



Hoang Anh Gia Lai Joint Stock Company

Interim Separate Financial Statements
(Financial statements of the parent company)

Quarter II of 2019

Hoang Anh Gia Lai Joint Stock Company

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INTERIM SEPARATE BALANCE SHEET
As of 30 June 2019

VND'000

| Mã số | ASSETS | Notes | 30 June 2019 | 31 December 2019 |
|------------|--|-----------|-----------------------|-----------------------|
| 100 | A. CURRENT ASSETS | | 4,298,670,371 | 3,251,095,303 |
| 110 | I. Cash | 4 | 72,260,839 | 212,718,119 |
| 111 | 1. Cash | | 72,260,839 | 212,718,119 |
| 130 | II. Các khoản phải thu ngắn hạn | | 4,155,892,293 | 2,968,015,884 |
| 131 | 1. Short-term trade receivables | 5 | 127,398,031 | 148,062,928 |
| 132 | 2. Short-term advances to suppliers | 6 | 253,035,091 | 53,223,639 |
| 135 | 3. Short-term loans receivables | 7 | 3,101,164,586 | 1,685,257,537 |
| 136 | 4. Other short-term receivables | 8 | 835,117,226 | 1,092,715,724 |
| 137 | 5. Provision for short-term doubtful receivables | | (160,822,641) | (11,243,944) |
| 140 | III. Inventories | 9 | 62,677,288 | 60,697,932 |
| 141 | 1. Inventories | | 62,951,606 | 60,972,250 |
| 149 | 2. Provision for obsolete inventories | | (274,318) | (274,318) |
| 150 | IV. Other current assets | | 7,839,951 | 9,663,368 |
| 151 | 1. Short-term prepaid expenses | | 729,219 | 301,304 |
| 152 | 2. Value-added tax deductible | | 3,388,400 | 5,295,828 |
| 153 | 3. Tax and other receivables from the State | | 3,722,332 | 4,066,236 |
| 200 | B. NON-CURRENT ASSETS | | 21,519,091,832 | 23,810,496,598 |
| 210 | I. Long-term receivables | | 8,517,461,492 | 10,776,517,466 |
| 215 | 1. Long-term loan receivables | 7 | 7,936,552,743 | 10,180,412,985 |
| 216 | 2. Other long-term receivables | 8 | 843,524,467 | 596,104,481 |
| 219 | 3. Provision for long-term doubtful receivables | | (262,615,718) | - |
| 220 | II. Fixed assets | | 207,205,942 | 212,651,784 |
| 221 | 1. Tangible fixed assets | 10 | 178,722,586 | 183,522,505 |
| 222 | Cost | | 303,032,454 | 301,198,226 |
| 223 | Accumulated depreciation | | (124,309,868) | (117,675,721) |
| 227 | 2. Intangible fixed assets | 11 | 28,483,356 | 29,129,279 |
| 228 | Cost | | 40,450,152 | 40,450,152 |
| 229 | Accumulated amortization | | (11,966,796) | (11,320,873) |
| 230 | III. Investment properties | 12 | 36,485,086 | 37,104,803 |
| 231 | 1. Cost | | 42,073,202 | 42,073,202 |
| 232 | 2. Accumulated depreciation | | (5,588,116) | (4,968,399) |
| 240 | IV. Long-term assets in progress | | 9,752,230 | 9,583,389 |
| 242 | 1. Construction in progress | | 9,752,230 | 9,583,389 |
| 250 | V. Long-term financial investments | | 12,737,282,494 | 12,763,110,626 |
| 251 | 1. Investments in subsidiaries | 13.1 | 10,312,155,846 | 10,312,155,846 |
| 252 | 2. Investments in associates | 13.2 | 3,258,537,647 | 3,258,537,647 |
| 253 | 3. Investments in other entities | 13.3 | 7,360,041 | 7,360,041 |
| 254 | 4. Provision for long-term financial investments | 13.1 | (840,771,040) | (814,942,908) |
| 260 | VI. Other long-term assets | | 10,904,588 | 11,528,530 |
| 261 | 1. Long-term prepaid assets | 14 | 10,570,763 | 11,068,748 |
| 262 | 2. Deferred tax assets | | 333,825 | 459,782 |

INTERIM SEPARATE BALANCE SHEET (continued)

As of 30 June 2019

| | | | |
|------------|---------------------|-----------------------|-----------------------|
| 270 | TOTAL ASSETS | 25,817,762,203 | 27,061,591,901 |
|------------|---------------------|-----------------------|-----------------------|

VND'000

| Code | RESOURCES | Notes | 30 June 2019 | 31 December 2019 |
|------------|--|-------------|-----------------------|-----------------------|
| 300 | C. LIABILITIES | | 13,301,134,148 | 14,266,324,224 |
| 310 | I. Current liabilities | | 3,242,274,926 | 3,424,554,493 |
| 311 | 1. Short-term trade payables | 15 | 46,498,559 | 34,626,192 |
| 312 | 2. Short-term advances from customers | 16 | 4,853,992 | 3,933,938 |
| 313 | 3. Tax and other receivables from the State | 17 | 2,552,712 | 3,659,623 |
| 314 | 4. Payables to employees | | 9,220,864 | 8,312,678 |
| 315 | 5. Short-term accrued expenses | 18 | 503,539,923 | 553,114,180 |
| 318 | 6. Short-term unearned revenues | | 144,667 | 228,667 |
| 319 | 7. Other short-term payables | 19 | 2,022,756,044 | 1,002,721,830 |
| 320 | 8. Short-term loans | 20 | 652,604,655 | 1,817,853,875 |
| 322 | 9. Bonus and welfare fund | | 103,510 | 103,510 |
| 330 | II. Non-current liabilities | | 10,058,859,222 | 10,841,769,731 |
| 333 | 1. Long-term accrued expenses | 18 | 1,261,908,511 | 1,374,149,901 |
| 337 | 2. Other long-term liabilities | 19 | 1,505,370,476 | 570,075,796 |
| 338 | 3. Long-term loans | 20 | 7,285,970,214 | 8,891,914,013 |
| 342 | 4. Long-term provisions | | 5,610,021 | 5,630,021 |
| 400 | D. OWNER'S EQUITY | | 12,516,628,055 | 12,795,267,677 |
| 410 | I. Owner's equity | 21.1 | 12,516,628,055 | 12,795,267,677 |
| 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) |
| 418 | 4. Investment and development fund | | 279,895,303 | 279,895,303 |
| 421 | 5. Undistributed earnings (accumulated losses) | | (301,118,862) | (22,479,240) |
| 421a | - Undistributed earnings (accumulated losses) up to the prior period | | (22,479,240) | 85,590,785 |
| 421b | - Undistributed losses after tax of the current period | | (278,639,622) | (108,070,025) |
| 440 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 25,817,762,203 | 27,061,591,901 |

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief accountant

Vo Truong Son
General Director

30 July 2019

INTERIM SEPARATE INCOME STATEMENT
Quarter II of 2019

VND'000

| Code | ITEM | Notes | Quarter II | | Accumulated from the beginning of the year | |
|----------|--|-------|--------------------------------|--------------------------------|--|--------------------------------|
| | | | Current year | Previous year | Current year | Previous year |
| 10 | 1. Revenues from sale of goods and rendering of services | 22.1 | 24,164,124 | 29,319,581 | 48,408,409 | 63,705,500 |
| 11 | 2. Costs of goods sold | 23 | (20,228,697) | (26,446,990) | (44,429,599) | (59,252,149) |
| 20 | 3. Gross profit from sale of goods and rendering of services | | 3,935,427 | 2,872,591 | 3,978,810 | 4,453,351 |
| 21 | 4. Financial income | 22.2 | 284,507,831 | 471,305,290 | 580,153,235 | 786,240,617 |
| 22 23 | 5. Financial expenses <i>In which: interest expenses</i> | 24 | (253,607,672) (250,961,259) | (355,982,001) (261,419,790) | (538,896,314) (512,457,152) | (634,627,837) (539,516,740) |
| 25 | 6. Selling expenses | 25 | (1,661,688) | (496,175) | (2,571,439) | (1,005,247) |
| 26 | 7. General and administrative expenses | 26 | (9,158,365) | (100,125,640) | (28,645,444) | (118,919,196) |
| 30 | 8. Operating profit | | 24,015,533 | 17,574,065 | 14,018,848 | 36,141,688 |
| 31 | 9. Other income | 27 | 2,329,342 | 104,904 | 145,468,907 | 269,890 |
| 32 | 10. Other expenses | 27 | (62,846,808) | (1,357,102) | (437,383,420) | (2,860,776) |
| 40 | 11. Other losses | 27 | (60,517,466) | (1,252,198) | (291,914,513) | (2,590,886) |

