

ROYAL INTERNATIONAL JOINT STOCK COMPANY

ACCOUNTING DEPARTMENT

FINANCIAL REPORT

SECOND QUARTER 2024



BUSINESS INFORMATION

Business Registration Certificate

No. 5700102119 dated May 11, 2018

The Business Registration Certificate and changes to the Business Registration Certificate were issued by the Department of Planning and Investment of Quang Ninh province. The latest (13th) amendment to the Business Registration Certificate was issued on September 8, 2023.

Investment Registration Certificate

No. 544.2194.665 dated July 17, 2018

The Investment Registration Certificate was issued by the People's Committee of Quang Ninh province. The latest (15th) amendment to the Investment Registration Certificate was issued on October 10, 2023.

Board of Management

Mrs. Chen Yu Chen	Chairman
Mr. Đậu Quốc Dũng	Member
Mrs. Nguyễn Mai Phương	Member
Mrs. Trần Gia Ngọc Phương	Member
Mr. Trần Thị Hồng Liễu	Member

Board of Directors

Mrs. Trần Thị Hồng Liễu	Deputy General Director (Appointed on June 1, 2023) (Authorized Signatory January 17, 2024)
Mrs. Nguyễn Thị Thu Bình	Chief Accountant (Appointed on April 16, 2025)

Legal Representative

Mrs. Chen Yu Chen	Chairman (Appointed on April 26, 2023)
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Head Office

Ha Long Street, Bai Chay Ward, Ha Long City,
Quang Ninh Province, Vietnam



BALANCE SHEET
SECOND QUARTER 2025

Unit: VND

ASSETS	Code	Note	30/06/2025	01/01/2025
1	2	3	4	4
A - CURRENT ASSETS	100		49,164,976,390	52,795,977,597
I. Cash and cash equivalents	110	5	32,231,159,060	36,892,998,801
1. Cash	111		32,231,159,060	36,892,998,801
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provision for impairment of trading securities (*)	122		-	-
3. Investments held to maturity	123		-	-
III. Current receivables	130		13,693,771,830	11,891,024,163
1. Current receivables from customers	131	6	8,340,869,470	8,353,131,804
2. Current prepayments to suppliers	132		4,893,647,610	3,659,703,183
3. Current internal receivables	133		-	-
4. Receivables according to construction contract progress schedule	134		-	-
5. Current loan receivables	135		-	-
6. Other current receivables	136		6,424,280,860	5,855,075,625
7. Provision for short-term doubtful receivables (*)	137		(5,965,026,110)	(5,976,886,449)
8. Shortage of assets awaiting resolution	139		-	-
IV. Inventories	140	7	3,087,098,770	3,281,695,713
1. Inventories	141		3,087,098,770	3,281,695,713
2. Provision for inventory depreciation (*)	149		-	-
V. Other current assets	150		152,946,730	730,258,920
1. Short-term prepaid expenses	151		152,946,730	730,258,920
2. Deductible VAT	152		-	-
3. Taxes and other receivables from the State	153		-	-
4. Government bond repurchase transactions	154		-	-
5. Other current assets	155		-	-



BALANCE SHEET
SECOND QUARTER 2025
(Continued)

Unit: VND

ASSETS	Code	Note	30/06/2025	01/01/2025
1	2	3	4	4
B - NON-CURRENT ASSETS	200		877,366,130,060	870,311,798,679
I. Non-current receivables	210		-	-
5. Non-current loan receivables	215		-	-
6. Other non-current receivables	216		-	-
7. Provision for doubtful long-term receivables (*)	219		-	-
II. Fixed assets	220		807,281,497,400	801,665,919,888
1. Tangible fixed assets	221	8	807,275,667,650	801,623,523,459
- Original cost	222		1,531,393,630,770	1,492,313,065,917
- Accumulated depreciation (*)	223		(724,117,963,120)	(690,689,542,458)
2. Finance lease fixed assets	224		-	-
- Original cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	9	5,829,750	42,396,429
- Original cost	228		116,503,304,510	113,540,136,711
- Accumulated depreciation (*)	229		(116,497,474,760)	(113,497,740,282)
III. Investment real estate	230		-	-
- Original cost	231		-	-
- Accumulated depreciation (*)	232		-	-
IV. Long-term unfinished assets	240		51,255,602,470	49,431,913,122
1. Long-term unfinished production and business costs	241		-	-
2. Unfinished construction costs	242	10	51,255,602,470	49,431,913,122
V. Long-term financial investments	250		10,866,939,010	10,590,547,161
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252		-	-
3. Capital contributions to other entities	253		10,866,939,010	10,590,547,161
4. Long-term financial investment provisions (*)	254		-	-
5. Investments held to maturity	255		-	-
VI. Other long-term assets	260		7,962,091,180	8,623,418,508
1. Long-term prepaid expenses	261		668,192,990	1,260,832,932
2. Deferred income tax assets	262		-	-
3. Long-term equipment, supplies, spare parts	263		7,293,898,190	7,362,585,576
4. Other long-term assets	268		-	-
TOTAL ASSETS (270 = 100 + 200)	270		926,531,106,450	923,107,776,276



