



INTERIM SEPARATE FINANCIAL STATEMENTS

HUONG GIANG TOURIST JOINT STOCK COMPANY

For the period from 01/01/2020 to 30/06/2020
(reviewed)



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THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Huong Giang Tourist Joint Stock Company ("the Company") presents its report and the Company's Interim Separate Financial statements for the period from 01 January 2020 to 30 June 2020.

THE COMPANY

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

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

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

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

Mr. Yukio Takahashi	Chairman
Mr. Le Ba Giang	Member
Mr. Yoshida Tetsuya	Member
Mr. Johnny Cheung - Ching Fu	Member
Mr. Go Fujiyama	Member

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

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

The members of the Board of Supervision are:

Mr. Ho Minh Quoc	Head of Control Department	Resigned on 18/11/2019
Mrs. Dao Thi Chinh	Member	Resigned on 13/05/2020
Mrs. Fumiyo Okuda	Member	

AUDITORS

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

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

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

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

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

We, The Board of General Directors, confirm that the Interim Separate Financial statements give a true and fair view of the financial position at 30 June 2020, its operation results and cash flows in the first 06-month of the year 2020 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.

Other commitments

The Board of 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

Deputy General Director

Thua Thien - Hue, 09 July 2020

AUDITOR'S REPORT ON RESULTS OF FINANCIAL STATEMENTS REVIEW

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

We have reviewed the interim Separate financial statements of Huong Giang Tourist Joint Stock Company prepared on 09 July 2020, from page 06 to page 36, including: Interim Separate Statement of financial position as at 30 June 2020, Interim Separate Statement of comprehensive income, Interim Separate Statement of cash flows and Notes to Interim Separate financial statements for the period from 01 January 2020 to 30 June 2020.

The Board of General Directors' responsibility

The Board of General Directors responsible for the preparation of Interim Separate Financial statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements and for such internal control as management determines is necessary to enable the preparation of Interim Separate 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 Interim Separate Financial Statements based on our review. We conducted our review in accordance with the Vietnam Standards on Reviewing Services Contract No. 2410 - Revision of Interim Financial Information performed by an independent auditor of the entity.

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

Auditor's conclusion

In our review, we do not see the events for us that the attached Interim Separate Financial Statements does not reflect a true and fair view in all material respects of the financial status of Huong Giang Tourist Joint Stock Company and the results of its operations and cash flows for the period ended as at 30/06/2020 and its operation results and cash flows in the first 06-month of the year 2020 of Company, in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Interim Financial Statements.

Emphasis of matter

Readers may refer to Note No.3 and Note No.17 of the Notes to the Interim Separate Financial Statements. As at 30 June 2020, the Company is recording and presenting on the Interim Separate Financial Statements the amount payable to the State Budget in the amount of VND 32 billion related to the divestment of the People's Committee of Thua Thien Hue Province at Huong Giang Tourist Joint Stock Company.

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

AASC Auditing Firm Company Limited



Vu Xuan Bien

Deputy General Director

Certificate of registration to audit practice

No: 0743-2018-002-1

Hanoi, 12 August 2020

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Separate Financial statements
For the period from 01/01/2020 to 30/06/2020

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

Code	ASSETS	Note	30/06/2020 VND	01/01/2020 VND
100	A. SHORT-TERM ASSETS		67,379,739,048	75,279,355,333
110	I. Cash and cash equivalents	3	44,994,668,385	49,702,780,078
111	1. Cash		34,194,668,385	36,402,780,078
112	2. Cash equivalents		10,800,000,000	13,300,000,000
130	III. Short-term receivables		21,311,746,807	24,696,565,014
131	1. Short-term trade receivables	5	1,345,071,392	2,426,698,490
132	2. Short-term prepayments to suppliers	6	2,898,532,000	2,524,981,000
135	3. Short-term loan receivables	7	11,960,000,000	11,760,000,000
136	4. Other short-term receivables	8	6,124,150,791	8,701,995,562
137	5. Provision for short-term doubtful debts		(1,016,007,376)	(717,110,038)
140	IV. Inventories	10	362,549,053	478,105,788
141	1. Inventories		362,549,053	478,105,788
150	V. Other short-term assets		710,774,803	401,904,453
151	1. Short-term prepaid expenses	14	710,774,803	401,904,453
200	B. NON-CURRENT ASSETS		161,653,529,998	174,250,796,955
210	I. Long-term receivables		4,948,817,680	4,948,817,680
216	1. Other long-term receivables	8	4,948,817,680	4,948,817,680
220	II. Fixed assets		26,614,485,164	27,826,200,782
221	1. Tangible fixed assets	12	25,610,157,299	26,818,676,198
222	- <i>Historical costs</i>		79,699,601,386	80,236,382,464
223	- <i>Accumulated depreciation</i>		(54,089,444,087)	(53,417,706,266)
227	2. Intangible fixed assets	13	1,004,327,865	1,007,524,584
228	- <i>Historical costs</i>		1,308,338,000	1,308,338,000
229	- <i>Accumulated amortization</i>		(304,010,135)	(300,813,416)
240	IV. Long-term unfinished asset	11	5,296,934,572	12,187,957,370
242	1. Construction in progress		5,296,934,572	12,187,957,370
250	V. Long-term investments	4	120,496,148,851	124,466,952,484
251	1. Investment in subsidiaries		11,643,211,488	11,643,211,488
252	2. Investments in joint ventures and associates		117,756,018,651	117,756,018,651
253	3. Equity investments in other entities		3,000,000,000	3,000,000,000
254	4. Provision for devaluation of long-term investments		(11,903,081,288)	(7,932,277,655)
260	VI. Other long-term assets		4,297,143,731	4,820,868,639
261	1. Long-term prepaid expenses	14	4,297,143,731	4,820,868,639
270	TOTAL ASSETS		229,033,269,046	249,530,152,288

