	4,185,588,563	6,572,835,041	4,155,287,031
TOTAL	**10,349,306,897**	**8,388,783,506**	**15,071,127,714**	**11,897,017,639**

28. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

	2st Quarter		*Accumulated to the end of the period*	
	Current period	*Previous period*	*Current period*	*Previous period*
Selling expenses	**26,193,335,026**	**20,196,337,117**	**49,707,325,168**	**38,502,798,145**
Labour costs	17,646,745,953	14,396,501,087	33,997,495,201	26,944,951,719
External services	6,318,131,661	4,283,639,846	11,223,456,390	8,201,376,252
Depreciation and amortisation	34,111,452	45,611,451	68,222,904	101,933,088
Others	2,194,345,960	1,470,584,733	4,418,150,673	3,254,537,086
General and administrative expenses	**31,211,463,536**	**31,981,378,154**	**61,673,730,471**	**63,448,950,916**
Labour costs	18,491,107,755	19,919,076,209	38,966,237,887	39,030,900,893
Tax expense	-	-	16,500,000	10,000,000
External services	4,735,348,615	4,771,705,317	9,640,620,293	9,533,657,419
Amortization of goodwill	3,042,686,074	3,137,185,357	6,085,372,148	6,274,370,714
Provision for doubtful short-term receivables	-	-		
	469,966,154	2,776,053,177	(130,033,846)	2,198,664,467
Others	4,472,354,938	1,377,358,094	7,095,033,989	6,401,357,423
TOTAL	**57,404,798,562**	**52,177,715,271**	**111,381,055,639**	**101,951,749,061**

29. OTHER INCOME AND OTHER EXPENSES

VND

	2st Quarter		*Accumulated to the end of the period*	
	Current period	*Previous period*	*Current period*	*Previous period*
Income from reallocation support	-	787,964,925	-	*2,224,566,415*
Others	611,805,468	884,594,501	2,506,099,501	1,565,644,881
TOTAL	**611,805,468**	**1,672,559,426**	**2,506,099,501**	**3,790,211,296**

VND

	2st Quarter		*Accumulated to the end of the period*	
	Current period	*Previous period*	*Current period*	*Previous period*
Others	732,485,800	3,050,689,868	1,919,794,036	3,121,441,597
TOTAL	**732,485,800**	**3,050,689,868**	**1,919,794,036**	**3,121,441,597**

30. OPERATING COSTS

VND

	2st Quarter		*Accumulated to the end of the period*	
	Current period	*Previous period*	*Current period*	*Previous period*
Merchandise and raw materials	55,238,897,114	37,607,555,070	106,774,256,435	94,847,796,973
External services	154,433,437,797	448,640,574,004	282,812,184,969	700,169,217,604
Depreciation and amortisation	38,825,805,111	27,415,153,847	76,441,932,797	60,193,382,109
Labour costs	68,626,925,485	72,238,909,674	135,653,072,983	139,053,202,682
Others	280,768,150,419	(8,877,322,474)	504,692,316,736	21,572,389,518
TOTAL	**597,893,215,926**	**577,024,870,121**	**1,106,373,763,920**	**1,015,835,988,886**

31. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at 20% of taxable income.

The tax returns filed by the Group are subject to examination by the tax authorities. As the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

31.1 CIT expense

VND

	Current year	*Previous year*
Current CIT expense	(29,461,695,358)	24,771,750,147
Deferred tax income/ expense	17,087,588	55,320,457
TOTAL	**(29,444,607,770)**	**24,827,070,604**

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

VND

	Current year	*Previous year*
Accounting profit before tax	**172,448,178,161**	**116,904,114,376**
At CIT rate of 20%	34,489,635,632	23,380,822,875
Adjustments:		
Non-deductible expenses	527,109,890	891,456,525
Tax losses carried forward	-	
Amortization of goodwill	1,025,056,840	1,025,056,840
Other adjustments	(2,803,974,054)	11,919,527,695
Share in profit from associates	(3,793,220,538)	(8,096,717,385)
Divident	-	
CIT after adjustments	29,444,607,770	25,287,070,604
Chi phí thuế TNDN	**29,444,607,770**	**25,287,070,604**

31.2 Current CIT

The current tax payable is based on taxable income for the current year. Taxable income differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

31. CORPORATE INCOME TAX (continued)

31.3 Deferred tax

The deferred tax assets and liabilities recognised by the Group and their movements are as follows:

