



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

HUONG GIANG TOURIST JOINT STOCK COMPANY

For the period from 01/01/2019 to 30/06/2019

(Reviewed)

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CONTENTS

	Pages
Report of The Board of General Directors	02-03
Reviewed Reports Interim Financial Statements	04-05
Reviewed Interim Consolidated Financial Statements	06-38
Interim Consolidated Statement of Financial Position	06-07
Interim Consolidated Statement of Income	08
Interim Consolidated Statement of Cash flows	09-10
Notes to the Interim Consolidated Financial Statements	11-38



HUONG GIANG TOURIST JOINT STOCK COMPANY

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

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 Consolidated Financial Statements for the period from 01 January 2019 to 30 June 2019.

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 period and to the reporting date are:

Mr. Yukio Takahashi	Chairman	
Mr. Vu Quang Hoi	Member	Resigned on 31/05/2019
Mr. Johnny Cheung - Ching Fu	Member	
Mr. Nguyen Viet Tao	Member	Resigned on 31/05/2019
Mr. Go Fujiyama	Member	
Mr. Le Ba Giang	Member	Appointed on 31/05/2019
Mr. Yoshida Tetsuya	Member	Appointed on 31/05/2019

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

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

The members of the Board of Supervision are:

Mr. Ho Minh Quoc	Head of Control Department
Mrs. Dao Thi Chinh	Member
Mrs. Fumiyo Okuda	Member

AUDITORS

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

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

The Board of General Directors is responsible for the Interim Consolidated Financial Statements which give a true and fair view of the financial position of the Company, its operating results and its cash flows for the period. In preparing those Interim Consolidated 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 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 Interim Consolidated Financial Statements;
- Prepare the Interim Consolidated 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 Interim Consolidated Financial Statements;
- Prepare the Interim 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 Interim 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 Interim Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2019, its operations and cash flows in the first 06-month of the year 2019 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and statutory requirements relevant to preparation and presentation of Interim Consolidated Financial Statements.

Other commitments

The Board of General Directors pledges that the company complies with Decree No. 71/2017/ND-CP of the Government 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

Hue, 25 July 2019

No: 160819.002/BCTC.KT2

AUDITOR'S REPORT ON RESULTS OF INTERIM CONSOLIDATED 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 Consolidated Financial Statements of Huong Giang Tourist Joint Stock Company prepared on 25 July 2019 including: Interim Consolidated Statement of financial position as at 30 June 2019, Interim Consolidated Statement of comprehensive income, Interim Consolidated Statement of cash flows and Notes to Interim Consolidated Financial Statements for the period from 01 January 2019 to 30 June 2019.

The Board of General Directors Responsibility

The Board of General Directors is responsible for the fair and reasonable preparation and presentation of the Interim Consolidated Financial Statement of the Company in accordance with Vietnamese Accounting Standards, Vietnamese Accounting Policy for Enterprises and legal regulations related to the preparation and presentation of the Interim Consolidated Financial Statement, and for the internal control that the Board of General Directors determines as necessary to ensure that there is no significant error due to a fraud or mistake in the preparation and presentation of the Interim Consolidated Financial statement.

Auditor's Responsibility

Our responsibility is to express an opinion on these Interim Consolidated 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 consolidated 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.

Easis for qualified conclusion

At the Independent Audit Report No. 280319.019/BCTC.KT2 dated March 28, 2019 on the Consolidated Financial Statements of Huong Giang Tourist Joint Stock Company for the fiscal year ended on December 31, 2018, the Auditor gave a qualified opinion about: the technical services consultancy contract between the Company and Azula Management Co., Ltd. consulting the outline of the idea of investment in facilities of Huong Giang Hotel was suspended but the Company is still keeping track of the expenses on this activity in item "Construction in progress" (Code 242) of the Consolidated Balance Sheet. As at 30/06/2019, the accumulated amount of the contract is VND 8.96 billion (Of which: the amount generated in 2018 is VND 8.8 billion; in the first 06 months of 2019 is VND 151 million). By the time of issuing this review report, the consulting contract has expired but we have not collected records and documents related to the consultancy results as well as the project implementation. In case the consulting contract has no results or the Company does not implement the project according to the results of this consultancy, the above-mentioned expenses must be recognized into the production and business expenses in the period.

Conclusion

In our review, except for the influence of the matter mentioned in "Basis for qualified conclusion", we do not see the events for us that the attached Interim Consolidated 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 30/06/2019, 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.18 of the Notes to the Interim Consolidated Financial Statements. As at 30 June 2019, the Company is recording and presenting on the Interim 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 our above-mentioned conclusion of the Auditor.

Other matter

As stated in Section b, Note 20 in the Notes to the 06-month interim financial statements of Huong Giang Tourist Joint Stock Company, during the period, Bitexco Group of Companies's ownership in the capital of Huong Giang Tourist Joint Stock Company decreased from 41.71% at the beginning of the period to 9.11% at the end of the period.

On 7 June 2019, Bitexco Group of Companies issued Document No.129/19/CV-TGD/BITEXCO to the Board of Directors, members of the Board of Directors, Supervisory Board, and Huong Giang Tourist Joint Stock Company on the disagreement with the minutes content of the Shareholders General Meeting dated 31 May 2019 of Huong Giang Tourist Joint Stock Company. The document stated that Bitexco did not agree to change its ownership in the capital of Huong Giang Tourist Joint Stock Company from 41.71% as at the beginning of the year to 9.11% on the date of the Shareholders General Meeting.