HUONG GIANG TOURIST JOINT STOCK COMPANY


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

Interim Separate Financial statements
For the period from 01/01/2020 to 30/06/2020

INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

As at 30 June 2020
(continue)

Code	CAPITAL	Note	30/06/2020 VND	01/01/2020 VND
300	C. LIABILITIES		36,075,866,434	37,977,872,288
310	I. Current liabilities		36,075,866,434	37,977,872,288
311	1. Short-term trade payables	15	505,204,067	1,209,248,424
312	2. Short-term prepayments from customers		188,592,989	293,100,106
313	3. Taxes and other payables to State budget	16	1,744,433,547	716,396,274
314	4. Payables to employees		936,013,300	2,334,704,073
319	5. Other short-term payments	17	32,701,622,531	33,424,423,411
400	D. OWNER'S EQUITY		192,957,402,612	211,552,280,000
410	I. Owner's equity	18	192,957,402,612	211,552,280,000
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		(54,266,115,088)	(35,671,237,700)
421a	Retained earnings accumulated till the end of the previous year		(35,671,237,700)	(38,646,261,970)
421b	Retained earnings of the current period		(18,594,877,388)	2,975,024,270
440	TOTAL CAPITAL		229,033,269,046	249,530,152,288


Ngo Duc Chinh
Preparer


Ngo Duc Chinh
Chief Accountant


Le Ba Giang
Deputy General Director



Thua Thien - Hue, 09 July 2020

HUONG GIANG TOURIST JOINT STOCK COMPANY


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

Interim Separate Financial statements
For the period from 01/01/2020 to 30/06/2020

INTERIM SEPARATE STATEMENT OF INCOME

first 06-month of the year 2020

Code	ITEM	Note	first 06-month of the year 2020 VND	first 06-month of the year 2019 VND
01	1. Revenue from sales of goods and rendering of services	20	10,524,831,987	28,242,517,207
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		10,524,831,987	28,242,517,207
11	4. Cost of goods sold	21	11,267,971,562	19,939,571,308
20	5. Gross profit from sales of goods and rendering of services		(743,139,575)	8,302,945,899
21	6. Financial income	22	834,084,226	838,206,600
22	7. Financial expense	23	3,970,885,802	216,426
23	<i>In which: Interest expenses</i>		-	-
25	8. Selling expenses	24	582,736,896	1,022,856,860
26	9. General and administrative expense	25	5,917,786,243	7,540,546,195
30	10. Net profit from operating activities		(10,380,464,290)	577,533,018
31	11. Other income	26	750,010,000	475,951,818
32	12. Other expense	27	8,964,423,098	18,810,583
40	13. Other profit		(8,214,413,098)	457,141,235
50	14. Total net profit before tax		(18,594,877,388)	1,034,674,253
51	15. Current corporate income tax expenses	28	-	-
52	16. Deferred corporate income tax expenses		-	-
60	17. Profit after corporate income tax		(18,594,877,388)	1,034,674,253



Ngo Duc Chinh
Preparer



Ngo Duc Chinh
Chief Accountant



Le Ba Giang
Deputy General Director




Thua Thien - Hue, 09 July 2020

INTERIM SEPARATE STATEMENT OF CASH FLOWS

first 06-month of the year 2020
(Indirect method)

Code ITEM	Note	first 06-month of the year 2020 VND	first 06-month of the year 2019 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01 1. Profit before tax		(18.594.877.388)	1.034.674.253
2. Adjustments for			
02 - Depreciation and amortization of fixed assets and investment properties		1.204.230.894	1.268.812.511
03 - Provisions		4.269.700.971	-
05 - Gains / losses from investment		8.130.392.670	(1.298.692.419)
08 3. Operating profit before changes in working capital		(4.990.552.853)	1.004.794.345
09 - Increase or decrease in receivables		35.920.869	374.537.664
10 - Increase or decrease in inventories		115.556.735	86.775.472
11 - Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		(1.902.005.854)	(770.708.554)
12 - Increase or decrease in prepaid expenses		214.854.558	2.269.061.846
17 - Other payments on operating activities		-	(180.872.316)
20 Net cash flows from operating activities		(6.526.226.545)	2.783.588.457
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21 1. Purchase or construction of fixed assets and other long-term assets		(2.073.400.000)	(1.868.645.463)
22 2. Proceeds from disposals of fixed assets and other long-term assets		-	240.909.091
23 3. Loans and purchase of debt instruments from other entities		(200.000.000)	(11.360.000.000)
27 4. Interest and dividend received		4.084.030.128	1.137.783.328
30 Net cash flows from investing activities		1.810.630.128	(11.849.953.044)
50 Net cash flows in the period		(4.715.596.417)	(9.066.364.587)
60 Cash and cash equivalents at beginning of the period		49.702.780.078	58.550.317.678
61 Effect of exchange rate fluctuations		7.484.724	-
70 Cash and cash equivalents at end of the period	3	44.994.668.385	49.483.953.091


