

South Logistics Joint Stock Company

Interim separate financial statements

For the six-month period ended 30 June 2023



South Logistics Joint Stock Company

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South Logistics Joint Stock Company

GENERAL INFORMATION

THE COMPANY

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

On 27 September 2006, the Company was equitized in accordance with Decision No. 1546/QD-BTM issued by the Ministry of Trade and Business. This equitization was formalized by the DPI of Ho Chi Minh City through the issuance of BRC No. 0300645369 on 29 December 2006 and the subsequently amended BRCs.

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

The current principal activities of the Company are to provide warehousing, bonded warehousing, ports, factories, offices; trade, renew and repair iron or plastic barrels; and to trade in transport equipment.

The Company's head office is located at No. 1B Hoang Dieu, Ward 13, District 4, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr. Tran Tuan Anh	Chairman	
Mr. Nguyen Quoc Thuc	Deputy Chairman	
Mr. Do Le Hung	Member	
Mr. Dang Vu Thanh	Member	
Mr. Lee Kian Huat	Member	
Mrs. Seow Hwee	Member	appointed on 21 June 2023
Mr. Phay Wenfu, Daniel	Member	appointed on 21 June 2023

AUDIT COMMITTEE

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

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

MANAGEMENT

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

Mr. Dang Vu Thanh	General Director	
Mr. Phay Wenfu, Daniel	Deputy General Director	appointed on 21 June 2023

LEGAL REPRESENTATIVE

The legal representatives of the Company during the period and at the date of this report is Mr. Dang Vu Thanh.

AUDITOR

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

South Logistics Joint Stock Company

REPORT OF MANAGEMENT

Management of South Logistics Joint Stock Company ("the Company") is pleased to present its report and the interim separate financial statements of the Company for the six-month period ended 30 June 2023.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

Management is responsible for the interim separate financial statements of each financial period which give a true and fair view of the interim separate financial position of the Company, and of the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim separate 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 interim separate financial statements; and
- ▶ prepare the interim separate 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 interim separate 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 interim separate financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2023 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and statutory requirements relevant to the preparation and presentation of the interim separate financial statements.

The Company prepared these interim separate financial statements to meet the prevailing requirements on the disclosure of information, specifically Circular No. 96/2020/TT-BTC providing guidance on the disclosure of information on the securities market. In addition, as required by these regulations, the Company also prepared the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2023 dated 18 August 2023.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group as a whole.

For and on behalf of management:



Dang Vu Thanh
General Director

Ho Chi Minh City, Viet Nam

18 August 2023

Reference: 11598118-66926570/LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders of South Logistics Joint Stock Company

We have reviewed the accompanying interim separate financial statements of South Logistics Joint Stock Company ("the Company"), as prepared on 18 August 2023 and set out on pages 5 to 36 which comprise the interim separate balance sheet as at 30 June 2023, and the interim separate income statement and interim separate cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express a conclusion on the interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim separate financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2023, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the interim separate financial statements.

Ernst & Young Vietnam Limited



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

Ho Chi Minh City, Vietnam

18 August 2023

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2023

VND

Code	ASSETS	Notes	30 June 2023	31 December 2022
100	A. CURRENT ASSETS		136,630,938,809	121,850,736,969
110	I. Cash and cash equivalents	4	77,178,375,818	4,819,295,741
111	1. Cash		32,178,375,818	4,819,295,741
112	2. Cash equivalents		45,000,000,000	-
120	II. Short-term investments	5	571,159,093	568,785,381
121	1. Held-for-trading securities		683,872,558	683,872,558
122	2. Provision for diminution in value of held-for-trading securities		(112,713,465)	(115,087,177)
130	III. Current accounts receivable	6	57,294,488,525	113,383,251,443
131	1. Short-term trade receivables		42,798,368,718	62,738,412,980
132	2. Short-term advances to suppliers		12,792,343,766	9,588,746,753
135	3. Short-term loan receivables		8,500,000,000	50,000,000,000
136	4. Other short-term receivables		2,966,000,440	818,316,109
137	5. Provision for doubtful short-term receivables		(9,762,224,399)	(9,762,224,399)
140	IV. Inventories		-	2,420,987,318
141	1. Inventories		-	2,420,987,318
150	V. Other current assets		1,586,915,373	658,417,086
151	1. Short-term prepaid expenses	11	1,026,519,768	97,021,481
153	2. Tax receivable from the State	13	560,395,605	561,395,605

