



## **Hoang Anh Gia Lai Joint Stock Company**

Consolidated Financial Statements

Quarter II/2020

# Hoang Anh Gia Lai Joint Stock Company

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CONSOLIDATED BALANCE SHEET  
As at 30 June 2020

VND'000

Code	ASSETS	Notes	30/6/2020	31/12/2019
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>7,815,057,010</b>	<b>7,073,675,026</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>82,102,333</b>	<b>254,431,616</b>
111	1. Cash		82,102,333	254,431,616
<b>130</b>	<b>II. Current accounts receivable</b>		<b>5,312,748,727</b>	<b>4,569,330,218</b>
131	1. Short-term trade receivables	5	1,385,180,698	1,551,364,334
132	2. Short-term advances to suppliers	6	1,386,043,385	374,650,728
135	3. Short-term loan receivables	7	2,319,440,746	2,267,368,418
136	4. Other short-term receivables	8	291,775,230	467,023,910
137	5. Provision for doubtful debts		(69,691,332)	(91,077,172)
<b>140</b>	<b>III. Inventories</b>	<b>9</b>	<b>2,335,517,616</b>	<b>2,201,556,690</b>
141	1. Inventories		2,348,820,856	2,223,128,790
149	2. Provision for obsolete inventories		(13,303,240)	(21,572,100)
<b>150</b>	<b>IV. Other current assets</b>		<b>84,688,334</b>	<b>48,356,502</b>
151	1. Short-term prepaid expenses		29,915,288	5,242,656
152	2. Value-added tax deductible		49,904,845	38,898,934
153	3. Tax and other receivables from the State		4,868,201	4,214,912
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>32,502,582,588</b>	<b>31,558,812,063</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>8,333,918,294</b>	<b>8,261,530,824</b>
215	1. Long-term loan receivables	7	7,611,729,473	7,513,945,466
216	2. Other long-term receivables	8	722,188,821	747,838,961
219	3. Provision for doubtful debts		-	(253,603)
<b>220</b>	<b>II. Fixed assets</b>		<b>11,040,257,122</b>	<b>10,280,435,755</b>
221	1. Tangible fixed assets	10	10,614,116,574	10,247,239,903
222	Cost		13,279,483,755	12,614,467,250
223	Accumulated depreciation		(2,665,367,181)	(2,367,227,347)
227	2. Intangible fixed assets	11	426,140,548	33,195,852
228	Cost		447,033,399	48,444,043
229	Accumulated amortization		(20,892,851)	(15,248,191)
<b>230</b>	<b>III. Investment properties</b>	<b>12</b>	<b>66,552,573</b>	<b>67,867,999</b>
231	1. Cost		74,075,831	74,075,831
232	2. Accumulated amortization		(7,523,258)	(6,207,832)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>11,362,140,720</b>	<b>11,229,762,864</b>
242	1. Construction in progress	13	11,362,140,720	11,229,762,864
<b>250</b>	<b>V. Long-term investments</b>		<b>285,831,924</b>	<b>284,237,784</b>
252	1. Investments in associates	14.2	274,707,273	273,113,133
253	2. Investment in other entities	15	11,124,651	11,124,651
<b>260</b>	<b>VI. Other long-term assets</b>		<b>1,413,881,955</b>	<b>1,434,976,837</b>
261	1. Long-term prepaid expenses	16	355,504,198	381,576,859
262	2. Deferred tax assets	29.2	77,779,152	74,528,409
269	3. Goodwill		980,598,605	978,871,569
<b>270</b>	<b>TOTAL ASSETS</b>		<b>40,317,639,598</b>	<b>38,632,487,089</b>

CONSOLIDATED BALANCE SHEET (continued)  
As at 30 June 2020

VND'000

Code	RESOURCES	Notes	30/6/2020	31/12/2019
<b>300</b>	<b>C. LIABILITIES</b>		<b>24,339,734,422</b>	<b>21,823,683,301</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>9,227,114,132</b>	<b>8,089,793,475</b>
311	1. Short-term trade payables	17	1,169,545,991	1,014,993,762
312	2. Short-term advances from customers	18	487,561,010	239,268,824
313	3. Statutory obligations	19	33,735,453	32,597,878
314	4. Payables to employees		169,581,197	109,501,022
315	5. Short-term accrued expenses	20	2,029,859,678	2,020,469,752
318	6. Short-term unearned revenues		163,636	60,667
319	7. Other short-term payables	21	365,068,526	920,339,356
320	8. Short-term loans	22	4,959,836,950	3,752,458,704
322	9. Bonus and welfare funds		11,761,691	103,510
<b>330</b>	<b>II. Non-current liabilities</b>		<b>15,112,620,290</b>	<b>13,733,889,826</b>
333	1. Long-term accrued expenses	20	1,461,270,519	1,990,123,829
337	2. Other long-term liabilities	21	504,917,854	570,972,657
338	3. Long-term loans	22	12,914,613,812	10,945,607,569
341	4. Deferred tax liabilities	29.2	226,104,739	221,472,405
342	5. Other long-term provisions		5,713,366	5,713,366
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>15,977,905,176</b>	<b>16,808,803,788</b>
<b>410</b>	<b>I. Equity</b>		<b>15,977,905,176</b>	<b>16,808,803,788</b>
411	1. Share capital	23.1	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	23.1	3,263,858,784	3,263,858,784
415	3. Treasury shares	23.1	(686,640)	(686,640)
417	4. Foreign exchange differences	23.1	(1,123,463,674)	(424,458,674)
418	5. Investment and development fund	23.1	282,410,699	281,668,774
421	6. Undistributed earnings	23.1	242,303,255	290,839,236
421a	- Undistributed earnings up to prior year-end		290,097,311	74,321,521
421b	- Undistributed earnings this period		(47,794,056)	216,517,715
429	7. Non-controlling interests		4,038,803,282	4,122,902,838
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>40,317,639,598</b>	<b>38,632,487,089</b>

Tran Thi Thanh Hieu  
Preparer

Le Truong Y Tram  
Chief Accountant

Vo Truong Son  
General Director

30 July 2020

# Hoang Anh Gia Lai Joint Stock Company

CONSOLIDATED FINANCIAL STATEMENTS  
Quarter II/2020

B02a-DN/HN

VND'000

Co de	ITEM	Note	Quarter II		Accumulated from the beginning of the year	
			Current year	Previous year	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	24.1	646,889,329	512,374,782	1,482,885,065	922,598,487
02	2. Deductions	24.1	(10,724,647)	-	(13,106,383)	-
10	3. Net revenues from sale of goods and rendering of services	24.1	636,164,682	512,374,782	1,469,778,682	922,598,487
11	4. Costs of goods sold	25	(511,582,773)	(361,136,180)	(1,062,527,685)	(685,983,536)
20	5. Gross profit from sale of goods and rendering of services		124,581,909	151,238,602	407,250,997	236,614,951
21	6. Financial income	24.2	267,477,214	197,917,413	424,605,695	376,956,047
22	7. Financial expenses	26	(286,512,311)	(400,708,022)	(599,227,217)	(741,416,979)
23	<i>In which: Interest expenses</i>		(288,507,721)	(355,818,482)	(555,891,985)	(684,171,600)
24	8. Shares of profit (loss) in associates		(609,064)	6,445,026	1,594,140	35,439,887
25	9. Selling expenses	27	(131,758,612)	(102,745,054)	(216,136,696)	(141,234,330)
26	10. General and administrative expenses	27	(67,364,171)	(194,595,898)	(169,701,290)	(360,810,462)
30	11. Net operating profit		(94,185,035)	(342,447,933)	(151,614,371)	(594,450,886)
31	12. Other income	28	78,828,499	21,286,262	94,128,614	27,759,534
32	13. Other expenses	28	(46,582,048)	(382,811,404)	(72,704,704)	(116,962,245)