Ngo Duc Chinh
Preparer


Ngo Duc Chinh
Chief Accountant


Le Ba Giang
Deputy General Director

Thua Thien - Hue, 09 July 2020

NOTES TO INTERIM SEPARATE FINANCIAL STATEMENTS

For the period from 01/01/2020 to 30/06/2020

1 . GENERAL INFORMATION OF THE COMPANY

Form of ownership

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

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

Company's Charter capital: VND 200,000,000,000, the actual charter capital contributed to 30/06/2020 is VND 200,000,000,000; Equivalent to 20,000,000 shares with the price of VND 10,000 per share.

Business field

Hospitality industry and tourism services.

Business activities

Main business activities of the Company include:

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

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

- The Covid-19 pandemic that occurred in the first half of 2020 had a negative impact on almost all economic sectors in the world. The tourism industry in particular, is one of the industries that suffer the most due to the limitation of domestic travel as well as the complete halt of passenger transportation from outside of Vietnam. This led to a 62% decrease in the company's revenue in comparison with the same period last year.
- During the period, according to Resolution No. 18/20/NQ-HĐQT dated 30 June 2020 of the Board of Directors and Minutes of liquidation of technical service consulting contract dated 30 June 2020 with Azula Management Co., Ltd. regarding the consultation and outline of facilities investment ideas for Huong Giang Hotel, the Company recognized all incurred costs into other costs. Therefore, other costs of the Company in this period sharply increased in comparison with the same period last year.

Corporate structure

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

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

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY**2.1 . Accounting period and accounting currency**

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

The Company maintains its accounting records in VND.

2.2 . Standards and Applicable Accounting Policies*Applicable Accounting Policies*

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

Declaration of compliance with Accounting Standards and Accounting System

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

2.3 . Basis for preparation of Interim Separate Financial statements

Interim Separate Financial statements are presented based on historical cost principle.

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

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

The Users of this Interim Separate Financial statements should study the separate financial statements combined with the consolidated financial statements of the Company and its subsidiaries ("the Group") for the period from 01 January 2020 to 30 June 2020 in order to gain enough information regarding the financial position, results of operations and cash flows of the Group.

2.4 . Financial Instruments*Initial recognition*

Financial assets

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

Financial liabilities

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

Subsequent measurement after initial recognition

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

2.5 . Foreign currency transactions

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

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

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

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

All exchange differences arising from foreign currency transactions in the period and from revaluation of remaining foreign currency monetary items at the end of the period are recorded immediately to operating results of the accounting period. In which, exchange rate differences due to revaluation of period-end balances of monetary items denominated in foreign currencies cannot be used for profit distribution or dividend payment.

2.6 . Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

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

2.7 . Financial investments

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

Equity Investments in other entities comprise investments in equity instruments of other entities without having control, joint control, or significant influence on the investee. These investments are initially stated at original cost. After initial recognition, these investments are measured at original cost less provision for devaluation of investments.

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

- With regard to investments in subsidiaries, joint ventures or associates: the provision for loss investments shall be made based on the Financial Statements of subsidiaries, joint ventures or associates at the provision date.
- With regard to long-term investments (other than trading securities) without significant influence on the investee: If the investment is made in listed shares or the fair value of the investment is determined reliably, the provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, the provision shall be made based on the Financial Statements at the provision date of the investee.

2.8 . Receivables

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

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

2.9 . Inventories

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

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual.

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

2.10 . Fixed assets and Finance lease fixed assets

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

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

- Buildings, structures	05 - 30 years
- Machine, equipment	05 - 10 years
- Vehicles, Transportation equipment	06 - 10 years
- Office equipment and furniture	03 - 05 years
- Land use rights	Permanent
- Managerment software	03 - 05 years

2.11 . Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and put into use.

2.12 . Prepaid expenses

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

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

2.13 . 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.

2.14 . 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.

2.15 . Revenues

Sale of goods

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.

Rendering of services

Revenue from rendering of services 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 Company;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Financial income

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

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

2.16 . Cost of goods sold

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

2.17 . Financial expenses

Items recorded into financial expenses comprise:

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

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

2.18 . Corporate income tax

a) Current corporate income tax expenses

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

b) Current corporate income tax rate

The Company applies the corporate income tax rate of 20% for the operating activities which has taxable income for the period from 01/01/2020 to 30/06/2020.

2.19 . 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 Interim Separate Financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

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2.20 . Segment information

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

3 . CASH AND CASH EQUIVALENTS

	30/06/2020	01/01/2020
	VND	VND
Cash on hand	196,211,245	223,225,542
Non-term deposits ⁽¹⁾	33,995,857,140	36,155,544,536
Cash in transit	2,600,000	24,010,000
Cash equivalents ⁽²⁾	10,800,000,000	13,300,000,000
	44,994,668,385	49,702,780,078

(1) As at 30/06/2020, non-term deposits with the amount of VND 33,995,857,140, of which VND 32,096,834,577 was the proceeds from the transfer of capital of People's Committee of Thua Thien Hue Province for Bitexco Group of Companies, this money is limited to use in accordance with Official Letter No. 1398/STC-TCDN dated 26/5/2016 of Department of Finance of Thua Thien Hue Province.
(Details as in Note No.17).