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2023

VND

Code	ASSETS	Notes	30 June 2023	31 December 2022
200	B. NON-CURRENT ASSETS		1,582,909,463,492	1,594,808,686,350
220	I. Fixed assets		103,743,044,940	109,653,449,404
221	1. Tangible fixed assets	7	92,689,594,130	98,540,958,092
222	Cost		237,998,666,763	237,918,948,581
223	Accumulated depreciation		(145,309,072,633)	(139,377,990,489)
227	2. Intangible assets	8	11,053,450,810	11,112,491,312
228	Cost		12,873,312,813	12,873,312,813
229	Accumulated amortisation		(1,819,862,003)	(1,760,821,501)
240	II. Long-term asset in progress	9	3,309,817,700	2,928,903,100
242	1. Construction in progress		3,309,817,700	2,928,903,100
250	III. Long-term investments	10	1,463,107,761,290	1,463,128,094,455
251	1. Investment in subsidiaries		1,443,255,833,863	1,443,255,833,863
252	2. Investment in jointly-controlled entities and associates		20,000,000,000	20,000,000,000
254	3. Provision for long-term investments		(148,072,573)	(127,739,408)
260	IV. Other long-term assets		12,748,839,562	19,098,239,391
261	1. Long-term prepaid expenses	11	12,697,253,546	19,046,653,375
262	2. Deferred tax assets	24.3	51,586,016	51,586,016
270	TOTAL ASSETS		1,719,540,402,301	1,716,659,423,319

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2023

VND

Code	RESOURCES	Notes	30 June 2023	31 December 2022
300	C. LIABILITIES		130,682,148,502	133,674,209,201
310	I. Current liabilities		103,424,218,422	106,416,279,121
311	1. Short term trade payables	12	800,079,220	699,465,141
312	2. Short-term advances from customers		115,517,030	93,058,890
313	3. Statutory obligations	13	6,799,520,927	3,104,543,064
314	4. Payable to employees		459,637,844	1,992,305,779
315	5. Short-term accrued expenses	14	2,422,724,287	69,429,700
319	6. Other short-term payables	15.1	83,285,338,699	91,064,910,753
322	7. Bonus and welfare fund	16	9,541,400,415	9,392,565,794
330	II. Non-current liabilities		27,257,930,080	27,257,930,080
337	1. Other long-term payables	15.2	27,000,000,000	27,000,000,000
342	2. Other long-term provision	17	257,930,080	257,930,080
400	D. OWNERS' EQUITY		1,588,858,253,799	1,582,985,214,118
410	I. Capital	18.1	1,588,858,253,799	1,582,985,214,118
411	1. Share capital		982,533,570,000	982,533,570,000
411a	- Shares with voting rights		982,533,570,000	982,533,570,000
412	2. Share premium		(2,033,034,900)	(2,033,034,900)
421	3. Undistributed earnings		608,357,718,699	602,484,679,018
421a	- Undistributed earnings at the end of prior period		600,560,907,897	587,601,216,960
421b	- Net profit of the period		7,796,810,802	14,883,462,058
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,719,540,402,301	1,716,659,423,319

Lam Chi Dung
Preparer

Nguyen Hoang Giang
Chief Accountant

Nguyen Mai Khanh Trinh
Chief Financial OfficerDang Vu Thanh
General Director

Ho Chi Minh City, Viet Nam

18 August 2023

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
10	1. Net revenue from sale of goods and rendering of services	19.1	55,663,311,543	163,626,293,159
11	2. Cost of goods sold and services rendered	20	(35,304,757,381)	(139,590,441,284)
20	3. Gross profit from sale of goods and rendering of services		20,358,554,162	24,035,851,875
21	4. Finance income	19.2	1,539,018,921	1,014,204,634
22 23	5. Finance expense In which: Interest expense	21	(1,517,959,453) (1,500,000,000)	(1,887,346,973) (1,854,065,755)
25	6. Selling expenses	22	(47,555,584)	(989,585,436)
26	7. General and administrative expenses	22	(9,990,546,563)	(11,713,913,709)
30	8. Operating profit		10,341,511,483	10,459,210,391
31	9. Other income		3,542,701	495,901
32	10. Other expenses		(2,598)	(71,710,399)
40	11. Other profit (loss)		3,540,103	(71,214,498)
50	12. Accounting profit before tax		10,345,051,586	10,387,995,893
51	13. Current corporate income tax expense	24.1	(2,548,240,784)	(2,477,143,313)
60	14. Net profit after tax		7,796,810,802	7,910,852,580




Lam Chi Dung
Preparer

Nguyen Hoang Giang
Chief Accountant



Nguyen Mai Khanh Trinh
Chief Financial Officer



Dang Vu Thanh
General Director

Ho Chi Minh City, Viet Nam

18 August 2023

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		10,345,051,586	10,387,995,893
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	7, 8	5,990,122,646	5,968,157,754
03	Provisions (reversal of provisions)		17,959,453	(36,718,782)
05	Profit from investing activities		(1,539,018,921)	(1,014,204,634)
06	Interest expense	21	1,500,000,000	1,854,065,755
08	Operating profit before changes in working capital		16,314,114,764	17,159,295,986
09	Decrease (increase) in receivables		15,609,714,535	(21,094,836,834)
10	Decrease (increase) in inventories		2,420,987,318	(1,223,378,435)
11	(Decrease) increase in payables		(2,688,580,568)	190,404,945
12	Decrease in prepaid expenses		5,419,901,542	6,724,407,124
14	Interest paid		(3,074,213,151)	-
17	Other cash outflows for operating activities		-	(9,138,889)
20	Net cash flows from operating activities		34,001,924,440	1,746,753,897
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(3,661,911,667)	(2,317,067,675)
23	Loans to subsidiaries		(23,500,000,000)	(13,000,000,000)
24	Collections from borrowers		65,000,000,000	5,000,000,000
27	Interest and dividends received		519,067,304	230,202,197
30	Net cash flows from (used in) investing activities		38,357,155,637	(10,086,865,478)