INTERIM SEPARATE INCOME STATEMENT (continued)
Quarter II of 2019

VND'000

| Code | ITEM | Notes | Quarter II | | Accumulated from the beginning of the year | |
|------|--|-------|--------------|---------------|--|---------------|
| | | | Current year | Previous year | Current year | Previous year |
| 50 | 12. Accounting (loss) profit before tax | | (36,501,933) | 16,321,867 | (277,895,665) | 33,550,802 |
| 51 | 13. Current corporate income tax expenses | 28 | - | - | - | (65,230) |
| 52 | 14. Deferred income tax benefits (expenses) | 28 | (121,698) | 6,308,557 | (125,957) | 8,210,547 |
| 60 | 15. (Loss) profit after corporate income tax | | (36,623,631) | 22,630,424 | (278,021,622) | 41,696,119 |

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief accountant

Vo Truong Son
General Director

30 July 2019

INTERIM SEPARATE CASH FLOW STATEMENT
Quarter II of 2019

VND'000

| Code | ITEM | Notes | Accumulated from the beginning of the year | |
|------|--|----------|--|----------------------|
| | | | Current year | Previous year |
| | I. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| 01 | Accounting (loss) profit before tax | | (277,895,665) | 33,550,802 |
| | <i>Adjustments for:</i> | | | |
| 02 | Depreciation of fixed assets and Investment properties | 10,11,12 | 8,738,889 | 9,875,142 |
| 03 | Provisions | | 438,022,547 | 101,541,580 |
| 04 | (Profit) Loss on foreign exchange difference | | (270,399) | 7,943,676 |
| 05 | Profit from investing activities | | (574,084,840) | (776,423,628) |
| 06 | Interest expenses | 24 | 512,457,152 | 539,516,740 |
| 08 | Operating profit (loss) before changes in working capital | | 106,967,684 | (83,995,688) |
| 09 | Decrease in receivables | | 17,526,017 | 350,890,390 |
| 10 | (Increase) decrease in inventories | | (1,979,356) | 16,933,966 |
| 11 | Increase (decrease) in payables | | 1,230,079,386 | (250,553,319) |
| 12 | (Increase) decrease in prepaid expenses | | 70,070 | (211,227) |
| 14 | Interest paid | | (528,072,029) | (136,032,764) |
| 15 | Corporate income tax paid | | (1,927,750) | - |
| 17 | Other cash outflows for operating activities | | (618,000) | (14,000) |
| 20 | Net cash flows used in operating activities | | 822,046,022 | (102,982,642) |
| | II. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| 21 | Purchases and construction of fixed assets | | (168,841) | (5,185,446) |
| 22 | Proceeds from disposals of fixed assets and other long-term assets | | 28,846,886 | 30,074 |
| 23 | Loans to other entities | | (2,273,446,336) | (550,003,837) |
| 24 | Collections from borrowers | | 3,092,899,504 | 516,750,924 |
| 26 | Proceeds from sale of investments in other entities | | - | 2,550,000 |
| 27 | Interest and dividends received | | 223,064,058 | 148,762,519 |
| 30 | Net cash flows from investing activities | | 1,071,195,271 | 112,904,234 |

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
Quarter II of 2019

VND'000

| Code | ITEM | Notes | Accumulated from the beginning of the year | |
|-----------|---|----------|--|-------------------|
| | | | Current year | Previous year |
| | III. CASH FLOW FROM FINANCIAL ACTIVITIES | | | |
| 33 | Borrowings received | | - | 102,100,000 |
| 34 | Borrowings prepaid | | (2,033,698,573) | (83,735,100) |
| 40 | Net cash flow from financial activities | | (2,033,698,573) | 18,364,900 |
| 50 | Net cash flow during the period | | (140,457,280) | 28,286,492 |
| 60 | Cash at the beginning of the period | 4 | 212,718,119 | 13,297,086 |
| 70 | Cash at the ending of the period | 4 | 72,260,839 | 41,583,578 |

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief accountant

Vo Truong Son
General Director

30 July 2019

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
Quarter II of 2019**1. THÔNG TIN DOANH NGHIỆP**

Hoang Anh Gia Lai Joint Stock Company (“the Company”) is a joint stock company 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 June 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 30 June 2019, the Company has eight (8) direct subsidiaries, twenty-seven (27) indirect subsidiaries, two (2) associates and five (5) branches.

The current principal activities of the Company are trading machinery and tools for cultivation and livestock; agricultural services; developing apartments for sale and lease; construction; mechanics; hotel and resort operation; sport and entertainment activities; and manufacturing and trading cattle feed and fertilizer.

The Company’s head office is located at 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 separate financial statements of the Company 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 March 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 March 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 March 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 March 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

Accordingly, the Interim separate financial statements 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 separate financial position and interim separate results of operations and interim separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation

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

2.3 Fiscal year

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

The Interim separate financial statements of Quarter II of 2019 are prepared for the period from 1 April 2019 to 30 June 2019.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**2. BASIS OF PREPARATION** (continued)**2.4 Accounting currency**

The Interim separate financial statements are prepared in VND which is also the Company's accounting currency.

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

Cash comprises cash on hand and cash in banks.

3.2 Receivables

Receivables are presented in the Interim separate 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 which are doubtful of being recovered at the balance sheet date, in accordance with the guidance under Circular No. 228/2009/TT-BTC issued by Department of Finance on 7 March, 2009 ("Circular 228"). Increases or decreases to the provision balance are recorded as general and administrative expenses in the interim separate income statement.

3.3 Inventories

Inventories are stated at the lower of cost incurred to bring 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 | - | Actual cost on a weighted average basis. |
| and supplies and merchandise goods | - | Cost of direct materials and labor plus |
| Finished goods and work-in-process | | 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.

Provision for obsolete inventories

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

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the interim separate income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of tangible fixed assets consist of their purchase prices and any directly attributable costs of bringing the tangible fixed assets to the working condition for their intended use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.4 Tangible fixed assets** (continued)

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)

Quarter II of 2019

Expenditures for additions, improvements and renewals are capitalized; and expenditures for maintenance and repairs are charged to the interim separate income statement when 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) is included in the interim separate 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 separate income statement as incurred.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim separate 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 an 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 ("Circular 45"). 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 an intangible asset and amortized over the term of benefits.

3.6 Depreciation and amortization

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

| | |
|--------------------------|--------------|
| Buildings and structures | 5 - 50 years |
| Machinery and equipment | 5 - 15 years |
| Means of transportation | 6 - 10 years |
| Office equipment | 3 - 10 years |
| Perennial trees | 7 years |
| Computer software | 8 years |
| Other assets | 6 years |

Land use rights with indefinite useful life will not be amortized.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 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 Company.

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

| | |
|--------------------------|----------|
| Buildings and structures | 50 years |
|--------------------------|----------|

Investment properties are derecognized when either they have been disposed of or the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposals.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner occupation, and the commencement of an operating lease to another party or end of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by the 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 of the Company's buildings and offices that have not yet been completed as at the date of the Interim separate financial statements.

3.9 Leased assets

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

Where the Company is the lessee

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

Where the Company is the lessor

Assets subject to operating leases are included as the Company's investment properties in the interim separate balance sheet. Initial direct costs incurred in negotiating an operating lease are recognized in the interim separate income statement as incurred.

Lease income is recognized in the interim separate income statement on a straight-line basis over the lease term.

Where long-term leased assets meet conditions, one-time revenues for all rentals received in advance are recognized in accordance with Circular 200/2014/TT-BTC.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)

Quarter II of 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**3.10 Borrowing costs**

Borrowing costs consist of interests and other costs incurred in direct connection with the borrowing of fund.