(2) As at 30/06/2020, cash equivalents are term deposits from 01 month to 03 months valued at VND 10,800,000,000 at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hue Branch and Dong A Joint Stock Commercial Bank with the interest from 4.5% per year to 5.3% per year.

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4 . FINANCIAL INVESTMENTS

	30/06/2020		01/01/2020	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Investments in subsidiaries				
- Huong Giang Travel Sole Member Limited Liability Company	11,643,211,488	(2,180,860,978)	11,643,211,488	-
	11,643,211,488	(2,180,860,978)	11,643,211,488	-
Investment in joint ventures, associates				
- Lang Co Tourist Co., Ltd.	117,756,018,651	(6,722,220,310)	117,756,018,651	(4,932,277,655)
- Hue Tourist Service JSC (*)	6,239,210,372	(2,544,273,161)	6,239,210,372	(1,176,277,655)
- Thien Phuc Tourist JSC	1,200,000,000	(1,200,000,000)	1,200,000,000	(1,200,000,000)
- Saigon Morin Hue Co., Ltd.	940,000,000	(421,947,149)	940,000,000	-
- Viet Nhat Tourism and Restaurant Services Co., Ltd. (*)	50,720,625,000	-	50,720,625,000	-
- Hotel De La Cite Imperiale Co., Ltd.	2,556,000,000	(2,556,000,000)	2,556,000,000	(2,556,000,000)
- Citadel Investment Tourist Co., Ltd.	34,416,633,279	-	34,416,633,279	-
Investments in other entities				
- Thuan An Tourist Investment and Development Co., Ltd. (*)	21,683,550,000	-	21,683,550,000	-
	3,000,000,000	(3,000,000,000)	3,000,000,000	(3,000,000,000)
	3,000,000,000	(3,000,000,000)	3,000,000,000	(3,000,000,000)
	132,399,230,139	(11,903,081,288)	132,399,230,139	(7,932,277,655)

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

Investments in subsidiaries

Detail information on the Company's subsidiaries as at 30/06/2020 as follows:

Name of subsidiaries	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Huong Giang Travel Sole Member Limited Liability Company	11 Le Loi Street, Vinh Ninh Ward, Hue City, Thua Thien Thien Province, Vietnam	100%	100%	Tourism business, ticket agency

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Investment in joint ventures, associates

Detail information on the Company's joint ventures, associates as at 30/06/2020 as follows:

Name of joint ventures, associates	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Lang Co Tourist Co., Ltd.	Loan Ly Village, Lang Co Town, Phu Loc District, Thua Thien Hue Province	40.00%	40.00%	Hotel, restaurant and travel services
- Hue Tourist Service JSC (*)	Ngu Binh Park, Thuy An Commune, Hue City, Thua Thien Hue Province	20.00%	20.00%	Sports business, amusement parks
- Thien Phuc Tourist JSC	An Tay Ward, Hue City, Thua Thien Hue Province	31.33%	31.33%	Production of bottled mineral water and laundry services
- Saigon Morin Hue Co., Ltd.	30 Le Loi Street, Phu Nhuan Ward, Hue City, Thua Thien Hue Province, Vietnam	50.00%	50.00%	Hotel and travel services
- Viet Nhat Tourism and Restaurant Services Co., Ltd. (*)	5190 Shindo Sagamiharashi Kanagawa, Japan	50.00%	50.00%	Restaurants and souvenirs business, tourism and hotel services
- Hotel De La Cite Imperiale Co., Ltd.	5 Le Loi Street, Hue City, Thua Thien Hue Province	35.24%	35.24%	Hotel and travel services
- Citadel Investment Tourist Co., Ltd.	2 Nguyen Cong Tru Street, Hue City, Thua Thien Hue Province	35.00%	35.00%	Hotel and travel services

Investments in equity of other entities

Name of entities	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
- Thuan An Tourist Investment and Development Co., Ltd. (*)	Thua Thien Hue Province, Vietnam	12.00%	12.00%	Hotel and travel services

(*) These investments have been fully provisioned. In particular, Hue Tourist Service Joint Stock Company, Thien Phuc Tourist JSC, Viet Nhat Tourism and Restaurant Services Co., Ltd., Thuan An Tourist Investment and Development Co., Ltd. stopped operating.

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5 . TRADE RECEIVABLES

	30/06/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Trade receivables detailed by customers with large account balances				
- Thuan An Tourist Investment and Development Co., Ltd	717,110,038	(717,110,038)	717,110,038	(717,110,038)
Other trade receivables	627,961,354	-	1,709,588,452	-
	<u>1,345,071,392</u>	<u>(717,110,038)</u>	<u>2,426,698,490</u>	<u>(717,110,038)</u>
b) Trade receivables from related parties				
	<u>155,479,924</u>	<u>-</u>	<u>117,295,834</u>	<u>-</u>

(Details as in Notes No.32).

