



HAGL Group

Hoang Anh Gia Lai Joint Stock Company

Báo cáo tài chính hợp nhất giữa niên độ

Quarter I 2019

Hoang Anh Gia Lai Joint Stock Company

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INTERIM CONSOLIDATED BALANCE SHEET
As at 31 March 2019

VND'000

Code	ASSETS	Note	31 March 2019	31 December 2018
100	A. CURRENT ASSETS		6,527,891,699	6,567,906,781
110	I. Cash		261,427,547	337,736,719
111	1. Cash	4	261,427,547	337,736,719
130	II. Current accounts receivable		4,427,985,064	4,747,120,864
131	1. Short-term trade receivables	5	2,111,472,248	2,976,376,936
132	2. Short-term advances to suppliers	6	499,727,703	427,114,472
135	3. Short-term loan receivables	7	1,145,640,837	724,888,836
136	4. Other short-term receivables	8	708,430,930	656,027,274
137	5. Provision for doubtful debts		(37,286,654)	(37,286,654)
140	III. Inventories	9	1,756,151,244	1,397,223,406
141	1. Inventories		1,766,174,873	1,409,194,346
149	2. Provision for obsolete inventories		(10,023,629)	(11,970,940)
150	IV. Other current assets		82,327,844	85,825,792
151	1. Short-term prepaid expenses		35,008,936	42,012,128
152	2. Value-added tax deductible		35,518,091	33,782,839
153	3. Tax and other receivables from the State		11,800,817	10,030,825
200	B. NON-CURRENT ASSETS		42,511,160,338	41,543,534,835
210	I. Long-term receivables		6,798,779,287	6,531,099,389
212	1. Long-term advances to suppliers			6,188,425,931
215	2. Long-term loan receivables	7	6,300,598,831	
216	3. Other long-term receivables	8	498,180,456	342,673,458
220	II. Fixed assets		12,358,401,011	10,732,352,612
221	1. Tangible fixed assets	10	12,300,144,086	10,671,588,242
222	Cost		14,378,818,129	12,582,296,997
223	Accumulated depreciation		(2,078,674,043)	(1,910,708,755)
227	2. Intangible fixed assets	11	58,256,925	60,764,370
228	Cost		115,343,472	115,343,472
229	Accumulated amortization		(57,086,547)	(54,579,102)
230	III. Investment properties	12	36,794,945	37,104,803
231	1. Cost		42,073,202	42,073,202
232	2. Accumulated depreciation		(5,278,257)	(4,968,399)
240	IV. Long-term assets in progress		15,838,096,608	16,910,792,900
242	1. Construction in progress	13	15,838,096,608	16,910,792,900
250	V. Long-term investments		2,812,012,032	2,788,206,391
252	1. Investments in associates	14.2	2,800,887,381	2,771,892,520
253	2. Investment in other entities	15	11,124,651	16,313,871
260	VI. Other long-term assets		4,667,076,455	4,543,978,740
261	1. Long-term prepaid expenses	16	1,450,159,562	1,224,232,772
262	2. Deferred tax assets	29.2	97,819,674	98,599,120
269	3. Goodwill		3,119,097,219	3,221,146,848
270	TOTAL ASSETS		49,039,052,037	48,111,441,616

INTERIM CONSOLIDATED BALANCE SHEET (continued)
As at 31 March 2019

VND'000

Code	ASSETS	Notes	31 March 2019	31 December 2018 (restated)
300	C. LIABILITIES		32,277,252,184	31,300,554,930
310	I. Current liabilities		14,490,318,148	13,136,735,456
311	1. Short-term trade payables	17	566,908,554	473,908,598
312	2. Short-term advances from customers	18	2,377,111,269	2,411,088,952
313	3. Statutory obligations	19	71,472,403	57,716,523
314	4. Payables to employees		86,428,585	67,209,973
315	5. Short-term accrued expenses	20	1,849,337,592	2,024,962,828
318	6. Short-term unearned revenues		-	228,667
319	7. Other short-term payables	21	2,504,070,753	1,837,367,701
320	8. Short-term loans	22	7,034,885,482	6,264,178,670
322	9. Bonus and welfare funds		103,510	73,544
330	II. Non-current liabilities		17,786,934,036	18,163,819,474
333	1. Long-term accrued expenses	20	2,163,429,964	2,027,479,288
337	2. Other long-term liabilities	21	1,111,942,402	1,112,118,924
338	3. Long-term loans	22	14,163,880,954	14,674,030,030
341	4. Deferred tax liabilities	29.2	341,967,350	344,457,866
342	5. Other long-term provisions		5,713,366	5,733,366
400	D. OWNERS' EQUITY	23	16,761,799,853	16,810,886,686
410	I. Equity		16,761,799,853	16,810,886,686
411	1. Share capital		9,274,679,470	9,274,679,470
411a	- Shares with voting rights		9,274,679,470	9,274,679,470
412	2. Share premium		3,263,858,784	3,263,858,784
415	3. Treasury shares		(686,640)	(686,640)
417	4. Foreign exchange differences		420,419,180	485,237,344
418	5. Investment and development fund		281,668,774	280,644,763
421	6. Undistributed earnings		(780,296)	(36,434,976)
421a	- Undistributed earnings up to prior year-end		(36,949,910)	(153,941,745)
421b	- Undistributed earnings this period		36,169,614	117,506,769
429	7. Non-controlling interests		3,522,640,581	3,543,587,941
440	TOTAL LIABILITIES AND OWNERS' EQUITY		49,039,052,037	48,111,441,616

Tran Thi Thanh Hieu
Preparer

29 April 2019

Le Truong Y Tram
Chief AccountantVo Truong Son
General Director

Hoang Anh Gia Lai Joint Stock Company

INTERIM CONSOLIDATED INCOME STATEMENT
Quarter I/2019

B02a-DN/HN

VND'000

Co de	ITEM	Note	Quarter I		Accumulated from the beginning of the year to the end of the Quarter	
			Current year	Previous year	Current year	Previous year
10	1. Revenues from sale of goods and rendering of services	24.1	410,223,705	1,026,781,683	410,223,705	1,026,781,683
11	2. Costs of goods sold	25	(324,847,356)	(547,708,547)	(324,847,356)	(547,708,547)
20	3. Net revenues from sale of goods and rendering of services		85,376,349	479,073,136	85,376,349	479,073,136
21	4. Financial income	24.2	198,501,484	265,154,784	198,501,484	265,154,784
22	5. Financial expenses	26	(360,171,807)	(396,082,714)	(360,171,807)	(396,082,714)
23	<i>In which: Interest expenses</i>		<i>(328,353,118)</i>	<i>(376,643,990)</i>	<i>(328,353,118)</i>	<i>(376,643,990)</i>
24	6. Profit (Loss) in associates		28,994,861	(14,056,924)	28,994,861	(14,056,924)
25	7. Selling expenses	27	(38,489,276)	(39,778,009)	(38,489,276)	(39,778,009)
26	8. General and administrative expenses	27	(166,214,564)	(156,771,933)	(166,214,564)	(156,771,933)
30	9. Net operating profit		(252,002,953)	137,538,340	(252,002,953)	137,538,340
31	10. Other income	28	341,766,157	2,533,634	341,766,157	2,533,634
32	11. Other expenses	28	(69,443,726)	(107,667,740)	(69,443,726)	(107,667,740)
40	12. Other profit (loss)	28	272,322,431	(105,134,106)	272,322,431	(105,134,106)

INTERIM CONSOLIDATED INCOME STATEMENT (continued)
Quarter I/2019

VND'000

Co de	ITEM	Note	Quarter I		Accumulated from the beginning of the year	
			Current year	Previous year	Current year	Previous year
50	13. Accounting profit before tax		20,319,478	32,404,234	20,319,478	32,404,234
51	14. Current corporate income tax expense	29.1	(529,412)	(115,437)	(529,412)	(115,437)
52	15. Deferred corporate income tax (expense)	29.2	1,711,070	24,354,498	1,711,070	24,354,498
60	16. Net profit after tax		21,501,136	56,643,295	21,501,136	56,643,295
61	17. Net profit after tax attributable to shareholders of the parent		36,169,614	2,608,030	36,169,614	2,608,030
62	18. Net profit after tax attributable to the non-controlling interest		(14,668,478)	54,035,265	(14,668,478)	54,035,265
70	19. Basic earnings per share (VND)		39	3	39	3
71	20. Diluted earnings per share (VND)		39	3	39	3