# Hoang Anh Gia Lai Joint Stock Company

CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020

B02a-DN/HN

VND'000

Co de	ITEM	Note	Quarter II		Accumulated from the beginning of the year	
			Current year	Previous year	Current year	Previous year
40	14. Other losses	28	32,246,451	(361,525,142)	21,423,910	(89,202,711)
50	15. Accounting (loss) profit before tax		(61,938,584)	(703,973,075)	(130,190,461)	(683,653,597)
51	16. Current corporate income tax expense	29.1	(181,568)	(434,081)	(321,560)	(963,493)
52	17. Deferred CIT expense	29.2	(2,499,607)	(23,190,538)	(1,381,591)	(21,479,468)
60	18. Net profit (loss) after CIT		(64,619,759)	(727,597,694)	(131,893,612)	(706,096,558)
61	19. Net profit after tax of the parent		10,460,832	(547,048,325)	(47,794,056)	(516,528,224)
62	20. Net (loss) profit after tax attributable to the non-controlling interest		(75,080,591)	(180,549,369)	(84,099,556)	(189,568,334)
70	21. Basic profit (loss) earnings per share (VND)		11	(596)	(52)	(557)
71	22. Diluted earnings per share (VND)		11	(596)	(52)	(557)

Tran Thi Thanh Hieu  
Preparer

Le Truong Y Tram  
Chief Accountant

Vo Truong Son  
General Director

30 July 2020

CONSOLIDATED CASH FLOW STATEMENTS  
Quarter II/2020

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Current year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>(130,190,461)</b>	<b>(683,653,597)</b>
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets (including amortization of goodwill)	10,11,12	412,839,030	642,298,126
03	Provisions		(29,908,303)	8,804,095
04	Unrealised foreign exchange (gains) loss		26,849,161	37,456,438
05	Profits from investing activities		(299,722,609)	(256,374,531)
06	Interest expenses	26	555,891,985	684,171,600
08	<b>Operating profit before changes in working capital</b>		<b>535,758,803</b>	<b>432,702,131</b>
09	Decrease (increase) in receivables		(1,456,495,224)	960,950,902
10	Decrease (increase) in inventories		(119,550,403)	(1,308,282,045)
11	Increase (decrease) in payables		1,920,549,829	1,282,363,292
12	Increase in prepaid expenses		221,418,966	38,492,304
14	Interest paid		(411,144,625)	(709,280,749)
15	Corporate income tax paid	29.1	(210,871)	(13,480,289)
17	Other cash outflows from operating activities		-	(1,198,034)
20	<b>Net cash flows from operating activities</b>		<b>690,326,475</b>	<b>682,267,512</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(1,326,916,527)	(1,430,662,980)
22	Proceeds from disposals of fixed assets		19,701,115	26,355,224
23	Loans to other entities		(297,747,319)	(810,721,815)
24	Collections from borrowers		107,834,322	196,824,166
26	Interest and dividends received		-	4,853,721,000
27	<b>Profit before tax</b>		<b>336,241,962</b>	<b>17,655,352</b>
30	<b>Net cash flows used in investing activities</b>		<b>(1,160,886,447)</b>	<b>2,853,170,947</b>

CONSOLIDATED CASH FLOW STATEMENTS (continued)  
 Quarter II/2020

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Current year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Borrowings received		2,818,286,950	1,570,435,914
34	Borrowings repaid		(2,520,056,261)	(5,265,873,565)
<b>40</b>	<b>Net cash flows (used in) from financing activities</b>		<b>298,230,689</b>	<b>(3,695,437,651)</b>
<b>50</b>	<b>Net cash flows</b>		<b>(172,329,283)</b>	<b>(159,999,192)</b>
<b>60</b>	<b>Cash at the beginning</b>	<b>4</b>	<b>254,431,616</b>	<b>337,736,719</b>
<b>70</b>	<b>Cash at the end</b>	<b>4</b>	<b>82,102,333</b>	<b>177,737,527</b>

Tran Thi Thanh Hieu  
Preparer

Le Truong Y Tram  
Chief Accountant

Vo Truong Son  
General Director

30 July 2020



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
Quarter II/2020**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 31/3/2020, the Company has six (6) direct subsidiaries, twenty (20) indirect subsidiaries and two (2) associates as disclosed in Note 14 to the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the period ended 30 September 2019.

The current principal activities of the Group and its subsidiaries are planting and trading rubber, oil palm and variety of fruits; developing apartments, trade centres for sale and lease; construction and operating hydropower plants; mechanics; manufacturing and trading cattle foods, fertilizers; warehouse services, processing of agricultural products and services; operating hotels and resorts; and sport and entertainment activities.

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 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 separate balance sheet, separate income statement, separate cash flow statement and related notes, including their utilisation 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 financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**2.2 Applied accounting documentation system**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**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.

The interim consolidated financial statements Quarter III/2019 are prepared for the period from 1 July 2019 to 30 September 2019.

**2.4 Accounting currency**

The separate financial statements are prepared in Vietnam dong ("VND") which is also the Company'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 II/2018.

The financial statements of 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 interim consolidated financial statements and within equity in the interim 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 interim 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 interim 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 II/2020

**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 financial statements.

**3.3 Inventories**

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

Net realisable 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 labour plus attributable overheads based on the normal level of activities

Apartments for sale under construction are carried at the lower of cost and net realisable value. Costs include all expenditures including borrowing costs, directly attributable to the development and construction of the apartments. Net realisable 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 realisable 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.

The cost of inventory property recognized in profit or loss on disposal 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 II/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.3 Inventories (continued)***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 other inventories owned by the Group, based on appropriate evidence of impairment available at the consolidated balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold in the interim consolidated financial statements.

**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 financial statements 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) is included in the consolidated financial statements.

**3.5 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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 consolidated financial statements 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 consolidated financial statements.

*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 II/2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortization

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

Buildings and structures	8 - 50 years
Machinery and equipment	6 - 15 years
Means of transport and transmission	6 - 20 years
Office equipment	2 - 10 years
Land use rights	20 - 50 years
Computer software	10 years
Others	3 - 20 years

Land use right with indefinite useful life is not amortized.

*Plantation depreciation*

Details are as follows:

Year	Depreciation rate (%)			
	Rubber plantations	Dragon fruit plantations	Jack fruit plantations	Mango plantations
	(i)	(ii)	(iii)	(iv)
First year	2,50	1,00	0,82	0,30
Second year	2,80	3,40	1,75	1,00
Third year	3,50	5,00	4,08	2,20
Fourth year	4,40	6,70	5,83	4,30
Fifth year	4,80	8,40	5,83	5,80
Sixth year	5,40	8,40	5,83	5,80
Seventh year	5,40	8,40	5,83	5,80
Eighth year	5,10	8,40	5,83	5,80
Ninth year	5,10	8,40	5,83	5,80
Tenth year	5,00	8,40	5,83	5,80
Eleventh year	7,00	6,70	5,83	5,80
Twelfth year	6,60	6,70	5,83	5,80
Thirteenth year	6,20	6,70	5,83	5,80
Fourteenth year	5,90	6,70	5,83	5,80
Fifteenth year	5,50	Carrying amount	5,83	5,80
Sixteenth year	5,40		4,67	5,80
Seventeenth year	5,00		4,67	5,80
Eighteenth year	5,50		4,67	5,80
Nineteenth year	5,20		4,67	5,80
Twentieth year	Carrying amount		Carrying amount	Carrying amount

*Rubber plantations*

Management estimated to start harvesting the rubber to be added to the assets and depreciation when over 70% of the trees alive in the lot are suitable for tapping (circumference at 1 m from the ground is at least 45cm and bark is at least 6mm at 1 m from the ground).

