



CONSOLIDATED FINANCIAL STATEMENTS

HUONG GIANG TOURIST JOINT STOCK COMPANY

For the fiscal year ended as at 31/12/2018
(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 Consolidated Financial Statements for the fiscal year ended as at 31 December 2018.

THE COMPANY

Huong Giang Tourist Joint Stock Company is incorporated as a state owned company established under Decision No. 3243/QD-UBND dated 2 November 1996 issued by the People's Committee of Thua Thien Hue Province, was transformed into a joint stock company under Decision No. 2559/QD-UBND dated 15 November 2007 issued by the People's Committee of Thua Thien Hue Province. The Company was established and operated under the corporate registration certificate of joint stock company No. 3300101124 issued by the People's Committee of Thua Thien Hue Province for the first time on 25 December 2007 and had its 10th amendment on 28 December 2018.

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. Yukio Takahashi	Chairman	Appointed on 07/11/2018
Mr. Yukio Takahashi	Member	Resigned on 07/11/2018
Mr. Vu Quang Hoi	Chairman	Resigned on 07/11/2018
Mr. Vu Quang Hoi	Member	Appointed on 07/11/2018
Mr. Johnny Cheung - Ching Fu	Member	Appointed on 27/04/2018
Mr. Nguyen Viet Tao	Member	
Mr. Go Fujiyama	Member	

The members of The Board of General Directors in the fiscal year and to the reporting date are:

Mr. Johnny Cheung - Ching Fu	General Director	
Mr. Tran Thang	Vice General Director	Resigned on 26/02/2018
Mr. Le Ba Giang	Vice General Director	

The members of the Board of Supervision are:

Mr. Ho Minh Quoc	Head of Control Department	
Mrs. Dao Thi Chinh	Member	
Mrs. Fumiyo Okuda	Member	Appointed on 27/04/2018

AUDITORS

The auditors of the AASC Auditing Firm Company Limited take the audit of Consolidated Financial Statements for the Company.

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

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

The Board of General Directors is responsible for the Consolidated Financial Statements of each financial year which give a true and fair view of the state of affairs of the Company and of results of its operation and its cash flows for the year. In preparing those Consolidated Financial Statements, The Board of General Directors is required to:

- Establish and maintain of an internal control system which is determined necessary by The Board of General Directors and Those charged with governance to ensure the preparation and presentation of Consolidated 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 Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated Financial Statements;
- Prepare the Consolidated 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 any time and to ensure that the Consolidated 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 Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2018, its operations and cash flows in the year 2018 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and statutory requirements relevant to preparation and presentation of Consolidated Financial Statements.

Other commitments

The Board of General Directors pledges that the company complies with Decree No. 71/2017/ND-CP dated 06 June 2017 guiding on corporate governance of public companies and the company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of The Board of General Directors



Le Ba Giang

Vice General Director

Hue, 26 February 2019

INDEPENDENT AUDITORS' REPORT

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

We have audited the Consolidated Financial Statements of 26 February 2019, as set out on pages 07 to 42, including: Consolidated statement of financial position as at 31/12/2018, Consolidated statement of comprehensive income, Consolidated statement of cash flows and Notes to Consolidated financial statements for the fiscal year ended as at 31 December 2018.

The Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise 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 of Consolidated 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 Consolidated 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, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 Consolidated 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 Consolidated Financial Statements.

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

Basis for qualified opinion

- As at December 31, 2018, the Company is tracking expenses incurred from technical service consultancy contract with Azula Management Co., Ltd. on advising to outline the idea of investing in facilities of Huong Giang Hotel with accumulated amount of VND 8.8 billion on the item "Construction in progress" (Code 242) of the Consolidated Statement Of Financial Position. However, the Company has not recorded the above-mentioned expenses into production and business costs, leading to the item "Profit after corporate income tax" (Code 60) on the Consolidated Statement of Income, and the item "Retained earning" (Code 421b) on the Consolidated Statement Of Financial Position is being reflected higher than the corresponding amount.

In Auditing Report No. 16-01-499/HN dated 30/03/2018 on the consolidated financial statement for the fiscal year ended 31/12/2017 of Huong Giang Tourist Joint Stock Company, the Auditor and the branch of KPMG Limited in Ho Chi Minh City issued a qualified opinion on the fact that My An Tourist Joint Stock Company, a subsidiary of the Company, has liquidated a number of fixed assets and some long-term prepaid expenses in the year 2016. As for the residual value of these assets, the Company did not recognize other expenses of the accounting period but reflected in the item "Construction in progress" in the balance sheet with the amount of VND 6.814 billion. If the Company recognized these assets in the financial results for the year ended 31/12/2016, the accumulated loss up to 31/12/2017 of the Company would increase by VND 5.451 billion. During the year, the Company disposed of all its investment in My An Tourist Joint Stock Company, thus affecting only comparative datas as of 01/01/2018 in the Consolidated Financial Statement for the fiscal year ended 31/12/2018 of the Company.

- In 2016, the Company recorded a dividend of VND 6.050 billion from Hotel De La Cite Imperiale Co., Ltd in the Consolidated Statement of Income. In 2017, Hotel De La Cite Imperiale Co., Ltd decided to keep dividends distributed in 2016 to invest and upgrade hotels according to the Minutes of the Board of Members on 20 July 2017. Accordingly, the Company deducted this dividend in the item "Accumulated losses to the end of previous year" is not appropriate. If the Company deducts this receivable dividend in the Consolidated Income Statement for the year ended 31 December 2017, the financial expenses and losses before and after tax in 2017 will increased by VND 6.050 billion. This issue continues affect the comparative information of the Consolidated Financial Statements for the fiscal year ended as at 31 December 2018.

- The Financial Statements of Saigon Morin Hue Co., Ltd for the fiscal year ended 31 December 2018 are being prepared and presented on the basis that the company does not meet the assumption of going concern because the Owners of Saigon Morin Hue Co., Ltd - Huong Giang Tourist Joint Stock Company and Saigontourist Holding - One Member Limited Company have decided to dissolve the Company and the dissolution procedures are extended until 30 June 2019. However, the Company still presented the value of the above-mentioned investment by equity method on the Consolidated Financial Statements for the fiscal year ended as at 31 December 2018.

Qualified opinion

In our opinion, except for the influence of the matter mentioned in "Basis for qualified opinion" the Consolidated 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 2018, and of the results of its operations and its cash flows for the fiscal year ended as at 31 December 2018 in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise 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 Consolidated Financial Statements. As at 31 December 2018, the Company is recording and presenting on the Consolidated Financial Statements the amount payable to the State Budget in the amount of VND 32 billion related to the divestment of the People's Committee of Thua Thien Hue Province at Huong Giang Tourist Joint Stock Company.

This emphasis does not affect the opinion of our above-mentioned Auditor's opinion.

Other matter

The Consolidated Financial Statements of Huong Giang Tourist Joint Stock Company for the fiscal year ended 31 December 2017 were audited by auditors and KPMG Branch in Ho Chi Minh City. Auditors have made a qualified opinion for the following issues: recorded losses incurred before 2016 from associates in the results of its operations of the year 2016; record the remaining value from the liquidation and elimination of tangible fixed assets and some long-term prepaid expenses on construction in progress instead of the Consolidated Statement of Income.



