



INTERIM FINANCIAL STATEMENTS

HUONG GIANG TOURIST JOINT STOCK COMPANY

For the period from 01/01/2022 to 30/06/2022

(reviewed)



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THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Huong Giang Tourist Joint Stock Company (“the Company”) presents its report and the Company’s Interim Financial statements for the period from 01 January 2022 to 30 June 2022.

THE COMPANY

Huong Giang Tourist Joint Stock Company was established under Decision No.3243/QD-UBND dated November 2, 1996 and transformed into a joint stock company under Decision No.2559/QD-UBND dated November 15, 2007 of Thua Thien Hue Provincial People's Committee. The company was established and operated under the Certificate of Business Business Registration for Joint Stock Company No.3300101124 issued by Thua Thien Hue Department of Planning and Investment for the first time on December 25, 2007 and changed for the 11th time on 08 November 2019.

The Company’s head office is located at: No. 2, Nguyen Cong Tru, Hue City, Thua Thien Hue Province, Vietnam.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF SUPERVISION

The members of The Board of Management during the period and to the reporting date are:

Mr. Yukio Takahashi	Chairman	(Resigned from 26/04/2022)
Mr. Toshihiko Takahashi	Chairman	(Appointed from 27/04/2022)
Mr. Le Ba Giang	Member	
Mr. Yoshida Tetsuya	Member	
Mr. Johnny Cheung - Ching Fu	Member	
Mr. Go Fujiyama	Member	(Resigned from 26/04/2022)
Mr. Dinh Nhat Tan	Member	(Appointed from 26/04/2022)

The members of The Board of General Directors during the period and to the reporting date are:

Mr. Johnny Cheung - Ching Fu	General Director
Mr. Le Ba Giang	Vice General Director

The members of the Board of Supervision are:

Mr. Le Duc Quang	Head of Control Department
Mrs. Fumiyo Okuda	Member
Mrs. Nguyen Ngoc Dieu Loan	Member

AUDITORS

The auditors of the AASC Auditing Firm Company Limited have taken the review of Interim Financial statements for the Company.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Board of General Directors is responsible for preparation of the Interim Financial statements which give a true and fair view of the financial position of the Company; its operating results and its cash flows for the period. In preparing those Interim Financial statements, The Board of General Directors is required to:

- Establish and maintain an internal control system which is determined necessary by The Board of General Directors and Board of Management to ensure the preparation and presentation of Interim Financial statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments 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 Financial statements;
- Prepare and present the Interim Financial statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements;
- Prepare the Interim Financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at anytime and to ensure that the Interim Financial statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirm that the Interim Financial statements give a true and fair view of the financial position at 30 June 2022, its operation results and cash flows in the first 06-month of the year 2022 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Interim Financial statements.

Other commitments

The Board of Management commits that the Company complies with Decree 155/2020 / ND-CP dated December 31, 2020 on detailed regulations on the implementation of some securities and that the company does not commit a crime 96/2020 / TT-BTC dated November 16 2020 of the Ministry of Finance guiding information work on market securities.

On behalf of The Board of General Directors



Le Ba Giang
Vice General Director

Thua Thien - Hue, 15 July 2022

No.: 110822.002/BCTC.KT2

AUDITOR'S REPORT ON RESULTS OF FINANCIAL STATEMENTS REVIEW

**To: Shareholders, The Board of Management and The Board of General Directors
Huong Giang Tourist Joint Stock Company**

We have reviewed the interim financial statements of Huong Giang Tourist Joint Stock Company prepared on 15 July 2022, as set out on pages 06 to 40 including: Interim Statement of financial position as at 30 June 2022, Interim Statement of comprehensive income, Interim Statement of cash flows and Notes to Interim financial statements for the 06-month period then ended and Notes to The Interim Financial Statement.

The Board of General Directors' responsibility

The Board of General Directors is responsible for the preparation and presentation of Interim Financial statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements and for such internal control as management determines is necessary to enable the preparation and presentation of Interim Financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an conclusion on these Interim Financial Statements based on our review. We conducted our review in accordance with the Vietnam Standards on Reviewing Services Contract No. 2410 - Revision of Interim Financial Information performed by an independent auditor of the entity.

Interim financial information review consists of conducting interviews, particularly interviewing those responsible for financial accounting matters, and performing other analytical and reviewing procedures. A review's scale is substantially smaller than an audit in accordance with Vietnam Standards on Auditing and therefore does not give us any assurance that we will be aware of all key issues that can be identified in an audit. Accordingly, we shall not express an audit opinion.

Auditor's conclusion

In our review, we do not see the events for us that the attached Interim Financial Statements does not reflect a true and fair view in all material respects of the financial status of Huong Giang Tourist Joint Stock Company as at 30/06/2022 and the results of its operations and cash flows in the first 06-month of the year 2022, in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Interim Financial Statements.

Emphasis of matter

Readers may refer to Note No.3 and Note No.17 of the Notes to the Interim Financial Statements. As at 30 June 2022, the Company is recording and presenting on the Interim Financial Statements the amount payable to the State Budget in the amount of VND 32 billion related to the divestment of the People's Committee of Thua Thien Hue Province at Huong Giang Tourist Joint Stock Company.

This emphasis does not affect our above-mentioned conclusion of the Auditor.

AASC Auditing Firm Company Limited



Vu Xuan Bien

Deputy General Director

Certificate of registration to audit practice

No: 0743-2018-002-1

Hanoi, 11 August 2022

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

Code	ASSETS	Note	30/06/2022	01/01/2022
			VND	VND
100	A. SHORT-TERM ASSETS		59,792,755,951	66,089,323,032
110	I. Cash and cash equivalents	3	40,664,445,734	38,275,688,890
111	1. Cash		40,664,445,734	34,875,688,890
112	2. Cash equivalents		-	3,400,000,000
130	III. Short-term receivables		17,677,007,907	27,366,478,483
131	1. Short-term trade receivables	5	813,611,617	441,901,343
132	2. Short-term prepayments to suppliers	6	161,793,000	10,580,482,200
135	3. Short-term loan receivables	7	11,960,000,000	12,260,000,000
136	4. Other short-term receivables	8	5,046,500,628	4,388,992,278
137	5. Provision for short-term doubtful debts		(304,897,338)	(304,897,338)
140	IV. Inventories	10	312,166,101	194,909,407
141	1. Inventories		312,166,101	194,909,407
150	V. Other short-term assets		1,139,136,209	252,246,252
151	1. Short-term prepaid expenses	14	477,821,454	227,934,600
152	2. Deductible VAT		661,314,755	6,311,652
153	3. Taxes and other receivables from State budget	15	-	18,000,000
200	B. NON-CURRENT ASSETS		145,229,112,446	134,217,551,705
210	I. Long-term receivables		4,948,817,680	4,948,817,680
216	1. Other long-term receivables	8	4,948,817,680	4,948,817,680
220	II. Fixed assets		24,083,317,288	25,144,343,222
221	1. Tangible fixed assets	12	23,084,317,288	24,145,343,222
222	- <i>Historical costs</i>		<i>81,547,630,135</i>	<i>81,469,820,135</i>
223	- <i>Accumulated depreciation</i>		<i>(58,463,312,847)</i>	<i>(57,324,476,913)</i>
227	2. Intangible fixed assets	13	999,000,000	999,000,000
228	- <i>Historical costs</i>		<i>1,308,338,000</i>	<i>1,308,338,000</i>
229	- <i>Accumulated amortization</i>		<i>(309,338,000)</i>	<i>(309,338,000)</i>
240	IV. Long-term unfinished asset		23,492,778,667	8,061,405,334
242	1. Construction in progress	11	23,492,778,667	8,061,405,334
250	V. Long-term investments	4	90,659,223,743	94,049,577,883
252	1. Investments in joint ventures and associates		118,423,248,651	118,423,248,651
254	2. Provision for devaluation of long-term investments		(27,764,024,908)	(24,373,670,768)
260	VI. Other long-term assets		2,044,975,068	2,013,407,586
261	1. Long-term prepaid expenses	14	2,044,975,068	2,013,407,586
270	TOTAL ASSETS		205,021,868,397	200,306,874,737

