



Hoang Anh Gia Lai Joint Stock Company

Interim Consolidated Financial Statements

Quarter III/2019

Hoang Anh Gia Lai Joint Stock Company

CONTENTS

	<i>Pages</i>
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	
Interim consolidated balance sheet	1 - 2
Interim consolidated financial statements	3 - 4
Interim consolidated cash flow statement	5 - 6
Notes to the interim consolidated financial statements	7 - 53

Hoang Anh Gia Lai Joint Stock Company

B01a-DN/HN

INTERIM CONSOLIDATED BALANCE SHEET

As at 30 September 2019

VND'000

Code	ASSETS	Notes	30 September 2019	31 December 2018 (restated)
100	A. CURRENT ASSETS		8,357,620,738	6,567,906,781
110	I. Cash		193,002,013	337,736,719
111	1. Cash	4	193,002,013	337,736,719
130	II. Current accounts receivable		6,105,582,076	4,747,120,864
131	1. Short-term trade receivables	5	3,714,704,945	2,976,376,936
132	2. Short-term advances to suppliers	6	437,098,601	427,114,472
135	3. Short-term loan receivables	7	1,473,009,049	724,888,836
136	4. Other short-term receivables	8	531,692,100	656,027,274
137	5. Provision for doubtful debts		(50,922,619)	(37,286,654)
140	III. Inventories	9	1,988,966,748	1,397,223,406
141	1. Inventories		1,991,734,203	1,409,194,346
149	2. Provision for obsolete inventories		(2,767,455)	(11,970,940)
150	IV. Other current assets		70,069,901	85,825,792
151	1. Short-term prepaid expenses		10,149,409	42,012,128
152	2. Value-added tax deductible		48,698,758	33,782,839
153	3. Tax and other receivables from the State		11,221,734	10,030,825
200	B. NON-CURRENT ASSETS		33,536,475,333	41,543,534,835
210	I. Long-term receivables		7,883,217,081	6,531,099,389
215	1. Long-term loan receivables	7	7,192,512,187	6,188,425,931
216	2. Other long-term receivables	8	690,704,894	342,673,458
220	II. Fixed assets		10,040,017,499	11,017,632,749
221	1. Tangible fixed assets	10	9,986,764,169	10,956,868,379
222	Cost		12,290,489,858	13,006,191,850
223	Accumulated depreciation		(2,303,725,689)	(2,049,323,471)
227	2. Intangible fixed assets	11	53,253,330	60,764,370
228	Cost		115,343,472	115,343,472
229	Accumulated amortization		(62,090,142)	(54,579,102)
230	III. Investment properties	12	36,175,228	37,104,803
231	1. Cost		42,073,202	42,073,202
232	2. Accumulated amortization		(5,897,974)	(4,968,399)
240	IV. Long-term assets in progress		13,651,479,815	17,431,289,542
242	1. Construction in progress	13	13,651,479,815	17,431,289,542
250	V. Long-term investments		286,982,008	2,788,206,391
252	1. Investments in associates	14.2	275,857,357	2,771,892,520
253	2. Investment in other entities	15	11,124,651	16,313,871
260	VI. Other long-term assets		1,638,603,702	3,738,201,961
261	1. Long-term prepaid expenses	16	405,577,849	418,455,993
262	2. Deferred tax assets	29.2	82,920,506	98,599,120
269	3. Goodwill		1,150,105,347	3,221,146,848
270	TOTAL ASSETS		41,894,096,071	48,111,441,616

INTERIM CONSOLIDATED INCOME STATEMENT (continued)
As at 30 September 2019

VND'000

Mã số	NGUỒN VỐN	Note	30 September 2019	31 December 2018
300	C. LIABILITIES		24,776,693,966	31,300,554,930
310	I. Current liabilities		11,001,222,649	13,136,735,456
311	1. Short-term trade payables	17	800,262,253	473,908,598
312	2. Short-term advances from customers	18	3,092,852,151	2,411,088,952
313	3. Statutory obligations	19	44,588,659	57,716,523
314	4. Payables to employees		72,948,378	67,209,973
315	5. Short-term accrued expenses	20	2,143,116,126	2,045,910,162
318	6. Short-term unearned revenues		144,667	228,667
319	7. Other short-term payables	21	794,729,495	1,130,795,710
320	8. Short-term loans	22	4,052,477,410	6,949,803,327
322	9. Bonus and welfare funds		103,510	73,544
330	II. Non-current liabilities		13,775,471,317	18,163,819,474
333	1. Long-term accrued expenses		1,792,060,614	2,029,868,704
337	2. Other long-term liabilities	20	910,836,606	980,019,908
338	3. Long-term loans	21	10,703,584,542	14,803,739,630
341	4. Deferred tax liabilities	22	363,276,189	344,457,866
342	5. Other long-term provisions	29.2	5,713,366	5,733,366
400	D. OWNERS' EQUITY		17,117,402,105	16,810,886,686
410	I. Equity		17,117,402,105	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	(334,122,778)	485,237,344
418	5. Investment and development fund	23.1	281,668,774	280,644,763
421	6. Undistributed earnings	23.1	205,102,101	(36,434,976)
421a	- Undistributed earnings up to prior year-end		8,000,531	(153,941,745)
421b	- Undistributed earnings this period		197,101,570	117,506,769
429	7. Non-controlling interests		4,426,902,394	3,543,587,941
440	TOTAL LIABILITIES AND OWNERS' EQUITY		41,894,096,071	48,111,441,616

Tran Thi Thanh Hieu
Preparer

5th November 2019

Le Truong Y Tram
Chief AccountantVo Truong Son
General Director

Hoang Anh Gia Lai Joint Stock Company

INTERIM CONSOLIDATED INCOME STATEMENT
Quarter III/2019

B02a-DN/HN

VND'000

Co de	ITEM	Note	Quarter III		Accumulated from the beginning of the year	
			Current year	Previous year (restated)	Current year	Previous year (restated)
01	1. Revenues from sale of goods and rendering of services	24.1	566.363.249	1.404.587.299	1.488.961.736	4.319.352.705
02	2. Deductions	24.1	(9.324.700)	-	(9.324.700)	-
10	3. Net revenues from sale of goods and rendering of services	24.1	557.038.549	1.404.587.299	1.479.637.036	4.319.352.705
11	4. Costs of goods sold	25	(553.603.316)	(654.400.706)	(1.239.586.852)	(2.140.873.562)
20	5. Gross profit from sale of goods and rendering of services		3.435.233	750.186.593	240.050.184	2.178.479.143
21	6. Financial income	24.2	1.438.727.782	729.936.987	1.815.683.829	1.166.131.312
22	7. Financial expenses	26	(272.682.592)	(442.665.687)	(1.014.099.571)	(1.366.359.458)
23	<i>In which: Interest expenses</i>		(248.519.193)	(407.529.415)	(932.690.793)	(1.212.829.204)
24	8. Shares of profit (loss) in associates		(59.716.002)	50.714.031	(24.276.115)	38.174.761
25	9. Selling expenses	27	(90.737.114)	(50.524.467)	(231.971.444)	(144.907.507)
26	10. General and administrative expenses	27	(136.567.454)	(212.467.198)	(497.377.916)	(702.948.459)
30	11. Net operating profit		882.459.853	825.180.259	288.008.967	1.168.569.792
31	12. Other income	28	4.506.292	7.310.593	367.558.711	13.977.568
32	13. Other expenses	28	(1.433.320.184)	(562.542.451)	(1.885.575.314)	(785.260.597)

