



Hoang Anh Gia Lai Joint Stock Company

Interim consolidated financial statements

Quarter II of 2019

Hoang Anh Gia Lai Joint Stock Company

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INTERIM CONSOLIDATED BALANCE SHEET
As of 30 June 2019

VND'000

Code	ASSETS	Notes	30 June 2019	31 December 2018
100	A. CURRENT ASSETS		5,763,427,030	6,567,906,781
110	I. Cash	4	177,737,633	337,736,719
111	1. Cash		177,737,633	337,736,719
130	II. Current accounts receivable		3,592,043,288	4,747,120,864
131	1. Short-term trade receivables	5	1,455,261,291	2,976,376,936
132	2. Short-term advances to suppliers	6	375,310,601	427,114,472
135	3. Short-term loan receivables	7	1,206,350,301	724,888,836
136	4. Other short-term receivables	8	610,914,823	656,027,274
137	5. Provision for doubtful debts		(55,793,728)	(37,286,654)
140	III. Inventories	9	1,855,563,463	1,397,223,406
141	1. Inventories		1,857,851,425	1,409,194,346
149	2. Provision for obsolete inventories		(2,287,962)	(11,970,940)
150	IV. Other current assets		138,082,646	85,825,792
151	1. Short-term prepaid expenses		82,679,410	42,012,128
152	2. Value-added tax deductible		43,962,716	33,782,839
153	3. Tax and other receivables from the State		11,440,520	10,030,825
200	B. NON-CURRENT ASSETS		43,442,969,775	41,543,534,835
210	I. Long-term loan receivables		6,979,109,044	6,531,099,389
215	1. Long-term loan receivables	7	6,316,642,932	6,188,425,931
216	2. Other long-term receivables	8	662,466,112	342,673,458
220	II. Fixed assets		12,592,970,797	10,732,352,612
221	1. Tangible fixed assets	10	12,537,216,374	10,671,588,242
222	Cost		14,955,651,358	12,582,296,997
223	Accumulated depreciation		(2,418,434,984)	(1,910,708,755)
227	2. Intangible fixed assets	11	55,754,423	60,764,370
228	Cost		115,343,472	115,343,472
229	Accumulated amortization		(59,589,049)	(54,579,102)
230	III. Investment properties	12	36,485,086	37,104,803
231	1. Cost		42,073,202	42,073,202
232	2. Accumulated depreciation		(5,588,116)	(4,968,399)
240	IV. Long-term assets in progress		17,442,745,412	16,910,792,900
242	1. Construction in progress	13	17,442,745,412	16,910,792,900
250	V. Long-term investments		2,818,457,058	2,788,206,391
252	1. Investments in associates	14.2	2,807,332,407	2,771,892,520
253	2. Investment in other entities	15	11,124,651	16,313,871
260	VI. Other long-term assets		3,573,202,378	4,543,978,740
261	1. Long-term prepaid expenses	16	459,669,192	1,224,232,772
262	2. Deferred tax assets	29.2	96,485,595	98,599,120
269	3. Goodwill		3,017,047,591	3,221,146,848
270	TOTAL ASSETS		49,206,396,805	48,111,441,616

INTERIM CONSOLIDATED BALANCE SHEET (continued)
As of 30 June 2019

VND'000

Code	ASSETS	Notes	30 June 2019	31 December 2018
300	C. LIABILITIES		34,167,908,629	31,300,554,930
310	I. Current liabilities		18,517,106,363	13,136,735,456
311	1. Short-term trade payables	17	601,633,119	473,908,598
312	2. Short-term advances from customers	18	7,346,439,295	2,411,088,952
313	3. Statutory obligations	19	45,571,273	57,716,523
314	4. Payables to employees		86,476,533	67,209,973
315	5. Short-term accrued expenses	20	1,769,882,605	2,045,910,162
318	6. Short-term unearned revenues		144,667	228,667
319	7. Other short-term payables	21	2,283,582,001	1,130,795,710
320	8. Short-term loans	22	6,383,273,360	6,949,803,327
322	9. Bonus and welfare funds		103,510	73,544
330	II. Non-current liabilities		15,650,802,266	18,163,819,474
333	1. Long-term accrued expenses	20	2,066,308,366	2,029,868,704
337	2. Other long-term liabilities	21	1,972,133,733	980,019,908
338	3. Long-term loans	22	11,240,043,421	14,803,739,630
341	4. Deferred tax liabilities	29.2	366,603,380	344,457,866
342	5. Other long-term provisions		5,713,366	5,733,366
400	D. OWNERS' EQUITY		15,038,488,176	16,810,886,686
410	I. Equity		15,038,488,176	16,810,886,686
411	1. Share capital	23.1	9,274,679,470	9,274,679,470
411a	- Shares with voting rights		9,274,679,470	9,274,679,470
412	2. Share premium	23.1	3,263,858,784	3,263,858,784
415	3. Treasury shares	23.1	(686,640)	(686,640)
417	4. Foreign exchange differences	23.1	113,854,995	485,237,344
418	5. Investment and development fund	23.1	281,668,774	280,644,763
421	6. Undistributed earnings	23.1	(714,531,900)	(36,434,976)
421a	- Undistributed earnings up to prior year-end		(211,642,980)	(153,941,745)
421b	- Undistributed earnings this period		(502,888,920)	117,506,769
429	7. Non-controlling interests		2,819,644,693	3,543,587,941
440	TOTAL LIABILITIES AND OWNERS' EQUITY		49,206,396,805	48,111,441,616

Tran Thi Thanh Hieu
PreparerLe Truong Y Tram
Chief AccountantVo Truong Son
General Director

30 July 2019

Hoang Anh Gia Lai Joint Stock Company

INTERIM CONSOLIDATED INCOME STATEMENT
Quarter II of 2019

B02a-DN/HN

VND'000

Co de	ITEM	Note	Quarter II		Accumulated from the beginning of the year to the end of this Quarter	
			Current year	Previous year	Current year	Previous year
10	1. Revenues from sale of goods and rendering of services	24.1	513,168,268	1,887,983,723	923,391,973	2,914,765,406
11	2. Costs of goods sold	25	(357,820,095)	(938,764,309)	(682,667,451)	(1,486,472,856)
20	3. Net revenues from sale of goods and rendering of services		155,348,173	949,219,414	240,724,522	1,428,292,550
21	4. Financial income	24.2	191,493,435	171,039,541	389,994,919	436,194,325
22	5. Financial expenses	26	(392,989,973)	(527,611,057)	(753,161,780)	(923,693,771)
23	In which: Interest expenses		(357,535,697)	(428,655,799)	(685,888,815)	(805,299,789)
24	6. Profit (Loss) in associates		6,445,026	1,517,654	35,439,887	(12,539,270)
25	7. Selling expenses	27	(102,745,051)	(54,605,031)	(141,234,327)	(94,383,040)
26	8. General and administrative expenses	27	(186,413,108)	(333,709,328)	(352,627,672)	(490,481,261)
30	9. Net operating profit		(328,861,498)	205,851,193	(580,864,451)	343,389,533
31	10. Other income	28	18,301,538	4,133,341	360,067,695	6,666,975
32	11. Other expenses	28	(375,944,119)	(115,050,406)	(445,387,845)	(222,718,146)
40	12. Other profit (loss)	28	(357,642,581)	(110,917,065)	(85,320,150)	(216,051,171)

