

Vietranstimex Multimodal Transport Holding Company

Financial statements

For the year ended 31 December 2020



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 the 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 the Decision No. 1454/QD-BGTVT issued by MOT. This equitization was formalized by the DPI of Da Nang City through the issuance of the BRC No. 0400101901 on 1 November 2010 and the subsequent amended BRCs.

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

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 located at Ha Noi City, Da Nang City and Quang Ngai Province, Vietnam.

BOARD OF DIRECTORS

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

Mr Dang Vu Thanh	Chairman	appointed on 29 June 2020
Mr Do Hoang Phuong	Chairman	resigned on 29 June 2020
Mr Le Ba Tho	Member	appointed on 29 June 2020
Mr Dang Doan Kien	Member	
Mr Pham Tuan Anh	Member	resigned on 29 June 2020

BOARD OF SUPERVISION

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

Ms Tran Bao Ngoc	Head	appointed on 5 August 2020
Mr Ho Si Tuan	Member	appointed on 29 June 2020
Ms Nguyen Thi Ngoc Anh	Member	appointed on 29 June 2020

MANAGEMENT

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

Mr Bui Quang Lien	General Director	appointed on 1 July 2020
Mr Do Hoang Phuong	General Director	resigned on 1 July 2020
Mr Ho Xuan Hung	Deputy General Director	resigned on 1 October 2020
Ms Nguyen Thi Xuan	Deputy General Director	resigned on 1 October 2020

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report are:

Mr Bui Quang Lien	from 7 July 2020
Mr Do Hoang Phuong	to 6 July 2020

AUDITORS

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 its report and the financial statements of the Company for the year ended 31 December 2020.

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 does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 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 the preparation and presentation of the financial statements.

For and on behalf of management:



Bui Quang Lien
General Director

Ho Chi Minh City, Vietnam

29 March 2021

Reference: 61345701-22012343

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 29 March 2021 and set out on pages 5 to 32, which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended and the notes thereto.

Management's responsibility

The Company's 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 the 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 auditor considers 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 the 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.

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 2020, 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 the preparation and presentation of the financial statements.

Ernst & Young Vietnam Limited



Nguyen Quoc Hoang
Deputy General Director
Audit Practicing Registration Certificate
No. 2787-2016-004-1

Hồ Chí Minh City, Vietnam

29 March 2021

Ngo Thi Thuy Hoa
Auditor
Audit Practicing Registration Certificate
No. 4171-2017-004-1

BALANCE SHEET
as at 31 December 2020

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		249,452,365,304	178,393,392,246
110	I. Cash	4	24,272,223,071	12,782,672,575
111	1. Cash		24,272,223,071	12,782,672,575
130	II. Current accounts receivable		164,940,943,447	148,321,638,733
131	1. Short-term trade receivables	5	143,510,326,008	128,355,012,743
132	2. Short-term advances to suppliers	6	31,228,039,762	11,554,073,155
136	3. Other short-term receivables	7	27,326,152,881	28,479,484,104
137	4. Provision for doubtful short-term receivables	5, 7	(37,123,575,204)	(20,066,931,269)
140	III. Inventories	8	52,782,675,720	16,736,137,359
141	1. Inventories		52,925,714,910	16,736,137,359
149	2. Provision for obsolete inventories		(143,039,190)	-
150	IV. Other current assets		7,456,523,066	552,943,579
151	1. Short-term prepaid expenses	13	7,136,359,956	511,714,499
152	2. Value-added tax deductible	16	320,163,110	41,229,080
200	B. NON-CURRENT ASSETS		67,718,870,435	120,151,708,923
210	I. Long-term receivable		793,629,195	793,629,195
216	1. Other long-term receivables	7	793,629,195	793,629,195
220	II. Fixed assets		56,233,692,385	84,320,879,850
221	1. Tangible fixed assets	9	48,561,433,006	73,403,365,810
222	Cost		485,758,800,740	550,070,860,636
223	Accumulated depreciation		(437,197,367,734)	(476,667,494,826)
227	2. Intangible assets	10	7,672,259,379	10,917,514,040
228	Cost		9,498,251,533	12,624,319,258
229	Accumulated amortisation		(1,825,992,154)	(1,706,805,218)
240	III. Long-term asset in progress	11	155,225,441	5,874,810,260
242	1. Construction in progress		155,225,441	5,874,810,260
250	IV. Long-term investments		816,000,000	21,764,164,380
252	1. Investment in jointly controlled entity	12.1	816,000,000	816,000,000
255	2. Held-to-maturity investments		-	20,948,164,380
260	V. Others long-term asset		9,720,323,414	7,398,225,238
261	1. Long-term prepaid expenses	13	7,930,743,068	7,398,225,238
262	2. Deferred tax assets	27.3	1,789,580,346	-
270	TOTAL ASSETS		317,171,235,739	298,545,101,169

