

Vietranstimex Multimodal Transport Holding Compa

Financial statements

For the year ended 31 December 2024



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Vietranstimex Multimodal Transport Holding Company

Financial statements

For the year ended 31 December 2024



Vietranstimex Multimodal Transport Holding Company

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Vietranstimex Multimodal Transport Holding Company

GENERAL INFORMATION

THE COMPANY

Vietranstimex Multimodal Transport Holding Company ("the Company"), formerly known as Multimodal Transport Holding Company, was originally a State-owned enterprise established in Vietnam in accordance with Decision No. 1313/QD-TC issued by the Ministry of Transport ("MOT") on 27 March 1976. The Company's first Business Registration Certificate ("BRC") No. 3206000035 was issued by the Department of Planning and Investment ("DPI") of Da Nang City on 5 May 2004.

On 28 May 2010, the Company was equitized in accordance with Decision No. 1454/QD-BGTVT issued by the MOT. This equitization was formalized by the DPI of Da Nang City through the issuance of the Enterprise Registration Certificate No. 0400101901 on 1 November 2010 and its subsequent amendments.

The Company's shares were registered for trading in the market of unlisted public companies managed by the Hanoi Stock Exchange ("HNX") with the code VTX in accordance with the Decision No. 189/QD-SGDHN issued by HNX on 11 April 2014.

The current principal activities of the Company are to provide domestic multimodal transport services; direct transport services for road, rail, and water transport; and warehouse, machinery, equipment and means of transport rental.

The Company's registered head office is located at No. 1B Hoang Dieu Street, Ward 13, District 4, Ho Chi Minh City, Vietnam and its branches are located at Ha Noi City, Da Nang City and Quang Ngai Province, Vietnam.

BOARD OF DIRECTORS

The Board of Directors during the year and at the date of this report comprises:

Mr Dang Doan Kien	Chairman	appointed on 1 May 2024
Mr Dang Vu Thanh	Member	appointed on 1 May 2024
Mr Nguyen Quoc Thuc	Member	appointed on 19 June 2024
Mr Bui Quang Lien	Member	resigned on 19 June 2024

BOARD OF SUPERVISION

The Board of Supervision during the year and at the date of this report comprises:

Mr Nguyen Mai Khanh Trinh	Head	
Mr Nguyen Dang Truong	Member	appointed on 19 June 2024
Ms Dinh Thi Phuong Vy	Member	

MANAGEMENT

Management during the year and at the date of this report comprises:

Mr Dang Vu Thanh	General Director	appointed on 1 May 2024
Mr Bui Quang Lien	General Director	resigned on 1 May 2024
Mr Duong Viet Cuong	Deputy General Director	appointed on 1 January 2024

LEGAL REPRESENTATIVES

Legal representatives of the Company during the period and at the date of this report were as follows:

Mr Dang Vu Thanh	appointed on 1 May 2024
Mr Bui Quang Lien	resigned on 1 May 2024

AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited.

Vietranstimex Multimodal Transport Holding Company

REPORT OF MANAGEMENT

Management of Vietranstimex Multimodal Transport Holding Company ("the Company") is pleased to present this report and the financial statements of the Company for the year ended 31 December 2024.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company, and of the results of its operations and its cash flows for the year. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management do hereby state that, in his opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.

For and on behalf of management:



Dang Vu Thanh
General Director

Ho Chi Minh City, Vietnam

26 March 2025

Reference: 12819110/67739380

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders of Vietranstimex Multimodal Transport Holding Company

We have audited the accompanying financial statements of Vietranstimex Multimodal Transport Holding Company ("the Company"), as prepared on 26 March 2025 and set out on pages 5 to 38, which comprise the balance sheet as at 31 December 2024, and the income statement and cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements, and for such internal control as the management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.

Ernst & Young Vietnam Limited



Maria Cristina M. Calimbias
Deputy General Director
Audit Practicing Registration Certificate
No. 1073-2023-004-1

Ngo Thi Thuy Hoa
Auditor
Audit Practicing Registration Certificate
No. 4171-2022-004-1

Ho Chi Minh City, Vietnam

26 March 2025

5/3/2025

BALANCE SHEET
as at 31 December 2024

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		69,882,157,635	128,329,644,741
110	I. Cash and cash equivalents	4	12,158,294,343	11,949,613,048
111	1. Cash		3,058,294,343	3,949,613,048
112	2. Cash equivalents		9,100,000,000	8,000,000,000
130	II. Current accounts receivable		39,971,127,485	66,402,704,943
131	1. Short-term trade receivables	5	95,567,265,949	93,084,830,096
132	2. Short-term advances to suppliers	6	2,175,350,148	2,913,954,898
136	3. Other short-term receivables	7	13,782,702,028	14,552,131,771
137	4. Provision for doubtful short-term receivables	5, 6 and 7	(71,554,190,640)	(44,148,211,822)
140	III. Inventories	8	15,428,014,858	46,896,927,828
141	1. Inventories		15,428,014,858	46,896,927,828
150	IV. Other current assets		2,324,720,949	3,080,398,922
151	1. Short-term prepaid expenses	14	1,805,792,912	3,080,398,922
152	2. Value-added tax deductible	17	518,928,037	-
200	B. NON-CURRENT ASSETS		151,562,954,073	178,226,029,525
210	I. Long-term receivable		2,403,708,036	2,552,311,718
216	1. Other long-term receivable	7	2,403,708,036	2,552,311,718
220	II. Fixed assets		120,745,909,888	153,138,431,806
221	1. Tangible fixed assets	9	45,233,799,439	87,209,335,758
222	Cost		486,091,252,705	520,490,452,705
223	Accumulated depreciation		(440,857,453,266)	(433,281,116,947)
224	2. Finance leases	10	74,445,133,924	64,450,108,259
225	Cost		94,544,645,726	77,859,191,181
226	Accumulated depreciation		(20,099,511,802)	(13,409,082,922)
227	3. Intangible asset	11	1,066,976,525	1,478,987,789
228	Cost		3,766,607,975	3,766,607,975
229	Accumulated amortization		(2,699,631,450)	(2,287,620,186)
240	III. Long-term asset in progress		9,201,808,247	7,126,300,000
242	1. Construction in progress	12	9,201,808,247	7,126,300,000
250	IV. Long-term investment		816,000,000	816,000,000
252	1. Investment in joint venture	13	816,000,000	816,000,000
260	V. Others long-term asset		18,395,527,902	14,592,986,001
261	1. Long-term prepaid expenses	14	18,395,527,902	14,592,986,001
270	TOTAL ASSETS		221,445,111,708	306,555,674,266

