



HAGL Group

Hoang Anh Gia Lai Joint Stock Company

Consolidated financial statements

Quarter IV of 2018

Hoang Anh Gia Lai Joint Stock Company

CONTENTS

	<i>Page</i>
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated balance sheet	1 - 2
Consolidated income statement	3 - 4
Consolidated cash flow statement	5 - 6
Notes to the consolidated financial statements	7 - 52

CONSOLIDATED BALANCE SHEET
As at 31 December 2018

VND'000

Code	ASSETS	Notes	31 December 2018	31 December 2017
100	A. CURRENT ASSETS		10,060,599,985	8,815,052,625
110	I. Cash		337,744,709	141,473,491
111	1. Cash	4	337,744,709	141,473,491
130	II. Current accounts receivables		4,793,755,054	7,481,808,506
131	1. Short-term trade receivables	5	2,976,394,171	2,166,131,406
132	2. Short-term advances to suppliers	6	457,339,010	611,144,225
135	3. Short-term loan receivables	7	724,888,836	3,969,777,546
136	4. Other short-term receivables	8	668,623,334	756,477,238
137	5. Provision for doubtful debts		(33,490,297)	(21,721,909)
140	III. Inventories	9	1,495,654,668	1,118,852,515
141	1. Inventories		1,497,632,241	1,126,498,195
149	2. Provision for obsolete inventories		(1,977,573)	(7,645,680)
150	IV. Other current assets		3,433,445,554	72,918,113
151	1. Short-term prepaid expenses		44,502,106	31,853,662
152	2. Value-added tax deductible		33,781,331	35,050,293
153	3. Tax and other receivables from the State		11,667,485	6,014,158
155	4. Other current assets	10	3,343,494,632	-
200	B. NON-CURRENT ASSETS		38,230,898,125	44,247,075,031
210	I. Long-term receivables		6,605,722,275	8,887,895,570
212	1. Long-term advances to suppliers		-	477,204
215	2. Long-term loan receivables	7	6,276,322,012	7,951,978,808
216	3. Other long-term receivables	8	329,400,263	935,439,558
220	II. Fixed assets		10,554,520,405	9,921,066,056
221	1. Tangible fixed assets	11	10,493,756,035	8,590,084,812
222	Cost		12,274,956,562	10,017,277,001
223	Accumulated depreciation		(1,781,200,527)	(1,427,192,189)
227	2. Intangible fixed assets	12	60,764,370	1,330,981,244
228	Cost		115,343,472	1,422,035,740
229	Accumulated amortization		(54,579,102)	(91,054,496)
230	III. Investment properties	13	37,104,803	3,210,064,249
231	1. Cost		42,073,202	3,398,052,191
232	2. Accumulated depreciation		(4,968,399)	(187,987,942)
240	IV. Long-term assets in progress		13,760,835,667	17,750,120,892
242	1. Construction in progress	14	13,760,835,667	17,750,120,892
250	V. Long-term financial investments		2,789,007,332	857,860,420
252	1. Investments in associates	15.2	2,772,693,461	847,332,517
253	2. Investment in other entities	16	16,313,871	10,507,903
255	3. Held-to-maturity investments		-	20,000
260	VI. Other long-term assets		4,483,707,643	3,620,067,844
261	1. Long-term prepaid expenses	17	1,165,109,079	976,304,493
262	2. Deferred tax assets	30.2	97,451,716	105,125,055
269	3. Goodwill		3,221,146,848	2,538,638,296
270	TOTAL ASSETS		48,291,498,110	53,062,127,656

CONSOLIDATED BALANCE SHEET (continued)
As at 31 December 2018

VND'000

Code	ASSETS	Notes	31 December 2018	31 December 2017 (restated)
300	C. LIABILITIES		31,613,656,394	35,274,154,978
310	I. Current liabilities		13,893,277,055	12,246,677,269
311	1. Short-term trade payables	18	476,300,586	970,327,536
312	2. Short-term advances from customers	19	2,403,570,689	3,164,145,656
313	3. Statutory obligations	20	59,351,726	198,214,334
314	4. Payables to employees		67,209,965	83,448,891
315	5. Short-term accrued expenses	21	2,599,503,863	1,628,490,451
318	6. Short-term unearned revenues		228,667	314,124,586
319	7. Other short-term payables	22	1,273,609,362	3,358,503,373
320	8. Short-term loans	23	7,013,438,291	2,528,863,856
322	9. Bonus and welfare funds		63,906	558,586
330	II. Non-current liabilities		17,720,379,339	23,027,477,709
333	1. Long-term accrued expenses	21	1,546,406,554	1,319,177,615
336	2. Long-term unearned revenues		-	131,669,002
337	3. Other long-term liabilities	22	986,991,727	937,538,732
338	4. Long-term loans	23	14,803,704,081	20,296,209,849
341	5. Deferred tax liabilities	30.2	377,543,611	336,941,517
342	6. Other long-term provisions		5,733,366	5,940,994
400	D. OWNERS' EQUITY	24	16,677,841,716	17,787,972,678
410	I. Equity		16,677,841,716	17,787,972,678
411	1. Share capital		9,274,679,470	9,274,679,470
411a	- Shares with voting rights		9,274,679,470	9,274,679,470
412	2. Share premium		3,263,858,784	3,263,858,784
415	3. Treasury shares		(686,640)	(686,640)
417	4. Foreign exchange differences		457,512,974	453,812,960
418	5. Investment and development fund		280,644,763	279,895,303
421	6. Undistributed earnings		(161,527,905)	702,809,115
421a	- Undistributed earnings up to prior year-end		(214,077,036)	633,221,103
421b	- Undistributed earnings this period		52,549,131	69,588,012
429	7. Non-controlling interests		3,563,360,270	3,813,603,686
440	TOTAL LIABILITIES AND OWNERS' EQUITY		48,291,498,110	53,062,127,656

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

30 January 2019

Hoang Anh Gia Lai Joint Stock Company

CONSOLIDATED INCOME STATEMENT
Quarter IV of 2018

B02a-DN/HN

VND'000

Co de	ITEM	Note	Quarter IV		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	25.1	1,042,773,432	1,105,707,869	5,391,981,662	4,841,225,074
11	2. Costs of goods sold	26	(818,856,495)	(635,790,801)	(2,960,265,349)	(3,109,682,997)
20	3. Net revenues from sale of goods and rendering of services		223,916,937	469,917,068	2,431,716,313	1,731,542,077
21	4. Financial income	25.2	210,914,640	200,395,230	1,377,045,953	1,665,916,448
22	5. Financial expenses	27	(318,627,212)	(587,155,855)	(1,684,986,670)	(1,697,932,438)
23	<i>In which: Interest expenses</i>		<i>(326,116,098)</i>	<i>(520,574,801)</i>	<i>(1,538,945,302)</i>	<i>(1,585,315,746)</i>
24	6. Profit (Loss) in associates		27,466,668	(24,132,720)	65,641,429	(18,433,513)
25	7. Selling expenses	28	(47,538,707)	(48,178,414)	(192,446,214)	(143,923,122)
26	8. General and administrative expenses	28	(291,322,539)	(215,617,222)	(994,270,998)	(707,548,329)
30	9. Net operating profit		(195,190,213)	(204,771,913)	1,002,699,813	829,621,123
31	10. Other income	29	32,208,387	52,931,309	46,185,955	267,202,683
32	11. Other expenses	29	(181,447,153)	(463,862,639)	(966,707,750)	(666,678,513)
40	12. Other profit (loss)	29	(149,238,766)	(410,931,330)	(920,521,795)	(399,475,830)

CONSOLIDATED INCOME STATEMENT (continued)
Quarter IV of 2018

VND'000

Co de	ITEM	Note	Quarter IV		Accumulated from the beginning of the year	
			Current year	Previous year	Current year	Previous year
50	13. Accounting profit before tax		(344,428,979)	(615,703,243)	82,178,018	430,145,293
51	14. Current corporate income tax expense	30.1	(585,040)	15,150,575	(2,998,375)	(24,802,221)
52	15. Deferred corporate income tax (expense)	30.2	(33,196,751)	(56,966,952)	(72,687,207)	(33,735,757)
60	16. Net profit after tax		(378,210,770)	(657,519,620)	6,492,436	371,607,315
61	17. Net profit after tax attributable to shareholders of the parent		(253,287,189)	(617,823,588)	52,549,131	69,588,012
62	18. Net profit after tax attributable to the non- controlling interest		(124,923,581)	(39,696,032)	(46,056,695)	302,019,303
70	19. Basic earnings per share (VND)		(273)	(666)	57	75
71	20. Diluted earnings per share (VND)		(273)	(666)	57	75