Vu Xuan Bien 

Deputy General Director

Certificate of registration to audit practice

No: 0743-2018-002-1

Hanoi, 16 August 2019

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements

For the period from 01/01/2019 to 30/06/2019

**INTERIM CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**
As at 30 June 2019

Code	ASSETS	Note	30/06/2019 VND	01/01/2018 VND
100	A. CURRENT ASSETS		80,329,032,162	77,371,845,966
110	I. Cash and cash equivalents	3	52,252,061,478	61,999,168,780
111	1. Cash		38,952,061,478	38,999,168,780
112	2. Cash equivalents		13,300,000,000	23,000,000,000
120	II. Short-term investments	4	1,600,000,000	800,000,000
123	1. Held to maturity investments		1,600,000,000	800,000,000
130	III. Short-term receivables		25,091,300,649	13,224,028,426
131	1. Short-term trade receivables	5	8,023,228,068	6,863,848,829
132	2. Short-term prepayments to suppliers	6	2,157,686,750	1,751,969,480
135	3. Short-term loan receivables	7	10,700,000,000	-
136	4. Other short-term receivables	8	5,720,419,584	6,121,635,155
137	5. Provision for short-term doubtful debts		(1,513,425,038)	(1,513,425,038)
139	6. Shortage of assets awaiting resolution		3,391,285	-
140	IV. Inventories	10	797,288,281	876,974,237
141	1. Inventories		797,288,281	876,974,237
150	V. Other short-term assets		588,381,754	471,674,523
151	1. Short-term prepaid expenses	14	588,381,754	471,674,523
200	B. NON-CURRENT ASSETS		193,643,772,385	193,036,905,064
210	I. Long-term receivables		5,448,817,680	5,448,817,680
216	1. Other long-term receivables	8	5,448,817,680	5,448,817,680
220	II. Fixed assets		42,270,893,459	42,743,900,487
221	1. Tangible fixed assets	12	41,260,172,154	41,729,982,460
222	- <i>Historical costs</i>		106,283,956,861	106,669,472,570
223	- <i>Accumulated depreciation</i>		(65,023,784,707)	(64,939,490,110)
227	2. Intangible fixed assets	13	1,010,721,305	1,013,918,027
228	- <i>Historical costs</i>		1,308,338,000	1,308,338,000
229	- <i>Accumulated amortization</i>		(297,616,695)	(294,419,973)
240	IV. Long-term assets in progress	11	9,357,767,749	9,086,181,104
242	1. Construction in progress		9,357,767,749	9,086,181,104
250	V. Long-term investments	4	128,218,540,339	125,188,992,979
252	1. Investments in joint ventures and associates		128,218,540,339	125,188,992,979
253	2. Equity investments in other entities		3,000,000,000	3,000,000,000
254	3. Provision for devaluation of long-term investments		(3,000,000,000)	(3,000,000,000)
260	VI. Other long-term assets		8,347,753,158	10,569,012,814
261	1. Long-term prepaid expenses	14	8,347,753,158	10,569,012,814
270	TOTAL ASSETS		273,972,804,547	270,408,751,030

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

(continue)

Code	CAPITAL	Note	30/06/2019 VND	01/01/2018 VND
300	C. LIABILITIES		47,063,803,430	48,515,783,582
310	I. Current liabilities		44,799,220,430	45,585,002,582
311	1. Short-term trade payables	15	4,676,398,865	3,654,622,990
312	2. Short-term prepayments from customers	17	665,581,889	762,508,931
313	3. Taxes and other payables to State budget	16	1,159,460,406	1,058,214,579
314	4. Payables to employees		3,242,577,316	3,656,926,489
319	5. Other short-term payments	18	33,722,805,954	34,828,440,231
320	6. Short-term borrowings and finance lease liabilities	19	1,332,396,000	1,332,396,000
321	7. Provisions for short-term payables		-	111,021,046
322	8. Bonus and welfare fund		-	180,872,316
330	II. Non-current liabilities		2,264,583,000	2,930,781,000
338	1. Long-term borrowings and finance lease liabilities	19	2,264,583,000	2,930,781,000
400	D. OWNER'S EQUITY		226,909,001,117	221,892,967,448
410	I. Owner's equity	20	226,909,001,117	221,892,967,448
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		(20,314,516,583)	(25,330,550,252)
421a	Retained earnings accumulated till the end of the previous year		(26,330,550,252)	(28,923,119,651)
421b	Retained earnings of the current period		6,016,033,669	3,592,569,399
440	TOTAL CAPITAL		273,972,804,547	270,408,751,030

Ngo Duc Chinh
Preparer

Ngo Duc Chinh
Chief Accountant

Le Ba Giang
Deputy General Director

Hue, 25 July 2019

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the period from 01/01/2019 to 30/06/2019