Hoang Anh Gia Lai Joint Stock Company

INTERIM CONSOLIDATED INCOME STATEMENT (continue)
Quarter III/2019

B02a-DN/HN
B02a-DN/HN

VND'000

Code	ITEM	Note	Quarter III		Accumulated from the beginning of the year	
			Current year	Previous year (restated)	Current year	Previous year (restated)
40	14. Other losses	28	(1,428,813,892)	(555,231,858)	(1,518,016,603)	(771,283,029)
50	15. Accounting (loss) profit before tax		(546,354,039)	269,948,401	(1,230,007,636)	397,286,763
51	16. Current corporate income tax expense	29.1	(462,405)	(6,531,690)	(1,425,898)	(2,413,335)
52	17. Deferred CIT expense	29.2	(13,017,469)	(8,258,728)	(34,496,937)	(39,490,456)
60	18. Net profit (loss) after CIT		(559,833,913)	255,157,983	(1,265,930,471)	355,382,972
61	19. Net profit after tax of the parent		713,629,794	322,056,058	197,101,570	287,509,380
62	20. Net (loss) profit after tax attributable to the non-controlling interest		(1,273,463,707)	(66,898,075)	(1,463,032,041)	67,873,592
70	21. Basic (loss) earnings per share (VND)		769	347	213	310
71	21. Diluted earnings per share (VND)		769	347	213	310

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

5th November 2019

CONSOLIDATED CASH FLOW STATEMENTS
Quarter III/2018

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year (restated)
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		(1,230,007,636)	397,286,763
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets (including amortization of goodwill)		787,800,966	708,575,293
03	Provisions	10,11,12	4,432,480	12,099,392
04	Unrealised foreign exchange (gains) loss		44,199,443	94,893,076
05	Profits from investing activities		(1,209,907,719)	(903,581,476)
06	Interest expenses		932,690,793	1,212,829,204
08	Operating profit before changes in working capital	26	(670,791,673)	1,522,102,252
09	Decrease (increase) in receivables		4,120,042,645	2,199,472,905
10	Decrease (increase) in inventories		(1,828,810,907)	(256,023,248)
11	Increase (decrease) in payables		(3,292,822,773)	(3,374,551,290)
12	Increase in prepaid expenses		244,673,843	(185,097,744)
14	Interest paid		(686,462,888)	(684,525,170)
15	Corporate income tax paid	29.1	(14,246,100)	(28,331,582)
17	Other cash outflows from operating activities		(1,828,034)	(1,169,998)
20	Net cash flows from operating activities		(2,130,245,887)	(808,123,875)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(2,039,259,336)	(2,877,028,416)
22	Proceeds from disposals of fixed assets		1,519,153,390	226,566,609
23	Loans to other entities		(2,448,151,262)	(2,496,775,153)
24	Collections from borrowers		687,284,118	2,945,897,594
25	Payments for investments in other entities		(707,935,715)	10,457,823
26	Proceeds from sale of investments in other entities		8,537,729,566	75,550,000
27	Interest and dividends received		233,012,352	755,336,976
30	Net cash flows used in investing activities		5,781,833,113	(1,359,994,567)

CONSOLIDATED CASH FLOW STATEMENTS (continued)
 Quarter III/2019

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Borrowings received		2,725,642,318	5,277,577,227
34	Borrowings repaid		(6,521,964,250)	(2,403,242,676)
40	Net cash flows (used in) from financing activities		(3,796,321,932)	2,874,334,551
50	Net cash flows		(144,734,706)	706,216,109
60	Cash at the beginning	4	337,736,719	141,473,491
70	Cash at the end	4	193,002,013	847,689,600

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

5th November 2019

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

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

The Company’s head office is located at 15 Truong Chinh Street, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam.

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

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

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

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

2.2 Applied accounting documentation system

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III/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 interim consolidated financial statements Quarter III/2019 are prepared for the period from 1 July 2019 to 30 September 2019.

2.4 Accounting currency

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the Quarter II/2018.

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

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

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

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

Except for subsidiaries acquired under common control which are accounted for under the pooling of interest method, other subsidiaries have been included in the consolidated financial statements using the purchase method of accounting that measures the subsidiaries' assets and liabilities at their fair value at the acquisition date.⁷⁷⁷

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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III/2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Receivables

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

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

3.3 Inventories

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

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

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

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

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

Apartments for sale

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

Cost includes:

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

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

The cost of inventory property recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.3 Inventories** (continued)*By products*

By products resulted from livestock activities with nil in quantity and amount recorded into the accounting books as at the date of the interim consolidated financial statements.

Provision for obsolete inventories

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

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

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated financial statements.

Land use rights

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

Computer software

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

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

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

Buildings and structures	4 - 50 years
Machinery and equipment	3 - 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 plantations

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

Pepper plantations

Management estimated to start harvesting the rubber to be added to the assets and depreciation when over 50% of the planted trees in the lot bear fruit since fruiting treatment.

Dragon fruit plantations

Management estimates that the initial development period of the dragon fruit is from 8 to 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 mango 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, the management estimated that the initial development period of the oil palm is 6 years, which conform to the characteristics of the Group's current oil palm plantations in Cambodia and Laos. As a result, the Group will convert the oil palm plantations into fixed assets and start depreciating after the end of the basic development period.

Plantation 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 years cycle.

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

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

Depreciation of jack fruit plantations is based on Decision No. 0111/17/QĐ-HAGL Agrico dated 1 November 2018 by the Board of Management guiding depreciation rate of jack fruit plantations over the exploitation cycle.

Details are as follows:

Year	Depreciation rate (%)				
	Rubber plantations	Dragon fruit plantations	Pepper plantations	Jack fruit plantations	Mango plantations
First year	2.50	1.00	4.60	0.82	0.30
Second year	2.80	3.40	8.50	1.75	1.00
Third year	3.50	5.00	8.50	4.08	2.20
Fourth year	4.40	6.70	8.50	5.83	4.30
Fifth year	4.80	8.40	8.50	5.83	5.80
Sixth year	5.40	8.40	8.50	5.83	5.80
Seventh year	5.40	8.40	6.20	5.83	5.80
Eighth year	5.10	8.40	6.20	5.83	5.80
Ninth year	5.10	8.40	6.20	5.83	5.80
Tenth year	5.00	8.40	3.80	5.83	5.80
Eleventh year	7.00	6.70	3.80	5.83	5.80
Twelfth year	6.60	6.70	3.80	5.83	5.80
Thirteenth year	6.20	6.70	3.80	5.83	5.80
Fourteenth year	5.90	6.70	3.80	5.83	5.80
Fifteenth year	5.50	Carrying amount	3.80	5.83	5.80
Sixteenth year	5.40		3.80	4.67	5.80
Seventeenth year	5.00		3.80	4.67	5.80
Eighteenth year	5.50		Carrying amount	4.67	5.80
Nineteenth year	5.20			4.67	5.80
Twentieth year	Carrying amount			Carrying amount	Carrying amount

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.7 Investment properties**

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

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

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

Buildings 25 - 30 years

Investment properties are derecognised in the consolidated balance sheet when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated financial statements in the year of retirement or disposal.

