



FINANCIAL STATEMENTS

HUONG GIANG TOURIST JOINT STOCK COMPANY

For the fiscal year ended as at 31/12/2023
(audited)



WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

FINANCIAL STATEMENTS

HUONG GIANG TOURIST JOINT STOCK COMPANY

For the fiscal year ended as at 31/12/2023

(audited)

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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 Financial statements for the fiscal year ended as at 31 December 2023.

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 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 12th time on 28 July 2022.

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 fiscal year and to the reporting date are:

Mr. Toshihiko Takahashi	Chairman
Mr. Le Ba Giang	Member
Mr. Yoshida Tetsuya	Member
Mr. Johnny Cheung - Ching Fu	Member
Mr. Dinh Nhat Tan	Member

The members of The Board of General Directors during the fiscal year 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
Mr. Nguyen Phuoc Quy Thinh	Member (Appointed from April 27, 2023)
Mrs. Nguyen Ngoc Dieu Loan	Member (Resigned from April 27, 2023)

AUDITORS

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

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

The Board of General Directors is responsible for the preparation of Financial statements of each financial year which give a true and fair view of the financial position of the Company; its operating results and its cash flows for the year. In preparing those 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 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 Financial statements;
- Prepare and present the 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 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 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 Financial statements give a true and fair view of the financial position at 31 December 2023, its operation results and cash flows in the year 2023 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of 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, 20 March 2024

No.: 200324.006/BCTC.KT2

INDEPENDENT AUDITOR'S REPORT

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

We have audited the Financial statements of Huong Giang Tourist Joint Stock Company prepared on 20 March 2024, as set out on pages 06 to 40, including: Statement of financial position as at 31 December 2023, Statement Of Income, Statement Of Cashflows and Notes to financial statements for the fiscal year ended as at 31 December 2023.

The Board of General Directors' responsibility

The Board of General Directors is responsible for the preparation and presentation of 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 Financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Auditor's opinion

In our opinion, the Financial statements give a true and fair view, in all material respects, of the financial position of Huong Giang Tourist Joint Stock Company as at 31 December 2023, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.

Emphasis of matter

Readers may refer to Note No.3 and Note No.17 of the Notes to the Financial Statements. As at 31 December 2023, the Company is recording and presenting on the Financial Statements the amount payable to the State Budget in the amount of VND 32.3 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 Auditor's opinion.

AASC Auditing Firm Company Limited





Vu Xuan Bien

Deputy General Director

Certificate of registration to audit practice

No: 0743-2023-002-1

Hanoi, 20 March 2024



Duong Quan Anh

Auditor

Certificate of registration to audit practice

No: 1686-2023-002-1

HUONG GIANG TOURIST JOINT STOCK COMPANY

No. 2, Nguyen Cong Tru, Hue City,
Thua Thien Hue Province, Vietnam

Financial statements

For the fiscal year ended as at 31/12/2023

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023


Code	ASSETS	Note	31/12/2023 VND	01/01/2022 VND
100	A. SHORT-TERM ASSETS		64,318,734,313	63,628,518,912
110	I. Cash and cash equivalents	3	42,638,946,915	42,878,360,405
111	1. Cash		42,638,946,915	36,378,360,405
112	2. Cash equivalents		-	6,500,000,000
130	III. Short-term receivables		18,768,739,183	17,648,998,115
131	1. Short-term trade receivables	5	2,002,328,980	1,146,330,425
132	2. Short-term prepayments to suppliers	6	218,860,000	692,755,000
135	3. Short-term loan receivables	7	11,900,000,000	11,700,000,000
136	4. Other short-term receivables	8	4,946,447,541	4,420,810,028
137	5. Provision for short-term doubtful debts		(298,897,338)	(310,897,338)
140	IV. Inventories	10	328,694,690	292,678,287
141	1. Inventories		328,694,690	292,678,287
150	V. Other short-term assets		2,582,353,525	2,808,482,105
151	1. Short-term prepaid expenses	13	242,321,778	208,985,981
153	2. Taxes and other receivables from State budget	15	2,340,031,747	2,599,496,124
200	B. NON-CURRENT ASSETS		147,682,555,180	149,492,737,309
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		42,782,772,688	46,952,200,374
221	1. Tangible fixed assets	11	41,783,772,688	45,953,200,374
222	- <i>Historical costs</i>		109,582,241,471	109,468,987,242
223	- <i>Accumulated depreciation</i>		(67,798,468,783)	(63,515,786,868)
227	2. Intangible fixed assets	12	999,000,000	999,000,000
228	- <i>Historical costs</i>		1,308,338,000	1,308,338,000
229	- <i>Accumulated amortization</i>		(309,338,000)	(309,338,000)
250	V. Long-term investments	4	93,129,688,921	91,659,554,172
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		(25,293,559,730)	(26,763,694,479)
260	VI. Other long-term assets		6,821,275,891	5,932,165,083
261	1. Long-term prepaid expenses	13	6,821,275,891	5,932,165,083
270	TOTAL ASSETS		212,001,289,493	213,121,256,221


STATEMENT OF FINANCIAL POSITION


As at 31 December 2023

(continued)

Code	CAPITAL	Note	31/12/2023 VND	01/01/2022 VND
300	C. LIABILITIES		70,302,295,651	72,423,944,310
310	I. Current liabilities		49,631,075,451	50,370,874,110
311	1. Short-term trade payables	14	934,587,990	1,615,129,742
312	2. Short-term prepayments from customers		347,814,950	309,169,771
313	3. Taxes and other payables to State budget	15	326,190,864	186,578,612
314	4. Payables to employees		3,052,886,317	2,718,439,907
315	5. Short-term accrued expenses	16	-	1,311,256,481
319	6. Other short-term payments	17	33,556,295,330	33,062,899,597
320	7. Short-term borrowings and finance lease liabilities	18	11,413,300,000	11,167,400,000
330	II. Non-current liabilities		20,671,220,200	22,053,070,200
338	1. Long-term borrowings and finance lease liabilities	18	20,671,220,200	22,053,070,200
400	D. OWNER'S EQUITY		141,698,993,842	140,697,311,911
410	I. Owner's equity	19	141,698,993,842	140,697,311,911
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		(105,524,523,858)	(106,526,205,789)
421a	Retained earnings accumulated till the end of the previous year		(106,526,205,789)	(100,546,019,063)
421b	Retained earnings of the current year		1,001,681,931	(5,980,186,726)
440	TOTAL CAPITAL		212,001,289,493	213,121,256,221