*Fruit plantations*

Management estimated to start harvesting the rubber to be added to the assets and depreciation when over 50% of the trees bear fruit successfully from the fruiting treatment time

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.6 Depreciation and amortization** (continued)*Plantation depreciation* (continued)*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, the 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.

- (i) 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 twenty (20) years cycle.
- (ii) Depreciation of dragon fruit, pepper and mango plantations is calculated in accordance with Decision No.115/17/QĐ-HAGL Agrico dated 8 August 2017 và Quyết định số 0101/18/QĐ-HAGL Agrico dated 2 January 2018 by the Management providing guidance on depreciation of dragon fruit, pepper and mango plantations for exploitation cycle.
- (iii) Depreciation of jack fruit plantations is based on Decision No. 0111/17/QĐ-HAGL Agrico dated 1 November 2018 by the Board of Management guiding depreciation rate of jack fruit plantations over the exploitation cycle.
- (iv) Depreciation of mango plantations is based on Decision No. 0101/18/QĐ-HAGL Agrico dated 2 January 2018 by the Board of Management guiding depreciation rate of mango plantations over the exploitation cycle..
- (v) Depreciation of banana plantations is based on Notice No. 0205/19/TB-HAGL Agrico dated 2 May 2019 guiding depreciation rate of banana plantations on a straight line basis.

**3.7 Investment properties**

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortization.

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 is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings 25 - 30 years

Investment properties are derecognized in the consolidated balance sheet 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 financial statements in the year of retirement or disposal.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.7 Investment properties** (continued)

Transfers are made 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 directly attributable to the construction of the Group's buildings, plantations which have not yet been completed as at the date of these consolidated financial statements.

*Buildings and structures*

Building costs include costs directly attributable to the construction of the Group's building, plants and structures such as construction, survey and other related costs.

*Plantations*

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

**3.9 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 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 Group is the lessee*

Rentals under operating leases are charged to the interim 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 recognised in the consolidated financial statements as incurred. Lease income is recognised in the consolidated financial statements on a straight-line basis over the lease term.

In case of long-term lease, lease income is recognised in the consolidated financial statements on a one-time recognition of the entire amount received in advance when the conditions are met in accordance with Circular 200/2014/TT-BTC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 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 with large value issued into production and can be used for more than one year, amortised no more than three (3) years and recognised in the consolidated financial statements;
- ▶ Fruit trees and other plantations development, land clearance expenses include: seedlings, land preparation, planting and care. These 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 7 to 10 years according to the contract signed between HAGL-JMG and the footballers.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**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 financial statements. 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 financial statements.

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 financial statements 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 II/2020**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 a significant influence, but neither a subsidiary nor a joint venture of the Group. Generally, the Group is deemed to have a significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising upon acquisition of associates is included in the amount of investment, and is not amortized until the associate becomes the subsidiary. The interim consolidated financial statements 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 interim consolidated financial statements 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. Dividends receivable from associates reduce the carrying amount of the investment.

The financial statements of 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.

*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 September 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expenses in the consolidated financial statements

**3.14 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 to the Group.

**3.15 Accrual for severance allowance**

The severance pay to employee 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 period of service up to 31 December 2008 in accordance with the Labor Code, the Law on Social Insurance and related implementing guidance. From 1 January 2009, 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 will be taken to the separate income statement.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.16 Earnings per share**

Basic earnings (loss) per share amounts are calculated by dividing net profit 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 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:

- Transaction 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;
- Capital contributions are recorded at the buying exchange rates of the banks designated for capital contribution; 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 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 conduct 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 year are **included in** the interim consolidated financial statements

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 reserve" on the consolidated balance sheet and charged to the consolidated financial statements upon the disposal of the investment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 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 Group's own equity instruments

**3.19 Appropriation of net profit**

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders upon proposal by the Board of Directors 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 corporate income 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 common benefits and improvement of the employees' material benefits and well-being and presented as a liability on consolidated balance sheet.

**3.20 Revenue recognition**

Revenue is recognized when 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 recognized:

*Sale of goods*

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually concurring with the transfer of goods.

*Revenue from rendering of services*

Revenue from rendering of services is recognized when service has been 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 charged to the consolidated financial statements on a straight line basis over the lease terms on ongoing leases.

*Dividend income*

Dividend income is recognized 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 recognized when the investments transfer procedures are completed and the involved parties have fulfilled their respective contractual obligations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 consolidated balance sheet date.

Current income tax is charged or credited to the interim consolidated financial statements, except when it relates to items 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 Group to set off 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 income tax*

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

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

- 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, and interests in joint ventures 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, carried forward of unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against those deductible temporary differences, carried forward unused tax credit and unused tax losses which can be utilized, 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 recognized only when 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 the consolidated balance sheet date and reduced to the extent that it is probable that sufficient taxable profit 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 the consolidated 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 year when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.21 Taxation** (continued)*Deferred income tax* (continued)

Deferred tax is credited to the consolidated financial statements, except when it relates to items recognized 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 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.

**3.22 Provisions**

The Group recorded provisions when there are debt obligations (legal or associated obligations) as result of an event occurring in the past. Settlement of debt obligations may result in decline in economic benefits and the Group can give a reliable estimate of the value of these debt obligations.

**3.23 Related parties**

Parties that directly, or indirectly control, or are controlled by, or have remarkable influences over decisions on finance and operation of, or are subject to significant joint control or general influence together with, the Group, are related parties of the Group. Related parties can be companies or individuals including close members of the families of these individuals considered to be related.

**4. CASH**

	30/6/2020	VND'000 31/12/2019
Cash in banks	72,779,284	227,060,804
Cash on hand	8,177,099	8,826,812
Cash in transit	1,145,950	18,544,000
<b>TOTAL</b>	<b>82,102,333</b>	<b>254,431,616</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**5. SHORT-TERM TRADE RECEIVABLES**

	30/6/2020	VND'000 31/12/2019
Receivables from construction services	749,816,429	777,223,573
Receivables from sales of goods and rendering of services	442,038,807	493,726,186
Receivables from disposal of fixed assets and investment properties	190,127,000	275,065,000
Receivables from sale of apartments	2,682,141	5,349,575
<b>TOTAL</b>	<b><u>1,385,180,698</u></b>	<b><u>1,551,364,334</u></b>

Included in trade receivables were amounts due from related parties aggregating 52,155,726 VND'000 as at 30/6/2020 (*Note 30*).