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

3.8 Construction in progress

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

Plantation costs

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

Bao gồm các chi phí liên quan trực tiếp đến việc phát triển vườn cây cao su, cây cọ dầu và vườn cây ăn trái như chi phí khảo sát, đền bù đất, khai hoang, vườn ươm, phân bón, vận chuyển cây giống, nguyên vật liệu khác, chi phí nhân công, đường đi và hàng rào, phòng cháy chữa cháy và bảo vệ và các chi phí liên quan khác.

Hydropower costs

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

3.9 Leased assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.9 Leased assets** (continued)

Where the Group is the lessee

Các khoản tiền thuê theo hợp đồng thuê hoạt động được hạch toán vào báo cáo kết quả hoạt động kinh doanh hợp nhất giữa niên độ theo phương pháp đường thẳng trong thời hạn của hợp đồng thuê.

Where the Group is the lessor

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

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

3.10 Borrowing costs

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

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

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

3.11 Prepaid expenses

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

- ▶ Prepaid land and office rentals are amortized over the lease year;
- ▶ Tools and consumables with large value issued into production and can be used for more than one year, amortised no more than three (3) years and recognised in the consolidated financial statements;
- ▶ Fruit trees and other plantations development, land clearance expenses include: seedlings, land preparation, planting and care. These costs are amortized over the lifetime of these trees. Land preparation, planting and care costs are amortized over the year, in which economic benefits are generated in connection to the costs incurred; and
- ▶ Footballer development costs include the costs of training and developing the footballers that belong to Hoang Anh Gia Lai - Arsenal JMG football Academy ("HAGL-JMG"). The footballer development costs are amortized from 7 to 10 years according to the contract signed between HAGL-JMG and the footballers.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.12 Business combinations and goodwill**

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.13 Investments***Investments in associates*

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

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

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

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

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for investments

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

3.14 Payables and accruals

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

3.15 Accrual for severance allowance

The severance pay to employee is accrued at the end of each reporting period for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each period of service up to 31 December 2008 in accordance with the Labor Code, the Law on Social Insurance and related implementing guidance. From 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the balance sheet date. Any increases and decreases to the accrued amount will be taken to the separate income statement.

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.16 Earnings per share**

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

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

3.17 Foreign currency transactions

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

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the banks designated for capital contribution; and
- Payments for assets or expenses (without liabilities initially being recognized) are recorded at the buying exchange rates of the commercial banks that process these payments.

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

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

All foreign exchange differences incurred during the year are **included in** the interim consolidated financial statements

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.18 Treasury shares**

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

3.19 Appropriation of net profit

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

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

▶ *Investment and development fund*

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

▶ *Welfare fund*

This fund is set aside for the purpose of common benefits and improvement of the employees' material benefits and well-being and presented as a liability on consolidated balance sheet.

3.20 Revenue recognition

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

Sale of goods

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

Revenue from rendering of services

Revenue from rendering of services is recognized when service has been rendered

Sale of apartments

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.20 Revenue recognition** (continued)*Construction contracts*

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

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

Interest

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

Rental income

Rental income arising from operating leases is charged to the consolidated financial statements on a straight line basis over the lease terms on ongoing leases.

Dividend income

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

Income from disposal of investments

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

3.21 Taxation*Current income tax*

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

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

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

Deferred income tax

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

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III/2019**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.21 Taxation** (continued)*Deferred income tax* (continued)

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deferred tax assets are recognized for all deductible temporary differences, carried forward of unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against those deductible temporary differences, carried forward unused tax credit and unused tax losses which can be utilized, except:
- where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only when it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the consolidated balance sheet date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Previously unrecognized deferred income tax assets are reassessed at the consolidated balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

Deferred tax is credited to the consolidated financial statements, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

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

3.22 Convertible bonds

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III/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 of convertible bonds.

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

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

3.23 Provisions

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

3.24 Related parties

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

4. CASH

	<i>VND'000</i>	
	<i>30 September 2019</i>	<i>31 December 2018</i>
Cash in banks	152,175,529	322,847,804
Cash in transit	30,807,681	-
Cash on hand	10,018,803	14,888,915
TOTAL	<u>193,002,013</u>	<u>337,736,719</u>

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III/2019**5. SHORT-TERM TRADE RECEIVABLES**

	<i>VND'000</i>	
	<i>30 September 2019</i>	<i>31 December 2018</i>
Receivables from disposal of fixed assets and investment properties	2,258,330,701	542,589,899
Receivables from construction services	778,459,443	784,539,432
Receivables from sales of goods and rendering of services	672,417,635	1,640,202,928
Receivables from sale of apartments	5,497,166	9,044,677
TOTAL	<u>3,714,704,945</u>	<u>2,976,376,936</u>

Included in trade receivables were amounts due from related parties aggregating to 166,362,507 VND'000 as at 30 September 2019 (*Note 30*).

6. SHORT-TERM ADVANCES TO SUPPLIERS

	<i>VND'000</i>	
	<i>30 September 2019</i>	<i>31 December 2018</i>
Advances for project acquisition	241,895,663	248,679,631
Advances to suppliers of goods and services	165,652,496	117,068,745
Advances to contractors for construction projects of the Group and purchase of machinery and equipment	29,334,233	60,177,999
Advances to other sellers	216,209	1,188,097
TOTAL	<u>437,098,601</u>	<u>427,114,472</u>

Included in advances to suppliers were amounts due to related parties aggregating to 2,392,250 VND'000 as at 30 September 2019 (*Note 30*).