6 . PREPAYMENTS TO SUPPLIERS

	30/06/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- District Eight Design Co., Ltd	-	-	1,366,100,000	-
- Thinh Chau Trading and Technical Services Co., Ltd	672,256,000	-	672,256,000	-
- Dat Long Thinh Co., Ltd	1,438,276,000	-	-	-
- Others	788,000,000	-	486,625,000	-
	<u>2,898,532,000</u>	<u>-</u>	<u>2,524,981,000</u>	<u>-</u>

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7 . LOAN RECEIVABLES

	30/06/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
- Huong Giang Travel Sole Member Limited Liability Company ⁽¹⁾	660,000,000	-	660,000,000	-
- Hotel De La Cite Imperiale Co.,Ltd. ⁽²⁾	10,500,000,000	-	10,500,000,000	-
- Citadel Investment Tourist Co., Ltd. ⁽³⁾	800,000,000	-	600,000,000	-
	11,960,000,000	-	11,760,000,000	-
b) Loan receivable from related parties				
	11,960,000,000	-	11,760,000,000	-

(Details as in Notes No.32).

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

(1) Loan agreement No.01/HGT-HG dated 16/05/2019, with a total amount of VND 660,000,000 for 15-month term with interest rate of 9.3%/year.

(2) Loan agreement and contract Appendix No.04/KT-HG-062020 dated 22/06/2020, with a total amount of VND 10,500,000,000, the loan term is extended according to Appendix No.04/KT-HG-062020 dated 22/06/2020 from 01/07/2020 to 31/12/2020 at the interest rate of 7.6%/year. The purpose of the loan is to supplement working capital.

(3) Including 02 contracts disbursed in part:

+ Loan contract No. 01/HGT-CIT-042019 and Appendix No. 02/HGT-CIT-042020 dated 30/04/2020 with the total amount of VND 600,000,000, the purpose of the loan is to supplement working capital. The loan term is 08 months from 01/05/2020 to 31/12/2020 at an interest rate of 7.6%/year.

+ Loan contract No. 02/HGT-CIT-010220 dated 17/01/2020 with a total amount of VND 700,000,000, the purpose of borrowing is to supplement working capital, the loan term is 12 months from the date of disbursement the first loan with interest rate of 9.3%/year.

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8 . OTHER RECEIVABLES

	30/06/2020		01/01/2020	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
- Receivables from dividends and profit	494,014,947	-	3,744,014,947	-
- Loan interest receivables from Bitexco Group of Companies	1,570,500,000	-	1,570,500,000	-
- Advances	660,000,000	-	563,000,000	-
- Handover project of Saigon Morin Hue Co., Ltd.	933,690,527	-	933,690,527	-
- Huong Giang Travel Sole Member Limited Liability Company	1,077,636,000	-	1,067,166,000	-
- Receivable from payment on behalf of Thien Phuc Tourist JSC	298,897,338	(298,897,338)	298,897,338	-
- Special consumption tax paid on behalf of VIP Club	220,639,373	-	220,639,373	-
- Revenue not yet invoiced	284,164,240	-	227,656,978	-
- Receivables from deposit interests and loans	493,675,000	-	-	-
- Others	90,933,366	-	76,430,399	-
	6,124,150,791	(298,897,338)	8,701,995,562	-
b) Long-term				
Dat Viet Culture Joint Stock Company (*)	4,948,817,680	-	4,948,817,680	-
	11,072,968,471	-	13,650,813,242	-
(*) 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.				
c) Other receivables from related parties				
	3,934,723,285	-	6,680,578,285	-

(Details as in Notes No.32).

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9 . DOUBTFUL DEBTS

	30/06/2020		01/01/2020	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
- Thuan An Tourist Investment and Development Co., Ltd	717,110,038	-	717,110,038	-
- Thien Phuc Tourist JSC	298,897,338	-	-	-
	<u>1,016,007,376</u>	<u>-</u>	<u>717,110,038</u>	<u>-</u>

10 . INVENTORIES

	30/06/2020		01/01/2020	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw material	183,321,090	-	284,656,539	-
Goods	179,227,963	-	193,449,249	-
	<u>362,549,053</u>	<u>-</u>	<u>478,105,788</u>	<u>-</u>

11 . LONG-TERM ASSET IN PROGRESS

	30/06/2020	01/01/2020
	VND	VND
Construction in progress	5,296,934,572	12,187,957,370
- Huong Giang Hotel Renovation Project	-	8,964,422,798
- Festival Restaurant Renovations Project, 11 Le Loi - Hue (*)	5,296,934,572	3,223,534,572
	<u>5,296,934,572</u>	<u>12,187,957,370</u>

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

- Investor: Huong Giang Tourist Joint Stock Company;
- Construction purpose: restaurant and rental business;
- Construction site: No. 11 Le Loi, Hue City, Thua Thien - Hue Province;
- Total investment: VND 23.3 billion (nearly USD 1,0 million);
- Time to start implementing the project and the expected completion time: in the fourth quarter of 2019 and expected to be completed in the third quarter of 2020;
- Status of the project as at 30/06/2020: Construction is underway for the outside of the restaurant.