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

Hoang Anh Gia Lai Joint Stock Company

B02a-DN/HN

CONSOLIDATED INCOME STATEMENT (continued)
Quarter IV of 2018
30 January 2019

CONSOLIDATED CASH FLOW STATEMENT
Quarter IV of 2018

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		82,178,018	430,145,293
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortization of intangible fixed assets (including amortization of goodwill)	11,12,13	982,006,378	1,054,629,884
03	Provisions		6,100,281	28,441,450
04	Unrealized foreign exchange loss		75,980,415	60,022,958
05	Profits from investing activities		(1,020,445,625)	(1,737,550,408)
06	Interest expenses	27	1,538,945,302	1,585,315,746
08	Operating profit before changes in working capital		1,664,764,769	1,421,004,923
09	(Increase) Decrease in receivables		(1,112,257,030)	515,795,384
10	Increase in inventories		(204,048,807)	(211,051,664)
11	(Decrease) Increase in payables		(5,458,299,119)	775,769,299
12	Decrease (Increase) in prepaid expenses		3,131,505,406	(767,137,982)
14	Interest paid		(954,007,746)	(714,949,467)
15	Corporate income tax paid	30.1	(54,584,467)	(4,591,515)
17	Other cash outflows from operating activities		(2,231,680)	(316,303)
20	Net cash flows from operating activities		(2,989,158,674)	1,014,522,675
	II. LƯU CHUYỂN TIỀN TỪ HOẠT ĐỘNG ĐẦU TƯ			
21	Purchase and construction of fixed assets		(3,972,873,349)	(1,454,631,442)
22	Proceeds from disposals of fixed assets and other long-term assets		323,976,516	475,594,760
23	Loans to other entities		(3,041,376,766)	(7,208,649,956)
24	Collections from borrowers		3,903,352,004	2,988,905,798
25	Payments for investments in other entities		(7,783,830)	-
26	Collections from investments in other entities		85,963,757	1,517,118,217
27	Interest and dividends received		855,472,522	1,119,834,929
30	Net cash flow used for investment activities		(1,853,269,146)	(2,561,827,694)

CONSOLIDATED CASH FLOW STATEMENT (continued)
Quarter IV of 2018

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year
	III. CASH FLOWS FROM FINANCIAL ACTIVITIES			
31	Proceeds from share issuance		-	2,450,000
32	Borrowings received		9,171,629,861	4,119,461,254
33	Borrowings repaid		(4,132,930,823)	(3,055,353,071)
40	Net cash flows (use in) from financial activities		5,038,699,038	1,066,558,183
50	Net increase in cash during the year		196,271,218	(480,746,836)
60	Cash at the beginning of the year	4	141,473,491	794,326,175
61	Changes in exchange rate	4	-	(172,105,848)
70	Cash at the end of the year	4	337,744,709	141,473,491

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

30 January 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter IV of 2018**1. CORPORATE INFORMATION**

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

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

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

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

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

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

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

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

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

2.2 Applied accounting documentation system

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**2. BASIS OF PREPARATION** (continued)**2.3 Fiscal year**

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

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

2.4 Accounting currency

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

2.5 Basis of consolidation

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

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

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

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

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

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

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

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

Cash comprises cash on hand and cash in banks

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.2 Receivables**

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

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

3.3 Inventories

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

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

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

Raw and construction materials, tools and supplies and merchandise goods - Actual cost on a weighted average basis

Finished goods and work-in-process - Cost of direct materials and labor plus attributable overheads based on the normal level of activities

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

Apartments for sale

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

Cost includes:

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.3 Inventories (continued)***By-products and waste*

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

Provision for obsolete inventories

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

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

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

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

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

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

Land use rights

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

Computer software

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortization

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

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

Land use right with indefinite useful life is not amortized.

Rubber and pepper plantations

Initial basic construction of rubber and pepper plantations is estimated 7 and 3 years respectively by the Board of Management. Thus the Group started conversion of rubber and pepper plantations into fixed assets and depreciation after this initial basic construction.

Dragon fruit plantations

Initial basic construction of dragon fruit plantations is estimated from 8 to 9 months by the Board of Management. Thus the Group started conversion of dragon fruit plantations into fixed assets and depreciation after this initial basic construction.

Mango plantations

Initial basic construction of mango plantations is estimated 2 years. Thus the Group started conversion of mango plantations into fixed assets and depreciation after this initial basic construction.

Oil palm plantations

Based on the Group's survey of the oil palm plantations conducted in August 2017 by the Academy of Forestry Sciences for Western Highlands and Southern Central Vietnam, the Board of Management has decided the time for the initial basic construction of the oil palm plantations is 6 years, compatible with biological characteristics of the Group's palm oil plantations in Laos and Cambodia. Thus the Group started conversion of oil palm plantations into fixed assets and depreciation after this initial basic construction.

Plantation Depreciation

Depreciation of rubber plantations is calculated in accordance with Official Letter 1937/BTC-TCDN issued on 9 February 2010 by Department of Business Finance – Ministry of Finance providing guidance on depreciation of rubber plantations and Decision 221/QD-CSVN issued on 27 April 2010 by Vietnam Rubber Group providing guidance on the depreciation rates applicable to rubber and dragon fruit plantations for a 20-year cycle.

Depreciation of dragon fruit, pepper and mango plantations is calculated in accordance with Decision No.115/17/QD-HAGL Agrico dated 8 August 2017 and Decision No.0101/18/QĐ-HAGL Agrico dated 2 January 2018 by the Board of Management providing guidance on depreciation of dragon fruit, pepper and mango plantations for exploitation cycle.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.6 Depreciation and amortization (continued)***Plantation Depreciation (continued)**Details are as follows:*

Year	Depreciation rate (%)			
	<i>Rubber plantations</i>	Dragon fruit plantations	Pepper plantations	Mango plantations
First year	2,50	1,00	4,60	0,30
Second year	2,80	3,40	8,50	1,00
Third year	3,50	5,00	8,50	2,20
Fourth year	4,40	6,70	8,50	4,30
Fifth year	4,80	8,40	8,50	5,80
Sixth year	5,40	8,40	8,50	5,80
Seventh year	5,40	8,40	6,20	5,80
Eighth year	5,10	8,40	6,20	5,80
Ninth year	5,10	8,40	6,20	5,80
Tenth year	5,00	8,40	3,80	5,80
Eleventh year	7,00	6,70	3,80	5,80
Twelfth year	6,60	6,70	3,80	5,80
Thirteenth year	6,20	6,70	3,80	5,80
Fourteenth year	5,90	6,70	3,80	5,80
Fifteenth year	5,50	Net carrying amount	3,80	5,80
Sixteenth year	5,40		3,80	5,80
Seventeenth year	5,00		3,80	5,80
Eighteenth year	5,50		Net carrying amount	5,80
Nineteenth year	5,20			5,80
Twentieth year	Net carrying amount			Net carrying amount

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.7 Investment Properties**

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

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

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

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

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

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

3.8 Construction in progress

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

Plantation costs

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

Cattle project

Cattle project costs include costs directly attributed to the formation and development of cattle projects such as the cost of cow breeds, infrastructure, cow stables and other related costs.

Hydropower costs

Costs include attributable costs related directly to the hydro power project such as land compensation, land clearance, dam construction, transmission lines and other related costs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.8 Leased assets**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the 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 consolidated income statement on a straight-line basis over the term of the lease.

Where the Group is the lessor

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

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

3.10 Borrowing costs

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

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

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

3.11 Prepaid expenses

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

- ▶ Prepaid land and office rentals are amortized over the lease year;
- ▶ Tools and consumables issued into production (including training and advertising) and can be used for more than one year, amortized no more than three years and recognized in the consolidated income statement;
- ▶ Fruit trees and other plantations development, land clearance and grass planting expenses include: seedlings, land preparation, planting and care costs. The stem costs are amortized over the lifetime of these trees. Land preparation, planting and care costs are amortized over the year, in which economic benefits are generated in connection to the costs incurred; and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Prepaid expenses (continued)**

- ▶ 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.

3.12 Business combinations and goodwill

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**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 income statement reflects the share of the post-acquisition results of operation of the associate.