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III/2019**7. LOAN RECEIVABLES**

	<i>30 September 2019</i>	<i>31 December 2018</i>
	<i>VND'000</i>	
Short-term		
Short-term loans to related parties (Note 30) (i)	1,239,560,084	633,710,952
Short-term loans to other parties (ii)	233,448,965	91,177,884
	<u>1,473,009,049</u>	<u>724,888,836</u>
Long-term		
Long-term loans to related parties (Note 30) (i)	7,134,610,967	6,130,524,711
Long-term loans to Laos Government for the Attapeu International Airport project (iii)	15,020,312	15,020,312
Long-term loans to other parties (ii)	42,880,908	42,880,908
	<u>7,192,512,187</u>	<u>6,188,425,931</u>
TOTAL	<u>8,665,521,236</u>	<u>6,913,314,767</u>

- (i) This represents unsecured loans to related parties with a repayment term from October 2019 to 2022 and the average interest rate from 9.00% to 13.00% per annum.
- (ii) Long-term and short-term loans to other parties represents unsecured loans to companies with a repayment term from October 2019 to 2023 and the average interest rate from 10.00% to 13.00% per annum.
- (iii) The loan to Laos Government – Attapeu International Airport project represents the interest-free loan in accordance with the Credit Contract signed with Laos Government on 23 May 2013 to finance the construction of Attapeu International Airport. This loan will be off-set against tax payables and other obligations to Laos Government in the future. Details are as follows:

	<i>30 September 2019</i>	<i>31 December 2018</i>
Beginning balance (USD)	648,826	7,482,421
Ending balance (USD)	<u>648,826</u>	<u>648,826</u>
Ending balance (VND'000)	<u>15,020,312</u>	<u>15,020,312</u>

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Quarter III/2019**8. OTHER RECEIVABLES**

	<i>30 September</i>	<i>31 December</i>
	<i>2019</i>	<i>2018</i>
	<i>VND'000</i>	
Short term		
Interest from loans to other companies and individuals	212,185,673	227,438,092
Receivables from employees	195,591,006	163,893,229
Lending to companies	61,828,138	226,611,576
Others	62,087,283	38,084,377
	531,692,100	656,027,274
Long term		
Interest from loans to other companies and individuals	676,204,014	329,230,801
Lending to companies	5,773,534	1,344,953
Other long-term receivables	8,727,346	12,097,704
	690,704,894	342,673,458
TOTAL	1,222,396,994	998,700,732

Included in other short-term receivables was amount due from related parties aggregating to 389,868,221 VND'000 and long-term receivables from related parties aggregating to 676,204,014 VND'000 as at 30 September 2019 (*Note 30*).

9. INVENTORIES

	<i>30 September</i>	<i>31 December</i>
	<i>2019</i>	<i>2018</i>
	<i>VND'000</i>	
Work in progress	1,530,327,813	1,062,575,678
<i>of which:</i>		
<i>Construction contracts</i>	772,118,889	629,555,879
<i>Manufacturing activities</i>	757,038,000	428,160,396
<i>Services provided</i>	1,170,924	-
<i>Cows</i>	-	4,859,403
Raw materials	243,334,601	172,407,850
Finished goods	93,075,403	55,406,832
Merchandise goods	61,474,191	35,320,022
Apartments for sale	36,395,298	36,395,297
Tools and supplies	16,230,613	47,088,667
Construction materials	10,896,284	-
TOTAL	1,991,734,203	1,409,194,346
Provision for inventories	(2,767,455)	(11,970,940)
NET	1,988,966,748	1,397,223,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/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							
31 December 2018 <i>(restated)</i>	2,097,943,242	580,320,202	2,373,421,739	7,245,456	7,893,627,697	53,633,514	13,006,191,850
New purchases	91,191,639	68,715,304	45,110,243	2,520,089	22,594,744	5,094,718	235,226,737
Transfer from construction in progress	392,155,632	3,235,664	240,953,978	-	1,745,509,500	3,096,292	2,384,951,066
Reclassification	(8,616,127)	-	-	-	200,054,108	-	191,437,981
Disposals	(268,104,439)	(26,258,858)	(501,677,436)	(334,792)	(2,406,101,858)	(4,188,009)	(3,206,665,392)
Foreign exchange differences	(48,850,229)	(9,621,754)	(59,851,285)	(42,119)	(201,917,959)	(369,038)	(320,652,384)
30 September 2019	<u>2,255,719,718</u>	<u>616,390,558</u>	<u>2,097,957,239</u>	<u>9,388,634</u>	<u>7,253,766,232</u>	<u>57,267,477</u>	<u>12,290,489,858</u>
Accumulated depreciation							
31 December 2018 <i>(restated)</i>	(499,540,164)	(304,967,450)	(606,329,670)	(6,481,628)	(600,015,654)	(31,988,905)	(2,049,323,471)
Depreciation for the period	(122,519,657)	(50,281,955)	(146,542,762)	(510,131)	(363,354,937)	(4,207,153)	(687,416,595)
Disposals	99,597,049	6,895,269	76,167,511	333,659	199,460,277	1,095,491	383,549,256
Foreign exchange differences	10,848,057	5,661,525)	15,160,629	28,581	17,525,805	240,524	49,465,121
30 September 2019	<u>(511,614,715)</u>	<u>(342,692,611)</u>	<u>(661,544,292)</u>	<u>(6,629,519)</u>	<u>(746,384,509)</u>	<u>(34,860,043)</u>	<u>(2,303,725,689)</u>
Net carrying amount							
December 2018 <i>(restated)</i>	<u>1,598,403,078</u>	<u>275,352,752</u>	<u>1,767,092,069</u>	<u>763,828</u>	<u>7,293,612,043</u>	<u>21,644,609</u>	<u>10,956,868,379</u>
30 September 2019	<u>1,744,105,003</u>	<u>273,697,947</u>	<u>1,436,412,947</u>	<u>2,759,115</u>	<u>6,507,381,723</u>	<u>22,407,434</u>	<u>9,986,764,169</u>

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

11. INTANGIBLE FIXED ASSETS

	VND'000		
	<i>Land use right</i>	<i>Computer software</i>	<i>Total</i>
Cost			
31 December 2018 and 30 September 2019	<u>32,373,674</u>	<u>82,969,798</u>	<u>115,343,472</u>
Accumulated depreciation			
31 December 2018	(1,414,298)	(53,164,804)	(54,579,102)
Depreciation for the period	<u>(249,303)</u>	<u>(7,261,737)</u>	<u>(7,511,040)</u>
30 September 2019	<u>(1,663,601)</u>	<u>(60,426,541)</u>	<u>(62,090,142)</u>
Net carrying amount			
31 December 2018	<u>30,959,376</u>	<u>29,804,994</u>	<u>60,764,370</u>
30 September 2019	<u>30,710,073</u>	<u>22,543,257</u>	<u>53,253,330</u>

12. INVESTMENT PROPERTIES

	VND'000		
	<i>Land use right</i>	<i>Computer software</i>	<i>Total</i>
Cost			
31 December 2018 and 30 September 2019	<u>15,001,180</u>	<u>27,072,022</u>	<u>42,073,202</u>
Accumulated amortization			
31 December 2018	(2,750,216)	(2,218,183)	(4,968,399)
Amortization for the period	<u>(375,030)</u>	<u>(554,545)</u>	<u>(929,575)</u>
30 September 2019	<u>(3,125,246)</u>	<u>(2,772,728)</u>	<u>(5,897,974)</u>
Net carrying amount			
31 December 2018	<u>12,250,964</u>	<u>24,853,839</u>	<u>37,104,803</u>
30 September 2019	<u>11,875,934</u>	<u>24,299,294</u>	<u>36,175,228</u>