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12 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Historical cost					
Beginning balance	59,602,214,476	11,252,690,675	8,648,935,669	732,541,644	80,236,382,464
- Liquidation, disposal	(536,781,078)	-	-	-	(536,781,078)
Ending balance of the period	59,065,433,398	11,252,690,675	8,648,935,669	732,541,644	79,699,601,386
Accumulated depreciation					
Beginning balance	39,898,054,287	10,655,106,145	2,132,004,190	732,541,644	53,417,706,266
- Depreciation for the period	807,976,120	98,728,115	294,329,940	-	1,201,034,175
- Liquidation, disposal	(529,296,354)	-	-	-	(529,296,354)
Ending balance of the period	40,176,734,053	10,753,834,260	2,426,334,130	732,541,644	54,089,444,087
Net carrying amount					
Beginning balance	19,704,160,189	597,584,530	6,516,931,479	-	26,818,676,198
Ending balance	18,888,699,345	498,856,415	6,222,601,539	-	25,610,157,299

In which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the period: VND 29,363,294,908.

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13 . INTANGIBLE FIXED ASSETS

	Land use rights	Computer software	Total
	VND	VND	VND
Historical cost			
Beginning balance	999,000,000	309,338,000	1,308,338,000
Ending balance of the period	999,000,000	309,338,000	1,308,338,000
Accumulated depreciation			
Beginning balance	-	300,813,416	300,813,416
- Depreciation for the period	-	3,196,719	3,196,719
Ending balance of the period	-	304,010,135	304,010,135
Net carrying amount			
Beginning balance	999,000,000	8,524,584	1,007,524,584
Ending balance	999,000,000	5,327,865	1,004,327,865

14 . PREPAID EXPENSES

	30/06/2020	01/01/2020
	VND	VND
a) Short-term		
Dispatched tools and supplies	102,244,726	175,501,369
Others	608,530,077	226,403,084
	710,774,803	401,904,453
b) Long-term		
Dispatched tools and supplies	1,207,127,458	1,716,117,678
Assets reparation expenses	1,341,115,185	1,346,211,177
Others	1,748,901,088	1,758,539,784
	4,297,143,731	4,820,868,639

15 . SHORT-TERM TRADE PAYABLES

	30/06/2020		01/01/2020	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
Trade payables detailed by suppliers with large account balances				
- Hoang Mai Foods Production & Trading Co., Ltd.	47,682,710	47,682,710	179,808,405	179,808,405
- Binh Minh Laundry Co., Ltd.	32,139,300	32,139,300	116,879,000	116,879,000
- Others	425,382,057	425,382,057	912,561,019	912,561,019
	505,204,067	505,204,067	1,209,248,424	1,209,248,424

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16 . TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Receivable at the opening year	Payable at the opening year	Payable arise in the period	Amount paid in the period	Receivable at the closing period	Payable at the closing period
	VND	VND	VND	VND	VND	VND
Value added tax	-	332,110,639	446,679,232	657,239,187	-	121,550,684
Personal income tax	-	32,085,486	326,652,588	331,359,480	-	27,378,594
Land tax and land rental	-	346,260,250	1,953,939,709	705,343,889	-	1,594,856,070
Other taxes	-	3,046,102	21,392,767	24,106,459	-	332,410
Fees and other obligations	-	2,893,797	9,547,704	12,125,712	-	315,789
	-	716,396,274	2,758,212,000	1,730,174,727	-	1,744,433,547

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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17 . OTHER SHORT-TERM PAYABLES

	30/06/2020	01/01/2020
	VND	VND
- Trade union fund	35,050,655	-
- Social insurance	4,104,511	-
- Payables of collecting of State-owned capital transfer (*)	32,096,834,577	32,064,668,451
- Withdrawal of contributed capital in Thien Phuc Tourist JSC, awaiting for settlement	518,052,851	518,052,851
- Others	47,579,937	841,702,109
	32,701,622,531	33,424,423,411

(*) 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 30/06/2020, this remaining amount is restricted to use under Official Dispatch No.1398/STC-TCDN dated 25 June 2016 of the Department of Finance of Thua Thien Hue Province.

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18 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Share capital surplus	Treasury stocks	Asset revaluation differences	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Beginning balance of previous period	200,000,000,000	47,223,517,700	-	-	(38,646,261,970)	208,577,255,730
Profit for previous period	-	-	-	-	1,034,674,253	1,034,674,253
Ending balance of previous period	200,000,000,000	47,223,517,700	-	-	(37,611,587,717)	209,611,929,983
Beginning balance of current period	200,000,000,000	47,223,517,700	-	-	(35,671,237,700)	211,552,280,000
Loss for current period	-	-	-	-	(18,594,877,388)	(18,594,877,388)
Ending balance of this period	200,000,000,000	47,223,517,700	-	-	(54,266,115,088)	192,957,402,612

b) Details of owner's invested capital (*)

	30/06/2020	Rate (%)	01/01/2020	Rate (%)
	VND	(%)	VND	(%)
Bitexco Group of Companies	18,228,770,000	9.11%	18,228,770,000	9.11%
Crystal Treasure Limited	91,000,000,000	45.50%	91,000,000,000	45.50%
Le Thi Ngoc Thuy	14,000,000,000	7.00%	14,000,000,000	7.00%
White Crystal Co., Ltd	19,252,230,000	9.63%	19,252,230,000	9.63%
Tan Truong Co., Ltd	40,000,000,000	20.00%	40,000,000,000	20.00%
Others	17,519,000,000	8.76%	17,519,000,000	8.76%
	200,000,000,000	100%	200,000,000,000	100%

(*) Details of Owner's investment capital according to the list of securities holders of Asia Pacific Securities Joint Stock Company on 30/06/2020.
(Asia Pacific Securities Joint Stock Company is authorized to manage shareholder books for Huong Giang Tourist Joint Stock Company).