**6. SHORT-TERM ADVANCES TO SUPPLIERS**

	30/6/2020	VND'000 31/12/2019
Advances to suppliers of goods and services	1,376,159,007	108,160,565
Advances to contractors for construction projects of the Group and purchase of machinery and equipment	9,402,905	25,671,177
Advances for project acquisition	-	240,311,324
Advances to other sellers	481,473	507,662
<b>TOTAL</b>	<b><u>1,386,043,385</u></b>	<b><u>374,650,728</u></b>

Included in advances to suppliers were amounts due to related parties aggregating to 234.719.175 VND'000 as at 30/6/2020 (*Note 30*).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**7. LOAN RECEIVABLES**

	30/6/2020	VND'000 31/12/2019
<b>Short-term</b>		
Short-term loans to related parties (Note 30) (i)	2,174,800,472	2,052,173,055
Short-term loans to other parties (ii)	144,640,274	215,195,363
	<b>2,319,440,746</b>	<b>2,267,368,418</b>
<b>Long-term</b>		
Long-term loans to related parties (Note 30) (i)	7,593,920,370	7,453,259,203
Long-term loans to Laos Government for the Attapeu International Airport project (iii)	17,309,103	17,305,361
Long-term loans to other parties (ii)	500,000	43,380,902
	<b>7,611,729,473</b>	<b>7,513,945,466</b>
<b>TOTAL</b>	<b>9,931,170,219</b>	<b>9,781,313,884</b>

- (i) This represents unsecured loans to related parties with a repayment term from July 2020 to 2023.
- (ii) Long-term and short-term loans to other parties represents unsecured loans to companies with a repayment term from July 2020 to 2023..
- (iii) The loan to Laos Government – Attapeu International Airport project represents the interest-free loan in accordance with the Credit Contract signed with Laos Government on 23 May 2013 to finance the construction of Attapeu International Airport. This loan will be off-set against tax payables and other obligations to Laos Government in the future. Details are as follows:

	30/6/2020	31/12/2019
Beginning balance (USD)	748,826	648,826
Increased (USD)	-	100,000
<b>Ending balance (USD)</b>	<b>748,826</b>	<b>748,826</b>
<b>Ending balance (VND'000)</b>	<b>17,309,103</b>	<b>17,305,361</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter II/2020**8. OTHER RECEIVABLES**

	<i>VND'000</i>	
	<i>30/6/2020</i>	<i>31/12/2019</i>
<b>Short term</b>		
Interest from loans to other companies and individuals	155,311,782	320,503,405
Receivables from employees	66,153,096	55,608,929
Lending to companies	57,419,979	54,427,339
Others	12,890,373	36,484,237
	<b><u>291,775,230</u></b>	<b><u>467,023,910</u></b>
<b>Long term</b>		
Interest from loans to other companies and individuals	717,804,240	735,099,245
Other long-term receivables	4,384,581	12,739,716
	<b><u>722,188,821</u></b>	<b><u>747,838,961</u></b>
<b>TOTAL</b>	<b><u>1,013,964,051</u></b>	<b><u>1,214,862,871</u></b>

Included in other short-term receivables was amount due from related parties aggregating to 32,775,644 VND'000 and long-term receivables from related parties aggregating to 717,651,073 VND'000 as at 30/6/2020 (*Note 30*).

**9. INVENTORIES**

	<i>VND'000</i>	
	<i>30/6/2020</i>	<i>31/12/2019</i>
Work in progress	1,884,697,102	1,711,671,121
<i>of which:</i>		
<i>Manufacturing activities</i>	1,017,417,365	856,080,345
<i>Construction contracts</i>	867,279,737	855,590,776
Raw materials	308,310,581	282,336,032
Finished goods	79,138,851	156,551,372
Merchandise goods	52,516,140	42,046,510
Tools and supplies	24,158,182	30,523,755
	<b><u>2,348,820,856</u></b>	<b><u>2,223,128,790</u></b>
Provision for obsolete inventories	(13,303,240)	(21,572,100)
<b>NET</b>	<b><u>2,335,517,616</u></b>	<b><u>2,201,556,690</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**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>
<b>Cost</b>							
Balance at 31/12/2019	2,211,805,251	591,798,639	2,153,540,303	6,794,049	7,591,762,569	58,766,439	12,614,467,250
New purchases	60,373,914	21,584,496	11,606,572	126,800	3,469,488	770,000	97,931,270
Acquisition of subsidiaries	103,109,392	133,000	44,102,622	-	70,893,526	50,000	218,288,540
Transfer from construction in progress	93,753,355	1,887,975	82,483,112	-	767,640,281	-	945,764,723
Reclassification	-	-	-	-	(130,688,274)	-	(130,688,274)
Disposals	-	(9,432,446)	(4,170,855)	-	(44,576,663)	-	(58,179,964)
Foreign exchange differences	(75,309,408)	(11,347,633)	(59,710,013)	(3,741)	(261,406,486)	(322,509)	(408,099,790)
30/6/2020	2,393,732,504	594,624,031	2,227,851,741	6,917,108	7,997,094,441	59,263,930	13,279,483,755
<b>Accumulated depreciation</b>							
31/12/2019	(496,053,425)	(312,063,621)	(689,178,533)	(4,698,392)	(828,947,263)	(36,286,113)	(2,367,227,347)
Depreciation for the year	(72,382,417)	(32,695,866)	(83,441,590)	(377,811)	(192,474,287)	(2,650,504)	(384,022,475)
Acquisition of subsidiaries	(1,360,082)	(41,254)	(1,102,566)	-	(1,666,580)	(15,476)	(4,185,958)
Reclassification	-	5,280,741	4,170,855	-	4,974,509	-	14,426,105
Disposal	18,085,658	5,238,663	18,760,528	2,298	33,379,627	175,720	75,642,494
Foreign exchange differences	(551,710,266)	(334,281,337)	(750,791,306)	(5,073,905)	(984,733,994)	(38,776,373)	(2,665,367,181)
<b>Net carrying amount</b>							
31/12/2019	1,715,751,826	279,735,018	1,464,361,770	2,095,657	6,762,815,306	22,480,326	10,247,239,903
30/6/2020	1,842,022,238	260,342,694	1,477,060,435	1,843,203	7,012,360,447	20,487,557	10,614,116,574

**11. INTANGIBLE FIXED ASSETS**

			VND'000
	<i>Land use right</i>	<i>Computer software</i>	<i>TOTAL</i>
<b>Nguyên giá</b>			
31/12/2019	31,926,254	16,517,789	48,444,043
New purchases	6,374,130	1,600,000	7,974,130
Acquisition	386,235,226	-	386,235,226
Carried from construction in progress	-	4,380,000	4,380,000
30/6/2020	<u>424,535,610</u>	<u>22,497,789</u>	<u>447,033,399</u>
<b>Accumulated depreciation</b>			
31/12/2019	(1,578,918)	(13,669,273)	(15,248,191)
Amortisation for the year	(4,813,417)	(831,243)	(5,644,660)
30/6/2020	<u>(6,392,335)</u>	<u>(14,500,516)</u>	<u>(20,892,851)</u>
<b>Carrying amount</b>			
31/12/2019	<u>30,347,336</u>	<u>2,848,516</u>	<u>33,195,852</u>
30/6/2020	<u>418,143,275</u>	<u>7,997,273</u>	<u>426,140,548</u>

**12. INVESTMENT PROPERTIES**

			VND'000
	<i>Nhà cửa, vật kiến trúc</i>	<i>Quyền sử dụng đất</i>	<i>TOTAL</i>
<b>Cost</b>			
31/12/2019 and 30/6/2020	<u>47,003,809</u>	<u>27,072,022</u>	<u>74,075,831</u>
<b>Accumulated depreciation</b>			
Amortisation for the year	(3,250,255)	(2,957,577)	(6,207,832)
31/12/2019	(945,729)	(369,697)	(1,315,426)
30/6/2020	<u>(4,195,984)</u>	<u>(3,327,274)</u>	<u>(7,523,258)</u>
<b>Carrying amount</b>			
31/12/2019	<u>43,753,554</u>	<u>24,114,445</u>	<u>67,867,999</u>
30/6/2020	<u>42,807,825</u>	<u>23,744,748</u>	<u>66,552,573</u>