Vu Xuan Bien

Deputy General Director

Certificate of registration to audit practice

No: 0743-2018-002-1

Hanoi, 28 March 2019



Duong Quan Anh

Auditor

Certificate of registration to audit practice

No: 1686-2018-002-1

HUONG GIANG TOURIST JOINT STOCK COMPANYNo. 2, Nguyen Cong Tru, Hue City, Thua Thien Hue
Province, Vietnam**Consolidated Financial Statements**
For the fiscal year ended as at 31/12/2018**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 December 2018*

Code	ASSETS	Note	31/12/2018 VND	01/01/2018 VND
100	A. CURRENT ASSETS		77.371.845.966	68.394.036.918
110	I. Cash and cash equivalents	3	61.999.168.780	56.528.219.622
111	1. Cash		38.999.168.780	43.528.219.622
112	2. Cash equivalents		23.000.000.000	13.000.000.000
120	II. Short-term investments	4	800.000.000	1.300.000.000
123	1. Held to maturity investments		800.000.000	1.300.000.000
130	III. Short-term accounts receivable		13.224.028.426	9.491.065.576
131	1. Short-term trade receivables	5	6.863.848.829	5.552.219.968
132	2. Short-term prepayments to suppliers	6	1.751.969.480	182.232.880
136	3. Other short-term receivables	7	6.121.635.155	5.316.306.436
137	4. Provision for short-term doubtful debts		(1.513.425.038)	(1.559.693.708)
140	IV. Inventories	9	876.974.237	844.567.228
141	1. Inventories		876.974.237	844.567.228
150	V. Other current assets		471.674.523	230.184.492
151	1. Short-term prepaid expenses	13	471.674.523	-
152	2. Deductible VAT		-	230.184.492
200	B. LONG-TERM ASSETS		193.036.905.064	195.240.847.923
210	I. Long-term receivables		5.448.817.680	5.448.817.680
216	1. Other long-term receivables	7	5.448.817.680	5.448.817.680
220	II. Fixed assets		42.743.900.487	39.326.007.845
221	1. Tangible fixed assets	11	41.729.982.460	38.305.696.374
222	- Historical costs		106.669.472.570	99.144.315.222
223	- Accumulated depreciation		(64.939.490.110)	(60.838.618.848)
227	2. Intangible fixed assets	12	1.013.918.027	1.020.311.471
228	- Historical costs		1.308.338.000	1.308.338.000
229	- Accumulated depreciation		(294.419.973)	(288.026.529)
240	IV. Long-term unfinished asset	10	9.086.181.104	28.213.029.758
242	1. Construction in progress		9.086.181.104	28.213.029.758
250	V. Long-term investments	4	125.188.992.979	111.340.397.180
252	1. Investments in joint ventures and associates		125.188.992.979	111.340.397.180
253	2. Investments in equity of other entities		3.000.000.000	3.000.000.000
254	3. Provision for diminution in value of long-term investments		(3.000.000.000)	(3.000.000.000)
260	VI. Other long-term assets		10.569.012.814	10.912.595.460
261	1. Long-term prepaid expenses	13	10.569.012.814	10.912.595.460
270	TOTAL ASSETS		270.408.751.030	263.634.884.841

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Consolidated Financial Statements
 For the fiscal year ended as at 31/12/2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

 As at 31 December 2018
 (continue)

Code	CAPITAL	Note	31/12/2018	01/01/2018
			VND	VND
300	C. LIABILITIES		48.515.783.582	44.291.332.562
310	I. Current liabilities		45.585.002.582	42.962.155.562
311	1. Short-term trade payables	14	3.654.622.990	3.493.537.020
312	2. Short-term advances from customers	16	762.508.931	970.221.664
313	3. Taxes and other payables to State budget	15	1.058.214.579	995.551.793
314	4. Payables to employees		3.656.926.489	3.105.671.009
319	5. Other short-term payments	17	34.828.440.231	33.591.910.034
320	6. Short-term loans and finance lease liabilities	18	1.332.396.000	549.996.000
321	7. Provisions for short-term payables		111.021.046	74.395.726
322	8. Bonus and welfare fund		180.872.316	180.872.316
330	II. Long-term liabilities		2.930.781.000	1.329.177.000
338	1. Long-term loans and finance lease liabilities	18	2.930.781.000	1.329.177.000
400	D. OWNER'S EQUITY		221.892.967.448	219.343.552.279
410	I. Owner's equity	19	221.892.967.448	219.343.552.279
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		(25.330.550.252)	(28.923.119.651)
421a	Retained earnings accumulated till the end of the previous year		(28.923.119.651)	(30.110.247.414)
421b	Retained earnings of the current year		3.592.569.399	1.187.127.763
429	5. Non controlling interest		-	1.043.154.230
440	TOTAL CAPITAL		270.408.751.030	263.634.884.841


 Ngo Duc Chinh
 Preparer


 Ngo Duc Chinh
 Chief Accountant


 Le Ba Giang
 Vice General Director


Hue, 26 February 2019

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Consolidated Financial Statements
For the fiscal year ended as at 31/12/2018


CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year 2018

Code	ITEM	Note	Year 2018	Year 2017
			VND	VND
01	1. Revenues from sales and services rendered	21	86.126.454.689	81.502.660.112
02	2. Revenue deductions		-	-
10	3. Net revenues from sales and services rendered		86.126.454.689	81.502.660.112
11	4. Cost of goods sold	22	67.804.609.931	64.226.998.636
20	5. Gross profit from sales of goods and rendering of services		18.321.844.758	17.275.661.476
21	6. Financial income	23	2.131.276.519	2.101.765.494
22	7. Financial expense	24	226.099.434	206.704.801
23	<i>In which: Interest expenses</i>		225.464.701	192.253.587
24	8. Profit or loss in joint ventures and associates		5.210.750.870	7.142.233.966
25	9. Selling expenses	25	2.193.552.201	1.968.642.879
26	10. General administrative expenses	26	19.865.218.816	24.066.100.612
30	11. Net profit from operating activities		3.379.001.696	278.212.644
31	12. Other income	27	366.194.525	1.225.792.393
32	13. Other expense	28	16.733.577	83.250.328
40	14. Other profit		349.460.948	1.142.542.065
50	15. Total profit before tax		3.728.462.644	1.420.754.709
51	16. Current corporate income tax expenses	29	135.656.673	226.742.750
52	17. Deferred corporate income tax expenses		-	-
60	18. Profit after corporate income tax		<u>3.592.805.971</u>	<u>1.194.011.959</u>
61	19. Profit after tax attributable to shareholders of the parent		3.592.569.399	1.187.127.763
62	20. Profit after tax attributable to non-controlling interests		236.572	6.884.196
70	21. Basic earnings per share	30	180	59


Ngo Duc Chinh
Preparer


Ngo Duc Chinh
Chief Accountant


Le Ba Giang
Vice General Director

Hue, 26 February 2019

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Consolidated Financial Statements
For the fiscal year ended as at 31/12/2018

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2018

(Under indirect method)