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

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Owner's contributed capital	200,000,000,000	200,000,000,000
- At the beginning of period	200,000,000,000	200,000,000,000
- At the ending of period	200,000,000,000	200,000,000,000

d) Stock

	30/06/2020	01/01/2020
Quantity of Authorized issuing stocks	20,000,000	20,000,000
Quantity of issued shares and full capital contribution	20,000,000	20,000,000
- Common stocks	20,000,000	20,000,000
Quantity of outstanding shares in circulation	20,000,000	20,000,000
- Common stocks	20,000,000	20,000,000
Par value per stock (VND)	10,000	10,000

19 . OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMEN
a) Operating leased assets

The Company signed land lease contracts with details as follows:

- Land lease contract at No.51 Le Loi street 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 No.11 Le Loi street 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 No.30 Le Loi street 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 No.101 Hung Vuong street (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 No.51 Le Loi street is used for business from 06/12/2019 to 16/05/2024. The leased area is 680 m2, on which the Company is currently using to make the landscape of Mat Ngoc Lake at Huong Giang Hotel. According to the contract No. 88/HDTD dated 06/12/2019, the Company has to pay land rental until the contractual maturity date in accordance with the current regulations of the State.

b) Foreign currencies

	30/06/2020	01/01/2020
- USD	6,183.90	4,288.96
- EUR	447.69	453.15

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

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Revenue from renting room, food and beverage service	9,282,970,858	24,792,929,867
Revenue from rendering of services	1,241,861,129	3,449,587,340
	10,524,831,987	28,242,517,207
Revenue from related parties (Details as in Notes No.32).	123,506,662	21,050,000

21 . COSTS OF GOODS SOLD

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Costs of renting room, food and beverage service	9,893,922,610	17,615,193,681
Costs of services rendered	1,374,048,952	2,324,377,627
	11,267,971,562	19,939,571,308
Costs of goods sold from related parties (Details as in Notes No.32).	123,506,662	21,050,000

22 . FINANCE INCOME

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Interest income, interest from loans	834,030,128	837,783,328
Realized gain from foreign exchange difference	54,098	423,272
	834,084,226	838,206,600
Finance income from related parties (Details as in Notes No.32).	537,095,555	42,780,822

23 . FINANCIAL EXPENSES

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Realized loss from foreign exchange difference	82,169	216,426
Provisions for devaluation of trading securities and investments	3,970,803,633	-
	3,970,885,802	216,426

24 . SELLING EXPENSES

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Raw materials	27,301,833	65,378,921
Labor	456,839,652	784,996,176
Expenses from external services	27,465,421	54,131,334
Other expenses by cash	71,129,990	118,350,429
	582,736,896	1,022,856,860

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	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Raw materials	345,921,274	969,848,634
Labor	3,757,582,434	4,509,573,577
Depreciation and amortisation	367,181,701	338,575,326
Tax, Charge, Fee	4,000,000	4,000,000
Provision expenses	298,897,338	-
Expenses from external services	881,328,867	1,373,969,314
Other expenses by cash	262,874,629	344,579,344
	5,917,786,243	7,540,546,195

26 . OTHER INCOME

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Gain from liquidation, disposal of fixed assets	-	460,909,091
Others	750,010,000	15,042,727
	750,010,000	475,951,818

27 . OTHER EXPENSE

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Repair cost	-	18,810,583
Liquidation of management consulting and operation contracts (*)	8,964,422,798	-
Others	300	-
	8,964,423,098	18,810,583

(*) According to Resolution No. 18/20 / NQ-HĐQT dated June 30, 2020 and the minutes of contract liquidation dated June 30, 2020 between Huong Giang Tourist Joint Stock Company and Azula Management Co., Ltd., the company decided to recognize all costs incurred related to the contract of hotel management and operation consultancy with Azula Management Co., Ltd. into expenses during the period.