BALANCE SHEET
SECOND QUARTER 2025
(Continued)

Unit: VND

SOURCES OF CAPITAL	Code	Note	30/06/2025	01/01/2025
1	2	3	4	4
C - LIABILITIES PAYABLE	300		353,102,982,780	364,815,842,580
I. Current liabilities	310		225,852,987,570	237,565,852,176
1. Current payables to suppliers	311		4,058,076,020	3,564,759,423
2. Current prepayments from buyers	312		1,636,838,340	687,382,722
3. Taxes and amounts payable to the State	313	11	13,450,476,930	5,748,970,923
4. Payables to employees	314		4,308,470,260	3,537,841,857
5. Current payable expenses	315		51,671,483,880	42,028,824,942
6. Current internal payables	316		-	-
7. Payables according to construction contract progress	317		-	-
8. Current unearned revenue	318		962,919,240	2,239,157,676
9. Other current payables	319	12	96,120,607,080	92,362,426,023
10. Current loans and financial leasing debts	320	13	53,644,115,820	87,396,488,610
11. Current provisions for payables	321		-	-
12. Bonus and welfare funds	322		-	-
13. Price stabilization fund	323		-	-
14. Government bond repurchase transactions	324		-	-
II. Non-current liabilities	330		127,249,995,210	127,249,990,404
1. Non-current trade payables	331		-	-
2. Non-current prepayments from customers	332		-	-
3. Non-current accrued expenses	333		-	-
4. Internal payables for working capital	334		-	-
5. Non-current internal payables	335		-	-
6. Non-current unearned revenue	336		-	-
7. Other non-current payables	337		-	-
8. Non-current borrowings and financial lease liabilities	338	14	127,249,995,210	127,249,990,404
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax payable	341		-	-
12. Non-current provisions	342		-	-
13. Science and technology development fund	343		-	-

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BALANCE SHEET
SECOND QUARTER 2025
(Continued)

Unit: VND

SOURCES OF CAPITAL	Code	Note	30/06/2025	01/01/2025
1	2	3	4	4
D - OWNER'S EQUITY	400		573,428,123,670	558,291,933,696
I. Owner's equity	410		573,428,123,670	558,291,933,696
1. Owner's capital contribution	411	15	703,687,540,000	703,687,540,000
- Common stock with voting rights	411a		703,687,540,000	703,687,540,000
- Preferred stock	411b		-	-
2. Share premium	412		81,363,105,200	81,363,105,200
3. Bond conversion option	413		-	-
4. Other owners' capital	414		-	-
5. Treasury shares (*)	415		-	-
6. Asset revaluation difference	416		-	-
7. Exchange rate difference	417		380,750,080,025	366,173,321,651
8. Development investment fund	418		11,206,193,409	11,206,193,409
9. Enterprise arrangement support fund	419		-	-
10. Other funds belonging to owner's equity	420		-	-
11. Undistributed profit after tax	421		(603,578,794,964)	(604,138,226,564)
- Undistributed profit after tax Accumulated to the end of the previous	421a		(604,138,226,564)	(576,938,649,764)
- Undistributed profit after tax of this period	421b		559,431,600	(27,199,576,800)
12. Capital for investment in construction and development	422		-	-
II. Other sources of funds and funds	430		-	-
1. Sources of funds	431		-	-
2. Sources of funds for forming fixed assets	432		-	-
TOTAL SOURCES OF CAPITAL (440 = 300 + 400)	440		926,531,106,450	923,107,776,276

Creator

Nguyễn Thị Huệ

Chief Accountant

Nguyễn Thị Thu Bình

Hà long, 18/10/2025

Deputy General Director



Trần Thị Hồng Liễu

(Authorized Signature
January 17, 2024)