INTERIM CONSOLIDATED INCOME STATEMENT (continued)
Quarter II of 2019

VND'000

Co de	ITEM	Note minh	Quarter II		Accumulated from the beginning of the year to the end of this Quarter	
			Current year	Previous year	Current year	Previous year
50	13. Accounting profit (loss) before tax		(686,504,079)	94,934,128	(666,184,601)	127,338,362
51	14. Current corporate income tax expense	29.1	(434,081)	4,233,792	(963,493)	4,118,355
52	15. Deferred corporate income tax (expense)	29.2	(25,970,109)	(55,586,226)	(24,259,039)	(31,231,728)
60	16. Net profit (loss) after tax		(712,908,269)	43,581,694	(691,407,133)	100,224,989
61	17. Net profit after tax attributable to shareholders of the parent		(539,058,534)	(37,154,708)	(502,888,920)	(34,546,678)
62	18. Net profit (loss) after tax attributable to the non- controlling interest		(173,849,735)	80,736,402	(188,518,213)	134,771,667
70	19. Basic earnings per share (VND)		(542)	(37)	(542)	(37)
71	20. Diluted earnings per share (VND)		(542)	(37)	(542)	(37)

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

INTERIM CONSOLIDATED INCOME STATEMENT (continued)
Quarter II of 2019
30 July 2019

INTERIM CONSOLIDATED CASH FLOW STATEMENT
Quarter II of 2019

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit (loss) before tax		(666,184,601)	127,338,362
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortization of intangible fixed assets (including amortization of goodwill)	10,11,12	671,667,955	571,056,191
03	Provisions		8,824,096	35,146,238
04	Unrealized foreign exchange loss (profit)		26,231,543	(50,607,299)
05	Profits from investing activities		(386,197,610)	(431,706,472)
06	Interest expenses	26	685,888,815	805,299,789
08	Operating profit before changes in working capital		340,230,198	1,056,526,809
09	(Increase) Decrease in receivables		672,063,692	(216,450,052)
10	Increase in inventories		(1,165,336,141)	(348,318,787)
11	Increase in payables		1,650,837,813	296,520,145
12	Decrease in prepaid expenses		164,919,337	15,209,393
14	Interest paid		(681,266,735)	(432,391,370)
15	Corporate income tax paid	29.1	(13,480,289)	(3,932,154)
17	Other cash outflows from operating activities		(1,206,034)	-
20	Net cash flows from operating activities		966,761,841	367,163,984
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(1,825,077,807)	(903,740,949)
22	Proceeds from disposals of fixed assets and other long-term assets		587,477,063	425,577,857
23	Loans to other entities		(810,721,825)	(359,580,477)
24	Collections from borrowers		196,824,166	92,091,939
26	Proceeds for investments in other entities		4,337,521,000	1,975,161
27	Interests and dividends received		17,688,790	2,079,612
30	Net cash flow used for investment activities		2,503,711,387	(741,596,857)

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

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year
	III. CASH FLOWS FROM FINANCIAL ACTIVITIES			
31	Borrowings received		2,043,607,950	1,492,460,409
32	Borrowings repaid		(5,674,080,264)	(1,030,353,956)
40	Net cash flows (used in) from financial activities		(3,630,472,314)	462,106,453
50	Net cash flows during the period		(159,999,086)	87,673,580
60	Cash at the beginning of the period	4	337,736,719	141,473,491
61	Impact of exchange rate fluctuation		-	(5,595,007)
70	Cash at the end of the period	4	177,737,633	223,552,064

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

30 July 2019

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter II of 2019**1. CORPORATE INFORMATION**

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

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

As of 30 June 2019, the Group has eight (8) direct subsidiaries, twenty-seven (27) indirect subsidiaries and three (3) associates as disclosed in Note 14 to the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the period ended on 30 June 2019.

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

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

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

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

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

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

2.2 Applied accounting documentation system

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**2. BASIS OF PREPARATION (continued)****2.3 Fiscal year**

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

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the Quarter II of 2019.

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

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

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

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

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

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

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

Cash comprises cash on hand and cash in banks

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.2 Receivables**

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

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

3.3 Inventories

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

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

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

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

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

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

Apartments for sale

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

Cost includes:

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

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

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

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

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

Provision for obsolete inventories

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

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

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

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

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

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

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

Land use rights

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

Computer software

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.6 Depreciation and amortization**

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

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

Land use right with indefinite useful life is not amortized.

Rubber and pepper plantations

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

Dragon fruit plantations

Management estimates that the initial development period of the dragon fruit is 8-9 months since the start of planting. Accordingly, the plantations would be transferred from construction in progress to tangible fixed assets after such mentioned period and depreciation will be started.

Mango plantations

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

Oil palm plantations

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

Depreciation rate

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

Depreciation rates of dragon fruit, pepper and mango plantations are based on the Decision No.115/17/QĐ-HAGL Agrico dated 8 August 2017 and Decision No.0101/18/QĐ-HAGL Agrico dated January 2, 2018 by the board of management providing guidance on the depreciation rates of dragon fruit, pepper and mango plantations depending on exploitation cycles.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.6 Depreciation and amortization (continued)***Plantation Depreciation (continued)*

Details are as follows:

Year	<i>Depreciation rate (%)</i>			
	<i>Rubber plantations</i>	<i>Dragon fruit plantations</i>	<i>Pepper plantations</i>	<i>Mango plantations</i>
First year	2.50	1.00	4.60	0.30
Second year	2.80	3.40	8.50	1.00
Third year	3.50	5.00	8.50	2.20
Fourth year	4.40	6.70	8.50	4.30
Fifth year	4.80	8.40	8.50	5.80
Sixth year	5.40	8.40	8.50	5.80
Seventh year	5.40	8.40	6.20	5.80
Eighth year	5.10	8.40	6.20	5.80
Ninth year	5.10	8.40	6.20	5.80
Tenth year	5.00	8.40	3.80	5.80
Eleventh year	7.00	6.70	3.80	5.80
Twelfth year	6.60	6.70	3.80	5.80
Thirteenth year	6.20	6.70	3.80	5.80
Fourteenth year	5.90	6.70	3.80	5.80
Fifteenth year	5.50	Net carrying amount	3.80	5.80
Sixteenth year	5.40		3.80	5.80
Seventeenth year	5.00		3.80	5.80
Eighteenth year	5.50		Net carrying amount	5.80
Nineteenth year	5.20			5.80
Twentieth year	Net carrying amount			Net carrying amount

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.7 Real estate đầu tư**

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

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

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

Buildings and structures 25 - 30 years

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

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

3.8 Construction in progress

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

Plantation costs

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

Hydro power costs

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

3.8 Leased assets

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.9 Leased assets** (continued)

Where the Group is the lessee

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

Where the Group is the lessor

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

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

3.10 Borrowing costs

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

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

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

3.11 Prepaid expenses

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

- ▶ Prepaid land and office rentals are amortized over the lease year;
- ▶ Tools and consumables of high value used within several years are amortized no more than three years and recognized in the interim consolidated income statement;
- ▶ Fruit trees and other plantations development, land clearance and grass planting expenses include: seedlings, land preparation, planting and care costs. The stem costs are amortized over the lifetime of these trees. Land preparation, planting and care costs are amortized over the period of time, in which economic benefits are generated in connection to the costs incurred; and
- ▶ Football player development costs include the costs of training and developing the players that belong to Hoang Anh Gia Lai - Arsenal JMG football Academy ("HAGL-JMG"). The football player development costs are amortized from seven (7) to ten (10) years according to the contract signed between HAGL-JMG and the players.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Business combinations and goodwill**

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

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

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.13 Investments***Investments in associates*

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

Under the equity method, the investment is carried in the interim 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 amortized and subject to annual review for impairment. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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

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

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for investments

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

3.14 Payables and accruals

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

3.15 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting period for all employees who have been working for the Group until 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. From January 1 2009, the average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any increase or and decrease to the accrued amount other than actual payment to employee will be taken to the interim consolidated income statement.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.16 Profit earnings per share**

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

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

3.17 Foreign currency transactions

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

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

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

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Treasury shares**

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

3.19 Appropriation of net profit

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

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

► *Investment and development fund*

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

► *Welfare fund*

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

3.20 Revenue recognition

Revenue is recognized 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 recognized:

Sale of goods

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

Rendering of services

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

Sale of apartments

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.20 Revenue recognition** (continued)*Construction contract*

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

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

Interest

Revenue is recognized 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 in the interim consolidated income statement.