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

29 April 2019

CONSOLIDATED CASH FLOW STATEMENT
Quarter I/2019

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		20,319,478	32,404,234
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortization of intangible fixed assets (including amortization of goodwill)	10,11,12	246,189,774	232,033,752
03	Provisions		(1,947,311)	626,011
04	Unrealized foreign exchange loss		294,203	(2,581,109)
05	Profits from investing activities		(203,757,792)	(247,031,266)
06	Interest expenses	26	328,353,118	376,643,990
08	Operating profit before changes in working capital		389,451,470	392,095,612
09	(Increase) Decrease in receivables		370,989,078	1,882,494,765
10	Increase in inventories		(332,691,313)	(282,358,110)
11	(Decrease) Increase in payables		578,903,418	(1,593,795,386)
12	Decrease (Increase) in prepaid expenses		(151,564,535)	(181,811,175)
14	Interest paid		(180,972,422)	(101,060,075)
15	Corporate income tax paid	29.1	(418,658)	-
17	Other cash outflows from operating activities		(588,034)	(37,480)
20	Net cash flows from operating activities		673,109,004	115,528,151
	II. LƯU CHUYỂN TIỀN TỪ HOẠT ĐỘNG ĐẦU TƯ			
21	Purchase and construction of fixed assets		(962,808,546)	(539,253,033)
22	Proceeds from disposals of fixed assets and other long-term assets		557,935,419	188,081,474
23	Loans to other entities		(607,014,886)	(116,172,895)
24	Collections from borrowers		74,090,000	32,730,373
26	Payments for investments in other entities		-	2,550,000
27	Collections from investments in other entities		6,312,489	48,892,232
30	Net cash flow used for investment activities		(931,485,524)	(383,171,849)

CONSOLIDATED CASH FLOW STATEMENT (continued)
Quarter I/2019

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year
	III. CASH FLOWS FROM FINANCIAL ACTIVITIES			
31	Borrowings received		816.026.663	915.919.454
32	Borrowings repaid		(633.959.315)	(682.429.192)
40	Net cash flows (use in) from financial activities		182.067.348	233.490.262
50	Net cash flows during the period		(76.309.172)	(34.153.436)
60	Cash at the beginning of the year	4	337.736.719	141.473.491
70	Cash at the end of the year	4	261.427.547	107.320.055

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

29 April 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter I/2019**1. CORPORATE INFORMATION**

Hoang Anh Gia Lai Joint Stock Company (“the Company”) is incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 3903000083 issued by the Department of Planning and Investment of Gia Lai Province on 1 September 2006 and thirty (30) subsequent Amended Business Registration Certificates.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange (“HOSE”) with code HAG in accordance with Decision No. 124/QD-SGDHCM issued by HOSE on 15 December 2008.

As at 31 December 2018, the Group has seven (7) direct subsidiaries, twenty-nine (29) indirect subsidiaries and three (3) associates as disclosed in Note 14.2 to the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the period ended on 31 December 2018.

The current principal activities of the Company and its subsidiaries (the Group) are planting and trading rubber, oil palm and fruit trees; developing apartments, trade centers, office buildings for sale and lease; constructing and operating hydropower plants; mechanics; manufacturing and trading cattle feed, fertilizers; breeding and trading beef and dairy cows; warehouse services; pre-processing farm products; agricultural services; operating hotels and resorts; and sports and entertainments.

The Company’s head office is located at No. 15 Truong Chinh Street, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam.

2. BASIS OF PREPARATION**2.1 Accounting standards and system**

The interim consolidated financial statements of the Group expressed in thousands of Vietnam dong (“VND’000”), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying interim consolidated balance sheet, interim consolidated income statement, interim consolidated cash flow statement and related notes, including their utilization are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Group’s applied accounting documentation system is the General Journal system.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**2. BASIS OF PREPARATION** (continued)**2.3 Fiscal year**

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

These consolidated financial statements Quarter IV of 2018 are prepared for the period from 1 October 2018 to 31 December 2018.

2.4 Accounting currency

The consolidated financial statements are prepared in Vietnam dong ("VND") which is also the Group's accounting currency.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the Quarter IV năm 2018.

The financial statements of the Company and its subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made for any differences in accounting policies that may exist to ensure consistency between the subsidiaries and the Company.

All intra-company balances, income and expenses and unrealized gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

The subsidiaries are consolidated from the date on which the Group obtains control and cease to be consolidated from the date on which the Group ceases to control. Where there is a loss of control over the subsidiaries, the consolidated financial statements still include results for the period of the reporting period during which the Group has control. Where there is a loss of control over the subsidiaries, and the subsidiaries are still in transfer progress at the balance sheet date, the Group consolidates the financial statements at the control losing date for this subsidiary's balance sheet date ended the same year into the consolidated financial statements.

Except for subsidiaries acquired under common control which are accounted for under the pooling of interest method, other subsidiaries have been included in the consolidated financial statements using the purchase method of accounting that measures the subsidiaries' assets and liabilities at their fair value at the acquisition date.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES**3.1 Cash**

Cash comprises cash on hand and cash in banks

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.2 Receivables**

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered, in accordance with the guidance under Circular No. 228/2009/TT-BTC date 7 December 2009 (Circular 228). Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.3 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value.

Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw and construction materials, tools and supplies and merchandise goods	-	Actual cost on a weighted average basis
Finished goods and work-in-process	-	Cost of direct materials and labor plus attributable overheads based on the normal level of activities

Apartments for sale under construction are carried at the lower of cost and net realizable value. Costs include all expenditures including borrowing costs, directly attributable to the development and construction of the apartments. Net realizable value represents current selling price less estimated cost to complete and estimated selling and marketing expenses.

Apartments for sale

Apartments for sale under construction acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realizable value.

Cost includes:

- ▶ Freehold and leasehold rights for land;
- ▶ Amounts paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

Cost of disposal of investment properties recognized in the consolidated income statement is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.3 Inventories** (continued)*By-products and wastes*

The Group is keeping track of the by-products and waste from agricultural activities in terms of quantity, with the book value which is nil at the balance sheet date.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold in the consolidated income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount of the assets) is included in the consolidated income statement.

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim consolidated income statement as incurred.

When intangible fixed assets are sold or retired, their costs and accumulated amortization are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the interim consolidated income statement.

Land use rights

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for use.

Computer software

Computer software which is not an integral part of hardware is recorded as intangible asset and amortized over the term of benefits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortization

Depreciation of tangible fixed assets and amortization of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	4 - 50 years
Machinery and equipment	3 - 25 years
Means of transport and transmission	2 - 30 years
Office equipment	2 - 10 years
Livestock	6 - 8 years
Land use rights	20 - 50 years
Computer software	5 - 8 years
Other assets	3 - 20 years

Land use right with indefinite useful life is not amortized.

Rubber and pepper plantations

Initial basic construction of rubber and pepper plantations is estimated 7 and 3 years respectively by the Board of Management. Accordingly, the plantations would be transferred from construction in progress to tangible fixed assets after such mentioned years and depreciation will be started.

Dragon fruit plantations

Management estimates that the initial development period of the dragon fruit is 2 years since the start of planting. Accordingly, the plantations would be transferred from construction in progress to tangible fixed assets after such mentioned period and depreciation will be started.

Mango plantations

Management estimates that the initial development period of the dragon fruit is 2 years since the start of planting. Accordingly, the plantations would be transferred from construction in progress to tangible fixed assets after such mentioned period and depreciation will be started.

Oil palm plantations

In accordance with the results of the assessment on the Group's oil palm plantations conducted by the Academy of Forest Sciences (Central South and Tay Nguyen Province) in August 2017, management estimated that the initial development period of the oil palm is 6 years, which conform to the characteristics of the Group's current oil palm plantations in Cambodia and Laos. As a result, the Group will convert the oil palm plantations into fixed assets and start depreciating after the end of the basic development period.

Depreciation rate

Depreciation rate of rubber plantations is based on Official Letter No 1937/BTC-TCDN dated 9 February 2010 of Corporate Finance Department - Ministry of Finance guiding the depreciation of rubber plantations and the Decision No. 221/QĐ-CSVN on 27 April 2010 of Vietnam Rubber Group guiding the depreciation rate of rubber plantations over the 20 years cycle.