Le Van Tuan Hai
Preparer


Nguyen Ngoc Dieu Loan
Chief Accountant


Le Ba Giang
Vice General Director



Thua Thien - Hue, 20 March 2024

STATEMENT OF INCOME
Year 2023

Code	ITEM	Note	Year 2023	Year 2022
			VND	VND
01	1. Revenue from sales of goods and rendering of services	21	51,055,970,906	36,644,185,389
10	3. Net revenue from sales of goods and rendering of services		51,055,970,906	36,644,185,389
11	4. Cost of goods sold	22	36,286,510,922	28,738,918,640
20	5. Gross profit from sales of goods and rendering of services		14,769,459,984	7,905,266,749
21	6. Financial income	23	1,470,324,084	1,108,623,217
22	7. Financial expense	24	1,369,153,968	3,510,820,590
23	<i>In which: Interest expenses</i>		2,299,366,233	643,955,321
25	8. Selling expenses	25	1,035,493,664	927,626,052
26	9. General and administrative expense	26	12,892,773,909	10,568,966,578
30	10. Net profit from operating activities		942,362,527	(5,993,523,254)
31	11. Other income	27	59,388,000	20,638,183
32	12. Other expense		68,596	7,301,655
40	13. Other profit		59,319,404	13,336,528
50	14. Total net profit before tax		1,001,681,931	(5,980,186,726)
51	15. Current corporate income tax expenses	28	-	-
60	17. Profit after corporate income tax		1,001,681,931	(5,980,186,726)
70	18. Basic earnings per share	29	50	(299)



Le Van Tuan Hai
Preparer



Nguyen Ngoc Dieu Loan
Chief Accountant



Le Ba Giang
Vice General Director

Thua Thien - Hue, 20 March 2024

STATEMENT OF CASH FLOWS

Year 2023
(Indirect method)

Code	ITEM	Note	Year 2023	Year 2022
			VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		1,001,681,931	(5,980,186,726)
	2. Adjustments for			
02	- Depreciation and amortization of fixed assets and investment properties		4,593,718,279	2,420,953,473
03	- Provisions		(1,482,134,749)	2,396,023,711
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency		524,249,333	16,403,470
05	- Gains / losses from investment		(1,492,558,980)	(1,107,943,548)
06	- Interest expense		2,299,366,233	643,955,321
08	3. Operating profit before changes in working capital		5,444,322,047	(1,610,794,299)
09	- Increase or decrease in receivables		(349,821,097)	6,617,638,914
10	- Increase or decrease in inventories		(36,016,403)	(97,768,880)
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		(1,423,111,506)	4,622,112,657
12	- Increase or decrease in prepaid expenses		(922,446,605)	(3,899,808,878)
14	- Interest paid		(1,869,652,953)	(440,936,768)
20	Net cash flows from operating activities		843,273,483	5,190,442,746
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		(424,290,593)	(16,167,405,291)
22	2. Proceeds from disposals of fixed assets and other long-term assets		44,036,364	-
23	3. Loans and purchase of debt instruments from other entities		(200,000,000)	-
24	4. Collection of loans and resale of debt instrument of other entities		-	560,000,000
27	5. Interest and dividend received		1,150,067,022	1,066,600,530
30	Net cash flows from investing activities		569,812,793	(14,540,804,761)
III CASH FLOWS FROM FINANCIAL ACTIVITIES				
33	1. Proceeds from borrowings		-	14,306,256,732
34	2. Repayment of principal		(1,650,000,000)	(350,000,000)
40	Net cash flows from financial activities		(1,650,000,000)	13,956,256,732
50	Net cash flows in the year		(236,913,724)	4,605,894,717

HUONG GIANG TOURIST JOINT STOCK COMPANY

No. 2, Nguyen Cong Tru, Hue City,
Thua Thien Hue Province, Vietnam

Financial statements

For the fiscal year ended as at 31/12/2023

STATEMENT OF CASH FLOWS

Year 2023
(Indirect method)
(Continued)

60	Cash and cash equivalents at beginning of the year	42,878,360,405	38,275,688,890
61	Effect of exchange rate fluctuations	(2,499,766)	(3,223,202)
70	Cash and cash equivalents at end of the year	3	
		<u>42,638,946,915</u>	<u>42,878,360,405</u>



Le Van Tuan Hai
Preparer



Nguyen Ngoc Dieu Loan
Chief Accountant



Le Ba Giang
Vice General Director

Thua Thien - Hue, 20 March 2024

NOTES TO FINANCIAL STATEMENTS

Year 2023

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 12th time on 28 July 2022.

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 charter capital contributed to December 31, 2023 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 31 December 2023 is: 140 people (as at 31 December 2022: 130 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;
- Agents, brokers, auctions of goods such as foreign exchange agents;
- Direct support service activities for air transport such as international and domestic ticket agents;
- Install electrical system;
- Prepare surface;
- Tour operator such as international and domestic travel business;
- Restaurants and mobile catering services such as restaurants, bars, food stalls;
- Organization of trade introduction and promotion such as Event organization, introduction and trade
- Sauna, massage and similar wellness services (except sports).

The Company's operation in the year that affects the 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 2023, the Company's revenue and profit increased by nearly VND 14.4 billion and VND 7.0 billion compared to 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 Financial statements

Financial statements are presented based on historical cost principle.

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.