**13. CHI PHÍ XÂY DỰNG CƠ BẢN DỜ DANG**

	VND'000	
	30/6/2020	31/12/2019
Fruit plantations	5,018,132,323	4,672,843,963
Rubber plantations	2,915,663,485	3,168,482,172
Oil palm plantations	2,536,688,100	2,554,744,875
Buildings, plants and factories	666,791,986	647,942,539
HAGL-JMG Academy	48,532,810	41,937,787
Other construction works	176,332,016	143,811,528
<b>TOTAL</b>	<b><u>11,362,140,720</u></b>	<b><u>11,229,762,864</u></b>

**14. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES****14.1. Investment in subsidiaries**

Details of the Company's subsidiaries as at 30/6/2020 as follows:

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of</i>	<i>Name of subsidiaries</i>	<i>Location</i>
<b>Agribusiness</b>				
(1) Hoang Anh Gia Lai Agriculture JSC ("HNG")	Gia Lai, Vietnam	Operating	26/5/2010	47.41
(2) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Gia Lai, Vietnam	Operating	5/2/2013	47.41
(3) Hoang Anh - Quang Minh Rubber JSC	Gia Lai, Vietnam	Operating	1/2/2007	46.35
(4) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd	Attapeu, Laos	Operating	12/1/2007	46.35
(5) Hoang Anh Dak Lak JSC	Đắk Lắk, Vietnam	Operating	12/9/2007	47.30
(6) Ban Me Rubber One Member Co., Ltd.	Đắk Lắk, Vietnam	Operating	17/1/2020	47.30
(7) Hoang Anh Attapeu Agriculture Development Co., Ltd.	Attapeu, Laos	Operating	22/5/2008	47.41
(8) Hoang Anh Andong Meas	Ratanakiri, Cambodia	Operating	17/2/2011	46.35
(9) Hoang Anh Oyadav Co., Ltd.	Ratanakiri, Cambodia	Operating	16/7/2010	47.41
(10) Heng Brothers Co., Ltd.	Ratanakiri, Cambodia	Operating	25/1/2010	47.41
(11) CRD Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	15/12/2010	47.41
(12) Hoang Anh Rattanakiri Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	18/11/2009	47.41

**14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**14.1. Investments in associates** (continued)

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment / acquisition</i>	<i>(%) interest</i>
(13) Highland Dairy Cattle JSC	Gia Lai, Vietnam	Operating	26/4/2015	46,93
(14) An Dong Mia JSC	Gia Lai, Vietnam	Operating	15/10/2015	47,36
(15) Hoang Anh Lumphat Co., Ltd.	Ratanakiri, Cambodia	Operating	15/10/2015	47,36
(16) Hung Thang Loi Gia Lai JSC	Gia Lai, Vietnam	Operating	31/1/2018	78,22
(17) Dai Thang Agricultural Development Co., Ltd.	Sekong, Laos	Operating	31/1/2018	78,22
(18) Khan Xay Agriculture Development Co., Ltd.	Sekong, Laos	Pre-operating	31/1/2019	78,22
<b>Construction, trading and services</b>				
(19) Hoang Anh Gia Lai Sport JSC	Gia Lai, Vietnam	Operating	12/1/2009	60,41
(20) Hoang Anh Gia Lai Hospital JSC ("HAGL Hospital")	Gia Lai, Vietnam	Operating	7/5/2008	99,50
(21) Hoang Anh Gia Lai Vientiane Co., Ltd.	Viêng chăn, 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 30/6/2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**14.2. Investments in associates**

<i>Name of associates</i>	<i>Business activity</i>	<i>30/6/2020</i>		<i>31/12/2019</i>	
		<i>(%) interest</i>	<i>Carrying value VND'000</i>	<i>(%) interest</i>	<i>Carrying value VND'000</i>
Bidiphar Rubber JSC (*)	Rubber plantation	49.14	267,097,752	49.14	265,503,612
East Asia Investment and Construction Consultant JSC	Electric design and consultancy	25.00	7,609,521	25.00	7,609,521
<b>TOTAL</b>			<b><u>274,707,273</u></b>		<b><u>273,113,133</u></b>

(\*) Based on the direct ownership of the Group's subsidiaries in these companies

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**15. INVESTMENT IN OTHER ENTITIES**

	<i>VND'000</i>	
	<i>30/6/2020</i>	<i>31/12/2019</i>
Thanh nien Media Corporation	6,200,000	6,200,000
Other investments	4,924,651	4,924,651
<b>TOTAL</b>	<b><u>11,124,651</u></b>	<b><u>11,124,651</u></b>

**16. LONG-TERM PREPAID EXPENSES**

	<i>VND'000</i>	
	<i>30/6/2020</i>	<i>31/12/2019</i>
Land reclamation	224,541,017	240,352,484
Land rentals	67,744,341	69,091,972
Training costs of HAGL-JMG	35,433,533	39,802,957
Tools and supplies	13,110,669	15,677,456
Office rentals	5,015,437	5,102,262
Others	9,659,201	11,549,728
<b>TOTAL</b>	<b><u>355,504,198</u></b>	<b><u>381,576,859</u></b>

**17. SHORT-TERM TRADE PAYABLES**

	<i>VND'000</i>	
	<i>30/6/2020</i>	<i>31/12/2019</i>
Payable for purchase of goods and services	1,085,497,419	991,975,634
Payable to construction contractors	25,655,402	19,491,735
Payable for purchase of fixed assets and fruit plantation development	58,393,170	-
Others	-	3,526,393
<b>TOTAL</b>	<b><u>1,169,545,991</u></b>	<b><u>1,014,993,762</u></b>

Included in trade payables were amounts due to related parties aggregating to 96.230.413 VND'000 as at 30/6/2020 (Note 30).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**18. SHORT TERM ADVANCES FROM CUSTOMERS**

	VND'000	
	30/6/2020	31/12/2019
Advances from trade customers	487,561,010	238,750,940
Others	-	517,884
<b>TOTAL</b>	<b><u>487,561,010</u></b>	<b><u>239,268,824</u></b>

Included in advances from trade customers were amounts due to related parties aggregating to 81,368,495 VND'000 as at 30/6/2020 (Note 30).

**19. STATUTORY OBLIGATIONS**

	VND'000	
	30/6/2020	31/12/2019
Corporate income tax (Note 29.1)	19,732,799	19,970,633
Personal income tax	10,293,314	9,170,521
Value-added tax payable	1,103,203	1,229,085
Others	2,606,137	2,227,639
<b>TOTAL</b>	<b><u>33,735,453</u></b>	<b><u>32,597,878</u></b>

**20. ACCRUED EXPENSES**

	VND'000	
	30/6/2020	31/12/2019
Interest expenses	3,254,652,048	3,133,743,647
<i>In which:</i>		
<i>Interest expenses on bank loans and bonds</i>	3,127,327,418	3,119,484,610
<i>Interest expenses on other organizations</i>	127,324,630	14,259,037
Operating costs	193,063,489	833,435,274
Bond issuance expenses	43,414,660	43,414,660
<b>TOTAL</b>	<b><u>3,491,130,197</u></b>	<b><u>4,010,593,581</u></b>
<i>In which:</i>		
Short term	2,029,859,678	2,020,469,752
Long term	1,461,270,519	1,990,123,829



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**21. OTHER PAYABLES**

	30/6/2020	VND'000 31/12/2019
<b>Short term</b>		
Payables to other companies and individuals (i)	212,955,944	556,542,089
Payables for land lease	65,179,261	69,533,695
Business Cooperation Contracts (ii)	36,000,000	36,000,000
Gains from Business Cooperation Contracts	7,635,145	17,989,667
Others	43,298,176	240,273,905
	<b><u>365,068,526</u></b>	<b><u>920,339,356</u></b>
<b>Long term</b>		
Business Cooperation Contracts (BBC) (ii)	285,000,000	285,000,000
Payables for land lease	122,714,842	112,751,757
Payables to other companies and individuals (i)	97,203,012	173,220,900
	<b><u>504,917,854</u></b>	<b><u>570,972,657</u></b>
<b>TOTAL</b>	<b><u>869,986,380</u></b>	<b><u>1,491,312,013</u></b>

Included in other payables were short-term amounts due to related parties aggregating to 84.015.795 VND'000 and long-term amounts 285.000.000 VND'000 as at 31/3/2020 (Note 30).