BALANCE SHEET (continued)
as at 31 December 2024

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		136,449,571,126	116,876,266,986
310	I. Current liabilities		109,912,460,603	99,988,205,937
311	1. Short term trade payables	15	30,898,559,227	31,675,639,912
312	2. Short-term advances from customers	16	1,591,302,864	1,486,302,864
313	3. Statutory obligations	17	170,942,648	27,298,646,833
314	4. Payables to employees		4,017,854,114	4,442,135,334
315	5. Short-term accrued expenses	18	3,385,229,570	5,644,059,618
318	6. Short-term unearned revenue		363,636,362	218,181,818
319	7. Other short-term payables	19	5,166,150,977	2,666,754,783
320	8. Short-term loans and finance leases	20	64,013,619,436	26,211,519,370
322	9. Bonus and welfare fund		305,165,405	344,965,405
330	II. Non-current liabilities		26,537,110,523	16,888,061,049
337	1. Other long-term payable	19	8,005,100,000	400,000,000
338	2. Long-term loans and finance leases	20	18,532,010,523	16,488,061,049
400	D. OWNERS' EQUITY		84,995,540,582	189,679,407,280
410	I. Capital	21.1	84,995,540,582	189,679,407,280
411	1. Share capital		209,723,210,000	209,723,210,000
411a	- Shares with voting rights		209,723,210,000	209,723,210,000
412	2. Share premium		15,257,068,213	15,257,068,213
418	3. Investment and development fund		5,352,597,635	5,352,597,635
421	4. Accumulated losses		(145,337,335,266)	(40,653,468,568)
421a	- (Accumulated losses)			
	Undistributed earnings at the end of prior year		(40,653,468,568)	37,394,250,023
421b	- Loss for the current year		(104,683,866,698)	(78,047,718,591)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		221,445,111,708	306,555,674,266

Ho Chi Minh City, Vietnam

26 March 2025



Pham Thanh Huyen
Preparer

Nguyen Bui Thanh Loan
Chief Accountant

Dang Vu Thanh
General Director

INCOME STATEMENT
for the year ended 31 December 2024

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from rendering of services	22.1	184,947,185,824	133,957,262,502
11	2. Cost of services rendered	23	(221,180,470,947)	(204,142,147,325)
20	3. Gross loss from rendering of services		(36,233,285,123)	(70,184,884,823)
21	4. Finance income	22.2	1,067,142,756	1,002,740,165
22	5. Finance expenses	24	(5,212,067,660)	(5,697,891,860)
23	In which: Interest expense		(5,212,067,660)	(5,665,318,821)
25	6. Selling expense	25	(3,812,075,152)	(5,458,581,372)
26	7. General and administrative expenses	26	(52,009,301,449)	(38,363,936,993)
30	8. Operating loss		(96,199,586,628)	(118,702,554,883)
31	9. Other income	28	169,421,133	78,692,986,603
32	10. Other expenses	28	(7,390,701,203)	(11,294,723,935)
40	11. Other (loss) profit	28	(7,221,280,070)	67,398,262,668
50	12. Accounting loss before tax		(103,420,866,698)	(51,304,292,215)
51	13. Current corporate income tax expense	29.1	(1,263,000,000)	(26,301,544,351)
52	14. Deferred tax expense		-	(441,882,025)
60	15. Net loss after corporate income tax		(104,683,866,698)	(78,047,718,591)
70	16. Basic loss per share	31	(4,992)	(3,721)
71	17. Diluted loss per share	31	(4,992)	(3,721)

Ho Chi Minh City, Vietnam

26 March 2025



Phạm Thanh Huyền
Preparer



Nguyễn Bui Thanh Loan
Chief Accountant



Đặng Vũ Thanh
General Director

CASH FLOW STATEMENT
for the year ended 31 December 2024

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting loss before tax		(103,420,866,698)	(51,304,292,215)
	<i>Adjustments for:</i>			
02	Depreciation and amortization	9, 10, 11	20,756,857,948	22,452,332,243
03	Provisions		27,405,978,818	10,860,253,680
	Foreign exchange gains arising from revaluation of monetary accounts			
04	denominated in foreign currency		(819,351,395)	(466,977,308)
05	Profit from investing activities		(236,202,680)	(78,881,980,656)
06	Interest expense	24	5,212,067,660	5,665,318,821
	Operating loss before changes in working capital		(51,101,516,347)	(91,675,345,435)
09	Decrease in receivables		11,333,466,287	27,562,033,791
10	Decrease in inventories		31,468,912,970	54,833,914,368
11	Decrease in payables		(2,095,048,063)	(4,630,138,060)
12	(Increase) decrease in prepaid expenses		(2,527,935,891)	9,521,626,050
14	Interest paid		(3,066,065,605)	(7,000,259,008)
15	Corporate income tax paid	17	(21,861,092,387)	(6,072,120,017)
17	Other cash outflows for operating activities		(39,800,000)	(87,156,000)
20	Net cash flows used in operating activities		(37,889,079,036)	(17,547,444,311)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(761,166,018)	(5,273,256,945)
22	Proceeds from disposal of fixed assets		17,130,400,000	108,581,084,340
27	Interest deposit received		236,476,809	483,164,059
30	Net cash flows from investing activities		16,605,710,791	103,790,991,454

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2024

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	20	90,267,893,915	51,399,917,109
34	Repayment of borrowings	20	(56,701,164,375)	(134,388,171,437)
35	Payment of principal amounts from finance leases	20	(12,074,680,000)	(10,239,280,000)
40	Net cash flows from (used in) financing activities		21,492,049,540	(93,227,534,328)
50	Net increase (decrease) in cash and cash equivalent for the year		208,681,295	(6,983,987,185)
60	Cash and cash equivalents at beginning of year		11,949,613,048	18,933,600,233
70	Cash and cash equivalents at end of year	4	12,158,294,343	11,949,613,048

Ho Chi Minh City, Vietnam

26 March 2025


Pham Thanh Huyen
Preparer

Nguyen Bui Thanh Loan
Chief AccountantDang Vu Thanh
General Director

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2024 and for the year then ended

1. CORPORATE INFORMATION

Vietranstimex Multimodal Transport Holding Company ("the Company"), formerly known as Multimodal Transport Holding Company, was originally a State-owned enterprise established in Vietnam in accordance with Decision No. 1313/QD-TC issued by the Ministry of Transport ("MOT") on 27 March 1976. The Company's first Business Registration Certificate ("BRC") No. 3206000035 was issued by the Department of Planning and Investment ("DPI") of Da Nang City on 5 May 2004.