BALANCE SHEET (continued)
as at 31 December 2020

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		76,242,193,981	61,763,176,030
310	I. Current liabilities		76,092,693,981	60,904,676,030
311	1. Short term trade payables	14	14,250,730,703	37,471,836,272
312	2. Short-term advances from customers	15	14,508,056,763	3,562,206,265
313	3. Statutory obligations	16	7,093,968,180	4,189,495,352
314	4. Payables to employees		4,648,643,419	3,688,166,424
315	5. Short-term accrued expenses	17	1,113,537,655	4,802,756,940
318	6. Short-term unearned revenues		-	38,294,546
319	7. Other short-term payables	18	2,903,985,783	2,561,428,999
320	8. Short-term loans	19	31,456,249,691	3,768,909,778
322	9. Bonus and welfare fund		117,521,787	821,581,454
330	II. Non-current liabilities		149,500,000	858,500,000
337	1. Other long-term liability	18	149,500,000	258,500,000
342	2. Long-term provision		-	600,000,000
400	D. OWNERS' EQUITY		240,929,041,758	236,781,925,139
410	I. Capital	20.1	240,929,041,758	236,781,925,139
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. Undistributed earnings		10,596,165,910	6,449,049,291
421a	- Undistributed earnings by the end of prior year		6,227,535,708	2,018,777,630
421b	- Undistributed earnings of current year		4,368,630,202	4,430,271,661
440	TOTAL LIABILITIES AND OWNERS' EQUITY		317,171,235,739	298,545,101,169



Le Quang Vuong
Preparer



Phan Thi Yen Hoa
Chief Accountant



Bui Quang Lien
General Director

29 March 2021

INCOME STATEMENT
for the year ended 31 December 2020

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenues from sale of goods and rendering of services	21.1	198,483,135,785	272,461,340,208
11	2. Cost of goods sold and services rendered	22	(174,382,111,079)	(238,858,087,163)
20	3. Gross profits from sale of goods and rendering of services		24,101,024,706	33,603,253,045
21	4. Finance income	21.2	1,432,701,192	1,870,084,272
22	5. Finance expense	23	(1,036,341,481)	(529,816,403)
23	<i>In which: Interest expense</i>		(898,270,056)	(375,566,606)
26	6. General and administrative expenses	24	(54,490,768,451)	(33,041,689,957)
30	7. Operating (loss) profit		(29,993,384,034)	1,901,830,957
31	8. Other income	26	36,090,825,437	4,000,193,349
32	9. Other expenses	26	(985,015,000)	(103,063,104)
40	10. Other profit	26	35,105,810,437	3,897,130,245
50	11. Accounting profit before tax		5,112,426,403	5,798,961,202
51	12. Current corporate income tax expense	27.1	(2,533,376,547)	(1,368,689,541)
52	13. Deferred income tax income	27.3	1,789,580,346	-
60	14. Net profit after tax		4,368,630,202	4,430,271,661
70	15. Basic profit per share	29	208	201
71	16. Diluted profit per share	29	208	201



Le Quang Vuong
Preparer



Phan Thi Yen Hoa
Chief Accountant



Bui Quang Lien
General Director

29 March 2021

CASH FLOW STATEMENT
for the year ended 31 December 2020

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		5,112,426,403	5,798,961,202
	<i>Adjustments for:</i>			
02	Depreciation and amortization	9, 10	15,171,628,079	17,906,102,321
03	Provisions		17,199,683,125	3,759,804,815
04	Foreign exchange loss arising from revaluation of monetary accounts denominated in foreign currency		24,905,115	75,492,384
05	Profit from investing activities		(35,692,123,006)	(4,492,562,053)
06	Interest expense	23	898,270,056	375,566,606
08	Operating income before changes in working capital		2,714,789,772	23,423,365,275
09	Decrease (increase) in receivables		6,235,560,356	(6,742,267,063)
10	(Increase) decrease in inventories		(36,189,577,551)	6,346,749,049
11	Decrease in payables		(7,605,562,396)	(12,328,331,529)
12	Increase in prepaid expenses		(7,157,163,287)	(1,365,814,911)
14	Interest paid		(805,817,637)	(375,566,606)
15	Corporate income tax paid	16	(1,876,409,563)	(2,419,521,615)
17	Other cash outflows for operating activities		(925,573,250)	(1,569,466,588)
20	Net cash flows (used in) from operating activities		(45,609,753,556)	4,969,146,012
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(20,431,683,271)	(13,651,836,385)
22	Proceeds from disposal of fixed assets		27,372,212,970	2,803,636,364
23	Payments for purchase bonds		-	(20,948,164,380)
24	Collections from matured bonds		20,948,164,380	15,000,000,000
27	Interest deposit and bonds received		1,527,257,257	2,110,949,041
30	Net cash flows from (used in) investing activities		29,415,951,336	(14,685,415,360)

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2020 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 the 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 the Decision No. 1454/QD-BGTVT issued by MOT. This equitization was formalized by the DPI of Da Nang City through the issuance of the BRC No. 0400101901 on 1 November 2010 and the subsequent amended BRCs.