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

(continue)

Code	CAPITAL	Note	30/06/2022	01/01/2022
			VND	VND
300	C. LIABILITIES		65,224,725,949	53,629,376,100
310	I. Current liabilities		49,833,105,749	43,244,142,900
311	1. Short-term trade payables	16	1,379,690,438	232,233,271
312	2. Short-term prepayments from customers		620,428,877	103,807,005
313	3. Taxes and other payables to State budget	15	4,256,760,131	19,838,357
314	4. Payables to employees		1,873,402,718	1,226,763,291
319	5. Other short-term payments	17	33,037,023,585	32,795,700,976
320	6. Short-term borrowings and finance lease liabilities	18	8,665,800,000	8,865,800,000
330	II. Non-current liabilities		15,391,620,200	10,385,233,200
338	1. Long-term borrowings and finance lease liabilities	18	15,391,620,200	10,385,233,200
400	D. OWNER'S EQUITY		139,797,142,448	146,677,498,637
410	I. Owner's equity	19	139,797,142,448	146,677,498,637
411	1. Contributed capital		200,000,000,000	200,000,000,000
411a	Ordinary shares with voting rights		200,000,000,000	200,000,000,000
412	2. Share Premium		47,223,517,700	47,223,517,700
421	3. Retained earnings		(107,426,375,252)	(100,546,019,063)
421a	Retained earnings accumulated till the end of the previous year		(100,546,019,063)	(69,324,648,160)
421b	Retained earnings of the current period		(6,880,356,189)	(31,221,370,903)
440	TOTAL CAPITAL		205,021,868,397	200,306,874,737



Le Van Tuan Hai
Preparer



Ngô Đức Chính
Chief Accountant




Le Ba Giang
Vice General Director

Thua Thien - Hue, 15 July 2022

INTERIM STATEMENT OF INCOME

For the period from 01/01/2022 to 30/06/2022

Code	ITEM	Note	first 06-month of the year 2022 VND	first 06-month of the year 2021 VND
01	1. Revenue from sales of goods and rendering of services	21	14,260,024,470	6,855,685,561
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		14,260,024,470	6,855,685,561
11	4. Cost of goods sold	22	12,119,653,452	9,464,265,101
20	5. Gross profit from sales of goods and rendering of services		2,140,371,018	(2,608,579,540)
21	6. Financial income	23	489,800,914	542,422,007
22	7. Financial expense	24	3,599,560,228	11,735,169,208
23	<i>In which: Interest expenses</i>		209,205,833	-
25	8. Selling expenses	25	367,551,138	380,202,577
26	9. General and administrative expense	26	5,545,162,373	4,668,005,734
30	10. Net profit from operating activities		(6,882,101,807)	(18,849,535,052)
31	11. Other income	27	6,947,273	15,743,713
32	12. Other expense	28	5,201,655	24
40	13. Other profit		1,745,618	15,743,689
50	14. Total net profit before tax		(6,880,356,189)	(18,833,791,363)
51	15. Current corporate income tax expenses	29	-	-
52	16. Deferred corporate income tax expenses		-	-
60	17. Profit after corporate income tax		(6,880,356,189)	(18,833,791,363)
70	18. Basic earnings per share	30	(344)	(942)



Le Van Tuan Hai
Preparer



Ngo Duc Chinh
Chief Accountant



Le Ba Giang
Vice General Director

Thua Thien - Hue, 15 July 2022

INTERIM STATEMENT OF CASH FLOWS

For the period from 01/01/2022 to 30/06/2022

(Indirect method)

Code ITEM	Note	first 06-month of the year 2022 VND	first 06-month of the year 2021 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax	(6,880,356,189)	(18,833,791,363)
	2. Adjustments for		
02	- Depreciation and amortization of fixed assets and investment properties	1,138,835,934	1,200,866,811
03	- Provisions	3,390,354,140	11,741,168,803
05	- Gains / losses from investment	(489,800,914)	(541,907,507)
06	- Interest expense	209,205,833	-
08	3. Operating profit before changes in working capital	(2,631,761,196)	(6,433,663,256)
09	- Increase or decrease in receivables	8,752,467,473	(484,662,837)
10	- Increase or decrease in inventories	(117,256,694)	62,403,353
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)	6,579,757,016	1,533,815,116
12	- Increase or decrease in prepaid expenses	(281,454,336)	606,114,082
20	Net cash flows from operating activities	12,301,752,263	(4,715,993,542)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets	(15,509,183,333)	(4,737,791,457)
24	2. Collection of loans and resale of debt instrument of other entities	300,000,000	-
27	3. Interest and dividend received	489,800,914	541,907,507
30	Net cash flows from investing activities	(14,719,382,419)	(4,195,883,950)
III CASH FLOWS FROM FINANCING ACTIVITIES			
33	1. Proceeds from borrowings	5,006,387,000	4,291,327,200
34	2. Repayment of principal	(200,000,000)	-
40	Net cash flows from financing activities	4,806,387,000	4,291,327,200
50	Net cash flows in the period	2,388,756,844	(4,620,550,292)

INTERIM STATEMENT OF CASH FLOWS

For the period from 01/01/2022 to 30/06/2022

(Indirect method)

Code ITEM	Note	first 06-month of	first 06-month of
		the year 2022	the year 2021
		VND	VND
60	Cash and cash equivalents at beginning of the period	38,275,688,890	40,308,057,461
70	Cash and cash equivalents at end of the period	3	3
		<u>40,664,445,734</u>	<u>35,687,507,169</u>



Le Van Tuan Hai
Preparer



Ngo Duc Chinh
Chief Accountant




Le Ba Giang
Vice General Director

Thua Thien - Hue, 15 July 2022

NOTES TO FINANCIAL STATEMENTS*For the period from 01/01/2022 to 30/06/2022***1 . GENERAL INFORMATION OF THE COMPANY****Form of ownership**

Huong Giang Tourist Joint Stock Company was established under Decision No.3243/QD-UBND dated November 2, 1996 and transformed into a joint stock company under Decision No.2559/QD-UBND dated November 15, 2007 of Thua Thien Hue Provincial People's Committee. The company was established and operated under the Certificate of Business Registration for Joint Stock Company No.3300101124 issued by Thua Thien Hue Department of Planning and Investment for the first time on December 25, 2007 and changed for the 11th time on 08 November 2019.