28 . CURRENT CORPORATE INCOME TAX EXPENSES

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Total profit before tax	(18,594,877,388)	1,034,674,253
Decrease	-	(1,034,674,253)
- Switching losses last year	-	(1,034,674,253)
Taxable income	(18,594,877,388)	-
Current corporate income tax expense (Tax rate 20%)	-	-

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29 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Raw materials	3,225,942,978	8,487,151,706
Labour expenses	7,731,448,799	12,226,970,413
Depreciation and amortisation	1,204,230,894	1,268,812,511
Expenses from external services	2,331,445,965	1,906,545,102
Other expenses by cash	3,275,426,065	4,613,494,631
	17,768,494,701	28,502,974,363

30 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company include:

		Carrying amount		
		30/06/2020	01/01/2020	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	44,994,668,385	-	49,702,780,078	-
Trade and other receivables	12,418,039,863	(1,016,007,376)	16,077,511,732	(717,110,038)
Loans	11,960,000,000	-	11,760,000,000	-
	<u>69,372,708,248</u>	<u>(1,016,007,376)</u>	<u>77,540,291,810</u>	<u>(717,110,038)</u>

		Carrying amount	
		30/06/2020	01/01/2020
		VND	VND
Financial Liabilities			
Trade payables, other payables		33,206,826,598	34,633,671,835
		<u>33,206,826,598</u>	<u>34,633,671,835</u>

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

Exchange rate risk

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

Interest rate risk

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

Credit Risk

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

	Under 1 year	From 1 year to 5	From more than 5	Total
	VND	years	years	VND
As at 30/06/2020				
Cash and cash equivalents	44,994,668,385	-	-	44,994,668,385
Trade receivables, other receivables	6,453,214,807	4,948,817,680	-	11,402,032,487
Loans	11,960,000,000	-	-	11,960,000,000
	63,407,883,192	4,948,817,680	-	68,356,700,872
As at 01/01/2020				
Cash and cash equivalents	49,702,780,078	-	-	49,702,780,078
Trade receivables, other receivables	10,411,584,014	4,948,817,680	-	15,360,401,694
Loans	11,760,000,000	-	-	11,760,000,000
	71,874,364,092	4,948,817,680	-	76,823,181,772

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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.

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>Under 1 year</u>	<u>From 1 year to 5</u>	<u>From more than 5</u>	<u>Total</u>
	<u>VND</u>	<u>years</u>	<u>years</u>	<u>VND</u>
As at 30/06/2020				
Trade payables, other payables	33,206,826,598	-	-	33,206,826,598
	<u><u>33,206,826,598</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>33,206,826,598</u></u>
As at 01/01/2020				
Trade payables, other payables	34,633,671,835	-	-	34,633,671,835
	<u><u>34,633,671,835</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>34,633,671,835</u></u>

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

31 . EVENTS AFTER BALANCE SHEET DATE

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

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32 . TRANSACTION AND BALANCES WITH RELATED PARTIES

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

Transactions during the period:

	Relation	first 06-month of the year 2020 VND	first 06-month of the year 2019 VND
Revenue		123,506,662	21,050,000
Bitexco Group of Companies	Shareholder	-	8,700,000
Huong Giang Travel Sole Member Limited Liability Company	Subsidiary	123,506,662	12,350,000
Purchases of goods and services		11,983,000	63,845,800
Huong Giang Travel Sole Member Limited Liability Company	Subsidiary	11,983,000	63,845,800
Financial income		537,095,555	42,780,822
Huong Giang Travel Sole Member Limited Liability Company	Subsidiary	10,230,000	42,780,822
Hotel De La Cite Imperiale Co.,Ltd.	Associates	493,675,000	-
Citadel Investment Tourist Co., Ltd.	Associates	33,190,555	-
Cost of goods sold		123,506,662	12,350,000
Huong Giang Travel Sole Member Limited Liability Company	Subsidiary	123,506,662	12,350,000

Outstanding balances up to the reporting date are as follows:

	Relation	30/06/2020 VND	01/01/2020 VND
Trade receivables		155,479,924	117,295,834
Huong Giang Travel Sole Member Limited Liability Company	Subsidiary	155,479,924	117,295,834
Loan receivables		11,960,000,000	11,760,000,000
Huong Giang Travel Sole Member Limited Liability Company	Subsidiary	660,000,000	660,000,000
Hotel De La Cite Imperiale Co.,Ltd.	Associates	10,500,000,000	10,500,000,000
Citadel Investment Tourist Co., Ltd.	Associates	800,000,000	600,000,000
Other receivables		3,934,723,285	6,680,578,285
Huong Giang Travel Sole Member Limited Liability Company	Subsidiary	1,571,650,947	1,561,180,947
Bitexco Group of Companies	Shareholder	1,570,500,000	1,570,500,000
Thien Phuc Tourist Joint Stock Company	Associates	298,897,338	298,897,338
Saigon Morin Hue Company Limited	Joint venture	-	3,250,000,000
Hotel De La Cite Imperiale Co.,Ltd.	Associates	493,675,000	-

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Transactions with other related parties:

	first 06-month of the year 2020	first 06-month of the year 2019
	VND	VND
Remuneration to General Director	407,805,167	416,844,492
Remuneration to other members of The Board of General Directors and The Board of Management	948,877,569	436,714,284

33 . COMPARATIVE FIGURES

The comparative figures on the Interim Separate Statement of Financial Position and Notes are taken from the Separate Financial Statements for the fiscal year ended as at 31 December 2019, which was audited by AASC Auditing Firm Company Limited. The comparative figures on the Interim Separate Statement of income, Interim Separate Statement of Cash flows and Notes are taken from the Interim Separate Financial Statements which have been reviewed for the period from 01/01/2019 to 30/06/2019.

 <hr/> Ngo Duc Chinh Preparer	 <hr/> Ngo Duc Chinh Chief Accountant	 <hr/> Le Ba Giang Deputy General Director
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Thua Thien - Hue, 09 July 2020

