



# RISING FROM GRAVE CRISIS

UNITY IS POWER

HOANG ANH GIA LAI JOINT STOCK COMPANY • ANNUAL REPORT 2020



IN THE CIRCUMSTANCE OF THE MARKET EXPERIENCING VICISSITUDES INSTIGATED BY THE COVID-19 PANDEMIC, HOANG ANH GIA LAI GROUP HAVE NEVER ABANDONED MAKING EFFORTS AND CHANGES IN ORDER TO TAKE STEPS APPROPRIATE TO REAL LIFE SITUATION. WE BELIEVE THAT THESE IMPEDIMENTS WILL SOON BE OVERCOME AND A LOT OF POTENTIAL EXPLOITED FOR DEVELOPMENT IN THE UPCOMING STAGE.

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## MESSAGE FROM THE BOD CHAIRMAN



Facing the circumstances of risks and fluctuations, the Board of Directors and the Board of Management have analyzed and evaluated the short term position and predict long-term developments to institute appropriate countermeasures.

**Dear distinguished shareholders, investors, banks and partners,**

In 2020, the Covid-19 pandemic experienced complicated and unpredictable progression in the world, and consequently production as well as business activities and goods consumption are severely affected. Specifically, the travel between the three countries Vietnam, Laos and Cambodia faced many difficulties, causing hindrance to the investment and production process. Production output could not be achieved as planned. Moreover, the Covid-19 also decrease the selling price of products, while the cost of transportation and circulation of goods increased. These factors minimized the Group's operating profit margin. Meanwhile, the schedule of loan repayment has barely been adjusted.

Facing the circumstances of risks and fluctuations, the Board of Directors and the Board of Management have analyzed and evaluated the short term position and predict long-term developments to institute appropriate countermeasures. We reckon that it is necessary to quickly pay down loans to reduce liquidity pressure and interest expenses, divest the investment in Hoang Anh Gia Lai Agricultural Joint Stock Company ("HNG"), focusing on restructuring production and business in a compact and efficient manner, in line with the Group's financial capacity.

Specific moves of the restructuring include: transferring some of HNG's subsidiaries in Cambodia to Truong Hai Agriculture Joint Stock Company ("Thagrigo"), carrying out procedures for converting Thagrigo liabilities into HNG's share capital, selling off HNG shares to settle bank loans, investing and developing projects still owned by HAGL to create a foundation for the future...

Up to 31 December, 2020, due to the need to continue consolidating HNG Company Group in accordance with Accounting Standards, the loan balance in the Consolidated Financial Statements did not accurately represent the Group's financial position. From 8 January 2021, HNG is no longer a subsidiary of the Group, so the Group's liabilities and assets will be properly presented in the Consolidated Financial Statements of Quarter 1, 2021. At that time, the balance of payables in general and bank loans in particular will be significantly reduced.

We believe that when the Covid-19 progression is still complicated, this is a good idea to give priority to debt reduction, streamlining production and business, ensuring effective management and the ability to self-finance each project, minimizing new loans arising. Not until Covid-19 is brought under control on a global scale and the Group's projects are self-financed, will the expansion plan be considered.

On behalf of the Board of Directors, I would like to extend my deepest gratitude to the shareholders, investors, banks and partners for accompanying HAGL on the past grueling journey and look forward to your continued support in the coming time. Your companionship and support will be the driving force for us to continue our development and, pursuit of the mission of "Sustainable Agricultural Development".

A stylized blue ink signature of Doan Nguyen Duc.

**Doan Nguyen Duc**  
BOD Chairman

## BASIC FINANCIAL INFORMATION

**TOTA ASSETS**  
(VND BILLION)

2020

# 37,266



**OWNER'S EQUITY**  
(VND BILLION)

2020

# 10,028



**NET REVENUE**  
(VND BILLION)

2020

# 3,177



**EARNING PER SHARE**  
(VND)



**PROFIT BEFORE TAX**  
(VND BILLION)

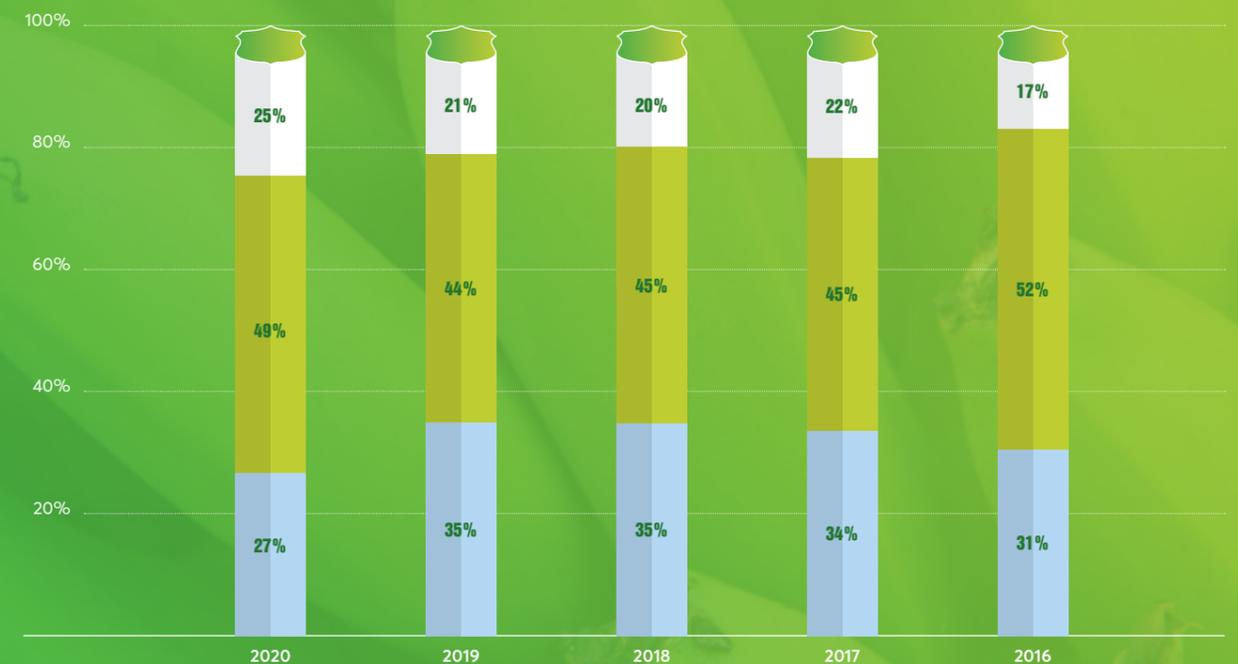


**PROFIT AFTER TAX**  
(VND BILLION)



**DEBT TO OWNER'S EQUITY**  
(RATIO %)

● Owner's equity ● Loan ● Other liabilities



# SOLIDIFYING FOUNDATION

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- 16 Business lines
- 18 Related companies



## GENERAL INFORMATION HOANG ANH GIA LAI

Vietnamese name

**CÔNG TY CỔ PHẦN  
HOÀNG ANH GIA LAI**

English name

**Hoang Anh Gia Lai Joint Stock Company**

Transaction name: **Hoang Anh Gia Lai**

Abbreviation: **HAGL**

Business code: **590037720**

First Business registration: **01/06/2006**

Business registration Certificate:

No. **590037720** granted by the Department of Planning and Investment of Gia Lai Province dated 01/06/2006 (registered for the first time)

30<sup>th</sup> amended registration: **30/03/2018**

STOCK CODE

# HAG

CHARTER CAPITAL

# 9,274,679,470,000 VND

TOTAL SHARES

# 927,467,947 SHARES

FACE VALUE

# 10,000 VND



### HEAD OFFICE

Address: 15 Truong Chinh,  
Phu Dong ward, Pleiku city  
Gia Lai province, Vietnam  
Tel: (+84) 269 222 5888  
Fax: (+84) 269 222 2335  
Website: [www.hagl.com.vn](http://www.hagl.com.vn)

## SIGNIFICANT MILESTONE

### 2013 - 2020

#### INVESTMENT IN SUSTAINABLE AGRICULTURAL DEVELOPMENT

NURSING RUBBER TREES, INVESTING IN FRUIT PLANTIONS TO ADAPT TO CHANGES IN RUBBER AND AGRO MARKET.

#### From 2021 onwards

The Group's top goal is extensive restructuring to reduce bank loans, select and streamline production and business activities, adjust and improve production and business efficiency, followed by expansion.

### 2002 - 2012

#### GOING PUBLIC

PUBLIC COMPANY:

REAL ESTATE IS A KEY INDUSTRY WHILE DIVERSIFICATION STRATEGY IS IMPLEMENTED.

#### 2002

Investing in Hoang Anh Gia Lai football club to popularize Hoang Anh Gia Lai brand name both domestically and internationally.

#### 2006-2007

Transforming to the model of Joint stock company.

Dragon Capital and Jaccar became the Company's strategic shareholders.

#### 2008-2010

Listed at Ho Chi Minh City Stock Exchange.

Mobilizing equity capital from the stock market to finance programs diversifying the Company's industry into cultivation, hydroelectric power and minerals to create sustainable development.

#### 2011 - 2012

Mobilizing capital from the international stock market through the issuance of GDRs listed on the London Stock Exchange.

Issuing International Bonds of 90 million USD via Credit Suisse  
Issuing convertible bonds to Temasek.

### 1990 - 1993

#### START-UP STAGE

PRIVATE ENTERPRISE: WOODWORK.

#### 1990

A small wooden furniture workshop.

#### 1993

The first wood-processing factory built; Hoang Anh Gia Lai Enterprise established.

## ADMINISTRATION MODEL

**Note:**

- Agribusiness
- Other sectors
- Associate





## BUSINESS LINE

### FRUIT SEGMENT



In 2020, the fruit tree sector played a key role in the operation structure of HAGL with more than 15 types of trees. By the end of 2020, HAGL had grown 25,000 hectares in Vietnam, Laos and Cambodia.

HAGL always focuses on producing high quality products, meeting Global GAP standards or equivalent standards, which make the products eligible to export to strict markets such as Japan, South Korea, Singapore and Europe. Regarding the current consumption market, HAGL views China as the main market and determines that it will soon become the largest supplier of tropical fruits in this market. HAGL will also invest in post-harvest processing to increase product value and diversify product supply to the market.



Fruit area owned by the Group in 2020

**25,000** HA  
WITH **15** FRUITS



In the future, HAGL aims to automate all stages of production, from soil preparation, tree planting and weeding to harvesting, packing, and post-harvest preservation. HAGL will also invest in building modern processing factories, creating competitive high-quality fruit products such as concentrated fruit juice, dried, and frozen fruits for export to provide for the international market.



## BANANA

### FLAGSHIP FRUIT PRODUCT

The total area of banana plantations of HAGL by the end of 2020 was over 11,000 ha. HAGL mostly exports banana by sea and road into China and others like Japan, Korea, Thailand and Singapore. Banana products from Laos and Vietnam are exported to China through Vietnam's sea border gates.



The Group's total banana area by end of 2020

**11,000** HA



### OTHER SEGMENTS

HAGL Medical and Pharmaceutical University Hospital in 2019 continued to bring in profit. Although it has not yet accounted for a large proportion in the total revenue of the Group, the Hospital has made important contributions to the society, helping HAGL to participate in charitable activities and also considerably enabling healthcare and treatment for personnel and employees of the Group.



### FOOTBALL

Sports activities are maintained to contribute to the development of Vietnamese football in particular and the society in general.

## SUBSIDIARIES & ASSOCIATES

### SUBSIDIARIES

#### AGRIBUSINESS

HAG - Ownership  
31/12/2020

1.	<b>Hung Thang Loi Gia Lai Co., Ltd.</b> 15 Truong Chinh, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam	78.22%
2.	<b>Dai Thang Agricultural Development One Member Co., Ltd.</b> Nongeyoiy village, Paksong District, Champasak Province, Laos	78.22%
3.	<b>Khan Say Agricultural Development One Member Co., Ltd.</b> Nongeyoiy village, Paksong District, Champasak Province, Laos	78.22%
4.	<b>Gia Lai Livestock Jpint Stock Company</b> Floor 8, 15 Truong Chinh, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam	88.03%
5.	<b>Hoang Anh Gia Lai Agricultural Joint Stock Company Group</b> 115 Truong Chinh, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam	40.29%

#### CONSTRUCTION, TRADING & SERVICES

1.	<b>Hoang Anh Gia Lai Sports Joint Stock Company</b> 15 Truong Chinh, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam	60.41%
2.	<b>Hoang Anh Gia Lai Hospital Joint Stock Company</b> 238 Le Duan, Tra Ba Ward, Pleiku City, Gia Lai Province, Vietnam	99.50%
3.	<b>Hoang Anh Gia Lai Vientiane Co., Ltd.</b> Vatchan village, Chanthabouly District, Vientiane, Laos	100.00%

### ASSOCIATES

HAG - Ownership  
31/12/2020

1.	<b>East Asia Investment and Construction Consultant Joint Stock Company</b> 7/1 Thanh Thai, Ward 14, District 10, HCM City, Vietnam	25.00%
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## INFORMATION ON THE BOARD OF DIRECTORS



**Mr. Doan Nguyen Duc**  
BOD chairman

Year of birth: 1963

**WORKING EXPERIENCE:**

1992 - now:  
Hoang Anh Gia Lai Joint Stock Company.

**Current position at HAGL:**

Chairman of the BOD.

**Other managerial titles:**

BOD Chairman of Hoang Anh Gia Lai Agricultural Joint Stock.



**Mr. Vo Truong Son**  
BOD member and  
General Director

Year of birth: 1973

**Qualifications:**

Master of Finance, Bachelor of Law, Member of the Association of Chartered Certified Accountants (ACCA), Member of the Vietnam Association of Certified Public Accountants (VACPA).

**Working experience:**

08/1996 - 11/2003: Auditing and Consulting Company Ltd. (A&C).  
11/2003 - 10/2008: Senior audit manager at Ernst & Young Vietnam.  
10/2008 - now:  
Hoang Anh Gia Lai JSC.

**Current position at HAGL:**

BOD member and  
General Director.



**Ms. Vo Thi Huyen Lan**  
BOD member

Year of birth: 1971

**Qualifications:**

Bachelor of Economics - HCMC University of Economics; HEC MBA - France; Master in Finance, L'Université Dauphine - France.

**Working experience:**

1996 - 1998:  
Chief Accountant at Prezioso.  
1998 - 2002:  
Chief Accountant at Espace Bourbon An Lac.  
2002 - 2006:  
Deputy General Director, CFO at BigC Vietnam.

**Current position at HAGL:**

BOD member  
**Other titles:**  
General Director at Bourbon Ben Luc Joint Stock Company.  
Member of the Board of Directors of Agrex Saigon Food Joint Stock Company.



**Mr. Nguyen Van Minh**  
BOD member

Year of birth: 1959

**Qualifications:**

Agro engineer

**Working experience:**

1981 - 1989: Agriculture Department of Dakto District, Kon Tum Province.  
1989 - 1992: Coffee Company, Gia Lai Province.  
Director of Gia Lai Mineral Joint Stock Company.  
1992 - now:  
Hoang Anh Gia Lai JSC.

**Current position at HAGL:**

BOD member.



**Ms. Vo Thi My Hanh**  
BOD member

Year of birth: 1977

**Qualifications:**

Bachelor of Law, Master of Business Administration.

**Working experience:**

2001 - 2006: Hoang Anh Sole Proprietorship Enterprise.  
2006 - 2008:  
Deputy Director at Hoang Anh Gia Lai Furniture Factory Subsidiary.  
01 - 04/2009:  
Deputy Manager of Investment planning & Project department of Hoang Anh Gia Lai.  
04/2009:  
Deputy Director at Hoang Anh Gia Lai Hydropower JSC.  
12/2014 - 04/2017: Deputy General Director at Hoang Anh Gia Lai Agricultural JSC.  
02/2017 - 05/2017:  
Deputy CFO at MPU Hoang Anh Gia Lai Hospital.  
05/2017 - 01/2021:  
BOD member and General Director at Hoang Anh Gia Lai Agricultural JSC.  
01/2021 - now:  
BOD member and Deputy General Director at Hoang Anh Gia Lai JSC.  
**Current position at HAGL:**  
BOD member and Deputy General Director.  
**Other titles:**  
BOD member of Hoang Anh Gia Lai Agricultural JSC.  
Director at Hung Thang Loi Gia La Co., Ltd.



**Ms. Nguyen Thi Huyen**  
BOD member  
elected on 26/06/2020

Year of birth: 1974

**Qualifications:**

Bachelor in Foreign language.

**Working experience:**

1996 - 1998: Hoang Anh Gia Lai Sole Proprietorship Enterprise.  
1998 - 2001: Hoang Anh Quy Nhon Co., Ltd.  
2001 - 2007: Representative office of Hoang Anh Gia Lai JSC in Singapore.  
2007 - 2008: Hoang Anh Quy Nhon Resort - Director's Assistan.  
2008 - 2013:  
Worked at Hoang Nguyen Construction & Housing Development JSC.  
2008 - 2013: Hoang Nguyen Construction and Housing Development JSC.  
2013 - now: Hoang Anh Gia Lai Myanmar Co., Ltd.  
18/04/2014 - 26/06/2020:  
BOS member of Hoang Anh Gia Lai Agricultural JSC.  
**Current position at HAGL:**  
BOD member.

## INFORMATION ON THE BOARD OF MANAGEMENT



**Mr. Vo Truong Son**  
BOD member and  
General Director

Year of birth: 1973

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**Ms. Vo Thi My Hanh**  
BOD member and  
Deputy General Director

Year of birth: 1977

For information, please see page 23



**Ms. Ho Thi Kim Chi**  
Deputy General Director

Year of birth: 1976

**Qualifications:**

Bachelor in Business administration.

**Working experience:**

1998 - 2006: Hoang Anh Gia Lai Sole Proprietorship Enterprise.

2006 now: Hoang Anh Gia Lai JSC.

**Current position at HAGL:**

Deputy General Director.



**Ms. Le Truong Y Tram**  
Chief Accountant

Year of birth: 1990

**Qualifications:**

Master of Finance, Chief Accountant diploma.

**Working experience:**

09/2012 - 08/2016:  
Internal auditing department Hoang Anh Gia Lai JSC.

09/2016 - 06/2017:  
Accounting department, Hoang Anh Gia Lai Agricultural JSC.

07/2017 - 07/2018:  
Consolidation section, Hoang Anh Gia Lai JSC.

07/2018 - now:  
Accounting department, Hoang Anh Gia Lai JSC.

**Current position at HAGL:**

Chief accountant.

## INFORMATION ON THE BOARD OF SUPERVISION



**Ms. Do Tran Thuy Trang**  
BOS Head

Year of birth: 1970

**Qualifications:**

Bachelor in Economics, Bachelor of law, Auditor certificate.

**Working experience:**

1992 - 2007: Auditor at Auditing and Consulting Company Ltd. A&C.

2008 - 2012: CFO at Saigon Mekong Investment JSC.

2012 - 2014: Deputy Director in Finance at Saigon Mekong Investment JSC.

2015 - 05/2017: Deputy Director in charge of Finance at Indochina Cow Joint Stock Company.

06/2017 - now: Chief Accountant of Heygo Food JSC.

**Current position at HAGL:**

Head of the Board of Supervision.



**Mr. Le Hong Phong**  
BOS member

Year of birth: 1980

**Qualifications:**

Bachelor in Economics.

**Working experience:**

2003 - 2004:  
Assistant auditor at Sai Gon Auditing and Financial Accounting Consultancy Company (Sai Gon AFC).

2004 - 2010:  
Assistant auditor, Head of auditing team at Auditing and Consulting Company Ltd. A&C.

2010 - 2011:  
Financial controller at Dat Xanh Group Joint Stock Company.

2011 - 2016:  
Assistant manager of Internal Auditing department at Hoang Anh Gia Lai JSC.

2015 - 2017:  
Head of the Board of Supervision at Hoang Anh Gia Lai Agricultural JSC.

2016 - 2019:  
General Director at Indochina Rubber Investment and Development Co., Ltd.

**Current position at HAGL:**

Member of the Board of Supervision.



**Mr. Pham Ngoc Chau**  
BOS member

Year of birth: 1975

**Qualifications:**

Bachelor in Economics.

**Working experience:**

2001 - 2003:  
Saigon Trade and Production Development Corporation (SADACO).

2004 - 2007:  
Europe Asia United Company Limited.

2008 - 2012:  
Hoang Anh Gia Lai Real Estate Management JSC.

2013 - now:  
Hoang Anh Gia Lai JSC.

**Current position at HAGL:**

Member of the Board of Supervision.

## INFORMATION ON THE BOARD OF STRATEGY

**Mr. Ly Xuan Hai**  
Director of the Board of  
Strategy  
Year of birth: 1965

**Qualifications:** Doctor of Mathematics - Physics, Master of Economics in Finance and Banking, Paris - Dauphine University.

**Working experience:**

1995 - 2012: Asia Commercial Joint Stock Bank y 2002.

2002 - 2004: Securities Company ACB.

2017 - now: Hoang Anh Gia Lai JSC.

## ORGANIZATION AND HUMAN RESOURCES



# PEOPLE

IS THE KEY TO SUCCESS AND THE GROUP LEADERS' LODESTAR IN THE COURSE OF BUILDING AND SUSTAINABLE DEVELOPMENT OF THE COMPANY.



The Group's total workforce force in 2020

**4,541** employees



Over the past years, HAGL has always placed importance on building a highly qualified and experienced management team and enthusiastic, well-trained staff members. This is the driving force which helps HAGL overcome the adversities and stay consistent on the road ahead.

### ORGANIZATION AND HUMAN RESOURCES

HAGL Group is organized under the parent - subsidiary model. In the past year, HAGL has restructured and divested at HAGL Agrico after transferring ownership to Thaco for financial restructuring. In 2020 the Group recorded total employment of 4,541 people; in which HNG 3,079 people (1,667 direct workers, 1,412 indirect employees) and HAG 1,462 people.

### PERSONEL

At HAGL Group, every position has its own required standards; yet, all the employees should meet these requirements: professional qualifications, high sense of responsibility and discipline. The Company always recognizes and appreciates the executives' and employees' competence and work efficiency in order to promote creativity. The personnel policy is always fully paid attention to and undergoes regular enhancement to create a positive, friendly and close knit working environment.



### RECRUITMENT AND TRAINING

HAGL always puts a great emphasis on the establishment of a suitable personnel policy and working environment to empower employees to maximize their abilities.

Recruitment is conducted under a strict procedure to meet the selection of respective positions as required, ensuring stable and qualified workforce to satisfy the requirements of the Group's production and business operation. Besides, priority is also assigned to the employment of talented individuals and leading experts locally and abroad.

Every year, the Group provides many short-term job-relate for workers in respective segments, and runs many short-term internal training to introduce new technology, working process, thus improving capability. As for managerial executives, the Company always attaches importance to enhancing their expertise, accessibility and applications of world's advanced methods of management.

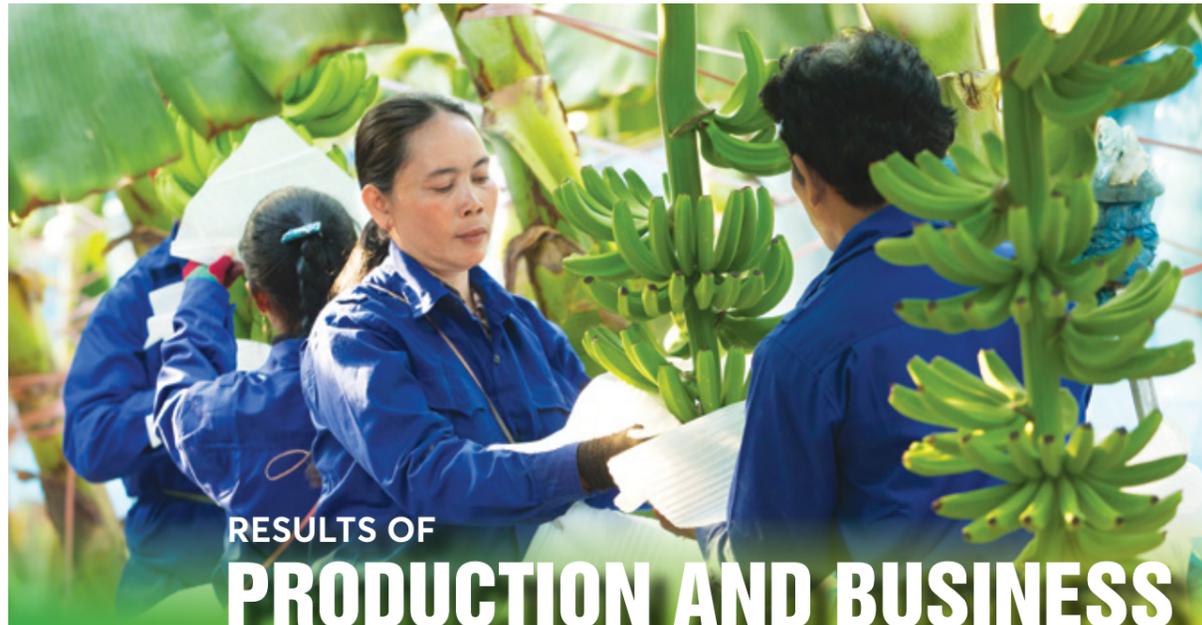
### REMUNERATION, BONUS AND WELFARE

HAGL's remuneration and bonus policies are shaped based on the criteria: competency, performance and contribution levels appropriate to the values created from each position. The company complies with the laws on social insurance, health insurance and unemployment insurance for its executives and employees.