Code	ITEM	Note	Year 2018	Year 2017
			VND	VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. <i>Profit before tax</i>		3.728.462.644	1.420.754.709
	2. <i>Adjustments for</i>			
02	- Depreciation of fixed assets and investment properties		4.816.525.937	5.351.778.397
03	- Provisions		(9.643.350)	150.710.726
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency		(675.010)	4.865.855
05	- Gains / losses from investment		(7.516.702.488)	(9.222.709.533)
06	- Interest expense		225.464.701	192.253.587
08	3. <i>Operating profit before changes in working capital</i>		1.243.432.434	(2.102.346.259)
09	- Increase or decrease in receivables		(4.523.675.688)	1.192.937.493
10	- Increase or decrease in inventories		(32.407.009)	62.821.273
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		6.614.184.770	(94.735.928)
12	- Increase or decrease in prepaid expenses		(128.091.877)	5.442.458.787
14	- Interest paid		(225.464.701)	(192.253.587)
15	- Corporate income tax paid		(141.565.847)	(511.591.995)
20	<i>Net cash flows from operating activities</i>		2.806.412.082	3.797.289.784
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase of fixed assets and other long-term assets		(4.996.785.868)	(17.450.597.909)
22	2. Proceeds from disposals of fixed assets and other long-term assets		231.818.182	-
23	3. Loans and purchase of debt instruments from other entities		-	(500.000.000)
24	4. Collection of loans and resale of debt instrument of other entities		500.000.000	46.000.000.000
25	5. Equity investments in other entities		(8.637.844.929)	(15.000.000.000)
26	6. Proceeds from equity investment in other entities		12.062.555.685	-
27	7. Interest and dividend received		1.120.114.996	509.975.567
30	<i>Net cash flows from investing activities</i>		279.858.066	13.559.377.658
	III CASH FLOWS FROM FINANCING ACTIVITIES			
33	1. Proceeds from borrowings		3.260.000.000	-
34	2. Repayment of principal		(875.996.000)	(100.835.076.000)
40	<i>Net cash flows from financing activities</i>		2.384.004.000	(100.835.076.000)

HUONG GIANG TOURIST JOINT STOCK COMPANY

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


Consolidated Financial Statements
For the fiscal year ended as at 31/12/2018


CONSOLIDATED STATEMENT OF CASH FLOWS


Year 2018

(Under indirect method)

50	Net decrease/increase in cash and cash equivalents	5.470.274.148	(83.478.408.558)
60	Cash and cash equivalents at beginning of the year	56.528.219.622	140.011.494.035
61	Effect of exchange rate fluctuations	675.010	(4.865.855)
70	Cash and cash equivalents at end of the year	3	
		<u>61.999.168.780</u>	<u>56.528.219.622</u>


Ngo Duc Chinh
Preparer


Ngo Duc Chinh
Chief Accountant


Le Ba Giang
Vice General Director



Hue, 26 February 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 2018

1 . BACKGROUND

Forms of Ownership

Huong Giang Tourist Joint Stock Company is incorporated as a state owned company established under Decision No. 3243/QD-UBND dated 2 November 1996 issued by the People's Committee of Thua Thien Hue Province, was transformed into a joint stock company under Decision No. 2559/QD-UBND dated 15 November 2007 issued by the People's Committee of Thua Thien Hue Province. The Company was established and operated under the corporate registration certificate of joint stock company No. 3300101124 issued by the People's Committee of Thua Thien Hue Province for the first time on 25 December 2007 and had its 10th amendment on 28 December 2018.

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. Equivalent to 20.000.000 shares with the price of VND 10.000 per share.

Business section

Hospitality industry and tourism services.

Business field

The Company's business fields are:

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

Structure of the Group

The Company has one (01) subsidiary - Huong Giang Travel Sole Member Limited Liability Company which is consolidated in the financial statements as at 31/12/2018; its head office is located at 11 Le Loi, Hue city, Thua Thien Hue Province. The voting rights and interest rate of the Company in the subsidiary is 100% with the main business being Travel Business and Ticket Agent.

During the year, the Company withdrew all investment capital from My An Tourist Joint Stock Company until 31/03/2018. Therefore, the Company has not consolidated My An Tourist Joint Stock Company since the date of liquidation of the investment.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

Annual accounting period commences from 1st January and ends as at 31st December.

The Company maintains its accounting records in VND.

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Company applies Enterprise Accounting System issued under Circular No.200/2014/TT-BTC dated December 22, 2014 of the Minister of Finance and Circular No. 53/2016/TT-BTC dated 21 March 2016 of the Ministry of Finance on amendment and supplement of some articles of Circular No. 200/2014/TT-BTC and Circular No. 202/2014/TT-BTC guidelines for the preparation and presentation of the consolidated financial statements.

Declaration of compliance with Accounting Standards and Accounting System

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

2.3 . Basis for preparation of consolidated financial statements

Consolidated financial statements are prepared based upon consolidating Separate financial statements of the Company and its subsidiaries under its control as at 31 December annually. Control right is in practice when the company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Financial statements of subsidiaries are used consistent accounting policies of the Company. If necessary, adjustments are made to the Financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company and its subsidiaries.

The results from operations of subsidiaries acquired or disposed during the year are included in the Consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from Consolidated financial statements.

Non – controlling interest

Non – controlling interest is the benefits in profits or losses, and in the net assets of subsidiaries not held by the Company.

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash and cash equivalents, trade receivables and other receivables, lending. 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 loans, trade payables and other payables. At initial recognition and financial liabilities are determined by issuing price plus other expense directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

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

2.5 . Foreign currency transactions

The foreign currency transactions during the year are converted into Vietnam dong with the real exchange rate at the transaction date. Real exchange rates are determined as the following principles:

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

Real exchange rate upon re-determining accounts derived from foreign currencies at the date of the Consolidated Financial Statements is determined on the following principles:

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

All exchange differences arising from foreign currency transactions in the 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.

2.6 . Cash and cash equivalents

Cash includes cash on hand and non-term deposits.

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

2.7 . Business consolidation

Business consolidation are accounted by using the purchase method. The cost of a business consolidation comprises its fair value at the date of exchange of the acquiree's assets, liabilities incurred or assumed and capital instruments issued by the purchaser to take the control of the acquired party and expenses directly related to the business consolidation. Tangible assets, liabilities and contingent liabilities incurred in the business consolidation of the acquiree are recorded in fair value at the date of the business consolidation.

2.8 . Financial investments

Investments held to maturity include term deposits (including treasury bills, promissory notes), bonds, preference shares which the issuer is required to re-buy them in a certain time in the future and loans... held to maturity to earn profits periodically and other held to maturity investments.

In the Consolidated Financial Statements, investments in joint ventures and associates are accounted according to the equity method. Under the equity method, the investment is initially recognized at cost on the consolidated balance sheet and subsequently adjusted for changes in the Group's share of net assets of the associate after purchase. Goodwill arising on investment in the associate is reflected in the carrying amount of the investment. The Group does not allocate this goodwill, instead annually assesses whether this goodwill is impaired. The consolidated income statement reflects the Group's share in the consolidated income statement of the associate after the acquisition.

The share of the investor in the associate's profit (loss) after the acquisition is reflected in the consolidated income statement and the share of the investor in the change after the acquisition of the associate's funds are recorded into the funds. The cumulative post-acquisition movements are adjusted to the residual value of the investment in the associate. Dividend received from the associate is set off against the investments in the associate.

The financial statement of the associate is prepared for the same reporting period as the Group's consolidated financial statement and use the accounting policies that are consistent with the Group. Appropriate consolidated adjustments are recorded to ensure that accounting policies are applied consistently with the Group in case of necessity.