The Company's head office is located at: No. 2, Nguyen Cong Tru, Hue City, Thua Thien Hue Province, Vietnam.

Company's Charter capital: VND 200,000,000,000, the actual contributed capital until June 30, 2022 is VND 200,000,000,000, equivalent to 20,000,000 shares with the price of VND 10,000 per share.

The total number of employees of the Company as at 30 June 2022 is: 122 people (as at 01 January 2022: 91 people).

Business field

Hospitality industry and tourism services.

Business activities

Main business activities of the Company include:

- Short-stay services;
- Wholesale of beverage;
- Wholesale of food;
- Wholesale of other household appliances such as trading cosmetics and hygiene products;
- Lottery, betting, gambling activities such as electronic games with prizes for foreigners;
- Entertainment activities not yet categorized such as Karaoke services;
- Tour operator such as international and domestic travel business; and
- Restaurants and mobile catering services such as restaurants and cafes.

The Company's operation in the period that affects the Interim Financial Statements

The economic and social recovery after the Covid-19 pandemic has had a positive impact on all industries and especially the tourism and travel industry. This positive impact has brought better business results compared to the same period last year for the Company as well as joint ventures and associates operating in the same field. In the first 6 months of 2022, the Company's revenue and profit increased by nearly 1.5 times compared to the same period last year; At the same time, financial expenses related to provisions for investments also decreased by 71% over the same period last year.

Corporate structure

The Company's member entities are as follows:	Address	Main business activities
Huong Giang Hotel Resort & Spa	Hue	Hospitality industry

Information of Associates and Joint ventures of the Company is provided in Note No 4.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

Annual accounting period commences from 01 January and ends as at 31 December.

The Company maintains its accounting records in VND.

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Declaration of compliance with Accounting Standards and Accounting System

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 . Basis for preparation of Interim Financial statements

Interim Financial statements are presented based on historical cost principle.

Interim Financial statements of the Company are prepared based on summarization of transactions incurred, then recorded into accounting books of dependent accounting entities and at the offices of the Company.

In the Interim financial statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payable are eliminated in full.

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

There are currently no regulations on the revaluation of financial instruments after initial recognition.

2.5 . Foreign currency transactions

The foreign currency transactions during the period are transfer into Vietnam Dong using the real exchange rate ruling at the transaction date. Real exchange rates are determined under the following principles:

- When buying or selling foreign currency, applying the exchange rates specified in the contracts of foreign exchange sale between Company and commercial banks;
- When recording receivables, applying the bid rate of the commercial bank stipulated by the Company for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Company expects to conduct transactions at the transaction time;

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of the Interim Financial statements is determined on the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Company regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Company opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Company regularly conducts transaction.

All exchange differences arising from foreign currency transactions in the period and from revaluation of remaining foreign currency monetary items at the end of the period are recorded immediately to operating results of the accounting period. In which the exchange rate difference due to revaluation of ending balance of monetary items denominated in foreign currencies is not used for profit distribution or dividend distribution.

2.6 . Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.7 . Financial investments

Investments in joint ventures or associates are initially recognized at original cost. After initial recognition, the value of these investments is measured at original cost less provision for devaluation of investments.

Provision for devaluation of investments is made at the end of the period as followings:

- With regard to investments in joint ventures or associates: the provision for loss investments shall be made based on the Interim Financial Statements of joint ventures or associates at the provision date.

2.8 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company. Receivables are classified as short-term and long-term in the interim financial statements based on the remaining maturity of the receivables at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

2.9 . Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual.

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

2.10 . Fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

Fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

- Buildings, structures	05 - 30 years
- Machine, equipment	05 - 10 years
- Vehicles, Transportation equipment	06 - 10 years
- Office equipment and furniture	03 - 05 years
- Other fixed assets	03 - 05 years
- Long-term land use right	No depreciation
- Management software	03 - 05 years

2.11 . Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs.

2.12 . Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

2.13 . Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Prepaid expenses of the Company include:

- Tools and instruments include assets held by the Company for use in the ordinary course of business, with cost of each asset less than VND 30 million and therefore ineligible for recognition. are fixed assets according to current regulations. The cost of tools and equipment is amortized on a straight-line basis over a period of 1 to 5 years.

- Other prepaid expenses are stated at historical cost and amortized on a straight-line basis over their useful lives from 01 to 03 years.

2.14 . Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company. Accounts payable are classified as short-term and long-term in the interim financial statements based on the remaining maturity of the payables at the reporting date.

2.15 . Borrowings

Loans are tracked by each lender, each loan agreement and the repayment terms of the loans. In case of borrowing in foreign currency, details are tracked in original currency.

2.16 . Borrowing costs

Borrowing costs are recognized into operating costs during the period, except for which directly attributable to construction or production of unfinished asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in VAS No. 16 "Borrowing costs". Beside, regarding loans serving the construction of fixed assets, investment properties, and the interests shall be capitalized even if the construction duration is under 12 months.

2.17 . Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Company. Net profit can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders and after being appropriated to funds in accordance with the Company's Articles of Incorporation and Vietnamese statutory requirements.

The Company's retained earnings is distributed to other funds according to recommendation of the Board of Management and approval of shareholders at annual General Meeting of Shareholders:

- Development and investment funds: The fund is reserved for the purpose of business expansion or in depth investment.
- Bonus and welfare fund and bonus for the Executive Board: The fund is reserved for the purpose of bonus, material incentives, common benefit and increasing welfare for employees and presented as a liability on the Interim Statement of Financial Position.

2.18 . Revenues*Rendering of services*

Revenue from rendering of services shall be recognised when all the following conditions have been

- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of the completion of the transaction may be determined by evaluating the volume of work performed.

Financial income

Revenue arising from the used by the others of entity assets yielding interest, royalties and dividends shall be recognised when two (2) of the following conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The amount of the revenue can be measured reliably.

2.19 . Cost of goods sold

Cost of goods sold is recognized in accordance with revenue arising and ensure compliance with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned,... are recognized fully and promptly into cost of goods sold in the period.

2.20 . Financial expenses

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc.