Depreciation of pepper is calculated in accordance with Decision No.115/17/QĐ-HAGL Agrico dated 8 August 2017 providing guidance on depreciation of dragon fruit, pepper and mango plantations for exploitation cycle

Depreciation rates of dragon fruit and mango plantations are based on the Decision No. 0511/18/QĐ-HAGL Agrico Dated 5 November 2018 by management providing guidance on the depreciation rates of dragon fruit and mango on a straight-line basis, after 15 years and 20 years of cultivation, respectively..

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.6 Depreciation and amortization** (continued)*Plantation Depreciation (continued)**Details are as follows:*

Year	Depreciation rate (%)	
	Rubber plantations	Pepper plantations
First year	2.50	4.60
Second year	2.80	8.50
Third year	3.50	8.50
Fourth year	4.40	8.50
Fifth year	4.80	8.50
Sixth year	5.40	8.50
Seventh year	5.40	6.20
Eighth year	5.10	6.20
Ninth year	5.10	6.20
Tenth year	5.00	3.80
Eleventh year	7.00	3.80
Twelfth year	6.60	3.80
Thirteenth year	6.20	3.80
Fourteenth year	5.90	3.80
Fifteenth year	5.50	3.80
Sixteenth year	5.40	3.80
Seventeenth year	5.00	3.80
Eighteenth year	5.50	Net carrying amount
Nineteenth year	5.20	
Twentieth year	Net carrying amount	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.7 Investment Properties**

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	25 - 30 years
Commercial centers	50 years
Offices for rent	50 years

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognized in the consolidated income statement as incurred.

Transfers are made from owner-occupied property or inventories to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.8 Construction in progress

Construction in progress represents costs attributable directly to the construction and development of the Group's buildings, offices for lease, plantations and hydropower plants which have not yet been completed as at the balance sheet date.

Plantation costs

Plantation costs include costs directly attributable to the rubber, palm oil, pepper and fruit plantations such as survey, land compensation, land clearance, seeds, fertilizer, transportation costs of seeds and other materials, workers' wages, building roads and fences, fire prevention and security guards, anti-botanic drugs and other related costs.

Hydro power costs

Hydropower costs include costs directly attributable to the hydropower project such as land compensation, land clearance, dam construction, transmission line and other related cost.

3.8 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.9 Leased assets (continued)**

Where the Group is the lessee

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's investment properties in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognized in the consolidated income statement as incurred. Lease income is recognized in the consolidated income statement on a straight-line basis over the lease term.

For long-term leased assets revenue is recognized once for the entire rental amount received in advance when all of the following criteria have been effectively met under Circular 200/2014 / TTBC.

3.10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of a particular asset are capitalized as part of the cost of that asset. Capitalization of borrowing costs is suspended during the period in which active development of the asset is interrupted unless such interruption is considered necessary. Capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.11 Prepaid expenses

Prepaid expenses are reported as short-term and long-term prepaid expenses on the consolidated balance sheet which mainly includes cost of tools and supplies, prepaid office rentals and land rentals, sugarcane plantation, corn plantation, fruit plantation, land reclamation and grass plantation; and costs of training footballers, and other costs. They are amortized over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

- ▶ Prepaid land and office rentals are amortized over the lease year;
- ▶ Tools and consumables issued into production (including training and advertising) and can be used for more than one year, amortized no more than three years and recognized in the consolidated income statement;
- ▶ Fruit trees and other plantations development, land clearance and grass planting expenses include: seedlings, land preparation, planting and care costs. The stem costs are amortized over the lifetime of these trees. Land preparation, planting and care costs are amortized over the year, in which economic benefits are generated in connection to the costs incurred; and
- ▶ Footballer development costs include the costs of training and developing the footballers that belong to Hoang Anh Gia Lai - Arsenal JMG football Academy ("HAGL-JMG"). The footballer development costs are amortized from seven (7) to ten (10) years according to the contract signed between HAGL-JMG and the footballers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.12 Business combinations and goodwill**

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill arising from a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over ten (10) year period on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

Where the Company acquires the non-controlling interests of a subsidiary, the difference between the cost of acquisition and the carrying amount of the non-controlling interest is reflected as undistributed earnings in the consolidated balance sheet.

Where the acquisition of subsidiary which is not a business enterprise, instead of an asset acquisition, the individual identifiable assets acquired and liabilities assumed are identified and recognized. The cost of the acquisition shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transactions or events do not give rise to goodwill.

Where the business combinations involving entities or businesses under common control, the pooling of interest method is applied as follows:

- ▶ The assets and liabilities of the combining entities are reflected at their carrying amounts;
- ▶ No new goodwill is recognized as a result of the combination;
- ▶ The consolidated income statement reflects the results of the combining entities for the full period, irrespective of when the combination took place; and
- ▶ Comparatives are presented as if the entities had always been combined.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.13 Investments***Investments in associates*

The Group's investment in associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiary nor joint venture. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/ (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from associates reduces the carrying amount of the investment.

The interim financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for investments

Provision is made for any diminution in value of the investments in other entities at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expenses in the consolidated income statement.

3.14 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.15 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service more than 12 months up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any increase or and decrease to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the severance allowance to be paid to employee upon severance of their labour contract following Article 48 of the Labour Code.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.16 Lãi trên cổ phiếu**

Basic earnings per share amounts are calculated by dividing net profit/ (loss) after tax for the period attributable to ordinary shareholders of the Group after appropriation to bonus and welfare fund (if any) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings (loss) per share amounts are calculated by dividing the net profit/ (loss) after tax attributable to ordinary equity holders of the Group (after appropriation to bonus and welfare fund (if any) and adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.17 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment; and
- Transactions capital contribution or capital contributed are recorded at the buying exchange rates of the commercial banks where the Group maintains bank accounts to receive capital contributed from investors; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet date which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred during the period are taken to the interim consolidated income statement.

Conversion of the financial statements of a subsidiary of the Group which maintains its accounting records in other currency rather than the Group's accounting currency of VND for the consolidation purpose is as follows:

- Assets and liabilities are converted into VND by using the average buying and selling exchange rate, respectively, as announced by the commercial banks where the Group maintains bank accounts at the balance sheet date;
- Revenues, other income and expenses are converted into VND by using the average exchange rate for the period;
- All foreign exchange differences resulting from conversion of financial statements of the subsidiary for the consolidation purpose are taken to the "foreign exchange differences" within the own equity on the consolidated balance sheet and charged to the interim consolidated income statement upon the disposal of the investment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.18 Treasury shares**

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

3.19 Phân chia lợi nhuận

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders upon proposal by the Board of Management and after approval by the shareholders in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

▶ *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or in-depth investments.

▶ *Welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the interim consolidated balance sheet.

3.20 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Revenue from rendering of services is recognized when the services are rendered

Sale of apartments

For sale of apartments, revenue is recognized when all of the following criteria have been effectively met:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the units;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the units 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 costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.20 Revenue recognition** (continued)*Construction contract*

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the consolidated balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Rental income

Rental income arising from operating lease is accounted for on a straight line basis over the lease term of the leases.

Dividend income

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

Income from disposal of investments

Income from disposal of investments is recognised when the investments transfer procedures are completed and the involving parties have fulfilled their respective contractual obligations.

3.21 Taxation*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.21 Taxation (continued)***Deferred tax (continued)*

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account..

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity; or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered..

3.22 Convertible bonds

Bonds that are convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability (a contractual arrangement to deliver cash or another financial asset) and equity instrument (a call option granting the holder the right, for a specified period of time) based on the terms of the contract.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.22 Convertible bonds** (continued)

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are allocated during the lifetime of the bond following straight-line basis. At initial recognition, issuance costs are deducted from the liability component of the bond.

3.23 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.24 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influences over the Group, key management personnel, including directors and officers of the Group and close members of the families of these individuals and companies associated with these individuals also constitute related parties.

4. CASH

	<i>VND'000</i>	
	<i>31 March 2019</i>	<i>31 December 2018</i>
Cash in banks	245,500,629	322,847,804
Cash on hand	<u>15,926,918</u>	<u>14,888,915</u>
TOTAL	<u>261,427,547</u>	<u>337,736,719</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**5. SHORT-TERM TRADE RECEIVABLES**

	<i>VND'000</i>	
	<i>31 March 2019</i>	<i>31 December 2018</i>
Sales of goods and rendering of services	1,311,729,371	1,640,202,928
Receivables from construction services	787,502,009	784,539,432
Receivables from sale of apartments	6,668,369	9,044,677
Receivables from disposal of assets and investment properties	<u>5,572,499</u>	<u>542,589,899</u>
TOTAL	<u>2,111,472,248</u>	<u>2,976,376,936</u>

Included in trade receivables were amounts due from related parties aggregating to 286,045,099 VND'000 as at 31 March 2019 (*Note 30*).