- (i) This balance represents non-bearing interest and non-mortgage advances with a repayment term in 2020, from other companies and other individuals outside the Group for the purpose of supplementing working capital.
- (ii) Payables for business cooperation contracts ("BBC") included:
- Representing the capital contribution received from BCC signed on 23 October 2019 with related individuals in the Group on the investment cooperation in the Group's fruit tree projects with amounting to VND'000 36,000,000. BCCs do not require the establishment of a new legal entity and profit will be divided based on the income statement of the project with a cooperation term of six (6) years from the contract date; and
  - Representing the capital contribution received from BCC signed on 24 September 2018 with related individuals in the Group on the investment cooperation in the Group's fruit tree projects with amounting to VND'000 285,000,000. BCCs do not require the establishment of a new legal entity and profit will be divided based on the business results of the project with a cooperation term of three (3) years from the contract date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**22. LOAN**

	30/6/2020	VND'000 31/12/2019
<b>Short term</b>		
Current portion of short-term loans from organizations and individuals (Note 22.5)	1,424,086,028	-
Current portion of long-term bank loans (Note 22.3)	1,261,720,305	1,536,534,626
Short-term bank loans (Note 22.1)	1,051,538,567	897,504,879
short-term loans from other organizations and individuals (Note 22.4)	947,492,050	1,198,419,199
Current portion of domestic straight bonds (Note 22.2)	275,000,000	120,000,000
	<b>4,959,836,950</b>	<b>3,752,458,704</b>
<b>Long term</b>		
Domestic straight bonds (Note 22.2)	7,089,641,531	7,044,687,161
Long-term bank loans (Note 22.3)	2,957,969,529	3,095,659,574
Long-term loans from companies and individuals (Note 22.5)	2,867,002,752	805,260,834
	<b>12,914,613,812</b>	<b>10,945,607,569</b>
<b>TOTAL</b>	<b>17,874,450,762</b>	<b>14,698,066,273</b>

**22.1 Short-term bank loans**

	30/6/2020	VND'000 31/12/2019
Tien Phong Commercial Joint Stock Bank	599,747,835	599,732,982
Ngân Saigon Thuong Tin Commercial Joint Stock Bank	240,423,040	18,962,528
Ho Chi Minh City Development Joint Stock Commercial Bank	204,952,000	-
Bank for Investment and Development of Vietnam	6,415,692	5,144,374
Laos - Viet Bank	-	273,664,995
<b>TOTAL</b>	<b>1,051,538,567</b>	<b>897,504,879</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**22. LOAN** (continued)**22.2 Domestic straight bonds**

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

<i>Arrangement organizations</i>	<i>Date of issuance</i>	<i>Amount VND'000</i>	<i>Maturity date</i>
BIDV and BIDV Securities Joint Stock Company	31/3/2017	5,876,000,000	Ngày 30/12/2026
HDB Securities Corporation	29/12/2016	930,000,000	Ngày 31/12/2023
ACB Securities Limited Company	25/4/2012	300,000,000	Ngày 18/6/2023
Tien Phong Securities Joint Stock Company	4/6/2020	200,000,000	Ngày 4/12/2021
Viet Capital Bank Commercial Joint Stock Bank	30/12/2016	120,000,000	Ngày 30/12/2020
Issuance expense		<u>(61,358,469)</u>	
<b>TOTAL</b>		<b><u>7,364,641,531</u></b>	
<i>In which:</i>			
<i>Non-current portion</i>		7,089,641,531	
<i>Current portion</i>		275,000,000	

**22.3 Long-term bank loan**

		<i>VND'000</i>
	<i>30/6/2020</i>	<i>31/12/2019</i>
Bank for Investment and Development of Vietnam	1,693,526,079	2,126,870,427
Ho Chi Minh City Development Joint Stock Commercial Bank	887,004,584	1,029,352,918
Laos - Viet Bank - Attapeu Branch	1,051,704,566	822,882,260
Saigon Thuong Tin Commercial Joint Stock Bank	512,454,605	553,088,595
Tien Phong Commercial Joint Stock Bank	75,000,000	100,000,000
<b>TOTAL</b>	<b><u>4,219,689,834</u></b>	<b><u>4,632,194,200</u></b>
<i>In which:</i>		
<i>Non-current portion</i>	2,957,969,529	3,095,659,574
<i>Current portion</i>	1,261,720,305	1,536,534,626

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**22. LOAN** (continued)**22.4 Short-term loans from organizations and individuals**

	VND'000	
	30/6/2020	31/12/2019
Thadi Agriculture Farming Processing & Distribution Joint Stock Company	563,000,000	-
Trustlink Investment And Service Joint Stock Company	95,196,404	93,304,467
Hakuba Co., Ltd.	61,355,593	58,000,000
Truong Hai Auto Corp	-	897,464,625
Others	227,940,053	149,650,107
<b>TOTAL</b>	<b><u>947,492,050</u></b>	<b><u>1,198,419,199</u></b>

**22.5 Long-term loans from organizations and individuals**

	VND'000	
	30/6/2020	31/12/2019
Thadi Agriculture Farming Processing & Distribution Joint Stock Company	2,185,877,212	-
Truong Hai Auto Corp	1,768,905,884	-
Others	336,305,693	805,260,834
<b>TOTAL</b>	<b><u>4,291,088,789</u></b>	<b><u>805,260,834</u></b>
<i>In which:</i>		
<i>Non-current portion</i>	2,867,002,752	805,260,834
<i>Current portion</i>	1,424,086,028	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**23. OWNER'S EQUITY****23.1 Increase and decrease in owners' equity**

VND'000

	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Foreign exchange difference</i>	<i>Investment and development fund</i>	<i>Undistributed earnings</i>	<i>TOTAL</i>
<b>6 months of 2019</b>							
Balance at 31/12/2018	9,274,679,470	3,263,858,784	(686,640)	485,237,344	280,644,763	(36,434,976)	13,267,298,745
Net loss for the period	-	-	-	-	-	(516,528,224)	(516,528,224)
Remuneration for the BOD, the BOS and secretarial board	-	-	-	-	-	(1,236,000)	(1,236,000)
Investment & development and bonus & welfare funds	-	-	-	-	1,024,011	(1,024,011)	-
Foreign exchange differences	-	-	-	(371,724,483)	-	-	(371,724,483)
Equity transactions inside Group with non-controlling interests	-	-	-	-	-	(172,947,993)	(172,947,993)
<b>Balance at 30/6/2019</b>	<b>9,274,679,470</b>	<b>3,263,858,784</b>	<b>(686,640)</b>	<b>113,512,861</b>	<b>281,668,774</b>	<b>(728,171,204)</b>	<b>12,204,862,045</b>
<b>6 months of 2020</b>							
Balance at 31/12/2019	9,274,679,470	3,263,858,784	(686,640)	(424,458,674)	281,668,774	290,839,236	12,685,900,950
Net loss for the period	-	-	-	-	-	(47,794,056)	(47,794,056)
Investment & development and bonus & welfare funds	-	-	-	-	741,925	(741,925)	-
Foreign exchange differences	-	-	-	(699,005,000)	-	-	(699,005,000)
<b>Balance at 30/6/2020</b>	<b>9,274,679,470</b>	<b>3,263,858,784</b>	<b>(686,640)</b>	<b>(1,123,463,674)</b>	<b>282,410,699</b>	<b>242,303,255</b>	<b>11,939,101,894</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**23. OWNER'S EQUITY** (continued)**23.2 Shares**