On 28 May 2010, the Company was equitized in accordance with Decision No. 1454/QD-BGTVT issued by the MOT. This equitization was formalized by the DPI of Da Nang City through the issuance of Enterprise Registration Certificate No. 0400101901 on 1 November 2010 and its subsequent amendments.

The Company's shares were registered for trading in the market of unlisted public companies managed by the Hanoi Stock Exchange ("HNX") with the code VTX in accordance with Decision No. 189/QD-SGDHN issued by HNX on 11 April 2014.

The current principal activities of the Company are to provide domestic multimodal transport services; direct transport services for road, rail, and water transport; and warehouse, machinery, equipment and means of transport rental.

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

The Company's head office is located at the Company's registered head office is located at No. 1B Hoang Dieu Street, Ward 13, District 4, Ho Chi Minh City, Vietnam and its branches are located at Ha Noi City, Da Nang City and Quang Ngai Province, Vietnam.

The number of the Company's employees as at 31 December 2024 is 128 (31 December 2023: 133).

2. BASIS OF PREPARATION**2.1 Accounting standards and system**

The financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard 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 financial statements including their utilization 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 financial position, the results of operations and the cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.2 *Going concern assumption*

The financial statements have been prepared on a going concern basis. The Company incurred a net loss for the year ended 31 December 2024 of VND 104,683,866,698. As at this date, the Company had accumulated losses of VND 145,337,335,266 and its current liabilities also exceeded its current assets by VND 40,030,302,968. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the ability of the Company to continue in business depends on its ability to operate profitably in the future and continue to receive financial support from the parent company and the related parties in Group.

As at the date of these financial statements, South Logistics Joint Stock Company, the parent Company, has confirmed its willingness and ability to provide ongoing financial support for the Company to meet its liabilities as and when they fall due. Additionally, management prepared its business plan for next year with main cash flows to be generated from its operating activities. Further, related parties committed not to demand for payment for the amounts due from the Company until such time when liabilities to third parties have been settled and it is in a position to repay the same. On this basis, management considers it as appropriate to prepare the Company's financial statements on the going concern basis.

Accordingly, the Company's financial statements do not include any adjustments to assets and liabilities that may be necessary if the Company is unable to continue as a going concern.

2.3 *Applied accounting documentation system*

The Company's applied accounting documentation system is the Voucher Journal system.

2.4 *Fiscal year*

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

2.5 *Accounting currency*

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

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 less 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 historical cost comprising 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories (continued)

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, fuel consumables and tools and supplies	- Cost of purchase on a first-in, first-out basis.
Work-in process	- External services and labor plus attributable manufacturing overheads based on the normal operating capacity.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the income statement. When inventories are expired, obsolete, damaged or become useless, the difference between the provision previously made and the historical cost of inventories is included in the income statement.

3.3 Receivables

Receivables are presented in the balance sheet at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the difference between the provision for doubtful receivables previously made and historical cost of receivables is included in the 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, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the 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 income statement.

3.5 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leased assets (continued)

Where the Company is the lessee

Assets held under finance leases are capitalised in the 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 income statement over the lease term at an applicable interest rate 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 lives of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

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

Where the Company is the lessor

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

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

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible 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 income statement.

3.7 Depreciation and amortization

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

Buildings and structures	5 - 50 years
Machinery and equipment	3 - 6 years
Means of transportation	4 - 15 years
Office equipment	3 - 5 years
Computer software	3 - 5 years

3.8 Construction in progress

Construction in progress comprises tangible fixed assets under construction stated at cost. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

3.9 Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Prepaid expenses*

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

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract signed with Quang Ngai Investment Construction and Service Trading One-member Limited Company on 6 April 2010 for a period of 45 years. Such prepaid rental is recognised as a long-term prepaid expense for allocation to the 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 the management, use and depreciation of fixed assets.

3.11 *Investment in joint venture*

Investment in joint venture over which the Company has joint control is carried at cost.

Distributions from accumulated net profits of the joint venture arising subsequent to the date of acquisition are recognized in the income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

3.12 *Payables and accruals*

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

3.13 *Foreign currency transactions*

Transactions in currencies other than the Company'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 Company conducts transactions regularly; and
- Monetary liabilities are translated at the selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred are taken to the income statement.

3.14 *Share capital*

Ordinary shares

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognised as a deduction from share premium.

Share premium

Share premium is the difference between the par value and the issuance price of the shares, minus the actual expenses incurred for the issuance of the shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Loss per share*

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

Diluted loss per share amount is calculated by dividing the net loss after tax attributable to ordinary equity holders of the Company (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.

3.16 *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 Company's Charter and Vietnamese regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company'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 Company'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 on the balance sheet.

3.17 *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company 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 recognized:

Rendering of services

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

Interest income

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

Rental income

Rental income arising from operating leases is recognised in income statement on a straight line basis over the terms of the lease.

3.18 *Segment information*

The Company's principal activities are to provide transport services which are mainly taking place within Vietnam. Therefore, the Company's risks and returns are not impacted by the Company's services that the Company is providing or the locations where the Company is operating. As a result, the Company's General Director is of the view that there is only one segment for business of providing transport services and geography in Vietnam and therefore presentation of segmental information is not required.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior year 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 income statement, except when it relates to items recognized 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 Company to off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred income 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 recognized for all taxable temporary differences. Deferred tax assets are recognized 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 utilized.

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 income tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized 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 realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred income tax is charged or credited to the income statement, except when it relates to items recognized 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 Company to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority on either the same taxable entity or when the Company intends either to settle current tax liabilities and assets on a net basis or to realize 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.