13. CONSTRUCTION IN PROGRESS

	VND'000	
	<i>30 September 2019</i>	<i>31 December 2018 (restated)</i>
Fruit plantations	4,645,188,603	3,450,277,699
Rubber plantations	3,116,024,742	5,957,078,605
Hydropower plants	2,608,202,296	3,379,400,885
Oil palm plantations	2,510,692,882	3,523,865,660
Buildings, plants and factories	632,161,517	917,377,456
HAGL-JMG Academy	39,410,561	56,679,237
Pepper plantations	-	30,405,295
Other construction works	<u>99,799,214</u>	<u>116,204,705</u>
TOTAL	<u>13,651,479,815</u>	<u>17,431,289,542</u>

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

14. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

14.1. Investment in subsidiaries

Details of the Company's subsidiaries as at 30 September 2019 are as follows:

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment / acquisition</i>	<i>% holding</i>
Hydropower				
(1) Hoang Anh Gia Lai Hydropower JSC	Gia Lai, Vietnam	Operating	5/6/2007	99.40
(2) Hoang Anh Attapeu Power Co., Ltd.	Vientiane, Laos	Under disposal	18/7/2011	99.40
(3) Nam Kong 3 Electric Co., Ltd.	Attapeu, Laos	Under disposal	31/5/2013	99.40
Agribusiness				
(4) Hoang Anh Gia Lai Agriculture JSC ("HNG")	Gia Lai, Vietnam	Operating	26/5/2010	49.07
(5) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Gia Lai, Vietnam	Operating	5/2/2013	49.07
(6) Hoang Anh - Quang Minh Rubber JSC	Gia Lai, Vietnam	Operating	1/2/2007	47.97
(7) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd	Attapeu, Laos	Operating	12/1/2007	47.97
(8) Hoang Anh Dak Lak JSC	DakLak, Vietnam	Operating	12/9/2007	48.84
(9) Hoang Anh Attapeu Agriculture Development Co., Ltd.	Attapeu, Laos	Operating	22/5/2008	49.07
(10) Hoang Anh Andong Meas Co., Ltd.	Ratanakiri, Campuchia	Operating	17/2/2011	47.97
(11) Hoang Anh Oyadav Co., Ltd.	Ratanakiri, Campuchia	Operating	16/7/2010	49.07
(12) Công ty TNHH Heng Brothers	Ratanakiri, Campuchia	Operating	25/1/2010	49.07
(13) CRD Co., Ltd.	Ratanakiri, Campuchia	Pre-operating	15/12/2010	49.07
(14) Hoang Anh Rattanakiri Co., Ltd.	Ratanakiri, Campuchia	Pre-operating	18/11/2009	49.07
(15) Highland Dairy Cattle JSC	Gia Lai, Vietnam	Operating	26/4/2015	48.58
(16) An Dong Meas JSC	Gia Lai, Vietnam	Operating	15/10/2015	49.02
(17) Hoang Anh Lumphat Co., Ltd.	Ratanakiri, Campuchia	Operating	15/10/2015	49.02
(18) Hung Thang Loi Gia Lai JSC	Gia Lai, Vietnam	Operating	31/1/2018	98.00
(19) Dai Thang Agricultural Development Co., Ltd.	Sekong, Laos	Operating	31/1/2018	98.00

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

14. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES (continued)

14.1. Investments in subsidiaries (continued)

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

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment / acquisition</i>	<i>% holding</i>
Mining				
(20)HAGL Mineral One Member Co., Ltd.	Gia Lai, Vietnam	Stop-operating	8/12/2007	99.40
(21)Hoang Anh GL - Kon Tum Mineral One Member Co., Ltd.	Kontum, Vietnam	Stop-operating	9/2/2010	99.40
(22)Hoang Anh Sekong Mineral Co., Ltd.	Attapeu, Laos	Stop-operating	15/10/2009	99.40
Construction, trading and services				
(23)Hoang Anh Gia Lai Sport JSC	Gia Lai, Vietnam	Operating	12/1/2009	69.85
(24)Hoang Anh Gia Lai Hospital JSC	Gia Lai, Vietnam	Operating	7/5/2008	99.00
(25)V&H Corporation Co., Ltd. (Laos)	Viêng chăn, Laos	Pre-operating	6/1/2009	79.52
(26)Hoang Anh Gia Lai Vientiane Co., Ltd.	Viêng chăn, Laos	Pre-operating	6/5/2010	100.00

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019**14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**14.2. Investments in associates**

Name of associates	Business segment	30 September 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	2,500,883,911
Bidiphar Rubber JSC (**)	Rubber plantation	49.14	268,247,836	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			275,857,357		2,771,892,520

(*) On 30 September 2019, HAG Board of Directors passed Resolution No. 3009/NQHĐQT-HAGL regarding the transfer of all interests 47,93% of the charter capital in Hoang Anh Construction and Housing Development JSC which belongs to HAG to Dai Quang Minh Real Estate Investment Corporation. The transfer agreement valued 2,777,901,129 VND'000. The profit 306,142,080 VND'000 from this transfer was recorded in financial income in the consolidated financial statements. Thus, Hoang Anh Construction and Housing Development JSC is no longer the group's associate since that date.

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

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

15. INVESTMENT IN OTHER ENTITIES

	VND'000	
	30 September 2019	31 December 2018
Thanh nien 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 September 2019	31 December 2018 (restated)
Land reclamation	244,305,827	209,442,959
Land rentals	69,743,815	76,019,489
Training costs of HAGL-JMG	44,963,165	29,512,341
Tools and supplies	20,988,777	23,719,114
Office rentals	5,123,085	5,333,584
Fruit plantations	-	62,327,182
Others	20,453,180	12,101,324
TOTAL	405,577,849	418,455,993

17. SHORT-TERM TRADE PAYABLES

	VND'000	
	30 September 2019	31 December 2018
Payable for purchase of goods and services	766,718,950	463,476,493
Payable to construction contractors	17,164,301	10,293,479
Payable for purchase of fixed assets and fruit plantations	15,664,892	-
Others	714,110	138,626
TOTAL	800,262,253	473,908,598

Included in trade payables were amounts due to related parties aggregating to 44.072.278 VND'000 as at 30 September 2019 (Note 30).