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

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 IV of 2018**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 income statement

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**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

Sale of apartments

For sale of apartments, revenue is recognized when all of the following criteria are met:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the units;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the units sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction have been obtained by or will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.20 Revenue recognition (continued)***Construction contracts*

Where the outcome of a construction contract can be estimated reliably and certified by customers, 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 customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only equivalent to contract costs incurred and the recovery is relatively certain. Contract costs are recognized as expenses in the year in which they are incurred.

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 income statement 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.

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 income statement, 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:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.21 Taxation (continued)***Deferred income tax (continued)*

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, 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.

Deferred tax is credited to the consolidated income statement, 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 Convertible bonds

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

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost of convertible bonds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Quarter IV of 2018

The remainder of the proceeds from the issue of convertible bonds is allocated to the conversion rights and is recognized in equity. The carrying amount of the conversion rights is not revalued in subsequent periods.

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

3.23 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.

3.24 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

	<i>VND'000</i>	
	<i>31 December 2018</i>	<i>31 December 2017</i>
Cash in banks	322,856,292	124,278,417
Cash on hand	14,888,417	17,195,074
TOTAL	<u>337,744,709</u>	<u>141,473,491</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**5. SHORT-TERM TRADE RECEIVABLES**

	VND'000	
	31 December 2018	31 December 2017
Receivables from sales of goods and rendering of services	1,641,265,430	1,145,033,158
Receivables from construction services	785,184,989	737,569,190
Receivables from liquidation of investments	516,200,000	-
Receivables from disposal of fixed assets and investment properties	26,389,899	119,692,581
Receivables from sale of apartments	7,353,853	16,183,862
Receivables from transfer of projects	-	147,652,615
TOTAL	<u>2,976,394,171</u>	<u>2,166,131,406</u>

Included in trade receivables were amounts due from related parties aggregating to VND'000 307,145,549 as at 31 December 2018 (*Note 31*).

6. SHORT-TERM ADVANCES TO SUPPLIERS

	VND'000	
	31 December 2018	31 December 2017
Advances for project acquisition	248,679,630	-
Advances to suppliers of goods and services	136,847,162	535,943,781
Advances to contractors for construction projects of the Group and purchase of machinery and equipment	70,624,120	71,917,466
Advances to other sellers	1,188,098	3,282,978
TOTAL	<u>457,339,010</u>	<u>611,144,225</u>

Included in advances to suppliers were amounts due to related parties aggregating to VND'000 33,621,109 as at 31 December 2018 (*Note 31*).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**7. LOAN RECEIVABLES**

	VND'000	
	31 December 2018	31 December 2017
Short-term		
Short-term loans to related parties (Note 31) (i)	633,710,952	3,754,961,320
Short-term loans to other parties (ii)	<u>91,177,884</u>	<u>214,816,226</u>
	<u>724,888,836</u>	<u>3,969,777,546</u>
Long-term		
Long-term loans to related parties (Note 31) (i)	6,130,524,709	7,512,960,946
Long-term loans to Laos Government for the Attapeu International Airport project (iii)	99,196,406	169,589,065
Long-term loans to other parties (ii)	<u>46,600,897</u>	<u>269,428,797</u>
	<u>6,276,322,012</u>	<u>7,951,978,808</u>
TOTAL	<u>7,001,210,848</u>	<u>11,921,756,354</u>

- (i) This represents unsecured loans to related parties with a repayment term from 2018 to 2022 and the average interest rate from 10.00% to 13.00% per annum.
- (ii) Long-term and short-term loans to other parties represents unsecured loans to companies with a repayment term from 2018 to 2023 and the average interest rate from 10.00% to 13.00% per annum.
- (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:

	31 December 2018	31 December 2017
Beginning balance (USD)	<u>7,482,421</u>	<u>7,482,421</u>
Ending balance (USD)	<u>4,284,942</u>	<u>7,482,421</u>
Ending balance (VND'000)	<u>99,196,406</u>	<u>169,589,065</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**8. OTHER RECEIVABLES**

	VND'000	
	31 December 2018	31 December 2017
Short-term		
Lending to companies	269,981,889	51,053,406
Interest from loans to other companies and individuals	221,045,178	496,345,797
Receivables from employees	166,922,605	96,402,593
Short-term deposits	3,000,000	42,532,151
Others	7,673,662	70,143,291
	668,623,334	756,477,238
Long-term		
Interest from loans to other companies and individuals	315,530,042	548,843,689
Long-term deposits	10,625,733	12,838,699
Lending to companies	2,495,388	248,004,789
Receivables from business cooperation contracts ("BCC")	-	125,750,981
Other long-term receivables	749,100	1,400
	329,400,263	935,439,558
TOTAL	998,023,597	1,691,916,796

Included in other short-term receivables was amount due from related parties aggregating to VND'000 457,259,952 and long-term receivables from related parties is VND'000 329,540,304 as at 31 December 2018 (Note 31).

9. INVENTORIES

	VND'000	
	31 December 2018	31 December 2017
Production and business in process	1,182,658,132	837,389,494
<i>of which:</i>		
<i>Construction contracts</i>	629,317,006	610,961,724
<i>Manufacturing activities</i>	504,279,466	111,137,954
<i>Cows</i>	48,391,921	111,197,997
<i>Services provided</i>	669,739	4,091,819
Raw materials	169,882,979	134,446,820
Finished goods	53,578,003	15,814,079
Merchandise goods	40,199,425	40,553,412
Apartments for sale under construction	35,794,748	76,898,171
Tools and supplies	10,795,148	7,955,419
Construction materials	4,515,996	13,440,800
Goods in transit for sale	207,810	-
	1,497,632,241	1,126,498,195
TOTAL	1,497,632,241	1,126,498,195
Provision for obsolete inventories	(1,977,573)	(7,645,680)
NET	1,495,654,668	1,118,852,515

10. OTHER CURRENT ASSETS

The balance at 31 December 2018 represents the net value of the Nam Kong 2 Hydropower Project and Nam Kong 3 Hydropower Project approved for disposal to a third party. The

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Quarter IV of 2018

transfer process of its ownership has not been completed as at the date of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018

11. TANGIBLE FIXED ASSETS

	VND'000						
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transport and transmission</i>	<i>Office equipment</i>	<i>Livestock and perennial trees</i>	<i>Other assets</i>	<i>TOTAL</i>
Cost							
31 December 2017 (Restated)	2,675,785,086	565,879,747	2,207,365,851	11,010,445	4,504,508,861	52,727,011	10,017,277,001
New purchases	28,900,152	37,684,842	24,806,563	17,969,425	-	963,467	110,324,449
New subsidiaries acquired	429,308,184	5,049,377	98,314,179	-	-	-	532,671,740
Construction in progress	80,723,444	465,956	77,068,064	115,066	3,181,256,473	2,261,385	3,341,890,388
Disposals	(49,443,571)	(34,972,905)	(17,247,514)	(498,536)	(454,627,419)	(1,002,440)	(557,792,385)
Disposals of subsidiaries	(1,080,198,524)	(24,083,506)	(33,015,942)	(21,381,331)	-	(2,272,710)	(1,160,952,013)
Foreign exchange differences	18,692,536	736,459	14,623,562	58,536	(42,427,698)	(146,013)	(8,462,618)
Reclassification	-	(983,372)	-	983,372	-	-	-
31 December 2018	2,103,767,307	549,776,598	2,371,914,763	8,256,977	7,188,710,217	52,530,700	12,274,956,562
Accumulated depreciation							
31 December 2017	(368,936,854)	(262,077,872)	(428,992,933)	(8,019,623)	(332,378,859)	(26,786,048)	(1,427,192,189)
Amortization during the year	(149,019,045)	(68,260,761)	(195,278,660)	(2,385,688)	(223,281,642)	(6,124,066)	(644,349,862)
New subsidiaries acquired	(31,211,489)	(1,859,175)	(8,521,613)	-	-	-	(41,592,277)
Disposals	14,424,523	16,572,987	7,399,037	425,536	209,255,690	701,525	248,779,298
Disposal of subsidiaries	45,674,167	11,541,909	16,306,552	4,384,166	-	1,043,946	78,950,740
Foreign exchange differences	534,084	(131,511)	411,316	(37,768)	3,309,949	117,693	4,203,763
31 December 2018	(488,534,614)	(304,214,423)	(608,676,301)	(5,633,377)	(343,094,862)	(31,046,950)	(1,781,200,527)
Net carrying amount							
31 December 2017	2,306,848,232	303,801,875	1,778,372,918	2,990,822	4,172,130,002	25,940,963	8,590,084,812
31 December 2018	1,615,232,693	245,562,175	1,763,238,462	2,623,600	6,845,615,355	21,483,750	10,493,756,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**12. INTANGIBLE FIXED ASSETS**