Dividend income

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

Income from disposal of investments

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

3.21 Taxation*Current income tax*

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to 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 financial reporting purposes.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.21 Thué** (continued)*Deferred tax* (continued)

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

Deferred tax assets are recognized 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 recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be 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 unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is 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 interim consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

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

3.22 Convertible bonds

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Convertible bonds (continued)

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

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

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

3.23 Provision

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

3.24 Related parties

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

4. CASH

	VND'000	
	30 June 2019	31 December 2018
Cash in banks	167,427,827	322,847,804
Cash on hand	10,309,806	14,888,915
TOTAL	177,737,633	337,736,719

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**5. SHORT-TERM TRADE RECEIVABLES**

	VND'000	
	30 June 2019	31 December 2018
Receivables from construction services	787,188,772	784,539,432
Sales of goods and rendering of services	661,866,687	1,640,202,928
Receivables from sale of apartments	5,822,553	9,044,677
Receivables from disposal of assets and investment properties	383,279	542,589,899
TOTAL	1,455,261,291	2,976,376,936

Included in trade receivables were amounts due from related parties aggregating to VND'000 186,682,488 as of 30 June 2019 (Note 30).

6. SHORT-TERM ADVANCES TO SUPPLIERS

	VND'000	
	30 June 2019	31 December 2018
Advance for acquisition of projects	248,232,705	248,679,631
Advances to suppliers for purchase of goods and services	93,282,586	117,068,745
Advances to contractors of constructions and purchasing of machineries and equipment	30,721,214	60,177,999
Other suppliers	3,074,096	1,188,097
TOTAL	375,310,601	427,114,472

Included in advances to suppliers was an amount due from related parties aggregating to VND'000 2,511,788 as of 30 June 2019 (Note 30).

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

VND'000

30 June 2019 31 December 2018

Short-term

Short-term loans to related parties (Note 30) (i)	1,114,621,794	633,710,952
Short-term loans to other parties (ii)	91,728,507	91,177,884
	1,206,350,301	724,888,836

Long-term

Long-term loans to related parties (Note 30) (i)	6,235,784,630	6,130,524,711
Long-term loans to Laos government – Attapeu Airport project (iii)	15,081,951	15,020,312
Long-term loans to other parties (ii)	65,776,351	42,880,908
	6,316,642,932	6,188,425,931
TOTAL	7,522,993,233	6,913,314,767

- (i) These loans made to related parties are unsecured, having repayment terms ranging from July 2019 to 2022 bearing interest rates from 9.00% đến 13.00%/year.
- (ii) These short-term and long-term loans to other parties are unsecured which have repayments terms ranging from July 2019 to 2023 bearing interest rates from 10.00% đến 13.00%/year.
- (iii) Loan to Laos Government - Attapeu International Airport project represents the interest-free loan in accordance with the Credit Contract signed with the Laos Government on 23 May 2013 to finance construction of Attapeu International Airport. This loan will be offset with tax payable to the Laos Government in the future. Details are as follows:

30 June 2019 31 December 2018

Beginning balance (USD)	648,826	7,482,421
Ending balance (USD)	648,826	648,826
Ending balance (VND'000)	15,081,951	15,020,312

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

	VND'000	
	30 June 2019	31 December 2018
Short-term		
Interest from loans to entities and individuals	262,003,171	227,438,092
Loans to companies	241,397,175	226,611,576
Receivables from employees	94,601,873	163,893,229
Receivables from disposal of investments	1,000,000	-
Short-term deposits	295,035	3,000,000
Others	11,617,569	35,084,377
	610,914,823	656,027,274
Long-term		
Interest from loans to entities and individuals	646,057,535	329,230,801
Ký quỹ, ký cược dài hạn	14,021,507	9,931,481
Loans to companies	1,344,958	1,344,953
Other long-term receivables	1,042,112	2,166,223
	662,466,112	342,673,458
TOTAL	1,273,380,935	998,700,732

Included in other receivables were current accounts receivable from related parties aggregating to VND'000 497,818,657 and long-term loan receivables from related parties aggregating to VND'000 646,367,038 as of 30 June 2019 (Note 30).

9. INVENTORIES

	VND'000	
	30 June 2019	31 December 2018
Work in process	1,436,444,839	1,062,575,678
<i>Of which:</i>		
<i>Manufacturing activities</i>	733,239,047	428,160,396
<i>Construction contracts</i>	702,415,858	629,555,879
<i>Services rendered</i>	789,934	-
<i>Beef cattle breeding</i>	-	4,859,403
Raw materials	207,838,869	172,407,850
Merchandise goods	79,914,570	35,320,022
Finished goods	60,533,457	55,406,832
Apartments for sale under construction	36,395,298	36,395,297
Tools and supplies	16,588,765	47,088,667
Goods in transit for sale	14,560,722	-
Construction materials	5,574,905	-
TOTAL	1,857,851,425	1,409,194,346
Provision for obsolete inventories	(2,287,962)	(11,970,940)
NET VALUE	1,855,563,463	1,397,223,406