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

18. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND'000	
	30 September 2019	31 December 2018
Advances from customers for acquisition of hydropower projects	2,216,292,815	2,258,871,961
Advances from Thadi Agriculture Farming Processing & Distribution JSC for purchase of fruits	876,041,452	105,842,347
Advances from customers for purchase of apartments	517,884	46,374,644
TOTAL	<u>3,092,852,151</u>	<u>2,411,088,952</u>

19. STATUTORY OBLIGATIONS

	VND'000	
	30 September 2019	31 December 2018
Corporate income tax (Note 29.1)	19,918,106	30,664,436
Value-added tax payable	9,436,741	7,524,975
Personal income tax	9,271,053	10,310,609
Others	5,962,759	9,216,503
TOTAL	<u>44,588,659</u>	<u>57,716,523</u>

20. ACCRUED EXPENSES

	VND'000	
	30 September 2019	31 December 2018
Interest expenses	3,074,225,449	2,965,310,282
<i>In which:</i>		
<i>Interest expenses on bank loans and bonds</i>	2,999,542,684	2,903,582,686
<i>Interest expenses on other organizations and individuals</i>	74,682,765	61,727,596
Operating costs	817,536,631	1,067,053,924
Bond issuance expenses	43,414,660	43,414,660
TOTAL	<u>3,935,176,740</u>	<u>4,075,778,866</u>
<i>In which:</i>		
Short-term	2,143,116,126	2,045,910,162
Long-term	1,792,060,614	2,029,868,704

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

21. OTHER PAYABLES

	30 September 2019	VND'000 31 December 2018
Short term		
Payables to other companies and individuals (i)	607,108,020	1,009,733,136
Payables for Business Cooperation Contracts ("BCC") (ii)	87,500,000	-
Payables for land lease	57,901,918	78,988,748
Payables for apartment maintenance	1,565,126	9,573,496
Others	40,654,431	32,500,330
	<u>794,729,495</u>	<u>1,130,795,710</u>
Long-term		
Payables for Business Cooperation Contracts ("BCC")	717,500,000	835,000,000
Payables for land lease	116,869,983	109,415,187
Payables to other companies and individuals (i)	76,466,623	35,604,721
	<u>910,836,606</u>	<u>980,019,908</u>
TOTAL	<u>1,705,566,101</u>	<u>2,110,815,618</u>

Included in other payables were short-term amounts due to related parties aggregating to 127,864,502 VND'000 and long-term amounts due to related parties aggregating to 717,525,148 VND'000 as at 30 September 2019 (Note 30).

- (i) This balance represents non-bearing interest and non-mortgage advances with a repayment term in 2019 from other companies and other individuals outside the Group for the purpose of supplementing working capital.
- (ii) Long-term payables for business cooperation contracts ("BBC") included:
- Long-term business cooperation contract between Tay Nguyen Dairy Cow Joint Stock Company - a subsidiary of the Group, and An Tien Co., Ltd. ("An Tien"), a related party, to invest in a livestock project beef and beef cows with a total project value of VND'000 963,968,249 for a period of five (5) years (from 20 May 2016 to 20 May 2021). Accordingly, An Tien commits to contribute VND'000 700,000,000 and the Group pledged to contribute VND'000 263,968,249 invested in the project. The profit from the project will be divided according to the actual capital contribution ratio of the parties. The An Tien balance has been contributed as at 31 December 2018 is VND'000 550,000,000; and
 - Representing the capital contribution received from BCC signed on 24 September 2018 and 29 March 2019 with related individuals in the Group on the investment cooperation in the Group's fruit tree projects amounting to VND'000 305,000,000, BCCs do not require the establishment of a new legal entity and profit will be divided based on the business results of the project with a cooperation term of three (3) years from the contract date.

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

22. LOAN

	VND'000	
	30 September 2019	31 December 2018
Short-term loans		
Short-term loans from organizations and individuals	1,712,774,898	1,431,756,657
Current portion of long-term bank loans (Note 22.4)	1,333,276,424	1,537,972,526
Short-term bank loans (Note 22.1)	897,676,088	912,868,528
Current portion of long-term bonds (Note 22.3)	108,750,000	913,992,913
HNG convertible bonds (Note 22.2)	-	2,153,212,703
	4,052,477,410	6,949,803,327
Long-term loans		
Domestic straight bonds (Note 22.3)	7,323,523,113	10,069,320,859
Long-term bank loans (Note 22.4)	3,380,061,429	4,604,709,171
Long-term personal loans	-	129,709,600
	10,703,584,542	14,803,739,630
TOTAL	14,756,061,952	21,753,542,957

22.1 Short-term bank loans

	VND'000	
	30 September 2019	31 December 2018
Tien Phong Commercial Joint Stock Bank	599,755,219	599,911,828
Laos - Viet Bank	274,087,073	207,207,636
Saigon Thuong Tin Commercial Joint Stock Bank	18,984,960	83,346,445
Commercial Joint Stock Bank for Investment and Development of Vietnam ("BIDV")	4,848,836	22,402,619
TOTAL	897,676,088	912,868,528

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

22. LOAN (continued)

22.2 HNG convertible bonds

On 9 August 2019, HNG completed issuance of 221,710,000 ordinary shares to convert 221,710 bonds with a total value of VND'000 2.217.100.000. This issuance was conducted in compliance with Resolution of the General Meeting of Shareholders No. 0605/18/NQĐHĐCĐ-HAGL Agrico dated 6 May 2018, Resolution of the Board of Directors No. 0605-1/18/NQHĐQT-HAGL Agrico dated 6 May 2018 and , Resolution of the Board of Directors No 3007/19/NQHĐQT-HAGL Agrico dated 30 July 2019.

Accordingly, it recorded an increase in HNG's share capital from 868,438,950 VND'000 to 11,085,538,950 VND'000, reducing the Company's ownership in HNG from 61.34% down to 49.24%.

According to Letter No. 2008/19/CBTT-HAG dated 20 August 2019, despite the Company's ownership of the voting shares in HNG reduced 49.24%, it still has control over HNG as Mr. Đoàn Nguyễn Đức is holding BOD Chairman of HNG and the number of BOD members representing the Company still holds 4/7 majority. Thus, in terms of law HNG is still the Company's subsidiary and consolidated into the Group's Consolidated Financial Statements.

22.3 Domestic straight bonds

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

<i>Arrangement organizations</i>	<i>Date of issuance</i>	<i>Amount VND'000</i>	<i>Maturity date</i>
BIDV Securities Joint Stock Company	31 March 2017	5,876,000,000	30 December 2026
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
Euro Capital Securities Company	17 November 2015	270,000,000	From 17 December 2017 to 17 December 2021
Viet Capital Bank Commercial Joint Stock Bank	30 December 2016	120,000,000	30 December 2020
Cost of bond issuance		<u>(63,726,887)</u>	
TOTAL		<u>7,432,273,113</u>	
<i>In which:</i>			
<i>Long-term bonds</i>		7,323,523,113	
<i>Current portion</i>		108,750,000	

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

22. LOANS (continued)

22.4 Long-term bank loans

	VND'000	
	30 September 2019	31 December 2018
Bank for Investment and Development of Vietnam Ho Chi Minh City Development Joint Stock Commercial Bank	2,129,581,384	2,522,768,438
Laos - Viet Bank - Attapeu Branch	1,036,355,989	1,334,047,633
Saigon Thuong Tin Commercial Joint Stock Bank	880,703,130	1,031,033,107
Tien Phong Commercial Joint Stock Bank	566,697,350	1,004,832,519
	100,000,000	250,000,000
TOTAL	<u>4,713,337,853</u>	<u>6,142,681,697</u>
<i>In which:</i>		
<i>Non-current portion</i>	3,380,061,429	4,604,709,171
<i>Current portion</i>	1,333,276,424	1,537,972,526