6. SHORT-TERM ADVANCES TO SUPPLIERS

	<i>VND'000</i>	
	<i>31 March 2019</i>	<i>31 December 2018</i>
Advance for acquisition of projects	248,401,808	248,679,631
Advances to contractors for construction of apartments and purchasing of machineries and equipment	135,224,723	60,177,999
Advances to suppliers for Purchase of goods and services	110,492,846	117,068,745
Other suppliers	<u>5,608,326</u>	<u>1,188,097</u>
TOTAL	<u>499,727,703</u>	<u>427,114,472</u>

Included in advances to suppliers was amount due from related parties aggregating to 13.995.763 VND'000 as at 31 March 2019 (*Note 30*).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**7. LOAN RECEIVABLES**

	<i>VND'000</i>	
	<i>31 March 2019</i>	<i>31 December 2018</i>
Short term		
Loan short term Related party (Note 30) (i)	1,127,462,952	633,710,952
Loan short term các bên khác (ii)	<u>18,177,885</u>	<u>91,177,884</u>
	<u>1,145,640,837</u>	<u>724,888,836</u>
Dài hạn		
Loan dài hạn Related party (Note 30) (i)	6,242,697,595	6,130,524,711
Loan dài hạn Chính phủ Laos - Dự án sân bay quốc tế Attapeu (iii)	15,020,312	15,020,312
Loan dài hạn các bên khác (ii)	<u>42,880,924</u>	<u>42,880,908</u>
	<u>6,300,598,831</u>	<u>6,188,425,931</u>
TOTAL	<u>7,446,239,668</u>	<u>6,913,314,767</u>

- (i) These loans made to related parties are unsecured, having repayment terms ranging from April 2019 to 2022 bearing interest rates from 10,00% to 13,00%/năm.
- (ii) These short-term and long-term loans are unsecured which have repayments terms ranging from April 2019 to 2023 bearing interest rates from 10,00% to 13,00%/ per annum.
- (iii) Loan to Laos Government - Attapeu International Airport project represents the interest-free loan in accordance with the Credit Contract signed with the Laos Government on 23 May 2013 to finance construction of Attapeu International Airport. This loan will be offset with tax payable to the Laos Government in the future. Details are as follows:

	<i>31 March 2019</i>	<i>31 December 2018</i>
Beginning balance (USD)	<u>648,826</u>	<u>7,482,421</u>
Ending balance (USD)	<u>648,826</u>	<u>648,826</u>
Ending balance (VND'000)	<u>15,020,312</u>	<u>15,020,312</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**8. OTHER RECEIVABLES**

	VND'000	
	31 March 2019	31 December 2018
Short-term		
Non-interest bearing loan to companies	285,182,203	226,611,576
Interest from loans to other companies	243,206,584	227,438,092
Receivables from employees	165,573,865	163,893,229
Short-term deposits	6,406,588	3,000,000
Receivables from disposal of investments	1,000,000	-
Others	7,061,690	35,084,377
	708,430,930	656,027,274
Long term		
Interest from loans to companies and individuals	484,746,838	329,230,801
Long-term deposits	10,151,599	9,931,481
Non-interest bearing loan to other companies	1,344,954	1,344,953
Others	1,937,065	2,166,223
	498,180,456	342,673,458
TOTAL	1,206,611,386	998,700,732

Phải thu khác bao gồm các khoản phải thu short term các Related party là 476,760,294 VND'000 and các khoản phải thu dài hạn các Related party là 485,056,341 VND'000 as at 31 March 2019 (Note 30).

9. INVENTORIES

	VND'000	
	31 March 2019	31 December 2018
Work in process	1.429.734.738	1.062.575.678
<i>Of which:</i>		
<i>Manufacturing activities</i>	747,177,660	428,160,396
<i>Construction contracts</i>	667,447,819	629,555,879
<i>Beef cattle breeding</i>	14,127,031	4,859,403
<i>Services rendered</i>	982,228	-
Raw materials	205,016,368	172,407,850
Merchandise goods	60,963,567	35,320,022
Apartments for sale under construction	36,395,298	36,395,297
Tools and supplies	16,437,485	47,088,667
Finished goods	13,094,815	55,406,832
Construction materials	4,526,082	-
Goods in transit for sale	6,520	-
TOTAL	1,766,174,873	1,409,194,346
Provision for inventories	(10,023,629)	(11,970,940)
NET	1,756,151,244	1,397,223,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**10. TANGIBLE FIXED ASSETS**

							VND'000
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transport and transmission</i>	<i>Office equipment</i>	<i>Livestock and perennial trees</i>	<i>Other assets</i>	<i>TOTAL</i>
Cost							
Balance at 31 December 2018	2,097,943,242	580,320,202	2,373,421,739	7,245,456	7,469,732,844	53,633,514	12,582,296,997
New purchases	83,611	14,102,098	13,770,227	82,748	-	1,980,000	30,018,684
Transfer from construction in progress	39,909,291	3,124,674	113,596,356	-	1,654,644,600	-	1,811,274,921
Disposals	(10,951,315)	(128,706)	(1,756,494)	-	(9,189,112)	-	(22,025,627)
Foreign exchange differences	(4,019,133)	(512,111)	(2,009,152)	(3,764)	(16,168,046)	(34,640)	(22,746,846)
Balance at 31 March 2019	<u>2,122,965,696</u>	<u>596,906,157</u>	<u>2,497,022,676</u>	<u>7,324,440</u>	<u>9,099,020,286</u>	<u>55,578,874</u>	<u>14,378,818,129</u>
Accumulated depreciation							
Balance at 31 December 2018	(499,540,164)	(304,967,450)	(606,329,670)	(6,481,628)	(461,400,938)	(31,988,905)	(1,910,708,755)
Depreciation for the period	(33,175,066)	(16,116,031)	(49,327,925)	(173,828)	(77,462,092)	(1,330,849)	(177,585,791)
Disposals	4,212,250	434,965	1,550,867	-	113,420	-	6,311,502
Foreign exchange differences	918,161	321,996	867,631	2,411	1,176,416	22,386	3,309,001
Balance at 31 March 2019	<u>(527,584,819)</u>	<u>(320,326,520)</u>	<u>(653,239,097)</u>	<u>(6,653,045)</u>	<u>(537,573,194)</u>	<u>(33,297,368)</u>	<u>(2,078,674,043)</u>
Net carrying amount							
Balance at 31 December 2018	<u>1,598,403,078</u>	<u>275,352,752</u>	<u>1,767,092,069</u>	<u>763,828</u>	<u>7,008,331,906</u>	<u>21,644,609</u>	<u>10,671,588,242</u>
Balance at 31 March 2019	<u>1,595,380,877</u>	<u>276,579,637</u>	<u>1,843,783,579</u>	<u>671,395</u>	<u>8,561,447,092</u>	<u>22,281,506</u>	<u>12,300,144,086</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**11. INTANGIBLE FIXED ASSETS**

	<i>Land use right</i>	<i>Computer software</i>	<i>VND'000 TOTAL</i>
Cost			
31 December 2018 and 31 March 2019	<u>32,373,674</u>	<u>82,969,798</u>	<u>115,343,472</u>
Accumulated depreciation			
31 December 2018	(1,414,298)	(53,164,804)	(54,579,102)
Depreciation	<u>(83,101)</u>	<u>(2,424,344)</u>	<u>(2,507,445)</u>
31 March 2019	<u>(1,497,399)</u>	<u>(55,589,148)</u>	<u>(57,086,547)</u>
Net carrying amount			
31 December 2018	<u>30,959,376</u>	<u>29,804,994</u>	<u>60,764,370</u>
31 March 2019	<u>30,876,275</u>	<u>27,380,650</u>	<u>58,256,925</u>