VND

	Balance sheet		*Income statement*	
	Ending balance	*Beginning balance*	*Current year*	*Previous year*
Consolitdated		253,823,501		
Unrealised profit	14,695,959,085	14,479,542,138	216,416,947	(830,632,712)
Provision for diminution in value	(26,000,621)	(27,382,028)	1,381,407	(1,381,407)
Provision for severance allowance	566,371,784	626,886,837	(60,515,053)	(69,129,750)
Depreciation	(1,030,590,989)	(1,067,932,785)	37,341,796	380,579,073
Accrual exxpense	-	-	-	-
Provision for doubtful short-term receivables	-	(71,041,653)	71,041,653	-
Gain from revalued assets	(2,420,270,043)	(2,425,514,382)	5,244,339	5,244,339
Others	-	253,823,501	(253,823,501)	-
TOTAL	**11,785,469,216**	**11,768,381,628**	**17,087,588**	**(515,320,457)**

32. RELATED PARTY DISCLOSURES

Significant transactions with related parties were as follows:

Related party	*Relationship*	*Transaction*	*Current year*	*Previous year*
First Logistics Development Joint Venture Company ("VICT")	Jointly controlled entity	Rendering of services	22,429,052,178	19,889,627,254
		Sale of merchandise	6,822,872,721	7,519,090,901
		Purchase of services	176,091,980	159,207,607
The Pier Real Estate Development Corporation	Jointly controlled entity	Rendering of services	9,885,744,929	2,438,530,050
Dong Nai Port Joint Stock Company	Jointly controlled entity	Rendering of services	106,583,334	-
		Dividends received	33,750,000,000	17,250,000,000
ITL Corporation	Parent	Rendering of services	-	1,901,997,892
		Mua dịch vụ	-	473,466,200

VND

Related party	*Relationship*	*Transaction*	*Current year*	*Previous year*
ITL Logistics Joint Stock Company	Affiliate	Rendering of services	9,599,904,404	14,384,546,471
		Buying of services	720,000,000	1,731,946,774
ITL Freight Management Joint Stock Company	Affiliate	Rendering of services	186,262,963	-
ITL Logistics Joint Stock Company Branch in Central Region	Affiliate	Rendering of services	325,702,778	-
SOWATCO Tri Phuong Joint Stock Company	Affiliate	Purchase of services	-	13,200,000,000
Bac Ky Investment Joint Stock Company	Affiliate	Purchase of services	19,054,160,158	35,486,571,762
ITL VSIP Company Limited	Affiliate	Rendering of services	22,682,048,793	33,291,977,181
Dash Logistics Company Limited	Affiliate	Purchase of services	24,718,365	9,945,835
PSA Cargo Solutions Viet Nam	Shareholder	Buying of car	-	203,965,000

VND

Các bên liên quan	*Mối quan hệ*	*Số cuối kỳ*	*Số đầu năm*
Short term trade payables			
ITL Corporation	Parent	-	116,218,154
PSA Cargo Solutions Viet Nam	Shareholder	-	140,000,000
Bac Ky Investment Joint Stock Company	Affiliate	-	40,560,000
ITL Logistics Joint Stock Company	Affiliate	144,000,000	2,703,998,202
Dash Logistics Company Limited	Affiliate	26,956,800	2,268,000
		170,956,800	**3,003,044,356**
Short-term advances from customers			
ITL Corporation	Parent	-	18,142,649
ITL VSIP Company Limited	Affiliate	-	292,106,974
		-	**310,249,623**
Other short-term payables			
Soreco Real Estate Development Company Limited	Jointly controlled entity	40,000,000,000	40,000,000,000
BNX - Vietranstimex Joint Venture Company Limited	Related paties	816,000,000	816,000,000
ITL Logistics Joint Stock Company	Affiliate	7,605,100,000	7,605,100,000
		48,421,100,000	**48,421,100,000**

32. RELATED PARTY DISCLOSURES (continued)

Details of remuneration of members of Board of Directors, Audit Committee and management are as follows:

VND

	Current period	*Previous period*
Mr. Dang Vu Thanh	1,145,902,155	956,940,000
Mr. Tran Tuan Anh	356,443,453	90,000,000
Mr. Do Le Hung	465,154,763	252,000,000
Mr. Nguyen Quoc Thuc	299,799,108	60,000,000
Mr. Kelvin Lim Chia Siong	803,906,250	-
Mr. Lee Kian Huat	273,154,763	60,000,000
Mr. Phay Wenfu, Daniel	-	818,773,333
Ms. Seow Hwee	213,154,763	-
TOTAL	**3,557,515,255**	**2,237,713,333**

33. EVENTS AFTER THE BALANCE SHEET DATE

There are no other significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.

Hoang Thi Anh Thu
Preparer

Nguyen Mai Khanh Trinh
Financial Director
Chief Accountant

Dang Vu Thanh
General Director

30 July 2025