2.4 . Accounting estimates

The preparation of financial statements complies with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting Regime and legal regulations related to the preparation and presentation of financial statements required by the Board of General Directors. There must be estimates and assumptions that affect the amounts of liabilities and assets and the presentation of contingent liabilities and assets at the end of the fiscal year as well as the figures of revenues and expenses throughout the fiscal year.

Estimates and assumptions that have a material impact in the Financial Statements include:

- Provision for bad debts;
- Provision for devaluation of inventory;
- Estimated useful life of fixed assets;

Estimates and assumptions are regularly evaluated based on past experience and other factors, including future assumptions that have a material impact on the Company's financial statements and are approved by the Board of Management. The Company's Director assessed it as reasonable.

2.5 . 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 and accrued expenses. 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.

2.6 . Foreign currency transactions

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

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of the 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
- 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 year and from revaluation of remaining foreign currency monetary items at the end of the year are recorded immediately to operating results of the accounting year.

2.7 . Cash and cash equivalents

Cash comprises cash on hand, demand deposits and monetary gold held as a reserve asset, exclusive of the

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.

2.8 . Financial investments

Investments held to maturity comprise term deposits (including treasury bills and promissory notes), bonds, preference shares which the issuer is required to repurchase at a certain time in the future and loans, etc. held to maturity to earn profits periodically and other held to maturity investments.

Investments in subsidiaries, 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 year as followings:

- With regard to investments in joint ventures or associates: the provision for loss investments shall be made based on the Financial Statements of joint ventures or associates at the provision date.
- With regard to investments held to maturity: the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.9 . Receivables

Receivables are tracked in detail by receivable term, receivable object, receivable currency, and other factors according to the Company's management needs. Receivables are classified as short-term and long-term on the financial statements based on the remaining term 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.

2.10 . 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.

2.11 . 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.

Value after initial recognition

If these costs increase the future economic benefits expected to be obtained from the use of tangible fixed assets beyond the standard operating level as initially assessed, these costs are capitalized as an additional cost of tangible fixed assets.

Other costs incurred after the fixed assets have been put into operation, such as repair, maintenance and overhaul costs, are recorded in the income statement in the year in which the costs are incurred.

Fixed assets are depreciated (amortised) using the straight-line method 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
- Computer software	03 - 05 years
- Long-term land use right without amortization	

2.12 . 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.

2.13 . 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.

2.14 . Business Cooperation Contract (BCC)

Business Cooperation Contract (BCC) is a contractual agreement between two or more venturers with the objectives of cooperating to carry out specific business activities without constitution of a new legal entity. This operation may be jointly controlled by venturers under BCC or controlled by one of them.

According to the terms of BCC, the venturer in charge of accounting for BCC shall record all revenues, expenses and post-tax profits of BCC in their Statement of Income. The expenses of BCC shall include fixed profits paid to other ventures in BCC.

Business cooperation contract No. 01/2022 dated 15/11/2022 between Huong Giang Tourist Joint Stock Company and Hotel De La Cite Imperiale Co.,Ltd:

- Contents of business cooperation: The parties jointly cooperate in business in exploiting the business location at 11 Le Loi, Vinh Ninh ward, Hue city, Thua Thien Hue province under the legal use right of Huong Giang Tourist Joint Stock Company and share profits from business cooperation.

- Contributing capital for business cooperation:
 - + Huong Giang Tourist Joint Stock Company contributes capital with all assets attached to the land that have been invested and built in land plot 2, map sheet 8, located at 11 Le Loi, Vinh Ninh ward, Hue city, Thua Thien Hue province is owned by Huong Giang Tourist Joint Stock Company.
 - + Hotel De La Cite Imperiale Co.,Ltd contributes capital by organizing, managing, operating and trading services (including performing all business and service activities at 11 Le Loi, Vinh Ninh ward, Hue city).
- Benefits that the Company enjoys regardless of the business results at the cooperation location before the distribution of business cooperation profits:
 - + Depreciation of fixed assets in cash in the amount of VND 1,000,000,000 VND per year.
 - + The amount equal to land rent (or land use fees) and other fees related to land use rights as prescribed by law at the business cooperation location (if any).
 - + The amount equal to the capital cost that the Company has invested to upgrade and renovate all assets attached to land at the business cooperation location.
- Division of business cooperation results: Huong Giang Tourist Joint Stock Company is entitled to a profit equal to 30% of annual profit before tax according to the audited financial statement of business cooperation results.
- Term of business cooperation: 09 years, starting from 01/12/2022 to 11/12/2031.
- Accounting to monitor business cooperation activities: Hotel De La Cite Imperiale Co.,Ltd is responsible for accounting and bookkeeping.

2.15 . Prepaid expenses

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

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 are allocated gradually into operating expenses on the straight-line basis.

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 from 01 year to 05 years.
- Other prepaid expenses are stated at historical cost and amortized on a straight-line basis over their useful lives from 01 year to 03 years.

2.16 . 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 financial statements based on the remaining maturity of the payables at the reporting date.

2.17 . 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.

2.18 . Borrowing costs

Borrowing costs are recognized into operating costs during the year, 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.

2.19 . Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables ..etc. which are recorded as operating expenses of the fiscal year.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.20 . 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).

Undistributed profit after tax reflects the business results (profit, loss) after corporate income tax and the situation of profit distribution or handling of errors of the Company.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Management and announcement of cut-off date for dividend payment of Vietnam Securities Depository Center.

2.21 . Revenues

Revenue is recognized when it is probable that the economic benefits will flow to the Company which can be reliably measured. Revenue is determined at the fair value of the amounts received or to be received after deducting trade discounts, sales discounts, sales returns. The following specific recognition conditions must also be met when recognizing revenue:

Sales revenue

- Most of the risks and benefits associated with ownership of the product or goods have been transferred to the buyer;
- The company no longer holds the right to manage the goods as the owner of the goods or the right to control the goods.

Revenue from service providers

- Determine the work completed on the balance sheet date.

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.

2.22 . 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 year.