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

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 located at Ha Noi City, Da Nang City and Quang Ngai Province, Vietnam.

The number of the Company's employees as at 31 December 2020 is 185 (31 December 2019: 254).

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 and results of operations and 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 2020 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 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

Cash comprise cash on hand and cash at banks.

3.2 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value. Net realizable 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, 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 (through diminution, damage, obsolescence, etc.) of work-in process 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.

3.3 Receivables

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

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded into general and administration expense in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 *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.

Land use rights

Land use rights are recorded as intangible assets representing the value of the right to use the lands acquired by the Company. The useful lives of land use rights are assessed as either definite or indefinite. Accordingly, the land use right with definite useful lives is amortized over the useful lives while the land use right with indefinite useful lives is not amortized.

3.6 *Depreciation and amortization*

Depreciation of tangible fixed assets and amortization of intangible 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 - 10 years
Office equipment	3 - 5 years
Computer software	3 - 5 years

3.7 *Construction in progress*

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

3.8 *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.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term and long-term prepaid expenses on 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Investments

Investments in joint venture

Investments in joint venture over which the Company has joint control are 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.

3.11 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.

3.12 Foreign currency transactions

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

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks 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 which are determined as follows:

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

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

3.13 Earnings (loss) per share

Basic earnings (loss) per share amounts are calculated by dividing net profit 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 earnings (loss) per share amount is calculated by dividing the net profit 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *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.

Dividends

Dividends proposed by the Company's Board of Directors are classified as an allocation of undistributed earnings within the equity section of the balance sheet. These dividends are recognized as a liability in the balance sheet when they have been declared by the Board of Directors as approved by the Company's shareholders at the Annual General Meeting.

3.15 *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.

Sale of goods

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

Interest

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

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the lease term.

3.16 *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 management 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 2020 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 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.

3.18 Related parties

Parties are considered to be related parties of the Company if one party has the ability 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 2020 and for the year then ended

4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	415,050,117	343,541,000
Cash in banks	<u>23,857,172,954</u>	<u>12,439,131,575</u>
TOTAL	<u>24,272,223,071</u>	<u>12,782,672,575</u>

5. SHORT-TERM ACCOUNTS RECEIVABLE

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
From customers	85,747,780,595	116,099,661,743
<i>Deugro Vietnam Limited liability Company</i>	11,140,663,357	2,365,980,605
<i>Cosco Logistics Kunming Co., Ltd</i>	10,399,285,505	27,451,026,309
<i>BETON 6 Corporation</i>	8,195,337,277	8,195,337,277
<i>Cosco Logistics Hongkong Co., Ltd</i>	6,783,954,470	6,783,954,470
<i>BQP Dong Do Construction Development and Investment Corporation Central Branch</i>	5,000,000,000	6,759,000,000
<i>Others</i>	44,228,539,986	64,544,363,082
From related parties (Note 28)	<u>57,762,545,413</u>	<u>12,255,351,000</u>
TOTAL	<u>143,510,326,008</u>	<u>128,355,012,743</u>
Provision for doubtful receivables	<u>(36,388,800,722)</u>	<u>(18,636,685,209)</u>
NET	<u>107,121,525,286</u>	<u>109,718,327,534</u>

6. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advanced to suppliers	27,167,739,762	11,554,073,155
<i>Shandong Titan Vehicle Company Limited</i>	6,457,195,425	-
<i>Asean Mechanical Technology Corporation</i>	5,564,493,000	-
<i>GDN Vietnam Company Limited</i>	3,965,721,507	-
<i>Tin Nghia Investment and Newport Logistics Joint Stock Company</i>	3,000,000,000	-
<i>Others</i>	8,180,329,830	11,554,073,155
Advanced to a related party (Note 28)	<u>4,060,300,000</u>	<u>-</u>
TOTAL	<u>31,228,039,762</u>	<u>11,554,073,155</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	27,326,152,881	28,479,484,104
Advances for employees	20,752,923,251	19,821,395,788
Payment on behalf	5,716,089,630	8,324,387,668
Deposits	857,140,000	121,667,850
Interest income	-	146,739,726
Others	-	65,293,072
Long-term	793,629,195	793,629,195
Deposits	793,629,195	793,629,195
TOTAL	28,119,782,076	29,273,113,299
Provision for doubtful receivables	(734,774,482)	(1,430,246,060)
NET	27,385,007,594	27,842,867,239
<i>Of which:</i>		
<i>Related parties (Note 28)</i>	6,302,430,400	10,490,000,000
<i>Other parties</i>	21,817,351,676	18,783,113,299

8. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Work in process	43,239,406,010	6,161,769,992
Materials and fuel consumable	9,555,744,900	10,574,367,367
Tools and suppliers	130,564,000	-
TOTAL	52,925,714,910	16,736,137,359
Provision for obsolete inventories	(143,039,190)	-
NET	52,782,675,720	16,736,137,359

Detail of movements of provision for obsolete inventories:

	<i>Current year</i>	<i>Previous year</i>
Beginning balance	-	-
Provision created during the year	(143,039,190)	-
Ending balance	(143,039,190)	-

Vietranstimex Multimodal Transport Holding Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 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	30,828,936,494	35,743,030,851	482,055,426,059	1,443,467,232	550,070,860,636
New purchase	807,000,000	332,340,000	1,633,330,516	982,036,364	3,754,706,880
Transfer from construction in progress	-	-	11,858,559,195	-	11,858,559,195
Disposal	(2,925,677,163)	-	(76,999,648,808)	-	(79,925,325,971)
Ending balance	28,710,259,331	36,075,370,851	418,547,666,962	2,425,503,596	485,758,800,740
<i>In which:</i>					
Fully depreciated	415,941,455	31,869,260,417	365,399,996,677	1,108,423,596	398,793,622,145
Accumulated depreciation					
Beginning balance	(19,455,449,942)	(32,439,158,086)	(423,598,444,438)	(1,174,442,360)	(476,667,494,826)
Depreciation for the year	(2,200,173,834)	(510,371,974)	(11,895,247,810)	(446,647,525)	(15,052,441,143)
Disposal	2,075,506,993	-	52,447,061,242	-	54,522,568,235
Ending balance	(19,580,116,783)	(32,949,530,060)	(383,046,631,006)	(1,621,089,885)	(437,197,367,734)
Net carrying amount					
Beginning balance	11,373,486,552	3,303,872,765	58,456,981,621	269,024,872	73,403,365,810
Ending balance	9,130,142,548	3,125,840,791	35,501,035,956	804,413,711	48,561,433,006

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

10. INTANGIBLE FIXED ASSETS

	<i>Land use right</i>	<i>Computer software</i>	<i>VND</i>
			<i>Total</i>
Cost			
Beginning balance	10,678,204,185	1,946,115,073	12,624,319,258
Disposal	<u>(3,126,067,725)</u>	<u>-</u>	<u>(3,126,067,725)</u>
Ending balance	<u>7,552,136,460</u>	<u>1,946,115,073</u>	<u>9,498,251,533</u>
<i>In which:</i>			
Fully amortized	-	1,466,847,073	1,466,847,073
Accumulated amortization			
Beginning balance	-	(1,706,805,218)	(1,706,805,218)
Amortization for the year	<u>-</u>	<u>(119,186,936)</u>	<u>(119,186,936)</u>
Ending balance	<u>-</u>	<u>(1,825,992,154)</u>	<u>(1,825,992,154)</u>
Net carrying amount:			
Beginning balance	<u>10,678,204,185</u>	<u>239,309,855</u>	<u>10,917,514,040</u>
Ending balance	<u>7,552,136,460</u>	<u>120,122,919</u>	<u>7,672,259,379</u>

The land use rights of the Company with carrying amount of VND 7,552,136,460 was placed as collateral for the Company's bank loans. Details of such loans are presented in *Note 19*.

11. CONSTRUCTION IN PROGRESS

Construction in progress represents machinery under installation.

12. LONG-TERM INVESTMENTS

12.1 Investment in joint venture

<i>Name of joint venture</i>	<i>Business activities</i>	<i>VND</i>			
		<u><i>Ending balance</i></u>		<u><i>Beginning balance</i></u>	
		<i>% interest</i>	<i>Cost of investment</i>	<i>% interest</i>	<i>Cost of investment</i>
			<i>VND</i>		<i>VND</i>
BNX-Vietranstimex Joint Venture Limited Company (i)	Transportation	51	<u>816,000,000</u>	51	<u>816,000,000</u>

(i) In accordance with the Agreement No. VTT-BNX/2011-001 dated 4 April 2011, BNX-Vietranstimex Joint Venture Limited Company ("BNX-Vietranstimex") ended its operation. As at 31 December 2020, BNX-Vietranstimex is in process of liquidation.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

13. PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	7,136,359,956	511,714,499
Insurance	4,555,212,090	1,909,093
Toll fees	1,160,640,437	119,511,538
Tools and supplies	725,696,431	47,750,841
Land rental	182,000,000	-
Others	512,810,998	342,543,027
Long-term	7,930,743,068	7,398,225,238
Tools and supplies	3,259,026,492	3,127,893,426
Land rental fee	2,359,423,429	2,428,818,241
Office decoration and maintenance fee	1,915,418,768	853,103,037
Others	396,874,379	988,410,534
TOTAL	<u>15,067,103,024</u>	<u>7,909,939,737</u>

14. SHORT-TERM TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due to suppliers	12,403,440,776	36,721,518,772
<i>Dong Hai 27-7 Joint Stock Company</i>	3,398,710,242	7,886,103,372
<i>Tan Cang – Song Than ICD LLC</i>	1,086,740,006	-
<i>Phuong Dong Viet Transportation Oil JSC</i>	-	1,761,849,725
Others	7,917,990,528	27,073,565,675
Due to related parties (Note 28)	1,847,289,927	750,317,500
TOTAL	<u>14,250,730,703</u>	<u>37,471,836,272</u>

15. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances from customers	14,508,056,763	1,425,206,265
<i>SCI E&C Joint Stock Company</i>	12,834,376,900	-
<i>Chemical Industry Engineering JSC</i>	920,502,500	920,502,500
Others	753,177,363	504,703,765
Advances from a related party (Note 28)	-	2,137,000,000
TOTAL	<u>14,508,056,763</u>	<u>3,562,206,265</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

16. STATUTORY OBLIGATIONS

	VND			
	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>Ending balance</i>
Value-added-tax	2,986,817,179	9,613,340,338	(7,942,439,523)	4,657,717,994
Corporate income tax	1,068,689,541	2,533,376,547	(1,876,409,563)	1,725,656,525
Personal income tax	92,759,552	1,188,467,471	(890,796,472)	390,430,551
TOTAL	<u>4,148,266,272</u>	<u>13,335,184,356</u>	<u>(10,709,645,558)</u>	<u>6,773,805,070</u>
<i>In which:</i>				
<i>Receivables</i>	41,229,080	16,819,150,955	(16,540,216,925)	320,163,110
<i>Payables</i>	4,189,495,352	30,154,335,311	(27,249,862,483)	7,093,968,180

17. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Sub-contractor expenses	982,075,420	4,724,915,750
Others	131,462,235	77,841,190
TOTAL	<u>1,113,537,655</u>	<u>4,802,756,940</u>
<i>In which:</i>		
<i>Due to related parties (Note 28)</i>	46,528,767	-
<i>Due to third parties</i>	1,067,008,888	4,802,756,940

18. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	2,903,985,783	2,561,428,999
Deposits	650,000,000	-
Dividend payables	573,468,776	573,468,776
Trade union fee	109,194,534	614,034,387
Others	1,571,322,473	1,373,925,836
Long-term	149,500,000	258,500,000
Others	149,500,000	258,500,000
TOTAL	<u>3,053,485,783</u>	<u>2,819,928,999</u>
<i>In which:</i>		
<i>Due to related parties (Note 28)</i>	991,197,620	816,000,000
<i>Due to third parties</i>	2,062,288,163	2,003,928,999

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

19. SHORT-TERM LOANS

	<i>Ending balance</i>	<i>Beginning balance</i>
Bank loans (<i>Note 19.2</i>)	27,456,249,691	3,768,909,778
Related party (<i>Note 19.1</i>)	4,000,000,000	-
TOTAL	<u>31,456,249,691</u>	<u>3,768,909,778</u>

Movements of loans are as follows:

	<i>Loan from bank</i>	<i>Loan from a related party</i>	<i>Total</i>
Beginning balance	3,768,909,778	-	3,768,909,778
Drawdown in the year	69,416,795,331,	7,400,000,000	76,816,795,331
Repayment in the year	<u>(45,729,455,418)</u>	<u>(3,400,000,000)</u>	<u>(49,129,455,418)</u>
Ending balance	<u>27,456,249,691</u>	<u>4,000,000,000</u>	<u>31,456,249,691</u>

19.1 Short-term loan from related party

Related party loan is used for support working capital purpose and bear interest at 5.3%. Details is as follow:

<i>Lender</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Collateral</i>
	VND		
South Logistics Joint Stock Company	<u>4,000,000,000</u>	From 14 January 2021 to 24 January 2021	Unsecured

19.2 Short-term loan from bank

Bank loan is used for support working capital purpose and bear interest from 5.5% p.a to 6% p.a. Details is as follow:

<i>Bank</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Collateral</i>
	VND		
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch	<u>27,456,249,691</u>	From 12 May 2021 to 30 June 2021	Land use rights (<i>Note 10</i>)