The above items are recorded by the total amount arising in the year without offsetting against financial income

2.21 . Corporate income tax

a) Current corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the period and current corporate income tax rate.

b) Current corporate income tax rate

The Company applies the corporate income tax rate of 20% for the operating activities which has taxable income for the period from 01 January 2022 to 30 June 2022.

2.22 . Earnings per share

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

2.23 . Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel of the Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Interim Financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.24 . Segment information

The Company's main business activities are hotel business and tourism services and mainly take place in the territory of Vietnam, so the Company does not present Segment Reports by business sector and geographical area.

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3 . CASH AND CASH EQUIVALENTS

	<u>30/06/2022</u>	<u>01/01/2022</u>
	VND	VND
Cash on hand	330,355,244	94,454,076
Demand deposits (1)	40,334,090,490	34,781,234,814
Cash equivalents	-	3,400,000,000
	<u><u>40,664,445,734</u></u>	<u><u>38,275,688,890</u></u>

(1) As at 30/06/2022, demand deposits with the amount of VND 40,334,090,490, of which VND 32,225,198,297 was the proceeds from the transfer of capital of People's Committee of Thua Thien Hue Province for Bitexco Group of Companies, this money is limited to use in accordance with Official Letter No. 1398/STC-TCDN dated 26/5/2016 of Department of Finance of Thua Thien Hue Province.
(Details as in Note No.17).

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4 . LONG - TERM FINANCIAL INVESTMENTS

	30/06/2022		01/01/2022	
	Original cost VND	Provision VND	Original cost VND	Provision VND
Investments in joint ventures, associates				
- Huong Giang Travel Company Limited	4,423,230,000	(2,301,577,362)	4,423,230,000	(1,832,719,037)
- Lang Co Tourist Co., Ltd.	6,239,210,372	(3,941,776,282)	6,239,210,372	(3,664,127,494)
- Thien Phuc Tourist JSC	940,000,000	(421,947,149)	940,000,000	(421,947,149)
- Saigon Morin Hue Co., Ltd.	50,720,625,000	(6,527,406,467)	50,720,625,000	(7,446,573,142)
- Hotel De La Cite Imperiale Co.,Ltd.	34,416,633,279	(14,561,523,317)	34,416,633,279	(10,998,509,615)
- Citadel Investment Tourist Co., Ltd.	21,683,550,000	(9,794,331)	21,683,550,000	(9,794,331)
	118,423,248,651	(27,764,024,908)	118,423,248,651	(24,373,670,768)

The Company has not determined the fair value of financial investments since Vietnam Accounting Standards and Vietnam Corporate Accounting System has not had any detailed guidance on the determination of the fair value.

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Investments in joint ventures, associates

Detail information on the Company's joint ventures, associates as at 30/06/2022 as follows:

<u>Name of company</u>	<u>Place of establishment and operation</u>	<u>Rate of interest</u>	<u>Rate of voting rights</u>	<u>Principle activities</u>
- Huong Giang Travel Company Limited	11 Le Loi Street, Vinh Ninh Ward, Hue City, Thua Thien Thien Province, Vietnam	49.00%	49.00%	Hotel, restaurant and travel services
- Lang Co Tourist Co., Ltd.	Loan Ly Village, Lang Co Town, Phu Loc District, Thua Thien Hue Province	40.00%	40.00%	Hotel, restaurant and travel services
- Thien Phuc Tourist JSC	An Tay Ward, Hue City, Thua Thien Hue Province	31.33%	31.33%	Production of bottled mineral water and laundry services
- Saigon Morin Hue Co., Ltd.	30 Le Loi Street, Phu Nhuan Ward, Hue City, Thua Thien Hue Province, Vietnam	50.00%	50.00%	Hotel and travel services
- Hotel De La Cite Imperiale Co., Ltd.	5 Le Loi Street, Hue City, Thua Thien Hue Province	35.24%	35.24%	Hotel and travel services
- Citadel Investment Tourist Co., Ltd.	2 Nguyen Cong Tru Street, Hue City, Thua Thien Hue Province	35.00%	35.00%	Hotel and travel services

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5 . SHORT-TERM TRADE RECEIVABLES

	30/06/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Trade receivables detailed by customers with large account balances				
- Huong Giang Travel Company Limited	220,943,617	-	360,296,343	-
- Hue university of education	297,000,000	-	67,400,000	-
- Vietnam Innovation Institute	94,260,000	-	-	-
- Other trade receivables	201,408,000	(6,000,000)	14,205,000	(6,000,000)
	813,611,617	(6,000,000)	441,901,343	(6,000,000)
b) Trade receivables from related parties				
	220,943,617	-	360,296,343	-

(Details as in Notes 34).
6 . SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30/06/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Thinh Chau Trading and Technical Services Co., Ltd	-	-	1,512,576,000	-
- Global Thermic Mechanical Manufacturing Trading Services Co., Ltd	-	-	1,275,364,200	-
- Da Nang Vang Hotel Maintenance Solution Co., Ltd	-	-	5,338,326,000	-
- District Eight Design Co., Ltd	-	-	1,774,190,000	-
- Quang Anh Private Enterprise	103,000,000	-	-	-
- Others	58,793,000	-	680,026,000	-
	161,793,000	-	10,580,482,200	-

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7 . SHORT - TERM LOAN RECEIVABLES

	30/06/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Huong Giang Travel Company Limited ⁽¹⁾	360,000,000	-	660,000,000	-
- Hotel De La Cite Imperiale Co.,Ltd. ⁽²⁾	10,500,000,000	-	10,500,000,000	-
- Citadel Investment Tourist Co., Ltd. ⁽³⁾	1,100,000,000	-	1,100,000,000	-
	<u>11,960,000,000</u>	<u>-</u>	<u>12,260,000,000</u>	<u>-</u>
In which: Loan receivable from related parties	<u>11,960,000,000</u>	<u>-</u>	<u>12,260,000,000</u>	<u>-</u>

(Details as in Notes 34).

Detail information on short-term loan receivables is as follows:

(1) Contract No.01/HGT- HGTravel-052019 and Appendix No. 03/HGT-HGTtravel-012022 dated 01/01/2022 with the total amount of VND 660,000,000, for the purpose of supplementing working capital with an extended term from 01/01/2022 to 31/12/2022 at the interest rate of 8.5%/year.

(2) Loan contract No. 01/KT-HG-122018 and Appendix No. 07/KT-HG-102021 dated 30/09/2021, with the total amount of VND 10,500,000,000, for the purpose of supplementing working capital with an extend term to 30/06/2022 at the interest rate of 7.6%/year.

(3) Includes 02 contracts:

- Loan contract No. 01/HGT-CIT-042020 and Appendix No. 01.4/HGT-CIT-122021 dated December 31, 2021, with the total amount of VND 600,000,000, for the purpose of supplementing working capital with an additional term of 12 months from 01/01/2022 at interest rate of 7.6%/year.