	<i>Land use right</i>	<i>Computer software</i>	<i>VND'000 TOTAL</i>
Cost			
31 December 2017	1,287,750,559	134,285,181	1,422,035,740
New purchases	-	231,437	231,437
Foreign exchange differences	32,956,066	-	32,956,066
Liquidation of subsidiaries	(1,288,332,951)	(51,546,820)	(1,339,879,771)
31 December 2018	<u>32,373,674</u>	<u>82,969,798</u>	<u>115,343,472</u>
Accumulated amortization			
31 December 2017	(22,629,123)	(68,425,373)	(91,054,496)
Amortization during the year	(8,160,830)	(14,156,630)	(22,317,460)
Foreign exchange differences	(565,664)	-	(565,664)
Liquidation of subsidiaries	29,941,320	29,417,198	59,358,518
31 December 2018	<u>(1,414,297)</u>	<u>(53,164,805)</u>	<u>(54,579,102)</u>
Net carrying amount			
31 December 2017	<u>1,265,121,436</u>	<u>65,859,808</u>	<u>1,330,981,244</u>
31 December 2018	<u>30,959,377</u>	<u>29,804,993</u>	<u>60,764,370</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**13. INVESTMENT PROPERTIES**

VND'000

	<i>Buildings, structures</i>	<i>Land use right</i>	<i>Office lease</i>	<i>Commercial Center</i>	<i>TOTAL</i>
Cost					
31 December 2017	17,558,404	27,072,022	2,222,825,169	1,130,596,596	3,398,052,191
Liquidation of subsidiaries	(2,557,224)	-	(2,281,178,618)	(1,160,276,939)	(3,444,012,781)
Foreign exchange differences	-	-	58,353,449	29,680,343	88,033,792
31 December 2018	<u>15,001,180</u>	<u>27,072,022</u>	<u>-</u>	<u>-</u>	<u>42,073,202</u>
Accumulated amortization					
31 December 2017	(3,066,599)	(1,478,788)	(111,639,628)	(71,802,927)	(187,987,942)
Amortization during the year	(568,306)	(739,394)	(36,170,400)	(24,289,186)	(61,767,286)
Liquidation of subsidiaries	884,688	-	150,740,777	97,977,078	249,602,543
Foreign exchange differences	-	-	(2,930,749)	(1,884,965)	(4,815,714)
31 December 2018	<u>(2,750,217)</u>	<u>(2,218,182)</u>	<u>-</u>	<u>-</u>	<u>(4,968,399)</u>
Net carrying amount					
31 December 2017	<u>14,491,805</u>	<u>25,593,234</u>	<u>2,111,185,541</u>	<u>1,058,793,669</u>	<u>3,210,064,249</u>
31 December 2018	<u>12,250,963</u>	<u>24,853,840</u>	<u>-</u>	<u>-</u>	<u>37,104,803</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**14. CONSTRUCTION IN PROGRESS**

	31 December 2018	31 December 2017
		<i>VND'000</i>
Rubber plantations	6,130,891,127	7,960,502,432
Oil palm plantations	3,479,965,424	3,348,265,882
Fruit plantations	3,184,108,398	1,703,067,342
Factories & farm houses	635,628,311	687,226,986
Pepper plantations	75,618,601	114,959,517
HAGL - JMG football Academy	56,679,237	53,432,133
Hoang Anh Gia Lai Myanmar Centre project	-	351,086,244
Hydro-power plants	-	3,385,682,060
Other construction works	197,944,569	145,898,296
TOTAL	<u>13,760,835,667</u>	<u>17,750,120,892</u>

15. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES**15.1. Investment in subsidiaries**

Details of the Company's subsidiaries as at 31 December 2018 are as follows:

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Energy				
(1) Hoang Anh Gia Lai Hydropower JSC	Gia Lai, Vietnam	Operating	5/6/2007	99.40
(2) Hoang Anh Attapeu Power Co., Ltd.	Vientiane, Laos	Pre-operating	18/7/2011	99.40
(3) Nam Kong 3 Electric Co., Ltd.	Attapeu, Laos	Pre-operating	31/5/2013	99.40
(4) Hoang Anh Sai Gon Hydropower JSC	Ho Chi Minh, Vietnam	Pre-operating	7/2/2018	99.00
Agriculture				
(5) Hoang Anh Gia Lai Agriculture JSC ("HNG")	Gia Lai, Vietnam	Operating	26/5/2010	63.33
(6) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Gia Lai, Vietnam	Operating	5/2/2013	63.33
(7) Hoang Anh - Quang Minh Rubber JSC	Gia Lai, Vietnam	Operating	1/2/2007	61.92
(8) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd	Attapeu, Laos	Operating	12/1/2007	61.92
(9) Hoang Anh Dak Lak JSC	Dak Lak, Vietnam	Operating	12/9/2007	63.03
(10) Hoang Anh Attapeu Agriculture Development Co., Ltd.	Attapeu, Laos	Operating	22/5/2008	63.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**15.1. Investments in subsidiaries** (continued)

Details of the Company's subsidiaries as at 31 December 2018 are as follows (continued):

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Agriculture (continued)				
(11)Hoang Anh Andong Meas Co., Ltd.	Ratanakiri, Cambodia	Operating	17/2/2011	61.92
(12)Hoang Anh Oyadav Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	16/7/2010	63.33
(13)Công ty TNHH Heng Brothers	Ratanakiri, Cambodia	Operating	25/1/2010	63.33
(14)CRD Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	15/12/2010	63.33
(15)Hoang Anh Rattanakiri Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	18/11/2009	63.33
(16)Highland Dairy Cattle JSC	Gia Lai, Vietnam	Operating	26/4/2015	62.70
(17)An Dong Mia JSC	Gia Lai, Vietnam	Operating	15/10/2015	63.33
(18)Hoang Anh Lumphat Co., Ltd.	Ratanakiri, Cambodia	Operating	15/10/2015	63.33
(19)Dong Penh JSC	Gia Lai, Vietnam	Operating	14/10/2015	63.27
(20)Daun Penh Agrico Co., Ltd.	Ratanakiri, Cambodia	Operating	14/10/2015	63.27
(21)Indochina Rubber Investment and Development Co., Ltd.	Ho Chi Minh, Vietnam	Operating	22/2/2016	63.33
(22)Eastern Europe Rubber Investment Co., Ltd	Ho Chi Minh, Vietnam	Operating	22/2/2016	63.33
(23)Eastern Rubber (Cambodia) Co., Ltd.	Kratie, Cambodia	Pre-operating	22/2/2016	63.33
(24)Binh Phuoc Kratie Rubber 2 Co., Ltd.	Kratie, Cambodia	Operating	22/2/2016	63.33
(25)Sovann Vuthy Co., Ltd.	Kratie, Cambodia	Operating	22/2/2016	63.33
(26)Trung Nguyen Rubber JSC	Gia Lai, Vietnam	Operating	9/12/2016	63.28
(27)Hung Thang Loi Gia Lai JSC	Gia Lai, Viet Nam	Operating	31/1/2018	98.00
(28)Dai Thang Agricultural Development Co., Ltd.	Se Kong, Laos	Operating	31/1/2018	98.00
Mining				
(29)HAGL Mineral One Member Co., Ltd.	Gia Lai, Viet Nam	Stop-operating	8/12/2007	99.40
(30)Hoang Anh GL - Kon Tum Mineral One Member Co., Ltd.	Kontum, Viet Nam	Stop-operating	9/2/2010	99.40
(31)Hoang Anh Sekong Mineral	Attapeu,	Stop-	15/10/2009	99.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Quarter IV of 2018

Co., Ltd.