Code	ITEM	Note	first 06-month of the year 2019 VND	first 06-month of the year 2018 VND
01	1. Revenue from sales of goods and rendering of services	22	50,029,127,824	41,491,293,672
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		50,029,127,824	41,491,293,672
11	4. Cost of goods sold	23	39,002,034,196	32,433,264,469
20	5. Gross profit from sales of goods and rendering of services		11,027,093,628	9,058,029,203
21	6. Financial income	24	858,849,535	1,370,773,312
22	7. Financial expense	25	159,593,734	67,161,859
23	<i>In which: Interest expenses</i>		159,377,308	66,926,487
24	8. Share of joint ventures and associates' profit or loss		4,029,547,360	3,299,603,068
25	9. Selling expenses	26	1,062,713,491	1,143,764,169
26	10. General and administrative expense	27	9,183,988,933	9,841,043,087
30	11. Net profit from operating activities		5,509,194,365	2,676,436,468
31	12. Other income	28	525,649,887	58,874,980
32	13. Other expense		18,810,583	-
40	14. Other profit		506,839,304	58,874,980
50	15. Total net profit before tax		6,016,033,669	2,735,311,448
51	16. Current corporate income tax expenses		-	-
52	17. Deferred corporate income tax expenses		-	-
60	18. Profit after corporate income tax		6,016,033,669	2,735,311,448
61	19. Profit after tax attributable to shareholders of the parent		6,016,033,669	2,735,074,876
62	20. Profit after tax attributable to non-controlling interests		-	236,572
70	21. Basic earnings per share	29	301	137

Ngo Duc Chinh
Preparer

Ngo Duc Chinh
Chief Accountant

Le Ba Giang
Deputy General Director

Hue, 25 July 2019

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 01/01/2019 to 30/06/2019

(Indirect method)

Code ITEM	Note	first 06-month of the year 2019 VND	first 06-month of the year 2018 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01 1. Profit before tax		6,016,033,669	2,735,311,448
2. Adjustments for			
02 - Depreciation and amortization of fixed assets and investment properties		2,151,793,119	2,470,548,164
03 - Provisions		(111,021,046)	48,264,192
05 - Gains / losses from investment		(5,348,882,714)	(4,658,216,183)
06 - Interest expense		159,377,308	66,926,487
08 3. Operating profit before changes in working capital		2,867,300,336	662,834,108
09 - Increase or decrease in receivables		(947,272,223)	(4,016,423,152)
10 - Increase or decrease in inventories		79,685,956	(63,027,373)
11 - Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		(358,232,117)	7,044,023,354
12 - Increase or decrease in prepaid expenses		2,104,552,425	(201,837,746)
14 - Interest paid		(159,377,308)	(66,926,487)
15 - Corporate income tax paid		(135,656,673)	(141,565,847)
17 - Other payments on operating activities		(180,872,316)	-
20 Net cash flows from operating activities		3,270,128,080	3,217,076,857
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21 1. Purchase or construction of fixed assets and other long-term assets		(1,950,372,736)	(156,872,066)
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		(11,500,000,000)	(300,000,000)
26 4. Proceeds from equity investment in other entities		-	12,062,555,685
27 5. Interest and dividend received		858,426,263	363,452,725
30 Net cash flows from investing activities		(12,351,037,382)	11,969,136,344
III. CASH FLOWS FROM FINANCING ACTIVITIES			
34 1. Repayment of principal		(666,198,000)	(274,998,000)
40 Net cash flows from financing activities		(666,198,000)	(274,998,000)

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 01/01/2019 to 30/06/2019

(Indirect method)

Code ITEM	Note	first 06-month of the year 2019	first 06-month of the year 2018
		VND	VND
50 Net cash flows in the period		(9,747,107,302)	14,911,215,201
60 Cash and cash equivalents at beginning of the period		61,999,168,780	56,528,219,622
70 Cash and cash equivalents at end of the period	3	<u>52,252,061,478</u>	<u>71,439,434,823</u>

Ngo Duc Chinh
Preparer

Ngo Duc Chinh
Chief Accountant



Le Ba Giang
Deputy General Director

Hue, 25 July 2019

**NOTES TO THE INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

For the period from 01/01/2019 to 30/06/2019

1 . GENERAL INFORMATION OF THE COMPANY

Form of Ownership

Huong Giang Tourist Joint Stock Company is incorporated as a state owned company established under Decision No. 3243/QĐ-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/QĐ-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 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.

Group structure

The Company has one (01) subsidiary - Huong Giang Travel Sole Member Limited Liability Company which is consolidated in the financial statements as at 30/06/2019; 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.

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 Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance, 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 and the Circular No. 202/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance guiding the preparation and presentation of Consolidated Financial Statements.

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 consolidated financial statements

Consolidated Financial Statements are prepared based on consolidating Separate Financial Statements of the Company and Financial Statements of its subsidiary under its control are prepared for the period from 01/01/2019 to 30/06/2019. Control right is achieved when the company has power to govern the financial and operating policies of invested company to obtain benefits from their activities.

Consistent accounting policies are applied in Financial Statements of subsidiary and the Company. If necessary, adjustments are made to the Financial Statements of subsidiary to ensure the consistency of application of accounting policies among the Company and its subsidiary.

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

Non – controlling interests

Non – controlling interests represents the portion of profit or loss and net assets of subsidiaries not held by the Company.

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans. 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 revaluation of financial instruments after initial recognition.

2.5 . Foreign currency transactions

The foreign currency transactions during the period 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 Consolidated Financial Statements is determined under 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 year are recorded immediately to operating results of the accounting period.

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 . Business combination and goodwill

All business combinations shall be accounted for by applying the purchase method. The cost of a business combination includes the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities in business combination are measured at their fair values at the acquisition date.

2.8 . Financial investments

Investments held to maturity comprise term deposits, loans, etc. held to maturity to earn profits periodically and other held to maturity investments.

Investments in subsidiary, joint ventures and associates: During the period, the buyer determines the date of purchase and the cost of investments and implements accounting procedures in accordance with the Accounting Standards on "Business combination" and "Investments in joint ventures and associates".