2.23 . Financial expenses

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Provision for diminution in value of trading securities price; 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

2.24 . Corporate income tax

- a) Current corporate income tax expenses and Deferred corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the year 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 fiscal year ended as at 31 December 2023.

2.25 . 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 year.

2.26 . 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 including directors and employees 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 Financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.27 . Segment information

The Company's main business is the hotel and tourism business and mainly takes place in the territory of Vietnam. Therefore, the Company does not present the segment report by business sector and geographic area.

3 . CASH AND CASH EQUIVALENTS

	31/12/2023	01/01/2022
	VND	VND
Cash on hand	212.379.852	280.170.548
Non-term deposits (*)	42.426.567.063	36.098.189.857
Cash equivalents	-	6.500.000.000
	<u><u>42.638.946.915</u></u>	<u><u>42.878.360.405</u></u>

(*) As at 31/12/2023, non-term deposits with the amount of VND 42,426,567,063, of which VND 32,320,944,042 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.
(More information as in Note No.17).

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4 . LONG - TERM FINANCIAL INVESTMENTS

	31/12/2023		01/01/2023	
	Original cost	Provision	Voting right rate	
	VND	VND	VND	VND
Investments in joint ventures, associates				
- Huong Giang Travel Company Limited	4,423,230,000	(4,196,636,966)	49.00%	49.00%
- Lang Co Tourist Co., Ltd.	6,239,210,372	(992,643,705)	40.00%	40.00%
- Thien Phuc Tourist JSC	940,000,000	(421,947,149)	31.33%	31.33%
- Saigon Morin Hue Co., Ltd.	50,720,625,000	-	50.00%	50.00%
- Hotel De La Cite Imperiale Co.,Ltd.	34,416,633,279	(19,669,409,861)	29.97%	35.24%
- Citadel Investment Tourist Co., Ltd.	21,683,550,000	(12,922,049)	35.00%	35.00%
	118,423,248,651	(25,293,559,730)		118,423,248,651
				(26,763,694,479)

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.

Detail information on the Company's join ventures, associates as at 31/12/2023 as follows:

Name of join ventures, associates	Place of establishment and operation	Principle activities
- Huong Giang Travel Company Limited	11 Le Loi, Vinh Ninh ward, Hue city, Thua Thien Hue province	Business hotel, restaurant, travel service
- Lang Co Tourist Co., Ltd.	Loan Ly village, Lang Co town, Phu Loc district, Thua Thien Hue province.	Business hotel, restaurant, travel service
- Thien Phuc Tourist JSC	An Tay Ward, Hue City, Thua Thien Hue province	Bottled pure mineral water production and
- Saigon Morin Hue Co., Ltd.	No.30 Le Loi, Phu Nhuan Ward, Hue City, Thua Thien Hue province	Business hotel, restaurant, travel service
- Hotel De La Cite Imperiale Co.,Ltd.	No.5 Le Loi, Hue city, Thue Thien Hue province	Business hotel, restaurant, travel service
- Citadel Investment Tourist Co., Ltd.	No.2 Nguyen Cong Tru, Hue city, Thua Thien Hue province.	Business hotel, restaurant, travel service

(*) During the year, Hotel De La Cite Imperiale Co.,Ltd. increased equity capital, however, the Company did not make additional contributions. Therefore, at the end of the year, the Company's voting percentage at Hotel De La Cite Imperiale Co.,Ltd decreased from 35.24% to 29.97%.

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5 . SHORT - TERM TRADE RECEIVABLES

	31/12/2023		01/01/2023	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Related parties</i>	1,721,745,158	-	646,703,989	-
- Huong Giang Travel Company Limited	137,585,342	-	109,420,165	-
- Hotel De La Cite Imperiale Co.,Ltd.	1,584,159,816	-	537,283,824	-
<i>Other parties</i>	280,583,822	-	499,626,436	(12,000,000)
- Hue University of Education	25,100,000	-	144,050,000	-
- Hue Economical University	-	-	107,100,000	-
- Other trade receivables	255,483,822	-	248,476,436	(12,000,000)
	2,002,328,980	-	1,146,330,425	(12,000,000)

6 . PREPAYMENTS TO SUPPLIERS

	31/12/2023		01/01/2023	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Da Nang Vang Hotel Maintenance Solution Co., Ltd	-	-	566,462,000	-
- Central Region Equipment Company Limited	100,760,000	-	-	-
- Others	118,100,000	-	126,293,000	-
	218,860,000	-	692,755,000	-

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7 . LOAN RECEIVABLES

	31/12/2023		01/01/2023	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Related parties</i>				
- Hotel De La Cite Imperiale Co.,Ltd. ⁽¹⁾	10,500,000,000	-	10,500,000,000	-
- Citadel Investment Tourist Co., Ltd. ⁽²⁾	1,400,000,000	-	1,200,000,000	-
	<u>11,900,000,000</u>	<u>-</u>	<u>11,700,000,000</u>	<u>-</u>

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

- (1) Loan contract No. 02/KT-HG-122022 dated December 29, 2022 and Contract Appendix No. PL 1.02/KT-HG-122023 dated December 31, 2023 with a total amount of VND 10,500,000,000. The purpose of the loan is to supplement working capital, loan term is 12 months from January 1, 2024. The interest rate is determined according to the lending interest rate of the Bank for Foreign Trade of Vietnam - Hue Branch, adjusted every 3 months and paid with the loan on the maturity date.
- (2) Loan contract No. 03/KT-HG-122022 dated December 29, 2022 and contract appendix No. PL 1.03/HGT-CIT-122023 dated December 31, 2023 with a total amount of VND 1,700,000,000. The purpose of the loan is to supplement working capital, loan term is 12 months from January 1, 2024. The interest rate is determined according to the lending interest rate of the Bank for Foreign Trade of Vietnam - Hue Branch, adjusted every 3 months and paid with the loan on the maturity date.