INCOME STATEMENT SECOND QUARTER 2025

Unit: VND

ITEMS	CODE	Note	Quarter 1		Accumulated from the beginning of the year	
			2025	2024	2025	2024
1			4	4	6	6
1. Sales and service revenue	01		46,871,684,595	35,757,888,236	76,268,124,585	62,976,180,808
2. Revenue deductions	02		-	-	-	-
3. Net revenue from sales and service provision	10	16	46,871,684,595	35,757,888,236	76,268,124,585	62,976,180,808
4. Cost of goods sold	11		27,331,461,150	31,096,755,540	52,384,032,595	57,389,759,008
5. Gross profit from sales and service provision	20		19,540,223,445	4,661,132,696	23,884,091,990	5,586,421,800
6. Financial operating revenue	21	17	5,446,389,375	8,301,747,832	5,955,948,570	9,341,172,136
7. Financial expenses	22	18	6,441,737,045	5,665,348,772	12,840,773,885	11,448,852,288
<i>In which: Interest expense</i>	23		5,700,746,325	5,354,156,668	11,889,945,085	10,960,428,068
8. Selling expenses	24		3,160,993,460	2,975,008,424	6,073,188,425	6,060,306,188
9. Business management costs	25		5,286,500,545	6,202,875,940	10,175,328,215	12,122,795,832
10. Net profit from operating activities	30		10,097,381,770	(1,880,352,608)	750,750,035	(14,704,360,372)
11. Other income	31	19	17,033,975	30,667,632	34,272,870	61,310,452
12. Other expenses	32	20	113,090,225	43,222,504	225,591,305	113,738,208
13. Other profits	40		(96,056,250)	(12,554,872)	(191,318,435)	(52,427,756)
14. Total accounting profit before tax	50		10,001,325,520	(1,892,907,480)	559,431,600	(14,756,788,128)
15. Current corporate income tax expense	51		-	-	-	-
16. Deferred corporate income tax expense	52		-	-	-	-
17. Profit after corporate income tax	60		10,001,325,520	(1,892,907,480)	559,431,600	(14,756,788,128)
18. Basic earnings per share	70					
19. Declining earnings per share	71					

Hà long, ... 18/07/2025

Creator

Nguyễn Thị Huệ

Chief Accountant

Nguyễn Thị Thu Bình

Deputy General Director



Trần Thị Hồng Liễu
(Authorized Signature
January 17, 2024)



CASH FLOWS STATEMENT

(Indirect method)

SECOND QUARTER 2025

Unit: VND

ITEM	Code	Accumulated from the beginning of the	
		2025	2024
I. CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	01	559,431,600	(14,756,788,128)
2. Adjustments for items		22,670,402,060	22,439,873,552
Depreciation of fixed assets	02	15,264,695,720	18,038,150,316
Provisions	03	(165,933,970)	(256,531,268)
Unrealized exchange differences	04	(4,318,304,775)	(6,302,173,564)
Losses on disposal of assets	05	-	-
Interest expense	06	11,889,945,085	10,960,428,068
3. Operating profit before changes in working capital	08	23,229,833,660	7,683,085,424
(Increase) decrease in receivables	09	(1,036,920,815)	(432,299,476)
(Increase) decrease in inventories	10	534,918,045	320,198,860
(Increase) decrease in payables	11	10,447,718,125	1,751,776,824
(Increase) decrease in prepaid expenses	12	1,207,977,785	1,783,784,304
(Increase) decrease in interest paid	13	(3,044,060,985)	(2,566,553,280)
Corporate income tax paid	14	-	-
Other expenses for business operations	16		
Net cash flow from operating activities	20	31,339,465,815	8,539,992,656
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Cash spent on purchasing and constructing fixed assets	21	(1,785,672,880)	(380,789,764)
2. Cash received from liquidation and sale of fixed assets	22	-	-
3. Cash received from dividends and interest	25		
Net cash flow from investing activities	30	(1,785,672,880)	(380,789,764)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Cash received from issuing shares	31		
2. Cash received from short-term and long-term loans	33	58,736,988,050	60,918,943,452
3. Cash paid to repay loan principal	34	(93,899,287,695)	(60,460,045,512)
4. Board of Directors' remuneration	36	-	-
Net cash flow from financing activities	40	(35,162,299,645)	458,897,940
Net cash flow during the period	50	(5,608,506,710)	8,618,100,832





CASH FLOWS STATEMENT
(Indirect method)
SECOND QUARTER 2025
(Continued)

Unit: VND

ITEM	Code	Accumulated from the beginning of the year	
		2025	2024
Cash and cash equivalents at the beginning of the period	60	36,892,998,801	26,099,269,490
Effects of changes in foreign exchange rates	61	946,666,969	269,524,793
Cash and cash equivalents at the end of the period	70	32,231,159,060	34,986,895,115