Borrowing costs are recorded as operating expenses 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 parts of the cost of the asset. Capitalization of borrowing costs is suspended during periods 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 interim separate balance sheet which mainly include costs of tools and supplies and land rentals. They are amortized over the period for which the amounts are paid and which relates to economic benefits generated from these expenses.

The following expenses are charged in long-term prepaid expenses and to be gradually amortized in the interim separate income statement.

- ▶ Prepaid land rentals are amortized over the years of land lease; and
- ▶ Tools and supplies are amortized to the interim separate income statement in a maximum period of 3 years.

3.12 Investments*Investments in subsidiaries*

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognized in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in associates

Investments in associates over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition of the influence are recognized in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for diminution in value of investments

Provision is made for any diminution in the value of investments at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 March 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as financial expenses in the interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)

Quarter II of 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**3.13 Payables and accruals**

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed by suppliers to the Company.

3.14 Accrual for severance pay

The severance pay to employees is accrued at the end of each reporting period for all employees who have more than 12 months in service 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 Labor Code, the Law on Social Insurance 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 balance sheet date. Any increases and decreases to the accrued amount shall be taken to the interim separate income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employees upon termination of their labor contracts following Article 48 of the Labor Code.

3.15 Foreign currency transactions

Transactions in currencies other than the Company'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 transactions of commercial banks designated for payment; and;
- ▶ Payments for assets or expenses without liabilities initially being recognized are recorded at the buying exchange rates of the commercial banks that process these payments.

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

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

All foreign exchange differences incurred during the period and arising from the revaluation of monetary accounts denominated in foreign currency at period-end are taken to the interim separate income statement.

3.16 Treasury shares

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

3.17 Appropriation of net profit

Net profit after tax is available for appropriation to shareholders upon the proposal by the Board of Directors and after approval by the shareholders at the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(continued)**3.17 Appropriation of net profit** (continued)

The Company maintains the following reserve funds which are appropriated from the Company's net profit 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 Company's expansion of its operations or in-depth investments.

▶ *Welfare fund*

This fund is set aside for the purpose of common benefits, improvement of the employees' benefits, social activities and presented as a liability on the interim separate balance sheet.

3.18 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company 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 recognized:

Sale of goods

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

Sale of apartments

Revenue is recognized when all of the following criteria have been effectively met:

- ▶ The Company has transferred the significant risks and rewards of ownership of the units to the buyer;
- ▶ The Company 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 reliably measured;
- ▶ The economic benefits associated with the transaction will probably flow to the Company; and
- ▶ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

Interest

Revenue is recognized as the interest accrues (taking into account the return on assets) unless collectability is in doubt.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis in the interim separate income statement over the lease terms on ongoing leases.

Dividend income

Income is recognized when the Company's entitlement as an investor to receive the dividend is established.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(continued)**3.18 Revenue recognition** (continued)*Income from disposal of investments*

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

Construction contracts

Where the outcome of a construction contract can be estimated reliably and certified by customers, related revenue and costs are recognized by reference to the amount of work completed at the balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

Where the outcome of a construction contract can not be estimated reliably, contract revenue is recognized to the extent of contract costs incurred which is probably recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

3.19 Taxation*Current income tax*

Current income tax assets and liabilities for the current year and prior years 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 enacted as at the interim separate balance sheet date.

Current income tax is charged or credited to the interim separate income statement, except when it relates to a item recognized 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 Company to off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for the purpose of preparing the Interim separate financial statements .

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

- ▶ Deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ Taxable temporary differences associated with investments in subsidiaries and associates, and joint venture capitals 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 recognized for all deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credit, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credit can be utilized, except:

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)

Quarter II of 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)**3.19 Taxation** (continued)*Deferred tax* (continued)

- ▶ 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 recognized 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 utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Previously unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized 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 realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is credited to the interim separate income statement, except when it relates to items recognized directly to equity, in which 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 Company 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 Company intends either to settle current tax liabilities and assets on a net basis or to realize 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.

3.20 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. For associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that give significant influences over the Company, and have key management personnel, including directors and officers of the Company, close members of the families of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**4. CASH**

| | VND'000 | |
|---------------|--------------------------|---------------------------|
| | 30 June 2019 | 31 December 2019 |
| Cash in banks | 893,789 | 1,214,202 |
| Cash on hand | <u>71,367,050</u> | <u>211,503,917</u> |
| TOTAL | <u>72,260,839</u> | <u>212,718,119</u> |

5. SHORT-TERM TRADE RECEIVABLES

| | VND'000 | |
|---|---------------------------|---------------------------|
| | 30 June 2019 | 31 December 2019 |
| Receivables from trading and services | 60,455,912 | 47,677,813 |
| Receivables from construction services | 36,665,421 | 34,415,390 |
| Receivables from the liquidation of fixed assets and investment properties | 26,379,185 | 60,258,805 |
| Receivables from sale of apartments | <u>3,897,513</u> | <u>5,710,920</u> |
| TOTAL | <u>127,398,031</u> | <u>148,062,928</u> |

Short-term trade receivables were amounts due from related parties aggregating to VND'000 117,638,976 as of 30 June 2019 (*Note 29*).

6. SHORT-TIME ADVANCES TO SUPPLIERS

| | VND'000 | |
|---|--------------------|-------------------|
| | 30 June 2019 | 31 December 2019 |
| Advances to suppliers of goods and services | <u>253,035,091</u> | <u>53,223,639</u> |

Included in short-term advances to suppliers was amount due from related parties aggregating VND'000 248,865,438 as of 30 June 2019 (*Note 29*).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**7. LOAN RECEIVABLES**

| | VND'000 | |
|--|------------------------------|------------------------------|
| | 30 June 2019 | 31 December 2019 |
| Short-term | | |
| Short-term loans to related parties (Note 29) | 3,009,436,080 | 1,667,079,652 |
| <i>In which:</i> | | |
| Subsidiaries (i) | 1,894,814,286 | 1,033,368,701 |
| Other related parties (ii) | 1,114,621,794 | 633,710,951 |
| Short-term loans to other companies (iii) | 91,728,506 | 18,177,885 |
| | <u>3,101,164,586</u> | <u>1,685,257,537</u> |
| Long-term | | |
| Long-term loans to related parties (Note 29) | 7,855,694,450 | 10,122,511,765 |
| <i>In which:</i> | | |
| Subsidiaries (i) | 1,628,911,820 | 3,991,987,054 |
| Other related parties (ii) | 6,226,782,630 | 6,130,524,711 |
| Long-term loans to other companies (iii) | 65,776,342 | 42,880,908 |
| Long-term loans to Laos Government for the Attapeu Airport (v) | 15,081,951 | 15,020,312 |
| | <u>7,936,552,743</u> | <u>10,180,412,985</u> |
| TOTAL | <u>11,037,717,329</u> | <u>11,865,670,522</u> |

- (i) They represent unsecured loans to subsidiaries with maturity dates from July 2019 to December 2023, and interest rates ranging from 6.00% to 12.50% per annum.
- (ii) They represent unsecured loans to other related parties with maturity dates from July 2019 to March 2023, and interest rates ranging from 9.00% to 13.00% per annum.
- (iii) They represent unsecured loans to other companies with maturity dates from July 2019 to May 2020, and interest rate of 13.00% per annum.
- (iv) Loan to Laos Government - Attapeu International Airport project represents the interest-free loan in accordance with the Credit Contract signed with the government of Laos on 23 May 2013 to finance the construction of Attapeu International Airport in Laos. This loan will be off-set with tax payables and other obligations to the government of Laos in the future.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**8. OTHER RECEIVABLES**

| | VND'000 | |
|--|----------------------|----------------------|
| | 30 June 2019 | 31 December 2019 |
| Short-term | | |
| Receivables from related parties (Note 29) | 824,567,592 | 1,082,052,198 |
| Receivables from employees | 6,593,478 | 2,004,657 |
| Interest receivables from companies | 569,678 | 6,800,304 |
| Others | 3,386,478 | 1,858,565 |
| | <u>835,117,226</u> | <u>1,092,715,724</u> |
| Long-term | | |
| Receivables from related parties (Note 29) | 841,974,336 | 594,554,350 |
| Long-term deposit | 514,680 | 514,680 |
| Others | 1,035,451 | 1,035,451 |
| | <u>843,524,467</u> | <u>596,104,481</u> |
| TOTAL | <u>1,678,641,693</u> | <u>1,688,820,205</u> |