Periodically at HAGL Medicine and Pharmacy University Hospital, the Group provides medical examination and treatment to its staffs and workers with an explicit policy: 50% of the periodical examination fees are paid by the Company, and 100% free for industrial accidents.

HAGL operates a complimentary shuttle service for employees, provides apartments to executives and senior experts working away from home, builds tenement blocks, and offers private apartments to households of which two members work for a plantation. HAGL also provides necessary equipment such as internet, cable TV services, etc. to the far-off plantations to create favorable conditions for work and entertainment of its employees.

## REPORT ON OPERATIONS IN 2020



In 2020, though severely affected by Covid-19 PANDEMIC, the Group's total revenue reached VND 3,177 billion, accounting for an increase of 53.1% as compared against 2019.

ITEM	2020 (VND Billion)	2019 (VND Billion)	Increase/ Decrease as compared to that of 2019 (VND billion)
Net revenue	3,177	2,075	1,009
Gross profit	206	228	(22)
Profit before tax	(2,351)	(2,005)	(346)
Profit after CIT	(2,383)	(1,909)	(475)
(Loss)/Profit after tax of the Parent company	(1,256)	117	(1,372)

### REVENUE FROM FRUIT SALES

Reached **VND 2,283 billion**

representing **71.9%** of the total revenue.

Gross profit reached VND 264 billion and gross profit margin 11.56%. This is HAGL's major revenue as well as gross profit in 2020 and the following years. However, during the year the Group encountered Covid-19 pandemic resulting in a sharp decline in fruit prices and gross profit margin.

### REVENUE FROM RENDERING OF OTHER SERVICES

Reached VND **466** billion  
representing **14.7%** of the total revenue

Gross profit reached VND 74 billion and gross profit margin 158.8%, mainly from medical services of HAGL Medical and Pharmaceutical University Hospital and hotel business, v.v.

### REVENUE FROM RUBBER LATEX SALES

Reached VND **266** billion  
representing **8.4%** of the total revenue.

2020 saw a rebound, which however, was a slight increase, in the rubber price, so it was a moderate exploitation awaiting a better increase in the price.

### REVENUE FROM PIG SALES

Reached VND **121** billion  
representing **3.8%** of the total revenue.

Profit reached VND 7 billion and gross profit margin 5.8%. The Group's new product promises dramatic growth in future.

### REVENUE FROM GOODS SALES

Reached VND **40** billion  
representing **1.3%** of the total revenue.

This operation mainly provides goods and materials for agribusiness.

In general, 2020 saw an increase in the Group's revenue as compared with that of previous years but under the influence of Covid-19 pandemic, the Group did not meet the revenue target passed by the General Meeting of Shareholders 2020.

## REPORT ON OPERATIONS IN 2020 (CONTINUED)

### FINANCIAL POSITION

ITEM	2020 (VND billion)		2019 (VND billion)	Increase/ (decrease) (%)
		In which HNG Group		
Total assets	37,266	25,902	33,575	11.0
Total liabilities	27,238	13,652	21,824	24.8
<i>In which:</i>				
Short-term loans	8,772	7,262	3,752	133.8
Long-term loans	9,331	2,002	10,946	(14.8)
Other loans and debts	9,135	4,389	7,126	28.2



As at 31/12/2020, total asset value was

**VND 37,266** billion

an increase of **11.0%** accounting for VND 3,690 billion compared to that of the same period in 2019.

Such an increase in total assets was mainly due to the Group's acquisition of some busiidiaries in 2020.

### LIABILITIES

As at 31/12/2020, the total liabilities amounted to VND 27,238 billion, an increase of 24.8% accounting for VND 5,414 billion compared to that of the same period in 2019. That includes:

- Short-term loans increased by 133.8%, accounting for VND 5,019 billion mainly because in 2020 the group took out a loan from Truong Hai Agriculture Joint Stock Company of VND 5,123 billion to supplement working capital. According to the Resolution of the Extraordinary General Meeting of Shareholders in 2021 of Hoang Anh Gia Lai Agricultural Joint Stock Company (a subsidiary of the Group), shareholders have agreed to a private placement plan to swap this loan into share capital.
- Long-term loans decreased by 14.8%, accounting for VND 1,615 billion because the Group did not take out new loans during the year but tried to repay due debts.
- Other liabilities increased by 28.2%, accounting for VND2,010 billion due to an increase of VND 1,570 billion in payables related to business operation, In addition, in 2020 the Group borrowed money from companies and individuals to supplement working capital, so other liabilities increased by VND 440 billion.



### FINANCIAL RATIOS

RATIO	2020	2019
<b>Liquidity</b>		
Current ratio	0.58	0.61
Quick ratio	0.43	0.34
<b>Capital structure</b>		
Debt and loan/ Totalassets	0.49	0.44
Debt and loan/ Owner's equity	1.81	1.25
<b>Earning power</b>		
Profit after tax / Net revenue	(75.0%)	(92.2%)
Profit after tax/ Owner's equity	(23.8%)	(16.2%)
Profit after tax / Totalassets	(6.4%)	(5.7%)
Operatingprofit /Netrevenue	(63.7%)	(32.2%)

In general, quick ratio items in 2020 have improved compared to the previous year.

The quick ratio increased from 0.34 time in 2019 to 0.43 time in 2020. Especially, the quick ratio approaching 0.5 time is considered close to the safe level.

The ratio of debt to total assets 0.49 time at the end of 2020 compared to 0.44 time at the end of 2019 and debt-to-equity ratio 1.81 times at the end of 2020 against 1.25 times at the end 2019. The ratio of debt to total assets and the ratio of debt to equity in 2020 increased compared to 2019, but it was only a slight fluctuation and the Group also worked out how to reduce these ratios in 2021.

## REPORT OF THE BOARD OF DIRECTORS

### ASSESSMENT OF THE COMPANY'S OPERATIONS BY THE BOARD OF DIRECTORS



#### FRUIT

It is the Group's flagship business currently, representing the biggest proportion of the revenue structure, high earning power; and it will remain a strategic segment in the coming time.



#### RUBBER

In 2020 the Group did not accelerate exploitation of latex, tending and maintaining the plantations awaiting price rebound instead.



#### HOSPITAL, FOOTBALL

The Group's two key segment for publicity of the images and contribution to social work.



#### GOVERNANCE SYSTEM

The Group is continuing to reinforce and complete the administrative system, improve the professional competence of leadership and management.

### THE BOARD OF DIRECTORS' ASSESSMENT OF THE MANAGEMENT OPERATIONS

Through BOD meetings, the BOD and the Board of Management exchanges the implementation and assessment of performing the tasks passed by the GMS. In 2020, the Board of Management did not fulfill the revenue target and the loss is larger than the planned figure. The main reason is due to the unpredictable progression of Covid-19, so production and business activities were not as initially predicted. However, the Board of Management have made efforts to complete the tasks assigned, specifically:

1. Completing the transformation of Gia Lai Livestock Joint Stock Company into a subsidiary.
2. Completing the further acquisition of subsidiaries such as Ban Me Rubber Joint Stock Company, Khan Say Agriculture Development One Member Co., Ltd.
3. Carrying out financial restructuring, significantly reducing the loan balance.
4. Focus on investing, nursing and developing fruit and rubber plantations.
5. Continuing to develop the distribution system in the Chinese market; initially expanded to Japan, Korea, and Singapore markets.

### BOD PLAN AND ORIENTATION



Continuing to focus resources on fruit segment, ensuring stability in agricultural production and business to create stable revenue; carry out large-scale and specialized agricultural production according to crop groups, focusing on the application of advanced technology to perfect planting techniques, tending, harvesting, preserving fruit, improving productivity and increase fruits of grade 1.

Balancing capital and cash flow to convert the entire area of oilpalm and part of rubber into fruit plantations to ensure future cash flow; continue performing financial restructuring.

Continuing application of management software to advance toward the management technology for the entire production chain, ensuring efficient and scientific use of resources, substantially reducing the loss of resources.

## REPORT AND ASSESSMENT OF THE BOARD OF MANAGEMENT

### ASSESSMENT OF PRODUCTION AND BUSINESS RESULTS



In 2020, total revenue reached

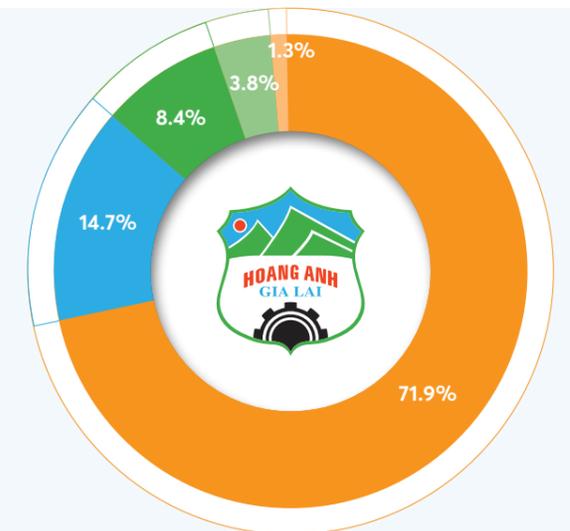
VND **3,177** billion  
increasing **53.1%** compared to 2019.

Revenue structure by segment is presented as follows:

Segment	2020		2019		2018	
	Revenue (VND billion)	Proportion (%)	Revenue (VND billion)	Proportion (%)	Revenue (VND billion)	Proportion (%)
Fruits	2,283	71.9	1,275	61.5	2,897	53.8
Provision of other services	466	14.7	234	11.3	407	7.6
Rubber latex	266	8.4	342	16.5	345	6.4
Pig	121	3.8	-	-	-	-
Goods, commodity	40	1.3	182	8.8	470	8.7
Chilli	-	-	39	1.9	514	9.5
Cow	-	-	2	0.10	127	2.4
Pepper	-	-	1	0.1	38	0.7
Leasing service	-	-	-	-	509	9.4
Investment property	-	-	-	-	58	1.1
Construction	-	-	-	-	23	0.4
<b>Total revenue</b>	<b>3,177</b>	<b>100.0</b>	<b>2,075</b>	<b>100.0</b>	<b>5,388</b>	<b>100.0</b>

### REVENUE STRUCTURE 2020

- Goods, commodity
- Pig
- Rubber latex
- Provision of services
- Fruits



In which:



#### Revenue from fruit sales

Reached VND **2,283** billion accounting for **71.9%** of the total revenue. Gross profit reached VND **264** billion and gross profit margin reached **11.56%**. This is the major contribution to HAGL's revenue as well as gross profit in 2020 and subsequent years. However, during the year the Group encountered Covid-19 pandemic resulting in a sharp decline in fruit prices and gross profit margin.



#### Revenue from provision of other services

Reached VND **466** billion representing **14.7%** of the total revenue. Gross profit reached VND 74 billion and gross profit margin reached 15.88%, mainly from medical services of HAGL Medical and Pharmaceutical University Hospital and hotel business, v.v.



#### Revenue from rubber latex sales

Reached VND **266** billion representing **8.4%** of total revenue. 2020 saw a rebound, which however, was a slight increase, in the rubber price, so it was a moderate exploitation awaiting a better increase in the price.



#### Revenue from pig sales

Reached VND **121** billion representing **3.8%** of total revenue. Gross profit reached VND 7 billion and gross profit margin reached 5.8%. The Group's new product promises dramatic growth in future.



#### Revenue from goods sales

Reached VND **40** billion representing **1.3%** of total revenue. This operation mainly provides goods and materials for agribusiness.

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

### FACTORS AFFECTING THE GROUP'S OPERATION AND BUSINESS ACTIVITIES IN 2020

2020 underwent challenges, difficulties and instability rendered by the outbreak of the Covid-19 pandemic, which has swept on a large scale and its progression continues to be complicated and unpredictable. Meanwhile, trade has been repeatedly interrupted due to countries' anti-Covid-19 policies. The Group's major fruit consumption market, Chinese, is also affected.



In such circumstance, the Board of Directors also closely directed and together with the Board of management offered practical solutions to help the Group both stabilize production and conducting extensive restructuring. In 2020, the Group has reduced bank loans, in order to make the financial situation healthy, reduce the pressure to repay loans in the coming years, thus focusing on business development.



The Group's bananas are displayed and sold at supermarkets in Korea

### FINANCIAL POSITION

#### ASSETS

Total assets in 2020 increased by 11% as compared with 2019, accounting for an increase of VND 3,690 billion. Details are as follows:

ITEM (Unit: Billion VND)	2020		2019	Fluctuation	%
	HNG Group				
Current assets	8,930	6,168	4,955	3,975	80.2
Long-term assets	28,336	19,734	28,620	(285)	(1.0)
<b>Total assets</b>	<b>37,266</b>	<b>25,902</b>	<b>33,575</b>	<b>3,690</b>	<b>11.0</b>

Such an increase in total assets was mainly due to the Group's further acquisition of subsidiaries such as Ban Me Rubber Joint Stock Company, Khan Say Agriculture Development One Member Co., Ltd. in 2020.

#### LIABILITIES

The total liabilities in 2020 increased by 24.8% compared with 2019, accounting an increase of VND 5,414 billion. Details are as follows:

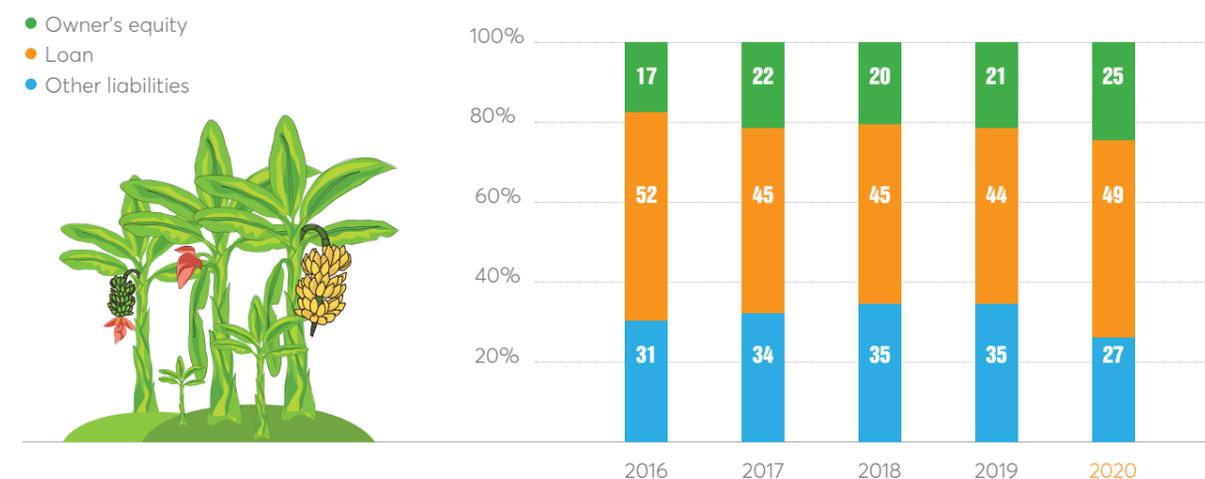
ITEM (Unit: Billion VND)	2020		2019	Fluctuation	%
	HNG Group				
<b>Current liabilities</b>	<b>15,429</b>	<b>10,912</b>	<b>8,090</b>	<b>7,339</b>	<b>90.7</b>
Short-term loans	8,772	7,262	3,752	5,019	133.8
Other short-term liabilities	6,657	3,650	4,338	2,320	53.5
<b>Long-term liabilities</b>	<b>11,809</b>	<b>2,740</b>	<b>13,734</b>	<b>(1,925)</b>	<b>(14.0)</b>
Long-term loans	9,331	2,002	10,946	(1,615)	(14.8)
Other long-term liabilities	2,478	738	2,788	(310)	(11.1)
<b>Total liabilities</b>	<b>27,238</b>	<b>13,652</b>	<b>21,824</b>	<b>5,414</b>	<b>24.8</b>

The increase in total liabilities is due to the increase in short-term debt, mainly from the increase in the debt of Hoang Anh Gia Lai Agricultural Joint Stock Company group. Excluding the debt of this group, the rest of the Group's short-term loan slightly fluctuate. Besides, the decrease in longterm liabilities resulted from the fact that during the year the Group had paid down the debt.

Total liabilities accounted for 73% of the Group's total capital in 2020. Details of the structure of owner's equity and liabilities over the years are as follows:



Liabilities and Owner's Equity (Unit: %)



## REPORT OF THE BOARD OF SUPERVISION



### MEMBERS AND STRUCTURE OF THE BOARD OF SUPERVISION

No.	Full names	Position	Ownership of the voting shares (31/12/2020)
1	Ms. Do Tran Thuy Trang	Head	0.00% (Elected BOS member on 26/06/2020 and BOS Head on 02/07/2020)
2	Mr. Nguyen Tan Anh	Member	0.00% (dismissed on 26/06/2020)
3	Ms. Nguyen Thi Huyen	Member	0.01% (dismissed on 26/06/2020)
4	Mr. Le Hong Phong	Member	0.00% (Elected BOS member on 26/06/2020)
5	Mr. Pham Ngoc Chau	Member	0.00% (Elected BOS member on 26/06/2020)

### ACTIVITIES OF THE BOARD OF SUPERVISION

Performing the tasks as required at the Company Charter and by current laws, in 2020, the Board of Supervision (the BOS) supervised the BOD and the BOM on the following issues:

- Attending the BOD's quarterly meetings as requested, and keeping track of practical business position by questioning and consulting the BOD in their decision making process and implementing the targets approved by the GMS;
- Assessing the BOD and the BOM's management and operation of the Company according to the strategy and plans devised to fit the Company particular situations;
- Assessing the integrity and rationality of the information presented in the Company's quarterly, interim and annual financial statements in full compliance with the laws;
- Discussing with the independent auditors about the results of the audit of the financial statements;
- Supervising the Company's information disclosure in compliance with the regulations of Securities Law and related legal documents.

### RESULTS OF THE BOARD OF SUPERVISION PERFORMANCE



#### SUPERVISING THE IMPLEMENTATION OF THE GMS RESOLUTIONS IN 2020

During the year, the Company implemented the resolution passed by the GMS, with details as follows:

- In 2020, the Group completed the conversion of outstanding loans and receivables of Gia Lai Livestock Joint Stock Company into share capital;
- **Business results in 2020:** The group's loss is greater than the one approved at the 2020 General Meeting of Shareholders. The reason is due to the impact of the Covid-19 pandemic, so the selling price of products decreased, leading to a decrease in gross profit. On the other hand, during the year, the Group recorded provisions on the principle of caution in the context of complicated progression of the Covid-19 pandemic.
- **Profit distribution plan for 2020:** In 2020 the company suffered a loss, so it did not distribute profits.



#### REVIEW OF FINANCIAL POSITION IN 2020

The BOS discussed with the independent auditors on the quality and scope of the audit, setting up the working procedure and other matters of concern in the Company's internal control system. The BOS thereby joined in with publishing the Company's quarterly, interim and annual financial statements. The BOS reviewed and analyzed the movements of material items in the financial statements and informed the BOD of the reviewed results. Some of the issues to be noted are presented as follows:

- The Group incurred a net loss of VND 2,383,339,850 thousand for the year ended 31 December 2020. Also on this date, the Group's accumulated loss was VND 6,301,662,837 thousand and short-term debt of the Group exceeded current assets by VND 6,498.604,992 thousand. In addition, at this date, the Group is also in breach of a number of commitments under loan and bond contracts. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.
- However, as explained by the Board of Management, at the date of these consolidated financial statements, the Group had planned for the next 12 months including the cash flows expected to be generated from the partial disposal of financial investments, debt collection from partners and cash flow generated from projects in progress. The Group is also in the process of working with the lenders on adjusting the breached



terms of the relevant loan agreements. Accordingly, the Group is able to repay its debts when they are mature and continue operating in the next financial year. In addition, on 8 January, 2021, Hoang Anh Gia Lai Agricultural Joint Stock Company - a subsidiary of the Group, held an extraordinary general meeting of shareholders to approve the private placement of additional shares for Truong Hai Agriculture Joint Stock Company to swap liabilities for the purpose of supplementing working capital needs. Based on this ground, the Group's Board of Management prepared the consolidated financial statements on a going concern basis.

## REPORT OF THE BOARD OF SUPERVISION (CONTINUED)



### REVIEW OF FINANCIAL POSITION (CONTINUED)

In addition to the issues mentioned above, the Board of Supervision assessed that the quarterly, interim and annual financial statements were presented honestly, reasonably accordance as required by law.

The Board of Supervision also discussed with the Board of Management on adjustment of the data in the 2019 financial statements based on the following ground:

- Hoang Anh Gia Lai is a group operating in the agribusiness, which is dependent on and affected by market forces. In previous years, based on the positive situation of the market related to the agricultural sector, the Board of Management assessed the possibility of recoverability of receivables as high;
- In 2020, the outbreak of the Covid-19 pandemic makes the information about risks of the agricultural product market and the agricultural industry more explicitly communicated. Therefore, the Board of Management realized that the previous risk judgments had not been made with great caution, so they made a decision to

retrospectively adjust the audited financial statements of the Company 2019 by making provision for the receivables to prevent an audit qualified opinion expressed;

- In the future, as the projects and assets serve development and increased values, gradual reversal of these provisions is possible. The Board of Management believes that the above provisions will help improve the transparency of financial statements and better serve the shareholders' use of information.

According to the Board of Supervision assessment, the adjustment of data is appropriate to the current actual and situation.



### SUPERVISION OF THE OPERATIONS OF THE BOD AND BOM

- In 2020, attending BOD meetings held quarterly and at request, the BOS could keep track of the situation of the Company's practical business as well as achievements of the target passed by the GMS.
- The BOS also supervised the BOM's operation of the Company's business and investments. From the audit results, the BOS stated their opinions so that the BOM should complete the systems of management, accounting and internal control.
- The BOS received no demand for inspection or complaint from any shareholder.



### SELECTION OF INDEPENDENT AUDIT FIRM

- The BOS still works in coordination with the Ernst & Young Vietnam Co., Ltd. Other consultancy services do not influence the independence and objectivity in audit ing financial statements.
- The BOS notified the BOD of the procedures to be presented to the GMS for approving of an audit firm for the fiscal year 2021 in the coming GMS.



## ACTION PLAN OF THE BOARD OF SUPERVISION FOR 2021

To fulfill the responsibilities required on the BOS according to the Law on Enterprises and the Company Charter, the BOS set out its plan as follows:

1. Supervising the observation of the Charter and GMS Resolutions;
2. Supervising the Company's management and operation of the BOD and the BOM;
3. Reviewing, assessing the quarterly, interim, and annual financial statements;
4. Checking, and supervising the implementation of the Company business plan for 2021;
5. Other issues.