3.20 Related parties

Parties are considered to be related parties of the Company 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 Company and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

4. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	9,474,473	12,351,000
Cash in banks	3,048,819,870	3,937,262,048
Cash equivalents	9,100,000,000	8,000,000,000
TOTAL	12,158,294,343	11,949,613,048

Cash equivalents represent short-term deposits in VND at Joint Stock Commercial Bank for Foreign Trade of Vietnam with original maturities of less than three (3) months and interest at rates ranging from 2.7% to 2.8% per annum.

5. SHORT-TERM TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Third party customers	95,486,365,949	92,835,224,470
Branch of Petro Vietnam Technical Services Corporation - PTSC Supply Base	13,001,779,517	-
Others	82,484,586,432	92,835,224,470
Related parties (Note 30)	80,900,000	249,605,626
TOTAL	95,567,265,949	93,084,830,096
Provision for doubtful short-term trade receivables	(62,266,855,267)	(38,090,874,785)
NET	33,300,410,682	54,993,955,311

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

	VND	
	Current year	Previous year
Beginning balance	38,090,874,785	28,817,630,525
Provision made during the year	26,692,980,482	9,363,157,157
Reversal of provision during the year	(2,517,000,000)	(89,912,897)
Ending balance	62,266,855,267	38,090,874,785

6. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Ben Nghe Port One Member Company Limited	442,800,000	-
Man Motors Vietnam Company Limited	115,758,850	-
Others	1,616,791,298	2,913,954,898
TOTAL	2,175,350,148	2,913,954,898
Provision for doubtful short-term advances to suppliers	(1,015,198,483)	(924,051,183)
NET	1,160,151,665	1,989,903,715

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

6. SHORT-TERM ADVANCES TO SUPPLIERS (continued)

Movements of provision for doubtful short-term advances to suppliers were as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	924,051,183	-
Provision made during the year	100,000,000	924,051,183
Reversal of provision during the year	(8,852,700)	-
Ending balance	<u>1,015,198,483</u>	<u>924,051,183</u>

7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	13,782,702,028	14,552,131,771
Deposits	5,878,650,784	3,573,992,904
Payments on behalf	5,715,072,663	5,597,225,237
Advances for employees	1,778,798,266	5,304,168,277
Value-added tax on finance leases	333,709,091	-
Others	76,471,224	76,745,353
Long-term	2,403,708,036	2,552,311,718
Deposits	1,235,726,218	2,552,311,718
Value-added tax on finance leases	1,167,981,818	-
TOTAL	16,186,410,064	17,104,443,489
Provision for doubtful other receivables	(8,272,136,890)	(5,133,285,854)
NET	7,914,273,174	11,971,157,635
<i>Of which:</i>		
Due from related parties (Note 30)	560,148,101	305,858,258
Due from third parties	15,626,261,963	16,798,585,231

Movements of provision for doubtful other receivables were as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	5,133,285,854	4,327,288,427
Provision made during the year	3,138,851,036	888,794,161
Reversal of provision during the year	-	(82,796,734)
Ending balance	<u>8,272,136,890</u>	<u>5,133,285,854</u>

8. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Materials and consumable fuel	14,055,302,413	14,069,798,455
Work in process	1,242,148,445	32,696,565,373
Tools and suppliers	130,564,000	130,564,000
TOTAL	15,428,014,858	46,896,927,828

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	VND Total
Cost:					
Beginning balance	19,102,779,946	49,059,975,357	451,557,017,402	770,680,000	520,490,452,705
Disposal	-	-	(34,367,200,000)	-	(34,367,200,000)
Write off	-	-	-	(32,000,000)	(32,000,000)
Ending balance	19,102,779,946	49,059,975,357	417,189,817,402	738,680,000	486,091,252,705
<i>In which:</i>					
<i>Fully depreciated</i>	12,595,495,413	32,782,170,851	335,825,372,347	738,680,000	381,941,718,611
Accumulated depreciation:					
Beginning balance	(17,167,805,948)	(39,117,058,682)	(376,238,824,495)	(757,427,822)	(433,281,116,947)
Depreciation	(520,631,161)	(2,190,690,786)	(10,929,843,679)	(13,252,178)	(13,654,417,804)
Disposals	-	-	6,046,081,485	-	6,046,081,485
Write off	-	-	-	32,000,000	32,000,000
Ending balance	(17,688,437,109)	(41,307,749,468)	(381,122,586,689)	(738,680,000)	(440,857,453,266)
Net carrying amount:					
Beginning balance	1,934,973,998	9,942,916,675	75,318,192,907	13,252,178	87,209,335,758
Ending balance	1,414,342,837	7,752,225,889	36,067,230,713	-	45,233,799,439
<i>Pledged as loans security (Note 20)</i>	-	4,404,652,710	18,179,317,815	-	22,583,970,525

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

10. FINANCE LEASES

			VND
	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Total</i>
Cost:			
Beginning balance	77,859,191,181	-	77,859,191,181
Additions	-	16,685,454,545	16,685,454,545
Ending balance	77,859,191,181	16,685,454,545	94,544,645,726
Accumulated depreciation:			
Beginning balance	(13,409,082,922)	-	(13,409,082,922)
Depreciation for the year	(5,190,612,744)	(1,499,816,136)	(6,690,428,880)
Ending balance	(18,599,695,666)	(1,499,816,136)	(20,099,511,802)
Net carrying amount:			
Beginning balance	64,450,108,259	-	64,450,108,259
Ending balance	59,259,495,515	15,185,638,409	74,445,133,924

11. INTANGIBLE ASSET

	VND
	<i>Computer software</i>
Cost:	
Beginning and ending balance	3,766,607,975
<i>In which:</i>	
<i>Fully amortized</i>	1,706,551,725
Accumulated amortization:	
Beginning balance	(2,287,620,186)
Amortization for the year	(412,011,264)
Ending balance	(2,699,631,450)
Net carrying amount:	
Beginning balance	1,478,987,789
Ending balance	1,066,976,525

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

12. CONSTRUCTION IN PROGRESS

	VND	
	Ending balance	Beginning balance
Warehouse renovation and upgrade fee	9,201,808,247	6,705,700,000
Repairs fee	-	420,600,000
TOTAL	9,201,808,247	7,126,300,000

13. LONG-TERM INVESTMENT

The details of this investment in a joint venture are as follows:

		VND			
Name of joint venture	Business activity	Ending balance		Beginning balance	
		% interest	Cost of investment	% interest	Cost of investment
			VND		VND
BNX-Vietranstimex Joint Venture Limited Company	Transportation	51	816,000,000	51	816,000,000

In accordance with Agreement No. VTT-BNX/2011-001 dated 4 April 2011, the joint venture ended its operations and is in the process of liquidation.

14. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term	1,805,792,912	3,080,398,922
Tools and supplies	577,482,101	950,408,634
Repairs	496,439,979	1,450,183,365
Insurance	31,959,702	17,809,036
Others	699,911,130	661,997,887
Long-term	18,395,527,902	14,592,986,001
Prepayment for finance lease	10,596,261,596	-
Office decoration and maintenance fee	3,071,990,347	8,965,781,146
Tools and supplies	2,614,806,154	3,401,654,320
Land rental fee	2,081,844,181	2,151,238,993
Others	30,625,624	74,311,542
TOTAL	20,201,320,814	17,673,384,923

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

15. SHORT-TERM TRADE PAYABLES

	Ending balance	VND Beginning balance
Due to third party suppliers	22,282,613,729	29,176,687,747
<i>Taupo International Construction JSC</i>	5,452,800,000	5,452,800,000
<i>Hang Hai Thai Binh Investment and Service Company Limited</i>	2,496,856,000	-
<i>Others</i>	14,332,957,729	23,723,887,747
Due to related parties (Note 30)	8,615,945,498	2,498,952,165
TOTAL	30,898,559,227	31,675,639,912

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	Ending balance	VND Beginning balance
Chemical Designing Industries JSC	920,502,500	920,502,500
Others	670,800,364	565,800,364
TOTAL	1,591,302,864	1,486,302,864

17. STATUTORY OBLIGATIONS

	Beginning balance	Increase	Decrease	VND Ending balance
Receivable				
Value-added-tax	-	12,671,524,656	(12,152,596,619)	518,928,037
Payables				
Value-added-tax	4,206,014,412	5,758,800,728	(9,820,070,708)	144,744,432
Corporate income tax	20,598,092,387	1,263,000,000	(21,861,092,387)	-
Personal income tax	80,269,766	1,168,415,536	(1,222,487,086)	26,198,216
Import and export tax	-	52,376,423	(52,376,423)	-
Other tax	2,414,270,268	1,592,223,721	(4,006,493,989)	-
TOTAL	27,298,646,833	9,834,816,408	(36,962,520,593)	170,942,648

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

18. SHORT-TERM ACCRUED EXPENSES

	VND	
	Ending balance	Beginning balance
Sub-contractors	3,063,274,655	4,935,291,995
Others	321,954,915	708,767,623
TOTAL	3,385,229,570	5,644,059,618
<i>In which:</i>		
<i>Due to related party (Note 30)</i>	-	17,432,877
<i>Due to third parties</i>	3,385,229,570	5,626,626,741

19. OTHER PAYABLES

	VND	
	Ending balance	Beginning balance
Short-term	5,166,150,977	2,666,754,783
Loan interest expense	2,134,718,904	-
Deposits	940,000,000	200,000,000
Dividends	573,468,776	573,468,776
Others	1,517,963,297	1,893,286,007
Long-term	8,005,100,000	400,000,000
Deposits		
TOTAL	13,171,250,977	3,066,754,783
<i>In which:</i>		
<i>Due to related parties (Note 30)</i>	10,577,702,535	816,500,000
<i>Due to third parties</i>	2,593,548,442	2,250,254,783

Vietranstimex Multimodal Transport Holding Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

20. LOANS AND FINANCE LEASES

	Beginning balance	Drawdown	Repayment	Reclassification	VND Ending balance
Short-term loans	26,211,519,370	90,267,893,915	(66,940,444,375)	14,474,650,526	64,013,619,436
Related parties (Note 20.1)	5,000,000,000	33,500,000,000	(3,500,000,000)	-	35,000,000,000
Bank (Note 20.2)	5,288,028,850	54,267,893,915	(46,416,953,853)	-	13,138,968,912
Current portion of long-term bank loan (Note 20.3)	5,684,210,520	-	(5,684,210,522)	5,684,210,526	5,684,210,524
Loan from individual (Note 20.4)	-	2,500,000,000	(1,100,000,000)	-	1,400,000,000
Current portion of long-term finance leases (Notes 20.5)	10,239,280,000	-	(10,239,280,000)	8,790,440,000	8,790,440,000
Long-term loans	16,488,061,049	18,354,000,000	(1,835,400,000)	(14,474,650,526)	18,532,010,523
Bank (Note 20.3)	11,368,421,049	-	-	(5,684,210,526)	5,684,210,523
Finance leases (Note 20.5)	5,119,640,000	18,354,000,000	(1,835,400,000)	(8,790,440,000)	12,847,800,000
TOTAL	42,699,580,419	108,621,893,915	(68,775,844,375)	-	82,545,629,959

The Company obtained loans from related parties, banks and an individual to support its working capital requirements (Notes 20.1 to 20.4), with details as follows:

20.1 Short-term loans from related parties (Note 30)

Lender	Ending balance VND	Maturity date	Interest rate (%/p.a)	Collateral
Southern Waterborne Transport Joint Stock Corporation	25,000,000,000	31 December 2025	6.38	Unsecured
Sotrans Logistics One Member Co., Ltd	10,000,000,000	31 December 2025	6.38	Unsecured
TOTAL	35,000,000,000			

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

20. LOANS AND FINANCE LEASES (continued)

20.2 Short-term loan from a bank

Bank	Ending balance	Maturity date	Interest rate	Collateral
	VND		(%/p. a)	
Saigon – Hanoi Commercial Joint Stock Bank	13,138,968,912	From 11 May 2025 to 26 May 2025	5.3 – 6.3	Bank deposits of VND 10,000,000,000 with South Logistic Joint Stock Company, parent company (Note 30)

20.3 Long-term loan from a bank

Bank	Ending balance	Maturity date	Interest rate	Collateral
	VND		(%/p. a)	
HSBC Bank Vietnam Limited	11,368,421,047	From 28 March 2025 to 28 December 2026	6.4 – 6.43	Means of transportation, machinery and equipment (Note 9) Bank guarantee letter issued by South Logistic Joint Stock Company, parent company, with credit limit of VND 27,000,000,000 (Note 30)