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

10. TANGIBLE FIXED ASSETS

VND'000

	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transport and transmission</i>	<i>Office equipment</i>	<i>Livestock and perennial trees</i>	<i>Other assets</i>	<i>TOTAL</i>
Cost							
Balance at 30 June 2019	2,097,943,242	580,320,202	2,373,421,739	7,245,456	7,469,732,844	53,633,514	12,582,296,997
New purchases	82,018,865	42,677,003	33,267,418	152,650	-	3,508,254	161,624,190
Transfer from construction in progress	309,093,890	3,236,053	244,477,032	-	1,362,237,698	3,096,291	1,922,140,964
Recategorization	(7,308,435)	1,379,156	-	-	453,197,418	-	447,268,139
Disposals	(5,053,794)	(1,811,154)	(2,156,100)	(33,200)	(49,299,007)	-	(58,353,255)
Foreign exchange differences	(15,240,953)	(3,289,809)	(22,044,324)	(13,044)	(58,624,768)	(112,779)	(99,325,677)
Balance at 30 June 2019	<u>2,461,452,815</u>	<u>622,511,451</u>	<u>2,626,965,765</u>	<u>7,351,862</u>	<u>9,177,244,185</u>	<u>60,125,280</u>	<u>14,955,651,358</u>
Accumulated depreciation							
Balance at 31 December 2018	(499,540,164)	(304,967,450)	(606,329,670)	(6,481,628)	(461,400,938)	(31,988,905)	(1,910,708,755)
Depreciation for the period	(72,156,779)	(33,282,901)	(100,040,250)	(345,579)	(167,116,213)	(2,730,110)	(375,671,832)
Recategorization	-	-	-	-	(154,366,995)	-	(154,366,995)
Disposals	4,721,989	434,959	1,561,948	32,070	1,262,867	-	8,013,833
Foreign exchange differences	3,315,335	1,921,183	5,198,117	8,983	3,781,467	73,680	14,298,765
Balance at 30 June 2019	<u>(563,659,619)</u>	<u>(335,894,209)</u>	<u>(699,609,855)</u>	<u>(6,786,154)</u>	<u>(777,839,812)</u>	<u>(34,645,335)</u>	<u>(2,418,434,984)</u>
Net carrying amount							
Balance at 31 December 2018	<u>1,598,403,078</u>	<u>275,352,752</u>	<u>1,767,092,069</u>	<u>763,828</u>	<u>7,008,331,906</u>	<u>21,644,609</u>	<u>10,671,588,242</u>
Balance at 30 June 2019	<u>1,897,793,196</u>	<u>286,617,242</u>	<u>1,927,355,910</u>	<u>565,708</u>	<u>8,399,404,373</u>	<u>25,479,945</u>	<u>12,537,216,374</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**11. INTANGIBLE FIXED ASSETS**

	<i>Land use right</i>	<i>Computer software</i>	<i>VND'000 TOTAL</i>
Cost			
31 December 2018 and 30 June 2019	<u>32,373,674</u>	<u>82,969,798</u>	<u>115,343,472</u>
Accumulated amortization			
31 December 2018	(1,414,298)	(53,164,804)	(54,579,102)
Amortization for the period	<u>(166,202)</u>	<u>(4,843,745)</u>	<u>(5,009,947)</u>
30 June 2019	<u>(1,580,500)</u>	<u>(58,008,549)</u>	<u>(59,589,049)</u>
Net carrying amount			
31 December 2018	<u>30,959,376</u>	<u>29,804,994</u>	<u>60,764,370</u>
30 June 2019	<u>30,793,174</u>	<u>24,961,249</u>	<u>55,754,423</u>

12. INVESTMENT PROPRTIE

	<i>Investment propertie</i>	<i>Land use right</i>	<i>VND'000 TOTAL</i>
Cost			
31 December 2018 and 30 June 2019	<u>15,001,180</u>	<u>27,072,022</u>	<u>42,073,202</u>
Accumulated depreciation			
31 December 2018	(2,750,216)	(2,218,183)	(4,968,399)
Depreciation for the period	<u>(250,020)</u>	<u>(369,697)</u>	<u>(619,717)</u>
30 June 2019	<u>(3,000,236)</u>	<u>(2,587,880)</u>	<u>(5,588,116)</u>
Net carrying amount			
31 December 2018	<u>12,250,964</u>	<u>24,853,839</u>	<u>37,104,803</u>
30 June 2019	<u>12,000,944</u>	<u>24,484,142</u>	<u>36,485,086</u>

13. CONSTRUCTION IN PROGRESS

	<i>30 June 2019</i>	<i>VND'000 31 December 2018</i>
Rubber plantations	4,877,209,977	5,957,078,605
Fruit plantations	4,780,454,574	2,929,781,057
Oil palm plantations	3,547,051,329	3,523,865,660
Hydro-power plants	3,357,159,717	3,379,400,885
Plantation offices, plants and factories	653,818,986	917,377,456
HAGL - JMG Academy	32,375,614	56,679,237
Pepper plantations	-	30,405,295
Other construction works	<u>194,675,215</u>	<u>116,204,705</u>
TOTAL	<u>17,442,745,412</u>	<u>16,910,792,900</u>

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

Details of the Company's subsidiaries as of 30 March 2019 are presented as follows:

<i>Subsidiary name</i>	<i>Headquarter</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Hydropower				
(1) Hoang Anh Gia Lai Hydropower JSC Hoàng Anh Gia Lai	Gia Lai, Vietnam	Operating	5/6/2007	99.40
(2) Hoang Anh Attapeu Power Co., Ltd	Vientiane Laos	Liquidating	18/7/2011	99.40
(3) Nam Kong 3 Electric Co., Ltd	Attapeu, Laos	Liquidating	31/5/2013	99.40
(4) Hoang Anh Gia Lai Hydropower JSC Hoàng Anh Sài Gòn	Ho Chi Minh, Vietnam	Pre-operating	7/2/2018	99.00
Agriculture				
(5) Hoang Anh Gia Lai Agricultural JSC ("HNG")	Gia Lai, Vietnam	Operating	26/5/2010	68.10
(6) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd	Gia Lai, Vietnam	Operating	5/2/2013	68.10
(7) Hoang Anh - Quang Minh Rubber JSC	Gia Lai, Vietnam	Operating	1/2/2007	66.58
(8) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd	Attapeu, Laos	Operating	12/1/2007	66.58
(9) Hoang Anh Daklak JSC	Daklak, Vietnam	Operating	12/9/2007	67.78
(10) Hoang Anh Attapeu Agriculture Development Co., Ltd	Attapeu, Laos	Operating	22/5/2008	68.10
(11) Hoang Anh Andong Meas Co., Ltd	Ratanakiri, Cambodia	Operating	17/2/2011	66.58
(12) Hoang Anh Oyadav Co., Ltd	Ratanakiri, Cambodia	Operating	16/7/2010	68.10
(13) Heng Brothers Co., Ltd	Ratanakiri, Cambodia	Operating	25/1/2010	68.10
(14) CRD Co., Ltd	Ratanakiri, Cambodia	Pre-operating	15/12/2010	68.10
(15) Hoang Anh Rattanakiri Co., Ltd	Ratanakiri, Cambodia	Pre-operating	18/11/2009	68.10
(16) Highland Dairy Cattle JSC	Gia Lai, Vietnam	Operating	26/4/2015	67.42
(17) An Dong Mia JSC	Gia Lai, Vietnam	Operating	15/10/2015	68.03
(18) Hoang Anh Lumphat Co., Ltd	Ratanakiri, Cambodia	Operating	15/10/2015	68.03
(19) Dong Penh JSC	Gia Lai, Vietnam	Liquidating	14/10/2015	68.07
(20) Daun Penh Agrico One member Co., Ltd	Ratanakiri, Cambodia	Liquidating	14/10/2015	68.07

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

Details of the Company's subsidiaries as of 30 March 2019 are presented as follows (continued):