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 investor in post-acquisition profits or losses of the associate is recognised in the consolidated income statement, and the share of investor in post-acquisition movements in equity of the associate is recognised in equity. The post-acquisition accumulated changes are adjusted to carrying amount of investments. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Financial Statements of associates are prepared in the same period with the Group's consolidated financial statements and use the consistent accounting policies with the Group's policies. Adjustment shall be made if necessary to ensure the consistence with the Group's accounting policies.

Investments in equity of 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 follows:

- With regard to investments held long-term (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.
- With regard to investments held to maturity, the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.9 . Receivables

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.

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

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.

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

2.11 . Fixed assets

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

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

- Buildings, structures	05 - 30 years
- Machinery, equipment	05 - 10 years
- Vehicles, Transportation equipment	06 - 10 years
- Office equipment and furniture	03 - 05 years
- Other fixed assets	03 - 05 years
- Land use rights	Permanent
- Management software	03 - 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 . Operating lease

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

2.14 . 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.

2.15 . 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 . Borrowings

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

2.17 . Borrowing costs

Borrowing costs are recognized as operating expenses in the period, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.18 . Provision for payables

Provision for payables is only recognized when meeting all of the following conditions:

- The Company have a present debt obligation (legal obligation or joint obligation) as a result of past events;
- It is probable that the decrease in economic benefits may lead to the requirement for debt settlement;
- Debt obligation can be estimated reliably.

Value recorded as a provision for payable is the most reasonably estimated amount required to settle the present debt obligation at the end of the accounting period.

Only expenses related to the previously recorded provision for payable shall be offset by that provision for payable.

Provisions for payables are recorded as operating expenses of the accounting period. In case provision made for the previous accounting period but not used up exceeds the one made for the current accounting period, the difference is recorded as a decrease in operating expenses. The excess of the provision for payables relating to construction warranty is recorded as other income in the fiscal period.

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

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

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

2.20 . Revenue

Sales of goods

Revenue from the sale of goods shall be recognised when all of 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 Company; and
- The cost incurred of the transaction can be measured reliably.

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 cost incurred or to be incurred in respect of 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 Company; and
- The amount of the revenue can be measured reliably.

Dividend income shall be recognised when the Company's right to receive dividend is established.

2.21 . Cost of goods sold

The recognition of cost of goods sold is matched against the revenue in the period and complies 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, etc. is recognized fully and promptly into cost of goods sold in the period.

2.22 . Financial expenses

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- 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 income

2.23 . Corporate income tax**a) Current corporate income tax expenses**

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

b) Current corporate income tax rate

The Company is subject to corporate income tax of 20% for the main activities for the fiscal period from 01/01/2019 to 30/06/2019.

2.24 . Earnings per share

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

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

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements

For the period from 01/01/2019 to 30/06/2019

2.26 . 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

	30/06/2019	01/01/2018
	VND	VND
Cash on hand	1,289,434,398	1,083,491,438
Demand deposits ⁽¹⁾	37,662,627,080	37,914,772,342
Cash in transit	-	905,000
Cash equivalents ⁽²⁾	13,300,000,000	23,000,000,000
	52,252,061,478	61,999,168,780

(1) As at 30/06/2019, non-term deposits with the amount of VND 37,662,627,080, of which VND 32,032,533,340 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 18)

(2) As at 30/06/2019, cash equivalents are term deposits from 01 to 03 months valued at VND 13,300,000,000 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.

4 . FINANCIAL INVESTMENTS**a) Held to maturity investments**

	30/06/2019		01/01/2019	
	Original cost	Book value	Original cost	Book value
	VND	VND		VND
Short-term	1,600,000,000	1,600,000,000	800,000,000	800,000,000
- Term deposits	1,600,000,000	1,600,000,000	800,000,000	800,000,000
	1,600,000,000	1,600,000,000	800,000,000	800,000,000

The 12 month-term deposit according to the term deposit contracts dated 15/06/2018 and 19/06/2019 between An Binh Commercial Joint Stock Bank - Thua Thien Hue Branch and Huong Giang Travel Sole Member Limited Liability Company with interest rates of 7.4%/year and 6.4%/year respectively. In particular, the deposit of VND 800,000,000 of the contract dated 19/06/2019 is used for pledge, guarantee payment at the bank. When the contract expires, if there is no other agreement, the contract will be automatically transferred to the new term by An Binh Commercial Joint Stock Bank.

Interim Consolidated Financial Statements

For the period from 01/01/2019 to 30/06/2019

4 • FINANCIAL INVESTMENTS

b) Equity investments in associates and joint ventures

	30/06/2019			01/01/2019		
	Address	Proportion of ownership	Proportion of voting rights	Book value under the equity method	Proportion of ownership	Proportion of voting rights
				VND		VND
Investments in associates				5,224,119,508		5,052,672,982
- Lang Co Tourist Co., Ltd.	Loan Ly Village, Lang Co Town, Phu Loc District, Thua Thien Hue Province	40.00%	40.00%	4,284,119,508	40.00%	4,112,672,982
- Hue Tourist Service JSC (*)	Ngu Binh Park, Thuy An Commune, Hue City, Thua Thien Hue Province	20.00%	20.00%	-	20.00%	-
- Thien Phuc Tourist JSC	An Tay Ward, Hue City, Thua Thien Hue Province	31.33%	31.33%	940,000,000	31.33%	940,000,000
Investments in joint ventures				122,994,420,831		120,136,319,997
- Saigon Morin Hue Co., Ltd.	30 Le Loi Street, Phu Nhuan Ward, Hue City, Thua Thien Hue Province, Vietnam	50.00%	50.00%	53,803,299,515	50.00%	52,014,611,043
- Viet Nhat Tourism and Restaurant Services Co., Ltd. (*)	5190 Shindo Sagamiharashi Kanagawa, Japan	50.00%	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%	47,508,732,603	49.00%	46,438,158,954
- Citadel Investment Tourist Co., Ltd.	2 Nguyen Cong Tru Street, Hue City, Thua Thien Hue Province	35.00%	35.00%	21,682,388,713	35.00%	21,683,550,000
				128,218,540,339		125,188,992,979