12. INVESTMENT PROPERTIES

	<i>Nhà cửa, vật kiến trúc</i>	<i>Quyền sử dụng đất</i>	<i>VND'000 TOTAL</i>
Cost			
at 31 December 2018 and 31 March 2019	<u>15,001,180</u>	<u>27,072,022</u>	<u>42,073,202</u>
Accumulated amortisation			
at 31 December 2018	(2,750,216)	(2,218,183)	(4,968,399)
Amortisation for the period	<u>(125,010)</u>	<u>(184,848)</u>	<u>(309,858)</u>
31 March 2019	<u>(2,875,226)</u>	<u>(2,403,031)</u>	<u>(5,278,257)</u>
Net carrying amount			
at 31 December 2018	<u>12,250,964</u>	<u>24,853,839</u>	<u>37,104,803</u>
31 March 2019	<u>12,125,954</u>	<u>24,668,991</u>	<u>36,794,945</u>

13. CONSTRUCTION IN PROGRESS

	<i>31 March 2019</i>	<i>VND'000 31 December 2018</i>
Rubber plantations	4,539,440,322	5,957,078,605
Oil palm plantations	3,524,662,774	3,523,865,660
Fruit plantations	3,431,757,508	2,929,781,057
Hydro-power plants	3,367,982,997	3,379,400,885
Buildings, plants and factories	657,969,159	917,377,456
Pepper plantations	62,199,188	30,405,295
HAGL - JMG Academy	29,895,271	56,679,237
Other construction works	<u>224,189,389</u>	<u>116,204,705</u>
TOTAL	<u>15,838,096,608</u>	<u>16,910,792,900</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES****14.1. Investments in subsidiaries**

Details of the Company's subsidiaries as at 31 March 2019 are as follows:

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Hydropower				
(1) Hoang Anh Gia Lai Hydropower JSC	Gia Lai, Vietnam	Operating	5/6/2007	99.40
(2) Hoang Anh Attapeu Power Co., Ltd.	Viên chăn, Laos	Pre-operating	18/7/2011	99.40
(3) Nam Kong 3 Electric Co., Ltd.	Attapeu, Laos	Pre-operating	31/5/2013	99.40
(4) Hoang Anh Sai Gon Hydropower JSC	Hồ Chí Minh, Vietnam	Pre-operating	7/2/2018	99.00
Agriculture				
(5) Hoang Anh Gia Lai Agricultural JSC	Gia Lai, Vietnam	Operating	26/5/2010	63.33
(6) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Gia Lai, Vietnam	Operating	5/2/2013	63.33
(7) Hoang Anh - Quang Minh Rubber JSC	Gia Lai, Vietnam	Operating	1/2/2007	61.92
(8) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Attapeu, Laos	Operating	12/1/2007	61.92
(9) Hoang Anh Dak Lak JSC	Đắk Lắk, Vietnam	Operating	12/9/2007	63.03
(10) Hoang Anh Attapeu Agriculture Development Co., Ltd.	Attapeu, Laos	Operating	22/5/2008	63.33
(11) Hoang Anh Andong Meas Co., Ltd.	Ratanakiri, Campuchia	Operating	17/2/2011	61.92
(12) Hoang Anh Oyadav Co., Ltd.	Ratanakiri, Campuchia	Operating	16/7/2010	63.33
(13) Heng Brothers Co., Ltd.	Ratanakiri, Campuchia	Operating	25/1/2010	63.33
(14) CRD Co., Ltd.	Ratanakiri, Campuchia	Pre-operating	15/12/2010	63.33
(15) Hoang Anh Rattanakiri Co., Ltd.	Ratanakiri, Campuchia	Pre-operating	18/11/2009	63.33
(16) Highland Dairy Cattle JSC	Gia Lai, Vietnam	Operating	26/4/2015	62.70
(17) An Dong Mia JSC	Gia Lai, Vietnam	Operating	15/10/2015	63.27
(18) Hoang Anh Lumphat Co., Ltd.	Ratanakiri, Campuchia	Operating	15/10/2015	63.27
(19) Dong Penh JSC	Gia Lai, Vietnam	Operating	14/10/2015	63.27
(20) Daun Penh Agrico One Member Co., Ltd.	Ratanakiri, Campuchia	Operating	14/10/2015	63.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**14.1. Investments in subsidiaries** (continued)

Details of the Company's subsidiaries as at as at 31 March 2019 are as follows (continued):

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Agriculture (continued)				
(1) Indochina Rubber Investment and Development Co., Ltd.	Hồ Chí Minh, Vietnam	Operating	22/2/2016	63.33
(2) Eastern Europe Rubber Investment Co., Ltd.	Hồ Chí Minh, Vietnam	Operating	22/2/2016	63.33
(3) Eastern Rubber (Cambodia) Co., Ltd.	Kratie, Campuchia	Operating	22/2/2016	63.33
(4) Binh Phuoc Kratie Rubber 2 Co., Ltd.	Kratie, Campuchia	Operating	22/2/2016	63.33
(5) Sovann Vuthy Co., Ltd.	Kratie, Campuchia	Operating	22/2/2016	63.33
(6) Trung Nguyen Rubber JSC	Gia Lai, Vietnam	Operating	9/12/2016	63.28
(7) Hung Thang Loi Gia Lai JSC	Gia Lai, Vietnam	Operating	31/1/2018	98.00
(8) Dai Thang Agricultural Development Co., Ltd	Sê Kông, Laos	Operating	31/1/2018	98.00
Mining				
(1) HAGL Mineral One Member Co., Ltd.	Gia Lai, Vietnam	Stop-operating	8/12/2007	99.40
(2) Hoang Anh GL - Kon Tum Mineral One Member Co., Ltd.	Kontum, Vietnam	Stop-operating	9/2/2010	99.40
(3) Hoang Anh Sekong Mineral Co., Ltd.	Attapeu, Laos	Stop-operating	15/10/2009	99.40
Construction, trading and services				
(1) Hoang Anh Gia Lai Sport JSC	Gia Lai, Vietnam	Operating	12/1/2009	69.85
(2) Hoang Anh Gia Lai Hospital JSC	Gia Lai, Vietnam	Operating	7/5/2008	99.00
(3) V&H Corporation Co., Ltd. (Laos)	Vientiane, Laos	Pre-operating	6/1/2009	80.00
(4) V&H Corporation Co., Ltd.	Vientiane, Laos	Pre-operating	27/3/2009	100.00
(5) Hoang Anh Gia Lai Vientiane Co., Ltd.	Vientiane, Laos	Pre-operating	6/5/2010	100.00

Pre-operating status means the subsidiary is still under investment stage and has not yet started its business operations as at 31 March 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**14.2. Investments in associates**

<i>Name of associates</i>	<i>Business activities</i>	<i>31 March 2019</i>		<i>31 December 2018</i>	
		<i>% holding</i>	<i>Carrying value VND'000</i>	<i>% holding</i>	<i>Carrying value VND'000</i>
Hoang Anh Construction and Housing Development JSC	Real estate	47,89	2,526,781,351	47.89	2,500,883,911
Bidiphar Rubber JSC (*)	Rubber plantation	49,14	266,496,509	49.14	263,399,088
East Asia Investment and Construction Consultant JSC	Electric design and consultancy	25,00	7,609,521	25.00	7,609,521
TOTAL			<u>2,800,887,381</u>		<u>2,771,892,520</u>

(*) Based on the direct ownership of the Group's subsidiaries in this company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**15. INVESTMENTS IN OTHER ENTITIES**

	<i>VND'000</i>	
	<i>31 March 2019</i>	<i>31 December 2018</i>
Thanhnie Media Corporation	6,200,000	6,200,000
Other investments	4,924,651	10,113,871
TOTAL	<u>11,124,651</u>	<u>16,313,871</u>

16. LONG-TERM PREPAID EXPENSES

	<i>VND'000</i>	
	<i>31 March 2019</i>	<i>31 December 2018</i>
Fruit plantations	1,224,649,723	868,103,961
Land rental	69,744,434	76,019,489
Training costs of HAGL-JMG	49,642,609	29,512,341
Tools and supplies	22,352,361	23,719,114
Land reclamation	54,787,654	209,442,959
Office rental	5,312,228	5,333,584
Others	23,670,553	12,101,324
TOTAL	<u>1,450,159,562</u>	<u>1,224,232,772</u>

17. SHORT-TERM TRADE PAYABLES

	<i>VND'000</i>	
	<i>31 March 2019</i>	<i>31 December 2018</i>
Payable for Purchase of goods and services	559,053,610	463,476,493
Payable to construction contractors	5,675,130	10,293,479
Payable for purchase of machinery, equipment and for plantation development	2,179,814	-
Others	-	138,626
TOTAL	<u>566,908,554</u>	<u>473,908,598</u>