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8 . OTHER RECEIVABLES

	31/12/2023		01/01/2023	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
a.1) Details by content				
- Receivables from dividends and profit	494.014.947	-	494.014.947	-
- Receivables from interest of deposit, loan	2.733.348.705	-	2.434.893.111	-
- Advances	22.000.000	-	22.000.000	-
- Handover project of Saigon Morin Hue Co., Ltd.	933.690.527	-	933.690.527	-
- Receivable from payment on behalf of Thien Phuc Tourist JSC	298.897.338	(298.897.338)	298.897.338	(298.897.338)
- Uninvoiced revenue	190.053.419	-	-	-
- Others	274.442.605	-	237.314.105	-
	<u>4.946.447.541</u>	<u>(298.897.338)</u>	<u>4.420.810.028</u>	<u>(298.897.338)</u>
a.2) Details by object				
Related parties	3.800.703.595	(298.897.338)	3.465.119.501	(298.897.338)
- Huong Giang Travel Company Limited	849.887.885	-	835.134.385	-
- Hotel De La Cite Imperiale Co.,Ltd	2.269.510.275	-	2.072.116.667	-
- Citadel Investment Tourist Co., Ltd.	382.408.097	-	258.971.111	-
- Thien Phuc Tourist JSC	298.897.338	(298.897.338)	298.897.338	(298.897.338)
Other parties	1.145.743.946	-	955.690.527	-
- Others	1.145.743.946	-	955.690.527	-
	<u>4.946.447.541</u>	<u>(298.897.338)</u>	<u>4.420.810.028</u>	<u>(298.897.338)</u>

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8 .OTHER RECEIVABLES (CONTINUED)
b) Long-term
b.1) Details by content

- Receivable investment costs of Huyen Tran cultural center project (*)	4,948,817,680	-	4,948,817,680	-
	<u>4,948,817,680</u>	<u>-</u>	<u>4,948,817,680</u>	<u>-</u>

b.2) Details by object
Others parties

- Dat Viet Culture Joint Stock Company (*)	4,948,817,680	-	4,948,817,680	-
	<u>4,948,817,680</u>	<u>-</u>	<u>4,948,817,680</u>	<u>-</u>

(*) This is the construction in progress and advances to the contractors of Tran Nhan Tong Pagoda (currently known as Huong Van Pagoda) of Huyen Tran Culture Centre. In 2011, the Company handed over to Dat Viet Culture Joint Stock Company (formerly known as Huyen Tran Culture Joint Stock Company) to continue to control and finalise these expenses with the contractors. In 2021, the Civil Judgment Execution Department of Thua Thien Hue province issued Decision No. 89/QD-CCTHADS dated October 4, 2021 on the execution of judgments against Dat Viet Culture and Tourism Investment Joint Stock Company. Accordingly, Dat Viet Culture Joint Stock Company is obliged to pay the above amount to Huong Giang Tourist Joint Stock Company.

9 . DOUBTFUL DEBTS

	31/12/2023		01/01/2023	
	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	-	-	12,000,000	-
	<u>298,897,338</u>	<u>-</u>	<u>310,897,338</u>	<u>-</u>

10 . INVENTORIES

	31/12/2023		01/01/2023	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw material	197,009,479	-	168,573,499	-
Goods	131,685,211	-	124,104,788	-
	<u>328,694,690</u>	<u>-</u>	<u>292,678,287</u>	<u>-</u>

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11 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Beginning balance	84,812,907,990	14,679,118,803	8,413,270,805	732,541,644	831,148,000	109,468,987,242
- Completed construction investment	424,290,593	-	-	-	-	424,290,593
- Liquidation, disposal	-	(311,036,364)	-	-	-	(311,036,364)
Ending balance of the year	85,237,198,583	14,368,082,439	8,413,270,805	732,541,644	831,148,000	109,582,241,471
Accumulated depreciation						
Beginning balance	48,071,826,711	11,065,808,163	3,642,244,599	732,541,644	3,365,751	63,515,786,868
- Depreciation for the year	3,644,886,043	459,492,644	448,950,574	-	40,389,018	4,593,718,279
- Liquidation, disposal	-	(311,036,364)	-	-	-	(311,036,364)
Ending balance of the year	51,716,712,754	11,214,264,443	4,091,195,173	732,541,644	43,754,769	67,798,468,783
Net carrying amount						
Beginning balance	36,741,081,279	3,613,310,640	4,771,026,206	-	827,782,249	45,953,200,374
Ending balance	33,520,485,829	3,153,817,996	4,322,075,632	-	787,393,231	41,783,772,688

In which:

- The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 20,805,297,036.
- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 39,069,932,179.
- All assets attached to land at 11 Le Loi, Vinh Ninh ward, Hue city with total cost of VND 27,571,720,256 and accumulated amortization of VND 6,766,423,220 are being contributed as capital under the Business Cooperation Contract, No. 01/2022 dated 15/11/2022 between Huong Giang Tourist Joint Stock Company and Hotel De La Cite Imperiale Co.,Ltd.

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12 . INTANGIBLE FIXED ASSETS

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

In which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: 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.

13 . PREPAID EXPENSES

	31/12/2023 VND	01/01/2022 VND
a) Short-term		
Others	242,321,778	208,985,981
	<u>242,321,778</u>	<u>208,985,981</u>
b) Long-term		
Dispatched tools and supplies	4,926,562,867	4,191,604,793
Assets reparation expenses	178,596,587	227,564,152
Others	1,716,116,437	1,512,996,138
	<u>6,821,275,891</u>	<u>5,932,165,083</u>