Major transactions between the Company and joint ventures/associates during the period: as detailed in Note 33.

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HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements

For the period from 01/01/2019 to 30/06/2019

c) Equity investments in other entities

	30/06/2019		01/01/2019	
	Original cost	Provision	Original 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 investment with the total amount of VND 3,000,000,000 in Thuan An Tourist Investment and Development Co., Ltd., which is located in Thua Thien Hue Province with the main business is hotel business and tourism services. The rate of interest and rate of votings right of the Company in this unit is 12%.

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

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

5 . SHORT-TERM TRADE RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
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)
- Tulico - Huong Giang Joint Stock Company	720,000,000	(720,000,000)	720,000,000	(720,000,000)
-Others	6,586,118,030	(76,315,000)	5,426,738,791	(76,315,000)
	8,023,228,068	(1,513,425,038)	6,863,848,829	(1,513,425,038)

6 . SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30/06/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- District Eight Design Co., Ltd	1,366,100,000	-	1,366,100,000	-
- Quang Anh private enterprise	299,333,900	-	-	-
- Others	492,252,850	-	385,869,480	-
	2,157,686,750	-	1,751,969,480	-

7 . SHORT-TERM LOAN RECEIVABLES

	30/06/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
- Hotel De La Cite Imperiale Co.,Ltd. ⁽¹⁾	10,500,000,000	-	-	-
- Citadel Investment Tourist Co., Ltd. ⁽²⁾	200,000,000	-	-	-
	10,700,000,000	-	-	-
b) Loan receivables from related parties				
	10,700,000,000	-	-	-

(Details as in Notes 33).

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

(1) Loan agreement and contract appendix No. 01 / KT-HG-122018 dated 27/12/2018, with a total amount of VND 10,500,000,000 for 06-month term with interest rate of 9.3%/year and. The purpose of the loan is to supplement working capital.

(2) Loan agreement and contract appendix No. 01/KT-HG-042019 dated 03/04/2019, with a total amount of VND 600,000,000 for 06-month term with interest rate of 9.3%/year. The purpose of the loan is to supplement working capital. As at 30/06/2019, the total loan amount is VND 200,000,000.

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

8 . OTHER RECEIVABLES

	30/06/2019		01/01/2019	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
- Advances	1,226,809,000	-	1,179,967,100	-
- 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.,				
- Receivable	298,897,338	-	298,897,338	-
from payment on behalf of Thien Phuc Tourist JSC				
- Revenue not yet invoiced	797,931,936	-	327,007,013	-
- Special consumption tax paid on behalf of VIP Club	220,639,373	-	220,639,373	-
- My An Tourist Joint Stock	557,521,011	-	534,536,490	-
- Others	114,430,399	-	1,056,397,314	-
	<u>5,720,419,584</u>	<u>-</u>	<u>6,121,635,155</u>	<u>-</u>
b) Long-term				
- Deposits	500,000,000	-	500,000,000	-
- Dat Viet Culture Joint Stock Company (*)	4,948,817,680	-	4,948,817,680	-
	<u>5,448,817,680</u>	<u>-</u>	<u>5,448,817,680</u>	<u>-</u>
c) Other receivables from related parties				
	<u>1,869,397,338</u>	<u>-</u>	<u>1,869,397,338</u>	<u>-</u>

(Details as in Notes 33).

(*) 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.

HUONG GIANG TOURIST JOINT STOCK COMPANYNo. 2, Nguyen Cong Tru, Hue City,
Thua Thien Hue Province, Vietnam**Interim Consolidated Financial Statements**
For the period from 01/01/2019 to 30/06/2019**9 . BAD DEBTS**

	30/06/2019		01/01/2019	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables and debts that are overdue or not due but difficult to be recovered				
- 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	-	76,315,000	-
	<u>1,513,425,038</u>	<u>-</u>	<u>1,513,425,038</u>	<u>-</u>

10 . INVENTORIES

	30/06/2019		01/01/2019	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw materials	432,299,324	-	478,596,247	-
Tools, supplies	16,836,364	-	-	-
Goods	348,152,593	-	398,377,990	-
	<u>797,288,281</u>	<u>-</u>	<u>876,974,237</u>	<u>-</u>

11 . CONSTRUCTION IN PROGRESS

	30/06/2019	01/01/2018
	VND	VND
- Huong Giang Hotel Renovation Project (*)	8,964,422,798	8,812,500,162
- Binh Minh Restaurant Renovation Project	-	22,727,273
- Food Center Renovation Project at 11 Le Loi - Hue City	393,344,951	250,953,669
	<u>9,357,767,749</u>	<u>9,086,181,104</u>

(*) According to the contract signed on 16 March 2017 between Huong Giang Tourist Joint Stock Company and Azula Management Co., Ltd. about providing consulting services for Huong Giang Hotel. The term of the contract is 18 months with a total amount of 900,000 USD. This amount was fully paid by the Company to its accumulated partner as at 30/06/2019. However, as at present date, the parties have halted the implementation of this contract to prioritize the implementation of other projects.