- Loan contract No. 02/HGT-CIT-012020 and Appendix No. 02.3/HGT-CIT-122021 dated December 31, 2021, with the total amount of 700,000,000 VND, for the purpose of supplementing working capital with an additional term of 12 months from 01/01/2022 at interest rate of 7.6%/year.

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8 . OTHER RECEIVABLES

	30/06/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
- Receivables from dividends and profit	494,014,947	-	494,014,947	-
- Advances	70,200,000	-	48,200,000	-
- Handover project of Saigon Morin Hue Co., Ltd.	933,690,527	-	933,690,527	-
- Huong Giang Travel Company Limited	343,086,438	-	512,662,871	-
- Loan interest of Hotel De La Cite Imperiale Co.,Ltd.	2,109,625,000	-	1,708,408,334	-
- Loan interest of Citadel Investment Tourist Co., Ltd.	214,511,111	-	172,478,888	-
- Receivable from payment on behalf of Thien Phuc Tourist JSC	298,897,338	(298,897,338)	298,897,338	(298,897,338)
- Special consumption tax paid on behalf of VIP Club	220,639,373	-	220,639,373	-
- Revenue not yet invoiced	361,835,894	-	-	-
	<u>5,046,500,628</u>	<u>(298,897,338)</u>	<u>4,388,992,278</u>	<u>(298,897,338)</u>
b) Long-term				
Dat Viet Culture Joint Stock Company (*)	4,948,817,680	-	4,948,817,680	-
	<u>9,995,318,308</u>	<u>(298,897,338)</u>	<u>9,337,809,958</u>	<u>(298,897,338)</u>
c) Other receivables from related parties				
	<u>3,460,134,834</u>	<u>-</u>	<u>3,186,462,378</u>	<u>-</u>

(*). Details as in Notes 34).

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9 . DOUBTFUL DEBTS

	30/06/2022		01/01/2022	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables and debts that are overdue or not due but difficult to be recovered				
- Thien Phuc Tourist JSC	298,897,338	-	298,897,338	-
- ICS Viet Nam Company Limited	12,000,000	6,000,000	12,000,000	6,000,000
	<u>310,897,338</u>	<u>6,000,000</u>	<u>310,897,338</u>	<u>6,000,000</u>

10 . INVENTORIES

	30/06/2022		01/01/2022	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw material	183,531,891	-	90,101,815	-
Goods	128,634,210	-	104,807,592	-
	<u>312,166,101</u>	<u>-</u>	<u>194,909,407</u>	<u>-</u>

11 . LONG-TERM ASSET IN PROGRESS

	30/06/2022	01/01/2022
	VND	VND
- Festival Restaurant Renovations Project, 11 Le Loi - Hue (*)	23,492,778,667	8,061,405,334
	<u>23,492,778,667</u>	<u>8,061,405,334</u>

(*) Festival Restaurant Renovations Project, 11 Le Loi - Hue

- Investor: Huong Giang Tourist Joint Stock Company;
- Construction purpose: restaurant and rental business;
- Construction site: No. 11 Le Loi, Hue City, Thua Thien - Hue Province;
- Total investment in phase 1: VND 25.6 billion (equivalent to USD 1.1 million). Main items: Design consultancy: about VND 6.4 billion; Construction: about VND 8.7 billion; Equipment and furniture: about VND 6.9 billion; Other expenses: about VND 3.6 billion;
- Starting time of project implementation and expected completion time: Implemented in the fourth quarter of 2019 and expected to complete in the third quarter of 2021, but the project was delayed due to the impact of the covid epidemic in 2020 and 2021; It is expected that the project will be completed and put into operation in the fourth quarter of 2022 after completing the investment in phase 2;
- Status of the project as at 30/06/2022: Completed 100% of the approved value of the phase 1 project. Currently, the Company is completing the documents to invest in phase 2 with an additional estimated VND 2.3 billion (equivalent to USD 100,000) to upgrade the terrace area.

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12 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Beginning balance	61,158,427,487	11,165,580,199	8,413,270,805	732,541,644	-	81,469,820,135
- Purchase in the period	-	77,810,000	-	-	-	77,810,000
Ending balance of the period	61,158,427,487	11,243,390,199	8,413,270,805	732,541,644	-	81,547,630,135
Accumulated depreciation						
Beginning balance	42,632,561,437	10,885,714,745	3,073,659,087	732,541,644	-	57,324,476,913
- Depreciation for the period	818,033,284	26,472,710	294,329,940	-	-	1,138,835,934
Ending balance of the period	43,450,594,721	10,912,187,455	3,367,989,027	732,541,644	-	58,463,312,847
Net carrying amount						
Beginning balance	18,525,866,050	279,865,454	5,339,611,718	-	-	24,145,343,222
Ending balance	17,707,832,766	331,202,744	5,045,281,778	-	-	23,084,317,288

In which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the period: VND 30,149,034,013.

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13 . INTANGIBLE FIXED ASSETS

	<u>Land use rights (*)</u> VND	<u>Computer software</u> VND	<u>Total</u> VND
Historical cost			
Beginning balance	999,000,000	309,338,000	1,308,338,000
Ending balance of the period	<u>999,000,000</u>	<u>309,338,000</u>	<u>1,308,338,000</u>
Accumulated depreciation			
Beginning balance	-	309,338,000	309,338,000
Ending balance of the period	<u>-</u>	<u>309,338,000</u>	<u>309,338,000</u>
Net carrying amount			
Beginning balance	999,000,000	-	999,000,000
Ending balance	<u>999,000,000</u>	<u>-</u>	<u>999,000,000</u>

In which:

- Cost of fully depreciated intangible fixed assets but still in use at the end of the period:
VND 309,338,000.

(*) Long-term land use rights at No. 02 Nguyen Cong Tru, Hue city with an area of 166 m² are being used by the Company as office headquarters.

14 . PREPAID EXPENSES

	<u>30/06/2022</u> VND	<u>01/01/2022</u> VND
a) Short-term		
Others	477,821,454	227,934,600
	<u>477,821,454</u>	<u>227,934,600</u>
b) Long-term		
Dispatched tools and supplies	393,735,569	141,805,730
Assets reparation expenses	221,463,720	381,265,896
Others	1,429,775,779	1,490,335,960
	<u>2,044,975,068</u>	<u>2,013,407,586</u>

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15 . TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Receivable at the opening year	Payable at the opening year	Payable arise in the period	Amount paid in the period	Receivable at the closing period	Payable at the closing period
	VND	VND	VND	VND	VND	VND
Value added tax	-	-	154,920,760	127,817,994	-	27,102,766
Personal income tax	-	19,777,059	158,485,149	151,808,020	-	26,454,188
Land tax and land rental	18,000,000	-	4,432,977,494	220,333,671	-	4,194,643,823
Other taxes	-	-	4,000,000	4,000,000	-	-
Fees and other obligations	-	61,298	22,902,230	14,404,174	-	8,559,354
	18,000,000	19,838,357	4,773,285,633	518,363,859	-	4,256,760,131

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the interim financial statements could be changed at a later date upon final determination by the tax authorities.