Investments in equity of other entities included: investments in equity of other entities but not control, joint control, or significant influence on the investee. Book value of these investments is determined at original cost. After initial recognition, the value of these investments is determined at original cost less provision for diminution in value of investments.

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Allowances for devaluation of investments are made at the end of the year as followings:

- With regard to investments held long-term (other than trade securities) and not influencing significantly on the investee: If an investment in listed shares or the fair value of the investment is determined reliably, the provisions shall be made according to the market value of the shares; if an investment is not determined the fair value at the reporting time, the provision shall be made according to Financial Statements on provision date of the investee.
- With regard to investments held to maturity: the provisions for doubtful debts shall be made according to the recovery under regulatory requirements.

2.9 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company.

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 by weighted average method.

Inventory is recorded by perpetual method.

Provision for devaluation of inventories made at the end of the year 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.

Depreciation is provided on a straight-line basis. Depreciation period is estimated as follows:

- | | |
|----------------------------------|---------------|
| - Buildings | 05 - 50 years |
| - Machinery, equipment | 05 - 10 years |
| - Transportation equipment | 05 - 15 years |
| - Office equipment and furniture | 05 - 07 years |
| - Land use rights | Permanent |
| - Managerment software | 05 years |

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. Construction in progress is not depreciated until the relevant assets are completed and put into use.

2.13 . Finance lease assets

Operating lease is a type of lease of fixed assets that most of the risks and benefits associated with ownership of assets belong to the lessor. Payments made under operating leases are charged to the statement of income on a straight-line basis over the term of the lease.

2.14 . Prepaid expenses

The expenses incurred but related to results of business operations of several accounting periods are recorded as prepaid expenses and are amortised to the income statement in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria. Prepaid expenses are allocated gradually into operating expenses on the straight-line basis.

2.15 . 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.

2.16 . Loans

Loans shall be kept records in details according to entities loans, loan agreement and loans term. In case of loans in foreign currency shall be kept records in detail the currency.

2.17 . Borrowing costs

Borrowing costs are recognized into operating costs in the year, except for which directly attributable to the 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.

The value of finance lease liabilities is the total payable amount calculated on the present value of minimum lease payments or the fair value of leased assets.

Regarding joint capital borrowings, which are used for the purpose of investment in construction or production of an unfinished asset, the borrowing costs eligible for capitalization in each accounting year shall be determined according to the capitalization rate for weighted average accumulated costs incurred to the investment in construction or production of such asset. The capitalization rate shall be calculated according to the weighted average interest rate of the borrowings unrepaid in the period, except for particular borrowings for purpose of obtaining an unfinished asset. Capitalized rate of borrowing costs

2.18 . Accrued expenses

Payables to goods or services received from the seller or provided for the seller during a reporting year, but payments of such goods or services have not been made and other payables such as annual leave salary, expenses in seasonal cessation of production period, interest expenses... [sửa đổi, xoá bỏ nếu không phù hợp] which are recorded to operating expenses of the reporting year.

The recording of accrued expenses to operating expenses during a period shall be carried out in conformity with revenues and expenses incurring during the year. Accrued expenses payable are settled with actual expenses incurred. The difference between accrual and actual expenses are reversed.

2.19 . Provision for payables

Provision for payables only record when meet all following conditions:

- Enterprises have current debt obligation (legal obligation or jointly liable obligation) due to result from a fact happened;
- Decrease in economic benefits may happen leading to the requirement for payment of debt obligation;
- Giving a confident estimation on value of such debt obligation.

Value recorded of a provision payable is the most reasonably estimated the amount which will be paid for current debt obligation at the end of the year.

Provisions for payables are recorded in business and production costs of the accounting year. In case provision set for the previous year but not used up exceeds the one set for the current year, the difference is recorded as decrease in production and operation expenditures. The bigger difference of the payables provision on insuring the construction is recorded into other revenue in the year.

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).

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Company. The distribution of net profits is made when the net profit of the company does not exceed the net profit presented on Consolidated Financial Statements after eliminating the profits from cheap purchase. In case dividend payment or profit distribution for the owners exceeds the net profit, the difference shall be recorded as a decrease in contributed capital. Net profit can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders and after being appropriated to funds in accordance with the Company's Articles of Incorporation and Vietnamese statutory requirements.

The Company appropriates the following funds from the Company's net profit after tax as proposed by the Board of Management and approved by shareholders at the Annual General Meeting of Shareholders:

- Investment and development fund: This fund is set aside for use in the Company's expansion of its operation or in-depth investment;
- Bonus and welfare fund and bonus fund for the Executive Board: This fund is set aside for rewarding and encouraging material benefits, providing mutual benefits and improving the welfare of employees and is presented as a payable on the Balance Sheet.

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.

2.21 . Revenue*Sales*

Revenue from sale of goods shall be recognized when all the following conditions have been satisfied:

- Significant risks and rewards associated with the ownership of the goods have been transferred to the buyer;
- 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;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliable.

Services rendered

Services rendered shall be recognised when all the following conditions have been satisfied:

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

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

Financial income

Revenue arising from the used by the others of entity assets yielding interest, royalties and dividends shall be recognised when:

- 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.

Dividends and distributed profits are recognized when the Company has the right to receive dividends or to receive profits from the capital contribution.

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;
- Losses from the disposal and transfer of short-term securities, transaction cost of selling securities;
- 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

2.24 . Corporate income tax

a) Current 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) Tax incentives

The Company is subjected to corporate income tax at 20% for business operation of the fiscal year from 01/01/2018 to 31/12/2018.

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.

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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 Consolidated Financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.27 . Other accounting principals and methods

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

	31/12/2018	01/01/2018
	VND	VND
Cash on hand	1.083.491.438	896.346.314
Non term deposit (1)	37.914.772.342	42.630.719.108
Cash in transit	905.000	1.154.200
Cash equivalents (2)	23.000.000.000	13.000.000.000
	<u>61.999.168.780</u>	<u>56.528.219.622</u>

(1) As at 31/12/2018, non-term deposits with the amount of VND 37,914,772,342, of which VND 32,000,759,662 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 in Note No. 17).

(2) As at 31/12/2018, cash equivalents are term deposits from 01 to 03 months valued at VND 23,000,000,000 at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hue Branch and DongA Joint Stock Commercial Bank with the interest from 4.5% per year to 5.3% per year.

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4 . INVESTMENT**a) Held to maturity investments**

	31/12/2018		01/01/2018	
	Original cost	Book value	Original cost	Book value
	VND	VND	VND	VND
Short - term	800.000.000	800.000.000	1.300.000.000	1.300.000.000
- Term deposits	800.000.000	800.000.000	1.300.000.000	1.300.000.000
	800.000.000	800.000.000	1.300.000.000	1.300.000.000

12 month term deposit according to term deposit contract dated June 15, 2018 between An Binh Commercial Joint Stock Bank - Thua Thien Hue Branch and Huong Giang Travel Sole Member Limited Liability Company with interest rate of 7.4 %/year. When the contract expires, if there is no other agreement, the contract will be renewed, An Binh Commercial Joint Stock Bank will automatically switch to the corresponding new term.