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14 . TRADE PAYABLES

	31/12/2023		01/01/2023	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
- Hoang Mai Foods Production & Trading Co., Ltd.	124.591.140	124.591.140	129.598.792	129.598.792
- Quoc Bao Trade Service Private Enterprise	61.804.207	61.804.207	119.645.349	119.645.349
- Global Thermic Mechanical Manufacturing Trading Services Company Limited	-	-	129.998.775	129.998.775
- KWANTSUN FURNITURE- TEXTILES CO	-	-	347.669.760	347.669.760
- VMA Food Co., Ltd	109.234.600	109.234.600	182.011.500	182.011.500
- Khanh An Minh Co., Ltd	89.148.240	89.148.240	112.221.270	112.221.270
- Others	549.809.803	549.809.803	593.984.296	593.984.296
	<u>934.587.990</u>	<u>934.587.990</u>	<u>1.615.129.742</u>	<u>1.615.129.742</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 year	Amount paid in the year	Receivable at the closing year	Payable at the closing year
	VND	VND	VND	VND	VND	VND
Value added tax	-	134,140,764	3,083,517,758	2,969,526,706	-	248,131,816
Personal income tax	-	44,222,531	590,461,272	590,762,444	-	43,921,359
Land tax and land rental	2,599,496,124	-	6,285,824,626	6,026,360,249	2,340,031,747	-
Other taxes	-	-	4,000,000	4,000,000	-	-
Fees and other obligations	-	8,215,317	204,484,688	178,562,316	-	34,137,689
	2,599,496,124	186,578,612	10,168,288,344	9,769,211,715	2,340,031,747	326,190,864

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

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16 . SHORT - TERM ACCRUED EXPENSES

	31/12/2023	01/01/2022
	VND	VND
- Deducting the cost of the Festival restaurant renovation contract in advance	-	1.311.256.481
	<u>-</u>	<u>1.311.256.481</u>

17 . OTHER SHORT -TERM PAYABLES

	31/12/2023	01/01/2022
	VND	VND
- Dividend, profit payables	47.579.937	47.579.937
- Interest payables	669.718.500	240.005.220
- Payables of collecting of State-owned capital transfer ^(*)	32.320.944.042	32.257.261.589
- Withdrawal of contributed capital in Thien Phuc Tourist JSC, awaiting for settlement	518.052.851	518.052.851
	<u>33.556.295.330</u>	<u>33.062.899.597</u>

In which: Other payables from related parties

- Crystal Treasure Limited	669.718.500	240.005.220
	<u>669.718.500</u>	<u>240.005.220</u>

(*) 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 31/12/2023, this remaining amount is restricted to use under Official Dispatch No.1398/STC-TCN 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

	During the year				31/12/2023	
	01/01/2023		Increase		Decrease	
	Outstanding balance	Amount can be paid	VND	VND	Outstanding balance	Amount can be paid
	VND	VND		VND	VND	VND
a) Short-term borrowings						
Short-term borrowings	9,017,400,000	9,017,400,000	-	104,100,000	8,913,300,000	8,913,300,000
- Crystal Treasure Company Limited ⁽¹⁾	9,017,400,000	9,017,400,000	-	104,100,000	8,913,300,000	8,913,300,000
Current portion of long-term loan due to pay	2,150,000,000	2,150,000,000	2,000,000,000	1,650,000,000	2,500,000,000	2,500,000,000
- Joint Stock Commercial Bank for Foreign Trade of Vietnam ⁽²⁾	2,150,000,000	2,150,000,000	2,000,000,000	1,650,000,000	2,500,000,000	2,500,000,000
	11,167,400,000	11,167,400,000	2,000,000,000	1,754,100,000	11,413,300,000	11,413,300,000
b) Long-term borrowings						
- Joint Stock Commercial Bank for Foreign Trade of Vietnam ⁽²⁾	15,541,620,200	15,541,620,200	-	1,650,000,000	13,891,620,200	13,891,620,200
- Crystal Treasure Company Limited ⁽¹⁾	8,661,450,000	8,661,450,000	756,629,800	138,479,800	9,279,600,000	9,279,600,000
	24,203,070,200	24,203,070,200	756,629,800	1,788,479,800	23,171,220,200	23,171,220,200
Amount due for settlement within 12 months	(2,150,000,000)	(2,150,000,000)	(2,000,000,000)	(1,650,000,000)	(2,500,000,000)	(2,500,000,000)
Amount due for settlement after 12 months	22,053,070,200	22,053,070,200			20,671,220,200	20,671,220,200

Detailed information on borrowings:

(1) Including 03 borrowing contracts with the following details:

a) Loan contract between Huong Giang Tourist Joint Stock Company and Crystal Treasure Limited Company under contract No. 01/CRYSTAL-HGT-112021 dated November 26, 2021 and contract appendix dated 22/11/2022 with the following detailed terms:

Loan principal: USD 365,000;

Loan purpose: Supplementing working capital to serve business activities;

Term of contract: 13 months (from 30/11/2022 to 31/12/2023);

Loan interest rate: 5.0%/year;

Balance of principal at the end of the year is VND 8,913,300,000, equivalent to USD 365,000;

The form of loan guarantee: unsecured.

b) Loan contract between Huong Giang Tourist Joint Stock Company and Crystal Treasure Limited Company according to contract No. 02/CRYSTAL-HGT-062022 dated June 27, 2022 and contract appendix No. PL1.02/CRYSTAL-HGT-072023 with the following detailed terms:

+ Loan principal: USD 280,000;

+ Loan purpose: Supplementing working capital to serve business activities;

+ Term of contract: 17.5 months from 15/07/2023 to 31/12/2024;

+ Loan interest rate: 5.0%/year;

+ Balance of principal at the end of the year is VND 6,837,600,000, equivalent to USD 280,000;

+ The form of loan guarantee: the capital contribution of Huong Giang Tourist Joint Stock Company at Huong Giang Travel Company Limited according to the capital contribution mortgage contract No. 01/HDTC/HGT-CRYSTAL-062022 and has been posted sign a secured transaction.

c) Loan contract between Huong Giang Tourist Joint Stock Company and Crystal Treasure Limited Company according to contract No. 03/CRYSTAL-HGT-072022 dated July 30, 2022 and contract appendix PL1.03/CRYSTAL-HGT-082023 with the following detailed terms:

+ Loan principal: USD 100,000;

+ Loan purpose: Supplementing working capital to serve business activities;

+ Term of contract: 16,5 months (from 15/08/2023 to 31/12/2024);

+ Loan interest rate: 5,0%/year;

+ Balance of principal at the end of the year is VND 2,442,000,000, equivalent to USD 100,000;

+ The form of loan guarantee: unsecured.