9. INVENTORIES

| | VND'000 | |
|------------------------------------|-------------------|-------------------|
| | 30 June 2019 | 31 December 2019 |
| Costs of apartments for sale | 32,002,629 | 32,002,629 |
| Work in process | 21,762,084 | 19,519,569 |
| <i>In which:</i> | | |
| <i>Construction contracts</i> | 20,891,994 | 18,649,479 |
| <i>Manufacturing activities</i> | 870,090 | 870,090 |
| Merchandise goods | 7,602,919 | 7,279,617 |
| Construction materials | 1,374,564 | - |
| Tools and supplies | 75,821 | 95,315 |
| Raw materials | 75,252 | 2,016,559 |
| Finished goods | 58,337 | 58,561 |
| TOTAL | <u>62,951,606</u> | <u>60,972,250</u> |
| Provision for obsolete inventories | (274,318) | (274,318) |
| NET VALUE | <u>62,677,288</u> | <u>60,697,932</u> |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**10. TANGIBLE FIXED ASSETS**

| | <i>VND'000</i> | | | | | | |
|---------------------------------|----------------------------------|------------------------------------|------------------------------------|-----------------------------|----------------------------|---------------------|----------------------|
| | <i>Buildings, structures</i> | <i>Machinery and equipment</i> | <i>Means of transportation</i> | <i>Office equipment</i> | <i>Perennial trees</i> | <i>Other assets</i> | <i>TOTAL</i> |
| Cost | | | | | | | |
| 31 December 2019 | 227,147,150 | 28,703,459 | 35,531,753 | 3,018,364 | 6,689,440 | 108,060 | 301,198,226 |
| Other adjustments | 1,307,692 | 1,379,157 | - | - | - | - | 2,686,849 |
| Liquidation in the period | (36,325) | - | (816,296) | - | - | - | (852,621) |
| 30 June 2019 | <u>228,418,517</u> | <u>30,082,616</u> | <u>34,715,457</u> | <u>3,018,364</u> | <u>6,689,440</u> | <u>108,060</u> | <u>303,032,454</u> |
| Accumulated depreciation | | | | | | | |
| 31 December 2019 | (62,270,199) | (20,394,839) | (25,456,829) | (2,787,871) | (6,689,440) | (76,543) | (117,675,721) |
| Depreciation in the period | (3,478,207) | (2,704,590) | (1,204,858) | (76,589) | - | (9,005) | (7,473,249) |
| Liquidation in the period | 36,325 | - | 802,777 | - | - | - | 839,102 |
| 30 June 2019 | <u>(65,712,081)</u> | <u>(23,099,429)</u> | <u>(25,858,910)</u> | <u>(2,864,460)</u> | <u>(6,689,440)</u> | <u>(85,548)</u> | <u>(124,309,868)</u> |
| Net carrying amount | | | | | | | |
| 31 December 2019 | <u>164,876,951</u> | <u>8,308,620</u> | <u>10,074,924</u> | <u>230,493</u> | <u>-</u> | <u>31,517</u> | <u>183,522,505</u> |
| 30 June 2019 | <u>162,706,436</u> | <u>6,983,187</u> | <u>8,856,547</u> | <u>153,904</u> | <u>-</u> | <u>22,512</u> | <u>178,722,586</u> |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**11. TÀI SẢN CỐ ĐỊNH VÔ HÌNH**

| | <i>VND'000</i> | | |
|--------------------------------------|-----------------------|--------------------------|---------------------|
| | <i>Land use right</i> | <i>Computer software</i> | <i>TOTAL</i> |
| Cost | | | |
| 31 December 2019 and 30 June 2019 | <u>25,278,179</u> | <u>15,171,973</u> | <u>40,450,152</u> |
| Accumulated amortization | | | |
| 31 December 2019 | - | (11,320,873) | (11,320,873) |
| Amortization in the period | <u>-</u> | <u>(645,923)</u> | <u>(645,923)</u> |
| 30 June 2019 | <u>-</u> | <u>(11,966,796)</u> | <u>(11,966,796)</u> |
| Net carrying amount | | | |
| 31 December 2019 | <u>25,278,179</u> | <u>3,851,100</u> | <u>29,129,279</u> |
| 30 June 2019 | <u>25,278,179</u> | <u>3,205,177</u> | <u>28,483,356</u> |

12. INVESTMENT PROPERTIES

| | <i>VND'000</i> | | |
|--------------------------------------|-----------------------|------------------------------|--------------------|
| | <i>Land use right</i> | <i>Buildings, structures</i> | <i>TOTAL</i> |
| Cost | | | |
| 31 December 2019 and 30 June 2019 | <u>27,072,022</u> | <u>15,001,180</u> | <u>42,073,202</u> |
| Accumulated depreciation | | | |
| 31 December 2019 | (2,218,183) | (2,750,216) | (4,968,399) |
| Depreciation in the period | <u>(369,697)</u> | <u>(250,020)</u> | <u>(619,717)</u> |
| 30 June 2019 | <u>(2,587,880)</u> | <u>(3,000,236)</u> | <u>(5,588,116)</u> |
| Net carrying amount | | | |
| 31 December 2019 | <u>24,853,839</u> | <u>12,250,964</u> | <u>37,104,803</u> |
| 30 June 2019 | <u>24,484,142</u> | <u>12,000,944</u> | <u>36,485,086</u> |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**13. LONG-TERM FINANCIAL INVESTMENTS**

| | <i>VND'000</i> | | | |
|---|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | <i>30 June 2019</i> | | <i>31 December 2019</i> | |
| | <i>Cost</i> | <i>Provision</i> | <i>Cost</i> | <i>Provision</i> |
| Investment in subsidiaries (Note 13.1) | 10,312,155,846 | (840,771,040) | 10,312,155,846 | (814,942,908) |
| Investment in associates (Note 13.2) | 3,258,537,647 | - | 3,258,537,647 | - |
| Investment in other entities (Note 13.3) | 7,360,041 | - | 7,360,041 | - |
| TOTAL | <u>13,578,053,534</u> | <u>(840,771,040)</u> | <u>13,578,053,534</u> | <u>(814,942,908)</u> |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**13. LONG-TERM FINANCIAL INVESTMENTS** (continued)**13.1 Investment in subsidiaries**

Details of the Company's direct investments in subsidiaries are presented as follows:

| Names of the subsidiaries | Business activities | Status of operation | % holding | 30 June 2019 | | % holding | 31 December 2019 | |
|---------------------------------------|--|---------------------|-----------|-----------------------|----------------------|-----------|-----------------------|----------------------|
| | | | | Cost VND'000 | Provision VND'000 | | Cost VND'000 | Provision VND'000 |
| <i>Sub-holding subsidiaries</i> | | | | | | | | |
| Hoang Anh Gia Lai Agricultural JSC | Industrial and agricultural farming, and cattle breeding | Operating | 57.81 | 5,100,120,481 | - | 57.81 | 5,100,120,481 | - |
| Hoang Anh Gia Lai Hydro Power JSC | Energy | Operating | 99.40 | 2,532,179,575 | (754,840,240) | 99.40 | 2,532,179,575 | (729,012,108) |
| <i>Direct trading subsidiaries</i> | | | | | | | | |
| Hung Thang Loi Gia Lai JSC | Farming and livestock farming | Operating | 98.00 | 2,477,146,000 | - | 98.00 | 2,477,146,000 | - |
| Hoang Anh Gia Lai Hospital JSC | Hospital | Operating | 99.00 | 99,000,000 | - | 99.00 | 99,000,000 | - |
| Hoang Anh Gia Lai Sports JSC | Football club | Operating | 51.00 | 59,000,000 | (59,000,000) | 51.00 | 59,000,000 | (59,000,000) |
| V&H Corporation Co., Ltd. (Laos) | Rubber-tree farming | Pre-operating | 80.00 | 26,930,800 | (26,930,800) | 80.00 | 26,930,800 | (26,930,800) |
| Hoang Anh Gia Lai Vientiane Co., Ltd. | Real estate and hotel management | Pre-operating | 100.00 | 17,778,990 | - | 100.00 | 17,778,990 | - |
| TOTAL | | | | 10,312,155,846 | (840,771,040) | | 10,312,155,846 | (814,942,908) |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**13. LONG-TERM FINANCIAL INVESTMENTS** (continued)**13.2 Investments in associates**