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4 . INVESTMENT (CONTINUED)

b) Long-Term

	31/12/2018			01/01/2018				
	Address	Rate of interest	Rate of voting rights	Historical cost	Address	Rate of interest	Rate of voting rights	Historical cost
				VND				VND
Associates				5.052.672.982				4.768.821.512
- Lang Co Tourist Co., Ltd.	Loan Ly Village, Lang Co Town, Phu Loc District, Thua Thien Hue Province	40,00%	40,00%	4.112.672.982	Loan Ly Village, Lang Co Town, Phu Loc District, Thua Thien Hue Province	40,00%	40,00%	3.828.821.512
- Hue Tourist Service JSC (*)	Ngu Binh Park, Thuy An Commune, Hue City, Thua Thien Hue Province	20,00%	20,00%	-	Ngu Binh Park, Thuy An Commune, Hue City, Thua Thien Hue Province	20,00%	20,00%	-
- Thien Phuc Tourist JSC (*)	An Tay Ward, Hue City, Thua Thien Hue Province.	31,33%	31,33%	940.000.000	An Tay Ward, Hue City, Thua Thien Hue Province.	31,33%	31,33%	940.000.000
Joint ventures				120.136.319.997				106.571.575.668
- Saigon Morin Hue Co., Ltd. (*)	30 Le Loi Street, Phu Nhuan Ward, Hue City, Thua Thien Hue Province, Vietnam	50,00%	50,00%	52.014.611.043	30 Le Loi Street, Phu Nhuan Ward, Hue City, Thua Thien Hue Province, Vietnam	50,00%	50,00%	48.403.276.324
- Viet Nhat Tourism and Restaurant Services Co., Ltd. (*)	5190 Shindo Sagamiharashi Kanagawa, Japan	50,00%	50,00%	-	5190 Shindo Sagamiharashi Kanagawa, Japan	50,00%	50,00%	-
- Hotel De La Cite Imperiale Co.,Ltd.	5 Le Loi Street, Hue City, Thua Thien Hua Province	49,00%	49,00%	46.438.158.954	5 Le Loi Street, Hue City, Thua Thien Hua Province	49,00%	49,00%	41.007.181.244
- Citadel Investment Tourist Co., Ltd.	2 Nguyen Cong Tru Street, Hue City, Thua Thien Hue Province	35,00%	35,00%	21.683.550.000	2 Nguyen Cong Tru Street, Hue City, Thua Thien Hue Province	35,00%	35,00%	17.161.118.100
				125.188.992.979				111.340.397.180

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(*) At present, these associates and joint ventures have stopped operating.

Significant transactions between the Company and joint venture, associates in the period: Detail as in Notes 34.

Investments in equity of other entities

	31/12/2018		01/01/2018	
	Historical cost	Provision	Historical cost	Provision
	VND	VND	VND	VND
Thuan An Tourist Investment and Development Co., Ltd. (*)	3.000.000.000	(3.000.000.000)	3.000.000.000	(3.000.000.000)
	<u>3.000.000.000</u>	<u>(3.000.000.000)</u>	<u>3.000.000.000</u>	<u>(3.000.000.000)</u>

(*) The Company has one (01) equity investment in Thuan An Tourist Investment and Development Co., Ltd., which is located in Thua Thien Hue Province with the total amount of VND 3,000,000,000. The rate of interest and rate of votings right of the Company in this unit is 12% with the main business is hotel business and tourism services.

This investment has been fully provisioned, the Company has not determined the fair value of this financial investment because Vietnamese Accounting Standards, Vietnamese enterprises do not have specific guidance on the determination of fair value.

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5 . SHORT-TERM TRADE RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Trade receivables detailed by large account balances				
Thuan An Tourist Investment and Development	717.110.038	(717.110.038)	717.110.038	(717.110.038)
Tulico - Huong Giang Joint Stock Company	720.000.000	(720.000.000)	720.000.000	(720.000.000)
Others	5.426.738.791	(76.315.000)	4.115.109.930	(122.583.670)
	6.863.848.829	(1.513.425.038)	5.552.219.968	(1.559.693.708)
b) Trade receivables from related parties				
	-	-	16.697.000	-

(Details as in Notes No 34.)

6 . OTHER SHORT-TERM RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Thua Thien Hue Construction Consultants Joint Stock Company	-	-	90.000.000	-
- District Eight Design Co., Ltd	1.366.100.000	-	-	-
- Ba Na Service Cable Car Joint Stock Company	136.640.000	-	-	-
- Others	249.229.480	-	92.232.880	-
	1.751.969.480	-	182.232.880	-

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7 . OTHER RECEIVABLES

		31/12/2018		01/01/2018	
		Value	Provision	Value	Provision
		VND	VND	VND	VND
a)	Short-term				
	Advances	1.179.967.100	-	1.458.471.000	-
	- Loan interest	1.570.500.000	-	1.570.500.000	-
	receivables from				
	Bitexco Group of				
	Companies				
	- Handover	933.690.527	-	933.690.527	-
	project of Saigon				
	Morin Hue Co.,				
	Ltd.				
	- Receivable	298.897.338	-	298.897.338	-
	from payment on				
	behalf of Thien				
	Phuc Tourist JSC				
	- Revenue not	327.007.013	-	182.764.610	-
	yet invoiced				
	- Special	220.639.373	-	220.639.373	-
	consumption tax				
	paid on behalf of				
	VIP Club				
	- My An Tourist	534.536.490	-	-	-
	Joint Stock				
	- Others	1.056.397.314	-	651.343.588	-
		6.121.635.155	-	5.316.306.436	-
b)	Long-term				
	Deposits	500.000.000	-	500.000.000	-
	Dat Viet Culture	4.948.817.680	-	4.948.817.680	-
	Joint Stock				
	Company (*)				
		5.448.817.680	-	5.448.817.680	-
c)	Trade receivables from related parties				
		1.869.397.338	-	1.869.397.338	-

(Details as in Notes 34).

(*) 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.

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	31/12/2018		01/01/2018	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables, loan overdue or non overdue but hard to be collected				
- Thuan An Tourist Investment and Development Co., Ltd.	717.110.038	-	717.110.038	-
- Tulico - Huong Giang Joint Stock Company	720.000.000	-	720.000.000	-
- Others	76.315.000	-	192.898.670	70.315.000
	1.513.425.038	-	1.630.008.708	70.315.000

9 . INVENTORIES

	31/12/2018		01/01/2018	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw material	478.596.247	-	414.288.146	-
Goods	398.377.990	-	430.279.082	-
	876.974.237	-	844.567.228	-

10 . CONSTRUCTION IN PROGRESS

	31/12/2018	01/01/2018
	VND	VND
Construction in progress	9.086.181.104	28.213.029.758
- My An Tourist Area Expatation Project	-	17.438.426.206
- Huong Giang Hotel Renovation Project (*)	8.812.500.162	8.812.118.344
- 1A Tu Duc Office	-	1.003.597.208
- Investment in the Company Executive Office - Parking Garage	-	866.888.000
- Binh Minh Restaurant Renovation Project	22.727.273	-
- Food Center Renovation Project at 11 Le Loi - Hue City	250.953.669	92.000.000
	9.086.181.104	28.213.029.758

(*) According to the contract signed on 16 March 2017 between Huong Giang Tourist Joint Stock Company and Azula Management Co., Ltd. providing consulting services for Huong Giang Hotel. The term of the contract is 18 months with a total amount of USD 900,000. This is the amount that the Company paid to its accumulated partner until 31 December 2018. However, as at present date, the parties have halted the implementation of this contract to prioritize the implementation of other projects.