<i>Subsidiary name</i>	<i>Headquarter</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
Agriculture (continued)				
(21) Indochina Rubber Investment and Development Co., Ltd.	Ho Chi Minh, Vietnam	Liquidating	22/2/2016	68.01
(22) Eastern Rubber Co., Ltd (Cambodia)	Kratie, Cambodia	Liquidating	22/2/2016	68.01
(23) Binh Phuoc Kratie Rubber 2 Co., Ltd	Kratie, Cambodia	Liquidating	22/2/2016	68.01
(24) Sovann Vuthy Co., Ltd	Kratie, Cambodia	Liquidating	22/2/2016	68.01
(25) Hoang Anh - Quang Minh Trung Nguyen Rubber JSC	Gia Lai, Vietnam	Liquidating	9/12/2016	68.04
(26) Hung Thang Loi Gia Lai JSC	Gia Lai, Vietnam	Operating	31/1/2018	98.00
(27) Dai Thang Agricultural Development Co., Ltd	Sekong, Laos	Operating	31/1/2018	98.00
Mining				
(28) HAGL Mineral One Member Co., Ltd	Gia Lai, Vietnam	Stop-operating	8/12/2007	99.40
(29) Hoang Anh GL - Kon Tum Mineral One Member Co., Ltd	Kontum, Vietnam	Stop-operating	9/2/2010	99.40
(30) Hoang Anh Xekong Mineral Co., Ltd	Attapeu, Laos	Stop-operating	15/10/2009	99.40
Construction, trading and services				
(31) Hoang Anh Gia Lai Sports JSC	Gia Lai, Vietnam	Operating	12/1/2009	69.85
(32) Hoang Anh Gia Lai Hospital JSC	Gia Lai, Vietnam	Operating	7/5/2008	99.00
(33) V&H Corporation Co., Ltd (Laos)	Vientiane Laos	Pre-operating	6/1/2009	80.00
(34) V&H Corporation Co., Ltd	Vientiane Laos	Pre-operating	27/3/2009	100.00
(35) Hoang Anh Gia Lai Vientiane Co., Ltd	Vientiane Laos	Pre-operating	6/5/2010	100.00

Pre-operating status means the subsidiary is still under investment stage and has not yet started its business operations as of 30 June 2019.

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

14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

14.2. Investments in associates

Associate name	Business activities	30 June 2019		31 December 2018	
		% holding	Carrying value VND'000	% holding	Carrying value VND'000
Hoang Anh Construction and Housing Development JSC	Real estate	47.89	2,529,590,009	47.89	2,500,883,911
Hoang Anh - Quang Minh Bidiphar Rubber JSC (*)	Rubber plantations	49.14	270,132,877	49.14	263,399,088
East Asia Investment and Construction Consultant JSC	Electric design and consultancy	25.00	7,609,521	25.00	7,609,521
TOTAL			2,807,332,407		2,771,892,520

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**15. INVESTMENTS IN OTHER ENTITIES**

	VND'000	
	30 June 2019	31 December 2018
Thanhniem Media Corporation	6,200,000	6,200,000
Other investments	4,924,651	10,113,871
TOTAL	11,124,651	16,313,871

16. LONG-TERM PREPAID EXPENSES

	VND'000	
	30 June 2019	31 December 2018
Land rental	203,562,808	138,342,348
Land reclamation	118,338,272	147,120,100
Development of fruit plantations	47,385,218	868,103,961
Training costs of HAGL-JMG	47,302,888	29,512,341
Tools and supplies	23,216,164	23,719,114
Office rental	5,217,284	5,333,584
Others	14,646,558	12,101,324
TOTAL	459,669,192	1,224,232,772

17. SHORT-TERM TRADE PAYABLES

	VND'000	
	30 June 2019	31 December 2018
Payable for purchase of goods and services	577,183,671	463,476,493
Payable to construction contractors	17,865,393	10,293,479
Payable for purchase of fixed assets and plantation development	6,584,055	-
Others	-	138,626
TOTAL	601,633,119	473,908,598

Included in trade payables were amounts due to related parties aggregating to VND'000 85,488,550 as of 30 June 2019 (Note 30).

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

	VND'000	
	30 June 2019	31 December 2018
Advances from customers for purchase of subsidiary shares	4,337,521,000	-
Advances from investors for acquisition of a hydro project	2,250,355,982	2,258,871,961
Advances from trade customers	758,044,429	105,842,347
Advances from customers for purchase of apartments	517,884	46,374,644
TOTAL	7,346,439,295	2,411,088,952

19. STATUTORY OBLIGATIONS

	VND'000	
	30 June 2019	31 December 2018
Corporate income tax (Note 29.1)	20,021,455	30,664,436
Value-added tax payable	10,205,064	7,524,975
Personal income tax	9,338,808	10,310,609
Others	6,005,946	9,216,503
TOTAL	45,571,273	57,716,523

20. SHORT-TERM ACCRUED EXPENSES

	VND'000	
	30 June 2019	31 December 2018
Interest expenses	2,964,388,045	2,965,310,282
Of which:		
Interest expense on bank loans and bonds	2,918,428,306	2,903,582,686
Interest expense on other entities	45,959,739	61,727,596
Operating costs	828,388,266	1,067,053,924
Bond issuance costs	43,414,660	43,414,660
TOTAL	3,836,190,971	4,075,778,866
Of which:		
Short-term	1,769,882,605	2,045,910,162
Long-term	2,066,308,366	2,029,868,704

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**21. OTHER PAYABLES**

		<i>VND'000</i>
	<i>30 June 2019</i>	<i>31 December 2018</i>
Short term		
Payable to companies and individuals (i)	2,187,687,944	1,009,733,136
Payable for land lease	57,165,043	78,988,748
Payable for apartments maintenance	3,165,126	9,573,496
Others	35,563,888	32,500,330
	2,283,582,001	1,130,795,710
Long term		
Payable to companies and individuals (i)	1,024,538,206	35,604,721
Business Cooperation Contract ("BCC")	805,000,000	835,000,000
Payable for land lease	142,595,527	109,415,187
	1,972,133,733	980,019,908
TOTAL	4,255,715,734	2,110,815,618

Included in payables due from related parties were short-term amounts due to related parties aggregating to VND'000 1,547,059,996 and long-term amounts due to related parties aggregating to VND'000 1,799,315,128 as of 30 June 2019 (*Note 30*).

- (i) This balance represents an interest-free and unsecured loan, and has a repayment period from 2019, from related companies and individuals and outside the Group for additional working capital.
- (ii) Long-term balances of business cooperation contracts ("BCCs") include:
- Long-term business cooperation contract between Highland Dairy Cattle JSC - a subsidiary of the Group, and An Tien Co., Ltd ("An Tien"), a related party, to invest in a beef cattle project and breeding cows with a total value of VND'000 963,968,249 within five (5) years (from May 20, 2016 to May 20, 2021). Accordingly, An Tien pledges to contribute VND'000 700,000,000 and the Group pledges to contribute VND'000 263,968,249 of investment capital into the project. The profit from the project will be divided according to the ratio of actual capital contribution of the two parties. The balance that has been contributed by An Tien as of 30 June 2019 is VND'000 500,000,000.
 - This is the capital contribution received from the BCCs signed on September 24, 2018 and March 29, 2019 with individuals who are related parties of the Group regarding the Group's investment cooperation in fruit tree planting projects with the amount of VND'000 305,000,000. The BCCs do not require the establishment of a new legal entity; and the profits will be divided based on the business results of the project with a cooperation term of three (3) years from the contract date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**22. LOANS**

	VND'000	
	30 June 2019	31 December 2018
Short term		
Bonds convertible to HNG shares (Note 22.2)	2,205,756,175	2,153,212,703
Current portion of long-term bank loans (Note 22.3)	1,581,482,462	1,537,972,526
Short-term loans from other individuals and companies	1,452,756,184	1,431,756,657
Short term bank loans (Note 22.1)	880,778,539	912,868,528
Current portion of long-term bond loans (Note 22.3)	262,500,000	913,992,913
	6,383,273,360	6,949,803,327
Long term		
Domestic straight bonds (Note 22.3)	7,227,359,076	10,069,320,859
Long-term bank loans (Note 22.4)	4,012,684,345	4,604,709,171
Other long-term loans from individuals	-	129,709,600
	11,240,043,421	14,803,739,630
TOTAL	17,623,316,781	21,753,542,957