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
50	Net increase (decrease) in cash		72,359,080,077	(8,340,111,581)
60	Cash and cash equivalents at beginning of period		4,819,295,741	25,153,062,912
70	Cash and cash equivalents at end of period	4	77,178,375,818	16,812,951,331



Lam Chi Dung
Preparer



Nguyen Hoang Giang
Chief Accountant



Nguyen Mai Khanh Trinh
Chief Financial Officer



Dang Vu Khanh
General Director

Ho Chi Minh City, Viet Nam

18 August 2023

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at 30 June 2023 and for the six-month period ended

1. CORPORATE INFORMATION

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

On 27 September 2006, the Company was equitized in accordance with Decision No. 1546/QD-BTM issued by the Ministry of Trade and Business. This equitization was formalized by the DPI of Ho Chi Minh City through the issuance of BRC No. 0300645369 on 29 December 2006 and the subsequently amended BRCs.

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

The current principal activities of the Company are to provide warehousing, bonded warehousing, ports, factories and offices; trade, renew and repair iron or plastic barrels, and trading in transport equipment.

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

The Company's head office is located at No. 1B Hoang Dieu, Ward 13, District 4, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 30 June 2023 was 31 (31 December 2022: 49).

2. BASIS OF PREPARATION

2.1 Purpose of preparing the interim separate financial statements

The Company has subsidiaries as disclosed in Note 10.1. The Company prepared these interim separate financial statements to meet the prevailing requirements on the disclosure of information, specifically Circular No. 96/2020/TT-BTC on disclosure of information on the securities market. In addition, as required by the regulations, the Company also prepared the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2023 dated 18 August 2023.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

2. BASIS OF PREPARATION (continued)

2.2 Accounting standards and system

The interim separate financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

2.3 Applied accounting documentation system

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

2.4 Fiscal year

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

2.5 Accounting currency

The interim separate 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 at banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Receivables*

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

The provision for doubtful receivables represents outstanding receivables at the interim 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 interim separate income statement.

3.3 *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 interim separate 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 interim separate income statement.

3.4 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises of its purchase price and any directly attributable costs of preparing the intangible 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 interim separate 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 interim separate income statement.

Land use right

Land use rights are recorded as intangible assets representing the value of the right to use the parcel of land 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 life representing the land lease is amortised over the lease term while the land use right with indefinite useful life is not amortised.

3.5 *Depreciation and amortisation*

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

Buildings and structures	5 - 37 years
Machinery and equipment	5 - 15 years
Means of transportation	6 - 10 years
Office equipment	5 - 8 years
Computer software	3 - 5 years

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Construction in progress

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

3.7 Prepaid expenses

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

3.8 Investments

Investment in subsidiaries

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

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate 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.

Investment in jointly-controlled entities and associates

Investment in jointly-controlled entities and associates over which the Company significant influence is carried at cost.

Distributions from accumulated net profits of the jointly-controlled entities and associates arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investments and are deducted to the cost of the investment.

Held-for-trading securities and investment in other entities

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

Provision for diminution in value of investments

Provision for investments is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the interim separate income statement.

3.9 Payables and accruals

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.10 Accrual for severance allowance**

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the six-month period up to the interim reporting date. Any increases or decreases to the accrued amount other than actual payment to employee will be taken to the interim separate income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employees upon termination of their labour contract following Article 48 of the Labour Code.

3.11 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:

- Transaction 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 period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at interim 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 interim separate income statement.

3.12 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.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability in the interim separate 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 interim separate balance sheet, until they have been approved by the Company's shareholders at the annual general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability in the interim separate balance sheet.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Revenue recognition

Revenue is recognised 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 recognised:

Sale of goods

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

Rental income

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

Rendering of services

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

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Dividend income is recognised when the Company's entitlement as an investor to receive the dividend is established.

3.14 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods 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 interim separate balance sheet date.

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the 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 tax

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

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Taxation (continued)

Deferred tax (continued)

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the 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 realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.15 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 enterprise or individual, including close members of their families.

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2023	31 December 2022
Cash on hand	-	157,325,195
Cash in banks	32,178,375,818	4,661,970,546
Cash equivalents	45,000,000,000	-
TOTAL	77,178,375,818	4,819,295,741

Cash equivalents represent term deposits at commercial banks with original maturities of not more than three (3) months and interest at rates ranging from 4.3% to 4.75% per annum.