# MOMENTUM FOR DEVELOPMENT

- 44 Shareholder structure
- 45 BOD activities
- 47 Investor relation
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## COMPANY GOVERNANCE

### SHAREHOLDER STRUCTURE

(by list of shareholders finalized from Vietnam Depository Centre on 29/05/2020)

#### SHARES

NAME OF SHARE  
HOANG ANH  
GIA LAI  
JOINT STOCK  
COMPANY  
SHARE

Charter capital:  
VND **9,274,679,470,000**

Type of share: Ordinary  
Face value: VND 10,000 /share  
Total number: 927,467,947 shares  
Total outstanding shares 927,399,283 shares  
Treasury shares: 68,664 shares  
Restricted shares: 0 share  
Unrestricted shares : 927,399,283 shares

SECURITY CODE  
**HAG**

#### SHAREHOLDER STRUCTURE

Shareholder	Number of Shareholders	Number of shares held	Holding/ Charter capital (%)
<b>Domestic shareholders</b>	<b>20,791</b>	<b>913,338,155</b>	<b>98.48</b>
Organization	85	41,288,227	4.46
Individual	20,706	872,049,928	94.02
<b>Foreign shareholders</b>	<b>575</b>	<b>14,129,792</b>	<b>1.52</b>
Organization	43	9,170,409	0.99
Individual	532	4,959,383	0.53
<b>Total</b>	<b>21,366</b>	<b>927,467,947</b>	<b>100.00</b>

#### MAJOR SHAREHOLDERS

No.	Name of organization/ individual	ID/Passport/ BRC No.	Address	Number of shares	Holding/ Charter capital
1	Mr. Doan Nguyen Duc	230046495	143 Tran Phu Pleiku, Gia lai	341,730,533	36.85%

**Change in owner's equity:** In 2020 the Company did not increase Charter capital.

**Treasury share transaction:** In 2020 the Company did not trade in treasury shares.

**Other shares:** None.

### ACTIVITIES OF THE BOARD OF DIRECTORS

#### BOD MEMBER AND STRUCTURE

No.	Full names	Position	Shares held	Holding / Charter capital (%)	Note
1	Mr. Doan Nguyen Duc	Chairman	341,730,533	36.85	
2	Mr. Vo Truong Son	Member	104	0.00	
3	Ms. Vo Thi Huyen Lan	Member	-	0.00	
4	Ms. Vo Thi My Hanh	Member	1	0.00	
5	Mr. Doan Nguyen Thu	Member	6	0.00	Term expired from 26/06/2020
6	Mr. Nguyen Van Minh	Member	2,870,057	0.31	
7	Mr. Phan Thanh Thu	Member	29,426	0.00	Term expired from 26/06/2020
8	Ms. Nguyen Thi Huyen	Member	63,140	0.01	Elected from 26/06/2020

#### BOD ACTIVITIES

In 2020, performing the tasks as required at the Company Charter, the BOD directed and supervised the BOM on the following activities

- The BOD regularly supervised, inspected and assessed the activities of the Board of Directors in production and business activities, focusing on tending, developing fruit and rubber plantations;
- Assessing the management, administration and measures to enhance the managerial activities of the Board of Management according to the best managerial practices to ensure the best interests of shareholders and employees of the Company;

- Presiding, directing and successfully holding the Annual General Meeting of Shareholders 2020;
- Directing preparation of of Annual Reports and Financial Reports;
- Supervising and directing the publication of information ensuring transparency and promptness as required by laws;
- Approving and implementing the plan to convert the outstanding loan balance and receivables of Gia Lai Livestock Joint Stock Company into share capital.

#### BOD MEETINGS

No.	BOD member	Position	Number of attendances	Rate	Reason for absence
1	Mr. Doan Nguyen Duc	Chairman	7/7	100%	
2	Mr. Doan Nguyen Thu	Member	3/3	100%	Term expired from 26/06/2020
3	Mr. Vo Truong Son	Member	7/7	100%	
4	Mr. Nguyen Van Minh	Member	7/7	100%	
5	Mr. Phan Thanh Thu	Member	3/3	100%	Term expired from 26/06/2020
6	Ms. Vo Thi Huyen Lan	Member	7/7	100%	
7	Ms. Vo Thi My Hanh	Member	7/7	100%	
8	Ms. Nguyen Thi Huyen	Member	4/4	100%	Elected as BOD member fromr 26/06/2020

## CORPORATE GOVERNANCE (CONTINUED)

### BOD RESOLUTIONS IN 2020

No.	Res. No	Date	Content
1	1302/20/NQHDQT-HAGL	13/02/2020	The dissolution of a subsidiary Hoang Anh Sai Gon Hydropower Joint Stock Company where the company holds 99% of the charter capital
2	0805/20/NQHDQT-HAGL	08/05/2020	Passing final list of shareholders to hold General Meeting of Shareholders 2020
3	0806/20/NQHDQT-HAGL	08/06/2020	Passing the issues submitted to the General Meeting of Shareholders 2020
4	2906/20/NQHDQT-HAGL	29/06/2020	Passing the election of the Chairman of the Board of Directors of the Company for the term 2020 - 2025
5	0607/20/NQHDQT-HAGL	06/07/2020	Passing the selection of an audit firm for 2020
6	1009/20/NQHDQT-HAGL	10/09/2020	Passing the plan for converting loan balance and receivables of Gia Lai Livestock Joint Stock Company into share equity
7	3112/20/NQHDQT-HAGL	31/12/2020	Passing dismissal from the position of Deputy General Director of Mr. Nguyen Van Minh

### LIST OF MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF SUPERVISION, THE BOARD OF MANAGEMENT CERTIFICATED IN CORPORATE GOVERNANCE

Training courses on corporate governance attended by the BOD members, BOS members, BOM members, other managers and the Company Secretary in accordance with regulations on corporate governance. The Board of Management, BOS Head and the Company Secretariat have completed training courses on corporate governance. For the BOD and BOS members have just been elected at the Annual General Meeting of Shareholders in 2020, the Company will create conditions to participate in training courses on corporate governance as soon as possible.

### SHARE TRANSACTION OF THE BOARD OF DIRECTORS, THE BOARD OF SUPERVISION, THE BOARD OF MANAGEMENT

No.	Trading person	Related to the internal person	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for increase/decrease (buy, sell, convert,..)
			Number of shares	(%)	Number of shares	(%)	
1	Mr. Doan Nguyen Duc	Chairman	326,730,533	35.23	341,730,533	36.85	Sale and purchase
2	Mr. Vo Truong Son	BOD member & General Director	803,654	0.09	104	0.00	sale



## INVESTOR RELATION ACTIVITIES

“Realizing the importance and influence of shareholders and investors on the development of the business, the Leaders of the Group proactively shares and updates information on a regular and continuous basis; thereby, creating conditions for shareholders and investors to acquire information and take a comprehensive view of the Group, from which prompt and rational decisions can be reached.

### TRANSPARENCY OF INFORMATION

Information on operating activities, financial position is proactively and transparently disclosed through annual reports, financial statements, press releases, on the Company's website at [www.hagl.com.vn](http://www.hagl.com.vn) as well as on the website of Ho Chi Minh Stock Exchange and other media channels.

The Leaders of the Group directly exchange information and receive comments from shareholders and investors through Shareholders' general meeting and face-to-face meetings.

### OBSTACLES, RESTRICTIONS

In 2020, under the influence of the Covid-19 pandemic, the Group was unable to organize field trips for shareholders and investors to visit the project area in Gia Lai, Laos and Cambodia. Besides, IR activities encounter some difficulties and limitations such as: being passive, mainly disclosing information as required by laws. IR activities only take place at the General Meeting of Shareholders, without timely response to the feedback of shareholders, investors...

In the coming year, the Group will focus on improving the quality of IR to bring benefits to businesses, thereby attracting more domestic and foreign investment flows via the stock market.

## CORPORATE GOVERNANCE (CONTINUED)

### RISK MANAGEMENT



#### MARKET RISKS

##### Nature

Prices of the Group's agro products are all connected to global markets especially the Chinese market and subject to fluctuation by day and hour. This will directly impact the profitability, cash flow and payback schedule.

China market has been booming and opening up wonderful opportunities but HAGL's focus on exporting to one market may involve potential risks.

##### Risk management measures

The Group manages risks with effective cost-controlling system and adoption of Science - Technique -Technology to increase capacity, ensuring consistency of product quality. The Group could always control investment expenses and costs at the lowest rate. Therefore, the profit margin of output products is healthy enough to be maintained at a minimum rate in case of a severe decline in prices in the global market. In addition, the strategy of product diversification also enables the Group to offset profit from one product against that from others when the price of one product decreases while other commodities are not affected. The Group will also gradually diversify its product consumption markets, focusing on high-consumption countries to avoid the risk of market price fluctuations.



#### EXCHANGE RATE RISKS

##### Nature

In recent years, the exchange rates between Vietnam Dong and foreign currencies (especially US Dollar) have not changed much, under the State Bank's control, and caused little effect on the Group's business activities. However, The Group always places an importance on the exchange rate risk management and gives out appropriate risk management measures to avoid negative effects of fluctuations in exchange rates in the future.

##### Risk management measures

The Group's operations include both exports and imports oriented towards export for the most part. Revenue from export enables the Group to be more proactive in its prevention of exchange rate risks.

The Group carefully worked out the schedule for import and export activities related to foreign partners as well as payment term to minimize exchange rate risks. The Group always maintains a list of liabilities in line with the cash flow structure from its business operations in respective currencies.



#### INTEREST RATE RISKS

##### Nature

The Group's business activities require large capital to invest in projects. The Group uses a lot of bank loans and issues corporate bonds with floating interest rates. A rise in interest rates will increase interest expenses and cause difficulties for the Group's production and business activities.

##### Risk management measures

The Group has proactively developed a debt and equity structure according to each stage of its production and operating activities. In the current circumstance of government managed macro economy, interest rate risks could be assessed as acceptable for 2020.

In addition to capital mobilization from loans, and ordinary bonds, The Group also mobilized capital from issuance of shares and convertible bonds at low-interest rates from both domestic and foreign investors. The cost of these funds is usually expected to be low, predetermined and not deeply affected by interest rate fluctuations.



#### LEGAL RISKS

##### Nature

As a listed company, the Group's operations are primarily governed by the Enterprise Law, Securities Law and legal documents of securities, stock exchange, etc. However, the sub-law documents and guidance are still under improvement, so possible legal and policy changes will have certain impacts on the management and activities of the Group.

Moreover, agro markets are influenced by customs barrier, technique, environment and protectionism imposed by importing countries.

##### Risk management measures

The Group has a legal department comprising qualified and experienced lawyers. The department regularly update legal changes and possible impacts to advise the Board of Directors and the Board of Management. Besides, the legal department is responsible for reviewing business agreements in the Group's daily transactions to mitigate related legal risks.



#### OTHER RISKS

##### Nature

Each business has one or more unsystematic risks. The cultivation, for example, is exposed to risks of natural disasters, drought, flood or fire... Whether they are expected or not, those risks always exist and potentially affect the Group's business operations.

##### Risk management measures

The Group is by degrees applying high technology as a model in forecast of natural disasters, diseases to take proactive measures in response to them.

The Group started to estimate probability of risks to each sector and extent of damage on risk occurrence and determine suitable insurance plans available for that particular risk and insurance premium. On that basis, the Group will make decision to either accept and self-manage the risk or take out appropriate insurance policies.

# SUSTAINABLE DEVELOPMENT

- 53 Responsibility to community
- 54 Employee welfare
- 56 Environmental protection



# REPORT OF SUSTAINABLE DEVELOPMENT



Since the beginning of 2020, the Covid-19 pandemic has spread globally, causing unprecedented negative impacts on the world economy including Vietnam. In that context, the Government has applied a set of measures to limit the risks of the pandemic to the health of the entire population, ensure reasonable growth, stabilize society, and lay the foundation

for rapid and sustainable economic growth in the coming years including: travel restrictions, quarantine blocks, social distancing, cancellation of mass events, temporary closure of schools and service facilities, encouraging people to wear masks, limiting going out when not necessary, changing business method, working and studying online...

Fully aware of corporate responsibility to society building trust with investors and customers while raising awareness and encouraging social change, over the past years, HAGL Group has made great efforts in business and investment activities producing high quality agro products while creating good value from practical deeds.

## RESPONSIBILITY TO COMMUNITY



## *Joininghand* FOR A BETTER SOCIETY

is the Group's community responsibility program, maintained annually and implemented over the years, including donations to the Poor, Children Patronage Funds., the Agent Orange Fund, donating to help people in flooded areas, making Tet gifts for deprived families, ... Gratitude, charity, medical treatment, and relief activities have been conducted in Vietnam, Laos, Cambodia - where the Group is investing. In the past year HAGL Medical Hospital has performed very well the task of improving health quality for people in the Central Highland provinces. In addition to providing on-site medical examination and treatment, the hospital also regularly conducts social activities such as humanitarian medical examination, free eye surgery for the people in remote areas of Gia Lai province and people of Laos and Cambodia.

HAGL football club actively participates in community activities and charity programs in order to share difficulties with unfortunate lives: donating relief to deprived people in Ia Bang commune, Dak Doa district, visiting and making gifts to disabled children, orphans, and lone old people at the Center for Social Protection in Ho Chi Minh City, Gia Lai...



**SUSTAINABLE DEVELOPMENT  
(CONTINUED)**

**EMPLOYEE WELFARE**

“ The development of personnel policies and working environment are particularly appreciated in order to create the best conditions for employees to promote their capability. The Group’s fulfillment of its responsibility towards the employees is based on three criteria:

**SAFETY,  
HEALTH CARE**

**ASSURANCE  
OF EQUALITY**

In addition to complying with the policies in accordance with the laws and regulations on employee occupational safety, HAGL also provides the employees with health care by supporting medical expenses at HAGL Medicine and Pharmacy University Hospital, allowing the exemption and reduction in medical expenses for staff abroad, working with the Social Insurance Agency to timely and fully support the labourers in case of illness, maternity ... Furthermore, the Group runs training courses on fire prevention and fire safety, first aid, hygiene and food safety, integrated pest management (IPM), safe use of plant protection products, etc.

Culture of fair competition is applied to working people from recruitment, training, development and promotion opportunities. HAGL places priority on employment of local labourers and respects gender equality, providing equal opportunities to both male and female employees.

Currently, the total number of female employees accounts for:

**40%**

female executives over:

**35%**



**DEVELOPMENT  
OPPORTUNITY**

In HAGL, work is assigned appropriately so that it best suits each employee’s level of expertise and ability. Healthy competition is created in each department to encourage each employee to perform the best of their ability...

The company always encourages and creates the most favourable conditions for its employees to attend professional training courses to enhance working skills. Annually, HAGL runs professional training courses in agriculture, health care... regular training courses on statistical and accounting softwares, awareness of ISO 9001 and Global GAP, HACCP hygiene, and food safety, internal auditor training, guiding for safe operations of machinery and equipment at factories and plantations.

For workers coming from remote parts nationwide who seek employment at the plantations, HAGL has done some construction works for workers in the project areas such as tenement blocks, toilets, complimentary shuttle service, etc. to generate feelings of security in the employees at work.

## REPORT OF SUSTAINABLE DEVELOPMENT (CONTINUED)

### ENVIRONMENTAL PROTECTION



“ Fully aware of the fact that environment is a precious resource for humans, over the past few years, HAGL has placed great importance on it, made every effort to develop measures on effective utilization of natural resources and energy, complying with regulations on ecological environment protection, and mitigating environmentally negative impacts...”

#### Water consumption

HAGL uses water mainly for irrigating crops, fruit processing plants... in an economical and effective fashion, minimizing adverse impacts on water sources: Application of Israeli drip irrigation systems is always the top choice in the irrigation work at its agricultural projects. This system can save 50 -70% of irrigation water compared to ordinary irrigation systems.



#### Electric power consumption

The Group has significantly reduced its power consumption in operations of processing plants, service workshops, water pumping, and irrigation by adopting practical measures:

- Replacing old appliances and equipment such as incandescent bulbs, fluorescent bulbs, etc. with LED bulbs;
- Building irrigation channel network to carry water to reservoirs for crop watering;
- Using solar heated tanks;
- Disseminating regulations of power-saving utilization to all the employees.



### MINIMIZING DETRIMENTAL EFFECTS ON THE ENVIRONMENT



Broken irrigation pipes are recycled at a rate of

**90%**

Israeli drip irrigation system helps HAGL mini-mize residues of fertilizers, pesticides soaked in soil, reducing the level of adverse impacts on land and groundwater, and improving micro-climate in irrigation areas. Moreover, the drip irrigation system also does not cause soil to be eroded and exhausted...

Using reusable materials in production and product packing:

- Reuse of fertilizer bags: to collect garbage in the lots (such as rotten fruit, branches, leaves etc.) of which 50% of bags are reused.
- Irrigation pipes (such as PVC pipes, HDPE pipes, LDPE pipes) are used for drip irrigation in the plantations. 90% of broken irrigation pipes after use are shipped to the Company's factories for recycling.

### COMPLYING WITH THE LAWS ON ENVIRONMENT

1.

The Group's investments are in compliance with the environmental laws and regulations.

2.

The Environment Department ensuring the compliance of all production activities with the regulations of competent authorities.

3.

HAGL promulgates Regulations on utilization of chemicals committing to use chemicals as per law, place maximum limit of the use of pesticides and chemical products.

4.

HAGL issued Mechanism on receiving, handling feedback, petition and providing information to individuals and organizations regarding the projects.

5.

Retaining cooperation with Bureau Veritas - an international organization in testing, evaluating and certifying to implement commitments on sustainability of planning, production and development towards the communal value protection and natural value.

6.

With the slogan **"Joining hands for a green environment"**, HAGL football club with specific activities such as collecting rubbish on road sides, hanging banners, slogans and signs along the way from the Academy to the top of the mountain Ham Rong has contributed to dissemination of Vietnamese people's spirit of self-discipline to protect the environment.



# UPHOLDING FAITH

## FINANCIAL STATEMENTS

For the year ended 31 December 2020

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## GENERAL INFORMATION

### THE COMPANY

Hoang Anh Gia Lai Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 3903000083 issued by the Department of Planning and Investment of Gia Lai Province on 1 June 2006 and the subsequent amended BRCs.

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

As at 31 December 2020, the Company has six (6) direct subsidiaries, fourteen (14) indirect subsidiaries, two (2) associates and four (4) branches.

Although the Company's direct and indirect interest ownership and voting rights in Hoang Anh Gia Lai Agricultural Joint Stock Company ("HNG") decreased to 40.29% as at 31 December 2020, but the Company still controls HNG since Mr Doan Nguyen Duc, the Chairman of the Company, is still holding the position of Chairman of HNG. In addition, the numbers of representative members of the Company in the Board of Directors of HNG are 3 out of the total of 6 members as at that date. Accordingly, in accordance with the current regulations, HNG is still a subsidiary of the Company and HNG's subsidiaries are still indirect subsidiaries of the Company as at 31 December 2020.

The registered principal activities of the Company and its subsidiaries ("The Group") are to provide investment management; trading machineries and tools for cultivation and livestock; agricultural services; mechanics; operating hotels; planting and trading rubber latex, palm oil, fruits and other plants; and generating and trading seeding.

The Company's head office is located at No. 15, Truong Chinh Street, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam. The locations of the Company's branches are in Gia Lai Province, Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors ("BOD") during the year and at the date of this report are:

Name	Position	
Mr Doan Nguyen Duc	Chairman	
Mr Vo Truong Son	Member	
Ms Vo Thi Huyen Lan	Member	
Mr Nguyen Van Minh	Member	
Ms Vo Thi My Hanh	Member	
Ms Nguyen Thi Huyen	Member	appointed on 26 June 2020
Mr Doan Nguyen Thu	Member	resigned on 26 June 2020
Mr Phan Thanh Thu	Member	resigned on 26 June 2020

### BOARD OF SUPERVISORS

Members of the Board of Supervisors ("BOS") during the year and at the date of this report are:

Name	Position	
Ms Do Tran Thuy Trang	Head	
Mr Le Hong Phong	Member	appointed on 26 June 2020
Mr Pham Ngoc Chau	Member	appointed on 26 June 2020
Ms Nguyen Thi Huyen	Member	resigned on 26 June 2020
Mr Nguyen Tan Anh	Member	resigned on 26 June 2020

### MANAGEMENT

Members of the Management during the year and at the date of this report are:

Name	Position	
Mr Vo Truong Son	General Director	
Ms Ho Thi Kim Chi	Deputy General Director	
Ms Vo Thi My Hanh	Deputy General Director	appointed on 31 December 2020
Mr Nguyen Van Minh	Deputy General Director	resigned on 31 December 2020

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Vo Truong Son.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

## REPORT OF MANAGEMENT

Management of Hoang Anh Gia Lai Joint Stock Company ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2020.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year of the Group which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



**Vo Trung Son**  
General Director

Gia Lai Province, Vietnam

10 April 2021

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders and the Board of Directors of Hoang Anh Gia Lai Joint Stock Company**

We have audited the consolidated financial statements of Hoang Anh Gia Lai Joint Stock Company ("the Company") and its subsidiaries ("the Group"), as prepared on 10 April 2021 and set out on pages 65 to 130 which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto.

### Management's responsibility

The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors' consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Company as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

### Emphasis of matters

We draw attention to Note 2.6 to the consolidated financial statements described that the Group incurred a net loss of VND'000 2,383,339,850 for the year ended 31 December 2020. As of that date, the Group has accumulated losses of VND'000 6,301,662,837 and its current liabilities exceeded its current assets by VND'000 6,498,604,992. These conditions together with other matters as mentioned in Note 2.6 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

We also draw attention to Note 38 of the consolidated financial statements which discussed adjustments made to certain corresponding figures in the consolidated financial statements by the Company's management to correct prior years' errors.

Our opinion is not modified in respect of these matters.