| <i>Names of the associates</i> | <i>Business activities</i> | <i>30 June 2019</i> | | | <i>31 December 2019</i> | | |
|--|----------------------------|-----------------------------|------------------|----------------------|-----------------------------|------------------|----------------------|
| | | <i>The number of shares</i> | <i>% holding</i> | <i>Cost VND'000</i> | <i>The number of shares</i> | <i>% holding</i> | <i>Cost VND'000</i> |
| Hoang Anh Construction and Housing Development JSC | Real estate | 196,368,900 | 47.89 | 3,253,537,647 | 196,368,900 | 47.89 | 3,253,537,647 |
| East Asia Investment and Construction Consultant JSC | Consultancy | 500,000 | 25.00 | 5,000,000 | 500,000 | 25.00 | 5,000,000 |
| TOTAL | | | | 3,258,537,647 | | | 3,258,537,647 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**13. LONG-TERM FINANCIAL INVESTMENTS** (continued)**13.3 Investments in other entities**

| | VND'000 | |
|------------------------------|-------------------------|-------------------------|
| | 30 June 2019 | 31 December 2019 |
| Thanh Nien Media Corporation | 6,200,000 | 6,200,000 |
| Far East Aviation JSC | 1,160,041 | 1,160,041 |
| TOTAL | <u>7,360,041</u> | <u>7,360,041</u> |

14. LONG-TERM PREPAID ASSETS

| | VND'000 | |
|--------------------------------|--------------------------|--------------------------|
| | 30 June 2019 | 31 December 2019 |
| Pre-paid land rental | 9,016,227 | 9,151,939 |
| Tools and supplies | 529,231 | 909,734 |
| Other long-term prepaid assets | 1,025,305 | 1,007,075 |
| TOTAL | <u>10,570,763</u> | <u>11,068,748</u> |

15. SHORT-TERM TRADE PAYABLES

| | VND'000 | |
|--|--------------------------|--------------------------|
| | 30 June 2019 | 31 December 2019 |
| Payable for purchase of goods and services | 45,741,459 | 34,626,192 |
| Payable to construction contractors | 610,000 | - |
| Others | 147,100 | - |
| TOTAL | <u>46,498,559</u> | <u>34,626,192</u> |

Included in the trade payables were amounts due to related parties aggregating to VND'000 18,051,074 as of 30 June 2019 (Note 29).

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**16. SHORT-TERM ADVANCES FROM CUSTOMERS**

VND'000

| | 30 June 2019 | 31 December 2019 |
|---|-------------------------|-------------------------|
| Advances from customers buying goods and services | 3,090,825 | 695,459 |
| Advances from construction customers | 1,245,283 | 1,483,290 |
| Advances from customers buying apartments | 517,884 | 1,755,189 |
| TOTAL | <u>4,853,992</u> | <u>3,933,938</u> |

Included in the advances from customers were amounts due to related parties aggregating to VND'000 2,852,957 as of 30 June 2019 (Note 29).

17. TAX AND OTHER RECEIVABLES FROM THE STATE

VND'000

| | 30 June 2019 | 31 December 2019 |
|--------------------------------|-------------------------|-------------------------|
| Value-added tax | 407,034 | 249,596 |
| Corporate income tax (Note 28) | 65,230 | 65,230 |
| Personal income tax | 1,850,846 | 3,344,797 |
| Other taxes | 229,602 | - |
| TOTAL | <u>2,552,712</u> | <u>3,659,623</u> |

18. ACCRUED EXPENSES

VND'000

| | 30 June 2019 | 31 December 2019 |
|--|-----------------------------|-----------------------------|
| Short-term | | |
| Interest expenses | 475,507,703 | 383,223,801 |
| <i>In which:</i> | | |
| Interest expenses from banks | 475,507,703 | 379,222,094 |
| Interest expenses from individuals and entities | - | 4,001,707 |
| Operating costs | 25,174,609 | 167,032,769 |
| Others | 2,857,611 | 2,857,610 |
| | <u>503,539,923</u> | <u>553,114,180</u> |
| Long-term | | |
| Interest expenses | 1,261,908,511 | 1,374,149,901 |
| <i>In which:</i> | | |
| Interest expenses from banks | 1,247,622,914 | 1,360,850,638 |
| Interest expenses from related parties (Note 29) | 14,285,597 | 13,299,263 |
| | <u>1,261,908,511</u> | <u>1,374,149,901</u> |
| TOTAL | <u>1,765,448,434</u> | <u>1,927,264,081</u> |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**19. OTHER PAYABLES**

| | VND'000 | |
|---------------------------------------|-----------------------------|-----------------------------|
| | 30 June 2019 | 31 December 2019 |
| Short-term | | |
| Payables to related parties (Note 29) | 1,944,265,559 | 899,390,923 |
| Others | 78,490,485 | 103,330,907 |
| | <u>2,022,756,044</u> | <u>1,002,721,830</u> |
| Long-term | | |
| Payables to related parties (Note 29) | 1,497,703,850 | 570,075,796 |
| Others | 7,666,626 | - |
| | <u>1,505,370,476</u> | <u>570,075,796</u> |
| TOTAL | <u>3,528,126,520</u> | <u>1,572,797,626</u> |

20. LOANS

| | VND'000 | |
|--|-----------------------------|------------------------------|
| | 30 June 2019 | 31 December 2019 |
| Short-term loans | | |
| Current portion of long-term bank loans (Note 20.2) | 472,604,655 | 775,763,117 |
| Current portion of domestic straight bonds (Note 20.1) | 180,000,000 | 429,095,758 |
| Short-term loans from individuals and organizations | - | 612,995,000 |
| | <u>652,604,655</u> | <u>1,817,853,875</u> |
| Long-term loans | | |
| Domestic straight bonds (Note 20.1) | 7,039,859,078 | 8,516,093,277 |
| Long-term loans from individuals and organizations | 169,111,136 | 298,820,736 |
| Long-term bank loans (Note 20.2) | 77,000,000 | 77,000,000 |
| | <u>7,285,970,214</u> | <u>8,891,914,013</u> |
| TOTAL | <u>7,938,574,869</u> | <u>10,709,767,888</u> |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**20. LOANS** (continued)**20.1 Domestic straight bonds**

| | VND'000 | |
|--|-----------------------------|-----------------------------|
| <i>Arrangement organization</i> | <i>30 June 2019</i> | <i>31 December 2019</i> |
| BIDV and BIDV Securities Company ("BSC") | 5,876,000,000 | 5,876,000,000 |
| Phu Gia Securities Joint Stock Company ("PHUGIASC") | 930,000,000 | 930,000,000 |
| ACB Securities Limited Company ("ACBS") | 300,000,000 | 300,000,000 |
| Viet Capital Commercial Joint Stock Bank ("BV") | 180,000,000 | 180,000,000 |
| VPS Securities Joint Stock Company | - | 991,000,000 |
| FPT Securities JSC ("FPTS") and Vietnam and Vietnam Prosperity Joint Stock Commercial Bank ("VPB") | - | 594,000,000 |
| IB Securities Joint Stock Company ("IBSC") | - | 145,268,040 |
| Costs of bond issuance | (66,140,922) | (71,079,005) |
| TOTAL | <u>7,219,859,078</u> | <u>8,945,189,035</u> |
| <i>In which:</i> | | |
| <i>Non-current portion of bonds</i> | <i>7,039,859,078</i> | <i>8,516,093,277</i> |
| <i>1-year current portion of long-term bonds</i> | <i>180,000,000</i> | <i>429,095,758</i> |