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16 . SHORT-TERM TRADE PAYABLES

	30/06/2022		01/01/2022	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
a) Trade payables detailed by suppliers with large account balances				
- Hoang Mai Foods Production & Trading Co., Ltd.	130,055,280	130,055,280	15,162,210	15,162,210
- Quoc Bao Trade Service Private Enterprise	98,213,333	98,213,333	44,987,855	44,987,855
- Global Thermic Mechanical Manufacturing Trading Services Co., Ltd	255,073,200	255,073,200	-	-
- VMA Food Co., Ltd	146,876,000	146,876,000	-	-
- Others	749,472,625	749,472,625	172,083,206	172,083,206
	1,379,690,438	1,379,690,438	232,233,271	232,233,271

17 . OTHER SHORT - TERM PAYABLES

	30/06/2022	01/01/2022
	VND	VND
- Payables of collecting of State-owned capital transfer (*)	32,225,198,297	32,193,081,521
- Interest payables	246,192,500	36,986,667
- Withdrawal of contributed capital in Thien Phuc Tourist JSC, awaiting for settlement	518,052,851	518,052,851
- Others	47,579,937	47,579,937
	33,037,023,585	32,795,700,976

(*) This is the amount arising from the capital transfer contract No.18/HDCNV dated 30 March 2016 between People's Committee of Thua Thien Hue Province (transferor) and Bitexco Group Company Limited (the transferee) with the information is as follows:

- Representative of the transferor: Mr. Nguyen Quoc Thanh - Chairman of the Board - The main representative of the State capital at Huong Giang Tourist Joint Stock Company, according to Decision No.624/QD-UBND dated 30 March 2016 of People's Committee of Thua Thien Hue Province.
- 12,572,200 shares, equivalent to the total face value of VND 125,722,000,000, accounting for 62.86% of the charter capital of Huong Giang Tourist Joint Stock Company.
- Total transfer value: VND 158,409,520,000.
- Account to receive transfer money is the bank deposit account of Huong Giang Tourist Joint Stock Company.

The Company has returned the amount of VND 126 billion according to the written requests of the People's Committee of Thua Thien Hue Province, the remaining amount will be returned when requested. As at 31/12/2021, this remaining amount is restricted to use under Official Dispatch No.1398/STC-TCDN dated 25 June 2016 of the Department of Finance of Thua Thien Hue Province.

(More information as in Note 3).

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18 . BORROWINGS AND FINANCE LEASE LIABILITIES

	01/01/2022		During the period		30/06/2022	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term borrowings						
Short-term borrowings	8,365,800,000	8,365,800,000	-	-	8,365,800,000	8,365,800,000
- Crystal Treasure Company Limited ⁽¹⁾	8,365,800,000	8,365,800,000	-	-	8,365,800,000	8,365,800,000
Current portion of long-term loan	500,000,000	500,000,000	-	200,000,000	300,000,000	300,000,000
- Joint Stock Commercial Bank for Foreign Trade of Vietnam ⁽²⁾	500,000,000	500,000,000	-	200,000,000	300,000,000	300,000,000
	8,865,800,000	8,865,800,000	-	200,000,000	8,665,800,000	8,665,800,000
b) Long-term borrowings						
- Joint Stock Commercial Bank for Foreign Trade of Vietnam ⁽²⁾	10,885,233,200	10,885,233,200	5,006,387,000	200,000,000	15,691,620,200	15,691,620,200
	10,885,233,200	10,885,233,200	5,006,387,000	200,000,000	15,691,620,200	15,691,620,200
Amount due for settlement within 12 months	(500,000,000)	(500,000,000)	-	(200,000,000)	(300,000,000)	(300,000,000)
Amount due for settlement after 12 months	10,385,233,200	10,385,233,200			15,391,620,200	15,391,620,200

Detailed information on Short-term borrowings:

(1) Loan contract between Huong Giang Tourism Joint Stock Company and Crystal Treasure Limited Company under contract number 01/CRYSTAL-HGT-112021 dated November 26, 2021 with the following detailed terms:

- + Loan principal: USD 365,000;
- + Loan purpose: Supplementing working capital to serve business activities;
- + Term of contract: 12 months from the date of first disbursement;
- + Loan interest rate: 5.0%/year;
- + Balance of principal at the end of the period is VND 8,365,800,000, equivalent to USD 365,000;
- + The form of loan guarantee: unsecured.

Detailed information on Long-term borrowings:

(2) Credit Contract No.09-2019/HUONGGIANG.VCB October 1, 2019, with the following detailed terms:

- + Credit limit: VND 16,000,000,000;
- + Loan purpose: Investing in renovating Le Cerele Sportif service center at 11 Le Loi, Hue city;
- + Term of contract: 120 months;
- + Loan interest rate: 9.0%/year;
- + Balance of principal at the end of the period is VND 15,691,620,200, of which due long-term debt is VND 500,000,000;
- + Loans from banks are secured by land use rights and assets on land formed in the future of the project at 11 Le Loi, Hue City.

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19 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Share capital surplus	Retained earnings	Total
	VND	VND	VND	VND
Beginning balance of previous period	200,000,000,000	47,223,517,700	(69,324,648,160)	177,898,869,540
Loss for previous period	-	-	(18,833,791,363)	(18,833,791,363)
Ending balance of previous period	200,000,000,000	47,223,517,700	(88,158,439,523)	159,065,078,177
Beginning balance of current period	200,000,000,000	47,223,517,700	(100,546,019,063)	146,677,498,637
Loss for current period	-	-	(6,880,356,189)	(6,880,356,189)
Ending balance of this period	200,000,000,000	47,223,517,700	(107,426,375,252)	139,797,142,448

b) Details of owner's invested capital

	30/06/2022 (*)	Rate	01/01/2022	Rate
	VND	(%)	VND	(%)
Bitexco Group of Companies	18,228,770,000	9.11%	18,228,770,000	9.11%
Crystal Treasure Limited	91,000,000,000	45.50%	91,000,000,000	45.50%
Le Thi Ngoc Thuy	14,000,000,000	7.00%	14,000,000,000	7.00%
White Crystal Co., Ltd	19,252,230,000	9.63%	19,252,230,000	9.63%
Tan Truong Co., Ltd	40,000,000,000	20.00%	40,000,000,000	20.00%
Others	17,519,000,000	8.76%	17,519,000,000	8.76%
	200,000,000,000	100%	200,000,000,000	100%

(*) Details of the owner's investment capital according to the general list of securities owners of the Vietnam Securities Depository as at 31/12/2021 and at 30/06/2022.