Creator

Nguyễn Thị Huệ

Chief Accountant

Nguyễn Thị Thu Bình

Hà long, ... 18/07/2025



Deputy General Director

Trần Thị Hồng Liễu
(Authorized Signature
January 17, 2024)



NOTES TO THE FINANCIAL STATEMENTS THE SECOND QUARTER OF 2025

1. General information

Form of capital ownership

Royal International Joint Stock Company (hereinafter referred to as “the Company”) is a joint stock company converted from a foreign joint venture company in accordance with Decree No. 38/2003/ND-CP of the Government dated April 15, 2003 on converting a number of foreign-invested enterprises to operate in the form of a joint stock company and Joint Circular No. 08/TTLT-BKH-BTC of the Ministry of Planning and Investment and the Ministry of Finance dated December 29, 2003 guiding the implementation of Decree No. 38/2003/ND-CP. On June 15, 2005, the Ministry of Planning and Investment issued Investment License No. 953 CPH/GP allowing Hoang Gia International Joint Venture Company Limited to convert into Hoang Gia International Joint Stock Company with the following par value, charter capital and total number of shares:

- Par value of shares: 01 USD/share
- Charter capital: 21,000,000 USD
- Total number of shares: 21,000,000 shares.

On March 14, 2006, the Ministry of Planning and Investment issued amended Investment License No. 953 CPH/GPDC1 approving the conversion of the currency in which the par value of the Company's shares is recorded. Accordingly, the par value of shares, charter capital and total number of shares of the Company are:

- Par value of shares: VND 10,000/share
- Charter capital: VND 332,136,000,000
- Total number of shares: 33,213,600 shares.

The Company has increased its charter capital and investment capital over the years. According to the latest amended Investment Certificate No. 544,2194,665 issued by the People's Committee of Quang Ninh province on October 10, 2023, the Company's investment capital is USD 67,000,000 equivalent to VND 1,171,473,560,000 and its charter capital is USD 42,309,869.89 equivalent to VND 703,687,540,000.

The total number of employees of the Company as of June 30, 2025 is 370 people (as of December 31, 2024: 385 people).

Main business lines and activities

The main activities of the Company are to build and operate a five-star hotel complex, operate prize-winning games exclusively for foreigners and provide entertainment activities in Bai Chay Ward, Ha Long City, Quang Ninh Province. In addition, the Company is licensed to act as a foreign exchange agent under Certificate No. 09/QUN1 issued by the State Bank of Vietnam, Quang Ninh Branch on January 05, 2024.



2. Basis for preparing financial statements and accounting period

Basis for preparing financial statements

The financial statements are presented in Vietnamese Dong (VND), based on conversion from the original report in US dollars (USD) according to the provisions of Circular 200 dated December 22, 2014 of the Ministry of Finance, specifically:

- 2.1 / The exchange rate on the income statement and cash flow statement is the lowest and highest cumulative average exchange rate from the beginning of the year to the reporting period of VCB Ha Long, where the Company opened its account.
- The exchange rate on the income statement as of June 30, 2024 is: 24.812 VND/USD.
 - The exchange rate on the income statement as of June 30, 2025 is: 25.615 VND/USD.
- 2.2 / The exchange rate on the balance sheet is the purchase price of VCB Ha Long, where the Company opened an account on December 31, 2024 and June 30, 2025, specifically:
- The exchange rate on the balance sheet on December 31, 2024 is: 25.251 VND/USD.
 - The exchange rate on the balance sheet on June 30, 2025 is: 25.910 VND/USD.

Accounting period

The Company's fiscal year begins on January 1 and ends on December 31.

3. Applying new accounting guidelines

New guidance on enterprise accounting regime

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises. This Circular takes effect for fiscal years beginning on or after 01 January 2015. Circular 200 replaces the provisions on enterprise accounting regime issued under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. The Board of Directors of the Company has applied Circular 200 in preparing and presenting the financial statements for the second quarter of 2025 ended on 30 June 2025.

4. Summary of significant accounting policies

The following are the significant accounting policies applied by the Company in preparing the financial statements:

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits.

Receivables

Receivables represent the carrying amount of receivables from customers, including trade receivables arising from the sale of goods and provision of services; and other non-trade receivables unrelated to the sale of goods and provision of services. Provision for doubtful receivables is made for each receivable based on the time overdue for principal payment according to the original debt commitment (excluding



debt extensions between the parties), or based on the estimated loss that may occur. Receivables determined to be uncollectible will be written off.