### Ernst & Young Vietnam Limited



**Duong Le Anthony**  
Deputy General Director  
Audit Practicing Registration Certificate  
NO. 2223-2018-004-1

**Thai Trong Cang**  
Auditor  
Audit Practicing Registration Certificate  
No. 4139-2017-004-1

Ho Chi Minh City, Vietnam

10 April 2021

## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2020

B01-DN/HH

VND'000

Code	ASSETS	Notes	Ending balance	Beginning balance (As restated - Note 38)
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>8,930,375,455</b>	<b>4,955,089,686</b>
<b>110</b>	<b>I. Cash</b>	<b>5</b>	<b>97,151,198</b>	<b>254,431,616</b>
111	1. Cash		97,151,198	254,431,616
<b>130</b>	<b>II. Current accounts receivable</b>		<b>6,410,638,635</b>	<b>2,450,744,878</b>
131	1. Short-term trade receivables	6	4,075,221,471	1,551,364,334
132	2. Short-term advances to suppliers	7	109,143,346	374,650,728
135	3. Short-term loan receivables	8	4,186,477,204	2,267,368,418
136	4. Other short-term receivables	9	563,738,589	467,023,910
137	5. Provision for short-term doubtful receivables	6, 7, 8, 9	(2,523,941,975)	(2,209,662,512)
<b>140</b>	<b>III. Inventories</b>	<b>10</b>	<b>2,347,965,565</b>	<b>2,201,556,690</b>
141	1. Inventories		2,423,112,551	2,223,128,790
149	2. Provision for obsolete inventories		(75,146,986)	(21,572,100)
<b>150</b>	<b>IV. Other current assets</b>		<b>74,620,057</b>	<b>48,356,502</b>
151	1. Short-term prepaid expenses	17	11,353,928	5,242,656
152	2. Value-added tax deductible	21	60,705,339	38,898,934
153	3. Tax and other receivables from the State	21	2,560,790	4,214,912
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>28,335,444,096</b>	<b>28,620,350,838</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>2,295,094,417</b>	<b>5,323,069,599</b>
215	1. Long-term loan receivables	8	1,782,648,474	7,513,945,466
216	2. Other long-term receivables	9	514,915,299	747,838,961
219	3. Provision for doubtful long-term receivables	8, 9	(2,469,356)	(2,938,714,828)
<b>220</b>	<b>II. Fixed assets</b>		<b>12,626,270,334</b>	<b>10,280,435,755</b>
221	1. Tangible fixed assets	11	12,104,977,632	10,247,239,903
222	Cost		15,165,372,700	12,614,467,250
223	Accumulated depreciation		(3,060,395,068)	(2,367,227,347)
227	2. Intangible fixed assets	12	521,292,702	33,195,852
228	Cost		550,664,610	48,444,043
229	Accumulated amortisation		(29,371,908)	(15,248,191)
<b>230</b>	<b>III. Investment properties</b>	<b>13</b>	<b>65,237,146</b>	<b>67,867,999</b>
231	1. Cost		74,075,831	74,075,831
232	2. Accumulated depreciation		(8,838,685)	(6,207,832)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>12,006,780,151</b>	<b>11,229,762,864</b>
242	1. Construction in progress	14	12,006,780,151	11,229,762,864
<b>250</b>	<b>V. Long-term investments</b>	<b>16</b>	<b>277,318,516</b>	<b>284,237,784</b>
252	1. Investments in associates		266,193,865	273,113,133
253	2. Investments in other entities		11,124,651	11,124,651
<b>260</b>	<b>VI. Other long-term assets</b>		<b>1,064,743,532</b>	<b>1,434,976,837</b>
261	1. Long-term prepaid expenses	17	353,396,829	381,576,859
262	2. Deferred tax assets	33.2	85,724,272	74,528,409
269	3. Goodwill	18	625,622,431	978,871,569
<b>270</b>	<b>TOTAL ASSETS</b>		<b>37,265,819,551</b>	<b>33,575,440,524</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2020

VND'000

Code	RESOURCES	Notes	Ending balance	Beginning balance (As restated - Note 38)
<b>300</b>	<b>C. LIABILITIES</b>		<b>27,238,024,092</b>	<b>21,823,683,301</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>15,428,980,447</b>	<b>8,089,793,475</b>
311	1. Short-term trade payables	19	1,474,036,885	1,014,993,762
312	2. Short-term advances from customers	20	633,729,744	239,268,824
313	3. Statutory obligations	21	32,844,475	32,597,878
314	4. Payables to employees		175,795,782	109,501,022
315	5. Short-term accrued expenses	22	2,864,427,371	2,020,469,752
318	6. Short-term unearned revenues		409,091	60,667
319	7. Other short-term payables	23	1,475,782,291	920,339,356
320	8. Short-term loans	24	8,771,851,298	3,752,458,704
322	9. Bonus and welfare fund		103,510	103,510
<b>330</b>	<b>II. Non-current liabilities</b>		<b>11,809,043,645</b>	<b>13,733,889,826</b>
333	1. Long-term accrued expenses	22	1,173,684,620	1,990,123,829
337	2. Other long-term payables	23	454,179,120	570,972,657
338	3. Long-term loans	24	9,330,999,170	10,945,607,569
341	4. Deferred tax liabilities	33.2	844,467,369	221,472,405
342	5. Long-term provisions		5,713,366	5,713,366
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>10,027,795,459</b>	<b>11,751,757,223</b>
<b>410</b>	<b>I. Equity</b>		<b>10,027,795,459</b>	<b>11,751,757,223</b>
411	1. Share capital	25.1	9,274,679,470	9,274,679,470
411a	- Shares with voting rights		9,274,679,470	9,274,679,470
412	2. Share premium	25.1	3,263,858,784	3,263,858,784
415	3. Treasury shares	25.1	(686,640)	(686,640)
417	4. Foreign exchange differences	25.1	(1,440,136,262)	(424,458,674)
418	5. Investment and development fund	25.1	282,410,699	281,668,774
421	6. Accumulated losses	25.1	(6,301,662,837)	(4,766,207,329)
421a	- Accumulated losses by the end of prior year		(5,046,001,493)	(4,882,856,972)
421b	- (Losses)/undistributed earnings of current year		(1,255,661,344)	116,649,643
429	7. Non-controlling interests	26	4,949,332,245	4,122,902,838
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>37,265,819,551</b>	<b>33,575,440,524</b>

Tran Thi Thanh Hieu  
Preparer

Le Truong Y Tram  
Chief Accountant



Vo Truong Son  
General Director

10 April 2021

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2020

B02-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Previous year (As restated - Note 38)
01	1. Revenue from sale of goods and rendering of services	28.1	3,189,964,886	2,091,833,174
02	2. Deductions	28.1	(13,318,930)	(16,389,150)
10	3. Net revenues from sale of goods and rendering of services	28.1	3,176,645,956	2,075,444,024
11	4. Costs of goods sold and rendering of services	29	(2,970,915,613)	(1,847,659,651)
20	5. Gross profit from sale of goods and rendering of services		205,730,343	227,784,373
21	6. Finance income	28.2	1,287,363,665	2,137,143,442
22	7. Finance expenses	30	(1,318,161,483)	(1,963,934,151)
23	- In which: Interest expenses		(1,253,570,666)	(1,263,369,664)
24	8. Shares of profit of associates		8,767,467	12,562,347
25	9. Selling expenses	31	(354,584,206)	(308,856,859)
26	10. General and administrative expenses	31	(1,851,240,106)	(772,469,582)
30	11. Operating loss		(2,022,124,320)	(667,770,430)
31	12. Other income	32	98,148,465	42,577,126
32	13. Other expenses	32	(427,484,407)	(1,380,140,330)
40	14. Other loss	32	(329,335,942)	(1,337,563,204)
50	15. Accounting loss before tax		(2,351,460,262)	(2,005,333,634)
51	16. Current corporate income tax expense	33.1	(3,440,989)	(2,253,490)
52	17. Deferred tax (expense)/income	33.2	(28,438,599)	98,914,750
60	18. Net loss after tax		(2,383,339,850)	(1,908,672,374)
61	19. Net (loss)/profit after tax attributable to shareholders of the parent		(1,255,661,344)	116,649,643
62	20. Net loss after tax attributable to non-controlling interests		(1,127,678,506)	(2,025,322,017)
70	21. Basic (losses)/earnings per share (VND)	27	(1,354)	126
71	22. Diluted (losses)/earnings per share (VND)	27	(1,354)	126

Tran Thi Thanh Hieu  
Preparer

Le Truong Y Tram  
Chief Accountant



Vo Truong Son  
General Director

10 April 2021

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2020

B03-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Previous year (As restated - Note 38)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	Accounting loss before tax		(2,351,460,262)	(2,005,333,634)
Adjustments for:				
02	Depreciation and amortisation (including amortisation of goodwill)	11, 12 13, 18	963,189,845	1,207,452,901
03	Provisions		1,614,455,830	163,493,353
04	(Profits)/losses foreign exchange differences arisen from the revaluation of monetary accounts denominated in foreign currencies		(72,723,455)	58,008,292
05	Profits from investing activities	16.1, 28.2, 32	(1,053,097,065)	(165,792,637)
06	Interest expense	30	1,253,570,666	1,263,369,664
07	Other adjustments	30	16,172,109	17,989,666
08	<b>Operating profit before changes in working capital</b>		<b>370,107,668</b>	<b>539,187,605</b>
09	(Increase)/decrease in receivables		(821,286,302)	77,839,787
10	Increase in inventories		(430,250,325)	(878,775,630)
11	Increase/(decrease) in payables		270,122,076	(1,251,702,503)
12	(Increase)/decrease in prepaid expenses		(21,743,758)	120,173,500
14	Interest paid		(1,130,267,163)	(1,128,584,792)
15	Corporate income tax paid	33.1	(818,203)	(12,947,293)
17	Other cash outflows for operating activities		-	(2,767,027)
20	<b>Net cash flows used in operating activities</b>		<b>(1,764,136,007)</b>	<b>(2,537,576,353)</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	Purchases and construction of fixed assets and other long-term assets		(2,335,313,765)	(4,679,597,082)
22	Proceeds from disposals of fixed assets and other long-term assets		2,653,633	1,492,108,659
23	Loans to other entities		(820,994,359)	(4,183,656,108)
24	Collections from borrowers		352,437,170	1,327,282,202
25	Payments for investments in other entities		(421,331,381)	(708,435,715)
26	Payments for investments in other entities		1,314,904,350	12,446,724,361
27	Interest and dividends received		440,002,574	537,820,566
30	<b>Net cash flows (used in)/from investing activities</b>		<b>(1,467,641,778)</b>	<b>6,232,246,883</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
33	Borrowings received	24	7,805,577,396	4,568,150,621
34	Borrowings repaid	24	(4,731,080,029)	(8,346,126,254)
40	<b>Net cash flows from/(used in) financing activities</b>		<b>3,074,497,367</b>	<b>(3,777,975,633)</b>
50	<b>Net decrease in cash for the year</b>		<b>(157,280,418)</b>	<b>(83,305,103)</b>
60	<b>Cash at beginning of the year</b>		<b>254,431,616</b>	<b>337,736,719</b>
70	<b>Cash at end of the year</b>	5	<b>97,151,198</b>	<b>254,431,616</b>



Tran Thi Thanh Hieu  
Preparer

10 April 2021

Le Truong Y Tram  
Chief Accountant

Vo Truong Son  
General Director

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2020 and for the year then ended

B09-DN/HN

### 1. THE COMPANY

Hoang Anh Gia Lai Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate ("BRC") No. 3903000083 issued by the Department of Planning and Investment of Gia Lai Province on 1 June 2006 and subsequent amended BRCs.

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

As at 31 December 2020, the Company has six (6) direct subsidiaries, fourteen (14) indirect subsidiaries, two (2) associates and four (4) branches. Details are as follows:

Name of subsidiaries	Locations	Status of operation	% interest and voting (%)
<b>Agriculture plantation</b>			
(1) Hoang Anh Gia Lai Agricultural Joint Stock Company ("HNG") (*)	Gia Lai, Vietnam	Operating	40.29
(2) Hoang Anh - Quang Minh Rubber Joint Stock Company	Gia Lai, Vietnam	Operating	40.29
(3) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Attapeu, Laos	Operating	40.29
(4) Hoang Anh Dak Lak Joint Stock Company ("Hoang Anh Dak Lak")	Dak Lak, Vietnam	Operating	40.23
(5) Ban Me Rubber One Member Co., Ltd.	Dak Lak, Vietnam	Operating	40.23
(6) Hoang Anh Attapeu Agriculture Development Co., Ltd.	Attapeu, Laos	Operating	40.29
(7) Hoang Anh Andong Meas Co., Ltd.	Ratanakiri, Cambodia	Operating	40.29
(8) Hoang Anh Oyadav Co., Ltd.	Ratanakiri, Cambodia	Operating	40.29
(9) Heng Brothers Co., Ltd.	Ratanakiri, Cambodia	Operating	40.29

(\*) Although the Company's direct and indirect interest ownership and voting rights in Hoang Anh Gia Lai Agricultural Joint Stock Company ("HNG") has decreased to 40.29% as at 31 December 2020, but the Company still controls HNG since Mr Doan Nguyen Duc, the Chairman of the Company, is still holding the position of Chairman of HNG. In addition, the numbers of representative members of the Company in the Board of Directors of HNG are 3 out of the total 6 members as at that date. Accordingly, in accordance with the current local regulations, HNG is still a subsidiary of the Company and HNG's subsidiaries are still indirect subsidiaries of the Company as at 31 December 2020.

## 1. THE COMPANY (continued)

Name of subsidiaries	Locations	Status of operation	% interest and voting (%)
<b>Agriculture plantation (continued)</b>			
(10) CRD Co., Ltd.	Ratanakiri, Cambodia	Operating	40.29
(11) Hoang Anh Rattanakiri Co., Ltd.	Ratanakiri, Cambodia	Operating	40.29
(12) Highland Dairy Cattle Joint Stock Company ("Highland Dairy Cattle")	Gia Lai, Vietnam	Operating	40.29
(13) Hung Thang Loi Gia Lai Co., Ltd.	Gia Lai, Vietnam	Operating	78.22
(14) Dai Thang Agricultural Development Co., Ltd. ("Dai Thang")	Champasak, Laos	Operating	78.22
(15) Khan Xay Agricultural Development Co., Ltd.	Champasak, Laos	Operating	78.22
(16) Gia Lai Livestocks Joint Stock Company ("Gia Lai Livestock")	Gia Lai, Vietnam	Operating	88.03
<b>Construction, trading and services</b>			
(17) Hoang Anh Gia Lai Sport Joint Stock Company	Gia Lai, Vietnam	Operating	51.00
(18) Hoang Anh Gia Lai Medical and Pharmaceutical University Hospital Joint Stock Company	Gia Lai, Vietnam	Operating	99.00
(19) Hoang Anh Gia Lai Vientiane Co., Ltd.	Vientiane, Laos	Pre-operating (i)	100.00
(20) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Gia Lai, Vietnam	Operating	40.29
<b>Associate companies</b>			
(1) East Asia Investment and Construction Consultant Joint Stock Company	Ho Chi Minh, Vietnam	Operating	25.00
(2) Bibiphar Rubber Joint Stock Company	Binh Dinh, Vietnam		49.14
<b>Dependent branches</b>			
<b>Services - Construction</b>			
(1) Materials Branch - Hoang Anh Gia Lai	Gia Lai, Vietnam	Operating	-
(2) Mechanical engineering Branch - Hoang Anh Gia Lai	Gia Lai, Vietnam	Operating	-
(3) Fruit Processing Branch - Hoang Anh Gia Lai	Gia Lai, Vietnam	Operating	-
<b>Real estate management and property</b>			
(4) Hoang Anh Gia Lai Hotel	Gia Lai, Vietnam	Operating	-

(i) Pre-operating status represents subsidiary that is in investment phase and had not start its operation as at 31 December 2020.

The registered principal activities of the Company and its subsidiaries ("the Group") are to provide investment management; trading machineries and tools for cultivation and livestock; agricultural services; mechanics; operating hotels; planting and trading rubber latex, palm oil, fruits and other plants; and generating and trading seeding.

The head office of the Company is located at No. 15, Truong Chinh Street, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam. The locations of the Company's branches are in Gia Lai Province, Vietnam.

The number of the Group's employees as at 31 December 2020 was 3,313 (31 December 2019: 3,175).

## 2. BASIS OF PREPARATION

### 2.1 Applied accounting standards and system

The consolidated financial statements of the Company and its subsidiaries (the "Group"), expressed in Vietnam dong ("VND"), are prepared in accordance with 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 consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 Applied accounting documentation system

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

### 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.

### 2.4 Accounting currency

The Company's accounting currency is VND. The Group's consolidated financial statements are prepared in thousands of Vietnam Dong ("VND'000").

### 2.5 Basis of consolidation

The Group's consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised 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 of acquisition, being the date on which the Group obtains control and continued to be consolidated until the date that such control ceases. Where there is a loss of control over the subsidiaries, the consolidated financial statements still include results for the year of the reporting year during which the Group has control.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in accumulated losses.

## 2. BASIS OF PREPARATION (continued)

### 2.6 Going concern assumption

The consolidated financial statements have been prepared on a going concern basis, which presumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future.

As shown in the consolidated financial statements, the Group incurred a net loss of VND'000 2,383,339,850 for the year ended 31 December 2020. As of that date, the Group has accumulated losses of VND'000 6,301,662,837 and its current liabilities exceeded its current assets by VND'000 6,498,604,992. In addition, as of that date, the Company was also in violation of certain loan bond covenants as mentioned in Note 24. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

As at the date of these consolidated financial statements, the Group has prepared projected cash flows for the next 12 months which is expected to be generated from partial disposal of financial investments, collection of debts from borrowers and cash inflows from operating activities. The Group is also negotiating with lenders to amend some breached terms and conditions in loan contracts. Accordingly, the Group is able to settle on due payables and continue to operate in the next fiscal year. Besides, on 8 January 2021, Hoang Anh Gia Lai Agricultural Joint Stock Company, a subsidiary within the Group, held an Extraordinary General Meeting in order to approve the issuance of additional shares to Truong Hai Agricultural Joint Stock Company by conversion from debts, for the purpose of financing the working capital requirements (Note 39). Based on this, the management prepared the consolidated financial statements on a going concern basis.

Accordingly, the consolidated financial statements do not include any adjustments to assets and liabilities that may be necessary if the Group is unable to continue as a going concern.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Cash

Cash comprises cash on hand, cash in banks and cash in transit.

### 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. Increases or decreases to the provision balance are recorded as general and administration 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 realisable value.

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

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

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

### Construction work-in-process - Construction contract

Construction work-in-process 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 construction work-in-process - Construction contract and is measured at the lower of cost and net realisable value.

Cost of construction work-in-process includes:

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

The cost of construction work-in-process recognised in the consolidated income statement is determined with reference to the specific costs incurred on the construction work-in-process sold and an allocation of any non-specific costs based on the relative size of the construction work-in-process sold.

### Provision for obsolete inventories

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

Increases or decreases to the provision balance are recorded into the cost of goods sold and services rendered account 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) is included in the consolidated income statement.

### 3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the 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 fixed asset and amortised over the term of benefits.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.6 Depreciation and amortisation

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

Buildings and structures	4 - 50 years
Machinery and equipment	3 - 20 years
Means of transportation	2 - 20 years
Office equipment	3 - 10 years
Plantations	10 - 20 years
Land use rights	20 years
Computer software	5 - 8 years
Other assets	8 - 15 years

Land use right with indefinite useful life is not amortised.

#### Depreciation of plantations

The details are as follows:

Year	Rate (%)				
	Rubber plantations	Banana plantations	Dragon fruit plantations	Jack fruits plantations	Mango plantations
	(i)	(ii)	(iii)	(iv)	(v)
First year	2.50	10.00	1.00	0.80	0.30
Second year	2.80	10.00	3.40	1.80	1.00
Third year	3.50	10.00	5.00	4.10	2.20
Fourth year	4.40	10.00	6.70	5.80	4.30
Fifth year	4.80	10.00	8.40	5.80	5.80
Sixth year	5.40	10.00	8.40	5.80	5.80
Seventh year	5.40	10.00	8.40	5.80	5.80
Eighth year	5.10	10.00	8.40	5.80	5.80
Ninth year	5.10	10.00	8.40	5.80	5.80
Tenth year	5.00	Carrying amount	8.40	5.80	5.80
Eleventh year	7.00		6.70	5.80	5.80
Twelfth year	6.60		6.70	5.80	5.80
Thirteenth year	6.20		6.70	5.80	5.80
Fourteenth year	5.90		6.70	5.80	5.80
Fifteenth year	5.50		Carrying amount	5.80	5.80
Sixteenth year	5.40			4.70	5.80
Seventeenth year	5.00			4.70	5.80
Eighteenth year	5.50			4.70	5.80
Nineteenth year	5.20			4.70	5.80
Twentieth year	Carrying amount			Carrying amount	Carrying amount

#### Rubber plantations

Management estimated the condition to record plantations as fixed assets and start to depreciate when portion of plant which is suitable for exploitation (trunk circumference at one meter from the ground reaching 45 cm and the bark thickness at one meter from the ground reaching 6mm) are over 70 percent of the plantation.

#### Fruit plantations

Management estimated the condition to record plantations as fixed assets and start to depreciate when rate of producing has reached 50 percent of the plantation from harvesting year.

#### Palm oil plantations

According to the research of the Group's palm oil plantations carried out by the Vietnamese Academy of Forest Science of South Central Coast and Central Highlands on August 2017, the management estimated to start harvesting the palm oil plantation after six (6) years, which were suitable to development features of the Group's oil palm plantations in Cambodia and Laos.

Accordingly, the Group's palm oil plantations would be transferred from construction in progress to tangible fixed assets after such mentioned years and depreciation will be started accordingly.

#### Depreciation of plantations

- Depreciation of rubber plantations are calculated in accordance with Official Letter No. 1937/BTC-TCDN on 9 February 2010 issued by Department of Business Finance - Ministry of Finance providing guidance on depreciation of rubber plantations and Decision No. 221/QĐ-CSVN issued on 27 April 2010 by Vietnam Rubber Group, providing guidance on the depreciation rates applicable to rubber plantations within twenty (20) years of exploitation cycle.
- Depreciation of banana plantations are calculated in accordance with Decision No. 0106/QĐ-HAGL Agrico dated 1 June 2020 of Management, providing guidance on depreciation of banana plantations over their exploitation cycle.
- Depreciation of dragon fruits plantations are calculated in accordance with Decision No. 115/17/QĐ-HAGL Agrico dated 8 August 2017 of Management, providing guidance on depreciation of dragon fruit plantations over their exploitation cycle.
- Depreciation of jack fruit plantations are calculated in accordance with Decision No. 0111/18/QĐ-HAGL Agrico dated 1 November 2018 of Management, providing guidance on depreciation of jack fruit plantations over their exploitation cycle.
- Depreciation of mango plantations are calculated in accordance with Decision No. 0101/18/QĐ-HAGL Agrico dated 2 January 2018 of Management, providing guidance on depreciation of mango plantations over their exploitation cycle.
- Depreciation of other plantations are appropriately calculated in accordance with other relevant decisions of the Management.

#### 3.7 Investment properties

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

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

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

Buildings and structure	30 years
Land use right	36 - 43 years

Investment properties are derecognised in the consolidated balance sheet when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal.

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 Construction in progress

Construction in progress represents costs directly attributable to the construction of the Group's buildings, plantations which have not yet been completed as at the date of these consolidated financial statements.

##### *Bulding and strutures*

Includes costs directly related to the construction of the Group's factories, offices and structures such as construction costs, survey costs, design and other related costs.

##### *Plantation costs*

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

#### 3.9 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a land use right 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 recognised in the consolidated income statement as incurred. Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

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

#### 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 year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of a particular asset are capitalised as part of the cost of that asset. Capitalisation of borrowing costs is suspended during the years in which active development of the asset is interrupted unless such interruption is considered necessary. Capitalisation 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, fruit plantations, land reclamation, costs of training footballers and other costs. They are amortised 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 amortised over the lease year;
- Tools and consumables with large value issued into production and can be used for more than one year, amortised no more than three (3) years and recognised in the consolidated income statement;
- Fruit, other plantations, exploitation cost include: seed, land preparation, planting and caring costs. The costs are amortised over the lifetime of these trees. Land preparation and planting costs are amortised over the year, in which economic benefits are generated in connection to the costs incurred; and
- Costs of training footballers include costs of training and development which belong to Hoang Anh Gia Lai - Arsenal JMG Academy ("HAGL-JMG"). The costs of trainings are amortised eight (8) years according to the contract between HAGL-JMG and 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 acquired in 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 acquiree'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 recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over a maximum period of ten (10) year on a straight-line basis. The parent company conducts the yearical 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 year.

When 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 accumulated losses in the consolidated balance sheet.

#### 3.13 Assets acquisitions and business combinations

The Group acquires subsidiaries that own assets and production activities. At the date of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

#### 3.14 Investments

##### *Investments in an associate*

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.14 Investments (continued)

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

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

##### *Investments in other entities*

Investments in another entity are stated at its acquisition costs.

##### *Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

#### 3.15 Payables and accruals

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

#### 3.16 Provisions

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

#### 3.17 Losses/(earnings) per share

Basic losses/(earnings) per share amounts are calculated by dividing net (loss)/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 year.

Diluted losses/(earnings) per share amounts are calculated by dividing the net (loss)/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.

#### 3.18 Foreign currency transactions

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

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

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

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

##### *Conversion of the financial statements of foreign operations*

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 buying and selling exchange rate, respectively, as announced by the commercial banks where the Group conducts transactions regularly;
- Revenues, other income and expenses are converted into VND by using the average exchange rate for the year; and
- 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.

#### 3.19 Treasury shares

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

#### 3.20 Appropriation of net profits

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

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

- Investment and development fund

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

- Welfare fund

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.21 Revenue recognition

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

##### *Sale of goods*

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

##### *Construction contracts*

Where the outcome of a construction contract can be estimated reliably and certified by customers, revenue and costs are recognised by reference to the stage of completion of the contract activity 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 recognised to the extent of contract costs incurred that it is probable to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

##### *Rendering of services*

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

##### *Interest*

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

##### *Rental income*

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

##### *Dividend income*

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

#### 3.22 Taxation

##### *TCurrent income tax*

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

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

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

##### *Deferred tax*

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

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

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset 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.

#### 3.23 Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties above can be enterprises or individuals, including close members of their family.

#### 3.24 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Group's business segment is derived mainly from sale of products (plantations, trading and services). Management defines the Group's geographical segments to be based on the location of the Group's assets.

## 4. SIGNIFICANT EVENTS DURING THE YEAR

### 4.1 Additional subscription new shares in Hoang Anh Dak Lak Joint Stock Company ("Hoang Anh Dak Lak")

On 5 February 2020 and 10 October 2020, HNG additionally acquired 63,000,000 new shares issued by Hoang Anh Dak Lak, a subsidiary of the Group, with total amount of VND'000 630,000,000 in accordance with the Resolution of Board of Directors No. 0901/20/NQ-HDQT HAGL Agrico date 9 January 2020. Accordingly, HNG increased its interest ownership in Hoang Anh Dak Lak from 99.53% to 99.96%, and the Group's indirect interest ownership in Hoang Anh Dak Lak increased from 43.81% to 43.84% since that date.