In which:

Current portion	5,684,210,524
Non-current portion	5,684,210,523

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

20. LOANS AND FINANCE LEASES (continued)

20.4 Loan from an individual

Lender	Ending balance	Maturity date	Interest rate (%/p.a)	Collateral
Tran Phi Son	<u>1,400,000,000</u>	30 June 2025	6.31	Unsecured

20.5 Finance leases

The Company currently leases machinery and equipment under a finance lease arrangement with Vietcombank Financial Leasing Co., Ltd - Ho Chi Minh Branch and Asia Commercial Bank Leasing Company Limited, with details as follows:

	Ending balance		Beginning balance	
	Total minimum lease payments	Finance charges	Total minimum lease payments	Finance charges
				Lease liabilities
Current portion Up to 1 year	10,302,657,321	1,512,217,321	11,127,299,091	888,019,091
				10,239,280,000
Non-current portion Over 1 to 5 years	14,974,565,979	2,126,765,979	5,182,127,661	62,487,661
				5,119,640,000
TOTAL	<u>25,277,223,300</u>	<u>3,638,983,300</u>	<u>16,309,426,752</u>	<u>950,506,752</u>
				<u>15,358,920,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

21. OWNERS' EQUITY

21.1 Movements in owners' equity

	Share capital	Share premium	Investment and development fund	Accumulated losses	VND
Previous year					
Beginning balance	209,723,210,000	15,257,068,213	5,352,597,635	37,470,778,134	267,803,653,982
Net loss for the year	-	-	-	(78,047,718,591)	(78,047,718,591)
Bonus and welfare fund appropriation	-	-	-	(76,528,111)	(76,528,111)
Ending balance	<u>209,723,210,000</u>	<u>15,257,068,213</u>	<u>5,352,597,635</u>	<u>(40,653,468,568)</u>	<u>189,679,407,280</u>
Current year					
Beginning balance	209,723,210,000	15,257,068,213	5,352,597,635	(40,653,468,568)	189,679,407,280
Net loss for the year	-	-	-	(104,683,866,698)	(104,683,866,698)
Ending balance	<u>209,723,210,000</u>	<u>15,257,068,213</u>	<u>5,352,597,635</u>	<u>(145,337,335,266)</u>	<u>84,995,540,582</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

21. OWNERS' EQUITY (continued)

21.2 Shares

	<i>Shares</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Ordinary shares authorized to be issued	20,972,321	20,972,321
Ordinary shares issued and fully paid	20,972,321	20,972,321

The par value of each outstanding share: VND 10,000. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

22. REVENUES

22.1 Revenue from rendering of services

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Transportation services	169,062,667,323	122,240,543,514
Leasing services	15,884,518,501	11,716,718,988
TOTAL	184,947,185,824	133,957,262,502

22.2 Finance income

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Foreign exchange gains	830,940,076	532,222,681
Interest income	236,202,680	470,517,484
TOTAL	1,067,142,756	1,002,740,165

23. COST OF SERVICES RENDERED

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of transportation services	210,008,074,467	196,168,885,028
Cost of leasing services	11,172,396,480	7,973,262,297
TOTAL	221,180,470,947	204,142,147,325

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

24. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Loan interest	5,212,067,660	5,665,318,821
Foreign exchange losses	-	32,573,039
TOTAL	<u>5,212,067,660</u>	<u>5,697,891,860</u>

25. SELLING EXPENSE

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labor costs	<u>3,812,075,152</u>	<u>5,458,581,372</u>

26. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Provision for doubtful receivables	27,405,978,818	11,003,292,870
Labor cost	16,054,058,399	16,947,748,794
External services	7,130,592,864	8,641,676,198
Office tools and supplies	547,775,659	742,467,612
Depreciation and amortization	425,263,442	652,242,479
Others	445,632,267	376,509,040
TOTAL	<u>52,009,301,449</u>	<u>38,363,936,993</u>

27. OPERATING COSTS BY ELEMENT

	VND	
	<i>Current year</i>	<i>Previous year</i>
External services and sub-contractors	164,903,690,747	145,404,719,863
Labor costs	40,364,773,562	40,363,009,960
Provisions	27,405,978,818	10,859,559,236
Depreciation and amortization (Notes 9, 10 and 11)	20,756,857,948	22,452,332,243
Materials and fuel	18,312,624,145	19,832,540,412
Others	5,257,922,328	9,052,503,976
TOTAL	<u>277,001,847,548</u>	<u>247,964,665,690</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

28. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
Other income	169,421,133	78,692,986,603
Others	169,421,133	281,523,431
Gain from disposal of fixed assets	-	78,411,463,172
Other expenses	(7,390,701,203)	(11,294,723,935)
Penalty	(7,379,302,665)	(11,173,354,026)
Others	(11,398,538)	(121,369,909)
NET OTHER (LOSS) PROFIT	(7,221,280,070)	67,398,262,668

29. CORPORATE INCOME TAX

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

The tax returns filed by the Company 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 financial statements could be changed at a later date upon final determination by the tax authorities.

29.1 CIT expense

	VND	
	Current year	Previous year
CIT expense	-	15,708,756,475
Under-accrual of tax from prior years	1,263,000,000	65,090,283
Other adjustments (*)	-	10,527,697,593
Current CIT expense	1,263,000,000	26,301,544,351
Deferred tax expense	-	441,882,025
TOTAL	1,263,000,000	26,743,426,376

(*) In the previous year, the Company adjusted and declared additional tax for deductible expenses of from prior years.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

29. CORPORATE INCOME TAX (continued)

29.1 CIT expense (continued)

The reconciliation between CIT expense and the accounting loss before tax multiplied by CIT rate is presented below:

	VND	
	Current year	Previous year
Accounting loss before tax	(103,420,866,698)	(51,304,292,215)
At CIT rate of 20%	(20,684,173,340)	(10,260,858,443)
<i>Adjustments:</i>		
Non-deductible expenses	7,261,450,059	8,503,246,376
Unrealized foreign exchange gains	(163,840,432)	(93,743,031)
Non-deductible interest expense (*)	995,172,996	1,480,842,292
Under-accrual of tax from prior years	1,263,000,000	65,090,283
Unrecognized deferred tax on tax losses carried forward	12,591,390,717	16,521,151,306
Other adjustments	-	10,527,697,593
CIT expense	1,263,000,000	26,743,426,376

(*) In accordance with Decree No. 132/2020/ND-CP dated 5 November 2020 prescribing tax administration for enterprises with related party transactions, CIT expense was increased by VND 995,172,996.