22.1 Short term bank loans

	VND'000	
	30 June 2019	31 December 2018
Tien Phong Commercial Joint Stock Bank	596,221,954	599,911,828
Laos - Viet Bank	277,283,467	207,207,636
Bank for Investment and Development of Vietnam ("BIDV")	7,273,118	22,402,619
Saigon Thuong Tin Commercial Joint Stock Bank	-	83,346,445
TOTAL	880,778,539	912,868,528

22.2 Bonds convertible to HNG shares

Arrangement organizations	Date of issuance	Amount VND'000	Maturity date
VNDIRECT Securities Joint Stock Company ("VNDIRECT")	7 August 2018	2,217,100,000	9 August 2019
Costs of bonds issuance		(63,081)	
TOTAL		2,217,036,919	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**22. LOANS** (continued)**22.2 Bonds convertible to HNG shares** (continued)

	<i>VND'000</i> <i>Value</i>
For the year ended 30 June 2019	
Value of convertible bonds	2,217,036,919
Equity component	105,576,190
Liability component at initial recognition	2,111,460,729
Accumulated amortisation of discount	94,295,446
Beginning balance	41,941,226
Increased amortisation for the year	52,354,220
Ending balance	94,295,446
Liability component as at 30 June 2019	2,205,756,175

22.3 Domestic straight bonds

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

<i>Arrangement organizations</i>	<i>Date of issuance</i>	<i>Amount VND'000</i>	<i>Maturity date</i>
BIDV and BIDV Securities Company	31 March 2017	5,876,000,000	30 December 2026
Euro Capital Security	17 November 2015	270,000,000	From 17 December 2017 to 17 December 2021
Phu Gia Securities Joint Stock Company	29 December 2016	930,000,000	31 December 2023
ACB Securities Limited Company	25 April 2012	300,000,000	From 27 April 2017 to 18 September 2023
Viet Capital Commercial Joint Stock Bank	30 December 2016	180,000,000	30 December 2020
Costs of bond issuance		(66,140,924)	
TOTAL		7,489,859,076	
<i>In which :</i>			
<i>Non-current portion</i>		7,227,359,076	
<i>Current portion of long-term bonds within 1 year</i>		262,500,000	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**22. LOANS (continued)****22.4 Long-term bank loans**

	VND'000	
	30 June 2019	31 December 2018
Joint Stock Commercial Bank for Investment and Development of Vietnam	2,140,531,091	2,522,768,438
Ho Chi Minh City Development Joint Stock Commercial Bank	1,328,151,016	1,334,047,633
Saigon Thuong Tin Commercial Joint Stock Bank	981,565,720	1,004,832,519
Laos - Viet Bank - Attapeu Branch	893,918,980	1,031,033,107
Tien Phong Commercial Joint Stock Bank	250,000,000	250,000,000
TOTAL	5,594,166,807	6,142,681,697
<i>In which :</i>		
<i>Long-term loans</i>	4,012,684,345	4,604,709,171
<i>Current portion of long-term loans within 1 year</i>	1,581,482,462	1,537,972,526

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

23. OWNERS' EQUITY**23.1 Increases and decreases in owners' equity**

VND'000

	Share capital	Share premium	Treasury shares	Foreign exchange difference	Investment and development fund	Undistributed earnings	TOTAL
June 2018							
Balance on 31 December 2017	9,274,679,470	3,263,858,784	(686,640)	453,812,960	279,895,303	702,809,115	13,974,368,992
Net loss for the period	-	-	-	-	-	(34,546,678)	(34,546,678)
Remuneration for the BOD and the BOS	-	-	-	-	749,459	(749,459)	-
Foreign exchange differences	-	-	-	(5,595,007)	-	-	(5,595,007)
Equity transactions inside Group with non-controlling shareholders	-	-	-	-	-	(280,765,576)	(280,765,576)
Balance on 30 June 2018	9,274,679,470	3,263,858,784	(686,640)	448,217,953	280,644,762	386,747,402	13,653,461,731
June 2019							
Balance on 31 December 2018	9,274,679,470	3,263,858,784	(686,640)	485,237,344	280,644,763	(36,434,976)	13,267,298,745
Net loss for the period	-	-	-	-	-	(502,888,920)	(502,888,920)
Remuneration for the BOD and the BOS	-	-	-	-	-	(1,236,000)	(1,236,000)
Foreign exchange differences	-	-	-	(371,382,349)	-	-	(371,382,349)
Appropriation to development and investment and bonus and welfare fund	-	-	-	-	1,024,011	(1,024,011)	-
Equity transactions inside Group with non-controlling shareholders (*)	-	-	-	-	-	(172,947,993)	(172,947,993)
Balance on 30 June 2019	9,274,679,470	3,263,858,784	(686,640)	113,854,995	281,668,774	(714,531,900)	12,218,843,483

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**23. OWNERS' EQUITY** (continued)**23.1 Increases and decreases in owners' equity** (continued)

- (*) Capital transactions with non-controlling shareholders of subsidiaries but not losing control rights mainly include:
- On March 31, 2019, HNG additionally bought 80,000 shares of An Dong Mia Joint Stock Company ("ADM") from Highland Dairy Cattle JSC. Accordingly, the ownership rate of HNG in ADM increased from 99.50% to 99.90%, while the Group's ownership rate in ADM increased from 63.02% to 63.27%. The difference between the additional investment cost and the carrying amount corresponding to the ownership of the Group's net asset value in ADM on the trading date of VND'000 1,156,462 has been recorded as an increase in unappropriated profit after tax on the interim consolidated balance sheet; and
 - In May and June 2019, Hung Thang Loi Gia Lai Joint Stock Company ("HTL") bought 43,145,000 HNG shares from non-controlling shareholders. Accordingly, HTL's ownership rate in HNG increased from 5.64% to 10.50%, while the Group's ownership rate in HNG increased from 63.33% to 68.10%. The difference between the additional investment cost and the carrying amount corresponding to the ownership of the Group's net asset value in HNG on the trading day of VND'000 174,104,458 has been recorded as a decrease in unappropriated profit after tax on the interim consolidated balance sheet.