Inventories

Inventories are stated at the lower-of-cost and net realizable value. Cost is determined on the basis of specific identification, or weighted average, first in first out, depending on the type of inventory. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct costs and production overheads based on the normal level of activity. Net realisable value is the estimated selling price of the inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The Company uses the perpetual inventory method to account for inventories.

Provisions are made for obsolete, slow-moving and damaged inventories. The difference between the provision required at the end of the current accounting period and the provision made at the end of the previous accounting period is recorded as an increase or decrease in cost of goods sold during the accounting period.

Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Historical cost includes costs directly related to obtaining the fixed asset in a ready-to-use state. Costs incurred after initial recognition are only recorded as an increase in the historical cost of a fixed asset if these costs definitely increase future economic benefits due to the use of that asset. Costs incurred that do not satisfy the above conditions are recorded as production and business costs in the accounting period.

Depreciation

Fixed assets are depreciated using the straight-line method to gradually reduce the depreciable value over their estimated useful life or over the life of the Investment License. The depreciated value is the original price of the fixed asset recorded on the financial statements minus (-) the estimated liquidation value of that asset. The estimated useful life of the types of assets is as follows:

Buildings, structures	35 - 50 years
Machinery, equipment	5 – 10 years
Means of transport	8 years
Management equipment	5 years
Land use rights	27 years
Software	5 - 10 years
Other fixed assets	5 years



Intangible fixed assets and depreciation

Land use rights include land use rights allocated by the Government with land use fees collected and issued with a Certificate of Land Use Rights.

Land use terms are stated at cost less accumulated depreciation. The cost of land use rights includes the purchase price and costs directly related to obtaining the land use rights. Land use rights are depreciated using the straight-line method over the term of the land use rights.

Land use rights with an indefinite term are stated at cost and are not depreciated.

Disposal

Gains or losses arising from the disposal or transfer of fixed assets are determined by the difference between the net proceeds from the disposal and the remaining value of the fixed assets and are recorded as income or expenses in the interim income statement.

Construction in progress costs

Construction in progress represents the value of assets under construction for production, rental or administrative purposes, or for any other purpose, and is stated at cost, including all costs necessary to build new or repair, renovate, expand or re-equip technical works such as construction costs; equipment costs; project management costs and construction investment consulting costs that meet the conditions in accordance with the Company's accounting policy. Depreciation of these assets, like other types of fixed assets, will begin when the assets are ready for use.

Investment properties

Investment properties include land use rights and factories and structures held by the Company for the purpose of earning rental income or for capital appreciation, and are stated at cost less accumulated depreciation. The cost of an investment property purchased comprises the purchase price and any costs directly attributable to bringing the property to its working condition for use.

Investment property is depreciated using the straight-line method over its estimated useful life of 35 years.

Prepaid expenses

Prepaid expenses include short-term prepaid expenses and long-term prepaid expenses on the balance sheet. Short-term prepaid expenses reflect the amount paid in advance for the provision of services; or tools and supplies that do not meet the conditions for recognition as fixed assets within a period not exceeding 12 months or one business production cycle from the date of prepayment. Long-term prepaid expenses reflect the amount paid in advance for the provision of services; or tools and supplies that do not meet the conditions for recognition as fixed assets with a period of more than 12 months or more than one business production cycle from the date of prepayment. These prepaid expenses are recorded at cost and amortized on a straight-line basis over their estimated useful lives.

Revenue recognition

Sales revenue

Sales revenue is recognized in the income statement when all five (5) following conditions are met:



- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- The Company will receive economic benefits from the sales transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is not recognized when there is a material uncertainty regarding the collectability of the proceeds from the sale or the possibility of the return of the goods.

Revenue is recognized in accordance with substance over form and is allocated according to product or goods supply obligations.

Revenue from prize games

Revenue for the Royal International Club's operations includes revenue from gaming tables and revenue from gaming machines, which are recognized and recorded as follows::

- Gaming table revenue is recorded on the basis of the difference between the number of chips at the end of the shift minus the number of chips at the beginning of the shift at each gaming table plus (+) the number of chips in the drop box (+) the number of chips transferred from the gaming table to the counter minus (-) the number of chips transferred from the counter to the gaming table.
- Gaming machine revenue is equal to the total amount of money customers deposit into the machine to play minus the total amount paid to customers at the cashier.

Revenue of services rendered

Revenue of services rendered is recorded in the interim income statement when the service has been provided, by calculating the level of completion of each transaction, based on an assessment of the ratio of services provided to the total volume of services to be provided.