Included in trade payables were amounts due to related parties aggregating to 52,454,293 VND'000 as at 31 March 2019 (*Note 30*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**18. SHORT-TERM ADVANCES FROM CUSTOMERS**

	VND'000	
	31 March 2019	31 December 2018
Advances from an investor for acquisition of a hydro project	2,254,613,881	2,258,871,961
Advances from trade customers	121,979,504	105,842,347
Advances from customers for purchase of apartments	517,884	46,374,644
TOTAL	<u>2,377,111,269</u>	<u>2,411,088,952</u>

19. STATUTORY OBLIGATIONS

	VND'000	
	31 March 2019	31 December 2018
Corporate income tax (Note 29.1)	32,674,077	30,664,436
Value-added tax payable	14,880,396	7,524,975
Personal income tax	9,667,402	10,310,609
Others	14,250,528	9,216,503
TOTAL	<u>71,472,403</u>	<u>57,716,523</u>

20. SHORT-TERM ACCRUED EXPENSES

	VND'000	
	31 March 2019	31 December 2018
Interest expenses	3,170,241,213	2,941,973,532
<i>Of which:</i>		
<i>Interest expense on bank loans and bonds</i>	3,148,478,487	2,903,582,686
<i>Interest expense on other entities</i>	21,762,726	38,390,846
Operating costs	799,111,683	1,067,053,924
Bond issuance cost	43,414,660	43,414,660
TOTAL	<u>4,012,767,556</u>	<u>4,052,442,116</u>
<i>Of which:</i>		
<i>Short term</i>	1,849,337,592	2,024,962,828
<i>Long term</i>	2,163,429,964	2,027,479,288

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**21. OTHER PAYABLES**

	VND'000	
	31 March 2019	31 December 2018 (restated)
Short term		
Payables to other individuals	1,409,388,120	861,165,726
Payable to other companies	944,986,579	855,139,401
Payable for land lease	79,447,213	78,988,748
Payable for apartments maintenance	5,270,127	9,573,496
Others	64,978,714	32,500,330
	<u>2,504,070,753</u>	<u>1,837,367,701</u>
Long term		
Business Cooperation Contract ("BCC")	835,000,000	835,000,000
Payable for land lease	112,520,219	109,415,187
Payable to other companies and individuals	164,422,183	167,703,737
	<u>1,111,942,402</u>	<u>1,112,118,924</u>
TOTAL	<u>3,616,013,155</u>	<u>2,949,486,625</u>

Included in short-term payables were amounts due to related parties aggregating to 1,878,662,195 VND'000 and long-term payables 976,824,790 VND'000 as at 31 March 2019 (Note 30).

22. LOANS

	VND'000	
	31 March 2019	31 December 2018 (restated)
Short term		
Bonds convertible to HNG shares	2,179,339,814	2,153,212,703
Short-term loans to other companies (Note 22.4)	1,161,696,000	746,132,000
Current portion of long-term bank loans (Note 22.3)	1,460,604,140	1,537,972,526
Current portion of long-term bonds (Note 22.2)	1,254,143,606	913,992,913
Short term bank loans (Note 23.1)	979,101,922	912,868,528
TOTAL	<u>7,034,885,482</u>	<u>6,264,178,670</u>
Long term		
Domestic straight bonds (Note 22.2)	9,716,611,500	10,069,320,859
Long term bank loans (Note 22.3)	4,447,269,454	4,604,709,171
	<u>14,163,880,954</u>	<u>14,674,030,030</u>
TOTAL	<u>21,198,766,436</u>	<u>20,938,208,700</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**22. LOANS** (continued)**22.1 Short term bank loans**

	<i>VND'000</i>	
	<i>31 March 2019</i>	<i>31 December 2018</i>
Tien Phong Commercial Joint Stock Bank	599,978,133	599,911,828
Laos - Viet Bank	276,265,810	207,207,636
Saigon Thuong Tin Commercial Joint Stock Bank	83,401,920	83,346,445
Bank for Investment and Development of Vietnam	19,456,059	22,402,619
TOTAL	<u>979,101,922</u>	<u>912,868,528</u>

22.2 Domestic straight bonds

As at the balance sheet date, outstanding domestic straight bonds comprised as detailed below:

<i>Arrangement organizations</i>	<i>Date of issuance</i>	<i>Amount VND'000</i>	<i>Maturity date</i>
BIDV and BIDV Securities Company	31 March năm 2017	5,876,000,000	30 December 2026
Euro Capital Security	17 November 2015	1,679,000,000	17 December 2017 - 17 December 2021
Vietnam Prosperity Bank Securities Company Limited	28 November 2014	991,000,000	28 Dec. 2021
Phu Gia Securities Joint Stock Company	29 December 2016	930,000,000	31 December 2023
FPT Securities JSC and Vietnam Prosperity Bank JSC	27 August 2015	594,000,000	From 27 December 2021
IB Securities Joint Stock Company and VPB	27 December 2016	489,502,176	27 December 2020
ACB Securities Limited Company	25 April 2012	300,000,000	27 April 2017 - 18 September 2023
Ban Viet Commercial Joint Stock bank	30 December 2016	180,000,000	30 December 2020
Cost of bond issuance		<u>(68,747,070)</u>	
TOTAL		<u>10,970,755,106</u>	
<i>In which :</i>			
<i>Non-current portion</i>		9,716,611,500	
<i>Current portion of long-term bonds within 1 year</i>		1,254,143,606	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**22. LOANS** (continued)**22.3 Long-term bank loans**

	31 March 2019	VND'000 31 December 2018
Bank for Investment and Development of Vietnam Ho Chi Minh City Development Joint Stock Commercial Bank	2,290,977,357	2,522,768,438
Laos - Viet Bank - Attapeu Branch	1,333,235,903	1,334,047,633
Saigon Thuong Tin Commercial Joint Stock Bank	1,031,678,778	1,031,033,107
Tien Phong Commercial Joint Stock Bank	1,001,981,556	1,004,832,519
	<u>250,000,000</u>	<u>250,000,000</u>
TOTAL	<u>5,907,873,594</u>	<u>6,142,681,697</u>
<i>In which :</i>		
<i>Non-current portion</i>	4,447,269,454	4,604,709,171
<i>Current portion of long-term bonds within 1 year</i>	1,460,604,140	1,537,972,526

22.4 Short term loans from other companies

	31 March 2019	VND'000 31 December (restated) 2018
Truong Hai Auto Corporation	<u>1,161,696,000</u>	<u>746,132,000</u>
TOTAL	<u>1,161,696,000</u>	<u>746,132,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**23. OWNER'S EQUITY****23.1 Increase and decrease in owners' equity**

VND'000

	Share capital	Share premium	Treasury shares	Foreign exchange difference	Investment and development fund	Undistributed earnings	TOTAL
Quarter I/2018							
Balance at 31 December 2017	9,274,679,470	3,263,858,784	(686,640)	453,812,960	279,895,303	702,809,115	13,974,368,992
Equity transactions inside Group with non-controlling shareholders	-	-	-	-	-	(344,653,227)	(344,653,227)
Net profit for the year	-	-	-	-	-	2,608,030	2,608,030
Foreign exchange differences	-	-	-	(100,984,277)	-	-	(100,984,277)
Balance at 31 March 2018	9,274,679,470	3,263,858,784	(686,640)	352,828,683	279,895,303	360,763,918	13,531,339,518
Quarter I/2019							
Balance at at 31 December 2018	9,274,679,470	3,263,858,784	(686,640)	485,237,344	280,644,763	(36,434,976)	13,267,298,745
Net profit for the period	-	-	-	-	-	36,169,614	36,169,614
Remuneration for the BOD and the BOM	-	-	-	-	-	(618,000)	(618,000)
Foreign exchange differences	-	-	-	(64,818,164)	-	-	(64,818,164)
Appropriation to development and investment and bonus and welfare fund	-	-	-	-	1,024,011	(1,024,011)	-
Equity transactions inside Group with non-controlling shareholders	-	-	-	-	-	1,127,077	1,127,077
Balance at 31 March 2019	9,274,679,470	3,263,858,784	(686,640)	420,419,180	281,668,774	(780,296)	13,239,159,272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**23. OWNER'S EQUITY** (continued)**23.2 Shares**