Vietranstimex Multimodal Transport Holding Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

20. OWNERS' EQUITY

20.1 Movements in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed earnings	VND Total
Previous year					
Beginning balance	209,723,210,000	15,257,068,213	5,352,597,635	10,712,216,657	241,045,092,505
Net profit for the year	-	-	-	4,430,271,661	4,430,271,661
Funds appropriation	-	-	-	(304,510,627)	(304,510,627)
Dividends declared	-	-	-	(8,388,928,400)	(8,388,928,400)
Ending balance	<u>209,723,210,000</u>	<u>15,257,068,213</u>	<u>5,352,597,635</u>	<u>6,449,049,291</u>	<u>236,781,925,139</u>
Current year					
Beginning balance	209,723,210,000	15,257,068,213	5,352,597,635	6,449,049,291	236,781,925,139
Net profit for the year	-	-	-	4,368,630,202	4,368,630,202
Funds appropriation	-	-	-	(221,513,583)	(221,513,583)
Ending balance	<u>209,723,210,000</u>	<u>15,257,068,213</u>	<u>5,352,597,635</u>	<u>10,596,165,910</u>	<u>240,929,041,758</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

20. OWNERS' EQUITY (continued)

20.2 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.

20.3 Dividends

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Dividends on ordinary shares declared and paid during the year		
Dividends declared during the year	-	8,388,928,400
Dividends paid during the year	-	8,339,973,000

21. REVENUE

21.1 Revenues from sale of goods and rendering of services

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Rendering of transportation services and leasing services	198,196,312,769	272,288,569,120
Sales of goods	286,823,016	172,771,088
TOTAL	<u>198,483,135,785</u>	<u>272,461,340,208</u>

21.2 Finance income

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest income from bond	970,739,730	370,239,584
Interest income	212,517,521	1,318,686,105
Foreign exchange difference gains	249,443,941	181,158,583
TOTAL	<u>1,432,701,192</u>	<u>1,870,084,272</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

22. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of transportation services and leasing	173,952,248,873	238,595,550,477
Cost of goods sold	286,823,016	262,536,686
Provision for obsolete inventories	143,039,190	-
TOTAL	<u>174,382,111,079</u>	<u>238,858,087,163</u>

23. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Loan interest	898,270,056	375,566,606
Foreign exchange difference losses	138,071,425	154,249,797
TOTAL	<u>1,036,341,481</u>	<u>529,816,403</u>

24. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labor cost	20,771,170,993	20,901,413,371
Provision for doubtful receivables	17,056,643,935	3,759,804,815
Expenses for external services	10,329,754,919	5,428,320,985
Depreciation and amortization	1,869,160,992	609,364,329
Others	4,464,037,612	2,342,786,457
TOTAL	<u>54,490,768,451</u>	<u>33,041,689,957</u>

25. OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Expenses for external services and sub-contractors	122,597,958,670	179,397,070,426
Labor costs	58,063,132,355	50,404,596,805
Depreciation and amortization (Notes 9 and 10)	15,171,628,079	17,906,102,322
Materials and fuel	13,371,709,380	16,896,654,376
Provision for doubtful receivables	17,486,474,145	3,759,804,815
Others	2,181,976,901	3,535,548,376
TOTAL	<u>228,872,879,530</u>	<u>271,899,777,120</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

26. OTHER INCOME AND EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Other income	36,090,825,437	4,000,193,349
Gains from disposal of assets	34,311,605,475	2,803,636,364
Reimbursement	1,686,871,564	965,795,002
Others	92,348,398	230,761,983
Other expenses	(985,015,000)	(103,063,104)
Penalty	(913,987,525)	(53,048,378)
Others	(71,027,475)	(50,014,726)
NET OTHER PROFIT	<u>35,105,810,437</u>	<u>3,897,130,245</u>

27. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") of 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.

27.1 CIT expense

	VND	
	<i>Current year</i>	<i>Previous year</i>
CIT expense	2,249,138,513	1,368,689,541
Adjustment for under accrual of tax from prior years	<u>284,238,034</u>	-
Current CIT expense	2,533,376,547	1,368,689,541
Deferred tax income	<u>(1,789,580,346)</u>	-
TOTAL	<u>743,796,201</u>	<u>1,368,689,541</u>

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

	VND			
	<i>Current year</i>		<i>Previous year</i>	
	<i>Main activities</i>	<i>Other activities</i>	<i>Total</i>	
Accounting (loss) profit before tax	<u>(10,952,848,691)</u>	<u>16,065,275,094</u>	<u>5,112,426,403</u>	<u>5,798,961,202</u>
At CIT rate applicable to the Company	(2,190,569,738)	3,213,055,019	1,022,485,281	1,159,792,240
<i>Adjustments:</i>				
Non-deductible expenses	400,989,392	-	400,989,392	208,897,301
Adjustment under Cir No 114/2020/ND-CP	-	(963,916,506)	(963,916,506)	-
Adjustment for under accrual of tax from prior years	<u>284,238,034</u>	-	<u>284,238,034</u>	-
CIT expense	<u>(1,505,342,312)</u>	<u>2,249,138,513</u>	<u>743,796,201</u>	<u>1,368,689,541</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

27. CORPORATE INCOME TAX (continued)

27.2 Tax loss

The 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.