Interim Consolidated Financial Statements

For the period from 01/01/2019 to 30/06/2019

12 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Original cost						
Beginning balance	68,328,903,138	12,037,631,085	25,498,796,703	804,141,644	-	106,669,472,570
- Purchase in the period	-	89,000,000	1,369,481,818	-	81,727,273	1,540,209,091
- Completed construction investment	138,577,000	-	-	-	-	138,577,000
- Liquidation, disposal	-	-	(2,064,301,800)	-	-	(2,064,301,800)
Ending balance of the period	68,467,480,138	12,126,631,085	24,803,976,721	804,141,644	81,727,273	106,283,956,861
Accumulated depreciation						
Beginning balance	43,642,653,018	11,321,576,341	9,207,214,729	768,046,022	-	64,939,490,110
- Depreciation for the period	1,089,913,418	107,089,603	939,334,797	9,534,337	2,724,242	2,148,596,397
- Liquidation, disposal	-	-	(2,064,301,800)	-	-	(2,064,301,800)
Ending balance of the period	44,732,566,436	11,428,665,944	8,082,247,726	777,580,359	2,724,242	65,023,784,707
Net carrying amount						
Beginning balance	24,686,250,120	716,054,744	16,291,581,974	36,095,622	-	41,729,982,460
Ending balance	23,734,913,702	697,965,141	16,721,728,995	26,561,285	79,003,031	41,260,172,154

In which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the period: VND 32,240,872,980.

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
 For the period from 01/01/2019 to 30/06/2019

13 . INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer software VND	Cộng VND
Historical cost			
Beginning balance	999,000,000	309,338,000	1,308,338,000
Ending balance of the period	<u>999,000,000</u>	<u>309,338,000</u>	<u>1,308,338,000</u>
Accumulated depreciation			
Beginning balance	-	294,419,973	294,419,973
- Depreciation for the period	-	3,196,722	3,196,722
Ending balance of the period	-	<u>297,616,695</u>	<u>297,616,695</u>
Net carrying amount			
Beginning balance	999,000,000	14,918,027	1,013,918,027
Ending balance	<u>999,000,000</u>	<u>11,721,305</u>	<u>1,010,721,305</u>

14 . PREPAID EXPENSES

	30/06/2019 VND	01/01/2018 VND
a) Short-term		
Dispatched tools and supplies	38,173,435	104,090,772
Insurance expenses	54,741,204	64,293,096
Others	495,467,115	303,290,655
	<u>588,381,754</u>	<u>471,674,523</u>
b) Long-term		
Instruments and tools	3,488,683,934	4,321,061,375
Assets reparation expenses	1,320,945,035	2,008,708,883
Others	3,538,124,189	4,239,242,556
	<u>8,347,753,158</u>	<u>10,569,012,814</u>

15 . TRADE PAYABLES

	30/06/2019		01/01/2018	
	Outstanding balance VND	Amount can be paid VND	Outstanding balance VND	Amount can be paid VND
Trade payables detailed by suppliers with large account balances				
- ASIA DMC., JSC	376,456,298	376,456,298	376,456,298	376,456,298
- San Hien Transport Trading Co., Ltd	382,423,000	382,423,000	325,576,000	325,576,000
- Binh Minh Laundry Co., Ltd.	124,221,600	124,221,600	-	-
- Others	3,793,297,967	3,793,297,967	2,952,590,692	2,952,590,692
	<u>4,676,398,865</u>	<u>4,676,398,865</u>	<u>3,654,622,990</u>	<u>3,654,622,990</u>

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

16 . TAX AND PAYABLES FROM STATE BUDGET

	Receivable at the opening period	Payable at the opening period	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	-	877,056,185	3,371,442,376	3,177,350,956	-	1,071,147,605
Special sale tax	-	11,925,928	137,621,618	140,503,474	-	9,044,072
Business income tax	-	135,656,673	-	135,656,673	-	-
Personal income tax	-	32,068,826	249,696,137	256,382,741	-	25,382,222
Property tax and land rental	-	-	2,654,349,363	2,627,331,705	-	27,017,658
Other taxes	-	1,506,967	81,617,234	56,255,352	-	26,868,849
	-	1,058,214,579	6,494,726,728	6,393,480,901	-	1,159,460,406

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.

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

17 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	30/06/2019	01/01/2018
	VND	VND
- General Department of Thailand Tourism	-	292,797,220
- Others	665,581,889	469,711,711
	<u>665,581,889</u>	<u>762,508,931</u>

18 . OTHER SHORT-TERM PAYABLES

	30/06/2019	01/01/2018
	VND	VND
a) Short-term		
- Trade union fund	59,024,954	81,141,609
- Social insurance	2,795,986	-
- Payables of collecting of State-owned capital transfer (*)	32,032,533,340	32,000,759,662
- Withdrawal of contributed capital in Thien Phuc Tourist JSC, awaiting for settlement	518,052,851	518,052,851
- Others	1,110,398,823	2,228,486,109
	<u>33,722,805,954</u>	<u>34,828,440,231</u>
b) Other payables from related parties	<u>518,052,851</u>	<u>518,052,851</u>

(Details as in Notes 33).