South Logistics Joint Stock Company

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

5. SHORT-TERM INVESTMENTS

	30 June 2023			31 December 2022			VND
	Cost	Fair value	Provision	Cost	Fair value	Provision	
Listed shares	127,872,558	15,159,093	(112,713,465)	127,872,558	12,785,381	(115,087,177)	
<i>In which:</i>							
Simco Song Da Joint Stock Company	126,752,447	14,506,500	(112,245,947)	126,752,447	12,185,460	(114,566,987)	
Other shares	1,120,111	652,593	(467,518)	1,120,111	599,921	(520,190)	
Un-listed shares:	556,000,000	980,000,000	-	556,000,000	1,015,238,095	-	
<i>In which:</i>							
Phong Phu Corporation	556,000,000	980,000,000	-	556,000,000	1,015,238,095	-	
TOTAL	683,872,558	995,159,093	(112,713,465)	683,872,558	1,028,023,476	(115,087,177)	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

6. SHORT-TERM ACCOUNTS RECEIVABLE

	VND	
	30 June 2023	31 December 2022
Short-term trade receivables	42,798,368,718	62,738,412,980
<i>In which:</i>		
<i>Related parties (Note 25)</i>	39,080,292,474	53,954,361,299
<i>Hoang Nhan Transportation Service Limited Company</i>	934,684,960	954,684,960
<i>Others</i>	2,783,391,284	7,829,366,721
Short-term advances to suppliers	12,792,343,766	9,588,746,753
<i>In which:</i>		
<i>Cam Anh Trading Construction One Member Company Limited</i>	8,773,817,614	8,773,817,614
<i>Hoang Anh Phat Service - Trading & Construction Company Limited</i>	3,201,278,885	-
<i>Other suppliers</i>	817,247,267	814,929,139
Short-term loans receivable	8,500,000,000	50,000,000,000
<i>In which:</i>		
<i>South Port Joint Stock Company (Note 25) (*)</i>	8,500,000,000	-
<i>Vietranstimex Multi Modal Transport Holding Company (Note 25)</i>	-	50,000,000,000
Other short-term receivables	2,966,000,440	818,316,109
<i>In which:</i>		
<i>Handling fees paid on behalf</i>	88,824,033	286,552,202
<i>Deposits</i>	10,000,000	10,000,000
<i>Related parties (Note 25)</i>	2,650,309,935	445,170,646
<i>Others</i>	216,866,472	76,593,261
Provision for doubtful short-term receivables	(9,762,224,399)	(9,762,224,399)
NET	57,294,488,525	113,383,251,443

(*) This unsecured short-term loan receivable earns interest at 6.06% per annum and matures on 17 February 2024.

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

	VND	
	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
At the beginning of period	(9,762,224,399)	(9,792,824,154)
Reversal of provision during the period	-	70,000,000
At the end of period	<u>(9,762,224,399)</u>	<u>(9,722,824,154)</u>

South Logistics Joint Stock Company

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

7. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	VND Total
Cost					
As at 31 December 2022	187,698,035,733	5,022,432,200	43,715,384,194	1,483,096,454	237,918,948,581
New purchase	-	32,718,182	-	47,000,000	79,718,182
As at 30 June 2023	187,698,035,733	5,055,150,382	43,715,384,194	1,530,096,454	237,998,666,763
<i>In which:</i>					
Fully depreciated	22,759,702,823	5,022,432,200	32,950,560,523	444,248,350	61,176,943,896
Accumulated depreciation					
As at 31 December 2022	(91,168,606,159)	(5,022,432,200)	(41,921,246,792)	(1,265,705,338)	(139,377,990,489)
Depreciation for the period	(5,302,448,598)	-	(538,241,184)	(90,392,362)	(5,931,082,144)
As at 30 June 2023	(96,471,054,757)	(5,022,432,200)	(42,459,487,976)	(1,356,097,700)	(145,309,072,633)
Net carrying amount					
As at 31 December 2022	96,529,429,574	-	1,794,137,402	217,391,116	98,540,958,092
As at 30 June 2023	91,226,980,976	32,718,182	1,255,896,218	173,998,754	92,689,594,130

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

8. INTANGIBLE ASSETS

			VND
	Land use rights	Computer software	Total
Cost			
As at 31 December 2022 and 30 June 2023	10,827,965,313	2,045,347,500	12,873,312,813
<i>In which</i>			
Fully amortised	-	1,249,505,000	1,249,505,000
Accumulated amortisation			
As at 31 December 2022	-	(1,760,821,501)	(1,760,821,501)
Amortisation for the period	-	(59,040,502)	(59,040,502)
As at 30 June 2023	-	(1,819,862,003)	(1,819,862,003)
Net carrying amount:			
As at 31 December 2022	10,827,965,313	284,525,999	11,112,491,312
As at 30 June 2023	10,827,965,313	225,485,497	11,053,450,810

9. CONSTRUCTION IN PROGRESS

			VND
	30 June 2023	31 December 2022	
Computer software	3,309,817,700	2,928,903,100	