Revenue of services rendered is only recognized when all four (4) of the following conditions are met:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest is recognized on the basis of the actual time and interest rate for each period when all two (2) of the following conditions are met:

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



Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to be put into use are added to the cost of those assets, until the assets are ready for their intended use or sale. Income arising from the temporary investment of borrowings is deducted from the cost of the relevant assets.

All other borrowing costs are recognized in the income statement when incurred.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Provisions are measured based on the expected expenditure to settle the obligation. If the effect of the time value of money is substantial, provisions are calculated on a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in value due to the effect of time is recognized as a financial expense. The difference between the provision made at the end of the current accounting period and the provision made but not used at the end of the previous accounting period is recognized as an increase or decrease in operating expenses in the accounting period.

Tax

Corporate income tax ("CIT") includes all CIT calculated on taxable income. CIT expense includes current CIT expense and deferred CIT expense.

Current CIT is the amount of CIT payable or recoverable calculated on taxable income and CIT rate of the current accounting period. Current and deferred income tax are recognised as income or expense in determining profit or loss for the period, except to the extent that the income tax arises from a transaction or event that is recognized directly in equity in the same or a different accounting period.

Deferred CIT is calculated in full based on temporary differences between the carrying value of assets and liabilities in the financial statements and the CIT basis of these items. Deferred CIT is not recognized when a deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business merger transaction and does not affect accounting profit or income tax profit/loss at the time the transaction occurs. Deferred CIT is calculated at the tax rates that are expected to be applied in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred CIT assets are recognized when it is probable that taxable profits will be available in the future against which deductible temporary differences can be utilized.



5. Cash

	30/06/2025	01/01/2025
	VND	VND
Cash	24,705,755,020	25,308,016,758
Deposits	7,525,404,040	11,584,982,043
	32,231,159,060	36,892,998,801

6. Current accounts receivable

	30/06/2025	01/01/2025
	VND	VND
Receivables from Club customers	-	-
Receivables from other operating activities	8,340,869,470	8,353,131,804
	8,340,869,470	8,353,131,804

7. Inventories

	30/06/2025	01/01/2025
	VND	VND
Raw materials	2,214,734,980	2,463,815,823
Goods	872,363,790	817,879,890
Total:	3,087,098,770	3,281,695,713
Provision for inventory write-down	-	-
Net realizable value of inventories	3,087,098,770	3,281,695,713



8. Tangible fixed assets

Unit : VND

	Building architecture	Machinery and equipment	Office equipment	Means of transport	Other tangible fixed assets	Total
Original price						
As of 01/01/2025	1,104,094,722,792	313,146,387,846	15,435,052,515	19,737,393,648	39,899,509,116	1,492,313,065,917
As of 30/06/2025	1,132,909,334,810	321,318,874,860	15,837,876,150	20,252,499,680	41,075,045,270	1,531,393,630,770
Accumulated depreciation						
As of 01/01/2025	323,478,339,516	293,564,414,103	15,435,052,515	19,728,252,786	38,483,483,538	690,689,542,458
As of 30/06/2025	345,588,927,320	302,734,642,350	15,837,876,150	20,251,152,360	39,705,364,940	724,117,963,120
Residual value						
As of 01/01/2025	780,616,383,276	19,581,973,743	-	9,140,862	1,416,025,578	801,623,523,459
As of 30/06/2025	787,320,407,490	18,584,232,510	-	1,347,320	1,369,680,330	807,275,667,650

9. Intangible fixed assets

Unit: VND

	Land use rights	Computer software	Total
Original price			
As of 01/01/2025	110,959,661,268	2,580,475,443	113,540,136,711
As of 31/06/2025	110,959,661,268	5,543,643,242	116,503,304,510
Accumulated depreciation			
As of 01/01/2025	110,959,661,268	2,538,079,014	113,497,740,282
As of 31/06/2025	110,959,661,268	5,537,813,492	116,497,474,760
Residual value			
As of 01/01/2025	-	42,396,429	42,396,429
As of 31/06/2025	-	5,829,750	5,829,750

10. Construction in progress

	30/06/2025	01/01/2025
	VND	VND
Cost of unfinished construction	51,255,602,470	49,431,913,122
Total:	51,255,602,470	49,431,913,122



11. Tax and statutory obligations

	30/06/2025	01/01/2025
	VND	VND
Value added tax	2,021,705,480	1,534,882,035
Special consumption tax	4,386,122,530	3,496,682,727
land tax	6,609,926,010	
Other taxes	432,722,910	717,406,161
Total	13,450,476,930	5,748,970,923