(*) 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 30/06/2019, 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.

(Details as in Note 3).

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

19 . BORROWINGS AND FINANCE LEASE LIABILITIES

	01/01/2019		During the period		30/06/2019	
	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	1,332,396,000	1,332,396,000	555,165,000	555,165,000	1,332,396,000	1,332,396,000
- Thua Thien Hue Branch						
	<u>1,332,396,000</u>	<u>1,332,396,000</u>	<u>555,165,000</u>	<u>555,165,000</u>	<u>1,332,396,000</u>	<u>1,332,396,000</u>
b) Long-term borrowings						
An Binh Commercial Joint Stock Bank	4,263,177,000	4,263,177,000	-	666,198,000	3,596,979,000	3,596,979,000
- Thua Thien Hue Branch						
	<u>4,263,177,000</u>	<u>4,263,177,000</u>	<u>-</u>	<u>666,198,000</u>	<u>3,596,979,000</u>	<u>3,596,979,000</u>
Amount due for settlement within 12 months	(1,332,396,000)	(1,332,396,000)	(555,165,000)	(555,165,000)	(1,332,396,000)	(1,332,396,000)
Amount due for settlement after 12 months	<u>2,930,781,000</u>	<u>2,930,781,000</u>			<u>2,264,583,000</u>	<u>2,264,583,000</u>

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

Detailed information on Long-term borrowings:

- (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 1,165,212,000. 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:
- + Loan: VND 2,934,000,000;
 - + Loans 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 period: VND 2,542,800,000. 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.

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

20 . OWNER'S EQUITY

a) Increase and decrease in owner's equity

	Contributed capital	Share premium	Retained earnings	Non controlling interest	Total
	VND	VND	VND	VND	VND
Beginning balance of previous period	200,000,000,000	47,223,517,700	(24,223,336,403)	1,043,154,230	224,043,335,527
Profit for previous period	-	-	2,735,074,876	-	2,735,074,876
Other decrease	-	-	-	(1,043,154,230)	(1,043,154,230)
Ending balance of previous period	200,000,000,000	47,223,517,700	(21,488,261,527)	-	225,735,256,173
Beginning balance of current period	200,000,000,000	47,223,517,700	(25,330,550,252)	-	221,892,967,448
Profit for current period	-	-	6,016,033,669	-	6,016,033,669
Other decrease (*)	-	-	(1,000,000,000)	-	(1,000,000,000)
Ending balance of current period	200,000,000,000	47,223,517,700	(20,314,516,583)	-	226,909,001,117

(*) Saigon Morin Hue Co., Ltd. distributes profits.

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

	30/06/2019	Rate	01/01/2018	Rate
	VND	(%)	VND	(%)
Bitexco Group of Companies	18,228,770,000	9.11%	83,481,000,000	41.74%
Crystal Treasure Limited	91,000,000,000	45.50%	83,481,000,000	41.74%
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%	1,519,000,000	0.76%
Tan Truong Co., Ltd	40,000,000,000	20.00%	-	0.00%
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 June 28, 2019.
(Asia Pacific Securities Joint Stock Company is authorized to manage shareholder books for Huong Giang Tourist Joint Stock Company).

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

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

	first 06-month of the year 2019	first 06-month of the year 2018
	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

	30/06/2019	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

21 . 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 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

	30/06/2019	01/01/2018
- USD	27,553.54	5,913.38
- EUR	1,365.31	1,376.23

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

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

	first 06-month of the year 2019	first 06-month of the year 2018
	VND	VND
Revenue from renting room, food and beverage service	24,792,929,867	20,009,987,220
Revenue from rendering of services	25,236,197,957	21,481,306,452
	50,029,127,824	41,491,293,672
Revenue from related parties (Details as in Notes 33).	8,700,000	10,668,182

23 . COSTS OF GOODS SOLD

	first 06-month of the year 2019	first 06-month of the year 2018
	VND	VND
Costs of renting room, food and beverage service	17,615,193,681	13,868,333,749
Costs of services rendered	21,386,840,515	18,564,930,720
	39,002,034,196	32,433,264,469

24 . FINANCE INCOME

	first 06-month of the year 2019	first 06-month of the year 2018
	VND	VND
Interest income, interest from loans	858,426,263	363,452,725
Gain from selling investments	-	995,160,390
Realized gain from foreign exchange difference	423,272	12,160,197
	858,849,535	1,370,773,312

25 . FINANCIAL EXPENSES

	first 06-month of the year 2019	first 06-month of the year 2018
	VND	VND
Interest expenses	159,377,308	66,926,487
Realized loss from foreign exchange difference	216,426	235,372
	159,593,734	67,161,859

26 . SELLING EXPENSES

	first 06-month of the year 2019	first 06-month of the year 2018
	VND	VND
Raw materials	65,378,921	40,756,161
Labor	784,996,176	842,593,653
Expenses from external services	54,131,334	91,425,910
Other expenses by cash	158,207,060	168,988,445
	1,062,713,491	1,143,764,169