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11 . TANGIBLE FIXED ASSETS

	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Original cost					
As at opening year	66.012.759.189	11.993.198.414	20.334.215.975	804.141.644	99.144.315.222
- Purchase	2.324.903.894	-	5.950.656.635	-	8.275.560.529
- Liquidating, disposed	-	-	(750.403.181)	-	(750.403.181)
As at closing year	68.337.663.083	11.993.198.414	25.534.469.429	804.141.644	106.669.472.570
Accumulated depreciation					
As at opening year	41.446.931.582	10.438.478.007	8.209.442.517	743.766.742	60.838.618.848
- Depreciation	2.651.730.435	427.089.335	1.707.033.443	24.279.280	4.810.132.493
- Liquidating, disposed	-	-	(709.261.231)	-	(709.261.231)
As at closing year	44.098.662.017	10.865.567.342	9.207.214.729	768.046.022	64.939.490.110
Net carrying amount					
As at opening year	24.565.827.607	1.554.720.407	12.124.773.458	60.374.902	38.305.696.374
As at closing year	24.239.001.066	1.127.631.072	16.327.254.700	36.095.622	41.729.982.460

In which:

- Ending net book value of tangible fixed assets pledged as loan securities: VND 8,276,077,810.
- Cost of fully depreciated tangible fixed assets but still in use: VND 32,628,133,134.

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12 . INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer software VND	Total VND
Original cost			
As at opening year	999.000.000	309.338.000	1.308.338.000
As at closing year	999.000.000	309.338.000	1.308.338.000
Accumulated depreciation			
As at opening year	-	288.026.529	288.026.529
- Depreciation	-	6.393.444	6.393.444
As at closing year	-	294.419.973	294.419.973
Net carrying amount			
As at opening year	999.000.000	21.311.471	1.020.311.471
As at closing year	999.000.000	14.918.027	1.013.918.027

13 . PREPAID EXPENSES

	31/12/2018 VND	01/01/2018 VND
a) Short-term		
Tools and consumables awaiting for allocation	104.090.772	-
Insurance expense	64.293.096	-
Others	303.290.655	-
	471.674.523	-
b) Long-term		
Instruments and tools	4.321.061.375	4.537.121.288
Assets reparation expenses	2.008.708.883	3.021.931.957
Others	4.239.242.556	3.353.542.215
	10.569.012.814	10.912.595.460

14 . TRADE PAYABLES

	31/12/2018		01/01/2018	
	Outstanding balance VND	Amount can be paid VND	Outstanding balance VND	Amount can be paid VND
a) Trade payables detailed by large account balances				
- Nguyen Minh An	-	-	227.198.250	227.198.250
- ASIA DMC Joint Stock Company	376.456.298	376.456.298	376.456.298	376.456.298
- San Hien Transport Trading Co., Ltd	325.576.000	325.576.000	-	-
- Others	2.952.590.692	2.952.590.692	2.889.882.472	2.889.882.472
	3.654.622.990	3.654.622.990	3.493.537.020	3.493.537.020
b) Trade payables from related parties				
	-	-	42.135.000	42.135.000

(Details as in Notes No 34).

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15 . TAX AND PAYABLES TO 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	-	807,445,485	5,230,465,876	5,160,855,176	-	877,056,185
Special sale tax	-	8,156,693	139,789,051	136,019,816	-	11,925,928
Business income tax	-	141,565,847	135,656,673	141,565,847	-	135,656,673
Personal income tax	-	37,226,305	489,714,592	494,872,071	-	32,068,826
Property tax and land rental	-	-	7,723,403,083	7,723,403,083	-	-
Other taxes	-	1,157,463	29,105,446	28,755,942	-	1,506,967
	-	995,551,793	13,748,134,721	13,685,471,935	-	1,058,214,579

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 ADVANCES FROM CUSTOMERS

	31/12/2018	01/01/2018
	VND	VND
- AGODA COMPANY Pte. Ltd.	-	659.108.988
- General Department of Thailand Tourism	292.797.220	-
- Others	469.711.711	311.112.676
	762.508.931	970.221.664

17 . OTHER SHORT-TERM PAYABLES

	31/12/2018	01/01/2018
	VND	VND
a) Short-term		
- Trade union fund	81.141.609	-
- Payables to People's Committee of Thua Thien Hue Province (*)	32.000.759.662	31.924.100.630
- Pending divestment at Thien Phuc Tourist JSC	518.052.851	518.052.851
- Others	2.228.486.109	1.149.756.553
	34.828.440.231	33.591.910.034
b) Trade payables from related parties	518.052.851	518.052.851

(Details as in Notes No 34).

(*) 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 December 2018, this remaining amount is restricted to use under Official Dispatch No.1398/STC-TCND dated 25 June 2016 of the Department of Finance of Thua Thien Hue Province.

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18 . LOANS

	01/01/2018		In year		31/12/2018	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Current portion of long-term loans						
- An Binh Commercial Joint Stock Bank - Thua Thien Hue Branch	549.996.000	549.996.000	1.332.396.000	549.996.000	1.332.396.000	1.332.396.000
	<u>549.996.000</u>	<u>549.996.000</u>	<u>1.332.396.000</u>	<u>549.996.000</u>	<u>1.332.396.000</u>	<u>1.332.396.000</u>
b) Long-term loans						
- An Binh Commercial Joint Stock Bank - Thua Thien Hue Branch	1.879.173.000	1.879.173.000	3.260.000.000	875.996.000	4.263.177.000	4.263.177.000
	<u>1.879.173.000</u>	<u>1.879.173.000</u>	<u>3.260.000.000</u>	<u>875.996.000</u>	<u>4.263.177.000</u>	<u>4.263.177.000</u>
Amounts come due within 12 months	(549.996.000)	(549.996.000)	(1.332.396.000)	(549.996.000)	(1.332.396.000)	(1.332.396.000)
Amounts come due after 12 months	<u>1.329.177.000</u>	<u>1.329.177.000</u>			<u>2.930.781.000</u>	<u>2.930.781.000</u>

Detail information on long-term loans is as follows:

- (1) Credit contract No. 2507/16/TD-TT/XV between An Binh Commercial Joint Stock Bank - Thua Thien Hue Branch and Huong Giang Travel Sole Member Limited Liability Company, with the following details:
 - + Loan: VND 3,150,000,000;
 - + Loan purpose: To invest 04 passenger cars for business activities under Economic Contract No. 103-2016/HMT/HDKT dated 06/05/2016 and Economic Contract No. 104-2016/HMT/HDKT dated 06/05/2016 signed between Huong Giang Travel Company Limited and HMT Vietnam International Company;
 - + Term of the contract: 60 months from the date the borrower draws down the loan for the first time;
 - + Interest: According to the Bank's regulations at the time of drawdown;
 - + Principal loan balance at the end of the period: VND 1,329,177,000. Of which: Payable amount in the next period is VND 549,996,000);
 - + Collateral: Guaranteed by original documents proving ownership and use including: Car registration certificate No. 003993 issued by the police department of Thua Thien Hue province on 01 June 2016. Control sea: 75B - 011.47; Car registration certificate No. 003994 issued by the police department of Thua Thien Hue province on June 1, 2016. License no. 75B - 011.36; Car registration certificate No. 002626 issued by the police department of Thua Thien Hue province on 03 June 2016. License no. 75B - 011.25; Car registration certificate No. 002625 issued by the police department of Thua Thien Hue province on 03 June 2016. License no. 75B - 011.81.
- (2) Credit contract No. 3597/18/TD-TT/XV dated 27/07/2018 between An Binh Commercial Joint Stock Bank - Thua Thien Hue Branch and Huong Giang Travel Sole Member Limited Liability Company, with the following details:
 - + Loans: VND 2,934,000,000;
 - + Loan purpose: To invest passenger cars for business activities;
 - + Term of contract: 50 months from the date the borrower draws down the loan for the first time;
 - + Interest: According to the Bank's regulations at the time of drawdown;
 - + Principal loan balance at the end of the year: VND 2,934,000,000. Of which: Payable amount in the next period is VND 782,400,000);
 - + Forms of loan security: Original documents proving ownership and use include: Car registration certificate No. 021461 issued by the police department of Thua Thien Hue province on 24 July 2018; Car registration certificate No. 021463 issued by the police department of Thua Thien Hue province on 24 July 2018.