12. Other current payable

	30/06/2025	01/01/2025
	VND	VND
Payable to Long Bay Agency - chip consignme	17,297,567,820	16,069,180,140
Receipt of deposit, bet	15,928,353,870	15,524,451,970
Payable to Long Bay Agency	56,228,716,050	52,235,630,850
Other payables	6,665,969,340	5,456,283,880
Total	96,120,607,080	92,362,426,023

13. Short-term loans and financial leases

	30/06/2025	01/01/2025
	VND	VND
HDBank Quang Ninh Branch	8,032,100	4,117,276,554
PVCOMBANK Quang Ninh Commercial Bank	41,636,074,500	71,279,204,577
Other	12,000,009,220	12,000,007,479
Total:	53,644,115,820	87,396,488,610



14. Long-term loans and financial leases

	30/06/2025	01/01/2025
	VND	VND
Non-current loans and liabilities	127,249,995,210	127,249,990,404
Total:	127,249,995,210	127,249,990,404

15. Owner's equity

	Owner's equity	Retained earnings	Capital surplus	Development investment fund	Exchange rate difference	Total
Balance 01/01/2025	703,687,540,000	(604,138,226,564)	81,363,105,200	11,206,193,409	366,173,321,651	558,291,933,696
Balance 30/06/2025	703,687,540,000	(603,578,794,964)	81,363,105,200	11,206,193,409	380,750,080,025	573,428,123,670

16. Revenue from sale of goods and rendering of services

	Quarter II/2025	Quarter II/2024
	VND	VND
Room Revenue	4,706,833,095	5,166,677,196
Revenue from prize-winning games service	32,579,334,275	24,646,106,968
Revenue from food and beverage services	5,795,137,600	5,247,117,700
Other	3,790,379,625	697,986,372
Total	46,871,684,595	35,757,888,236

17. Revenue from financial activities

	Quarter II/2025	Quarter II/2024
	VND	VND
Realized exchange rate difference	752,466,240	1,804,006,084
Unrealized exchange rate difference	4,625,454,240	6,496,302,652
Other financial revenue	65,881,780	-
Interest on deposits	2,587,115	1,439,096
	5,446,389,375	8,301,747,832



18. Financial operating expenses

	Quarter II/2025	Quarter II/2024
	VND	VND
Realized exchange rate difference	312,093,160	17,864,640
Unrealized exchange rate difference	307,149,465	194,129,088
Other financial expenses	121,748,095	99,173,564
Loan interest	5,700,746,325	5,354,181,480
	6,441,737,045	5,665,348,772

19. Other incomes

	Quarter II/2025	Quarter II/2024
	VND	VND
Other income	17,033,975	30,667,632
	17,033,975	30,667,632

20. Other expenses

	Quarter II/2025	Quarter II/2024
	VND	VND
Other expenses	113,090,225	43,222,504
	113,090,225	43,222,504

21. Departments classified by business segment

All of the Company's business operations are carried out in Vietnam. The Company's legal representative has determined that management decisions are primarily based on the types of services provided by the Company. Therefore, the Company's reportable segments are presented on business segments. Revenue and expenses by the Company's principal business segments are as follows:



	Club VND	Villas- Hotel VND	Offset VND	Total VND
1. Net external sales	32,579,334,275	14,292,350,320	-	46,871,684,595
2. Depreciation and amortisation	1,932,549,290	5,698,184,825	-	7,630,734,115
3. Operating profit/(loss)	16,039,242,090	(5,941,860,320)	-	10,097,381,770
4. Tangible fixed assets, intangible assets and other long-term assets increased in the year	-	-	-	-
5. Segment assets	148,009,087,210	733,946,196,140	(928,255,002,390)	(46,299,719,040)
6. Unallocated assets	-	-	-	972,830,825,490
Total assets	148,009,087,210	733,946,196,140	(928,255,002,390)	926,531,106,450
7. Segment liabilities	577,418,704,140	551,474,010,650	(928,255,002,390)	200,637,712,400
8. Unallocated liabilities	-	-	-	152,465,270,380
Total liabilities	577,418,704,140	551,474,010,650	(928,255,002,390)	353,102,982,780