29.2 Tax loss

Tax loss of the Company for the year differs from the accounting loss as reported in the 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.

29.3 Tax losses carried forward

The Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five (5) consecutive years subsequent to the year in which the loss was incurred. As at 31 December 2024, the Company has accumulated tax losses of VND 145,562,710,114 (December 2023: 82,605,756,530) available for offset against future taxable income. Details are as follows:

VND					
Originating year	Can be utilised up to	Tax loss amount	Utilised	Forfeited	Unutilised at 31 December 2024
2023	2028	82,605,756,530	-	-	82,605,756,530
2024	2029	62,956,953,584	-	-	62,956,953,584
TOTAL		145,562,710,114	-	-	145,562,710,114

The above estimated above tax losses as per the Company's corporate income tax declarations have not been audited by the local tax authorities as of the date of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

29. CORPORATE INCOME TAX (continued)

29.4 Interest expense exceeding the prescribed threshold

The Company is entitled to carry forward interest expense exceeding the prescribed threshold that had not been deducted when calculating CIT for the current year ("non-deductible interest expense" or "NDIE") to the following year when determining the total deductible interest expense of the following year. The subsequent period that the interest expense can be carried forward to must not exceed a consecutive period of 5 years subsequent to the year in which the NDIE was incurred. At the balance sheet date, the Company has NDIE available as follows:

					VND
Origin- ating year	Can be used as deductible interest expense up to	NDIE incurred	Utilised	Forfeited	NDIE carried forward as at 31 December 2024
2022	2027	2,209,410,123	-	-	2,209,410,123
2023	2028	5,194,801,337	-	-	5,194,801,337
2024	2029	4,975,864,980	-	-	4,975,864,980
TOTAL		12,380,076,440	-	-	12,380,076,440

The above estimated NDIE as per the Company's corporate income tax declarations had not been audited by the local tax authorities as of the date of these financial statements.

29.5 Unrecognised deferred tax assets

Due to uncertainty on the Company's future taxable income and in predicting whether the Company is able to carry them forward in the remaining time limit or not, deferred tax assets have not been recognised in respect of the following items:

	VND Amount
Tax losses carried forward (Note 29.3)	145,562,710,114
Interest expense exceeding the prescribed threshold (Note 29.4)	12,380,076,440
TOTAL	157,942,786,554

30. RELATED PARTY DISCLOSURES

List of related parties that have a controlling relationship with the Company and other related parties of the Company during the year and as at 31 December 2024 is as follows:

Related party	Relationship
In Do Trans Logistics Corporation	Ultimate parent company
South Logistics Joint Stock Company	Parent company
Southern Waterborne Transport Corporation	Affiliate
Sotrans Logistics One Member Co., Ltd	Affiliate
Engineering Construction Joint Stock Company	Affiliate
South Port Joint Stock Company	Affiliate
First Logistics Development Joint Venture Company	Affiliate
ITL Logistics Joint Stock Company	Affiliate
ITL Freight Management Joint Stock Company	Affiliate

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

30. RELATED PARTY DISCLOSURES (continued)

List of related parties that have a controlling relationship and transactions with the Company during the year and as at 31 December 2024 is as follows: (continued)

<i>Related party</i>	<i>Relationship</i>
Mr Dang Doan Kien	Chairman
Mr Dang Vu Thanh	Board of Directors ("BOD") member cum General Director
Mr Nguyen Quoc Thuc	BOD member
Ms Tran Thi Cam Tu	BOD secretary
Mr Nguyen Mai Khanh Trinh	Head of Board of Supervision ("BOS")
Ms Dinh Thi Phuong Vy	BOS member
Mr Nguyen Dang Truong	BOS member
Mr Duong Viet Cuong	Deputy General Director

Terms and conditions of transactions with related parties:

Related party transactions include all transactions undertaken with other companies to which the Company is related, either through the investor, investee relationship or because they share a common investor and thus are considered to be a part of the same corporate company. Sales and purchases to and from related parties are made on the basis of negotiated contracts. Outstanding balances are unsecured and interest-free and settlement occurs in cash.

Significant transactions of the Company with related parties were as follows:

<i>Related party</i>	<i>Transaction</i>	<i>VND</i>	
		<i>Current year</i>	<i>Previous year</i>
South Logistics Joint Stock Company (*)	Office rental	347,962,308	1,176,702,048
	Other income	308,935,323	792,912,654
	Purchase of service	24,127,158	-
	Loan payment	-	65,000,000,000
	Borrowing	-	15,000,000,000
	Interest expense	-	1,043,710,247
South Port Joint Stock Company	Car rental	3,324,339,408	3,047,311,124
	Deposit	-	277,028,284
Sotrans Logistics One Member Co, Ltd	Borrowing	8,500,000,000	5,000,000,000
	Loan payment	3,500,000,000	-
	Purchase of service	1,999,401,225	1,670,138,524
	Interest expense	561,614,798	17,432,877
	Rendering of transportation service	446,284,721	108,000,000
	Warehouse rental	94,500,000	94,500,000
In Do Trans Logistics Corporation	Purchase of service	48,836,235	599,105,129
	Rendering of transportation service	-	1,896,212,692

(*) South Logistic Joint Stock Company issued bank guarantee letters for a credit limit of VND 27,000,000,000 in 2022 and a pledge for its bank term deposit of VND 10,000,000,000 in 2025 as collateral for its bank loans (Notes 20.2 and 20.3).