Laos operating

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**15.1. Investments in subsidiaries** (continued)

Details of the Company's subsidiaries as at 31 December 2018 are as follows (continued):

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Construction, trading and services				
(32)Hoang Anh Gia Lai Sport JSC	Gia Lai, Vietnam	Operating	12/1/2009	69.85
(33)Hoang Anh Gia Lai Hospital JSC	Gia Lai, Vietnam	Operating	7/5/2008	99.00
(34)V&H Corporation Co., Ltd. (Laos)	Vientiane, Laos	Pre-operating	6/1/2009	80.00
(35)V&H Corporation Co., Ltd	Vientiane, Laos	Pre-operating	27/3/2009	100.00
(36)Hoang Anh Gia Lai Vientiane Co., Ltd.	Vientiane, Laos	Pre-operating	6/5/2010	100.00

Pre-operating status means the subsidiary is still under investment stage and has not yet started its business operations as at 31 December 2018.

On 31 January 2018, the Group transferred its entire share capital in Heygo Food Joint Stock Company, formerly a subsidiary, to a third party. Accordingly, Heygo Food Joint Stock Company is no longer a subsidiary of the Group since that day.

On 12 September 2018, Hoang Anh Construction and Housing Development JSC ("HAN") completed the issuance of 125,000,000 shares at an issue price of 13,414.63 VND / share (par value of 10,000 VND / share) to a third party. Accordingly, the Company's ownership ratio in HAN has decreased from 68.9% to 47.89% and HAN is no longer a subsidiary of the Group since that day.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV of 2018**15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**15.2. Investments in associates**

<i>Name of associates</i>	<i>Business activities</i>	<i>31 December 2018</i>		<i>31 December 2017</i>	
		<i>(%) holding</i>	<i>Carrying value VND'000</i>	<i>(%) holding</i>	<i>Carrying value VND'000</i>
Bidiphar Rubber JSC	Rubber plantation	49.14	273.856.911	49.14	265.778.583
East Asia Investment and Construction Consultant JSC	Electric design and consultancy	25.00	7.609.521	25.00	7.609.521
Hoang Anh Construction and Housing Development JSC(*)	Real estate	47.89	2.491.227.029	-	-
Gia Lai Livestock Joint Stock Company (**)	Livestock	-	-	23.46	573.944.413
TOTAL			<u>2.772.693.461</u>		<u>847.332.517</u>

Based on the direct ownership of the Group's subsidiaries in these companies.

(*) becoming an associate since 12 September 2018

(**) On 20 March 2018, Highland Dairy Cattle JSC, a subsidiary of the Group, transferred its entire share capital equivalent to 23.46 percentage of ownership in Gia Lai Livestock JSC to a third party. Accordingly, Gia Lai Livestock JSC is no longer an associate of the Group since that day.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**16. INVESTMENT IN OTHER ENTITIES**

	VND'000	
	31 December 2018	31 December 2017
Thanh nien Media Corporation	6,200,000	6,200,000
Other investments	10,113,871	4,307,903
TOTAL	16,313,871	10,507,903

17. LONG-TERM PREPAID EXPENSES

	VND'000	
	31 December 2018	31 December 2017
Fruit plantation development	808,585,033	338,141,701
Land rentals	213,021,076	77,325,774
Land reclamation	58,884,580	119,745,845
Training costs of HAGL-JMG	29,512,341	36,580,897
Tools and supplies	23,818,106	344,767,769
Office rentals	5,333,584	24,595,489
Others	25,954,359	35,147,018
TOTAL	1,165,109,079	976,304,493

18. SHORT-TERM TRADE PAYABLES

	VND'000	
	31 December 2018	31 December 2017
Payable for purchase of goods and services	467,506,382	581,265,959
Payable to construction contractors	7,998,396	386,759,864
Others	795,808	2,301,713
TOTAL	476,300,586	970,327,536

Included in trade payables were amounts due to related parties aggregating to VND'000 37,850,374 as at 31 December 2018 (Note 31).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**19. SHORT-TERM ADVANCES TO CUSTOMERS**

	VND'000	
	31 December 2018	31 December 2017
Advances from customers for purchase of hydropower projects	2,258,871,775	1,937,491,633
Advances from trade customers	144,181,030	401,485,954
Advances from customers for purchase of apartments	517,884	630,303,525
Advances from construction customers	-	194,864,544
TOTAL	<u>2,403,570,689</u>	<u>3,164,145,656</u>

20. STATUTORY OBLIGATIONS

	VND'000	
	31 December 2018	31 December 2017
Corporate income tax (Note 30.1)	30,660,237	84,361,805
Personal income tax	10,278,407	11,625,323
Value-added tax payable	9,183,796	35,251,988
Others	9,229,286	66,975,218
TOTAL	<u>59,351,726</u>	<u>198,214,334</u>

21. ACCRUED EXPENSES

	VND'000	
	31 December 2018	31 December 2017 (Restated)
Interest expenses	2,933,180,997	2,133,992,109
<i>In which:</i>		
<i>Interest expenses on bank loans and bonds</i>	2,903,582,686	2,063,358,161
<i>Interest expenses on other organizations and individuals</i>	29,598,311	70,633,948
Operating costs	1,169,314,760	770,261,297
Bond issuance expenses	43,414,660	43,414,660
TOTAL	<u>4,145,910,417</u>	<u>2,947,668,066</u>
<i>In which:</i>		
<i>Short-term</i>	2,599,503,863	1,628,490,451
<i>Long-term</i>	1,546,406,554	1,319,177,615

Included in accrued expenses were interest expenses from related parties aggregating to VND'000 12,650,283 as at 31 December 2018 (Note 31).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**22. OTHER PAYABLES**

	VND'000	
	31 December 2018	31 December 2017 (Restated)
Short-term		
Payables to other companies	1,000,527,481	1,669,979,606
Payables to other individuals	136,797,342	109,720,058
Payables for land lease	76,535,529	133,957,484
Payables for apartment maintenance	10,270,125	24,585,898
Payables for Business Cooperation Contracts	-	1,282,500,000
Others	49,478,885	137,760,327
	<u>1,273,609,362</u>	<u>3,358,503,373</u>
Long-term		
Payables for Business Cooperation Contracts ("BCC")	835,000,000	550,000,000
Payables for land lease	113,072,265	135,669,657
Deposit received from tenants for office lease	-	235,056,332
Payables to other companies	38,919,462	16,812,743
	<u>986,991,727</u>	<u>937,538,732</u>
TOTAL	<u>2,260,601,089</u>	<u>4,296,042,105</u>

Included in other payables were short-term amounts due to related parties aggregating to VND'000 691,825,298 and long-term amounts due to related parties aggregating to VND'000 849,189,134 as at 31 December 2018 (Note 31).

23. LOAN

	VND'000	
	31 December 2018	31 December 2017
Short-term loans		
HNG convertible bonds	2,216,847,668	-
Current portion of long-term bank loans (Note 23.3)	1,537,972,524	579,091,848
Short-term loans from organizations and individuals (Note 23.4)	1,426,756,658	819,891,654
Current portion of long-term bonds (Note 23.2)	913,992,911	401,099,073
Short-term bank loans (Note 23.1)	912,868,530	728,781,281
Current portion of long-term loans from individuals (Note 23.5)	5,000,000	-
	<u>7,013,438,291</u>	<u>2,528,863,856</u>
Long-term loans		
Domestic straight bonds (Note 23.2)	10,069,285,312	10,965,896,345
Long-term bank loans (Note 23.3)	4,604,709,169	9,308,802,300
Long-term personal loans (Note 23.5)	129,709,600	21,511,204
	<u>14,803,704,081</u>	<u>20,296,209,849</u>
TOTAL	<u>21,817,142,372</u>	<u>22,825,073,705</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**23. LOANS** (continued)**23.1 Short-term bank loans**

	<i>VND'000</i>	
	<i>31 December</i>	<i>31 December</i>
	<i>2018</i>	<i>2017</i>
Tien Phong Commercial Joint Stock Bank	599,911,828	321,597,754
Laos - Viet Bank	207,207,638	119,898,087
Saigon Thuong Tin Commercial Joint Stock Bank	83,346,445	80,737,650
Joint Stock Bank for Investment and Development of Vietnam	22,402,619	171,945,940
Joint Stock Bank for Investment and Development of Cambodia	-	34,601,850
TOTAL	<u>912,868,530</u>	<u>728,781,281</u>