(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: 8.1%/year;

+ Balance of principal at the end of the year is VND 13,891,620,200 , of which due long-term debt is VND 2,500,000,000;

+ Loans from banks are secured by land use rights and assets on the land to be formed in the future of the project at 11 Le Loi, Hue City and has been registered for a guaranteed transaction.

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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 year	200,000,000,000	47,223,517,700	(100,546,019,063)	146,677,498,637
Loss for previous year	-	-	(5,980,186,726)	(5,980,186,726)
Ending balance of previous year	200,000,000,000	47,223,517,700	(106,526,205,789)	140,697,311,911
Beginning balance of current year	200,000,000,000	47,223,517,700	(106,526,205,789)	140,697,311,911
Profit for current year	-	-	1,001,681,931	1,001,681,931
Ending balance of this year	200,000,000,000	47,223,517,700	(105,524,523,858)	141,698,993,842

b) Details of owner's invested capital

	At the end of year	Rate	At the beginning of year	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%
Tan Tien Investment Joint Stock Company	14,512,000,000	7.26%	-	0.00%
Le Thi Ngoc Thuy	-	0.00%	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	17,007,000,000	8.50%	17,519,000,000	8.76%
	200,000,000,000	100%	200,000,000,000	100%

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

	Year 2023	Year 2022
	VND	VND
Owner's contributed capital	200,000,000,000	200,000,000,000
- At the beginning of year	200,000,000,000	200,000,000,000
- At the end of year	200,000,000,000	200,000,000,000
Distributed dividends and profit:		
- Dividend payable at the beginning of the year	47,579,937	-
- Dividend payable at the end of the year	47,579,937	-

d) Shares

	31/12/2023	01/01/2022
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 shares (VND)	10,000	10,000

20 OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMEN**a) Operating leased assets**

- 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. In here, The company is operating in hotel (Huong Giang Hotel) and restaurant business. According to Contract No. 67/HĐTĐ 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. In here, The company is running the business of Festival Hue restaurant. According to Contract No. 65/HĐTĐ 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. In here, The company is in a joint venture with Saigon Tourist to run business in hotels and restaurants. According to contract No. 34/HĐ - 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 December 6, 2019 to May 16, 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/HĐTĐ dated December 6, 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

	31/12/2023	01/01/2022
- USD	12,218.50	8,966.00
- EUR	410.32	420.00

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

	Year 2023	Year 2022
	VND	VND
Revenue from room rental and restaurant business	41,634,087,757	32,785,636,463
Revenue from rendering of services	2,659,260,372	3,858,548,926
Revenue from business cooperation	6,762,622,777	-
	51,055,970,906	36,644,185,389
In which: Revenue from related parties (Details as in Notes 33).	531,768,686	354,121,295

22 . COSTS OF GOODS SOLD

	Year 2023	Year 2022
	VND	VND
Cost of room rental and restaurant business	31,157,057,225	24,871,397,001
Costs of goods sold	1,530,443,463	3,867,521,639
Cost of business cooperation	3,599,010,234	-
	36,286,510,922	28,738,918,640
In which: Costs of goods sold from related Total purchase value: (Details as in Notes 33).	200,467,000	41,660,000

23 . FINANCIAL INCOME

	Year 2023	Year 2022
	VND	VND
Interest income, interest from loans	1,448,522,616	1,107,943,548
Realized gain from foreign exchange difference	21,801,468	679,669
	1,470,324,084	1,108,623,217
In which: Financial income from related parties (Details as in Notes 33).	1,127,697,261	967,505,556

24 . FINANCIAL EXPENSES

	Year 2023	Year 2022
	VND	VND
Interest expenses	2,299,366,233	643,955,321
Realized loss from foreign exchange difference	15,673,150	460,438,088
Unrealized loss from foreign exchange difference	524,249,333	16,403,470
Provisions for devaluation of trading securities and investments	(1,470,134,748)	2,390,023,711
	1,369,153,968	3,510,820,590

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25 . SELLING EXPENSES

	Year 2023	Year 2022
	VND	VND
Raw materials	26,207,834	27,479,511
Labor	889,985,615	814,800,934
Expenses from external services	34,320,817	27,840,081
Other expenses by cash	84,979,398	57,505,526
	1,035,493,664	927,626,052

26 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2023	Year 2022
	VND	VND
Raw materials	737,138,979	451,898,355
Labor	8,606,577,663	7,480,638,219
Depreciation and amortisation	489,194,491	577,783,283
Tax, Charge, Fee	8,474,829	4,000,000
Provision expenses	(12,000,000)	6,000,000
Expenses from external services	2,207,318,391	1,671,766,671
Other expenses by cash	856,069,556	376,880,050
	12,892,773,909	10,568,966,578

27 . OTHER INCOME

	Year 2023	Year 2022
	VND	VND
Gain from liquidation, disposal of fixed assets	44,036,364	-
Others	15,351,636	20,638,183
	59,388,000	20,638,183

28 . CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2023	Year 2022
	VND	VND
Total profit before tax	1,001,681,931	(5,980,186,726)
Decrease	(62,223,884,915)	-
- <i>Switching losses last year</i>	(62,223,884,915)	-
Taxable income	(61,222,202,984)	(5,980,186,726)
Current corporate income tax expense (Tax rate 20%)	-	-
Tax payable at the beginning of year	-	-
Tax paid in the year	-	-
Closing year income tax payable	-	-

29 . BASIC EARNINGS PER SHARE

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

	Year 2023	Year 2022
	VND	VND
Net profit after tax	1,001,681,931	(5,980,186,726)
Profit distributed for common shares	1,001,681,931	(5,980,186,726)
Average number of outstanding common shares in circulation in t	20,000,000	20,000,000
Basic earnings per share	50	(299)

The company has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of Directors from the net profit after tax at the date of preparing Financial Statements.