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019**23. OWNER'S EQUITY****23.1 Increase and decrease in owners' equity**

VND'000

	Share capital	Share premium	Treasury shares	Foreign exchange difference	Investment and development fund	Undistributed earnings	TOTAL
9 months of 2018							
Balance at 31 December 2017	9,274,679,470	3,263,858,784	(686,640)	453,812,960	279,895,303	702,809,115	13,974,368,992
Net profit for the period	-	-	-	-	-	287,509,380	287,509,380
Remuneration for the BOD and the BOS	-	-	-	-	-	(1,158,000)	(1,158,000)
Appropriation to Investment & development and bonus & welfare funds	-	-	-	-	749,460	(749,460)	-
Foreign exchange differences	-	-	-	(124,249,343)	-	-	(124,249,343)
Equity transactions inside Group with non-controlling interests	-	-	-	-	-	(914,407,812)	(914,407,812)
Balance at 30 September 2018	9,274,679,470	3,263,858,784	(686,640)	329,563,617	280,644,763	74,003,223	13,222,063,217
9 months of 2019							
Balance at 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	-	-	-	-	-	197,101,570	197,101,570
Remuneration for the BOD and the BOS	-	-	-	-	-	(1,858,000)	(1,858,000)
Appropriation to Investment & development and bonus & welfare fund	-	-	-	-	1,024,011	(1,024,011)	-
Foreign exchange differences	-	-	-	(819,360,122)	-	-	(819,360,122)
Equity transactions inside Group with non-controlling interests	-	-	-	-	-	47,317,518	47,317,518
Balance at 30 September 2019	9,274,679,470	3,263,858,784	(686,640)	(334,122,778)	281,668,774	205,102,101	12,690,499,711

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

23. OWNER'S EQUITY (continued)

23.1 Increase and decrease in owners' equity (continued)

- (*) Capital transactions with non-controlling interests of subsidiaries but do not lose control, mainly included:
- On 7 August 2019, the Company completed the private issuance of 60,000,000 HNG shares to a third party. Accordingly, the Group's ownership in HNG was decreased from 68,10% to 61,34%. The difference between the selling price and the carrying amount corresponding to the ownership of the net asset value of the Group in HNG at the date of transaction was 185,462,609 VND'000 which has been recorded as a deduction on accumulated loss in the consolidated balance sheet;
 - HNG's additional issuance of 221,710,000 ordinary shares to convert 221.710 bonds is reported in Note 22.2 in the interim consolidated financial statements which has been recorded as a deduction of 33,218,924 VND'000 to accumulated loss in the consolidated balance sheet;
 - On 23 August 2019, Highland Dairy Cattle JSC ("HDC") issued 40,000 shares of Daun Penh to a third party. The difference between the selling price and the carrying value of equity interest of HDC in Daun Penh at the date of transaction was 1,584,000 VND'000 which had been recorded as a deduction to accumulated loss in the consolidated balance sheet;
 - On 1 March 2019, HNG acquired 80,000 shares in An Dong Meas JSC ("ADM") from Highland Dairy Cattle JSC and, HDC transferred 20,000 ADM shares to other individuals. Accordingly, HNG's ownership in ADM increased from 99.70% to 99.875% while the Group's ownership in ADM increased from 63.27% to 63.31%. The difference between consideration transferred and the value of transferred net assets in ADM as at the transaction date amounting to 1,156,463 VND'000 was recorded as a deduction to accumulated loss in the consolidated balance sheet; and
 - Thang Loi Gia Lai JSC ("HTL") acquired another 43,145,000 HNG shares from non-controlling interests. Accordingly, HTL's share ownership in HNG increased from 5.64% to 10.50%, and the Group's share ownership in HNG increased from 63.33% to 68.10%. The difference between consideration transferred and the value of transferred net assets in HNG as at the transaction date amounting to 174,104,458 was recorded as an increase to accumulated loss in the consolidated balance sheet.

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

23. OWNERS' EQUITY (continued)

23.2 Shares

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

24. REVENUES

24.1 Revenues from sale of goods and rendering of services

	VND'000			
	Quarter III		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Gross revenues	566,363,249	1,404,587,299	1,488,961,736	4,319,352,705
<i>Of which:</i>				
<i>Sale of fruits</i>	351,837,545	924,020,755	959,036,847	2,343,227,377
<i>Sale of latex</i>	68,686,437	68,845,339	187,564,562	123,673,149
<i>Rendering of other services</i>	61,556,069	115,104,747	173,907,605	385,124,622
<i>Sale of goods, commodities, by-products</i>	84,283,198	101,318,108	129,542,677	374,309,501
<i>Sale of chilies</i>	-	2,072,775	38,910,045	453,869,937
<i>Rendering of rental services</i>	-	114,348,611	-	509,461,750
<i>Sale of cows</i>	-	41,126,051	-	78,823,704
<i>Sale of apartments</i>	-	37,750,913	-	50,862,665
Deductions	(9,324,700)	-	(9,324,700)	-
<i>sales return</i>	(9,324,700)	-	(9,324,700)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019**24. REVENUES** (continued)**24.1 Revenues from sale of goods and rendering of services** (continued)

	VND'000			
	Quarter III		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Net revenues	557,038,549	1,404,587,299	1,479,637,036	4,319,352,705
<i>Of which:</i>				
<i>Sale of fruits</i>	342,512,845	924,020,755	949,712,147	2,343,227,377
<i>Sale of latex</i>	68,686,437	68,845,339	187,564,562	123,673,149
<i>Rendering of other services</i>	61,556,069	115,104,747	173,907,605	385,124,622
<i>Sale of goods, commodities, by-products</i>	84,283,198	101,318,108	129,542,677	374,309,501
<i>Sale of chilies</i>	-	2,072,775	38,910,045	453,869,937
<i>Rendering of rental services</i>	-	114,348,611	-	509,461,750
<i>Sale of cows</i>	-	41,126,051	-	78,823,704
<i>Sale of apartments</i>	-	37,750,913	-	50,862,665

24.2 Financial income

	VND'000			
	Quarter III		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Gain on disposal of investments	1,229,189,818	516,040,909	1,229,189,818	563,609,679
Interest income from loans to other companies	201,089,363	186,304,895	570,342,054	559,986,120
Foreign exchange gains	8,238,523	26,753,121	15,268,339	40,111,939
Interest income from bank deposits	210,078	838,062	883,618	2,245,524
Others	-	-	-	178,050
TOTAL	1,438,727,782	729,936,987	1,815,683,829	1,166,131,312

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019**25. COST OF GOODS SOLD**

VND'000

	<i>Quarter III</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	309,488,345	365,371,825	704,375,732	940,943,261
Cost of latex	128,665,866	75,833,763	250,022,998	136,427,608
Cost of other services rendered	49,330,034	76,102,788	145,411,182	314,308,416
Cost of goods sold, commodities, and by-products	66,119,071	62,729,860	96,461,204	131,379,543
Cost of chilies	-	2,250,977	43,315,736	301,975,875
Cost of rental services	-	50,495,542	-	221,786,767
Cost of cows	-	4,305,676	-	61,668,210
Cost of investment property	-	17,310,275	-	32,383,882
TOTAL	553,603,316	654,400,706	1,239,586,852	2,140,873,562