23.2 Domestic straight bonds

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

<i>Arrangement organizations</i>	<i>Date of issuance</i>	<i>Amount</i> <i>VND'000</i>	<i>Maturity date</i>
BIDV Securities Joint Stock Company	31 March 2017	5,876,000,000	30 Dec. 2026
Euro Capital Securities Company	17 November 2015	1,694,000,000	From 17 Dec. 2017 to 17 Dec. 2021
Vietnam Prosperity Bank Securities Company Limited	28 November 2014	1,335,234,136	28 Dec. 2021
Phu Gia Securities Joint Stock Company	29 December 2016	930,000,000	31 Dec. 2023
FPT Securities JSC and Vietnam Prosperity Bank JSC	27 August 2015	594,000,000	From 27 Dec. 2021
IB Securities Joint Stock Company and VPB	27 December 2016	145,268,040	From 27 Dec. 2020
ACB Securities Limited Company	25 April 2012	480,000,000	From 27 April 2017 to 18 September 2023
Cost of bond issuance		<u>(71,223,953)</u>	
TOTAL		<u>10,983,278,223</u>	
<i>In which:</i>			
<i>Non-current portion</i>		10,069,285,312	
<i>Current portion</i>		913,992,911	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**23. LOANS (continued)****23.3 LONG-TERM BANK LOANS**

	31 December 2018	31 December 2017
		VND'000
Bank for Investment and Development of Vietnam Ho Chi Minh City Development Joint Stock Commercial Bank	2,522,768,439	2,950,770,245
Laos - Viet Bank - Attapeu Branch	1,334,047,632	1,401,510,119
Saigon Thuong Tin Commercial Joint Stock Bank	1,031,033,103	1,420,718,793
Tien Phong Commercial Joint Stock Bank	1,004,832,519	2,924,753,645
	250,000,000	1,190,141,346
TOTAL	<u>6,142,681,693</u>	<u>9,887,894,148</u>
<i>In which:</i>		
<i>Non-current portion</i>	4,604,709,169	9,308,802,300
<i>Current portion</i>	1,537,972,524	579,091,848

23.4 Short-term loans from other organizations and individuals

	31 December 2018	31 December 2017
Truong Hai Auto Corporation	746,132,000	-
Mr Doan Nguyen Duc	612,995,000	-
Mrs Tran Thi Huu Duyen	33,529,000	33,529,000
Canh Hung Hai Thanh JSC	18,000,000	18,000,000
Mr Vu Duy Khuong	9,200,000	9,200,000
Mr Lim Yau Hewi	6,900,658	-
Other organizations, individuals	-	759,162,654
TOTAL	<u>1,426,756,658</u>	<u>819,891,654</u>

23.5 Other long-term loans from individuals

	31 December 2018	31 December 2017
Mr Doan Nguyen Duc	129,709,600	-
Mrs Huynh Tran Thanh Phuong	5,000,000	5,000,000
Mr Cao Duy Thinh	-	16,511,204
TOTAL	<u>134,709,600</u>	<u>21,511,204</u>
<i>In which:</i>		
<i>Non-current portion</i>	129,709,600	-
<i>Current portion</i>	5,000,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**24. OWNER'S EQUITY****24.1 Increase and decrease in owners' equity**

VND'000

	Share capital	Share premium	Treasury shares	Foreign exchange difference	Investment and development fund	Undistributed earnings	TOTAL
2017							
Balance at 31 December 2016	7,899,679,470	3,539,078,784	(686,640)	625,918,808	279,895,303	915,758,015	13,257,667,583
Stock issuance	1,375,000,000	(275,220,000)	-	-	-	-	1,099,780,000
Equity transactions inside Group with non-controlling shareholders	-	-	-	-	-	(300,242,327)	(300,242,327)
Net profit for the year	-	-	-	-	-	687,411,600	687,411,600
Foreign exchange differences	-	-	-	(172,105,848)	-	-	(440,273,155)
Balance at 31 December 2017	9,274,679,470	3,263,858,784	(686,640)	453,812,960	279,895,303	1,302,927,288	14,304,343,701
2018							
Balance at 31 December 2017	9,274,679,470	3,263,858,784	(686,640)	453,812,960	279,895,303	702,809,115	13,974,368,992
Net profit for the year	-	-	-	-	-	52,549,131	52,549,131
Remuneration for the BOD and the BOM	-	-	-	-	-	(1,737,000)	(1,737,000)
Foreign exchange differences	-	-	-	3,700,014	-	-	3,700,014
Appropriation to development and investment and bonus and welfare fund	-	-	-	-	749,460	(749,460)	-
Equity transactions inside Group with non-controlling shareholders	-	-	-	-	-	(914,399,691)	(914,399,691)
Balance at 31 December 2018	9,274,679,470	3,263,858,784	(686,640)	457,512,974	280,644,763	(161,527,905)	13,114,481,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**24. OWNERS' EQUITY** (continued)**24.2 Shares**

	<i>31 December 2018</i>	<i>31 December 2017</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 STATEMENTS (continued)
Quarter IV of 2018

25. REVENUES**25.1 Revenues from sale of goods and rendering of services**

VND'000

	Quarter IV		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Gross revenues	1,042,773,432	1,105,707,869	5,391,981,662	4,841,225,074
Of which:				
Sale of fruits	618,735,379	354,148,127	2,961,962,756	1,612,028,646
Sale of latex	221,404,135	52,508,947	345,077,284	454,358,577
Sale of chilies	64,621,528	24,931,966	518,491,465	24,931,966
Rendering of other services	57,453,063	151,510,017	423,583,020	606,673,377
Sale of goods, commodities, by-products	25,460,319	200,046,281	429,625,345	520,403,637
Sale of cows	48,051,335	100,015,958	126,875,039	759,269,479
Sale of apartments	7,047,673	33,977,729	57,910,338	59,278,538
Rendering of rental services	-	188,568,844	528,456,415	723,516,613
Sale of sugar	-	-	-	80,764,241

25.2 Financial income

VND'000

	Quarter IV		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Interest income from loans to other companies	203,341,283	236,837,575	763,327,404	797,935,512
Foreign exchange gains	4,323,419	(42,160,845)	44,416,030	48,666,991
Interest income from bank deposits	3,169,960	1,481,862	5,415,484	5,437,010
Dividend	79,978	-	79,978	-
Gain on disposal of investments (*)	-	-	563,629,007	808,677,292
Others	-	4,236,638	178,050	5,199,643
TOTAL	210,914,640	200,395,230	1,377,045,953	1,665,916,448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**25. REVENUE** (continued)**25.2 Financial income** (continued)

(*) On 11 May 2016, Hoang Anh Construction and Housing Development JSC (“HAN”) completed the private placement of 56,000,000 shares to Transport and Industry Development Investment JSC. This issuance has decreased the Company's ownership ratio in HAN from 85.75% to 68.90% and added VND'000 426,403,427 to the undistributed after-tax profit on the consolidated balance sheet.

On 12 September 2018, HAN completed the issuance of 125,000,000 shares to a third party. This issuance has decreased the Company's ownership ratio in HAN from 68.90% to 47.89% and HAN became an associate since that day. Under the guidance of Circular 202/2014/TT-BTC, the profit previously recognized in the undistributed after-tax profit will be transferred to the consolidated income statement. Accordingly, the profit amount of VND'000 426,403,247 has been recognized in the financial income on this consolidated income statement.

26. COST OF GOODS SOLD

	VND'000			
	<i>Quarter IV</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Cost of fruits	384,523,014	113,151,501	1,325,466,275	761,235,134
Cost of latex	235,936,796	18,893,472	372,364,404	352,603,169
Cost of other services rendered	55,831,662	73,435,062	370,140,078	445,133,983
Cost of chillies	52,421,948	7,673,011	354,397,823	7,673,011
Cost of goods, commodities, and by-products	42,745,384	8,054,067	174,660,219	257,928,072
Cost of cows	41,305,026	213,871,658	102,973,236	722,539,952
Cost of apartments	6,092,665	35,404,927	38,476,547	58,761,526
Cost of rental services	-	165,307,103	221,786,767	382,688,288
Cost of products from sugar sector	-	-	-	121,119,862
TOTAL	818,856,495	635,790,801	2,960,265,349	3,109,682,997

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**27. FINANCIAL EXPENSES**

	Quarter IV		VND'000 Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
	Interest expense on bank loans and bonds	326,116,098	520,574,801	1,538,945,302
Foreign exchange differences	(19,243,586)	44,697,095	107,946,740	63,397,561
Others	11,754,700	21,883,959	38,094,628	49,219,131
TOTAL	318,627,212	587,155,855	1,684,986,670	1,697,932,438

28. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	Quarter IV		VND'000 Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
	Selling expenses	47,538,707	48,178,414	192,446,214
Transportation expenses and external services	41,207,561	34,754,202	155,486,871	101,156,821
Labor costs	2,571,819	11,004,480	21,266,484	27,962,791
Depreciation and amortization	509,233	2,071,936	2,107,159	3,456,575
Others	3,250,094	347,796	13,585,700	11,346,935
General and administrative expenses	291,322,539	215,617,222	994,270,998	707,548,329
Goodwill allocation	102,049,629	79,899,509	390,318,070	319,598,039
Labor costs	32,225,212	61,806,667	144,515,994	182,156,078
External services	9,440,217	34,538,620	45,693,810	76,519,841
Depreciation and amortization	6,593,880	9,354,400	32,772,297	35,605,584
Provisions	4,547,665	8,620,401	15,156,079	8,620,401
Others	136,465,936	21,397,625	365,814,748	85,048,386
TOTAL	338,861,246	263,795,636	1,186,717,212	851,471,451

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**29. OTHER INCOME AND EXPENSES**

	<i>VND'000</i>			
	<i>Quarter IV</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Other income	32,208,387	52,931,309	46,185,955	267,202,683
Gain from disposal of assets	-	38,953,913	-	141,905,662
Others	32,208,387	13,977,396	46,185,955	125,297,021
Other expenses	181,447,153	463,862,639	966,707,750	666,678,513
Loss from disposal of fixed assets	36,109,644	20,283,562	78,339,253	20,283,562
Penalty expenses	22,073,216	83,165	44,608,441	14,796,335
Depreciation of idle assets	10,177,022	8,224,836	23,492,545	19,122,206
Liquidation and conversion of plantations and others	113,087,271	435,271,076	820,267,511	612,476,410
OTHER LOSSES	(149,238,766)	(410,931,330)	(920,521,795)	(399,475,830)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter IV of 2018**30. 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, Cambodia, Myanmar and Thailand 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 income statement because it excludes items of income or expense that are taxable or deductible in other period and it further excludes items that are never taxable or deductible. The Group's 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>2018</i>	<i>2017</i>
Current tax expense	2,998,375	24,802,221
Expense (income) tax deferred	<u>72,687,207</u>	<u>33,735,757</u>
TOTAL	<u>75,685,582</u>	<u>58,537,978</u>

30. CORPORATE INCOME TAX (continued)

30.1 Current income tax

	VND'000	
	2018	2017
Profit before tax	82,178,018	430,145,293
Adjustments to increase (decrease) in accounting profit		
Loss of subsidiaries	1,231,563,200	883,912,470
Goodwill allocation expense	390,318,070	319,598,040
Accrued expenses not deducted	-	(365,262)
Movement of intra-group unrealized taxable profit	(32,225,388)	79,350,474
Foreign exchange difference	75,980,413	(69,509,091)
Profit in associates	(65,641,429)	16,336,454
Expenses without adequate supporting documents	15,906,443	17,428,421
Taxable interest expenses deducted but capitalized on projects when consolidated	101,124,788	395,646,231
Profit from disposal of subsidiaries	(563,609,680)	(878,438,276)
Provisions for investments	(342,789,278)	(435,876,305)
	(1,003,299,928)	(234,727,683)
Profit from tax-exempt activities)	
Dividend	(79,978)	(284,964)
Other increases	194,630,052	168,695,661
	<u>84,055,303</u>	<u>691,911,463</u>
Adjusted before tax net profit before loss carried forward		
Losses carried forward	(41,192,292)	(395,414,164)
	<u>42,863,011</u>	<u>296,497,299</u>
Estimated taxable income		
Estimated current CIT	2,035,545	23,210,016
Current CIT from real estate activities	4,066,942	-
Adjustment of CIT trích (thừa) thiếu năm trước	(3,104,112)	1,592,205
	<u>2,998,375</u>	<u>24,802,221</u>
Estimated current CIT expenses in the year		
CIT payable at beginning of the year	84,361,805	63,040,251
Other adjustments	(162,860)	(424,874)
Returned CIT	(1,952,616)	-
CIT paid in the year	(54,584,467)	(4,591,515)
	<u>30,660,237</u>	<u>82,826,083</u>
CIT payable at the end of the year		

30. CORPORATE INCOME TAX (continued)

30.2 Deferred CIT

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

	<i>Consolidated balance sheet</i>		<i>VND'000</i>
	<i>31 December 2018</i>	<i>31 December 2017</i>	<i>Consolidated income statement</i>
Deferred tax assets			
Unrealized intra-group profit	97,451,716	105,125,055	7,673,339
	97,451,716	105,125,055	
Deferred tax liabilities			
Interest expenses capitalized on consolidated financial statements	203,715,822	207,259,809	(3,543,987)
Provision for investments in associates, subsidiaries	173,827,789	105,269,934	68,557,855
Income from sale type lease		24,411,774	
	377,543,611	336,941,517	
Deferred income tax expenses			72,687,207

31. 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	442,306,989
		Purchase of goods and services	73,686,063
		Sales of goods and Rendering of services	23,067,140
An Phu Real Estate Investment JSC	Related Company	Interest income	109,683,955
		Rendering of services	158,377
Le Me JSC	Related Company	Interest income	85,550,994
Phu Hoang Anh JSC	Related Company	Interest income	31,112,788
Hoang Anh Gia Lai Wood JSC	Related Company	Interest income	21,758,486
		Sales of goods	4,778,215
Huynh De Construction JSC	Related Company	Interest income	19,946,349
Thanh Binh Investment & Construction Consultant Co., Ltd	Related Company	Interest income	15,269,167
An Tien Co., Ltd.	Related Company	Interest income	11,103,123
		Rendering of services	108,871

31. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
Mr Doan Nguyen Duc	Chairman of the BOD	Interest income	9,358,639
Hoang Anh Construction and Housing Development JSC	Associate	Interest income	9,005,421
Minh Tuan Trading and Services Co., Ltd.	Related company	Interest income Rendering of services	5,514,405 91,391
Dai Loc Hung Thinh One Member Co., Ltd.	Related company	Interest income	5,304,507
Thang Long Agricultural Development One Member Co., Ltd.	Related company	Interest income	1,565,216
Hoang Tho Material One Member Co., Ltd.	Related company	Rendering of services	99,884

Receivables and payables to related parties as at 31 December 2018 were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
Short-term trade receivables (Note 5)			
Gia Lai Livestock JSC	Related company	Sales of goods and Rendering of services	133,665,985
		Sales of fixed assets	383,279
Highland Agricultural Service Co., Ltd.	Related company	Sales of goods và Rendering of services	71,906,751
Gold Field Agriculture and Forestry JSC	Related company	Sales of goods và Rendering of services	30,370,320
Thanh Binh Investment & Construction Consultant Co., Ltd.	Related company	Construction contract receivable	27,595,944
		Sales of goods và Rendering of services	2,180,959
Hoang Anh Gia Lai Wood JSC	Related company	Sales of fixed assets	26,006,620
		Sales of goods và Rendering of services	5,210,285
Minh Tuan Trading and Services Co., Ltd.	Related company	Construction contract receivable	5,501,714
IAPACCO JSC	Related company	Construction contract	2,930,603

Hoang Anh Gia Lai Joint Stock Company
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
 Quarter IV of 2018

B09a-DN/HN

		receivable	
		Sales of goods	1,010,461
		and Rendering of	
		services	
Electric Construction One member	Related company	Sales of goods	382,628
Co., Ltd.		and	<hr/>
		Rendering of	
		services	
TOTAL			<u><u>307,145,549</u></u>

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Receivables and payables to related parties as at 31 December 2018 were as follows (continued):

Short-term advances to suppliers (Note 6)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	VND'000 <i>Amounts</i>
Gia Lai Livestock JSC	Related company	Advances for purchase of goods and services	29,771,109
Highland Agricultural Service Co., Ltd.	Related company	Advances for purchase of goods and services	3,850,000
TOTAL			<u>33,621,109</u>

Short-term loan receivables (Note 7)

Gia Lai Livestock JSC	Related company	Loans	313,312,865
An Tien Co., Ltd.	Related company	Loans	93,000,000
Hoang Anh Gia Lai Wood JSC	Related company	Loans	82,726,796
Hoang Anh Construction and Housing Development JSC	Related company	Loans	82,203,000
Highland Agricultural Service Co., Ltd.	Related company	Loans	56,653,075
Electric Construction JSC	Related company	Loans	5,815,216
TOTAL			<u>633,710,952</u>

Long-term loan receivables (Note 7)