27.3 Deferred tax

The deferred tax items recognised by the Company, and the movements thereon, are as follows:

	<i>Balance sheet</i>		<i>Income statement</i>		VND
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	
Tax loss available for offset against future taxable income	1,609,926,335	-	1,609,926,335	-	
Interest expenses under Cir No 132/2020/ND-CP	179,654,011		179,654,011		
Net deferred tax assets	1,789,580,346	-			
Net deferred tax credit to income statement			1,789,580,346	-	

27.4 Tax loss carried forward

The Company is entitled to carry each individual tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company has tax losses of VND 8,947,901,732 (31 December 2019: VND nil) available for offset against future taxable income. Details are as follow:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount (*)</i>	<i>Utilized up to 31 December 2020</i>	<i>Forfeited</i>	VND
					<i>Unutilized as at 31 December 2020</i>
2020	2025	8,049,631,676	-	-	8,049,631,676

(*) Estimated tax loss as per the Company's corporate income tax declaration for the year ended 31 December 2020 has not been audited by the local tax authorities as at the date of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

28. TRANSACTIONS WITH RELATED PARTIES

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 at balance sheet date are unsecured and interest free and settlement occurs in cash.

Significant transactions of the Company with related parties during the year and previous year were as follows:

Related parties	Relationship	Transaction	VND	
			Current year	Previous year
South Logistics Joint Stock Company	Parent company	Disposal of fixed assets	15,119,967,000	-
		Borrowing	7,400,000,000	-
		Office rental	273,000,000	-
		Interest expense	79,226,164	-
		Others	205,829,238	-
		Dividend	-	7,046,700,000
Sotrans Ha Tinh One Member Co., Ltd	Affiliate (to 30 September 2020)	Purchase of transportation services	5,344,574,842	1,728,363,636
		Rendering of transportation services	13,800,000	3,217,239,196
		Office leasing	45,883,104	68,985,797
		Transportation leasing	408,128,637	1,023,636,365
Sotrans Logistics One Member Co, Ltd	Affiliate	Disposal of fixed assets	32,353,403,097	-
		Rendering of transportation services	719,440,909	2,010,350,000
		Purchase of service rendered	510,847,477	148,381,500
		Office leasing	30,240,000	192,790,204
		Warehouse leasing	-	127,272,728
IB Securities Joint Stock Company	Affiliate (to 30 June 2020)	Purchases bonds	-	20,948,164,380
		Matured bonds	20,948,164,380	15,000,000,000
		Interest income	970,739,730	351,270,977
Dong Anh Electrical Equipment Corporation	Affiliate (to 30 June 2020)	Rendering of transportation services	19,159,876,363	20,495,909,091
Southern Waterborne Transport Corporation	Affiliate	Disposal of fixed assets	1,219,277,700	-
		Rendering of transportation services	31,818,182	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due to and due from related parties at the balance sheet date were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>VND Beginning balance</i>
Short-term trade receivables				
South Logistics Joint Stock Company	Parent company	Disposal of fixed assets	4,921,500,000	-
Sotrans Logistics One Member Co, Ltd	Affiliate	Disposal of fixed assets Rendering of transportation services	32,353,403,097 1,882,570,916	- 2,165,351,000
Dong Anh Electrical Equipment Corporation	Affiliate (to 30 June 2020)	Rendering of transportation services	18,605,071,400	10,090,000,000
			<u>57,762,545,413</u>	<u>12,255,351,000</u>
Short-term advance to suppliers				
Engineering construction Joint Stock Company	Affiliate	Purchase of services	4,060,300,000	-
Other short-term receivables				
Mr. Nguyen Hoang Long	Branch Deputy Director	Advance	6,138,800,000	6,810,000,000
Mr Bui Quang Lien	General Director	Advance	120,000,000	-
Sotrans Logistics One Member Co, Ltd	Affiliate	Rendering of services	43,630,400	-
Mr. Do Hoang Phuong	Former-Chairman	Advance	-	2,680,000,000
Mr. Ho Xuan Hung	Former-Deputy General Director	Advance	-	1,000,000,000
			<u>6,302,430,400</u>	<u>10,490,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due to and due from related parties at the balance sheet date were as follows:
(continued)