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c) Capital transactions with owners and distribution of dividends and profits

	<u>first 06-month of the year 2022</u>	<u>first 06-month of the year 2021</u>
	VND	VND
Owner's contributed capital	200,000,000,000	200,000,000,000
- At the beginning of period	<u>200,000,000,000</u>	<u>200,000,000,000</u>
- At the ending of period	<u>200,000,000,000</u>	<u>200,000,000,000</u>

d) Share

	<u>30/06/2022</u>	<u>01/01/2022</u>
Quantity of Authorized issuing shares	20,000,000	20,000,000
Quantity of issued shares and full capital contribution	20,000,000	20,000,000
- Common shares	20,000,000	20,000,000
Quantity of outstanding shares in circulation	20,000,000	20,000,000
- Common shares	20,000,000	20,000,000
Par value per share (VND)	10,000	10,000

20 OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT

a) Operating leased assets

The Company signs land lease contracts with the following details:

- Land lease contract at No. 51 Le Loi for use in tourism service business from 1998 to 2028. The leased area is 13,508 m2. The company is operating in hotel (Huong Giang Hotel) and restaurant business. According to Contract No. 67/HDTĐ dated 23/12/2010, the Company must pay the rental fee annually until the contract maturity date according to the current regulations of the State.

- Land lease contract at No. 11 Le Loi for use in tourism service business from 2001 to 2031. The leased area is 6,248.3 m2. The company is running the business of Festival Hue restaurant. According to Contract No. 65/HDTĐ dated 19/08/2019, the Company must pay the rental fee annually until the contract maturity date according to the current regulations of the State.

- Land lease contract at No. 30 Le Loi for use in tourism service business from 2004 to 2044. The leased area is 7,702 m2. The company is in a joint venture with Saigon Tourist to run business in hotels and restaurants. According to contract No. 34/HD - TĐ dated 09/11/2004, the company must pay the rental fee annually until the contract maturity date according to the current regulations of the State.

- Land lease contract at No. 51 Le Loi for business use from 06/12/2019 to 16/05/2024. The leased area is 680 m2. Currently the company is using the land plot as landscape of Mat Ngoc Lake at Huong Giang Hotel. According to contract No. 88/HDTĐ dated 06/12/2019, the Company must pay the rental fee annually until the contract maturity date according to the current regulations of the State.

b) Foreign currencies

	<u>30/06/2022</u>	<u>01/01/2022</u>
- USD	3,867.10	3,880.30
- EUR	425.85	431.31

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21 . TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	<u>first 06-month of the year 2022</u>	<u>first 06-month of the year 2021</u>
	VND	VND
Revenue from renting room, food and beverage service	13,036,160,665	6,027,695,343
Revenue from rendering of services	1,223,863,805	827,990,218
	<u>14,260,024,470</u>	<u>6,855,685,561</u>
In which: Revenue from related parties <i>(Details as in Notes 34).</i>	<u>153,492,798</u>	<u>130,280,640</u>

22 . COSTS OF GOODS SOLD

	<u>first 06-month of the year 2022</u>	<u>first 06-month of the year 2021</u>
	VND	VND
Costs of renting room, food and beverage service	10,910,020,833	8,496,559,006
Costs of services rendered	1,209,632,619	967,706,095
	<u>12,119,653,452</u>	<u>9,464,265,101</u>
In which: Costs of goods sold from related parties		
Costs of goods sold from related parties <i>(Details as in Notes 34).</i>	<u>30,296,000</u>	<u>24,977,000</u>

23 . FINANCIAL INCOME

	<u>first 06-month of the year 2022</u>	<u>first 06-month of the year 2021</u>
	VND	VND
Interest income, interest from loans	489,800,914	541,907,507
Realized gain from foreign exchange difference	-	507,500
Others	-	7,000
	<u>489,800,914</u>	<u>542,422,007</u>
In which: Finance income from related parties <i>(Details as in Notes 34).</i>	<u>462,883,889</u>	<u>464,647,111</u>

24 . FINANCIAL EXPENSES

	<u>first 06-month of the year 2022</u>	<u>first 06-month of the year 2021</u>
	VND	VND
Interest expenses	209,205,833	-
Realized loss from foreign exchange difference	255	405
Provisions for investments	3,390,354,140	11,735,168,803
	<u>3,599,560,228</u>	<u>11,735,169,208</u>

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25 . SELLING EXPENSES

	<u>first 06-month of the year 2022</u>	<u>first 06-month of the year 2021</u>
	VND	VND
Raw materials	6,510,904	17,740,188
Labor	337,454,015	333,397,716
Expenses from external services	5,961,033	8,421,445
Other expenses by cash	17,625,186	20,643,228
	<u>367,551,138</u>	<u>380,202,577</u>

26 . GENERAL ADMINISTRATIVE EXPENSES

	<u>first 06-month of the year 2022</u>	<u>first 06-month of the year 2021</u>
	VND	VND
Raw materials	169,138,675	228,036,826
Labor	3,142,727,802	2,828,583,531
Depreciation and amortisation	325,748,285	365,111,952
Tax, Charge, Fee	1,003,210,432	4,000,000
Provision expenses	-	6,000,000
Expenses from external services	673,765,075	1,088,982,409
Other expenses by cash	230,572,104	147,291,016
	<u>5,545,162,373</u>	<u>4,668,005,734</u>

27 . OTHER INCOME

	<u>first 06-month of the year 2022</u>	<u>first 06-month of the year 2021</u>
	VND	VND
Others	6,947,273	15,743,713
	<u>6,947,273</u>	<u>15,743,713</u>

28 . OTHER EXPENSE

	<u>first 06-month of the year 2022</u>	<u>first 06-month of the year 2021</u>
	VND	VND
Others	5,201,655	24
	<u>5,201,655</u>	<u>24</u>

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29 . CURRENT CORPORATE INCOME TAX EXPENSES

	first 06-month of the year 2022	first 06-month of the year 2021
	VND	VND
Total profit before tax	(6,880,356,189)	(18,833,791,363)
Taxable income	(6,880,356,189)	(18,833,791,363)
Current corporate income tax expense (Tax rate 20%)	-	-
Tax payable at the beginning of period	-	-
Tax paid in the period	-	-
Closing period income tax payable of main business activities	-	-

30 . BASIC EARNINGS PER SHARE

Basic earnings per share distributed to common shareholders of the company are calculated as follows:

	first 06-month of the year 2022	first 06-month of the year 2021
	VND	VND
Net profit after tax	(6,880,356,189)	(18,833,791,363)
Profit distributed for common stocks	(6,880,356,189)	(18,833,791,363)
Average number of outstanding common shares in circulation in the period	20,000,000	20,000,000
Basic earnings per share	(344)	(942)

As at 30 June 2022, the Company did not have shares with dilutive potential for earnings per share.