10. LONG-TERM INVESTMENTS

					VND
	30 June 2023		31 December 2022		
	Cost of investment	Provision	Cost of investment	Provision	
Investment in subsidiaries (Note 10.1)	1,443,255,833,863	-	1,443,255,833,863	-	
Investment in jointly-controlled entities (Note 10.2)	20,000,000,000	(148,072,573)	20,000,000,000	(127,739,408)	
TOTAL	1,463,255,833,863	(148,072,573)	1,463,255,833,863	(127,739,408)	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

10. LONG-TERM INVESTMENTS (continued)

10.1 Investment in subsidiaries

Subsidiaries	Business	30 June 2023				31 December 2022					
		Cost of investment (VND)	Provision (VND)	Carrying value (VND)	% of Interest	% of voting right	Cost of investment (VND)	Provision (VND)	Carrying value (VND)	% of Interest	% of Voting right
Sotrans Infrastructure Investment One Member Company Limited	Logistic	901,000,000,000	-	901,000,000,000	100.00	100.00	901,000,000,000	-	901,000,000,000	100.00	100.00
Vietranstimes Multi Modal Transport Holding Company	Logistic	319,816,771,989	-	319,816,771,989	93.17	93.17	319,816,771,989	-	319,816,771,989	93.17	93.17
Southern Waterborne Transport Corporation (*)	Logistic	108,162,000,000	-	108,162,000,000	8.94	93.34	108,162,000,000	-	108,162,000,000	8.94	93.34
Sotrans Logistics Sole Member Company Limited	Logistic	91,337,061,874	-	91,337,061,874	100.00	100.00	91,337,061,874	-	91,337,061,874	100.00	100.00
South Port Joint Stock Company	Port service	22,940,000,000	-	22,940,000,000	99.99	99.99	22,940,000,000	-	22,940,000,000	99.99	99.99
TOTAL		1,443,255,833,863	-	1,443,255,833,863			1,443,255,833,863	-	1,443,255,833,863		

(*) As at 30 June 2023, Southern Waterborne Transport Corporation is the subsidiary of the Company through its ownership of all in Sotrans Infrastructure Investment One Member Company Limited, the parent company of Southern Waterborne Transport Corporation. The Company's voting right at Southern Waterborne Transport Corporation is 93.34% (31 December 2022: 93.34%).

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

10. LONG-TERM INVESTMENTS (continued)

10.2 Investments in jointly-controlled entities

Entity	Business activity	Status	30 June 2023		31 December 2022	
			% of interest and voting right	Cost of investment VND	% of interest and voting right	Cost of investment VND
SORECO Real Estate Development Company Limited (i)	Real estate	Pre-operating	50	10,000,000,000	50	10,000,000,000
The Pier Real Estate Development Corporation (ii)	Real estate	Pre-operating	50	10,000,000,000	50	10,000,000,000
TOTAL				20,000,000,000		20,000,000,000

(i) SORECO Real Estate Development Company Limited ("SORECO") is a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to BRC No. 0312576215 issued by the DPI of Ho Chi Minh City dated 5 December 2013 and subsequently amended BRCs. The principal activity of SORECO is real estate trading.

(ii) The Pier Real Estate Development Corporation ("The Pier") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to BRC No. 0313877800 issued by the DPI of Ho Chi Minh City dated 23 June 2016. The principal activity of The Pier is real estate trading.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

11. PREPAID EXPENSES

	VND	
	30 June 2023	31 December 2022
Short-term		
Rental expense	888,825,000	-
Software expense	110,000,955	77,541,669
Insurance fee	27,693,813	11,979,806
Others	-	7,500,006
TOTAL	1,026,519,768	97,021,481
Long-term		
Office and warehouse renovation	10,720,119,815	16,503,101,819
Warehouse rental	1,650,780,000	2,311,091,998
Tools and supplies	148,992,260	53,112,496
Others	177,361,471	179,347,062
TOTAL	12,697,253,546	19,046,653,375

12. SHORT-TERM TRADE PAYABLES

	VND	
	30 June 2023	31 December 2022
Gia Minh Transport Company Limited	-	213,688,800
Thien May Service Trading Company Limited	-	127,491,113
Other suppliers	99,364,413	347,339,146
Due to related parties (Note 25)	700,714,807	10,946,082
TOTAL	800,079,220	699,465,141

13. STATUTORY OBLIGATIONS

	VND			
	31 December 2022	Increase	Decrease	30 June 2023
Payables				
Value-added tax	464,498,283	5,432,669,096	(5,428,736,382)	468,430,997
Personal income tax	359,929,968	622,166,255	(758,594,363)	223,501,860
Corporate income tax	2,280,114,813	2,548,240,784	-	4,828,355,597
Land tax	-	18,706,991,955	(17,427,759,482)	1,279,232,473
TOTAL	3,104,543,064	27,310,068,090	(23,615,090,227)	6,799,520,927
Receivables				
Others	561,395,605	5,000,000	(6,000,000)	560,395,605
TOTAL	561,395,605	5,000,000	(6,000,000)	560,395,605

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

14. SHORT-TERM ACCRUED EXPENSES

	VND	
	30 June 2023	31 December 2022
Interest expense	1,500,000,000	-
13 th month salary	739,694,592	-
External expense	126,669,000	46,061,455
Others	56,360,695	23,368,245
TOTAL	2,422,724,287	69,429,700