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19 . OWNER'S EQUITY

a) Increase and decrease in owner's equity

	Contributed legal capital	Share capital surplus	Undistributed earnings	Non controlling interest	Total
	VND	VND	VND	VND	VND
Previous year opening balance	200.000.000.000	47.223.517.700	(30.110.247.414)	1.036.270.034	218.149.540.320
Profit of the previous year	-	-	1.187.127.763	6.884.196	1.187.127.763
Previous year closing balance	200.000.000.000	47.223.517.700	(28.923.119.651)	1.043.154.230	219.343.552.279
Current year opening balance	200.000.000.000	47.223.517.700	(28.923.119.651)	1.043.154.230	219.343.552.279
Profit of the current year	-	-	3.592.569.399	236.572	3.592.569.399
Reduced due to liquidation of Subsidiary	-	-	-	(1.043.390.802)	(1.043.390.802)
Current year closing balance	200.000.000.000	47.223.517.700	(25.330.550.252)	-	221.892.967.448

b) Details of owner's invested capital

	31/12/2018	Rate	01/01/2018	Rate
	VND	(%)	VND	(%)
BITECO Group of Companies	83.481.000.000	41,74%	83.481.000.000	41,74%
Crystal Treasure Limited	83.481.000.000	41,74%	83.481.000.000	41,74%
Le Thi Ngoc Thuy	14.000.000.000	7,00%	14.000.000.000	7,00%
Others	19.038.000.000	9,52%	19.038.000.000	9,52%
	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 2018 VND	Year 2017 VND
Owner's invested capital		
- At the beginning of year	200.000.000.000	200.000.000.000
- At the ending of year	200.000.000.000	200.000.000.000

d) Stock

	31/12/2018	01/01/2018
Quantity of Authorized issuing stocks	20.000.000	20.000.000
Quantity of issued stocks	20.000.000	20.000.000
- Common stocks	20.000.000	20.000.000
Quantity of circulation stocks	20.000.000	20.000.000
- Common stocks	20.000.000	20.000.000
Par value per stock (VND)	10.000	10.000

20 OFF-STATEMENT OF FINANCIAL POSITION ACCOUNTS AND OPERATING LEASE COMMITMENT**a) Lease asset**

The Company signed land lease contracts with details as follows:

- Land lease contract at 51 Le Loi is used for tourism business from 1996 to 2026. The leased area is 13,508 m2, on which the Company is currently having its hotel and restaurant business. According to the contract No. 67 HD/TD dated 20/09/1999, the Company has to pay land rental until the contractual maturity date in accordance with the current regulations of the State.
- Land lease contract at 11 Le Loi is used for tourism business from 2001 to 2031. The leased area is 9,222 m2, on which the Company is currently running Festival Hue restaurant. According to the contract No. 11 HD-TD dated 01/04/2003, the Company has to pay land rental until the contractual maturity date in accordance with the current regulations of the State.
- Land lease contract at 30 Le Loi is used for tourism business from 2004 to 2044. The leased area is 7,702 m2, on which the Company in association with Saigontourist JSC is currently running its restaurant and hotel business. According to the contract No. 34/HD-TD dated 09/11/2004, the Company has to pay land rental until the contractual maturity date in accordance with the current regulations of the State.
- Land lease contract at 101 Hung Vuong (formerly known as 41 Hung Vuong) is used for tourism business from 2000 to 2020. The leased area is 1,301 m2, on which the Company is currently having its restaurant business. According to the contract No. 38/HD-TD dated 25/10/2000, the Company has to pay land rental until the contractual maturity date in accordance with the current regulations of the State.
- Land lease contract at Planning area of high way 1A - Tu Duc, Xuan Thuy Ward is used for construction of office and cluster of tourist services from 2011 to 2041. The leased area is 2,100.1 m2. According to the contract No. 30/HDTD dated 22/06/2016, the Company has to pay land rental until the contractual maturity date in accordance with the current regulations of the State.

b) Foreign currencies

	31/12/2018	01/01/2018
- USD	5.913	14.485
- EUR	1.376	1.398

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

	Year 2018	Year 2017
	VND	VND
Revenue from renting room, food and beverage service	44.126.775.268	39.954.904.308
Revenue from services rendered	41.999.679.421	41.547.755.804
	86.126.454.689	81.502.660.112
Revenue from relevant parties <i>(Details as in Notes No 34).</i>	24.895.000	68.797.000

22 . COSTS OF GOODS SOLD

	Year 2018	Year 2017
	VND	VND
Costs of renting room, food and beverage service	30.606.250.077	29.809.336.376
Costs of services rendered	37.198.359.854	34.417.662.260
	67.804.609.931	64.226.998.636

23 . FINANCE INCOME

	Year 2018	Year 2017
	VND	VND
Interest income, interest from loans	1.120.114.996	2.080.475.567
Gain from selling investments	995.160.390	-
Realized gain from foreign exchange difference	15.326.123	21.289.927
Foreign exchange gains due to revaluation of year-end balances	675.010	-
	2.131.276.519	2.101.765.494

24 . FINANCIAL EXPENSES

	Year 2018	Year 2017
	VND	VND
Interest expenses	225.464.701	192.253.587
Realized loss from foreign exchange difference	634.733	14.451.214
	226.099.434	206.704.801

25 . SELLING EXPENSES

	Year 2018	Year 2017
	VND	VND
Raw materials	105.798.585	63.496.845
Labor	1.606.897.945	1.451.455.445
Expenses from external services	142.748.405	165.181.406
Other expenses by cash	338.107.266	288.509.183
	2.193.552.201	1.968.642.879

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For the fiscal year ended as at 31/12/2018**26 . GENERAL ADMINISTRATIVE EXPENSES**

	Year 2018	Year 2017
	VND	VND
Raw materials	1.582.957.641	2.068.882.797
Labor	12.533.354.499	9.163.829.690
Depreciation and amortisation	1.556.613.987	3.383.614.300
Tax, Charge, Fee	802.475.164	2.198.388.784
Reversal of provision	(46.268.670)	-
Expenses from external services	2.676.767.710	2.483.061.341
Other expenses by cash	759.318.485	1.569.090.025
Amortisation of goodwill from equitization	-	3.199.233.675
	19.865.218.816	24.066.100.612