23.2 Shares

	30 June 2019	31 December 2018
	Shares	Shares
Shares authorized to be issued	927,467,947	927,467,947
Shares issued and fully paid	927,467,947	927,467,947
<i>Ordinary shares</i>	927,467,947	927,467,947
Treasury shares	68,664	68,664
<i>Ordinary shares</i>	68,664	68,664
Outstanding shares	927,399,283	927,399,283
<i>Ordinary shares</i>	927,399,283	927,399,283

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

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

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

VND'000

	Quarter II		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Net revenues	513,168,268	1,887,983,723	923,391,973	2,914,765,406
Of which:				
Sale of fruits	407,999,347	929,814,541	607,168,766	1,419,206,622
Sale of latex	17,389,281	16,387,255	118,878,122	54,827,810
Rendering of other services	62,783,245	136,603,969	112,833,586	270,019,875
Sale of goods, commodities, by-products	24,996,395	205,927,040	45,601,453	272,991,393
Sale of chilies	-	359,121,800	38,910,046	451,797,162
Doanh thu bán bò	-	37,697,653	-	37,697,653
Sale of investment properties	-	4,231,202	-	13,111,752
Rendering of rental services	-	198,200,263	-	395,113,139

24.2 Financial income

VND'000

	Quarter II		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Interest income from loans to other companies	193,146,505	171,049,902	370,201,317	373,681,225
Foreign exchange gains	(2,014,315)	(2,802,808)	19,086,624	13,358,818
Interest income from bank deposits	361,245	1,312,124	706,978	1,407,462
Gain on disposal of investments	-	1,304,526	-	47,568,770
Others	-	175,797	-	178,050
TOTAL	191,493,435	171,039,541	389,994,919	436,194,325

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

25. COST OF GOODS SOLD

	<i>Quarter II</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Cost of fruits	263,934,723	331,169,071	403,758,581	575,571,436
Cost of latex	31,023,898	20,957,285	121,388,641	60,593,845
Cost of other services rendered	54,155,635	127,999,461	96,029,884	238,205,628
Cost of goods, commodities, and by-products	8,705,839	51,467,041	22,195,359	68,649,683
Cost of chilies	-	262,186,488	39,294,986	299,724,898
Cost of cows	-	57,362,534	-	57,362,534
Cost of property inventory	-	5,115,060	-	15,073,607
Cost of rental services	-	82,507,369	-	171,291,225
TOTAL	357,820,095	938,764,309	682,667,451	1,486,472,856

26. FINANCIAL EXPENSES

	<i>Quarter II</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Interest expense on bank interests and bonds	357,535,697	428,655,799	685,888,815	805,299,789
Foreign exchange differences	19,613,681	93,990,070	43,800,771	100,142,716
Loss on disposal of investments	8,265,957	-	8,265,957	-
Others	7,574,638	4,965,188	15,206,237	18,251,266
TOTAL	392,989,973	527,611,057	753,161,780	923,693,771

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

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Quarter II</i>		<i>VND'000</i> <i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Selling expenses	102,745,051	54,605,031	141,234,327	94,383,040
Transportation expenses and external services	96,009,593	44,233,608	129,224,771	73,896,880
Labor costs	3,545,116	6,551,130	6,478,624	14,025,737
Depreciation and amortization	665,453	759,014	1,140,442	1,439,238
Others	2,524,889	3,061,279	4,390,490	5,021,185
General and administrative expenses	186,413,108	333,709,328	352,627,672	490,481,261
Goodwill allocation	102,049,628	107,700,774	204,099,257	186,218,813
Costs of provision	24,275,075	12,343,304	24,275,075	12,343,304
Labor costs	35,453,553	33,658,762	70,478,774	75,261,994
Depreciation and amortization	7,264,509	10,440,641	14,067,851	19,314,915
External services	6,908,102	8,955,723	12,780,961	22,668,050
Others	10,462,241	160,610,124	26,925,754	174,674,185
TOTAL	289,158,159	388,314,359	493,861,999	584,864,301

NOTES TO THE INTERIM CONSOLIDATED FINACIAL STATEMENTS (continued)
Quarter II of 2019

28. OTHER INCOME AND EXPENSES

	<i>Quarter II</i>		<i>VND'000</i> <i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Other income	18,301,538	4,133,341	360,067,695	6,666,975
Gain from disposal of fixed assets	-	-	14,674	-
Others	18,301,538	4,133,341	360,053,021	6,666,975
Other expenses	375,944,119	115,050,406	445,387,845	222,718,146
Depreciation of idle assets	15,275,037	4,212,705	31,027,137	5,534,435
Penalty expenses	7,175,566	17,439,822	18,365,443	18,904,625
Losses from disposal of assets	5,083,653	19,497,111	5,083,653	21,624,285
Others	348,409,863	73,900,768	390,911,612	176,654,801
OTHER LOSSES	(357,642,581)	(110,917,065)	(85,320,150)	(216,051,171)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**29. CORPORATE INCOME TAX**

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

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

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

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

The CIT expenses for the period are comprised of:

	<i>VND'000</i>	
	<i>June 2019</i>	<i>June 2018</i>
Current tax expenses	963,493	(4,118,355)
Deferred income tax expenses	24,259,039	31,231,728
TOTAL	25,222,532	27,113,373

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**29. CORPORATE INCOME TAX (continued)****29.1 Current income tax**

	VND'000	
	June 2019	June 2018
Total profit (loss) before tax	(666,184,601)	127,338,362
Adjustments to increase (decrease) in accounting profit before tax		
Loss of subsidiaries	582,093,797	249,842,326
Goodwill allocation expense	204,099,257	186,218,813
Movement of intra-group unrealized taxable profit	(4,426,321)	(20,598,397)
Foreign exchange difference	26,231,543	25,064,827
(Profit) Loss in associates	(35,439,887)	12,539,270
Non-deductible expenses	30,992,143	3,424,498
Taxable interest expenses deducted but capitalized on projects when consolidated	24,160,781	76,088,699
(Profit) Loss on disposal of investments	8,265,957	(4,049,217)
Provisions for investments	(56,683,271)	(144,420,325)
Profit from tax-exempt activities	(69,725,495)	(379,909,856)
Penalty expenses	-	2,723,742
Other increases (decreases)	32,578,659	193,212,092
Adjusted before tax net profit before loss carried forward	75,962,562	327,474,834
Losses carried forward	(64,715,916)	(70,192,402)
Estimated taxable income	11,246,646	257,282,432
Estimated current CIT	790,660	60,483,804
Estimated current CIT of real estate industry	140,996	65,230
Adjustments under accrual of CIT from the previous period	31,837	(4,681,600)
Exempted CIT	-	(59,985,789)
Estimated current CIT expenses in the period	963,493	(4,118,355)
CIT payable at beginning of the period	30,664,436	82,826,087
CIT from the previous period recorded as expenses in the current period	1,927,750	-
Other adjustments	(53,935)	(17,275)
CIT paid in the period	(13,480,289)	(3,932,154)
CIT payable at the end of the period	20,021,455	74,758,303

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**29. CORPORATE INCOME TAX (continued)****29.2 Deferred CIT**

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

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>
	<i>30 June 2019</i>	<i>31 December 2018</i>	
Deferred tax assets			
Unrealized intra-group profit	96,485,595	98,599,120	2,113,525
	96,485,595	98,599,120	
Deferred tax liabilities			
Interest expenses capitalized in consolidation	201,507,780	203,715,780	(2,208,000)
Provision for investments in associates, and subsidiaries	61,887,418	37,533,904	24,353,514
Income from the sale of financial leasing assets	103,208,182	103,208,182	
	366,603,380	344,457,866	
Deferred income tax expenses			24,259,039

30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties are as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND'000 Amount</i>
Gia Lai Livestock JSC	Related company	Interest income	211,174,037
		Sales of goods and rendering of services	11,209,959
		Purchase of goods and services	7,926,384
Le Me JSC	Related company	Interest income	106,000,840
Hoang Anh Gia Lai Wood JSC	Related company	Interest income	11,024,517
		Sales of good	262,685
Huynh De Construction JSC	Related company	Interest income	9,891,203
Phu Hoang Anh JSC	Related company	Interest income	7,836,947
Thanh Binh Investment & Construction Consultant Co., Ltd	Related company	Interest income	7,571,833
An Tien Co., Ltd	Related company	Interest income	4,675,833
Hoang Anh Construction and Housing Development JSC	Associate	Interest income	4,650,914
Phuc Bao Minh Trading – Construction – Service JSC	Related company	Interest income	2,513,889