15. OTHER PAYABLES

15.1 Other short-term payables

	VND	
	30 June 2023	31 December 2022
Advances received for relocation support (i)	40,000,000,000	40,000,000,000
Advances received for disposal of investment (ii)	39,940,000,000	39,940,000,000
Allowance for Board of Directors	1,597,442,850	-
Deposits received	576,225,100	7,674,645,100
Interest expense	-	3,000,000,000
Others	1,171,670,749	450,265,653
TOTAL	83,285,338,699	91,064,910,753

In which:

<i>Due to related parties (Note 25)</i>	40,047,638,700	47,074,213,151
<i>Due to R.C Real Estate Development and Finance Corporation</i>	39,940,000,000	39,940,000,000
<i>Due to other parties</i>	3,297,699,999	4,050,697,602

- (i) These represent advances received from SORECO in accordance with the relocation support agreements for the clearance and handover of the land located at Km9, Hanoi Highway, Truong Tho Ward, Thu Duc City, Ho Chi Minh City.
- (ii) These represent advances received from R.C Real Estate Development and Finance Corporation in accordance with Investment Cooperation Agreement No. 01/2016/HDHT/REFICO&SOTRANS for the transfer of the shares of The Pier that belongs to the Company.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

15. OTHER PAYABLES (continued)

15.2 Other long-term payables

	VND	
	30 June 2023	31 December 2022
Deposit received from Vietnam Electrical Equipment Joint Stock Corporation (*)	20,000,000,000	20,000,000,000
Deposit received from related party (Note 25)	7,000,000,000	7,000,000,000
TOTAL	27,000,000,000	27,000,000,000

(*) This represents deposit received under the deposit contract dated 10 September 2020 with Vietnam Electrical Equipment Joint Stock Corporation to jointly implement all related works and procedures as well as maintain the right and benefits from Property Rights at 1B Hoang Dieu, Ward 13, District 4, Ho Chi Minh City and Km9, Hanoi Highway, Truong Tho Ward, Thu Duc City, Ho Chi Minh City.

16. BONUS AND WELFARE FUND

	VND	
	30 June 2023	31 December 2022
Beginning balance	9,392,565,794	4,470,772,087
Addition during the period	148,834,621	4,932,932,596
Utilization of fund	-	(11,138,889)
Ending balance	9,541,400,415	9,392,565,794

17. OTHER LONG-TERM PROVISION

Other long-term provision represents the accrual for severance pay to employees.

South Logistics Joint Stock Company

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

18. OWNERS' EQUITY

18.1 Movements in owners' equity

	Issued share capital	Share premium	Undistributed earnings	VND Total
For the six-month period ended 30 June 2022				
As at 31 December 2021	982,533,570,000	(2,033,034,900)	595,000,615,853	1,575,501,150,953
Net profit for the period	-	-	7,910,852,580	7,910,852,580
Appropriation for bonus and welfare fund	-	-	(4,932,932,596)	(4,932,932,596)
Allowance for Board of Directors	-	-	(2,466,466,297)	(2,466,466,297)
As at 30 June 2022	982,533,570,000	(2,033,034,900)	595,512,069,540	1,576,012,604,640
For the six-month period ended 30 June 2023				
As at 31 December 2022	982,533,570,000	(2,033,034,900)	602,484,679,018	1,582,985,214,118
Net profit for the period	-	-	7,796,810,802	7,796,810,802
Appropriation for bonus and welfare fund	-	-	(148,834,621)	(148,834,621)
Allowance for Board of Directors	-	-	(1,774,936,500)	(1,774,936,500)
As at 30 June 2023	982,533,570,000	(2,033,034,900)	608,357,718,699	1,588,858,253,799

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

18. OWNERS' EQUITY (continued)

18.2 Shares

	<i>Number of shares</i>	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Ordinary shares authorized to be issued	98,253,357	98,253,357
Ordinary shares issued and fully paid	98,253,357	98,253,357

The par value of each outstanding share is 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.

19. REVENUE

19.1 Net revenue from sale of goods and rendering of services

		<i>VND</i>
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Rendering of services	51,329,802,862	47,106,801,372
Sale of merchandise goods	4,333,508,681	116,519,491,787
TOTAL	55,663,311,543	163,626,293,159

19.2 Finance income

		<i>VND</i>
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Interest income	1,479,029,921	894,226,634
Dividend income	59,989,000	119,978,000
TOTAL	1,539,018,921	1,014,204,634

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

20. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Cost of services rendered	31,064,470,064	27,796,565,176
Cost of merchandise sold	4,240,287,317	111,793,876,108
TOTAL	35,304,757,381	139,590,441,284

21. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Interest expense	1,500,000,000	1,854,065,755
Foreign exchange difference losses	-	27,680,500
Provision for investments	17,959,453	5,600,718
TOTAL	1,517,959,453	1,887,346,973

22. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Selling expenses	47,555,584	989,585,436
Labour costs	-	932,003,088
Others	47,555,584	57,582,348
General and administrative expenses	9,990,546,563	11,713,913,709
Labour costs	6,811,578,124	6,764,569,718
External services	1,855,683,281	2,224,184,182
Others	1,323,285,158	2,725,159,809
TOTAL	10,038,102,147	12,703,499,145

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

23. OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
External services	27,024,146,169	24,124,854,668
Labour costs	6,811,578,124	7,696,572,806
Depreciation and amortisation (Notes 7 and 8)	5,990,122,646	5,968,157,754
Cost of merchandise goods	4,240,287,317	111,793,876,108
Others	1,276,725,272	2,710,479,093
TOTAL	<u>45,342,859,528</u>	<u>152,293,940,429</u>

24. CORPORATE INCOME TAX

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

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 interim separate financial statements could be changed at a later date upon final determination by the tax authorities.

24.1 CIT expense

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Current CIT expense	<u>2,548,240,784</u>	<u>2,477,143,313</u>

The reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Accounting profit before tax	<u>10,345,051,586</u>	<u>10,387,995,893</u>
At CIT rate of 20%	2,069,010,317	2,077,599,179
<i>Adjustments:</i>		
Non-deductible expenses	491,228,267	423,539,734
Non-taxable income	(11,997,800)	(23,995,600)
CIT expense	<u>2,548,240,784</u>	<u>2,477,143,313</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

24. CORPORATE INCOME TAX (continued)

24.2 Current tax

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

24.3 Deferred tax

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

	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<i>30 June 2023</i>	<i>31 December 2022</i>	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Provision for severance allowance	51,586,016	51,586,016	-	-
TOTAL	51,586,016	51,586,016	-	-

VND

25. RELATED PARTY DISCLOSURES

Related parties as at 30 June 2023 are as follows:

<i>Related parties</i>	<i>Relationship</i>
Indo Trans Logistics Corporation	Parent company
ITL Da Nang Logistics One Member Limited Company	Affiliate
First Logistics Development Joint Venture Company	Jointly controlled entity
Dong Nai Port Joint Stock Company	Jointly controlled entity
SORECO Real Estate Development Company Limited	Jointly controlled entity
The Pier Real Estate Development Corporation	Jointly controlled entity
BNX Vietranstimex Co., Ltd.	Jointly controlled entity
Southern Waterways General Service Joint Stock Company	Associate
747 Engineering Construction and Trading Joint Stock Company	Associate
Sotrans Infrastructure Investment One Member Company Limited	Subsidiary
Vietranstimex Multimodal Transport Holding Company	Subsidiary
Sotrans Logistics One Member Company Limited	Subsidiary
South Port Joint Stock Company	Subsidiary
Southern Waterborne Transport Corporation	Subsidiary
Can Tho Shipyard Joint Stock Company	Subsidiary
Southern Waterway Mechanic and Engineering Services Joint Stock Company	Subsidiary

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

25. RELATED PARTY DISCLOSURES (continued)

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

Significant transactions with related parties were as follows:

Related party	Relationship	Transaction	VND	
			For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Southern Waterborne Transport Corporation	subsidiary	Revenue from warehouse leasing	31,966,630,974	28,803,885,204
		Sales of merchandises	645,773,181	20,851,011,039
Sotrans Logistics One Member Company Limited	Subsidiary	Revenue from warehouse leasing	15,696,081,822	14,462,084,440
		Sale of services	723,101,190	-
		Sale of merchandises	432,734,928	10,650,239,001
		Interest income	-	697,010,657
		Transportation services	-	293,338,573
		Purchase of services	-	235,285,682
Vietranstimex Multimodal Transport Holding Company	Subsidiary	Withdrawn lending	65,000,000,000	5,000,000,000
		Lending	15,000,000,000	13,000,000,000
		Interest income	1,124,738,740	86,991,780
		Purchase of services	637,280,865	-
		Warehouse leasing services	589,245,168	590,636,808
South Port Joint Stock Company	Subsidiary	Lending	8,500,000,000	-
		Withdrawn deposit	7,000,000,000	-
		Sale of merchandises	1,611,783,636	-
		Revenue from port leasing	495,171,354	-
		Interest income	226,213,150	-
		Sale of services	2,333,470	-
		Loan interest expense	-	354,065,755
Frist Logistics Development Joint Venture Company	Jointly controlled entity	Sale of merchandises	-	11,747,781,820
Indo Trans Logistic Corporation	Parent company	Payment on behalf	47,638,700	-
The Pier Real Estate Development Joint Stock Company	Jointly controlled entity	Rendering of service	1,505,212,931	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