Gia Lai Livestock JSC	Related company	Loans	3,884,249,304
Le Me JSC	Related company	Loans	1,527,347,311
Huynh De Construction JSC	Related company	Loans	196,731,113
Phu Hoang Anh JSC	Related company	Loans	155,872,977
Thanh Binh Investment & Construction Consultant Co., Ltd.	Related company	Loans	147,000,000
Hoang Anh Gia Lai Wood JSC	Related company	Loans	100,000,000
Phuc Bao Minh Trading – Construction – Service JSC	Related company	Loans	50,000,000
Dai Loc Hung Thinh One member Co., Ltd.	Related company	Loans	34,714,752
Highland Agricultural Service Co., Ltd.	Related company	Loans	22,895,432

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Receivables and payables to related parties as at 31 December 2018 were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
Long-term loan receivables (Note 7) (continued)			
IAPACCO JSC	Related company	Loans	6,123,820
Viet May Investment JSC	Related company	Loans	5,590,000
TOTAL			<u>6,130,524,709</u>

Other short-term receivables (Note 8)

Thang Long Agricultural Development One Member Co., Ltd.	Related company	Lending	200,852,876
Phu Hoang Anh JSC	Related company	Interest income Payment on behalf	157,007,722 2,619,183
An Tien Co., Ltd.	Related company	Interest income	31,235,470
Gia Lai Livestock JSC	Related company	Lending Interest income Khác	21,376,469 19,847,708 1,139,938
Hoang Anh Me Kong JSC	Related company	Lending	12,624,059
Gold Field Agriculture and Forestry JSC	Related company	Others	3,589,369
Hoang Anh Gia Lai Wood JSC	Related company	Lending Interest income	2,192,000 1,682,112
Electric Construction Co., Ltd.	Related company	Lending	1,950,432
Other companies	Related parties	Others	1,142,614
TOTAL			<u>457,259,952</u>

Other long-term receivables (Note 8)

Gia Lai Livestock JSC	Related company	Interest income	146,857,511
Thanh Binh Investment & Construction Consultant Co., Ltd.	Related company	Interest income	43,040,917
Huynh De Construction JSC	Related company	Interest income	32,468,560
Dai Loc Hung Thinh One member Co., Ltd.	Related company	Interest income	26,861,748
Phu Hoang Anh JSC	Related company	Interest income	26,168,409
Phuc Bao Minh Trading – Construction – Service JSC	Related company	Interest income	17,975,000
Le Me JSC	Related company	Interest income	29,098,785
Hoang Anh Gia Lai Wood JSC	Related company	Interest income	6,520,743
Other companies	Related parties	Others	548,631
TOTAL			<u>329,540,304</u>

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Receivables and payables to related parties as at 31 December 2018 were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	VND'000 <i>Amounts</i>
Short-term trade payables (Note 18)			
IAPACCO JSC	Related company	Purchase of goods and services	18,760,983
East Asia Investment and Construction Consultant JSC	Associate	Consulting fee	10,391,383
Gia Lai Livestock JSC	Related company	Purchase of goods and services	4,344,889
Hoang Anh Gia Lai Wood JSC	Related company	Purchase of goods and services	4,093,267
Other companies	Related parties	Others	259,852
TOTAL			<u>37,850,374</u>
Accrued expenses (Note 21)			
Mr Doan Nguyen Duc	Chairman of the BOD	Loan interest	6,391,123
Truong Hai Auto Corporation	Related party	Loan interest	6,259,160
TOTAL			<u>12,650,283</u>
Other short-term payables (Note 22)			
Mr Tran Ba Duong	Related party	Temporary borrowing	500,000,000
Mr Doan Nguyen Duc	Chairman of the BOD	Temporary borrowing	136,000,000
Mrs Doan Thi Nguyen Nguyen	Related party	Temporary borrowing	20,000,000
Le Me JSC	Related party	Temporary borrowing	11,685,000
Mr Nguyen Anh Hoa	Related party	Temporary borrowing	10,842,000
Saigon Mekong Investment JSC	Related company	Temporary borrowing	6,450,000
Mr Nguyen Quyen	Related party	Dividend	2,469,400
Mr Hoang Trong Hung	Related party	Dividend	2,469,400
Other companies	Related party	Others	1,909,498
TOTAL			<u>691,825,298</u>

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Receivables and payables to related parties as at 31 December 2018 were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
<i>Other long-term payables (Note 22)</i>			
An Tiến Co., Ltd.	Related company	Business Cooperation	550,000,000
		Others	2,034,000
Mr Doan Nguyen Duc	Chairman of the BOD	Business Cooperation	180,000,000
Mrs Ho Thi Kim Chi	Deputy General Director	Business Cooperation	105,000,000
Hoang Anh Gia Lai –Bangkok Co., Ltd	Associate	Others	7,666,626
Mr Nguyen Anh Hoa	Related party	Others	4,463,360
Hoàng Anh Gia Lai Wood JSC	Related party	Others	25,148
TOTAL			<u>849,189,134</u>

32. BUSINESS CONSOLIDATION

On 20 March 2018, the Company completed the acquisition of 98% of Hung Thang Loi Gia Lai Joint Stock Company ("HTLGL") from its existing shareholders. The total cost of business consolidation was VND'000 2,477,146,000. Accordingly, HTLGL became a subsidiary of the Company on that date.

HTLGL was established under the Law on Enterprise of Vietnam under the Business License No. 5901046432 issued by the Business Registration Office of the Department of Planning and Investment of Gia Lai Province on 12 October 2016 and six (6) subsequent Amended Business Registration Certificates. The main business activities of the current year include raising buffaloes, cows, goats and sheep; planting annual trees, oil-bearing fruit trees; planting fruit trees, coffee beans, pepper, corn, beans and other food crops; processing and preserving meat, meat and vegetables products.

As at 31 March 2018, HTLGL held 100% ownership of Dai Thang Agriculture Development One Member Co., Ltd. ("DT"), a company operating in Laos, which is a one member limited liability company established under the Law on Enterprise of Laos under the permanent Certificate No. 026-16 / TT.CPS issued on 19 December 2016. DT's main business activities in the current year are planting 1,625 ha of fruit plantations in ChampaSak Province, Laos.

The Company is in the process of determining the fair value at the acquisition date of the identifiable assets, payables, or contingent liabilities of the HTLGL. Therefore, the Company applied a temporary accounting method to complete the acquisition of this company. The provisional fair value of the identifiable assets and liabilities of HTLGL at the acquisition date is as below:

32. BUSINESS CONSOLIDATION (continued)

	<i>VND'000</i>
	Fair values temporarily determined at the acquisition date
Assets	
Cash	1,306,682
Short-term receivables	1,295,407,353
Inventories	24,478,895
Other short-term assets	54,217
Tangible fixed assets – Net value	491,079,463
Cost of construction in progress	237,519,659
Other long-term assets	435,720,972
Liabilities	
Other liabilities	(818,838,629)
Loans	233,695,438
	<u>1,052,534,067</u>
Total net assets	1,432,978,957
Net assets of non-controlling shareholders	28,659,579
Purchased net assets	<u>1,404,319,378</u>
Goodwill from business consolidation	<u>1,072,826,622</u>
Total cost of business consolidation paid by offsetting liabilities	<u>2,477,146,000</u>

33. RECLASSIFICATION OF BEGINNING BALANCE

During the year, the Group reclassified interest expense payables from other short-term payables to short-term payable expenses and from other long-term payables to long-term payable expenses on the consolidated balance sheet. Accordingly, the comparative figures at the beginning of the year are also reclassified to reflect the presentation of the current year's consolidated financial statements of the fourth quarter of 2018 as follows:

	<i>VND'000</i>		
<i>Item</i>	<i>31 December 2017 (previously stated)</i>	<i>Reclassified</i>	<i>31 December 2017 (restated)</i>
Short-term payable expenses	1,231,386,531	397,103,920	1,628,490,451
Other short-term payables	3,755,607,293	(397,103,920)	3,358,503,373
Long-term payable expenses	987,071,192	332,106,423	1,319,177,615
Other long-term payables	1,269,645,155	(332,106,423)	937,538,732
Short-term advances from customers	3,595,954,762	(431,809,106)	3,164,145,656
Short-term unrealized revenue	13,984,482	300,140,104	314,124,586
Long-term unrealized revenue	-	131,669,002	131,669,002

34. EVENTS AFTER THE BALANCE SHEET DATE

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

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

30 January 2019