31 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	first 06-month of the year 2022	first 06-month of the year 2021
	VND	VND
Raw materials	3,097,057,798	2,644,133,424
Labour expenses	5,985,468,642	5,481,845,778
Depreciation and amortisation	1,138,835,934	1,200,866,811
Expenses from external services	6,453,889,378	2,201,062,435
Other expenses by cash	1,357,115,211	2,984,564,964
	18,032,366,963	14,512,473,412

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32 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company include:

	Carrying amount			
	30/06/2022		01/01/2022	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	40,664,445,734	-	38,275,688,890	-
Trade and other receivables	10,808,929,925	(304,897,338)	9,779,711,301	(304,897,338)
Loans	11,960,000,000	-	12,260,000,000	-
	<u>63,433,375,659</u>	<u>(304,897,338)</u>	<u>60,315,400,191</u>	<u>(304,897,338)</u>
			Carrying amount	
			30/06/2022	01/01/2022
			VND	VND
Financial Liabilities				
Borrowings			24,057,420,200	19,251,033,200
Trade payables, other payables			34,416,714,023	33,027,934,247
			<u>58,474,134,223</u>	<u>52,278,967,447</u>

Financial assets and financial liabilities are not revalued according to fair value at the end of the period because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and Notes to financial instruments but do not provide any relevant instruction for assessment and recognition of fair value of financial assets and liabilities, excluding provision for doubtful debts which is presented in relevant notes.

Financial risk management

The Company's financial risks including market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of General Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company's business operations will bear the risks of changes on exchange rates and interest rates.

Exchange rate risk:

The Company bears the risk of exchange rate due to the fluctuation in fair value of future cash flows of a financial instrument in line with changes in exchange rates if loans, revenues and expenses of the Company are denominated in foreign currencies other than VND.

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Interest rate risk:

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

	Under 1 year	From 1 year to 5	From more than 5	Total
	VND	years	years	VND
	VND	VND	VND	VND
As at 30/06/2022				
Cash and cash equivalents	40,664,445,734	-	-	40,664,445,734
Trade receivables, other receivables	5,555,214,907	4,948,817,680	-	10,504,032,587
Loans	11,960,000,000	-	-	11,960,000,000
	<u>58,179,660,641</u>	<u>4,948,817,680</u>	<u>-</u>	<u>63,128,478,321</u>
As at 01/01/2022				
Cash and cash equivalents	38,275,688,890	-	-	38,275,688,890
Trade receivables, other receivables	4,525,996,283	4,948,817,680	-	9,474,813,963
Loans	12,260,000,000	-	-	12,260,000,000
	<u>55,061,685,173</u>	<u>4,948,817,680</u>	<u>-</u>	<u>60,010,502,853</u>

Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

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Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year VND	From 1 to 5 years VND	From more than 5 years VND	Total VND
As at 30/06/2022				
Borrowings and debts	8,665,800,000	15,391,620,200	-	24,057,420,200
Trade payables, other payables	34,416,714,023	-	-	34,416,714,023
	<u>43,082,514,023</u>	<u>15,391,620,200</u>	<u>-</u>	<u>58,474,134,223</u>
As at 01/01/2022				
Borrowings and debts	8,865,800,000	10,385,233,200	-	19,251,033,200
Trade payables, other payables	33,027,934,247	-	-	33,027,934,247
	<u>41,893,734,247</u>	<u>10,385,233,200</u>	<u>-</u>	<u>52,278,967,447</u>

The Company believes that risk level of loan repayment is controllable. The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

33 . EVENTS AFTER BALANCE SHEET DATE

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Interim financial statements.

34 . TRANSACTION AND BALANCES WITH RELATED PARTIES

During the period, the Company has the transactions and balances with related parties as follows:

Transactions during the period:

	Relation	first 06-month of the year 2022 VND	first 06-month of the year 2021 VND
Revenue		153,492,798	130,280,640
Huong Giang Travel Company Limited	Associates	153,492,798	130,280,640
Purchases of goods and services		30,296,000	24,977,000
Huong Giang Travel Company Limited	Associates	30,296,000	24,977,000
Financial income		462,883,889	464,647,111
Huong Giang Travel Company Limited	Associates	19,635,000	25,219,333
Hotel De La Cite Imperiale Co.,Ltd.	Associates	401,216,666	401,216,667
Citadel Investment Tourist Co., Ltd.	Associates	42,032,223	38,211,111

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Outstanding balances up to the reporting date are as follows:

	Relation	30/06/2022	01/01/2022
		VND	VND
Trade receivables		220,943,617	360,296,343
Huong Giang Travel Company Limited	Associates	220,943,617	360,296,343
Loan receivables		11,960,000,000	12,260,000,000
Huong Giang Travel Company Limited	Associates	360,000,000	660,000,000
Hotel De La Cite Imperiale Co.,Ltd.	Associates	10,500,000,000	10,500,000,000
Citadel Investment Tourist Co., Ltd.	Associates	1,100,000,000	1,100,000,000
	Relation	30/06/2022	01/01/2022
		VND	VND
Other receivables		3,460,134,834	3,186,462,378
Huong Giang Travel Company Limited	Associates	837,101,385	1,006,677,818
Thien Phuc Tourist Joint Stock Company	Associates	298,897,338	298,897,338
Hotel De La Cite Imperiale Co.,Ltd.	Associates	2,109,625,000	1,708,408,334
Citadel Investment Tourist Co., Ltd.	Associates	214,511,111	172,478,888

Transactions with other related parties:

	first 06-month of the year 2022	first 06-month of the year 2021
	VND	VND
Income of Board of Directors and Board of Directors		
Yukio Takahashi ⁽¹⁾	-	-
Toshihiko Takahashi ⁽²⁾	-	-
Go Fujiyama ⁽³⁾	-	-
Johnny Cheung Ching Fu ⁽⁴⁾	324,877,000	319,089,714
Le Ba Giang ⁽⁵⁾	442,928,600	547,230,769
Yoshida Tetsuya ⁽⁶⁾	241,505,677	253,129,630
Dinh Nhat Tan ⁽⁷⁾	-	-

(1) Chairman of the board (Resigned from April 26, 2022)

(2) Chairman of the board (Appointed from April 27, 2022)

(3) Member of The Board of Management (Resigned from April 26, 2022)

(4) Member of The Board of Management and General Director

(5) Member of The Board of Management and Deputy General Director

(6) Member of The Board of Management

(7) Member of The Board of Management (Appointed from April 26, 2022)

In addition to the above related party transactions, other related parties did not have any transactions during the period and have no balance at the balance sheet date with the Company.

35 . COMPARATIVE FIGURES

The comparative figures on the interim balance sheet and the corresponding notes are those of the financial statements for the year ended 31 December 2021, which have been audited by AASC Auditing Firm Co., Ltd. The figures in the interim income statement, the interim statement of cash flows and the corresponding notes are the amounts in the reviewed interim financial statements which have been reviewed by AASC Auditing Firm Co., Ltd for the accounting period from 01/01/2021 to 30/06/2021.

Le Van Tuan Hai
Preparer

Ngo Duc Chinh
Chief Accountant



Le Ba Giang
Vice General Director

Thua Thien - Hue, 15 July 2022