	<i>30/6/2020</i>	<i>31/12/2019</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>

Par value of the Company's 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 CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020

**24. REVENUE****24.1 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
<b>Gross revenues</b>	<b>646,889,329</b>	<b>512,374,782</b>	<b>1,482,885,065</b>	<b>922,598,487</b>
<i>Of which:</i>				
<i>Sale of fruits</i>	525,361,724	408,029,883	1,220,164,700	607,199,302
<i>Sale of latex</i>	39,191,349	17,389,284	107,178,878	118,878,125
<i>Rendering of other services</i>	60,616,520	62,301,195	102,938,208	112,351,536
<i>Sale of goods, commodities,</i>	21,719,736	24,654,420	52,603,279	45,465,440
<i>Sale of chillies</i>	-	-	-	38,704,084
<b>Deductions</b>	<b>(10,724,647)</b>	-	<b>(13,106,383)</b>	-
<i>Rebate</i>	(10,724,647)	-	(13,106,383)	-
<b>Net revenues</b>	<b>636,164,682</b>	<b>512,374,782</b>	<b>1,469,778,682</b>	<b>922,598,487</b>
<i>Of which:</i>				
<i>Sale of fruits</i>	514,883,706	408,029,883	1,207,337,367	607,199,302
<i>Sale of latex</i>	39,191,349	17,389,284	107,178,878	118,878,125
<i>Rendering of other services</i>	60,369,891	62,301,195	102,659,158	112,351,536
<i>Sale of goods and commodities</i>	21,719,736	24,654,420	52,603,279	45,465,440
<i>Sale of chillies</i>	-	-	-	38,704,084

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**24.2 Financial income**

	VND'000			
	Quarter II		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Interest income from loans to other companies	166,760,069	192,197,879	321,292,686	369,252,691
Foreign exchange gains	5,081,034	5,391,739	7,342,332	7,029,828
Interest income from bank deposits	312,342	327,795	646,908	673,528
Others	95,323,769	-	95,323,769	-
<b>TOTAL</b>	<b>267,477,214</b>	<b>197,917,413</b>	<b>424,605,695</b>	<b>376,956,047</b>

**25. COST OF GOODS SOLD**

	VND'000			
	Quarter II		Luỹ kế từ đầu năm đến cuối Quarter này	
	Current year	Previous year	Current year	Previous year
Cost of fruits	375,966,735	255,249,137	768,410,939	395,072,995
Cost of latex	62,836,604	30,992,389	154,183,903	121,357,132
Cost of other services rendered	61,746,315	54,206,899	109,258,855	96,081,148
Cost of goods sold and commodities	11,033,119	20,687,755	30,673,988	30,342,133
Cost of chillies	-	-	-	43,130,128
<b>TOTAL</b>	<b>511,582,773</b>	<b>361,136,180</b>	<b>1,062,527,685</b>	<b>685,983,536</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**26. FINANCE 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 expense on bank loans and bonds	288,507,721	355,818,482	555,891,985	684,171,600
Foreign exchange differences	(11,095,240)	26,947,319	33,676,757	31,671,559
Loss on disposal of investments	-	8,268,957	-	8,268,957
Others	9,099,830	9,673,264	9,658,475	17,304,863
<b>TOTAL</b>	<b>286,512,311</b>	<b>400,708,022</b>	<b>599,227,217</b>	<b>741,416,979</b>

**27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND'000			
	<i>Quarter II</i>		<i>Luỹ kế từ đầu năm đến cuối Quarter này</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>	<b>131,758,612</b>	<b>102,745,054</b>	<b>216,136,696</b>	<b>141,234,330</b>
Transportation expenses and external services	126,662,009	96,448,608	203,228,782	129,663,786
Labor costs	1,166,358	4,581,086	4,009,596	7,514,594
Depreciation and amortization	812,370	716,032	1,427,832	1,191,021
Others	3,117,875	999,328	7,470,486	2,864,929
<b>General and administrative expenses</b>	<b>67,364,171</b>	<b>194,595,898</b>	<b>169,701,290</b>	<b>360,810,462</b>
Allocation of goodwill	20,357,877	102,049,628	69,496,008	204,099,257
Labor costs	36,679,999	43,447,643	68,016,826	78,472,864
External services	7,814,516	8,106,237	13,035,864	13,979,096
Depreciation and amortization	8,759,568	7,294,773	13,707,043	14,098,115
Reversal of Provisions	(17,919,443)	24,415,074	(17,919,443)	24,415,074
Others	11,671,654	9,282,543	23,364,992	25,746,056
<b>TOTAL</b>	<b>199,122,783</b>	<b>297,340,952</b>	<b>385,837,986</b>	<b>502,044,792</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**28. OTHER INCOME AND 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>
<b>Other income</b>	<b>78,828,499</b>	<b>21,286,262</b>	<b>94,128,614</b>	<b>27,759,534</b>
Gain from disposal of long-term assets	871,234	-	1,559,752	-
Others	77,957,265	21,286,262	92,568,862	27,759,534
<b>Chi phí khác</b>	<b>46,582,048</b>	<b>382,811,404</b>	<b>72,704,704</b>	<b>116,962,245</b>
Loss on disposal of other long-term assets	25,096,175	12,472,134	25,096,175	12,472,134
Depreciation of idle assets	6,192,180	9,049,569	15,198,143	24,801,669
Penalty expenses	8,835,486	2,041,486	12,490,935	13,231,363
Write-off of fixed assets	873,940	55,926,430	873,940	55,926,430
Fruit plantation conversion	-	301,311,172	-	334,920,642
Reversal of Provisions	-	-	-	(335,292,885)
Others	5,584,267	2,010,613	19,045,511	10,902,892
<b>OTHER LOSS (PROFIT)</b>	<b>32,246,451</b>	<b>(361,525,142)</b>	<b>21,423,910</b>	<b>(89,202,711)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**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 in Laos and Cambodia, have the obligations to pay CIT at the rates respectively, 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 Group's 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 financial statements 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 current income tax payable for current tax is calculated using applicable tax rates that have been enacted by the balance sheet date.