27 . OTHER INCOME

	Year 2018	Year 2017
	VND	VND
Income from transferring, disposal fixed assets	190.676.232	131.673.129
Sales bonus, discount	173.284.710	153.595.856
Others	2.233.583	940.523.408
	366.194.525	1.225.792.393

28 . OTHER EXPENSE

	Year 2018	Year 2017
	VND	VND
Others	16.733.577	83.250.328
	16.733.577	83.250.328

29 . CURRENT BUSINESS INCOME TAX EXPENSE

	Year 2018	Year 2017
	VND	VND
- Current CIT expense at holding company	-	-
- Current CIT expense at subsidiaries	135.656.673	226.742.750
Current corporate income tax expense	135.656.673	226.742.750
Tax payable at the beginning of year	141.565.847	426.415.092
Tax paid in the year	(141.565.847)	(511.591.995)
Closing year income tax payable of main business activities	135.656.673	141.565.847

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30 . BASIC EARNINGS PER SHARE

Earning per share distributed to common shareholders of the company is calculated as follows :

	Year 2018	Year 2017
	VND	VND
Profit after tax	3.592.569.399	1.187.127.763
Profit distributed for common stocks	3.592.569.399	1.187.127.763
Average circulated common stocks in the year	20.000.000	20.000.000
Basic earnings per share	180	59

The company has not have the intention of extracting the bonus and welfare fund and the management bonus fund from profit after tax at the times of the consolidated financial statements.

31 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2018	Year 2017
	VND	VND
Raw materials	22.727.413.922	27.026.895.272
Labour	31.906.228.047	31.284.317.779
Depreciation and amortisation	4.816.525.937	5.351.778.397
Expenses from external services	18.243.851.215	16.374.540.446
Other expenses by cash	8.425.023.395	7.024.976.558
Amortisation of goodwill from equitization	-	3.199.233.675
	86.119.042.516	90.261.742.127

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32 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company include:

	Carrying amount			
	31/12/2018		01/01/2018	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	61.999.168.780	-	56.528.219.622	-
Trade receivables, other receivables	18.434.301.664	(1.513.425.038)	16.317.344.084	(1.559.693.708)
Short term loan	800.000.000	-	1.300.000.000	-
	<u>81.233.470.444</u>	<u>(1.513.425.038)</u>	<u>74.145.563.706</u>	<u>(1.559.693.708)</u>

	Carrying amount	
	31/12/2018	01/01/2018
	VND	VND
Financial Liabilities		
Loans and borrowings	4.263.177.000	1.879.173.000
Trade payables, other payables	38.483.063.221	37.085.447.054
	<u>42.746.240.221</u>	<u>38.964.620.054</u>

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

Financial risk management

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

Market risk

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

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

Credit Risk

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

	Up to 1 year VND	In 1 to 5 years VND	In more than 5 years VND	Total VND
As at 31/12/2018				
Cash and cash equivalents	61.999.168.780	-	-	61.999.168.780
Trade receivables, other receivables	11.472.058.946	5.448.817.680	-	16.920.876.626
Lendings	800.000.000	-	-	800.000.000
	<u>74.271.227.726</u>	<u>5.448.817.680</u>	<u>-</u>	<u>79.720.045.406</u>
As at 01/01/2018				
Cash and cash equivalents	56.528.219.622	-	-	56.528.219.622
Trade receivables, other receivables	9.308.832.696	5.448.817.680	-	14.757.650.376
Lendings	1.300.000.000	-	-	1.300.000.000
	<u>67.137.052.318</u>	<u>5.448.817.680</u>	<u>-</u>	<u>72.585.869.998</u>

Liquidity Risk

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

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

	<u>Up to 1 year</u>	<u>In 1 to 5 years</u>	<u>In more than</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>5 years</u>	<u>VND</u>
			<u>VND</u>	
As at 31/12/2018				
Loans and borrowings	1.332.396.000	2.930.781.000	-	4.263.177.000
Trade payables, other payables	38.483.063.221	-	-	38.483.063.221
	<u>39.815.459.221</u>	<u>2.930.781.000</u>	<u>-</u>	<u>42.746.240.221</u>
As at 01/01/2018				
Loans and borrowings	549.996.000	1.329.177.000	-	1.879.173.000
Trade payables, other payables	37.085.447.054	-	-	37.085.447.054
	<u>37.635.443.054</u>	<u>1.329.177.000</u>	<u>-</u>	<u>38.964.620.054</u>

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

33 . EVENTS AFTER BALANCE SHEET DATE

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

34 . TRANSACTION AND BALANCES WITH RELATED PARTIES

In the fiscal year, the Company has the transactions and balances with related parties as follows:

Transactions during the year:

	<u>Relation</u>	<u>Year 2018</u>	<u>Year 2017</u>
		<u>VND</u>	<u>VND</u>
Revenue		24.895.000	68.797.000
Bitexco Group of Companies	Shareholder	24.895.000	68.797.000
Loans received			46.000.000.000
Bitexco Group of Companies	Shareholder	-	46.000.000.000
Loans interest			1.809.000.000
Bitexco Group of Companies	Shareholder	-	1.809.000.000
Capital contribution		8.637.844.929	17.171.118.100
Citadel Investment Tourist Co., Ltd.	Associate	4.522.431.900	17.171.118.100
Hotel De La Cite Imperiale Co.,Ltd.	Associate	4.115.413.029	-

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Outstanding balances up to the reporting date are as follows:

	Relation	31/12/2018	01/01/2018
		VND	VND
Short-term receivables from customers		-	16.697.000
Bitexco Group of Companies	Shareholder	-	8.440.000
Citadel Investment Tourist Co., Ltd.	Associate	-	7.837.000
Hotel De La Cite Imperiale Co.,Ltd.	Associate	-	420.000
Other receivables		1.869.397.338	1.869.397.338
Bitexco Group of Companies	Shareholder	1.570.500.000	1.570.500.000
Thien Phuc Tourist JSC	Associate	298.897.338	298.897.338
Short-term trade payables		-	42.135.000
Lang Co Tourist Co., Ltd.	Associate	-	42.135.000
Other payables		518.052.851	518.052.851
Thien Phuc Tourist JSC	Associate	518.052.851	518.052.851

Transactions with other related parties:

	Year 2018	Year 2017
	VND	VND
Remuneration of the General Director	823.025.645	678.738.900
Remuneration to members of The Board of General Directors	767.645.196	721.833.021

35 . COMPARATIVE FIGURES

The corresponding figures are those taken from the Consolidated Financial Statement for the fiscal year ended as at 31 December 2017, which was audited by KPMG Limited Company - Ho Chi Minh branch.

During the year, according to the audited Financial Statements of Saigon Morin Hue Company Limited, the Company's business results and profit after tax were reduced compared to the figures of the financial statements used by the Company for consolidation. Therefore, the Company decided to retrospectively adjust the profit and loss in the associates according to the audited financial statements.

	Code	Reclassified	Presented in the financial statements of previous year
		VND	VND
Consolidated Statement of Financial position			
Retained earning	421	(28.923.119.651)	(24.223.336.403)
Investments in joint ventures and associates	252	111.340.397.180	116.040.180.428


Ngo Duc Chinh
Preparer


Ngo Duc Chinh
Chief Accountant


Le Ba Giang
Vice General Director

Hue, 26 February 2019