As at the balance sheet date of 30 June 2019, domestic straight bonds comprise details as below:

| <i>Arrangement organization</i> | <i>Bond holder</i> | <i>Amount VND'000</i> | <i>Issuance date</i> | <i>Maturity date</i> |
|---------------------------------|---|---------------------------|----------------------|----------------------|
| BSC | Joint Stock Commercial Bank for Investment and Development of Vietnam | 5,876,000,000 | 30 March 2006 | 30 March 2026 |
| PHUGIASC | HD Bank – Branch of Dong Nai Trading Office | 930,000,000 | 29 March 2016 | 31 March 2023 |
| ACBS | Golden Farm JSC | 300,000,000 | 25 April 2012 | 18 June 2023 |
| BV | Viet Capital Joint Stock Commercial Bank | 180,000,000 | 30 March 2016 | 30 December 2020 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**20. LOANS** (continued)**20.2 Long-term loans from banks**

| | 30 June 2019 | 31 December 2019 |
|--|---------------------------|---------------------------|
| | | <i>VND'000</i> |
| Ho Chi Minh City Development Joint Stock Commercial Bank | 299,706,456 | 299,706,457 |
| Joint Stock Commercial Bank for Investment and Development of Vietnam | <u>249,898,199</u> | <u>553,056,660</u> |
| TOTAL | <u>549,604,655</u> | <u>852,763,117</u> |
| <i>In which:</i> | | |
| <i>Long-term bank loans</i> | 77,000,000 | 77,000,000 |
| <i>1-year current portion of long-term bank loans</i> | 472,604,655 | 775,763,117 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019

21. OWNER'S EQUITY**21.1 Increases and decreases in owner's equity**

| | | | | | | VND'000 |
|--------------------------------|----------------------|----------------------|------------------------|--|-----------------------------------|-----------------------|
| | <i>Share capital</i> | <i>Share premium</i> | <i>Treasury shares</i> | <i>Investment and development fund</i> | <i>Undistributed earnings</i> | <i>TOTAL</i> |
| Quarter II of 2018 | | | | | | |
| Balance at 31 December 2017 | 9,274,679,470 | 3,263,858,784 | (686,640) | 279,895,303 | 86,517,785 | 12,904,264,702 |
| Profit after tax in the period | - | - | - | - | 41,696,119 | 41,696,119 |
| Balance at 30 June 2018 | 9,274,679,470 | 3,263,858,784 | (686,640) | 279,895,303 | 128,213,904 | 12,945,960,821 |

| | | | | | | VND'000 |
|--|----------------------|----------------------|------------------------|--|-----------------------------------|-----------------------|
| | <i>Share capital</i> | <i>Share premium</i> | <i>Treasury shares</i> | <i>Investment and development fund</i> | <i>Undistributed earnings</i> | <i>TOTAL</i> |
| Quarter II of 2019 | | | | | | |
| Balance at 31 December 2018 | 9,274,679,470 | 3,263,858,784 | (686,640) | 279,895,303 | (22,479,240) | 12,795,267,677 |
| Loss after tax in the period | - | - | - | - | (278,021,622) | (278,021,622) |
| Remuneration to the BOD, and members of the Board of Supervision | - | - | - | - | (618,000) | (618,000) |
| Balance at 30 June 2019 | 9,274,679,470 | 3,263,858,784 | (686,640) | 279,895,303 | (301,118,862) | 12,516,628,055 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**21. OWNER'S EQUITY** (continued)**21.2 Shares**

| | <i>30 June 2019</i> | <i>31 December 2019</i> |
|--------------------------------|---------------------|-------------------------|
| | <i>Shares</i> | <i>Shares</i> |
| Shares authorized 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 par value of the Company's ordinary shares is 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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019

22. REVENUE**22.1 Revenues from sale of goods and rendering of services**

| | VND'000 | | | |
|--|-------------------|-------------------|--|-------------------|
| | Quarter II | | Accumulated from the beginning of the year | |
| | Current year | Previous year | Current year | Previous year |
| Net revenue | 24,164,124 | 29,319,581 | 48,408,409 | 63,705,500 |
| <i>In which:</i> | | | | |
| <i>Sale from rendering of services</i> | 20,606,107 | 12,183,466 | 27,510,178 | 22,345,662 |
| <i>Sale of goods, commodities</i> | 3,558,017 | 17,136,115 | 20,898,231 | 40,190,088 |
| <i>Sale of real estate</i> | - | - | - | 1,169,750 |

22.2 Doanh thu hoạt động tài chính

| | VND'000 | | | |
|---------------------------------------|--------------------|--------------------|--|--------------------|
| | Quarter II | | Accumulated from the beginning of the year | |
| | Current year | Previous year | Current year | Previous year |
| Interest income | 283,739,839 | 265,113,054 | 567,374,839 | 534,331,646 |
| Profit on foreign exchange difference | 615,984 | 9,461,346 | 637,295 | 9,816,989 |
| Dividend income | - | 196,686,000 | 11,880,000 | 242,001,200 |
| Others | 152,008 | 44,890 | 261,101 | 90,782 |
| TOTAL | 284,507,831 | 471,305,290 | 580,153,235 | 786,240,617 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019

23. COSTS OF GOODS SOLD AND RENDERING OF SERVICES

| | VND'000 | | | |
|---------------------------------|---------------------|----------------------|---|----------------------|
| | <i>Quarter II</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 rendering of services | 16,734,790 | 9,325,439 | 21,776,355 | 18,584,412 |
| Cost of goods, commodities sold | 3,493,907 | 17,121,551 | 22,653,244 | 39,824,137 |
| Cost of real estate | - | - | - | 843,600 |
| TOTAL | 20,228,697 | 26,446,990 | 44,429,599 | 59,252,149 |

24. FINANCIAL EXPENSES

| | VND'000 | | | |
|--|---------------------|----------------------|---|----------------------|
| | <i>Quarter II</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> |
| Interest expenses | 250,961,259 | 261,419,790 | 512,457,152 | 539,516,740 |
| Provision for impairment of investment in subsidiaries | 2,075,528 | 85,659,707 | 25,828,133 | 85,659,707 |
| Loss on foreign exchange difference | 570,885 | 8,902,504 | 611,029 | 9,451,390 |
| TOTAL | 253,607,672 | 355,982,001 | 538,896,314 | 634,627,837 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019

25. SELLING EXPENSES

VND'000

| | <i>Quarter II</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> |
| Transportation and external service expenses | 1,376,795 | 459,555 | 1,785,012 | 890,549 |
| Costs of labor | 204,575 | 32,500 | 407,623 | 102,000 |
| Others | 80,318 | 4,120 | 378,804 | 12,698 |
| TOTAL | 1,661,688 | 496,175 | 2,571,439 | 1,005,247 |

26. GENERAL AND ADMINISTRATIVE EXPENSES

VND'000

| | <i>Quarter II</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> |
| Costs of labor | 8,368,933 | 12,887,604 | 17,095,458 | 23,118,415 |
| Depreciation and amortization | 1,833,125 | 1,991,483 | 3,702,588 | 4,022,608 |
| External services | 1,804,104 | 3,806,103 | 8,216,027 | 7,839,594 |
| (Reversal of) Provision | (3,827,791) | 15,881,873 | (3,827,791) | 15,881,873 |
| Others | 979,994 | 65,558,577 | 3,459,162 | 68,056,706 |
| TOTAL | 9,158,365 | 100,125,640 | 28,645,444 | 118,919,196 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019

27. OTHER INCOMES AND EXPENSES

| | <i>VND'000</i> | | | |
|---------------------------------------|---------------------|----------------------|---|----------------------|
| | <i>Quarter II</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 incomes | 2,329,342 | 104,904 | 145,468,907 | 269,890 |
| Gain from disposal of fixed assets | - | - | - | 27,340 |
| Others | 2,329,342 | 104,904 | 145,468,907 | 242,550 |
| Other expenses | 62,846,808 | 1,357,102 | 437,383,420 | 2,860,776 |
| Loss from liquidation of fixed assets | 5,431,101 | - | 5,431,101 | - |
| Penalty expenses | 3,602,913 | 1,255,334 | 14,647,389 | 2,626,059 |
| Others | 53,812,794 | 101,768 | 417,304,930 | 234,717 |
| LỖ KHÁC | (60,517,466) | (1,252,198) | (291,914,513) | (2,590,886) |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**28. CORPORATE INCOME TAX**

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

The Company's tax returns are subject to examination of 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 Interim separate financial statements could be changed at a later date upon final determination by the tax authorities.