	<i>31 March 2019</i>	<i>31 December 2018</i>
	<i>Cổ phiếu</i>	<i>Cổ phiếu</i>
Shares authorised to be issued	927,467,947	927,467,947
Shares issued and fully paid	927,467,947	927,467,947
<i>Ordinary shares</i>	<i>927,467,947</i>	<i>927,467,947</i>
Treasury shares	68,664	68,664
<i>Ordinary shares</i>	<i>68,664</i>	<i>68,664</i>
Outstanding shares	927,399,283	927,399,283
<i>Ordinary shares</i>	<i>927,399,283</i>	<i>927,399,283</i>

The company's shares are issued with par value of VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote without restriction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019

24. REVENUES**24.1 Revenues from sale of goods and rendering of services**

VND'000

	Quarter I		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Net revenues	410,223,705	1,026,781,683	410,223,705	1,026,781,683
Of which:				
Sale of fruits	199,169,419	489,392,081	199,169,419	489,392,081
Sale of latex	101,488,841	38,440,555	101,488,841	38,440,555
Rendering of other services	50,050,341	133,415,906	50,050,341	133,415,906
Sale of chilies	38,961,537	92,675,362	38,961,537	92,675,362
Sale of goods, commodities, by-products	20,553,567	67,064,353	20,553,567	67,064,353
Sale of investment properties	-	8,880,550	-	8,880,550
Rendering of rental services	-	196,912,876	-	196,912,876

24.2 Financial income

VND'000

	Quarter I		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Interest income from loans to other companies	177,054,812	202,631,323	177,054,812	202,631,323
Foreign exchange gains	21,100,939	16,161,626	21,100,939	16,161,626
Interest income from bank deposits	345,733	95,338	345,733	95,338
Dividend	-	46,264,244	-	46,264,244
Gain on disposal of investments	-	2,253	-	2,253
TOTAL	198,501,484	265,154,784	198,501,484	265,154,784

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**25. COST OF GOODS SOLD**

	VND'000			
	<i>Quarter I</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Cost of fruits	139,823,858	244,402,365	139,823,858	244,402,365
Cost of latex	90,364,743	39,636,560	90,364,743	39,636,560
Cost of other services rendered	41,874,249	110,206,167	41,874,249	110,206,167
Cost of chilies	39,341,388	37,538,410	39,341,388	37,538,410
Cost of goods, commodities, and by-products	13,443,118	17,182,642	13,443,118	17,182,642
Cost of inventory property	-	9,958,547	-	9,958,547
Cost of rental services	-	88,783,856	-	88,783,856
TOTAL	324,847,356	547,708,547	324,847,356	547,708,547

26. FINANCIAL EXPENSES

	VND'000			
	<i>Quarter I</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Năm nay</i>	<i>Năm trước</i>	<i>Năm nay</i>	<i>Năm trước</i>
Interest expense on bank loans and bonds	328,353,118	376,643,990	328,353,118	376,643,990
Foreign exchange differences	24,187,090	6,152,646	24,187,090	6,152,646
Others	7,631,599	13,286,078	7,631,599	13,286,078
TOTAL	360,171,807	396,082,714	360,171,807	396,082,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND'000			
	<i>Quarter I</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Selling expenses	38,489,276	39,778,009	38,489,276	39,778,009
Transportation expenses and external services	33,215,178	29,663,272	33,215,178	29,663,272
Labor costs	2,933,508	7,474,607	2,933,508	7,474,607
Depreciation and amortization	474,989	680,224	474,989	680,224
Others	1,865,601	1,959,906	1,865,601	1,959,906
General and administrative expenses	166,214,564	156,771,933	166,214,564	156,771,933
Goodwill allocation	102,049,629	78,518,039	102,049,629	78,518,039
Labor costs	35,025,221	41,603,232	35,025,221	41,603,232
Depreciation and amortization	6,803,342	8,874,274	6,803,342	8,874,274
External services	5,872,859	13,712,327	5,872,859	13,712,327
Others	16,463,513	14,064,061	16,463,513	14,064,061
TOTAL	204,703,840	196,549,942	204,703,840	196,549,942

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter I/2019**28. OTHER INCOME AND EXPENSES**

	VND'000			
	<i>Quarter I</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Other income	341,766,157	2,533,634	341,766,157	2,533,634
Gain from disposal of assets	14,674	-	14,674	-
Others	341,751,483	2,533,634	341,751,483	2,533,634
Other expenses	69,443,726	107,667,740	69,443,726	107,667,740
Depreciation of idle assets	15,752,100	1,321,730	15,752,100	1,321,730
Penalty expenses	11,189,877	1,464,803	11,189,877	1,464,803
Losses from disposal of assets	-	2,127,174	-	2,127,174
Disposal and conversion of plantations and others	42,501,749	102,754,033	42,501,749	102,754,033
Other losses	272,322,431	(105,134,106)	272,322,431	(105,134,106)

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29. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

The Group's subsidiaries located in Laos, Cambodia, Myanmar and Thailand have the obligations to pay CIT at the applicable tax rates of their taxable profits. They are also entitled to CIT exemption and reduction in accordance with their respective business registration certificates, investment licenses and applicable tax regulations.

The Company's subsidiaries' tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

The current tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other period and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using applicable tax rates that have been enacted by the balance sheet date.

The CIT expense for the period comprised of:

	<i>VND'000</i>	
	<i>Quarter I 2019</i>	<i>Quarter I 2018</i>
Current tax expense	529,412	115,437
Deferred income tax benefit	<u>(1,711,070)</u>	<u>(24,354,498)</u>
TOTAL	<u>(1,181,658)</u>	<u>(24,239,061)</u>

29. CORPORATE INCOME TAX (continued)**29.1 Current income tax**

	VND'000	
	Quarter I 2019	Quarter I 2018
Total profit before tax	20,319,478	32,404,234
Adjustments to increase (decrease) in accounting profit		
Loss of subsidiaries	386,072,293	181,014,791
Goodwill allocation expense	102,049,629	78,518,039
Movement of intra-group unrealized taxable profit	2,244,073	2,426,407
Foreign exchange difference	294,183	(2,581,108)
Profit in associates	(28,994,861)	14,056,924
Non-deductible expenses	11,795,482	1,451,067
Taxable interest expenses deducted but capitalized on projects when consolidated	(18,692,707)	6,098,544
Profit from disposal of subsidiaries	-	(46,264,244)
Provisions for investments	(23,752,604)	-
Profit from tax-exempt activities	(54,407,190)	(135,763,583)
Other increases (decreases)	(328,101,071)	43,076,945
Adjusted before tax net profit before loss carried forward	68,826,705	174,438,016
Losses carried forward	(64,715,916)	(124,167,152)
Estimated taxable income	4,110,789	50,270,864
Estimated current CIT	374,574	50,207
Estimated current CIT of Real Estate industry	140,996	65,230
Adjustments under accrual of CIT from previous years	13,842	-
Estimated current CIT expenses in the year	529,412	115,437
CIT from previous period recorded as expenses in current period	1,927,750	-
CIT payable at beginning of the year	30,664,436	84,361,805
Other adjustments	(28,863)	81,433
CIT paid in the year	(418,658)	-
CIT payable at the end of the year	32,674,077	84,558,675

29. CORPORATE INCOME TAX (continued)**29.2 Deferred CIT**

The following comprises the Group's deferred tax assets and liabilities recognized by the Group and the movements thereon during the year:

	<i>Consolidated balance sheet</i>		<i>VND'000</i>
	<i>31 March 2019</i>	<i>31 December 2018</i>	<i>Consolidated income statement</i>
<i>Deferred tax assets</i>			
Unrealized intra-group profit	97,819,674	98,599,120	779,446
	<u>97,819,674</u>	<u>98,599,120</u>	
<i>Deferred tax liabilities</i>			
Interest expenses capitalized on consolidated financial statements	202,699,519	203,715,780	(1,016,261)
Provision for investments in associates, subsidiaries	36,059,649	37,533,904	(1,474,255)
Income from sale type lease	103,208,182	103,208,182	
	<u>341,967,350</u>	<u>344,457,866</u>	
<i>Deferred income tax expenses</i>			<u>(1,711,070)</u>

30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties were as follows:

	<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i>
				<i>Amounts</i>
Gia Lai Livestock JSC		Related company	Interest income	104,548,725
			Sales of goods and rendering of services	5,309,326
			Purchase of goods and services	4,483,695
Le Me JSC		Related company	Interest income	45,205,285
Hoang Anh Gia Lai Wood JSC		Related company	Interest income	5,481,804
			Disposal of assets	356,000
			Sales of goods	176,739
Huynh De Construction JSC		Related company	Interest income	4,918,278
Phu Hoang Anh JSC		Related company	Interest income	3,896,824
Thanh Binh Investment & Construction Consultant Co., Ltd.		Related company	Interest income	3,765,000
An Tien Co., Ltd.		Related company	Interest income	2,325,000
Hoang Anh Construction and Housing Development JSC		Associate	Interest income	2,102,544
Phuc Bao Minh Trading – Construction – Service JSC		Related company	Interest income	1,250,000