The difference between consideration transferred and the value of net assets acquired in Hoang Anh Dak Lak as at the transaction date amounting to VND'000 340,991,750 was recorded as an addition to accumulated losses of the Group's consolidated balance sheet (Note 25.1).

### 4.2 Acquisition Ban Me Rubber One Member Co., Ltd. ("Ban Me Rubber")

On 13 February 2020, the Group completed the acquisition of 6,190,069 shares, equivalent to 47.31% indirect ownership interest in Ban Me Rubber from its existing shareholders for a total consideration of VND'000 444,000,000. Such transaction was approved by the Board of Directors' Resolution No. 18/NQ-HDQT-HADL.20 dated 10 January 2020. Accordingly, Ban Me Rubber became the subsidiary of the Group as at that date. As at the date of acquisition, Ban Me Rubber owns long-term land lease rights for plantations with total area of 683 ha in Dak Lak Province, Vietnam. Besides, the Board of Director determined the purpose of acquisition Ban Me Rubber to own land area for developing agricultural plantations. The difference between the consideration transferred and Ban Me Rubber's net assets acquired is VND'000 386,362,309.

Management reviewed and assessed that the said acquisition of Ban Me Rubber was an asset acquisition rather than business combination, in particular for the purpose of acquisition of a land area for developing agricultural plantations. The purchase consideration of this transaction was allocated to acquired assets and liabilities based on their provisional fair values as at the acquisition date. Accordingly, a part of the consideration was allocated and recognized as intangible asset in the Group's interim consolidated balance sheet. The acquired assets and liabilities were added in as the same group with the Group's similar assets and liabilities.

Ban Me Rubber is a One-member Limited company incorporated under Law on Enterprise of Vietnam in accordance with the Business Registration Certificate No. 6000968200 issued by the Department of Planning and Investment of Dak Lak on 13 February 2020. The current principal activity of Ban Me Rubber is planting fruits.

As at 31 December 2020, the Group was still in progress to determine fair value of Ban Me Rubber's assets, liabilities and contingent liabilities, if any on the acquisition date. Accordingly, the Group applied provisional fair value for consolidation purpose of this company.

### 4.3 Subscription shares in Khan Xay Agricultural Devepoment Co., Ltd. ("Khan Xay")

On 17 March 2020, the Group completed the acquisition 78.22% indirect ownership interest in Khan Xay for a total consideration of VND'000 230,782,233. Accordingly, Khan Xay became the subsidiary of the Group as at that date. As at the date of acquisition, Khan Xay owns long-term land lease rights for plantations with total area of 703 ha in Attapeu Province, Laos. Besides, the Board of Director determined the purpose of acquisition Khan Xay to own land area for developing agricultural plantations. The difference between the consideration transferred and Khan Xay's net assets acquired is VND'000 103,744,158.

Management reviewed and assessed that the acquisition of Khan Xay was an asset acquisition rather than business combination, in particular for the purpose of acquisition of a land area for developing agricultural plantations. The purchase consideration of this transaction was allocated to acquired assets and liabilities based on their provisional fair values as at the acquisition date. Accordingly, a part of the consideration was allocated and recognised as intangible asset in the Group's interim consolidated balance sheet. The acquired assets and liabilities were added in as the same group with the Group's similar assets and liabilities.

Khan Xay is a Limited Company incorporated under Law on Enterprise of Laos in accordance with the Business Registration Certificate No. 1454/PDK issued by the Industrial and Trading Department Attapeu Province on 14 February 2017. The current principal activity of Khan Xay is planting fruits.

As at 31 December 2020, the Group was still in progress to determine fair value of Khan Xay's assets, liabilities and contingent liabilities, if any on the acquisition date. Accordingly, the Group applied provisional fair value for consolidation purpose of this company.

### 4.4 Conversion of loan and other receivables due from Gia Lai Livestock Joint Stock Company ("Gia Lai Livestock") into investment in this entity

On 10 September 2020, the Company completed the conversion of the receivables due from Gia Lai Livestock to investment in subsidiary, equivalent to 586,561,300 shares or 88.03302% interest ownership in this entity in accordance with the Resolution of Shareholders' No.2006/20/NQDHCD-HAGL dated 26 June 2020 and the Resolution of Board of Directors No.1009/20/NQHDQT-HAGL dated 10 September 2020. Accordingly, Gia Lai Livestock became a subsidiary of the Company since that date. At acquisition date, Gia Lai Livestock owns 2,499 ha of agricultural land in Gia Lai province, Vietnam.

Gia Lai Livestock is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to ERC No. 5900988952 issued by the Department of Planning and Investment Gia Lai Province on 3 Jun 2014 and amended ERCs. The registered principal activities of the Company are breeding and planting fruits.

The fair value of the identifiable assets and liabilities of Gia Lai Livestock as at the date of acquisition were follows:

Items	VND'000 Fair value recognised on acquisition
<b>Assets</b>	
Cash	22,163,778
Account receivables	172,262,813
Inventories	50,140,297
Other non-current assets	756,981,357
Tangible fixed assets	1,195,129,417
Contruction in progress	2,688,821,583
Investment to another entity	500,000
Other non-current assets	4,492,969
<b>Liabilities</b>	
Current and non-current payables	(1,472,343,494)
Current and non-current loans	(765,061,989)
Deferred tax liabilities	(583,360,502)
<b>Total identifiable net assets at fair value</b>	<b>2,069,726,229</b>
Non-controlling interest	(247,683,666)
<b>Purchase consideration transferred</b>	<b>1,822,042,563</b>
<i>In which:</i>	
- Conversion from the receivables' net amount	1,822,042,563

### 4.5 Additional subscription shares in Hoang Anh Gia Lai Medical and Pharmaceutical University Hospital Joint Stock Company ("HAGL Hospital")

During the year, Gia Lai Livestock acquired 50,000 shares in HAGL Hospital from existing shareholders. Accordingly, the Group's interest ownership in HAGL Hospital increased from 99.00% to 99.50%.

The difference between consideration transferred and the value of net assets acquired in HAGL Hospital as at the transaction date amounting VND'000 25,137 was recorded as a deduction to accumulated losses of the Group's consolidated balance sheet (Note 25.1).

#### 4. SIGNIFICANT EVENTS DURING THE YEAR (continued)

##### 4.6 Subscription entire shares in Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd ("Hoang Anh Quang Minh Laos") from Hoang Anh - Quang Minh Rubber Joint Stock Company ("Hoang Anh Quang Minh Vietnam")

On 22 September 2020, HNG acquired the entire interest ownership in Hoang Anh Quang Minh Laos from Hoang Anh Quang Minh Vietnam

The difference between consideration transferred and the value of net assets acquired in Hoang Anh Quang Minh Laos as at the transaction date amounting VND'000 8,273,660 was recorded as a deduction to accumulated losses of the Group's consolidated balance sheet (Note 25.1).

##### 4.7 Additional subscription shares issued by Hoang Anh Quang Minh Vietnam

On 10 October 2020, HNG acquired additional 292,100,000 new shares issued in Hoang Anh Quang Minh Vietnam, a subsidiary of the Group with a total consideration of VND'000 2,921,000,000. On 15 December 2020, HNG additionally acquired 447,000 shares in Hoang Anh Quang Minh Vietnam from existing shareholders. Accordingly, HNG increased its interest ownership in Hoang Anh Quang Minh Vietnam from 99.78% to 100%, and the Group's indirect interest ownership in Hoang Anh Quang Minh Vietnam increased from 42.93% to 43.91% since that date.

The difference between consideration transferred and the value of net assets acquired in Hoang Anh Quang Minh Viet Nam as at the transaction date amounting of VND'000 107,951,709 was recorded as a deduction to accumulated losses of the Group's consolidated balance sheet (Note 25.1).

##### 4.8 Additional subscription shares in Highland Diary Castle Joint Stock Company ("Highland Diary Castle") from existing shareholders

On 15 December 2020, HNG acquired 550,000 shares in Highland Diary Castle, a subsidiary of the Group from existing shareholders with total consideration of VND'000 5,500,000. Accordingly, HNG increased its interest ownership in Highland Diary Castle from 99.00% to 100% and the Group's indirect interest ownership increased from 43.47% to 43.91% since that date.

The difference between consideration transferred and the value of net assets acquired in Highland Diary Castle as at the transaction date amounting of VND'000 7,381,316 was recorded as an addition to accumulated losses of the Group's consolidated balance sheet (Note 25.1).

##### 4.9 Additional subscription shares in An Dong Mia Vietnam Joint Stock Company ("An Dong Mia")

On 10 October 2020, HNG acquired 130,000,000 new shares in An Dong Mia, a subsidiary of the Group with total consideration of VND'000 1,300,000,000. On 15 December 2020, the HNG additionally acquired 200,000 shares in An Dong Mia from existing shareholders. Accordingly, HNG increased its interest ownership in An Dong Mia from 99.00% to 100% and the Group's indirect interest ownership increased from 43.87% to 43.91% since that date.

The difference between consideration transferred and the value of net assets acquired in An Dong Mia as at the transaction date amounting VND'000 730,278,656 was recorded as an addition to accumulated losses of the Group's consolidated balance sheet (Note 25.1).

##### 4.10 Disposal An Dong Mia and its subsidiary - Hoang Anh Lumphat One Member Company Limited ("An Dong Mia Group")

On 31 December 2020, the Company completed transferring entire shares in An Dong Mia Group to Truong Hai Agriculture Joint Stock Company ("THAGRICO", formerly known as Manufacturing Joint Stock Company, Processing and Distribution of Thadi Agricultural Products) in accordance with Share Purchase Agreement dated 24 December 2020, with total consideration of VND'000 2,350,000,000. The transaction was approved in accordance with Resolution of Board of Directors No.2212/20/NQHDQT-HAGL Agrico dated 21 December 2020. Accordingly, gain on disposal of investments with amount of VND'000 660,318,317 were recognised as finance income in the Group's consolidated balance sheet (Note 28.2).

##### 4.11 Hung Thang Loi Gia Lai Company Limited ("Hung Thang Loi") partly disposed HNG

During the year, Hung Thang Loi disposed 93,144,900 shares of HNG. Accordingly, the Group's indirect interest ownership in HNG decreased from 47.41% to 40.83%.

The difference between consideration transferred and the value of net assets acquired in HNG as at the transaction date amounting VND'000 644,902,180 was recorded as a deduction to accumulated losses of the Group's consolidated balance sheet (Note 25.1).

##### 4.12 The Company partly disposed HNG

During the year, the Company disposed 6,000,000 shares of HNG. Accordingly, the Group's indirect interest ownership in HNG decreased from 40.83% to 40.29%.

The difference between consideration transferred and the value of net assets acquired in HNG as at the transaction date amounting VND'000 41,158,977 was recorded as a deduction to accumulated losses of the Group's consolidated balance sheet (Note 25.1).

##### 4.13 Covid-19 pandemic

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of these consolidated financial statements.

## 5. CASH

	VND'000	
	Ending balance	Beginning balance
Cash on hand	14,090,804	8,826,812
Cash in banks	83,060,394	227,060,804
Cash in transit	-	18,544,000
<b>TOTAL</b>	<b>97,151,198</b>	<b>254,431,616</b>

## 6. SHORT-TERM TRADE RECEIVABLES

	VND'000	
	Ending balance	Beginning balance (As restated - Note 38)
Receivables from disposal of investments	2,719,615,892	275,065,000
<i>In which:</i>		
- Truong Hai Agricultural Joint Stock Company (*)	2,350,000,000	-
- Hoang Anh Gia Lai Hydropower Co., Ltd.	176,576,000	249,045,000
- Tay Nguyen Agricultural Service Co., Ltd.	-	26,020,000
- Others	193,039,892	-
Receivables from construction services	741,883,015	777,223,573
<i>In which:</i>		
- Receivable from the Laos Government for construction of airports (**)	707,578,103	743,082,757
- Other customers	34,304,912	34,140,816
Receivables from sales of goods and rendering of services (***)	608,643,802	493,726,186
Others	5,078,762	5,349,575
<b>TOTAL</b>	<b>4,075,221,471</b>	<b>1,551,364,334</b>
Provision for doubtful debt	(47,861,216)	(93,608,502)
<b>NET</b>	<b>4,027,360,255</b>	<b>1,457,755,832</b>
<i>In which:</i>		
Due from third parties	4,036,303,951	1,451,904,152
Due from related parties (Note 34)	38,917,520	99,460,182

Details of increase/(decrease) provision for doubtful debt are as follows:

	VND'000	
	Current year	Previous year (As restated - Note 38)
Beginning balance	93,608,502	171,335,909
Add: Provision made during the year	22,912,930	33,040,143
Less: Decrease due to acquisition of a subsidiary	(65,165,581)	-
Less: Reversal during the year	(3,494,635)	(103,377,433)
Less: Decrease due to disposal of a subsidiary	-	(7,390,117)
Ending balance	47,861,216	93,608,502

(\*) This balance represents receivables from THAGRICO relating to the transfer of all capital contribution in An Dong Mia Group (Note 4.10). At the date of this report, the Group had received the first payment as committed in the contract.

(\*\*) Receivable from Laos Government represents the construction cost of Attapeu International Airport and Nongkhang International Airport in Laos. This receivable will be offset with tax payable to the Laos Government in the future.

	Ending balance	Beginning balance
Opening balance (USD)	33,258,294	33,258,294
Decrease in the year (USD)	(100,000)	-
Ending balance (USD)	33,158,294	33,258,294
<b>Ending balance (VND'000)</b>	<b>707,578,103</b>	<b>743,082,757</b>

(\*\*\*) Part of trade receivables was used to pledge for the Group's short-term bank loan at Ho Chi Minh City Development Joint Stock Commercial Bank, Dong Nai Branch Note 24.1).

## 7. SHORT-TERM ADVANCE TO SUPPLIERS

	VND'000	
	Ending balance	Beginning balance (As restated - Note 38)
Advance to suppliers for purchase of goods and services	94,404,315	108,160,565
<i>In which:</i>		
- Thanh An Trading Co., Ltd	12,919,700	4,067,000
- Others	81,484,615	104,093,565
Advance to contractors for construction and purchase of machineries and equipments	14,241,176	25,671,177
Advance to other suppliers	497,855	240,818,986
<b>TOTAL</b>	<b>109,143,346</b>	<b>374,650,728</b>
Provision for doubtful debt	(24,753,411)	(2,299,803)
<b>NET</b>	<b>84,389,935</b>	<b>372,350,925</b>
<i>In which:</i>		
Advances to third parties	85,889,895	372,350,925
Advances to related parties (Note 34)	23,253,451	2,299,803

Details of increase/(decrease) provision for doubtful debt are as follows:

	VND'000	
	Current year	Previous year (As restated - Note 38)
Beginning balance	2,299,803	51,147,579
Add: Provision made during the year	24,753,411	-
Less: Reversal during the year	-	(48,847,776)
Less: Decrease due to acquisition of a subsidiary	(2,299,803)	-
Ending balance	24,753,411	2,299,803

## 8. LOAN RECEIVABLES

	VND'000	
	Ending balance	Beginning balance (As restated - Note 38)
<b>Short-term</b>		
Short-term loans to related parties (Note 34) (i)	3,781,246,179	2,052,173,055
Short-term loans to other parties (ii)	405,231,025	215,195,363
	4,186,477,204	2,267,368,418
<b>Long-term</b>		
Long-term loans to related parties (Note 34) (i)	1,363,307,997	7,453,259,203
Long-term loans to Laos Government - Attapeu International Airport project (iii)	17,230,477	17,305,360
Long-term loans to other parties (ii)	402,110,000	43,380,903
	1,782,648,474	7,513,945,466
<b>TOTAL</b>	<b>5,969,125,678</b>	<b>9,781,313,884</b>
Provision for doubtful debt	(2,305,282,094)	(4,181,066,564)
<b>NET</b>	<b>3,663,843,584</b>	<b>5,600,247,320</b>

Details of increase/(decrease) of provision for doubtful debt are as follow:

	VND'000	
	Current year	Previous year (As restated - Note 38)
Beginning balance	4,181,066,564	4,575,037,707
Add: Provision made during the year	1,639,326,233	41,903,292
Less: Reversal during the year	-	(435,874,435)
Less: Decrease due to acquisition of subsidiary	(3,511,390,703)	-
Less: Write off during the year	(3,720,000)	-
Ending balance	2,305,282,094	4,181,066,564
<i>In which:</i>		
Short-term	2,305,282,094	1,959,639,493
Long-term	-	2,221,427,071

- (i) This represented unsecured loans granted to related parties with maturity dates from 2021 to 2023 and earnings interest rates ranging from 4.80% to 12.00% per annum.
- (ii) This represented unsecured loans granted to other parties with maturity dates from 2021 to 2023 and earnings interest rates ranging from 10.50% to 13.00% per annum.
- (iii) This represented non-bearing interest loans granted to the Laos Government in order to finance for International Attapeu Airport project in Laos in accordance with the Credit Agreement dated 23 May 2013. This loan receivable shall be offsetted against with tax obligations in the future of the Company and its subsidiaries owed to the Laos Government. Details are as follow:

	Ending balance	Beginning balance
Opening balance (USD)	748,826	648,826
Increase in the year (USD)	-	100,000
<b>Ending balance (USD)</b>	<b>748,826</b>	<b>748,826</b>
<b>Ending balance (VND)</b>	<b>17,230,477</b>	<b>17,305,360</b>

## 9. OTHER RECEIVABLES

	VND'000	
	Ending balance	Beginning balance (As restated - Note 38)
<b>Short-term</b>		
Lending to other companies	340,705,172	316,503,405
Interest receivables	149,701,808	54,427,339
Advances to employees	56,520,295	53,757,197
Short term deposits	-	3,000,000
Others	16,811,314	39,335,969
	563,738,589	467,023,910
<b>Long-term</b>		
Receivables from Business Cooperation Contract ("BCC") (*)	440,000,000	-
Interest receivables	71,044,947	735,099,245
Others	3,870,352	12,739,716
	514,915,299	747,838,961
<b>TOTAL</b>	<b>1,078,653,888</b>	<b>1,214,862,871</b>
Provision for doubtful debt	(148,514,610)	(871,402,471)
<b>NET</b>	<b>930,139,278</b>	<b>343,460,400</b>
<i>In which:</i>		
Long-term receivables due from related parties (Note 34)	489,633,305	734,688,234
Short-term receivables due from related parties (Note 34)	201,218,629	268,744,714
Receivables due from third parties	387,801,954	211,429,923

Details of increase/(decrease) of provision for doubtful debt are as follow:

	VND'000	
	Ending balance	Beginning balance (As restated - Note 38)
Beginning balance	871,402,471	196,943,942
Add: Provision made during the year	28,590,567	674,458,529
Less: Decrease due to acquisition of subsidiary	(600,132,788)	-
Less: Reversal during the year	(151,345,640)	-
Ending balance	148,514,610	871,402,471
<i>In which:</i>		
Short-term	146,045,254	154,114,714
Long-term	2,469,356	717,287,757

(\*) This represented the contribution to Le Me Joint Stock Company ("Le Me") in accordance with BCC dated 8 September 2020 in order to invest in fruit projects of Le Me for four (4) years. This BCC does not require to establish new legal entity and profits will be appropriated based on the actual results of the projects, since the date that project incurred revenue. As at 31 December 2020 and up to the date of these consolidated financial statements, this project was still in development stage without any revenue generated. This BCC was used for pledge for domestic straight bonds at Tien Phong Commercial Bank.

## 10. INVENTORIES

	VND'000	
	Ending balance	Beginning balance
Work in process	1,967,180,717	1,711,671,121
In which:		
- Manufacturing activities (i)	1,078,419,250	856,080,345
- Construction contracts (ii)	878,282,394	855,590,776
- Livestocks	10,479,073	-
Raw materials	322,805,041	282,336,032
Finished goods	64,167,607	156,551,372
Merchandise goods	55,173,276	42,046,510
Tools and supplies	9,513,608	30,523,755
Goods in transits	4,272,302	-
<b>TOTAL</b>	<b>2,423,112,551</b>	<b>2,223,128,790</b>
Provision for obsolete inventories	(75,146,986)	(21,572,100)
<b>NET</b>	<b>2,347,965,565</b>	<b>2,201,556,690</b>

Details of increase/(decrease) of provision for obsolete inventories are as follow:

	VND'000	
	Ending balance	Beginning balance
Beginning balance	21,572,100	19,951,252
Add: Provision made during the year	65,003,415	20,866,468
Less: Reversal during the year	(11,428,529)	(19,245,620)
Ending balance	75,146,986	21,572,100

(i) Parts of these work in progress (manufacturing and planting activities) were pledged for loans from banks (Note 24).

(ii) This mainly represented the on-going construction cost of Nongkhang International Airport in Huaphan Province, Lao People's Democratic Republic under the Contract No. LAO - NKP01 on 15 June 2013 with the first acceptance value of USD 25,584,644 up to 31 December 2020 (31 December 2019: USD 25,584,644). According to the Minutes No. 16453/GTVT on 12 July 2019, Lao People's Democratic approved for the extension of construction period to 31 December 2019.

On 4 February 2020, the Group received Notification Letter No. 818/NACP issued by the Ministry of Transportation and Traffic of Lao People's Democratic Republic, requested the Group to send Official letter to ask for the extension to 30 November 2020 in order to complete the project. On 10 December 2020, the Group received a Notification of Ministry of Finance Laos in order to approve cash disbursement for the project. On 19 January 2021, the Group received a Notification No.0116 from Department of Civil Aviation of Laos requesting the Company continue to complete the project. At the date of these consolidated financial statements, the Group is in the process of preparing the Official letter.

## 11. TANGIBLE FIXED ASSETS

	VND'000						Total
	Buildings, structures	Machinery and equipment	Means of transportations	Office equipment	Perennial trees and livestock	Other assets	Total
<b>Cost</b>							
Beginning balance	2,211,805,251	591,798,640	2,153,540,302	6,794,049	7,591,762,569	58,766,439	12,614,467,250
Transfer from construction in progress completed	238,700,321	7,460,842	225,080,793	-	2,080,012,720	1,095,772	2,552,350,448
Newly purchases	10,488,399	91,970,062	43,418,608	204,509	-	1,540,001	147,621,579
Acquisition of subsidiaries	451,332,438	123,541,070	129,755,296	57,000	849,170,835	50,000	1,553,906,639
Foreign exchange differences	(123,866,076)	(17,104,476)	(93,998,686)	(56,100)	(449,657,003)	(491,875)	(685,174,216)
Disposals	(1,566,175)	(13,339,498)	(19,334,848)	-	(81,707,456)	-	(115,947,977)
Disposals of subsidiaries	(60,465,126)	(50,293,089)	(287,098,722)	-	(503,994,086)	-	(901,851,023)
Ending balance	2,726,429,032	734,033,551	2,151,362,743	6,999,458	9,485,587,579	60,960,337	15,165,372,700
In which:							
Fully depreciated	26,546,494	72,837,672	115,695,716	3,204,506	6,689,440	18,777,391	243,751,219
<b>Accumulated depreciation</b>							
Beginning balance	(496,053,425)	(312,063,621)	(689,178,533)	(4,698,392)	(828,947,263)	(36,286,113)	(2,367,227,347)
Depreciation for the year	(141,648,442)	(68,740,503)	(159,153,046)	(862,582)	(413,260,463)	(4,841,237)	(788,506,273)
Acquisition of subsidiary	(95,983,225)	(45,473,019)	(35,813,534)	(30,400)	(29,705,477)	(15,476)	(207,021,131)
Foreign exchange differences	30,640,818	6,727,016	30,306,295	9,387	55,665,527	884,955	124,233,998
Disposals	319,001	5,310,829	11,521,001	-	19,245,864	-	36,396,695
Disposals of subsidiaries	4,849,415	33,581,843	71,731,060	-	31,566,672	-	141,728,990
Ending balance	(697,875,858)	(380,657,455)	(770,586,757)	(5,581,987)	(1,165,435,140)	(40,257,871)	(3,060,395,068)
<b>Net carrying amount</b>							
Beginning balance	1,715,751,826	279,735,019	1,464,361,769	2,095,657	6,762,815,306	22,480,326	10,247,239,903
Ending balance	2,028,553,174	353,376,096	1,380,775,986	1,417,471	8,320,152,439	20,702,466	12,104,977,632
In which:							
Pledged/mortgaged as loan's security (Note 24)	1,272,908,858	234,570,529	1,249,178,204	-	6,712,279,920	15,034,494	9,483,972,005

## 12. INTANGIBLE FIXED ASSETS

	VND'000		
	Land use rights	Computer software	Total
<b>Cost</b>			
Beginning balance	31,926,254	16,517,789	48,444,043
Acquisition of a subsidiary	490,106,467	-	490,106,467
Newly purchase	6,134,100	1,600,000	7,734,100
Transfer from construction in progress completed	-	4,380,000	4,380,000
Ending balance	528,166,821	22,497,789	550,664,610
<i>In which:</i>			
Fully depreciated	-	295,816	295,816
<b>Accumulated amortisation</b>			
Beginning balance	(1,578,918)	(13,669,273)	(15,248,191)
Amortisation for the year	(12,212,064)	(1,911,653)	(14,123,717)
Ending balance	(13,790,982)	(15,580,926)	(29,371,908)
<b>Net carrying amount</b>			
Beginning balance	30,347,336	2,848,516	33,195,852
Ending balance	514,375,839	6,916,863	521,292,702
<i>In which:</i>			
Pledged/mortgaged as loans' security (Note 24)	411,640,488	-	411,640,488

## 13. INVESTMENT PROPERTIES

	VND'000		
	Land use right	Buildings, structures	Total
<b>Cost</b>			
Beginning balance and ending balance	27,072,022	47,003,809	74,075,831
<b>Accumulated depreciation</b>			
Beginning balance	(2,957,577)	(3,250,255)	(6,207,832)
Depreciation for the year	(739,394)	(1,891,459)	(2,630,853)
Ending balance	(3,696,971)	(5,141,714)	(8,838,685)
<b>Net carrying amount</b>			
Beginning balance	24,114,445	43,753,554	67,867,999
Ending balance	23,375,051	41,862,095	65,237,146
<i>In which:</i>			
Pledged/mortgaged as loan security (Note 24)	23,375,051	41,862,095	65,237,146

### Additional note:

The rental income and operating expenses relating to investment properties were presented as follows:

	VND'000	
	Current year	Previous year
Rental income from investment properties	1,884,188	3,366,332
Direct operating expenses of investment properties that generated rental income during the year	2,630,853	1,239,432

The fair value of the investment properties was not formally assessed and determined as at 31 December 2020. However, based on the assessment over the current operations, it is management's assessment that these properties' market values are much higher than their carrying value as at the balance sheet date.