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>VND Beginning balance</i>
Short-term trade payable				
Sotrans Logistics One Member Co., Ltd	Affiliate	Warehouse rental	395,822,200	13,860,000
South Logistics Joint Stock Company	Parent company	Office rental	300,300,000	-
Sotrans Ha Tinh One Member Co., Ltd	Affiliate (to 30 September 2020)	Transportation services rendered	1,151,167,727	736,457,500
			<u>1,847,289,927</u>	<u>750,317,500</u>
Short-term advance from customers				
Sotrans Ha Tinh One Member Co., Ltd	Affiliate	Rendering of transportation services	-	2,137,000,000
Short-term accrued expenses				
South Logistics Joint Stock Company	Parent company	Interest expense	33,528,767	-
		Purchase of service	13,000,000	-
			<u>46,528,767</u>	<u>-</u>
Short-term other payables				
BNX-Vietranstimex Joint venture	Joint Venture	Payment on behalf	816,000,000	816,000,000
Sotrans Logistics One Member Co., Ltd	Affiliate	Payment on behalf	129,500,223	-
South Logistics Joint Stock Company	Parent company	Interest expense	45,697,397	-
			<u>991,197,620</u>	<u>816,000,000</u>
Short-term loan				
South Logistics Joint Stock Company	Parent company	Borrowing	4,000,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Transaction with other related parties

Remuneration of members of the Board of Directors and management:

<i>Individuals</i>	<i>Position</i>	<i>Remuneration</i>	
		<i>Current year</i>	<i>Previous year</i>
VND			
<i>Board of Directors</i>			
Mr Dang Vu Thanh	Chairman	42,000,000	21,000,000
Mr Le Ba Tho	Member	24,000,000	35,000,000
Mr Dang Doan Kien	Member	60,000,000	72,000,000
Mr Do Hoang Phuong	Former Chairman	60,000,000	107,000,000
Mr Pham Tuan Anh	Former Member	36,000,000	51,000,000
<i>Board of Supervision</i>			
Ms Tran Bao Ngoc	Head	24,000,000	-
Mr Ho Si Tuan	Member	18,000,000	-
Ms Nguyen Thi Ngoc Anh	Member	18,000,000	-
Mr Pham Tuong Minh	Former head	-	17,500,000
Ms Nguyen Thi Thu Trang	Former Member	-	10,500,000
Mr Ong Van Khuong	Former Member	-	10,500,000
<i>Management</i>			
Mr Bui Quang Lien	General Director	523,055,000	-
Mr Do Hoang Phuong	Former General Director	264,219,740	695,325,000
Mr Ho Xuan Hung	Former Deputy General Director	375,736,364	524,560,000
Ms Nguyen Thi Xuan	Former Deputy General Director	371,583,207	90,463,000
TOTAL		1,816,594,311	1,634,848,000

29. EARNINGS PER SHARE

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

	<i>Remuneration</i>	
	<i>Current year</i>	<i>Previous year</i>
	VND	
Net profit after tax	4,368,630,202	4,430,271,661
Distribution to bonus and welfare fund (*)	-	(221,513,583)
Net profit after tax attributable to ordinary shares	4,368,630,202	4,208,758,078
Weighted average number of ordinary shares	20,972,321	20,972,321
Basic earnings per share (VND/share)	208	201
Diluted earnings per share (VND/share)	208	201

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2020 and for the year then ended

29. EARNINGS PER SHARE (continued)

(*) Net profit used to compute earnings per share for the year 2019 as presented in the financial statements for the year 2019 was restated to reflect the actual allocation to bonus and welfare fund from 2019 retained earnings following the resolution of the shareholders meeting minutes No. 01/2020/NQ-DHCD dated 29 June 2020.

Net profit used to compute earnings per share for the year 2020 was not adjusted for the provisional allocation to bonus and welfare fund from 2020 profit due to pending approval from the shareholders general meeting.

There have been no dilutive potential ordinary shares during the year and up to the date of these financial statements.

30. OPERATING LEASE COMMITMENTS

The Company leases warehouse and land area under operating lease arrangements. The minimum lease commitment as at the balance sheet date under the operating lease agreements is as follows:

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Less than one year	567,541,130	2,098,533,008
From 2 to 5 years	2,270,164,520	2,270,164,520
More than 5 years	8,655,002,233	9,222,543,363
TOTAL	<u>11,492,707,883</u>	<u>13,591,240,891</u>

31. OFF BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency:		
- United States dollar (USD)	<u>33,045.11</u>	<u>71,159.83</u>

32. EVENTS AFTER THE BALANCE SHEET DATE

There is no 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.



Le Quang Vuong
Preparer



Phan Thi Yen Hoa
Chief Accountant



Bui Quang Lien
General Director

29 March 2021