As at 31/12/2023, the Company did not have shares with dilutive potential for earnings per share.

30 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2023	Year 2022
	VND	VND
Raw materials	11,963,106,788	7,630,314,235
Labour expenses	19,620,052,755	14,580,086,843
Depreciation and amortisation	4,593,718,279	2,420,953,473
Expenses from external services	12,361,746,690	12,896,515,823
Other expenses by cash	1,688,153,983	2,701,640,896
Other expenses by cash	(12,000,000)	6,000,000
	50,214,778,495	40,235,511,270

31 . FINANCIAL INSTRUMENTS

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.

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 that a party participating in a financial instrument or contract is unable to fulfill its obligations, leading to financial loss for the Company. The Company has credit risks from production and business activities (mainly for customer receivables) and financial activities (including bank deposits, loans and other financial instruments).

	Under 1 year VND	From 1 year to 5 year VND	From more than 5 years VND	Total VND
As at 31/12/2023				
Cash and cash equivalents	42,426,567,063	-	-	42,426,567,063
Trade receivables, other receivables	6,649,879,183	4,948,817,680	-	11,598,696,863
Loans	11,900,000,000	-	-	11,900,000,000
	<u>60,976,446,246</u>	<u>4,948,817,680</u>	<u>-</u>	<u>65,925,263,926</u>
As at 01/01/2022				
Cash and cash equivalents	42,598,189,857	-	-	42,598,189,857
Trade receivables, other receivables	5,256,243,115	4,948,817,680	-	10,205,060,795
Loans	11,700,000,000	-	-	11,700,000,000
	<u>59,554,432,972</u>	<u>4,948,817,680</u>	<u>-</u>	<u>64,503,250,652</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.

HUONG GIANG TOURIST JOINT STOCK COMPANYNo. 2, Nguyen Cong Tru, Hue City,
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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	From 1 year to 5	From more than 5	Total
	VND	years VND	years VND	VND
As at 31/12/2023				
Borrowings	11,413,300,000	20,671,220,200	-	32,084,520,200
Trade payables, other payables	34,490,883,320	-	-	34,490,883,320
	<u>45,904,183,320</u>	<u>20,671,220,200</u>	<u>-</u>	<u>66,575,403,520</u>
As at 01/01/2022				
Borrowings	11,167,400,000	22,053,070,200	-	33,220,470,200
Trade payables, other payables	34,678,029,339	-	-	34,678,029,339
Accrued expenses	1,311,256,481	-	-	1,311,256,481
	<u>47,156,685,820</u>	<u>22,053,070,200</u>	<u>-</u>	<u>69,209,756,020</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.

32 . EVENTS AFTER BALANCE SHEET DATE

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

33 . TRANSACTION AND BALANCES WITH RELATED PARTIES

List and relation between related parties and the Company detail as follows:

Related parties	Relation
Huong Giang Travel Company Limited	Associates
Hotel De La Cite Imperiale Co.,Ltd.	Associates
Citadel Investment Tourist Co., Ltd.	Associates
Saigon Morin Hue Co., Ltd.	Associates
Lang Co Tourist Co., Ltd.	Associates
Crystal Treasure Limited	Major shareholder
Tan Truong Company Limited	Major shareholder
Toshihiko Takahashi	Chairman
Johnny Cheung Ching Fu	Member of BOM/ General Director
Le Ba Giang	Member of BOM/Vice General Director
Yoshida Tetsuya	Member of BOM
Dinh Nhat Tan	Member of BOM
Le Duc Quang	Head of Control Department
Fumiyo Okuda	Member of Control Department
Nguyen Phuoc Quy Thinh	Member of Control Department
Nguyen Ngoc Dieu Loan	Chief accountant
Ngo Duc Chinh	Former chief accountant
Ho Van Toai	Person in charge of corporate governance

In addition to the information with related parties presented in the above notes, the Company also had transactions arising during the year with related parties as follows:

	Year 2023	Year 2022
	VND	VND
Revenue	531,768,686	354,121,295
Huong Giang Travel Company Limited	531,768,686	354,121,295
Purchases of goods and services	200,467,000	41,660,000
Huong Giang Travel Company Limited	200,467,000	41,660,000
Financial income	1,127,697,261	967,505,556
Huong Giang Travel Company Limited	-	23,630,000
Hotel De La Cite Imperiale Co.,Ltd.	1,004,260,275	857,383,333
Citadel Investment Tourist Co., Ltd.	123,436,986	86,492,223
Interest expenses	916,620,869	209,205,833
Crystal Treasure Limited	916,620,869	209,205,833

Transactions with other related parties:

	Year 2023	Year 2022
	VND	VND
Income of the The Board of Mannagement, The Board of Directors and The Board of Supervisor (Not including remuneration)		
Toshihiko Takahashi (**)	-	-
Johnny Cheung Ching Fu	843,098,901	689,693,667
Le Ba Giang	1,021,818,682	907,571,458
Yoshida Tetsuya	801,717,948	606,322,344
Dinh Nhat Tan (**)	-	-
Le Duc Quang (**)	-	-
Fumiyo Okuda (**)	-	-
Nguyen Phuoc Quy Thinh (**)	18,000,000	-
Nguyen Ngoc Dieu Loan	30,000,000	48,000,000

(**) The members do not participate in direct management at the Company, so they have no income.

In addition to the transactions with related parties mentioned above, other related parties had no transactions during the year and had no balance at the end of the fiscal year with the Company.

34 . COMPARATIVE FIGURES

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2022, which was audited by AASC Auditing Firm Company Limited.



Le Van Tuan Hai
Preparer



Nguyen Ngoc Dieu Loan
Chief Accountant



Le Ba Giang
Vice General Director

Thua Thien - Hue, 20 March 2024

HÃNG KIỂM TOÁN AASC

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