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30. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties were as follows: (continued):

			VND'000
	<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>
			<i>Amounts</i>
Dai Loc Hung Thinh One member Co., Ltd.	Related company	Interest income	1,128,229

Amounts due to and due from related parties as at 31 March 2019 as follows:

Short-term trade receivables (Note 5)

			VND'000
	<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>
			<i>Balance</i>
Gia Lai Livestock JSC	Related company	Sales of goods and rendering of services	139,489,250
		Disposals of fixed assets	383,279
Highland Agricultural Service Co., Ltd.	Related company	Sales of goods and rendering of services	100,410,450
		Proceeds from disposals of investments	5,189,220
Thanh Binh Investment & Construction Consultant Co., Ltd	Related company	Construction contract	27,595,944
		Sales of goods and rendering of services	2,180,959
Minh Tuan Trading and Services Co., Ltd.	Related company	Construction contract	5,501,714
IAPACCO JSC	Related company	Construction contract	2,630,603
		Sales of goods and rendering of services	1,010,461
Others	Related company	Sales of goods and rendering of services	1,653,219
TOTAL			<u>286,045,099</u>

Short-term trade payables (Note 6)

			VND'000
	<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>
			<i>Balance</i>
Gia Lai Livestock JSC	Related company	Advance	10,145,763
		Purchase of goods and services	
Highland Agricultural Service Co., Ltd.	Related company	Advance	3,850,000
		Purchase of goods and services	
TOTAL			<u>13,995,763</u>

30. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties 31 March 2019 were as follows (continued):

Short-term loan receivables (Note 7)

Gia Lai Livestock JSC	Related company	Loan	782,282,863
Hoang Anh Construction and Housing Development JSC	Associate	Loan	106,985,000
An Tien Co., Ltd.	Related company	Loan	93,000,000
Hoang Anh Gia Lai Wood JSC	Related company	Loan	82,726,796
Highland Agricultural Service Co., Ltd.	Related company	Loan	56,653,075
Electric Construction One member Co., Ltd.	Related company	Loan	<u>5,815,218</u>
TOTAL			<u>1,127,462,952</u>

Long-term loan receivables (Note 7)

Gia Lai Livestock JSC	Related company	Loan	3,424,467,190
Le Me JSC	Related company	Loan	2,100,392,311
Huynh De Construction JSC	Related company	Loan	196,731,113
Phu Hoang Anh JSC	Related company	Loan	155,872,977
Thanh Binh Investment & Construction Consultant Co., Ltd.	Related company	Loan	147,000,000
Hoang Anh Gia Lai Wood JSC	Related company	Loan	100,000,000
Phuc Bao Minh Trading – Construction – Service JSC	Related company	Loan	50,000,000
Dai Loc Hung Thinh One member Co., Ltd.	Related company	Loan	34,714,752
Highland Agricultural Service Co., Ltd.	Related company	Loan	22,895,432
IAPACCO JSC	Related company	Loan	6,123,820
Viet May Investment JSC	Related company	Loan	<u>4,500,000</u>
TOTAL			<u>6,242,697,595</u>

30. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties 31 March 2019 were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Balance</i>
<i>Other short-term loan receivables (Note 8)</i>			
Thang Long Agricultural Development One Member Co., Ltd.	Related company	Lending	200,092,069
Phu Hoang Anh JSC	Related company	Interest income Payment on behalf	157,007,722 2,619,183
An Tien Co., Ltd.	Related company	Interest income	33,560,470
Gia Lai Livestock JSC	Related company	Interest income Lending others	31,931,953 21,376,470 897,243
Hoang Anh Me Kong JSC	Related company	Lending	12,624,059
Hoang Anh Gia Lai Wood JSC	Related company	Lending Interest income	6,392,000 4,163,915
Hoang Anh Construction and Housing Development JSC	Associate	Interest income	2,994,135
Electric Construction One member Co., Ltd.	Related company	Lending	1,177,001
Các công ty khác	Related party	Others	1,924,074
TOTAL			<u>476,760,294</u>
<i>Other long-term receivables (Note 8)</i>			
Gia Lai Livestock JSC	Related company	Interest income	239,321,991
Le Me JSC	Related company	Interest income	74,304,071
Thanh Binh Investment & Construction Consultant Co., Ltd.	Related company	Interest income	46,805,917
Huynh De Construction JSC	Related company	Interest income	37,386,838
Dai Loc Hung Thinh One member Co., Ltd.	Related company	Interest income	27,989,977
Phu Hoang Anh JSC	Related company	Interest income	30,065,234
Phuc Bao Minh Trading – Construction – Service JSC	Related company	Interest income	19,225,000
Hoang Anh Gia Lai Wood JSC	Related company	Interest income	9,520,743
Others	Related party	Others	436,570
TOTAL			<u>485,056,341</u>

30. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties 31 March 2019 were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Balance</i>
<i>VND'000</i>			
Short-term trade payables (Note 17)			
IAPACCO JSC	Related company	Purchase of goods and services	24,076,351
Gia Lai Livestock JSC	Related company	Mua hàng hóa	12,832,660
East Asia Investment and Construction JSC	Associate	Phí tư vấn	10,352,753
Hoang Anh Gia Lai Wood JSC - Hoang Anh Gia Lai Plastic Factory branch	Related company	Purchase of goods	2,620,574
Hoang Anh Gia Lai Wood JSC	Related company	Purchase of goods	1,853,485
Others	Related party	Others	718,470
TOTAL			52,454,293
Other short term payables (Note 21)			
Mr Doan Nguyen Duc	BOD Chairman	Temporary borrowing	1,339,032,707
Mr Tran Ba Duong	Related party	Temporary borrowing	500,000,000
Ms Doan Thi Nguyen Nguyen	Related party	Temporary borrowing	20,000,000
Le Me JSC	Related party	Temporary borrowing	11,685,000
Saigon Mekong Investment JSC	Related company	Temporary borrowing	6,450,000
Others	Related party	Các khoản khác	1,494,488
TOTAL			1,878,662,195
Other long-term payables (Note 21)			
An Tiến Co., Ltd.	Related company	Business cooperation	550,000,000
		Other	2,034,000
Mr Doan Nguyen Duc	Chủ tịch HĐQT	Business cooperation	180,000,000
		Temporary borrowing	132,099,016
Mrs Ho Thi Kim Chi An Tiến Co., Ltd.	Phó Tổng Giám đốc	Business cooperation	105,000,000
Hoang Anh Gia Lai –Bangkok Co., Ltd	Associate	other	7,666,626

30. GIAO DỊCH VỚI CÁC RELATED PARTY (continued)

Amounts due to and due from related parties 31 March 2019 were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Balance</i>
<i>Phải trả dài hạn khác (Note 21) (continued)</i>			
Công ty Cổ phần Gỗ Hoàng Anh Gia Lai	Related company	other	25,148
TOTAL			<u>976,824,790</u>

31. RECLASSIFICATION OF PRIOR YEAR'S CORRESPONDING FIGURES

In the period, the Group restated some comparatives on the consolidated balance sheet for the balance date as at at 31 December 2018, with details as follows:

	<i>31 December 2018</i> <i>(previously stated)</i>	<i>Restated and</i> <i>reclassified</i>	<i>31 December 2018</i> <i>(restated)</i>
Short-term payable expenses	2,045,910,162	(20,947,334)	2,024,962,828
Other short-term payables	1,130,795,710	706,571,991	1,837,367,701
Short term loans	6,949,803,327	(685,624,657)	6,264,178,670
Long-term payable expenses	2,029,868,704	(2,389,416)	2,027,479,288
Other long-term payables	980,019,908	132,099,016	1,112,118,924
Long-term loans	14,803,739,630	(129,709,600)	14,674,030,030

32. EVENTS AFTER THE BALANCE SHEET DATE

There has been no significant event occurring after the balance sheet date which would require adjustments or disclosure to be made in the consolidated financial statements.

Tran Thi Thanh Hieu
Preparer

29 April 2019

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director