## 14. CONSTRUCTION IN PROGRESS

	VND'000	
	Ending balance	Beginning balance
Fruit plantations (*)	5,851,200,071	4,672,843,963
Rubber plantations (*)	2,479,307,092	3,168,482,172
Palm oil plantations (*)	1,704,361,699	2,554,744,875
Livestock projects (**)	1,278,472,390	-
Buildings, plants and palm oil manufacturing factories (*)	586,646,031	647,942,539
HAGL-JMG Academy	-	41,937,787
Others	106,792,868	143,811,528
<b>TOTAL</b>	<b>12,006,780,151</b>	<b>11,229,762,864</b>

(\*) These assets were mortgaged to secure for the loans of the Group (Note 24).

(\*\*) Part of livestock projects was used to pledge for Vietnam Export Import Commercial Joint Stock Bank - Hung Vuong Branch (Note 24.3).

## 15. CAPITALISED BORROWING COSTS

During the year, the Group has capitalised borrowing costs amounting to VND'000 424,724,454 (the year ended 31 December 2019: VND'000 421,936,078). These are costs incurred on the bank loans and bonds used to finance the construction and development of fixed assets, rubber, palm oil and fruits.

## 16. LONG-TERM INVESTMENTS

	VND'000	
	Ending balance	Beginning balance
Investments in associates (Note 16.1)	266,193,865	273,113,133
Investments in other entities (Note 16.2)	11,124,651	11,124,651
<b>TOTAL</b>	<b>277,318,516</b>	<b>284,237,784</b>

### 16.1 Investments in associates

Name of associates	Business activity	Ending balance		Beginning balance	
		% interest and voting	Carrying value	% interest and voting	Carrying value
		(%)	VND'000	(%)	VND'000
Bidiphar Rubber Joint Stock Company (*)	Rubber plantation	49.14	258,583,426	49.14	265,503,612
East Asia Investment and Construction Consultant Joint Stock Company	Design and consultancy	25.00	7,610,439	25.00	7,609,521
<b>TOTAL</b>			<b>266,193,865</b>		<b>273,113,133</b>

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

(\*) Bidiphar Rubber Joint Stock Company ("Bidiphar") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 3503000155, issued by the Department of Planning and Investment of Binh Dinh Province on 14 September 2007 and pursuant to amended Investment Certificates. The current principal activities of Bidiphar is planting, tending, harvesting and processing rubber.

## 16. LONG-TERM INVESTMENTS (continued)

### 16.1 Investments in associates (continued)

Details of carrying value of the investment in associates on 31 December 2020 were as follows:

	VND'000
	<b>Amount</b>
<b>Cost of investment</b>	
Beginning balance and ending balance	267,353,911
<b>Accumulated share in post-acquisition profit/(loss)</b>	
Beginning balance	5,759,222
Share of profit from associates during the year	8,767,467
Dividend received	(15,686,735)
Ending balance	(1,160,046)
<b>Net carrying amount</b>	
Beginning balance	273,113,133
Ending balance	266,193,865

### 16.2 Investments in other entities

Company name	Business activities	Ending balance		Beginning balance	
		% holding and voting	Cost	% holding and voting	Cost
		%	VND'000	%	VND'000
Thanh Nien Media Corporation	Communication	2.00	6,200,000	2.00	6,200,000
Canh Dong Vang Agriculture and Forestry Joint Stock Company	Trading fruits	15.00	2,594,610	15.00	2,594,610
Vietnam Professional Football Joint Stock Company	Football	-	1,170,000	-	1,170,000
Far East Aviation Joint Stock Company	Business and transportation	-	1,160,041	-	1,160,041
<b>TOTAL</b>			<b>11,124,651</b>		<b>11,124,651</b>

## 17. PREPAID EXPENSES

	VND'000	
	Ending balance	Beginning balance
<b>Short-term</b>		
Tools and supplies	8,364,959	3,132,980
Others	2,988,969	2,109,676
	11,353,928	5,242,656
<b>Long-term</b>		
Land clearance costs	249,358,743	240,352,484
Land rental fees	67,758,782	69,091,972
Tools and supplies	24,797,811	15,677,456
Office rental fee	4,982,444	5,102,262
Training costs of HAGL-JMG	-	39,802,957
Others	6,499,049	11,549,728
	353,396,829	381,576,859
<b>TOTAL</b>	<b>364,750,757</b>	<b>386,819,515</b>

## 18. GOODWILL

	VND'000			
	Goodwill arising from acquisition of subsidiaries			
	Highland Dairy Cattle	An Dong Mia	Dai Thang	Total
<b>Cost</b>				
Beginning balance	54,979,339	451,484,022	1,072,826,621	1,579,289,982
Disposal of subsidiaries	-	(451,484,022)	-	(451,484,022)
Ending balance	54,979,339	-	1,072,826,621	1,127,805,960
<b>Accumulated amortisation</b>				
Beginning balance	(25,555,273)	(211,015,482)	(363,847,658)	(600,418,413)
Amortisation for the year	(5,497,932)	(45,148,404)	(107,282,666)	(157,929,002)
Disposal of subsidiaries	-	256,163,886	-	256,163,886
Ending balance	(31,053,205)	-	(471,130,324)	(502,183,529)
<b>Net carrying amount</b>				
Beginning balance	29,424,066	240,468,540	708,978,963	978,871,569
Ending balance	23,926,134	-	601,696,297	625,622,431

## 19. SHORT-TERM TRADE PAYABLES

	VND'000	
	Ending balance	Beginning balance
Payables to purchase of goods and services	1,414,093,688	991,975,634
<i>In which:</i>		
- Truong Hai Agricultural Joint Stock Company	292,855,814	207,569,777
- Others	1,121,237,874	784,405,857
Payables to purchase of machines and equipments	21,919,095	2,165,247
Payables to construction contractors	31,852,961	19,491,735
Others	6,171,141	1,361,146
<b>TOTAL</b>	<b>1,474,036,885</b>	<b>1,014,993,762</b>
<i>In which:</i>		
Payables to third parties	1,356,262,115	939,356,892
Payables to related parties (Note 34)	117,774,770	75,636,870

## 20. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND'000	
	Ending balance	Beginning balance
Truong Hai Agricultural Joint Stock Company	282,843,456	38,138,629
Binh Duong Nutifood Nutrition Food Joint Stock Company	162,680,988	-
Others	188,205,300	201,130,195
<b>TOTAL</b>	<b>633,729,744</b>	<b>239,268,824</b>

## 21. TAX AND OTHER RECEIVABLES FROM THE STATE AND STATUTORY OBLIGATIONS

	VND'000			
	Beginning balance	Increase in year	Decrease in year	Ending balance
<b>Receivables</b>				
Value-added tax	38,898,934	45,182,559	(23,376,154)	60,705,339
Corporate income tax (Note 33.1)	293,370	-	-	293,370
Others	3,921,542	108,102	(1,762,224)	2,267,420
<b>TOTAL</b>	<b>43,113,846</b>	<b>45,290,661</b>	<b>(25,138,378)</b>	<b>63,266,129</b>
<b>Payables</b>				
Corporate income tax (Note 33.1)	19,970,633	3,440,989	(818,203)	22,593,419
Personal income tax	9,170,521	12,860,921	(12,788,767)	9,242,675
Value-added tax	1,229,085	45,179,745	(45,666,907)	741,923
Others	2,227,639	14,500,419	(16,461,600)	266,458
<b>TOTAL</b>	<b>32,597,878</b>	<b>75,982,074</b>	<b>(75,735,477)</b>	<b>32,844,475</b>

## 22. ACCRUED EXPENSES

	VND'000	
	Ending balance	Beginning balance
<b>Short-term</b>		
Interest expenses	2,570,677,644	1,143,619,818
Operating costs	160,401,645	750,567,804
Others	133,348,082	126,282,130
	2,864,427,371	2,020,469,752
<b>Long-term</b>		
Interest expenses	1,173,684,620	1,990,123,829
<b>TOTAL</b>	<b>4,038,111,991</b>	<b>4,010,593,581</b>

## 23. OTHER PAYABLES

	VND'000	
	Ending balance	Beginning balance
<b>Short-term</b>		
Payables to other companies and individuals (i)	1,237,044,380	552,181,894
Payables to Business Cooperation Contracts ("BCC") (ii)	104,112,630	36,000,000
Payables to land leases	74,761,454	69,533,695
Payables to other individuals	3,958,621	4,360,195
Profits appropriation from BCC (iii)	-	17,989,667
Others	55,905,206	240,273,905
	1,475,782,291	920,339,356
<b>Long-term</b>		
Payables to other companies and individuals (i)	335,560,739	173,220,900
Payables to land leases	118,618,381	112,751,757
Payables to BCC (ii)	-	285,000,000
	454,179,120	570,972,657
<b>TOTAL</b>	<b>1,929,961,411</b>	<b>1,491,312,013</b>
<i>In which:</i>		
Payables due to third parties	1,455,779,809	931,188,996
Short-term payables due to related parties (Note 34)	237,823,684	275,123,017
Long-term payables due to related parties (Note 34)	236,357,918	285,000,000

- (i) This represented the unsecured and non-bearing interest borrowings from other individuals, companies and other related parties for financing the Group's working capital requirements.
- (ii) This represented the contribution from individuals in accordance with BCCs dated 24 September 2018 and 20 April 2020 in order to invest in fruit projects of the Company. These BCCs do not require to establish new legal entity and profits will be appropriated based on the actual results of the projects but no less than 12.00% on the investment amount for six-month (6-month) or three-year (3-year) from the contract date.
- (iii) This represented profit appropriated from BCCs to individuals as mentioned in (ii).

## 24. LOANS

	VND'000	
	Ending balance	Beginning balance
<b>Short-term</b>		
Short-term loans from another party (Note 24.4)	5,122,729,858	947,464,625
Short-term loans from banks (Note 24.1)	1,467,713,308	897,504,879
Current portion of long-term bank loans (Note 24.3)	1,194,476,648	1,536,534,626
Current portion of long-term bonds (Note 24.2)	872,245,035	120,000,000
Short-term loans from companies and individuals (Note 24.5)	114,686,449	250,954,574
	8,771,851,298	3,752,458,704
<b>Long-term</b>		
Long-term bonds (Note 24.2)	6,726,624,401	7,044,687,161
Long-term loans from banks (Note 24.3)	2,528,363,183	3,095,659,574
Long-term loans from companies and individuals (Note 24.6)	76,011,586	-
Long-term loans from another party (Note 24.4)	-	805,260,834
	9,330,999,170	10,945,607,569
<b>TOTAL</b>	<b>18,102,850,468</b>	<b>14,698,066,273</b>

Details of the increase/(decrease) of loans are as follows:

	VND'000		
	Short-term loans	Long-term loans	Total
Beginning balance	3,752,458,704	10,945,607,569	14,698,066,273
Drawdowns of loans	3,493,325,133	4,312,252,263	7,805,577,396
Offsetting	1,486,465,713	(1,159,395,894)	327,069,819
Acquisition of subsidiaries	162,216,760	603,277,748	765,494,508
Allocation of bonds issuance costs	-	11,817,678	11,817,678
Current portion	4,789,512,767	(4,789,512,767)	-
Bonds issuance costs	-	(7,635,411)	(7,635,411)
Foreign exchange differences	(19,523,236)	(53,917,805)	(73,441,041)
Disposal of subsidiaries	(249,718,811)	(443,299,914)	(693,018,725)
Repayment of loans	(4,642,885,732)	(88,194,297)	(4,731,080,029)
Ending balance	8,771,851,298	9,330,999,170	18,102,850,468

### 24.1 Short-term bank loans

Details of short-term bank loans are as follows:

Banks	Ending balance VND'000	Term and maturity date	Interest rate (% p.a.)	Collateral (Notes 10, 11, 12, 13 and 14)
<b>Ho Chi Minh City Development Joint Stock Commercial Bank ("HDBank"), Dong Nai Branch</b>				
Loan dated 25 June 2020 (*)	600,951,992	From 25 June 2021 to 23 December 2021	10.00	203,780,455 HNG shares owned by the Company; All debt claim arising in the future from sales contracts with an amount of higher than VND 1,000 billion; All contributed capital of An Dong Mia owned by HNG.
<b>Tien Phong Commercial Joint Stock Bank ("TPBank"), Hanoi Branch</b>				
Loan dated 21 April 2017	599,797,785	From 13 January 2021 to 28 September 2021	Equal to the interest rate of TPBank's 3 months corporate savings in VND plus the margin of 3.20 (2020: 10.50)	The land use right and exploit on the area of 925 ha belongs to Eastern Rubber (Cambodia) Co., Ltd.; 32,829,686 HNG shares owned by the Company; The land use right and exploit 453.7 ha of plantation land owned by Dai Thang Agricultural Development Co., Ltd.
<b>Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank"), Gia Lai Branch</b>				
Loan dated 1 July 2020	203,232,453	From 27 January 2021 to 28 June 2021	8.40 - 9.10	16,484,079 HNG shares owned by the Company; 76,000,000 HAG shares owned by Mr Doan Nguyen Duc.
<b>Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank"), Cambodia Branch</b>				
Loan dated 30 March 2020	60,200,000	From 1 January 2021 to 3 March 2021	8.50	The land use right and exploit on the area of 1,752.5 ha belongs to the project of Hoang Anh Oyadav Co., Ltd.
<b>Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV"), Gia Lai Branch</b>				
Loan dated 17 April 2020	3,531,078	From 9 April 2021 to 29 May 2021	8.80	Machineries and equipments, 3 cars with lincene plates 81A-015.78; 81B-004.56; 81B-002.48 of HAGL Hospital and HAGL Hospital.
<b>TOTAL</b>	<b>1,467,713,308</b>			

(\*) As mentioned in Note 4.10, as at 31 December 2020, the Company transferred entire its ownership in An Dong Mia Group to THAGRICO. As at the date of these consolidated financial statement, the Group and THAGRICO has been in process to change the collateral assets.

## 24.2 Domestic straight bonds

Outstanding domestic straight bonds comprised as detailed below:

Arrangement organizations	Ending balance	Beginning balance
BIDV and BIDV Securities Company ("BSC")	5,876,000,000	5,876,000,000
HDB Securities Joint Stock Company (formerly Phu Gia Securities Joint Stock Company) ("HDBS")	930,000,000	930,000,000
ACB Securities Limited Company ("ACBS")	300,000,000	300,000,000
Tien Phong Commercial Bank ("TPBank")	350,000,000	-
Tien Phong Security Joint Stock Company ("TPS")	200,000,000	-
Viet Capital Bank	-	120,000,000
Bond issuance cost	(57,130,564)	(61,312,839)
<b>TOTAL</b>	<b>7,598,869,436</b>	<b>7,164,687,161</b>
<i>In which:</i>		
Non-current portion	6,726,624,401	7,044,687,161
Current portion	872,245,035	120,000,000

Issuance agent	Owner	Ending balance (VND'000)	Interest rate (% p.a.)	Maturity date	Purpose	Collateral (Notes 10, 11, 12, 13 and 14)
BIDV and BSC	BIDV (*)	5,876,000,000	The average of interest rate of individual saving deposit in VND with the term of twelve (12) months announced by branches of four (4) commercial banks at Gia Lai Province including Agribank, BIDV, Vietcombank and Vietinbank plus margin of 3.00 for subsequent periods (2020: 9.50 - 9.80)	30 December 2026	To finance capital for investment projects and restructure Group's loans	Land use rights as below: 4,852.74 ha in Attapeu Province, Laos owned by Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.; Land use rights as below: 4,852.74 ha in Attapeu Province, Laos owned by Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.; 9,996.9 ha (rubber), 4,733.01 ha (rubber) and 3,155.79 ha (palm oil) in Attapeu Province, Laos owned by Hoang Anh Attapeu Agriculture Development Co., Ltd.; 9,380.9 ha (planting 7,102 ha palm oil) in Ratanakiri Province, Cambodia owned by Hoang Anh Andong Meas Co., Ltd.; 1,960.91 ha in Ratanakiri Province, Cambodia owned by Heng Brothers Co., Ltd.; 3,283.66 ha in Ratanakiri Province, Cambodia owned by CRD Co., Ltd.; All assets (movable properties and real estates) attached to the land and all rights, interests and benefits associated with or arising from such assets related to the land; The right of ownership and compensation when insured events arise under insurance contracts for related assets as mentioned above; 44,926,000 HAG shares owned by Mr Doan Nguyen Duc.
Bond issuance cost		(45,868,883)				
<b>TOTAL</b>		<b>5,830,131,117</b>				
<i>In which:</i>						
Non-current portion		5,512,629,084				
Current portion		317,502,033				

(\*) As at 31 December 2020 and the date of these consolidated financial statement Group are 4,485.74 ha of rubber plantation and 5,233 ha of palm oil, respectively, which is lower than the commitment in Bond Contract which is 4,852.74 ha and 7,102 ha, respectively. In addition, as at that date, the Company did not make payment for the interest amounting to VND'000 1,150,310,989 outstanding as at year ended. Up to the date of these consolidated financial statements, the Group already had payment schedule for these outstanding interest.

## 24. LOANS (continued)

### 24.2 Domestic straight bonds (continued)

Issuance agent	Owner	Ending balance (VND'000)	Interest rate (% p.a.)	Maturity date	Purpose	Collateral (Notes 10, 11, 12, 13 and 14)
HDBS	Ho Chi Minh City Development Joint Stock Commercial Bank -Dong Nai Branch (*)	930,000,000	Adjust one every three (3) months and cost of finance rate VND of twelve (12) months announced by Ho Chi Minh City Development Joint Stock Commercial Bank plus margin of 3.50 (2020: 12.57)	From 30 June 2021 to 31 December 2023	To finance capital for investment projects and restructure the Group's loans	172,070,455 HNG shares owned by the Company.
ACBS	Tay Nguyen Agricultural Services Co., Ltd. (**)	300,000,000	Thirteen (13)-month deposit interest rate of Tien Phong bank plus margin of 4.50 (2020: 10.00)	18 June 2023	To finance capital for the investment projects and restructure the Group's loans	40,000,000 HNG shares owned by the Company.
Bond issuance cost		(5,787,788)				
<b>TOTAL</b>		<b>1,224,212,212</b>				
<i>In which:</i>						
Non-current portion		915,984,156				
Current portion		308,228,056				

(\*) As at 31 December 2020 and the date of these consolidated financial statements, the Company's ownership at HNG is 40.29%, less than the committed 51% in the bond contract.

(\*\*) As at 31 December 2020 and the date of these consolidated financial statements, the Company's current ratio is less than one (1), while the committed current ratio must be greater than one (1).

In addition, on 26 October 2020, BCG Land Gateway JSC transferred the entire ownership of 3,000,000 bonds of Hoang Anh Gia Lai Joint Stock Company to Tay Nguyen Agricultural Services Co., Ltd. in accordance to Contract No. 2610/HAGLBOND/BCGLGATEWAY-DVNNTN dated 26 October 2020.

Issuance agent	Owner	Ending balance (VND'000)	Interest rate (% p.a.)	Maturity date	Purpose	Collateral (Notes 9, 10, 11, 12, 13 and 14)
TPBank	Tien Phong Commercial Bank	350,000,000	Adjust one every six (6) months and 12-month savings deposit interest rate of TP Bank plus margin of 3.50 (2020: 10.00)	28 October 2024	Finance for the Group's projects	All assets on land arising in the future and all rights and benefits arising from the exploitation of perennial orchard (fruit tree) owned by Gia Lai Livestock corresponding to land certificate no. BY440741 date 10 November 2015 of 1,642,000 m <sup>2</sup> ; 64,000,000 HAG shares owned by Mr Doan Nguyen Duc; Loans amount, interest, penalties, compensation and receivables arised from BCC Contract No. 0809/2020/HTDTKD/HTLGL-LEME between Hung Thang Loi and Le Me JSC dated 8 September 2020 (Note 9).
TPS	Individuals	200,000,000	9.50	4 December 2021	Finance for the Group's projects	498.28 ha fruit plantation and land use rights in Ia Bang District, Chu Prong Province, Ia Pech District, Ia Grai Province and A Commue, Gao District, Pleiku, Gia Lai, Viet Nam owned by Highland Diary.
Bond issuance cost		(5,473,893)				
<b>TOTAL</b>		<b>544,526,107</b>				
<i>In which:</i>						
Non-current portion		298,011,161				
Current portion		246,514,946				

## 24. LOANS (continued)

### 24.3 Long-term bank loans

Details of the long-term bank loans are as follows:

VND'000

Banks	Ending balance	Beginning balance
Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV")	1,231,637,137	2,126,870,427
Laos Viet Joint Venture Bank (Laos-Viet Bank) - Attapeu Branch	1,025,470,346	822,882,260
Vietnam Export Import Commercial Joint Stock Bank - Hung Vuong Branch ("EXIM")	711,277,743	-
Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank")	512,454,605	553,088,595
Tien Phong Commercial Joint Stock Bank ("TPBank")	242,000,000	100,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank ("HDBank")	-	1,029,352,918
<b>TOTAL</b>	<b>3,722,839,831</b>	<b>4,632,194,200</b>
<i>In which:</i>		
Non-current portion	2,528,363,183	3,095,659,574
Current portion	1,194,476,648	1,536,534,626

The Group obtained these loans mainly to finance the construction and development of the Group's rubber, palm oil and fruit plantations projects.