The CIT for the period is comprised of:

| | VND'000 | |
|---|--------------------|--------------------|
| | Quarter II of 2019 | Quarter II of 2018 |
| Current corporate income tax expenses | - | 65,230 |
| Deferred income tax expenses (benefits) | 125,957 | (8,210,547) |
| TOTAL | 125,957 | (8,145,317) |

Current CIT

The current income tax payable is based on the taxable profit for the current period. The taxable profit of the Company for the period differs from the profit as reported in the interim separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

The current CIT expense for the period is computed as follows:

| | VND'000 | |
|--|----------------------|---------------------|
| | Quarter II of 2019 | Quarter II of 2018 |
| Accounting profit (loss) before tax | (277,895,665) | 33,550,802 |
| Non-deductible expenses | 3,431,425 | 86,336,719 |
| Foreign exchange differences from the revaluation of monetary accounts denominated in foreign currency | (629,784) | 25,170,862 |
| Penalty expenses | 12,533,500 | - |
| Dividend income | (11,880,000) | (242,001,200) |
| Provision for doubtful receivables | 412,194,415 | - |
| Others | (142,895,860) | - |
| Estimated current taxable loss | (5,141,969) | (96,942,817) |
| Current CIT of real estate industry | - | 65,230 |
| Estimated current CIT expense for the period | - | 65,230 |
| CIT payable at the beginning of the period | 65,230 | 45,838,212 |
| Thuế TNDN truy thu của kỳ trước vào chi phí kỳ này | 1,927,750 | - |
| CIT paid in the period | (1,927,750) | - |
| CIT payable at the end of the period (Note 17) | 65,230 | 45,903,442 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**29. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties during the period are presented as follows:

| <i>Related parties</i> | <i>Relationship</i> | <i>Transaction</i> | <i>VND'000</i> <i>Amount</i> |
|---|---------------------|---|---------------------------------|
| Gia Lai Livestock JSC | Related party | Interest income | 211,174,037 |
| | | Sale of goods and rendering of services | 10,758,190 |
| Hoang Anh Gia Lai Agricultural JSC | Subsidiary | Interest income | 124,783,087 |
| | | Purchase of goods | 17,675,989 |
| | | Sale of goods and rendering of services | 15,131,968 |
| Le Me JSC | Related party | Interest income | 106,000,840 |
| Hoang Anh - Quang Minh Rubber JSC | Subsidiary | Interest income | 45,648,129 |
| An Dong Mia JSC | Subsidiary | Interest income | 25,457,798 |
| Hoang Anh Gia Lai Wooden Furniture JSC | Related party | Interest income | 11,024,517 |
| | | Sale of goods and rendering of services | 198,637 |
| Huynh De Construction JSC | Related party | Interest income | 9,891,203 |
| Phu Hoang Anh JSC | Related party | Interest income | 7,836,947 |
| Thanh Binh Construction Investment and Consultant Co., Ltd. | Related party | Interest income | 7,571,833 |
| Hoang Anh Gia Lai Import - Export Trading Co., Ltd | Subsidiary | Purchase of goods | 6,074,092 |
| | | Sale of goods and rendering of services | 110,145 |
| An Tien Co., Ltd. | Related party | Interest income | 4,675,833 |
| Hoang Anh Construction and Housing Development JSC | Associate | Interest income | 4,650,914 |
| Hoang Anh Gia Lai Hydro Power JSC | Subsidiary | Interest | 4,542,877 |
| Dai Thang Agriculture Development Co., Ltd. | Subsidiary | Interest income | 3,136,120 |
| | | Sale of goods | 2,051,043 |
| | | Purchase of goods | 1,041,855 |
| Phuc Bao Minh Construction and Services Trading JSC | Related party | Interest income | 2,513,889 |
| Dai Loc Hung Think One Member Co., Ltd. | Related party | Interest income | 2,268,995 |
| Other related parties | Related party | Sale of goods and rendering of services | 1,488,319 |
| | | Purchase of goods | 33,676 |
| | | Interest income | 30,167 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**29. TRANSACTIONS WITH RELATED PARTIES** (continued)

As at the balance sheet date of 30 June 2019, amounts due to and due from related parties are presented as follows:

| <i>Related parties</i> | <i>Relationship</i> | <i>Transaction</i> | <i>VND'000</i> <i>Amount</i> |
|--|---------------------|---|---------------------------------|
| Short-term trade receivables (Note 5) | | | |
| Thanh Binh Construction Investment and Consultant Co., Ltd. | Related party | Construction contracts | 27,595,944 |
| | | Sale of goods and rendering of services | 2,180,959 |
| Hoang Anh Gia Lai Agricultural JSC - Fruit Processing Branch | Subsidiary | Sale of fixed assets | 26,379,185 |
| | | Sale of goods and rendering of services | 6,897,384 |
| Hoang Anh Attapeu Agriculture Development Co., Ltd. | Subsidiary | Sale of goods and rendering of services | 12,988,014 |
| Gia Lai Livestock JSC | Related party | Sale of goods and rendering of services | 11,812,600 |
| Hoang Anh An Dong Meas Co., Ltd | Subsidiary | Sale of goods and rendering of services | 7,105,240 |
| Minh Tuan Trading and Services Co, Ltd. | Related party | Construction contracts | 5,501,714 |
| Dai Thang Agriculture Development Co., Ltd. | Subsidiary | Sale of goods and rendering of services | 4,371,546 |
| Hoang Anh Gia Lai Sports JSC | Subsidiary | Sale of goods and rendering of services | 4,147,978 |
| IAPACCO JSC | Related party | Construction contracts | 2,630,603 |
| | | Sale of goods and rendering of services | 1,010,461 |
| Trung Nguyen Rubber JSC | Subsidiary | Sale of goods and rendering of services | 1,389,307 |
| Other related parties | Related party | Sale of goods and rendering of services | 3,628,041 |
| TOTAL | | | <u>117,638,976</u> |
| Short-time advances to suppliers (Note 6) | | | |
| Dai Thang Agriculture Development Co., Ltd. | Subsidiary | Advances for purchase of goods | <u>248,865,438</u> |
| Short-term loan receivables (Note 7) | | | |
| Hoang Anh Gia Lai Agricultural JSC | Subsidiary | Short-term loan | 1,841,722,000 |
| Gia Lai Livestock JSC | Related party | Short-term loan | 762,702,033 |
| Hoang Anh Construction and Housing Development JSC | Associate | Short-term loan | 108,635,000 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019

| | | | |
|--|---------------|-----------------|------------|
| An Tien Co., Ltd. | Related party | Short-term loan | 93,000,000 |
| Hoang Anh Gia Lai Wooden Furniture JSC | Related party | Short-term loan | 86,936,725 |

29. TRANSACTIONS WITH RELATED PARTIES (continued)

As at the balance sheet date of 30 June 2019, amounts due to and due from related parties are presented as follows (continued):

| <i>Related parties</i> | <i>Relationship</i> | <i>Transaction</i> | <i>VND'000</i> <i>Amount</i> |
|---|-------------------------|--------------------|---------------------------------|
| Short-term loan receivables (Note 7) (continued) | | | |
| Hoang Anh GL - Kon Tum Mineral Co., Ltd | Subsidiary | Short-term loan | 53,092,286 |
| Phu Hoang Anh JSC | Related party | Short-term loan | 32,000,000 |
| Mr. Doan Nguyen Duc | Chairman of the BOD | Short-term loan | 11,090,000 |
| Ms. Ho Thi Kim Chi | Deputy General Director | Short-term loan | 8,259,000 |
| IAPACCO JSC | Related party | Short-term loan | 6,123,820 |
| Power Construction One member Co., Ltd | Related party | Short-term loan | 5,815,216 |
| Le Me JSC | Related party | Short-term loan | 60,000 |
| TOTAL | | | <u>3,009,436,080</u> |
| Long-term loan receivables (Note 7) | | | |
| Gia Lai Livestock JSC | Related party | Long-term loan | 3,481,905,190 |
| Le Me JSC | Related party | Long-term loan | 2,091,390,311 |
| Hoang Anh - Quang Minh Rubber JSC | Subsidiary | Long-term loan | 849,513,068 |
| Hoang Anh Gia Lai Sports JSC | Subsidiary | Long-term loan | 265,363,936 |
| Hung Thang Loi Gia Lai JSC | Subsidiary | Long-term loan | 254,588,725 |
| An Dong Mia JSC | Subsidiary | Long-term loan | 209,045,390 |
| Huynh De Construction JSC | Related party | Long-term loan | 196,731,113 |
| Thanh Binh Construction Investment and Consultant Co., Ltd. | Related party | Long-term loan | 145,168,287 |
| Phu Hoang Anh JSC | Related party | Long-term loan | 123,872,977 |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019

| | | | |
|---|---------------|----------------|-------------|
| Hoang Anh Gia Lai Wooden Furniture JSC | Related party | Long-term loan | 100,000,000 |
| Phuc Bao Minh Construction and Services Trading JSC | Related party | Long-term loan | 50,000,000 |