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

30. RELATED PARTY DISCLOSURES (continued)

Significant transactions of the Company with related parties were as follows: (continued)

Related party	Transaction	Current year	VND Previous year
Southern Waterborne Transport Joint Stock Corporation	Borrowing	25,000,000,000	-
	Interest expense	1,555,671,229	-
	Warehouse rental	150,000,000	500,000,000
	Purchase of service	83,208,365	131,656,945
ITL Logistics Joint Stock Company	Deposit received	7,605,100,000	-
	Purchase of services	793,678,593	-
	Deposit	144,000,000	-
	Rendering of transportation service	25,151,342	-
ITL Freight Management Joint Stock Company	Rendering of transportation service	48,407,407	-
Mr. Duong Viet Cuong	Advance	417,000,000	-
	Business fee	287,374,130	-

Amounts due to and due from related parties were as follows:

		VND	
Related party	Transaction	Ending balance	Beginning balance
Short-term trade receivables (Note 5)			
ITL Freight Management Joint Stock Company	Rendering of services	52,280,000	-
Sotrans Logistics One Member Co, Ltd	Rendering of services	28,620,000	-
In Do Trans Logistics Corporation	Rendering of services	-	249,605,626
		80,900,000	249,605,626
Other short-term receivables (Note 7)			
South Port Joint Stock Company	Deposit	277,028,284	277,028,284
ITL Logistics Joint Stock Company	Deposit	144,000,000	-
Mr. Duong Viet Cuong	Advance	106,230,087	-
South Logistics Joint Stock Company	Rendering of services	22,978,930	23,829,874
ITL Freight Management Joint Stock Company	Rendering of service	5,910,800	-
Sotrans Logistics One Member Co., Ltd	Rendering of service	4,000,000	-
Mr. Nguyen Hoang Long	Advance	-	5,000,100
		560,148,101	305,858,258

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

31. RELATED PARTY DISCLOSURES (continued)

Amounts due to and due from related parties were as follows: (continued)

Related party	Transaction	Ending balance	VND Beginning balance
Short-term trade payables (Note 15)			
South Port Joint Stock Company	Car rental	4,487,858,205	897,571,641
Sotrans Logistics One Member Co., Ltd	Purchase of service	2,648,311,044	744,373,418
South Logistics Joint Stock Company	Office rental	731,917,154	323,101,284
Southern Waterborne Transport Joint Stock Corporation	Purchase of service	385,000,000	220,000,000
ITL Logistics Joint Stock Company	Purchase of service	311,040,000	293,857,182
In Do Trans Logistics Corporation	Purchase of service	51,819,095	20,048,640
		8,615,945,498	2,498,952,165
Short-term accrued expense (Note 18)			
Sotrans Logistics One Member Co., Ltd	Interest expense	-	17,432,877
Short-term other payables (Note 19)			
ITL Logistics Joint Stock Company	Deposit received	7,605,100,000	-
Southern Waterborne Transport Joint Stock Corporation	Interest expense	1,555,671,229	-
BNX-Vietranstimex Joint venture	Other payable	816,000,000	816,000,000
Sotrans Logistics One Member Co., Ltd	Interest expense	579,047,675	-
Mr. Duong Viet Cuong	Other payable	20,865,600	-
In Do Trans Logistics Corporation	Payment on behalf	1,018,031	500,000
		10,577,702,535	816,500,000
Short-term loans (Note 20)			
Southern Waterborne Transport Joint Stock Corporation	Borrowing	25,000,000,000	-
Sotrans Logistics One Member Co., Ltd	Borrowing	10,000,000,000	5,000,000,000
		35,000,000,000	5,000,000,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

30. RELATED PARTY DISCLOSURES (continued)

Other related party transaction

Remuneration of members of the Board of Directors, Board of Supervision and management is as follows:

<i>Individual</i>	<i>Position</i>	<i>VND</i>	
		<i>Remuneration</i>	
		<i>Current year</i>	<i>Previous year</i>
<i>Board of Directors</i>			
Mr Dang Doan Kien	Chairman (appointed from 1 May 2024)	30,000,000	120,000,000
Mr Dang Vu Thanh	Member (appointed from 1 May 2024)	45,000,000	180,000,000
Mr Bui Quang Lien	Member (resigned from 19 June 2024)	30,000,000	120,000,000
Ms Tran Thi Cam Tu	Secretary of BOD	60,000,000	60,000,000
<i>Board of Supervision</i>			
Mr Nguyen Mai Khanh Trinh	Head	24,000,000	51,636,364
Mr Nguyen Dang Truong	Member (appointed from 19 June 2024)	24,000,000	-
Ms Dinh Thi Phuong Vy	Member	15,000,000	60,000,000
Ms Nguyen Thi Ngoc Anh	Member (resigned from 10 August 2023)	-	36,521,739
<i>Management</i>			
Mr Duong Viet Cuong	Deputy General Director (appointed from 1 January 2024)	1,078,030,001	-
Mr Bui Quang Lien	General Director (resigned from 1 May 2024)	450,790,435	1,496,750,000
TOTAL		<u>1,756,820,436</u>	<u>2,124,908,103</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

31. LOSS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	VND	
	Current year	Previous year
Net loss after tax	(104,683,866,698)	(78,047,718,591)
Net loss after tax attributable to ordinary shares	(104,683,866,698)	(78,047,718,591)
Weighted average number of ordinary shares	20,972,321	20,972,321
Basic loss per share (VND/share)	(4,992)	(3,721)
Diluted loss earnings per share (VND/share)	(4,992)	(3,721)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

32. OPERATING LEASE COMMITMENTS

The Company as a lessee

The Company leases warehouse and land area under an operating lease arrangement, with minimum lease commitments due as follows:

	VND	
	Ending balance	Beginning balance
Less than 1 year	888,962,428	1,704,513,880
From 2 to 5 years	2,248,228,000	2,248,228,000
More than 5 years	6,124,271,355	6,697,845,917
TOTAL	9,261,461,783	10,650,587,797

The Company as a lessor

The Company lets out warehouse under an operating lease arrangement, with minimum rental amounts collectible as follows:

	VND	
	Ending balance	Beginning balance
Less than 1 year	2,541,818,181	2,396,363,636
From 2 to 5 years	363,636,364	2,545,454,545
TOTAL	2,905,454,545	4,941,818,181

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

33. EVENT AFTER THE BALANCE SHEET DATE

There is no significant event or circumstance that has arisen after the balance sheet date that requires adjustments or disclosures to be made in the financial statements of the Company.

Ho Chi Minh City, Vietnam

26 March 2025



Pham Thanh Huyen
Preparer



Nguyen Bui Thanh Loan
Chief Accountant



Dang Vu Thanh
General Director