The terms and conditions of bank loans are as follows:

Banks	Ending balance (VND'000)	Term and maturity date	Interest rate (% p.a.)	Collateral (Notes 10, 11, 12, 13 and 14)
<i>BIDV, Gia Lai Branch</i>				
Loan 1	722,805,307	From 31 December 2021 to 31 December 2026	12-month savings deposit interest rate paid in arrears of BIDV plus 4.70 (2020: 7.20 - 8.50)	9,996.9 ha rubber plantation and land use rights in Saysetha and Phu Vong District, Attapeu Province, Laos owned by Hoang Anh Attapeu Agriculture Development Co., Ltd.
<i>BIDV, Binh Dinh Branch</i>				
Loan 2 (*)	508,831,830	From 24 March 2022 to 24 December 2026	12-month savings deposit interest rate paid in arrears of BIDV plus 5.00 (2020: 5.90 - 6.70)	119 apartments belong to HAGL luxury residence and office building at 6 Hoang Van Thu Street, Pleiku City, Gia Lai Province, Vietnam owned by the Company; HAGL Granite Stone factory in beside National Route 14, Ia Bang Commue, Dak Doa District, Gia Lai Province, Vietnam owned by the Company; 6,993.2 m <sup>2</sup> land use right at Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam; Land use right and exploit of 4,733.01 ha rubbers plantation and 3,155.79 ha palm oil plantation in Attapeu Province, Laos owned by Hoang Anh Attapeu Agriculture Development Co., Ltd
<b>TOTAL</b>	<b>1,231,637,137</b>			
<i>In which:</i>				
Non-current portion	1,120,957,598			
Current portion	110,679,539			

(\*) As at 31 December 2020 and the date of these consolidated financial statements, the actual rubber area plantation of the Group is 13,714 ha, which is lower than the commitment in Loan Agreement of 17,950 ha. In addition, the actual palm oil area plantation of the Group is 1,449.2 ha, which is lower than the commitment in Loan Agreement of 3,155.79 ha.

## 24. LOANS (continued)

### 24.3 Long-term bank loans (continued)

The terms and conditions of bank loans are as follows: (continued)

Banks	Ending balance (VND'000)	Term and maturity date	Interest rate (% p.a.)	Collateral (Notes 10, 11, 12, 13 and 14)
<i>Laos-Viet Bank, Attapeu Branch</i>				
Loan 1 (i)	289,337,282	From 25 November 2019 to 25 August 2022	10.00	Office building of Hoang Anh Attapeu Agriculture Development Co., Ltd. at Km No. 31, Hatxan Commune, Xaysettha District, Attapeu Province, Laos corresponding to the map No. 17 001 0008 with an area of 0.3 ha; Rubber latex production factory in Xaysettha District, Attapeu Province, Laos and whole imported cows (14,219 cows) of Hoang Anh Attapeu Agriculture Development Co., Ltd.
Loan 2 (ii)	245,128,190	From 25 March 2021 to 25 December 2026	LAK: 12.75 USD: 10.00	Land use right and exploitation of 4,733.01 ha rubber and 3,155.79 ha palm oil in Attapeu Province, Laos owned by Hoang Anh Attapeu Agriculture Development Co., Ltd.

- (i) As at 31 December 2020 and the date of these consolidated financial statements, the Group has liquidated all cows, accordingly, the Group does not guarantee a sufficient number of cows importing 14,219 cows in accordance with this Loan Agreement. Additionally, the Group has not paid the loan of VND'000 107,808,237 at the due date.
- (ii) As at 31 December 2020 and the date of these consolidated financial statements, the actual area of palm oil plantation of the Group is 1,449.2 ha, which is lower than with the commitment in Loan Agreement of 3,155.79 ha.

Banks	Ending balance (VND'000)	Term and maturity date	Interest rate (% p.a.)	Collateral (Notes 10, 11, 12, 13 and 14)
<i>Laos-Viet Bank, Attapeu Branch (continued)</i>				
Loan 3 (i)	169,173,724	From 25 October 2019 to 25 October 2022	10.00	Land use right of 3 land lots of 1,001.78 ha at Laman District, Sekong Province, Laos owned by Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.; All assets attached on rubber plantation with area of 420.91 ha in Laman District, Sekong Province, Laos owned by Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.
Loan 4 (ii)	59,930,150	From 25 May 2019 to 25 November 2020	10.00	All construction tools, machineries and equipment used for the construction of palm oil processing plant arise after the investment capital owned by Hoang Anh Attapeu Agriculture Development Co., Ltd.
Loan 5	261,901,000	22 October 2021	8.50	2 land lots at Honglay Commune, Laman District, Sekong Province, Laos; Office building at NongYoi Commune, Paksong Province, Champasak Province, Laos; Land use right and exploit of 939 ha fruit plantations at Laman District, Sekong Province, Lao owned by Dai Thang Agricultural Development Co., Ltd.
<b>TOTAL</b>	<b>1,025,470,346</b>			
<i>In which:</i>				
<i>Non-current portion</i>	347,437,656			
<i>Current portion</i>	678,032,690			

- (i) As at 31 December 2020 and the date of these consolidated financial statements, the Group has not paid the overdue loan of VND'000 59,507,939 at the due date.
- (ii) As at 31 December 2020 and the date of these consolidated financial statement, the Group has not paid the overdue loan of VND'000 59,930,150 in accordance with this Loan Agreement. As at 31 March 2021, the Group has not paid the overdue loan of VND'000 33,712,610.

## 24. LOANS (continued)

### 24.3 Long-term bank loans (continued)

The terms and conditions of bank loans are as follows: (continued)

Banks	Ending balance VND'000	Term and maturity date	Interest rate (% p.a.)	Collateral (Notes 10, 11, 12, 13 and 14)
Vietnam Commercial Joint Stock Export Import Bank - Hung Vuong Branch ("EXIM")				
Loan dated 15 August 2014 (*)	413,840,467	31 December 2024	11.50	1,091.1 ha (9 land use right certificates) land use rights and all assets on land owned by Gia Lai Livestock; Means of transportation, machine and equipment, breeding cows and other assets arising from the loan capital.
Loan dated 23 September 2014 (*)	297,437,276	31 December 2024	11.50	1,091.1 ha (9 land use right certificates) land use rights and all assets on land owned by Gia Lai Livestock; Means of transportation, machine and equipment, breeding cows and other assets arising from the loan capital.
<b>TOTAL</b>	<b>711,277,743</b>			
In which:				
Non-current portion	458,299,991			
Current portion	252,977,752			

(\*) As at 31 December 2020 and the date of these consolidated financial statements, the Group had disposed all cows, accordingly, the Group has not secured enough value for cows as required by this Loan Agreement.

Banks	Ending balance VND'000	Term and maturity date	Interest rate (% p.a.)	Collateral (Notes 10, 11, 12, 13 and 14)
Sacombank, Sai Gon Branch (*)	262,454,605	From 24 December 2021 to 24 December 2026	13 months deposit interest rate of Sacombank paid in arrears plus 2.00 and adjusted each 3-months (2020: 9.80 - 9.90)	23.2 million HAG shares own by Mr Doan Nguyen Duc; 14.5 million shares of Hoang Anh Quang Minh Joint Stock Company owned by HNG.
Sacombank, Thu Duc Branch (**)	250,000,000	From 25 December 2021 to 6 December 2026	9.80	Land use right and exploit 1,365.2 ha in Ea H'leo Ward, Ea H'leo District, Dak Lak Province, Vietnam owned by Hoang Anh Dak Lak Joint Stock Company; Land use right of 479.2 ha in Ea H'leo Ward, Ea H'leo District, Dak Lak Province, Vietnam owned by Hoang Anh Dak Lak Joint Stock Company; 683.33 ha in Ea H'leo Ward, Ea H'leo District, Dak Lak Province, Vietnam owned by Ban Me Rubber One Member Co., Ltd.
<b>TOTAL</b>	<b>512,454,605</b>			
In which:				
Non-current portion	457,667,938			
Current portion	54,786,667			

(\*) As at 31 December 2020 and the date of these consolidated financial statements, the actual area plantation of the Group is 2,429 ha, which is lower than the commitment in Loan Agreement of 9,000 ha.

(\*\*) As at 31 December 2020 and the date of these consolidated financial statements, the actual area of palm oil plantation of the Group is 5,233 ha which is lower than the commitment in Loan Agreement of 9,470 ha.

## 24. LOANS (continued)

### 24.3 Long-term bank loans (continued)

The terms and conditions of loans payable to banks are as follows: (continued)

Banks	Ending balance VND'000	Term and maturity date	Interest rate (% p.a.)	Collateral (Notes 10, 11, 12, 13 and 14)
TPBank - Ha Noi Branch	192,000,000	From 22 October 2021 to 21 October 2024	Adjust one every three (3) months and 12-month of TPBank savings deposit interest rate plus margin of 3.50 (2020: 10.00)	Unsecured
TPBank - Head Office	50,000,000	From 25 February 2021 to 23 November 2021	10.90 - 11.40	Securities with yeild, dividends, rights and benefits arising from 15,000,000 HNG shares held by the Company.
<b>TOTAL</b>	<b>242,000,000</b>			
<i>In which:</i>				
Non-current portion	144,000,000			
Current portion	98,000,000			

### 24.4 Short-term loans from another party

Names	Ending balance (VND'000)	Term and maturity date	Interest rate (% p.a.)	Collateral
Truong Hai Agricultural Joint Stock Company	5,122,729,858	From 26 August 2021 to 29 November 2021	7.00 - 10.50	Unsecured

### 24.5 Short-term loans from companies and individuals

Names	Ending balance (VND'000)	Term and maturity date	Interest rate (% p.a.)	Collateral
Khamkauong Agricultural Development One Member Co., Ltd.	49,634,309	1 January 2021	9.00 - 10.00	Unsecured
Mr Duong Thanh Trung (i)	43,900,451	8 September 2020	13.00	7,700,000 HNG shares owned HAG
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	11,909,241	1 April 2021	12.00	Unsecured
Trustlink Services and Invesment Joint Stock Company (ii)	9,242,448	7 July 2020	14.75	3,000,000 HNG shares owned HAG
<b>TOTAL</b>	<b>114,686,449</b>			

### 24.6 Long-term loans from another company

Names	Ending balance (VND'000)	Term and maturity date	Interest rate (% p.a.)	Collateral
Nam Kong III Electricity Co. Ltd.	76,011,586	1 January 2025	8.00	Unsecured

- (i) On 6 January 2021, the Group paid the outstanding loan.  
(ii) On 4 January 2021, the Group paid this outstanding loan.

## 25. OWNERS' EQUITY

### 25.1 Increase and decrease in owners' equity

VND'000

	Share capital	Share premium	Treasury shares	Foreign exchange differences	Investment and development fund	Accumulated losses	Total
<b>Previous year</b>							
Beginning balance (As restated - Note 38)	9,274,679,470	3,263,858,784	(686,640)	485,237,344	280,644,763	(4,993,613,469)	8,310,120,252
Net profit for the year	-	-	-	-	-	116,649,643	116,649,643
Foreign exchange differences	-	-	-	(909,696,018)	-	-	(909,696,018)
Remuneration for members of BOD, BOS and secretary	-	-	-	-	-	(2,797,000)	(2,797,000)
Fund appropriation	-	-	-	-	1,024,011	(1,024,011)	-
Equity transactions inside Group with non-controlling interests	-	-	-	-	-	114,577,508	114,577,508
<b>Ending balance (As restated - Note 38)</b>	<b>9,274,679,470</b>	<b>3,263,858,784</b>	<b>(686,640)</b>	<b>(424,458,674)</b>	<b>281,668,774</b>	<b>(4,766,207,329)</b>	<b>7,628,854,385</b>
<b>Current year</b>							
Beginning balance (As restated - Note 38)	9,274,679,470	3,263,858,784	(686,640)	(424,458,674)	281,668,774	(4,766,207,329)	7,628,854,385
Net loss for the year	-	-	-	-	-	(1,255,661,344)	(1,255,661,344)
Foreign exchange differences	-	-	-	(1,067,799,291)	-	-	(1,067,799,291)
Remuneration for members of BOD, BOS and secretary	-	-	-	-	-	(483,512)	(483,512)
Fund appropriation	-	-	-	-	741,925	(741,925)	-
Profit appropriation of a subsidiary	-	-	-	-	-	(2,228,668)	(2,228,668)
Equity transactions inside Group with non-controlling interests	-	-	-	-	-	(276,340,059)	(276,340,059)
Disposal of subsidiaries	-	-	-	52,121,703	-	-	52,121,703
<b>Ending balance</b>	<b>9,274,679,470</b>	<b>3,263,858,784</b>	<b>(686,640)</b>	<b>(1,440,136,262)</b>	<b>282,410,699</b>	<b>(6,301,662,837)</b>	<b>5,078,463,214</b>

### 25.2 Shares

	Ending balance	Beginning balance
Shares authorised to be issued	927,467,947	927,467,947
Shares issued and fully paid	927,467,947	927,467,947
Ordinary shares	927,467,947	927,467,947
Outstanding shares	927,399,283	927,399,283
Ordinary shares	927,399,283	927,399,283
Treasury shares	68,664	68,664
Ordinary shares	68,664	68,664

## 26. NON-CONTROLLING INTERESTS

VND'000

	Ending balance	Beginning balance
Beginning balance	4,122,902,838	3,543,587,941
Capital transactions in the Group with non-controlling interests of subsidiaries	1,566,478,912	2,875,304,500
Loss during the year attributable to non-controlling interests	(1,127,678,506)	(2,025,322,017)
Acquisition of subsidiaries	283,185,640	-
Disposal of subsidiaries	107,301,119	(264,516,161)
Issuances to non-controlling interests	-	(6,151,425)
Others	(2,857,758)	-
<b>Ending balance</b>	<b>4,949,332,245</b>	<b>4,122,902,838</b>

## 27. (LOSSES)/EARNINGS PER SHARE

The following reflects the (losses)/earnings and share data used in the basic and diluted (losses)/earnings per share computations:

	Ending balance	Beginning balance (As restated - Note 38)
<b>Net (loss)/profit attributable to ordinary shareholders of the Company (VND'000)</b>	<b>(1,255,661,344)</b>	<b>116,649,643</b>
Weighted average number of ordinary shares during the year for basic earnings per share	927,399,283	927,399,283
<b>(Loss)/earning per share (VND)</b>		
- Basic (loss)/earning per share	(1,354)	126
- Diluted (loss)/earning per shares	(1,354)	126

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

## 28. REVENUES

### 28.1 Revenue from sale of goods and rendering of services

	VND'000	
	Current year	Previous year
<b>Gross revenue</b>	<b>3,189,964,886</b>	<b>2,091,833,174</b>
<i>In which:</i>		
Revenue from sale of fruits	2,290,134,596	1,290,876,230
Rendering of rental services	405,779,249	234,260,834
Revenue from sale of rubber latex	265,494,259	341,922,012
Revenue from sale of pigs	121,162,500	-
Revenue from sale of goods	107,178,304	182,952,487
Revenue from sale of chilli	-	38,704,084
Revenue from sale of pepper	-	873,119
Others	215,978	2,244,408
<b>Less</b>	<b>(13,318,930)</b>	<b>(16,389,150)</b>
Sales return	-	(16,389,150)
Sales deductions	(13,318,930)	-
<b>Net revenue</b>	<b>3,176,645,956</b>	<b>2,075,444,024</b>
<i>In which:</i>		
Revenue from sale of fruits	2,283,093,783	1,275,351,600
Rendering of rental services	466,392,018	234,260,834
Revenue from sale of rubber latex	265,494,259	341,922,012
Revenue from sale of pigs	121,162,500	-
Revenue from sale of goods	40,112,617	182,087,967
Revenue from sale of chilli	-	38,704,084
Revenue from sale of pepper	-	873,119
Others	390,779	2,244,408
<i>In which:</i>		
Revenue from third parties	3,085,163,910	2,052,206,255
Revenue from related parties (Note 34)	91,482,046	23,237,769

### 28.2 Finance income

	VND'000	
	Current year	Previous year
Gain on disposal of investments (Note 4.10)	660,318,317	1,325,083,129
Interest income from loans to other parties	567,798,415	779,225,691
Foreign exchange gains	58,063,704	31,346,981
Interest income from bank deposits	1,162,595	1,407,362
Others	20,634	80,279
<b>TOTAL</b>	<b>1,287,363,665</b>	<b>2,137,143,442</b>
<i>In which:</i>		
Revenue from third parties	732,975,123	1,582,754,900
Revenue from related parties (Note 34)	554,388,542	554,388,542

## 29. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND'000	
	Current year	Previous year
Cost of fruits sold	2,019,560,189	1,005,948,511
Cost of rendering other services	392,254,542	202,192,049
Cost of rubber latex	376,531,186	451,431,843
Cost of pigs	114,349,447	-
Cost of goods sold	61,541,937	140,117,345
Cost of chilli	-	43,130,128
Cost of pepper	-	771,286
Others	6,678,312	4,068,489
<b>TOTAL</b>	<b>2,970,915,613</b>	<b>1,847,659,651</b>

## 30. FINANCE EXPENSES

	VND'000	
	Current year	Previous year
Interest expenses	1,253,570,666	1,263,369,664
Loss on disposal of investments	-	597,592,450
Foreign exchange losses	189,644,953	94,509,128
BCC interest expenses	16,172,109	-
Reversal of other finance expenses	(155,818,739)	-
Others	14,592,494	8,462,909
<b>TOTAL</b>	<b>1,318,161,483</b>	<b>1,963,934,151</b>

## 31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND'000	
	Current year	Previous year (As restated - Note 38)
<b>Selling expenses</b>		
External services expenses	334,042,538	288,324,842
Labour costs	11,239,055	15,493,345
Depreciation and amortisation expenses	2,853,664	2,412,294
Others	6,448,949	2,626,378
	354,584,206	308,856,859
<b>General and administrative expenses</b>		
Provisions	1,425,324,428	175,446,185
Amortisation of goodwill	157,929,000	315,937,136
Labour costs	144,305,575	152,029,212
External services expenses	46,381,182	72,024,456
Depreciation expenses	17,983,621	30,758,900
Others	59,316,300	26,273,693
	1,851,240,106	772,469,582
<b>TOTAL</b>	<b>2,205,824,312</b>	<b>1,081,326,441</b>

## 32. OTHER INCOME AND EXPENSES

	VND'000	
	Current year	Previous year
<b>Other income</b>		
Reversal of accrual	26,924,870	-
Gain from disposal of assets	-	593,673
Other income	71,223,595	41,983,453
	98,148,465	42,577,126
<b>Other expenses</b>		
Loss from disposal of assets	184,949,729	42,915,974
Written off assets	63,464,100	209,177,686
Depreciation of idle assets	62,455,980	44,549,697
Cost of convert plantations	56,168,520	1,121,090,800
Penalty expenses	30,101,552	30,834,638
BCC contract supportive fees	-	185,750,000
Reversal of Decree 20 (*)	-	(335,292,885)
Other expenses	30,344,526	81,114,420
	427,484,407	1,380,140,330
<b>OTHER LOSS</b>	<b>(329,335,942)</b>	<b>(1,337,563,204)</b>

(\*) This amount represented CIT expense accrued in prior years' consolidated financial statements accumulated up to 31 December 2018. In prior years, due to the introduction of Decree No. 20/2017/ND-CP ("Decree 20") just newly issued and the Group has not clarified the interpretations with the local tax authorities, so based on prudence principle, the Group has temporarily accrued CIT expenses according to Item 3, Article 8, Decree 20 proscribing tax administration for enterprises engaged in transfer pricing, issued by the Government on 24 February 2017 and effectively applied from 1 May 2017 to determine taxable income including the total loan interest cost arising in tax year not qualified as a deduction from income which exceeded 20% of total net profit generated from business activities plus loan interest costs and amortisation costs during the year. During the year ended 31 December 2019, the Group researched all relevant information and reversed CIT expenses accrued in prior years' consolidated financial statements.

## 33. CORPORATE INCOME TAX

The Company and its subsidiaries located in Vietnam have the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits (2019: 20%).

The Company's subsidiaries located in Lao People's Democratic Republic have the obligations to pay CIT at the rates of 24% of their taxable profits and 2% of taxable profit from disposal of projects. Subsidiaries located in Kingdom of Cambodia, have the obligations to pay CIT at the rates of 20% of their taxable profits. They are also entitled to CIT exemption and reduction in accordance with their respective BRCs, Investment Licences and applicable tax regulations.

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

	VND'000	
	Current year	Previous year
Current CIT expenses	3,440,989	2,253,490
Deferred tax expense/(income)	28,438,599	(98,914,750)
<b>TOTAL</b>	<b>31,879,588</b>	<b>(96,661,260)</b>

## 33.1 Current income tax

The current CIT payable is based on taxable profit/(loss) for the current year. The taxable profit/(loss) of the Group for the year differs from the profit/(loss) as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

	VND'000	
	Current year	Previous year (As restated - Note 38)
<b>Accounting loss before tax</b>	<b>(2,351,460,262)</b>	<b>(2,005,333,634)</b>
<i>Adjustments to increase/(decrease) accounting profit</i>		
<b>Adjustment to increase</b>		
Losses of subsidiaries	1,733,734,243	4,096,620,067
Amortisation of goodwill	207,626,658	315,937,136
Capped interest expenses (*)	279,551,379	(245,284,501)
Capitalised interest on consolidation	129,860,293	82,805,391
Unrealised loss/(profit) eliminated on consolidation	10,040,074	(120,353,558)
Gain on disposals of investment in subsidiaries on consolidation level	(476,321,574)	(2,805,287,927)
Tax loss carried forward	(224,242,016)	(23,903,208)
(Provisions)/reversal of provisions of investment in subsidiaries	(171,828,441)	483,220,642
Profit of activities which are tax exempted	(134,603,088)	(32,681,914)
Share profits from associates	(8,767,467)	(12,562,347)
Non-deductible expenses and others	1,022,357,603	283,888,316
<b>Estimated current tax loss</b>	<b>15,947,402</b>	<b>17,064,463</b>
<b>Estimated current CIT</b>	<b>3,439,878</b>	<b>4,300,785</b>
Under provision of CIT in previous year	1,111	440,861
CIT exemption	-	(2,488,156)
<b>Estimated current CIT expense for the year</b>	<b>3,440,989</b>	<b>2,253,490</b>
CIT payable at beginning of the year	19,677,263	29,128,714
Reclassification	-	1,242,352
CIT paid during the year (Note 21)	(818,203)	(12,947,293)
<b>CIT payable at end of year</b>	<b>22,300,049</b>	<b>19,677,263</b>
<i>In which:</i>		
CIT payable (Note 21)	22,593,419	19,970,633
CIT receivables (Note 21)	(293,370)	(293,370)

(\*) In accordance with the Decree No. 132/2020/ND-CP dated 5 November 2020 amending Decree No. 68/2020/ND-CP dated 24 June 2020 and Decree No. 20/2017/ND-CP dated 24 February 2017 by the Government to determine taxable income including the total net interest expenses arising in tax period not qualified as a deduction from income which exceeded 30% of total net profit generated from business activities plus net interest expenses and depreciation expenses during the year.