HUONG GIANG TOURIST JOINT STOCK COMPANYNo. 2, Nguyen Cong Tru, Hue City,
Thua Thien Hue Province, Vietnam**Interim Consolidated Financial Statements**
For the period from 01/01/2019 to 30/06/2019**27 . GENERAL ADMINISTRATIVE EXPENSES**

	first 06-month of the year 2019	first 06-month of the year 2018
	VND	VND
Raw materials	1,056,715,122	794,525,817
Labor	5,448,640,063	6,562,289,534
Depreciation and amortisation	392,684,118	231,263,445
Tax, Charge, Fee	449,501,793	464,799,224
Expenses from external services	310,762,683	295,553,445
Other expenses by cash	1,525,685,154	1,492,611,622
	9,183,988,933	9,841,043,087

28 . OTHER INCOME

	first 06-month of the year 2019	first 06-month of the year 2018
	VND	VND
Gain from liquidation, disposal of fixed assets	460,909,091	-
Others	64,740,796	58,874,980
	525,649,887	58,874,980

29 . BASIC EARNINGS PER SHARE

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

	first 06-month of the year 2019	first 06-month of the year 2018
	VND	VND
Net profit after tax	6,016,033,669	2,735,074,876
Profit distributed for common stocks	6,016,033,669	2,735,074,876
Average number of outstanding common shares in circulation in the period	20,000,000	20,000,000
Basic earnings per share	301	137

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

30 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	first 06-month of the year 2019	first 06-month of the year 2018
	VND	VND
Raw materials	15,382,528,528	12,173,232,218
Labour	17,774,720,581	16,566,420,288
Depreciation and amortisation	2,151,793,119	2,470,548,164
Expenses from external services	4,487,551,833	3,909,934,447
Other expenses by cash	9,464,492,559	8,320,118,426
	49,261,086,620	43,440,253,543

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

The types of financial instruments of the Company include:

	Carrying amount	
	30/06/2019	01/01/2018
	VND	VND
Financial Liabilities		
Borrowings and debts	3,596,979,000	4,263,177,000
Trade payables, other payables	38,399,204,819	38,483,063,221
	41,996,183,819	42,746,240,221

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.

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.

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

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.

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.

HUONG GIANG TOURIST JOINT STOCK COMPANYNo. 2, Nguyen Cong Tru, Hue City,
Thua Thien Hue Province, Vietnam**Interim Consolidated Financial Statements**
For the period from 01/01/2019 to 30/06/2019**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 to 5 years	From more than 5	Total
	VND	VND	years	VND
			VND	
As at 30/06/2019				
Cash and cash equivalents	52,252,061,478	-	-	52,252,061,478
Trade receivables, other receivables	12,230,222,614	5,448,817,680	-	17,679,040,294
Loans	12,300,000,000	-	-	12,300,000,000
	<u>76,782,284,092</u>	<u>5,448,817,680</u>	<u>-</u>	<u>82,231,101,772</u>
As at 01/01/2018				
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
Loans	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>

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:

	Under 1 year	From 1 to 5 years	From more than 5	Total
	VND	VND	years	VND
			VND	
As at 30/06/2019				
Borrowings and debts	1,332,396,000	2,264,583,000	-	3,596,979,000
Trade payables, other payables	38,399,204,819	-	-	38,399,204,819
	<u>39,731,600,819</u>	<u>2,264,583,000</u>	<u>-</u>	<u>41,996,183,819</u>

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements

For the period from 01/01/2019 to 30/06/2019

	<u>Under 1 year</u>	<u>From 1 to 5 years</u>	<u>From more than 5</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>years</u>	<u>VND</u>
As at 01/01/2018				
Borrowings and debts	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>

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.

32 . 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 Consolidated Financial Statements.

33 . 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:

	<u>Relation</u>	<u>first 06-month of</u> <u>the year 2019</u>	<u>first 06-month of</u> <u>the year 2018</u>
		<u>VND</u>	<u>VND</u>
Revenue		8,700,000	10,668,182
Bitexco Group of Companies	Shareholder	8,700,000	10,668,182

Outstanding balances up to the reporting date are as follows:

	<u>Relation</u>	<u>30/06/2019</u>	<u>01/01/2018</u>
		<u>VND</u>	<u>VND</u>
Loan receivables		10,700,000,000	-
Hotel De La Cite Imperiale Co.,Ltd.	Join venture	10,500,000,000	-
Citadel Investment Tourist Co., Ltd.	Join venture	200,000,000	-
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 Joint Stock Company	Associate	298,897,338	298,897,338
Other payables		518,052,851	518,052,851
Thien Phuc Tourist Joint Stock Company	Associate	518,052,851	518,052,851

Transactions with other related parties:

	<u>first 06-month of</u> <u>the year 2019</u>	<u>first 06-month of</u> <u>the year 2018</u>
	<u>VND</u>	<u>VND</u>
Remuneration to General Director	416,844,492	317,333,335
Remuneration to other members of The Board of General Directors and The Board of Management	436,714,284	679,425,801

HUONG GIANG TOURIST JOINT STOCK COMPANY

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

Interim Consolidated Financial Statements
For the period from 01/01/2019 to 30/06/2019

34 . COMPARATIVE FIGURES

The comparative figures on the Interim Consolidated Statement of Financial Position and Notes are taken from the Consolidated Financial Statements for the fiscal year ended as at 31 December 2018, which was audited by AASC Auditing Firm Company Limited. The comparative figures on the Interim Consolidated Statement of income, Interim Consolidated Statement of Cash flows and Notes are taken from the Interim Consolidated Financial Statements which have been reviewed for the period from 01/01/2018 to 30/06/2018.



Ngo Duc Chinh
Preparer

Hue, 25 July 2019



Ngo Duc Chinh
Chief Accountant



Le Ba Giang
Deputy General Director