25. RELATED PARTIES DISCLOSURES (continued)

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

VND

Related party	Relationship	Transaction	30 June 2023	31 December 2022
Short-term trade receivables				
Sotrans Logistics One Member Limited Company	Subsidiary	Sale of merchandise and rendering of services	18,400,006,355	34,389,546,327
Southern Waterborne Transport Corporation	subsidiary	Sale of merchandise and rendering of services	14,040,444,922	9,627,063,286
The Pier Real Estate Development Joint Stock Company	Jointly controlled entity	Rendering of services	3,337,749,545	3,332,143,612
South Port Joint Stock Company	Subsidiary	Rendering of port	2,320,217,306	-
Vietranstimex Multi Modal Transport Holding Company	Subsidiary	Rendering of services	981,874,346	2,492,608,083
First Logistics Development Joint Venture Company	Jointly controlled entity	Sale of merchandise	-	4,112,999,991
			39,080,292,474	53,954,361,299
Other short-term receivables				
Vietranstimex Multi Modal Transport Holding Company	Subsidiary	Lending interest	1,978,926,139	-
Sotrans Logistics One Member Company Limited	Subsidiary	Rendering of of service	445,170,646	445,170,646
South Port Joint Stock Company	Subsidiary	Lending interest	226,213,150	-
			2,650,309,935	445,170,646

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

25. RELATED PARTY DISCLOSURES (continued)

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

			VND	
Related party	Relationship	Transaction	30 June 2023	31 December 2022
Short-term loan receivables				
South Port Joint Stock Company	Subsidiary	Lending	8,500,000,000	-
Vietranstimex Multi Modal Transport Holding Company	Subsidiary	Lending	-	50,000,000,000
			8,500,000,000	50,000,000,000
Short-term trade payables				
Vietranstimex Multi Modal Transport Holding Company – Northern Branch	Subsidiary	Purchase of services	700,714,807	-
Sotrans Logistics One Member Company Limited	Subsidiary	Purchase of services	-	10,946,082
			700,714,807	10,946,082
Other short-term payables				
SORECO Real Estate Development Company Limited	Jointly controlled entity	Advance received for relocation support	40,000,000,000	40,000,000,000
Indo Trans Logistic Corporation	Parent company	Payment on behalf	47,638,700	-
South Port Joint Stock Company	Subsidiary	Deposit received for port rental	-	7,000,000,000
		Loan interest	-	74,213,151
			40,047,638,700	47,074,213,151
Other long-term payable				
Southern Waterborne Transport Corporation	subsidiary	Port rental deposit	7,000,000,000	7,000,000,000

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

25. RELATED PARTY DISCLOSURES (continued)

Details of salaries, bonus and remuneration for the members of the Board of Directors, the Board of Supervision and management are as follows:

	VND	
<i>Individual</i>	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Mr. Dang Vu Thanh	814,130,000	1,059,000,000
Mr. Do Le Hung	252,000,000	252,000,000
Mr. Tran Tuan Anh	90,000,000	90,000,000
Mr. Lee Kian Huat	60,000,000	-
Mr. Nguyen Quoc Thuc	60,000,000	60,000,000
TOTAL	1,276,130,000	1,461,000,000

26. COMMITMENTS AND CONTINGENCY

Operating lease commitment - lessee

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

	VND	
	<i>30 June 2023</i>	<i>31 December 2022</i>
Less than one year	23,685,343,227	18,435,458,910
From 1 to 5 years	16,744,306,360	16,744,306,360
More than 5 years	46,794,896,450	48,350,442,813
TOTAL	87,224,546,037	83,530,208,083

Operating lease commitment - lessor

The Company lets out its warehouse, land and offices under an operating lease arrangement, with the minimum rental receivable due as follows:

	VND	
	<i>30 June 2023</i>	<i>31 December 2022</i>
Less than one year	66,088,042,486	86,282,643,612
From 1 to 5 years	44,293,582,897	-
More than 5 years	8,651,279,158	-
TOTAL	119,032,904,541	86,282,643,612

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended

26. COMMITMENTS AND CONTINGENCY (continued)

The Company guarantees loans and financial leases of related parties with credit limit as follows:

		VND		
Related party	Relationship	Transaction	30 June 2023	31 December 2022
Vietranstimex Multi Modal Transport Holding Company	Subsidiary	Finance lease Loan from commercial banks	56,000,000,000 27,000,000,000	56,000,000,000 27,000,000,000

Legal claim

On 23 January 2019, the People's Court of District 4, Ho Chi Minh city was handling a legal suit from an Insurance company against the Company in respect of a claim for compensation to be paid to the customer related to the fire destruction of a warehouse at District 4 on 25 June 2017 amounting to VND 11,781,673,242. As at the date of these interim separate financial statements, management is preparing for the legal suit and not able to determine the outcome, therefore the Company did not provide for any liability that may arise from this legal suit in the interim separate financial statements, and instead, disclosed the legal suit as a contingent liability in accordance with Vietnamese Accounting Standard No. 18 "Provisions, Contingent Assets and Liabilities".

27. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

There have been no significant events occurring after the interim balance sheet date which would require adjustments or disclosures to be made in the interim separate financial statements.




Lam Chi Dung
Preparer

Nguyen Hoang Giang
Chief Accountant



Nguyen Mai Khanh Trinh
Chief Financial Officer



Dang Vu Thanh
General Director

Ho Chi Minh City, Viet Nam

18 August 2023