### 33. CORPORATE INCOME TAX (continued)

#### 33.2 Deferred tax

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

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
<b>Deferred tax assets</b>				
Unrealised intra-group profits	85,724,272	74,528,409	11,195,863	(24,070,711)
	<b>85,724,272</b>	<b>74,528,409</b>	<b>11,195,863</b>	<b>(24,070,711)</b>
<b>Deferred tax liabilities</b>				
Fair value adjustment on assets acquired in business combination	583,360,502	-	-	-
Provisions of the investments	141,070,733	110,260,843	30,809,890	72,726,939
Interest expense capitalised on consolidation level	120,036,134	111,211,562	8,824,572	(92,504,218)
Gain from disposal of investments	-	-	-	(103,208,182)
	<b>844,467,369</b>	<b>221,472,405</b>	<b>39,634,462</b>	<b>(122,985,461)</b>
<b>Deferred tax expenses/(income)</b>			<b>28,438,599</b>	<b>(98,914,750)</b>

VND'000

### 34. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties in current year and prior year were as follows

Related parties	Relationship	Transactions	VND'000	
			Current year	Previous year
Le Me Joint Stock Company	Related party	BCC	440,000,000	-
		Lending	371,578,296	3,018,362,659
		Interest income	295,408,780	258,230,035
Gia Lai Livestock Joint Stock Company	Subsidiary (from 10 September 2020)	Interest income	236,687,093	439,112,672
		Purchase of goods and services	110,260,319	10,110,766
		Lending	100,993,684	1,018,678,321
		Sales of goods and rendering of services	85,720,587	23,237,769
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related party	Offsetting	-	4,280,831
		Purchase of goods and services	22,295,903	-
		Interest income	22,292,669	22,231,760
Mr Doan Nguyen Duc	Chairman of BOD	Sales of goods and rendering of services	1,078,511	-
		Lending	-	102,909,929
		Lending	7,005,607	-
Ms Vo Thi My Hanh	Member of BOD	BCC interest expenses	6,511,106	-
		Borrowing	-	1,157,156,964
		BCC interest expenses	5,538,779	-
Ms Ho Thi Kim Chi	Deputy General Director	Purchase of assets	562,255	-
		Lending	5,182,241	-
		BCC interest expenses	4,122,224	-
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company - Hoang Anh Gia Lai Plastic Factory Branch	Related party	Sales of goods and rendering of services	4,682,948	-
		Lending	3,000,000	-
		Purchase of goods and services	2,403,208	-
An Phu Real Estate Investment Joint Stock Company	Related party	Purchase of goods and services	404,387	-
Thanh Binh Construction Investment Consultant Co., Ltd.	Related party	Interest income	-	12,846,896
Phu Hoang Anh Joint Stock Company	Related party	Interest income	-	11,504,781
Phuc Bao Minh Construction Service Trading Joint Stock Company	Related party	Interest income	-	3,652,777
Dai Loc Hung Thinh One Member Co., Ltd.	Related party	Interest income	-	3,384,688

### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

As at the balance sheet date, amounts due to and due from related parties were as follows:

			VND'000	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Short-term trade receivables (Note 6)</b>				
Thanh Binh Construction Investment Consultant Co., Ltd.	Related party	Rendering of construction service	27,595,944	27,595,944
Minh Tuan Trading and Services Co., Ltd.	Related party	Rendering of construction service	5,501,714	5,501,714
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company - Hoang Anh Gia Lai Plastic Factory Branch	Related party	Sales of goods and rendering of services	5,444,663	1,820
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related party	Sales of goods and rendering of services	375,199	903,523
		Disposal of Fixed assets	-	291,600
Gia Lai Livestock Joint Stock Company	Subsidiary (from 10 September 2020)	Sales of goods	-	65,165,581
			<b>38,917,520</b>	<b>99,460,182</b>
<b>Short-term advances to suppliers (Note 7)</b>				
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company - Hoang Anh Gia Lai Plastic Factory Branch	Related party	Advance for purchasing goods and service	23,253,451	-
Gia Lai Livestock Joint Stock Company	Subsidiary (from 10 September 2020)	Advance for purchasing goods and service	-	2,299,803
			<b>23,253,451</b>	<b>2,299,803</b>
<b>Short-term loan receivables (Note 8)</b>				
Le Me Joint Stock Company	Related party	11.50	3,644,498,048	857,847,971
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related party	12.00	86,936,725	86,936,725
Mr Nguyen Ngoc Mai	Related party	-	30,000,000	-
Mr Le Van Thach	Related party	-	15,000,000	-
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company - Hoang Anh Gia Lai Plastic Factory Branch	Related party	10.00	3,000,000	-
Ms Ho Thi Kim Chi	Deputy General Director	-	1,811,406	16,742,127
Gia Lai Livestock Joint Stock Company	Subsidiary (from 10 September 2020)	9.75 - 10.00	-	1,068,890,232
Mr Doan Nguyen Duc	Chairman of BOD	-	-	20,120,000
Ms Vo Thi My Hanh	Member of BOD	-	-	1,636,000
			<b>3,781,246,179</b>	<b>2,052,173,055</b>
<b>Long-term loan receivables (Note 8)</b>				
Le Me Joint Stock Company	Related party	11.50	840,307,997	3,225,489,778
Mr Nguyen Ngoc Mai	Related party	4.80	253,800,000	-
Mr Le Van Thach	Related party	4.80	126,900,000	-
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related party	12.00	100,000,000	100,000,000
Mr Tran Quang Dung	Related party	4.80	42,300,000	-
Gia Lai Livestock Joint Stock Company	Subsidiary (from 10 September 2020)	4.80 -12.00	-	4,127,769,425
			<b>1,363,307,997</b>	<b>7,453,259,203</b>

Short-term and long-term loans to related parties were approved by the General Shareholders Meeting dated 26 June 2020, compliance with terms and conditions regarding lending or granting guarantee to shareholders and related individuals pursuant to Decree 71/2017/ND-CP issued by the Government on 6 June 2017 on Corporate Governance applicable to public companies.

As at the balance sheet date, amounts due to and due from related parties were as follows: (continued)

			VND'000	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Other short-term receivables (Note 9)</b>				
Le Me Joint Stock Company	Related party	Interest Income	112,367,032	10,355,825
Mr Doan Nguyen Duc	Chairman	Lending Advance	65,490,397	65,612,445
			26,120	23,261
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related party	Interest income	22,873,208	12,780,538
		Others	-	2,192,000
Ms Ho Thi Kim Chi	Deputy General Director	Advance	460,590	-
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company - Hoang Anh Gia Lai Plastic Factory Branch	Related party	Others	1,282	-
Gia Lai Livestock Joint Stock Company	Subsidiary (from 10 September 2020)	Lending	-	91,684,294
		Interest income	-	19,711,031
		Payment on behalf	-	2,630,603
Thang Long Agricultural Development Co., Ltd.	Related party	Lending	-	62,154,717
Others	Related party	Advance	-	1,600,000
			<b>201,218,629</b>	<b>268,744,714</b>
<b>Other long-term receivables (Note 9)</b>				
Le Me Joint Stock Company	Related party	BCC	440,000,000	-
		Interest income	7,160,868	230,927,298
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related party	Interest income	29,854,077	17,654,076
Mr Le Van Thach	Related party	Interest income	7,903,800	-
Mr Nguyen Ngoc Mai	Related party	Interest income	4,026,480	-
Mr Tran Quang Dung	Related party	Interest income	688,080	-
Gia Lai Livestock Joint Stock Company	Subsidiary (from 10 September 2020)	Interest income	-	486,106,860
			<b>489,633,305</b>	<b>734,688,234</b>
<b>Short-term trade payables (Note 19)</b>				
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company - Hoang Anh Gia Lai Plastic Factory Branch	Related party	Purchase of goods and services	116,694,539	42,354,776
An Phu Real Estate Investment Joint Stock Company	Related party	Purchase of goods and services	660,748	-
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related party	Purchase of goods and services	404,483	888,145
Phu Hoang Anh Joint Stock Company	Related party	Purchase of goods and services	15,000	-
Gia Lai Livestock Joint Stock Company	Subsidiary (from 10 September 2020)	Purchase of goods	-	32,122,589
Others	Related parties	Purchase of goods	-	271,360
			<b>117,774,770</b>	<b>75,636,870</b>

### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

As at the balance sheet date, amounts due to and due from related parties were as follows: (continued)

VND'000				
Related parties	Relationship	Transactions	Ending balance	Beginning balance
<b>Short-term other payables (Note 23)</b>				
Mr Doan Nguyen Duc	Chairman of BOD	BCC	100,000,000	-
		Lending	70,000,000	-
		BCC interest expenses	-	9,966,667
Le Me Joint Stock Company	Related party	Lending	37,481,217	11,685,000
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company - Hoang Anh Gia Lai Plastic Factory Branch	Related party	Lending	24,197,190	-
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related party	Lending	594,335	7,422,950
Ms Vo Thi My Hanh	Member of BOD	BCC	4,112,630	36,000,000
		Lending	1,000,000	1,000,000
		BCC Interest expenses	-	1,488,000
Hoang Anh Mekong Joint Stock Company	Related party	Lending	272,700	-
Mr Tran Quang Dung	Related party	Lending	150,000	-
An Tien Co., Ltd.	Related party	BCC	-	185,750,000
Ms Doan Thi Nguyen Nguyen	Related party	Lending	-	15,000,000
Ms Ho Thi Kim Chi	Deputy General Director	BCC Interest expenses	-	6,535,000
Others	Related party	Others	15,612	275,400
<b>TOTAL</b>			<b>237,823,684</b>	<b>275,123,017</b>
<b>Other long-term payables (Note 23)</b>				
Mr Nguyen Ngoc Mai	Related party	Lending	236,357,918	-
Mr Doan Nguyen Duc	Chairman of BOD	BCC	-	180,000,000
Ms Ho Thi Kim Chi	Deputy General Director	BCC	-	105,000,000
<b>TOTAL</b>			<b>236,357,918</b>	<b>285,000,000</b>

Remuneration of members of the Board of Directors, Board of Supervisors and Management are follows:

VND'000			
Individuals	Position	Remuneration (*)	
		Current year	Previous year
Mr Doan Nguyen Duc	Chairman of BOD	2,482,728	2,478,528
Mr Vo Truong Son	General Director	2,077,893	2,071,428
Ms Ho Thi Kim Chi	Deputy General Director	1,326,582	1,295,777
Mr Nguyen Van Minh	Deputy General Director	1,308,936	1,367,756
Others		1,304,400	1,358,400
<b>TOTAL</b>		<b>8,500,539</b>	<b>8,571,889</b>

In addition, the members of the Board of Directors, Board of Supervisors and Management has remuneration at subsidiaries as follows:

VND'000			
Individuals	Position	Remuneration (*)	
		Current year	Previous year
Ms Vo Thi My Hanh	Member of BOD	1,167,524	1,167,524
Mr Doan Nguyen Duc	Chairman of BOD	141,818	141,818
Mr Vo Truong Son	General Director	109,091	109,091
Others		130,909	109,091
<b>TOTAL</b>		<b>1,549,342</b>	<b>1,527,524</b>

(\*) This comprised salary and other allowances.

### 35. COMMITMENTS

#### Operating lease commitments

The Group leases parcels of land in Vietnam, Laos and Cambodia to build factories, football facilities, hotels, office, cattle farm and for rubber trees and other plantations. As at the balance sheet dates, the lease commitments under the operating lease agreements as follows:

VND'000		
	Ending balance	Beginning balance
Less than 1 year	27,564,339	30,607,046
From 1 to 5 years	110,323,976	122,428,185
More than 5 years	949,434,540	1,077,301,090
<b>TOTAL</b>	<b>1,087,322,855</b>	<b>1,230,336,321</b>

### 35. COMMITMENTS (continued)

#### Warranty provision for airport projects

As at 31 December 2020, the Group is in progress to construct and complete remaining works and sections of two airport projects namely the Attapeu Airport Construction Project in Attapeu Province and the Nongkhang Airport Construction Project in Huaphan Province, Lao People's Democratic Republic. The Group did not recognise any warranty provision for the two projects, because these projects have not been completed and handed over to contractors.

As mentioned in Contract of the Attapeu Airport Construction Project and Contract of the Nongkhang Airport Construction Project, the guarantee period was one year after handing over the projects.

#### Guarantee commitments

As at 31 December 2020, the Group uses 4,999,000 shares of Hoang Anh Quang Minh Vietnam, a subsidiary, in order to pledge for the loan of THAGRICO at Sacombank, Sai Gon Branch.

In accordance with Credit Agreement No.01/2015/7694660/HDTD dated 24 September 2015 and Credit Agreement No.01/2018/7694660/HDTD dated 2 October 2018 between Ba Thuoc Livestock Joint Stock Company ("Ba Thuoc") and Joint Stock Commercial Bank for Investment and Development of Vietnam - Thanh Hoa Branch ("BIDV"), the Company made a guarantee commitment to Ba Thuoc in order to enter into bank loans with BIDV in accordance with Guarantee Agreement No. 0109/CV-BLHAGL dated 1 September 2015 with total principal amount of VND'000 160,000,000 and other interest, fee and penalties (if any).

As at 31 December 2020 and the date of these consolidated financial statements, the Company and Ba Thuoc are in progress to cooperate with BIDV to demonstrate financial obligation arising from this Guarantee Agreement.

#### Important commitments

In accordance with capital contributed capital transfer contract dated 22 May 2017, between Hoang Anh Gia Lai Agricultural Joint Stock Company ("HNG") and Bien Hoa Sugar Joint Stock Company, Thanh Thanh Cong Tay Ninh Joint Stock Company and the agreement dated 15 June 2017, HNG pledged unconditional and irrevocable liability for any debts, fines, indemnities, financial obligations and/or any guarantee commitment, debt and any other type of guarantees (whether existing or not yet reflected or potential) that the Sugar Cane Group is obliged to any third party (including the Government of Laos and/or the Vietnamese Government) arising on or before 31 August 2016 but yet recorded to the consolidated financial statements as of 31 August 2016 of the Sugar Cane Group, included but not limited to payables related to:

- Taxes, fees regarding transfer of profits from the Group of Sugarcane Companies in Laos to the company located in Vietnam in accordance with the laws and regulation of Laos and Vietnam;
- Foreign contractor tax or other similar tax on constructing, land clearance related to the factory and working capital of the Group of Sugarcane Companies;
- Social insurance, health insurance and personal income tax of employees currently working at the Group of Sugarcane Companies;
- Value-added tax related to the transfer of assets regarding planting grass activities and raising cows of the Group of Sugarcane Companies; and
- Financial obligations, other tax obligations, liability and legal proceedings relating to the business of the Group of Sugarcane Companies before 31 August 2016.

As at 31 December 2020 and up to the date of these consolidated financial statements, the Group was still in progress to work with local tax authorities to finalise related tax exposures, if any, which may occur in relation to such disposal of the Group of Sugarcane companies.

### 36. OFF BALANCE SHEET ITEMS

ITEM	VND'000	
	Ending balance	Beginning balance
Foreign currencies:		
- Laos KIP (LAK)	2,464,351,274	283,699,896
- Cambodia Riels (KHR)	64,372,090	205,947,548
- United States Dollar (USD)	1,749,612	253,953
- Euro (EUR)	401	-
Written-off of doubtful debts		
- Hoang Anh Gia Lai Kontum Mineral One Member Company Limited	3,720,000	-

### 37. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Secondary information is reported geographically, therefore:

- External sales by geographic area based on the location of the customer, if the outward sales of each part accounts for 10% or more of the total external sale;
- The total remaining value of part assets according to the position of the assets, if the properties of each part account for 10% or more of total assets of all geographical areas; and
- Total expenses incurred in the year to purchase fixed assets - part assets expected to be used more than one year (tangible fixed assets, intangible fixed assets and other long-term assets) according to their position property, if the property of that part accounts for 10% or more of the total assets of segments.

#### 37.1 Business segment

The Group's business activities are organised and managed according to the nature of the products and services provided by the Group with each of them being a strategic business unit providing various products and serving in different markets.

Prices applied to transactions between divisions are determined on an arm-length basis similar to those of third parties. Revenue, costs and income statement of divisions including transactions between departments. These transactions are excluded when preparing the consolidated financial statements

The Group's geographical segment is determined by the location of the Group's assets. External sales revenue presented in geographical segments is determined based on the geographical location of customers of the Group.

For management purposes, the Group is organised into business units based on their products and services, and has seven reportable operating segments as follows:

- Production: producing and trading fertilizers, pipes and other tools and supplies;
- Trading and services: asset management and trading of goods;
- Construction: construction of apartments, airport and cowshed;
- Power: developing and operating hydropower plants;
- Mining: exploiting and selling iron ore (ceased operation); and
- Agriculture: planting rubber, palm oil trees and fruit, processing and trading of rubber latex, rubber wood, palm oil and other tree plantations.

### 37. SEGMENT INFORMATION (continued)

#### 37.1 Business segment (continued)

Management monitors the operating results of its business units separately for the purposes of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. The financing, including finance costs and finance revenue, and income taxes are managed on a Group basis and are not allocated to operating segments.

The segment information of the hospitality industry has been combined into the trading and services industry during the year as the hospitality industry is currently not the Group's core business.

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment:

	VND'000			
	Trading and services	Agriculture	Eliminations	Total
<b>For the year ended 31 December 2019 (As restated - Note 38)</b>				
<i>Revenue</i>				
External customers	416,348,801	1,659,095,223	-	2,075,444,024
Inter-segment elimination	826,856,537	1,200,723,195	(2,027,579,732)	-
<b>Total</b>	<b>1,243,205,338</b>	<b>2,859,818,418</b>	<b>(2,027,579,732)</b>	<b>2,075,444,024</b>
Segment results	74,039,407	153,744,966	-	227,784,373
Unallocated expenses				(2,418,889,645)
Loss before income tax, financial income and financial expense				(2,191,105,272)
Financial income				2,137,143,442
Financial expense				(1,963,934,151)
Share profits from associates				12,562,347
Loss before tax				(2,005,333,634)
Current income tax expense				(2,253,490)
Deferred income tax expense				98,914,750
<b>Loss after tax for the year</b>				<b>(1,908,672,374)</b>
<b>As at 31 December 2019 (As restated - Note 38)</b>				
<i>Assets and liabilities</i>				
Segment assets	2,861,038,611	30,186,857,164	-	33,047,895,775
Cash of the Group				254,431,616
Investments in associates				273,113,133
<b>Total assets</b>				<b>33,575,440,524</b>
Segment liabilities	(5,681,185,092)	(16,142,498,209)	-	(21,823,683,301)
<b>Total liabilities</b>				<b>(21,823,683,301)</b>

VND'000

	Trading and services	Agriculture	Eliminations	Total
<b>For the year ended 31 December 2020</b>				
<i>Revenue</i>				
External customers	506,531,911	2,670,114,045	-	3,176,645,956
Inter-segment elimination	956,758,129	1,048,786,431	(2,005,544,560)	-
<b>Total</b>	<b>1,463,290,040</b>	<b>3,718,900,476</b>	<b>(2,005,544,560)</b>	<b>3,176,645,956</b>
Segment results	52,702,423	153,027,920	-	205,730,343
Unallocated expenses				(2,535,160,254)
Loss before income tax, financial income and financial expenses				(2,329,429,911)
Financial income				1,287,363,665
Financial expenses				(1,318,161,483)
Share profit from associates				8,767,467
Loss before tax				(2,351,460,262)
Current income tax expenses				(3,440,989)
Deferred income tax expenses				(28,438,599)
<b>Loss after tax for the year</b>				<b>(2,383,339,850)</b>
<b>As at 31 December 2020</b>				
<i>Assets and liabilities</i>				
Segment assets	3,018,565,742	33,883,908,746	-	36,902,474,488
Cash of the Group				97,151,198
Investments in associates				266,193,865
<b>Total assets</b>				<b>37,265,819,551</b>
Segment liabilities	(1,938,204,272)	(24,455,352,451)	-	(26,393,556,723)
Defer tax liability	(141,070,733)	(703,396,636)		(844,467,369)
<b>Total liabilities</b>				<b>(27,238,024,092)</b>

### 37. SEGMENT INFORMATION (continued)

#### 37.2 Geographical segment

The following tables present revenue, expenditure and certain asset information regarding the Group's geographical segments:

	VND'000				
	Vietnam	Laos	Cambodia	Others	Total
<b>For the year ended 31 December 2019 (As restated - Note 38)</b>					
<i>Revenue</i>					
Sales to external customers	1,518,326,391	71,615,455	72,494,906	413,007,272	2,075,444,024
Capital expenditure	210,274,272	1,285,463,805	679,912,947	-	2,175,651,024
<b>As at 31 December 2019 (As restated - Note 38)</b>					
<i>Others segment information</i>					
Segment assets	10,671,434,858	14,367,983,753	8,008,477,164	-	33,047,895,775
Cash					254,431,616
Investment in associates					273,113,133
<b>Total assets</b>					<b>33,575,440,524</b>
<b>For the year ended 31 December 2020 (As restated - Note 38)</b>					
<i>Revenue</i>					
Sales to external customers	2,208,058,651	231,786,705	48,975,262	687,825,338	3,176,645,956
Capital expenditure	166,860,532	690,716,762	914,742,077	-	1,772,319,371
<b>As at 31 December 2020</b>					
<i>Others segment information</i>					
Segment assets	16,349,124,058	13,401,401,402	7,151,949,028	-	36,902,474,488
Cash					97,151,198
Investment in associates					266,193,865
<b>Total assets</b>					<b>37,265,819,551</b>

### 38. RESTATEMENT OF CORRESPONDING FIGURES

In 2020, due to negative impacts of Covid-19 pandemic to the economy in general and to the operations of the Group and its business partners in specific, the Group's management review again the recoverability of prior years' long outstanding receivables. Accordingly, based on the fact that related business partners are in losses making status and the general difficulties in agricultural sector since prior years, the management review restructure of collateral assets and obtained more information about financial capacities of those partners which they could not obtain in the past due to limitation of time and resources. The management realized that their assessments about the collectability of long outstanding receivables in prior years did not sufficiently reflect the impairment exposures of these receivables. Therefore, the management decided to adjust corresponding figures in the audited consolidated financial statements of 2020 with regards to provision for significant outstanding doubtful receivables in prior years, with details as follows:

	VND'000		
	31 December 2019 (as previously presented)	Restated	31 December 2019 (as restated)
<b>Consolidated balance sheet as at 31 December 2019</b>			
Provision for doubtful short-term receivables	(91,077,172)	(2,118,585,340)	(2,209,662,512)
Provision for doubtful long-term receivables	(253,603)	(2,938,461,225)	(2,938,714,828)
Accumulated losses	290,839,236	(5,057,046,565)	(4,766,207,329)
<i>In which:</i>			
- Undistributed earnings (accumulated losses) up to the end of prior year	74,321,521	(4,957,178,493)	(4,882,856,972)
- Undistributed earnings of current year	216,517,715	(99,868,072)	116,649,643
<b>Consolidated income statement for the year ended 31 December 2019</b>			
General and administrative expenses	(672,601,510)	(99,868,072)	(772,469,582)
Accounting loss before tax	(1,905,465,562)	(99,868,072)	(2,005,333,634)
Net loss after tax	(1,808,804,302)	(99,868,072)	(1,908,672,374)
Net profit after tax attributable to shareholders of the parent	216,517,715	(99,868,072)	116,649,643
<b>Consolidated cash flow statement for the year ended 31 December 2019</b>			
Accounting loss before tax	(1,905,465,562)	(99,868,072)	(2,005,333,634)
Provisions	63,625,281	99,868,072	163,493,353

### 39. EVENTS AFTER THE BALANCE SHEET DATE

On 6 January 2021, the Board of Director of Hoang Anh Gia Lai Agricultural Joint Stock Company ("HNG") approved the Board of Directors' Resolution No.0601/21/NQHDQT-HAGL Agrico to transfer entire its ownership in subsidiaries of the Group included Hoang Anh Quang Minh Vietnam, Highland Dairy Castle and Hoang Anh Dak Lak to THAGRICO. On 8 January 2021, the Group signed the Share Transfer Agreements with THAGRICO, and is in progress to complete the legal procedures in order to complete the transfers.

On 8 January 2021, Hoang Anh Gia Lai Agricultural Joint Stock Company ("HNG") held an Extraordinary General Meeting in order to approve the Shareholders' Resolution No. 0801/21/NQDHDCCD-HAGL Agrico in relation to issuance of additional shares to Truong Hai Agricultural Joint Stock Company ("THAGRICO") by conversion from debts, for the purpose of financing HNG's working capital requirements. The share capital of HNG shall be increased from VND'000 11,085,538,950 to VND'000 18,500,000,000. In addition, as at that date, the Board of Directors of HNG approved Resolution No.0801/21/NQHDQT-HAGL Agrico in order to resign the Chairman of the Board of Directors - Mr Doan Nguyen Duc, representative of the Company in HNG, and appoint Mr Tran Ba Duong, the THAGRICO's representative in HNG, to be the Chairman of the Board of Directors. Accordingly, HNG is no longer a subsidiary of the Company since that date.

On 22 January 2021, the Company completed the transfer of 47,500,000 shares in HNG to other investors. Accordingly, the Company's interest ownership in HNG decreased from 40.29% to 36.55%.

On 2 March 2021, the Company completed the transfer of 75,000,000 shares in HNG to other investors. Accordingly, the Company's interest ownership in HNG decreased from 36.55% to 29.78%.

On 17 March 2021, the Company registered for the transfer of 80,000,000 shares in HNG to other investors. Accordingly, the Company's interest ownership in HNG will decrease from 29.78% to 22.57%.

On 23 March 2021, the Company acquired 4.45% capital contributed in Hung Thang Loi Company Limited ("Hung Thang Loi"), a subsidiary of the Company, from an existing non-controlling shareholder. Accordingly, the Company's interest ownership in Hung Thang Loi will increase from 78.22% to 82.67%.

Except for the above events, there have been no other significant events or circumstances occurring after the balance sheet date which would require adjustments or disclosures to be made in the accompanying consolidated financial statements of the Group.

**Tran Thi Thanh Hieu**  
Prepare

**Le Trung Y Tram**  
Chief Accountant



**Vo Trung Son**  
General Director

10 April 2021

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