The CIT expense for the year comprised of:

	<i>VND'000</i>	
	<i>6 months of 2020</i>	<i>6 months of 2019</i>
Current tax expense	321,560	963,493
Expense (income) tax deferred	1,381,591	21,479,468
<b>TOTAL</b>	<b>1,703,151</b>	<b>22,442,961</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**29. CORPORATE INCOME TAX (continued)****29.1 Current CIT**

	VND'000	
	6 months of 2020	6 months of 2019
<b>Total loss before tax</b>	<b>(130,190,461)</b>	<b>(683,653,597)</b>
<b>Adjustments to increase (decrease) in accounting profit</b>		
Losses of subsidiaries	328,868,201	913,756,311
Amortisation of goodwill	69,496,008	204,099,257
Movement of intra-group unrealized profit	16,253,712	3,330,095
Foreign exchange differences	27,005,151	33,598,728
Share of profit (loss) from associates	(1,594,140)	(35,439,887)
Loss from disposal of subsidiaries in the interim consolidated financial statements	-	8,268,957
Expenses without adequate supporting documents	-	4,364,895
Deductible interest expenses at entities level but capitalized on consolidated financial statements	96,814,820	13,599,278
Provision for investments	(34,611,292)	(64,563,370)
Profit from activities which are tax exempted	(483,455,617)	(46,091,955)
Others	220,782,639	(310,301,033)
<b>Adjusted net profit before loss carried forward</b>	<b>109,369,021</b>	<b>40,967,679</b>
Losses carried forward	(109,369,021)	(29,721,014)
<b>Estimated taxable income</b>	<b>-</b>	<b>11,246,665</b>
Estimated current CIT	320,449	931,656
Adjustments under accrual of CIT from previous years	1,111	31,837
<b>Estimated current CIT</b>	<b>321,560</b>	<b>963,493</b>
CIT payable at beginning of the period	19,970,633	29,128,714
<b>Classification from tax collectible</b>	51,210	-
CIT paid during the period	(210,871)	(13,480,289)
Other adjustments	(399,733)	2,087,600
<b>CIT payable at end of the period</b>	<b>19,732,799</b>	<b>18,699,518</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**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 period:

	<i>Consolidated balance sheet</i>		<i>VND'000</i>
	<i>Ngày 30/6 năm 2020</i>	<i>Ngày 31/12 năm 2019</i>	<i>Consolidated financial statements</i>
<b><i>Deferred tax assets</i></b>			
Unrealized intra-group profit	77,779,152	74,528,409	(3,250,743)
	<b>77,779,152</b>	<b>74,528,409</b>	
<b><i>Deferred tax liabilities</i></b>			
Interest expenses capitalized on consolidated financial statements	108,921,638	111,211,562	(2,289,924)
Provision for investments in associates, subsidiaries	117,183,101	110,260,843	6,922,258
	<b>226,104,739</b>	<b>221,472,405</b>	
<b><i>Deferred income tax expenses</i></b>			<b>1,381,591</b>

**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	176,020,273
		Sales of goods and	83,041,373
		Rendering of services	
Le Me JSC	Related Company	Interest income	144,202,563
Hoang Anh Gia Lai Wooden Furniture JSC	Related Company	Interest income	7,390,284
Ms. Vo thi My Hanh	BOD member	Business Cooperation profit	3,888,000
Mr. Doan Nguyen Duc	BOD chairman	Business Cooperation profit	3,600,000
		Business Cooperation profit	
		Business Cooperation profit	
Ms. Ho Thi Kim Chi	Deputy general director	Business Cooperation profit	2,100,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**30. TRANSACTIONS WITH RELATED PARTIES (continued)**

Receivables and payables to related parties at 30/6/2020 as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Amounts</i>
<b>Short term receivables from customers (Note 5)</b>			
Thanh Binh Investment & Construction Consultant Co., Ltd	Related Company	Construction contract receivable	27,595,944
Gia Lai Livestock JSC	Related Company	Sales of goods Construction contract receivable	16,396,006 1,263,554
Minh Tuan Trading and Services Co., Ltd.	Related Company	Construction contract receivable	5,501,714
Others	Related party	Các khoản khác	1,398,508
<b>TOTAL</b>			<b><u>52,155,726</u></b>
<b>Short-term advances to suppliers (Note 6)</b>			
Gia Lai Livestock JSC	Related company	Advances for purchase of goods	205,681,804
Hoang Anh Gia Lai Wooden Furniture JSC - Hoang Anh Gia Lai Plastic Factory branch	Related company	Advances for purchase of goods	29,037,371
<b>TOTAL</b>			<b><u>234,719,175</u></b>
<b>Short term loan receivables (Note 7)</b>			
Gia Lai Livestock JSC	Related company	Loan	1,099,920,232
Le Me JSC	Related company	Loan	949,445,388
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Loan	86,936,725
Mr. Doan Nguyen Duc	BOD chairman	Loan	20,120,000
Ms. Ho Thi Kim Chi	Deputy general director	Loan	16,742,127
Ms Vo Thi My Hanh	BOD member	Loan	1,636,000
<b>TOTAL</b>			<b><u>2,174,800,472</u></b>
<b>Long term loan receivables (Note 7)</b>			
Gia Lai Livestock JSC	Related company	Loan	4,169,412,374
Le Me JSC	Related company	Loan	3,324,507,996
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Loan	100,000,000
<b>TOTAL</b>			<b><u>7,593,920,370</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**30. TRANSACTIONS WITH RELATED PARTIES** (continued)

Receivables from and payables to related parties at 30/6/2020 as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Amounts</i>
<b><i>Other Short term receivable</i></b> (Note 8)			
Mr. Doan Nguyen Duc	BOD chairman	Temporary Lending	65,646,278
Le Me JSC	Related company	Interest income	18,909,770
Gia Lai Livestock JSC	Related company	Interest income Temporary Lending Payment on behalf	16,866,475 8,804,140 2,630,603
Hoang Anh Gia Lai Wooden furniture JSC	Related company	Interest income Temporary Lending	16,126,378 2,192,000
Other parties	Related party	Others	1,600,000
<b>TOTAL</b>			<b><u>132,775,644</u></b>
<b><i>Other long term receivables</i></b> (Note 8)			
Gia Lai Livestock JSC	Related company	Interest income	560,429,190
Le Me JSC	Related company	Interest income	135,523,362
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Interest income	21,698,521
<b>TOTAL</b>			<b><u>717,651,073</u></b>
<b><i>Short-term payable</i></b> (Note 17)			
Hoang Anh Gia Lai Wooden Furniture JSC - Hoang Anh Gia Lai Plastic Factory branch	Related company	Purchase of goods	69,467,159
Gia Lai Livestock JSC	Related company	Purchase of goods	25,474,730
Other related parties	Related party	Others	1,288,524
<b>TOTAL</b>			<b><u>96,230,413</u></b>
<b><i>Short-term advances from customers</i></b> (Note 18)			
Gia Lai Livestock JSC	Related company	Advances for purchase of goods	81,368,495

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)  
Quarter II/2020**30. TRANSACTIONS WITH RELATED PARTIES (continued)**

Receivables from and payables to related parties at 30/6/2020 as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Amounts</i>
<b><i>Other Short term payables (Note 21)</i></b>			
Ms Vo Thi My Hanh	BOD member	Business Cooperation profit	36,000,000
		Business Cooperation profit	3,151,890
		Temporary borrowing	1,000,000
Le Me JSC	Related party	Temporary borrowing	11,685,000
Ms Doan Thi Nguyen Nguyen	Related party	Temporary borrowing	10,000,000
Hoang Anh Gia Lai Wooden Furniture JSC - Hoang Anh Gia Lai Plastic Factory branch	Related company	Temporary borrowing	10,000,000
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Temporary borrowing	7,422,950
Mr. Doan Nguyen Duc	BOD chairman	Business Cooperation profit	2,376,091
Ms. Ho Thi Kim Chi	Deputy general director	Business Cooperation profit	2,107,164
Other related parties	Related party	Others	272,700
<b>TOTAL</b>			<b><u>84,015,795</u></b>
<b><i>Other long term payables (Note 21)</i></b>			
Mr. Doan Nguyen Duc	BOD chairman	Business Cooperation	180,000,000
Ms. Ho Thi Kim Chi	Deputy general director	Business Cooperation	105,000,000
<b>TOTAL</b>			<b><u>285,000,000</u></b>

**31. 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.

Trần Thị Thanh Hiếu  
Người lập

30 July 2020

Lê Trương Y Trâm  
Kế toán trưởngVõ Trường Sơn  
Tổng Giám đốc