29. TRANSACTIONS WITH RELATED PARTIES (continued)

As at the balance sheet date of 30 June 2019, amounts due to and due from related parties are presented as follows (continued):

| <i>Related parties</i> | <i>Relationship</i> | <i>Transaction</i> | <i>VND'000</i> <i>Amount</i> |
|--|---------------------|--------------------|---------------------------------|
| Long-term loan receivables (Note 7) (continued) | | | |
| Dai Thang Agriculture Development Co., Ltd. | Subsidiary | Long-term loan | 49,900,701 |
| Dai Loc Hung Thinh One Member Co., Ltd. | Related party | Long-term loan | 34,714,752 |
| Viet May Investment JSC | Related party | Long-term loan | 3,000,000 |
| Hoang Anh Attapeu Power Co., Ltd | Subsidiary | Long-term loan | 500,000 |
| TOTAL | | | <u>7,855,694,450</u> |
| Other short-term receivables (Note 8) | | | |
| Dai Thang Agriculture Development Co., Ltd. | Subsidiary | Payment on behalf | 390,945,898 |
| Phu Hoang Anh JSC | Related party | Interest income | 169,268,166 |
| | | Payment on behalf | 2,619,183 |
| Hoang Anh Gia Lai Sports JSC | Subsidiary | Interest income | 99,469,183 |
| | | Payment on behalf | 2,349,938 |
| Gia Lai Livestock JSC | Related party | Interest income | 44,020,968 |
| Hoang Anh Attapeu Power Co., Ltd | Subsidiary | Payment on behalf | 40,298,369 |
| An Tien Co., Ltd. | Related party | Interest income | 35,911,304 |
| Hoang Anh Mekong JSC | Related party | Payment on behalf | 12,624,059 |
| Hoang Anh Gia Lai Wooden Furniture JSC | Related party | Interest income | 6,673,295 |
| | | Payment on behalf | 2,192,000 |
| Hoang Anh Gia Lai Agricultural JSC | Subsidiary | Interest income | 5,841,439 |
| Hoang Anh Construction and Housing Development JSC | Associate | Interest income | 5,542,505 |
| Hoang Anh Xekong Mining Co., Ltd | Subsidiary | Payment on behalf | 3,737,881 |
| Power Construction One member Co., Ltd | Related party | Payment on behalf | 1,177,000 |
| Other related parties | Related party | Others | 1,896,404 |
| TOTAL | | | <u>824,567,592</u> |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

As at the balance sheet date of 30 June 2019, amounts due to and due from related parties are presented as follows (continued)

| <i>Related parties</i> | <i>Relationship</i> | <i>Transaction</i> | <i>VND'000</i> <i>Amount</i> |
|---|---------------------|--------------------------------|---------------------------------|
| <i>Other long-term receivables (Note 8)</i> | | | |
| Gia Lai Livestock JSC | Related party | Interest income | 333,858,289 |
| Le Me JSC | Related party | Interest income | 135,099,625 |
| Hoang Anh - Quang Minh Rubber JSC | Subsidiary | Interest income | 115,003,022 |
| An Dong Mia JSC | Subsidiary | Interest income | 65,067,943 |
| Thanh Binh Construction Investment and Consultant Co., Ltd. | Related party | Interest income | 50,601,531 |
| Huynh De Construction JSC | Related party | Interest income | 42,359,763 |
| Dai Loc Hung Thinh One Member Co., Ltd. | Related party | Interest income | 29,130,743 |
| Phu Hoang Anh JSC | Related party | Interest income | 21,744,912 |
| Phuc Bao Minh Construction and Services Trading JSC | Related party | Interest income | 20,488,889 |
| Hoang Anh Gia Lai Wooden Furniture JSC | Related party | Interest income | 12,554,077 |
| Dai Thang Agriculture Development Co., Ltd. | Subsidiary | Interest income | 7,900,944 |
| V&H Corporation Co., Ltd. (Laos) | Subsidiary | Payment on behalf | 5,807,788 |
| Other related parties | Related party | Interest income | <u>2,356,810</u> |
| TOTAL | | | <u>841,974,336</u> |
| <i>Short-term trade payables (Note 15)</i> | | | |
| Hoang Anh Gia Lai Agricultural JSC | Subsidiary | Purchase of goods | 9,586,118 |
| Gia Lai Livestock JSC | Related party | Purchase of goods | 7,926,384 |
| Other related parties | Related party | Purchase of goods and services | 538,572 |
| TOTAL | | | <u>18,051,074</u> |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**29. TRANSACTIONS WITH RELATED PARTIES** (continued)

As at the balance sheet date of 30 June 2019, amounts due to and due from related parties are presented as follows (continued):

| <i>Related parties</i> | <i>Relationship</i> | <i>Transaction</i> | <i>VND'000</i> <i>Amount</i> |
|--|---------------------|--------------------------------|---------------------------------|
| Short-term advances from customers (Note 16) | | | |
| Hoang Anh Gia Lai Agricultural JSC - Fruit Processing Branch | Subsidiary | Advances for purchase of goods | 1,161,671 |
| Highland Dairy Cattle JSC | Subsidiary | Advances for purchase of goods | 1,018,202 |
| Hoang Anh Daklak JSC | Subsidiary | Advances for purchase of goods | 673,084 |
| TOTAL | | | <u>2,852,957</u> |
| Long-term accrued expenses (Note 18) | | | |
| Hoang Anh Gia Lai Hydro Power JSC | Subsidiary | Interest | <u>14,285,597</u> |
| Other short-term payables (Note 19) | | | |
| Mr. Doan Nguyen Duc | Chairman of the BOD | Temporary borrowing | 1,500,032,706 |
| Hoang Anh Gia Lai Mineral One member Co., Ltd | Subsidiary | Temporary borrowing | 369,178,461 |
| Hoang Anh Gia Lai Vientiane Co., Ltd. | Subsidiary | Collection on behalf | 22,769,750 |
| Ms. Doan Thi Nguyen Nguyen | Related party | Temporary borrowing | 20,000,000 |
| Nam Kong 3 Power Co., Ltd | Subsidiary | Collection on behalf | 7,749,113 |
| Hoang Anh Gia Lai Wooden Furniture JSC | Related party | Temporary borrowing | 7,397,802 |
| Hoang Anh Mekong JSC | Related party | Temporary borrowing | 6,450,000 |
| Trung Nguyen Rubber JSC | Subsidiary | Temporary borrowing | 3,814,000 |
| V&H Corporation Co., Ltd. (Laos) | Subsidiary | Collection on behalf | 3,323,700 |
| Other related parties | Related party | Collection on behalf | 3,550,027 |
| TOTAL | | | <u>1,944,265,559</u> |

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
Quarter II of 2019**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

As at the balance sheet date of 30 June 2019, amounts due to and due from related parties are presented as follows (continued):

| <i>Related parties</i> | <i>Relationship</i> | <i>Transaction</i> | <i>VND'000</i> <i>Amount</i> |
|--|-------------------------|----------------------|---------------------------------|
| <i>Other long-term payables (Note 19)</i> | | | |
| Mr. Doan Nguyen Duc | Chairman of the BOD | Temporary borrowing | 992,255,980 |
| | | Business cooperation | 180,000,000 |
| Hoang Anh Gia Lai Hydro Power JSC | Subsidiary | Collection on behalf | 198,388,722 |
| Ms. Ho Thi Kim Chi | Deputy General Director | Business cooperation | 105,000,000 |
| Ms. Vo Thi My Hanh | Member of the BOD | Business cooperation | 20,000,000 |
| Other related parties | Related party | Collection on behalf | 2,059,148 |
| TOTAL | | | <u>1,497,703,850</u> |

30. EVENTS OCCURRING AFTER THE INTERIM SEPARATE BALANCE SHEET DATE

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

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief accountant

Vo Truong Son
General Director

30 July 2019