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**30. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND'000 Amount</i>
Dai Loc Hung Thinh One member Co., Ltd	Related company	Interest income	2,268,995
Hoang Anh Gia Lai Wood JSC - Hoang Anh Gia Lai Plastic Factory Branch	Related company	Sales of goods	1,655

Amounts due to and due from related parties as of 30 June 2019 are as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND'000 Balance</i>
Short-term trade receivables (Note 5)			
Gia Lai Livestock JSC	Related company	Sales of goods and rendering of services	143,747,734
		Disposals of fixed assets	383,279
Thanh Binh Investment & Construction Consultant Co., Ltd.	Related company	Construction contract	27,595,944
		Sales of goods and rendering of services	2,180,959
Minh Tuan Trading and Service Co., Ltd.	Related company	Construction contract	5,501,714
IAPACCO JSC	Related company	Construction contract	2,630,603
		Sales of goods and rendering of services	1,010,461
Hoang Anh Gia Lai Wood JSC - Hoang Anh Gia Lai Plastic Factory Branch	Related company	Sales of goods and rendering of services	1,995,272
Other related parties	Related company	Sales of goods and rendering of services	1,636,522
TOTAL			<u>186,682,488</u>
Short-term advances to suppliers (Note 6)			
Gia Lai Livestock JSC	Related company	Advances for purchase of goods and services	2,299,803
Hoang Anh Gia Lai Wood JSC - Hoang Anh Gia Lai Plastic Factory Branch	Related company	Advances for purchase of goods and services	211,985
TOTAL			<u>2,511,788</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**30. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to and due from related parties as of 30 June 2019 are as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND'000 Balance</i>
Short-term loan receivables (Note 7)			
Gia Lai Livestock JSC	Related company	Loan	762,702,033
Hoang Anh Construction and Housing Development JSC	Associate	Loan	108,635,000
An Tien Co., Ltd	Related company	Loan	93,000,000
Hoang Anh Gia Lai Wood JSC	Related company	Loan	86,936,725
Phu Hoang Anh JSC	Related company	Loan	32,000,000
Mr. Doan Nguyen Duc	Chairman of the BOD	Loan	11,090,000
Ms. Ho Thi Kim Chi	Deputy General director	Loan	8,259,000
IAPACCO JSC	Related company	Loan	6,123,820
Power Construction One member Co., Ltd.	Related company	Loan	5,815,216
Le Me JSC	Related company	Loan	60,000
TOTAL			<u>1,114,621,794</u>
Long-term loan receivables (Note 7)			
Gia Lai Livestock JSC	Related company	Loan	3,481,905,190
Le Me JSC	Related company	Loan	2,100,392,311
Huynh De Construction JSC	Related company	Loan	196,731,113
Thanh Binh Investment & Construction Consultant Co., Ltd	Related company	Loan	145,168,287
Phu Hoang Anh JSC	Related company	Loan	123,872,977
Hoang Anh Gia Lai Wood JSC	Related company	Loan	100,000,000
Phuc Bao Minh Trading – Construction – Service JSC	Related company	Loan	50,000,000
Dai Loc Hung Thinh One member Co., Ltd	Related company	Loan	34,714,752
Viet May Investment JSC	Related company	Loan	3,000,000
TOTAL			<u>6,235,784,630</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**30. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties as of 30 June 2019 are as follows (continued):

VND'000

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Balance</i>
<i>Other short-term receivables (Note 8)</i>			
Thang Long Agricultural Development One Member Co., Ltd	Related company	Lending	193,107,828
Phu Hoang Anh JSC	Related company	Interest income Payment on behalf	169,268,166 2,619,183
Gia Lai Livestock JSC	Related company	Interest income Lending Others	44,020,968 21,372,470 897,243
An Tien Co., Ltd	Related company	Interest income	35,911,304
Hoang Anh Me Kong JSC	Related company	Lending	12,624,059
Hoang Anh Gia Lai Wood JSC	Related company	Lending Interest income	6,673,295 2,192,000
Hoang Anh Construction and Housing Development JSC	Associate	Interest income	5,542,505
Power Construction One member Co., Ltd.	Related company	Lending	1,950,431
Other related parties	Related party	Others	1,639,205
TOTAL			<u>497,818,657</u>

Other long-term receivables (Note 8)

Gia Lai Livestock JSC	Related company	Interest income	333,858,289
Le Me JSC	Related company	Interest income	135,099,625
Thanh Binh Investment & Construction Consultant Co., Ltd	Related company	Interest income	50,601,531
Huynh De Construction JSC	Related company	Interest income	42,359,763
Dai Loc Hung Thinh One member Co., Ltd	Related company	Interest income	29,130,743
Phu Hoang Anh JSC	Related company	Interest income	21,744,912
Phuc Bao Minh Trading – Construction – Service JSC	Related company	Interest income	20,488,889
Hoang Anh Gia Lai Wood JSC	Related company	Interest income	12,554,077
Other related parties	Related party	Others	529,209
TOTAL			<u>646,367,038</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
Quarter II of 2019**30. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to and due from related parties as of 30 June 2019 are as follows (continued):

VND'000

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Balance</i>
Short-term advances to suppliers (Note 17)			
IAPACCO JSC	Related company	Purchase of goods and services	32,483,863
Gia Lai Livestock JSC	Related company	Purchase of goods	25,522,278
Hoang Anh Gia Lai Wood JSC - Hoang Anh Gia Lai Plastic Factory Branch	Related company	Purchase of goods	15,553,715
East Asia Investment and Construction JSC	Associate	Consulting fees	10,314,123
Hoang Anh Gia Lai Wood JSC	Related company	Purchase of goods	1,466,274
Other related parties	Related party	Others	148,297
TOTAL			85,488,550

Other short-term payables (Note 21)

Mr. Doan Nguyen Duc	Chairman of the BOD	Temporary borrowing	1,500,032,706
Ms. Doan Thi Nguyen Nguyen	Related party	Temporary borrowing	20,000,000
Le Me JSC	Related party	Temporary borrowing	11,685,000
Hoang Anh Gia Lai Wood JSC	Related company	Temporary borrowing	7,397,802
Saigon Mekong Investment JSC	Related company	Temporary borrowing	6,450,000
Other related parties	Related party	Others	1,494,488
TOTAL			1,547,059,996

Other long-term payables (Note 21)

Mr. Doan Nguyen Duc	Chairman of the BOD	Temporary borrowing	992,255,980
		Business cooperation	180,000,000
An Tien Co., Ltd	Related company	Business cooperation	500,000,000
		Others	2,034,000
Ms. Ho Thi Kim Chi	Deputy General director	Business cooperation	105,000,000
Ms. Vo Thi My Hanh	BOD member	Business cooperation	20,000,000

NOTES TO THE INTERIM CONSOLIDATED FINACIAL STATEMENTS (continued)
Quarter II of 2019

Hoang Anh Gia Lai Wood JSC	Related company	Others	25,148
TOTAL			<u><u>1,799,315,128</u></u>

NOTES TO THE INTERIM CONSOLIDATED FINACIAL STATEMENTS (continued)
Quarter II of 2019**31. EVENTS INCURRED AFTER THE BALANCE SHEET DATE**

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

Tran Thi Thanh Hieu
Preparer
30 July 2019

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director