22. Current Corporate Income Tax Expense

	For the period from 01/01/2025 to 30/6/2025 VND	For the period from 01/01/2024 to 30/06/2024 VND
Pre-tax accounting profit (loss)	559,431,600	(14,756,788,128)
Adjustment for taxable income		
Add:	601,132,820	1,576,529,668
- Exchange rate difference loss due to revaluation of monetary items of foreign origin	176,512,965	1,469,143,332
- Other adjustments that increase pre-tax profit: support for funds outside the unit	126,896,710	73,617,204
- Chips returned during the period	297,723,145	33,769,132
Subtract:	496,775,264	587,372,562
- Subtract the reversal of provision for doubtful debts	165,933,970	256,531,268
- Subtract the pre-operating expense allocation according to tax audit	330,841,294	330,841,294
- Subtract the chips returned during the period		
Taxable income	663,789,156	(13,767,631,022)
Tax rate	20%	20%
Current corporate income tax expense		
Deferred corporate income tax	-	-



Hà long, ... 18/7/2025

Creator

Nguyễn Thị Huệ

Chief Accountant

Nguyễn Thị Thu Bình

Deputy General Director



Trần Thị Hồng Liễu
(Authorized Signature)

January 17, 2024)



ROYAL INTERNATIONAL
CORPORATION

No: 2025/ST/HG

"Re: Explanation for the difference in business results between Q2 2025 and Q2 2024; explanation for profit in Q2 2025 compared to loss in Q2 2024, profit after tax increased 10% compared to Q2 2024"

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Ha Long, date 21 month 07 year 2025

To: STATE SECURITIES COMMISSION OF VIETNAM
HANOI STOCK EXCHANGE

Royal International Corporation (stock code: RIC) would like to provide an explanation for the difference in business results between Q2 2025 and Q2 2024, and the reason for the profit in Q2 2025 compared to the loss in Q2 2024, bennefit increased 10% compared to Q2 2025 as follows:

I – Explanation for the difference in business results between Q2 2025 and Q2 2024:

A comparison of the key indicators on the income statements for Q2 2025 and Q2 2024 is as follows:

No.	Interpretation	Quarter II/2025	Quarter II/2024	Amount of money increased, decreased	Percentage increased (decreased)%
I	Revenue from sales and service provision	46,871,684,595	35,757,888,236	11,113,796,359	31
II	Revenue from financial activities	5,446,389,375	8,301,747,832	(2,855,358,457)	(34)
III	Other income	17,033,975	30,667,632	(13,633,657)	(44)
IV	Expenses				
1	Financial operating expenses	6,441,737,045	5,665,348,772	776,388,273	14
2	Cost of goods sold	27,331,461,150	31,096,755,540	(3,765,294,390)	(12)
3	Sales expenses	3,160,993,460	2,975,008,424	185,985,036	6
4	Management costs	5,286,500,545	6,202,875,940	(916,375,395)	(15)
5	Other expenses	113,090,225	43,222,504	69,867,721	162
	Total expenses (1-5)	42,333,782,425	45,983,211,180	(3,649,428,755)	(8)
V	Profit after tax	10,001,325,520	(1,892,907,480)	11,894,233,000	628

Explanation of the Differences:

1. Revenue from sales and services in Q2/2025 increased compared to Q2/2024 due to the recovery of the economy, especially in the service and tourism sectors in Q2/2025. After a long period of stagnation, these sectors have shown strong growth. In addition, the Company's management actively implemented various measures to stabilize the customer base. As a result, revenue in Q2/2025 was higher than in Q2/2024.
2. Financial income decreased due to foreign exchange differences at the end of the period.

3. Financial expenses increased as a result of foreign exchange differences at the end of the period.
4. Administrative expenses and cost of goods sold decreased compared to Q2/2024 as the Company implemented cost-cutting measures, including reductions in salary budget and maintenance expenses.
5. Selling expenses increased compared to Q2 2024 due to paid commission for Tour guides.
6. Other expenses increased because the Company paid administrative penalty in Q2 2025 .

II – Explanation for the profit in Q2/2025 compared to the loss in Q2 2024 and profit Q2 2025 increased from 10% compared to same period of 2024:

During Q2/2025, the Management Board was carrying out various positive measures to improve business results. This based on 2 major aspects: Stabilizing and improving the revenue along with managing and cost reduction. the Company's management actively worked to stabilize the existing customer base and attract new clients. As a result, the Company recorded a profit and increased 628% compared to 2024.

The above is the explanation report of Royal International Corporation; we respectfully submit it to the State Securities Commission of Vietnam and the Hanoi Stock Exchange for your review and consideration.

Sincerely,

ROYAL INTERNATIONAL CORPORATION

Deputy General Director



Trần Thị Hồng Liễu