26. FINANCE EXPENSES

VND'000

	<i>Quarter III</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Interest expense on bank loans and bonds	248,519,193	407,529,415	932,690,793	1,212,829,204
Foreign exchange differences	20,740,754	27,047,610	52,412,313	127,190,326
Others	3,422,645	8,088,662	28,996,465	26,339,928
TOTAL	272,682,592	442,665,687	1,014,099,571	1,366,359,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019**27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

VND'000

	<i>Quarter III</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	90,737,114	50,524,467	231,971,444	144,907,507
Transportation expenses and external services	86,103,993	45,382,430	215,767,779	119,279,310
Labor costs	2,102,256	4,668,928	9,616,850	18,694,665
Depreciation and amortization	564,566	158,688	1,755,587	1,597,926
Others	1,966,299	314,421	4,831,228	5,335,606
General and administrative expenses	136,567,454	212,467,198	497,377,916	702,948,459
Allocation of goodwill	78,168,110	102,049,628	282,267,367	288,268,441
Labor costs	32,601,510	37,028,788	111,074,374	112,290,782
External services	13,738,363	13,585,543	27,717,459	36,253,593
Depreciation and amortization	6,357,791	6,863,502	20,455,906	26,178,417
Provisions	(3,980,470)	(1,734,890)	20,434,604	10,608,414
Others	9,682,150	54,674,627	35,428,206	229,348,812
TOTAL	227,304,568	262,991,665	729,349,360	847,855,966

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

28. OTHER INCOME AND EXPENSES

	VND'000			
	<i>Quarter III</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	4,506,292	7,310,593	367,558,711	13,977,568
Others	4,506,292	7,310,593	367,558,711	13,977,568
Other expenses	1,433,320,184	562,542,451	1,885,575,314	785,260,597
Loss from assessment of non-performing assets	655,704,012	12,369,806	655,704,012	39,576,946
Depreciation of idle assets	20,211,238	7,781,088	45,012,907	13,315,523
Penalty expenses	10,105,924	3,630,600	23,337,287	22,535,225
Loss from disposal of long-term assets	-	20,605,324	5,431,102	42,229,609
Others	747,299,010	518,155,633	1,156,090,006	667,603,294
OTHER LOSS	(1,428,813,892)	(555,231,858)	(1,518,016,603)	(771,283,029)

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/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 in Laos, Cambodia, Myanmar and Thailand have the obligations to pay CIT at the rates respectively, of their taxable profits. They are also entitled to CIT exemption and reduction in accordance with their respective business registration certificates, investment licenses and applicable tax regulations.

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

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

The CIT expense for the year comprised of:

	<i>VND'000</i>	
	<i>9 tháng năm 2019</i>	<i>9 tháng 2018</i>
Current tax expense	1,425,898	2,413,335
Expense (income) tax deferred	34,496,937	39,490,456
TOTAL	<u>35,922,835</u>	<u>41,903,791</u>

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

29. CORPORATE INCOME TAX (continued)

29.1 Current income tax

	VND'000	
	9 months of 2019	9 months of 2018
Accounting profit (loss) before tax	(1,230,007,636)	397,286,763
Adjustments to increase (decrease) in accounting profit		
Losses of subsidiaries	2,681,220,538	656,886,275
Amortisation of goodwill	282,267,367	288,268,441
Movement of intra-group unrealized profit	(26,556,261)	(18,660,454)
Foreign exchange differences	44,199,454	94,893,075
Share of profit (loss) from associates	24,276,115	(38,174,761)
Non deductible expenses	27,565,796	94,308,237
Deductible interest expenses at entities level but capitalized on consolidated financial statements	23,006,468	122,114,618
Gains from disposal of investments	(1,876,127,534)	(563,629,007)
Provision for investments	(74,291,138)	(144,420,325)
Profit from activities which are tax exempted	(27,986,105)	(976,376,886)
Others	384,622,664	90,340,827
Adjusted net profit before loss carried forward	232,189,728	2,836,803
Losses carried forward	(215,586,092)	(87,733,971)
Estimated taxable income	16,603,636	(84,897,168)
Estimated current CIT	1,253,065	862,596
Current CIT of Real Estate industry	140,996	4,066,942
Adjustments under accrual of CIT from previous years	31,837	(2,516,203)
Estimated current CIT	1,425,898	2,413,335
CIT payable at beginning of the period	30,664,436	84,361,805
Adjustments under accrual of CIT from previous periods	1,927,750	-
Other adjustments	146,122	(148,340)
Returned CIT	-	(1,967,135)
CIT paid during the period	(14,246,100)	(28,331,582)
CIT payable at end of period	19,918,106	56,328,083

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/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>VND'000</i>
	<i>30 September năm 2019</i>	<i>31 December 2018</i>	<i>Consolidated financial statements</i>
<i>Deferred tax assets</i>			
Unrealized intra-group profit	82,920,506	98,599,120	15,678,614
	82,920,506	98,599,120	
<i>Deferred tax liabilities</i>			
Interest expenses capitalized on consolidated financial statements	198,180,589	203,715,780	(5,535,191)
Provision for investments in associates, subsidiaries	61,887,418	37,533,904	24,353,514
Income from sale type lease	103,208,182	103,208,182	
	363,276,189	344,457,866	
<i>Deferred income tax expenses</i>			34,496,937

30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i>
			<i>Amounts</i>
Gia Lai Livestock JSC	Related Company	Interest income	320,206,891
		Sales of goods and	13,362,273
		Rendering of services	
Le Me JSC	Related Company	Interest income	171,749,083
Hoang Anh Gia Lai Wooden Furniture JSC	Related Company	Interest income	16,628,138
		Disposal of assets	356,000
		Sales of goods	292,083
Huynh De Construction JSC	Related Company	Interest income	14,918,776
Phu Hoang Anh JSC	Related Company	Interest income	11,504,781
Thanh Binh Investment & Construction Consultant Co., Ltd	Related Company	Interest income	11,360,130
An Tien Co., Ltd	Related Company	Interest inco	7,052,500
Phuc Bao Minh Construction Service Trading JSC	Related Company	Interest income	3,652,778

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

30. TRANSACTIONS WITH RELATED PARTIES (continued)

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

			VND'000
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amounts</i>
Dai Loc Hung Thinh One Member Co., Ltd.	Related Company	Interest income	3,384,688
Hoang Anh Gia Lai Wooden Furniture JSC - Hoàng Anh Gia Lai Plastic Factory branch	Related Company	Sales of goods	3,129

Receivables and payables to related parties as at 30 September 2019 were as follows:

			VND'000
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amounts</i>
Short-term trade receivables (Note 5)			
Gia Lai Livestock JSC	Related Company	Sales of goods and Rendering of services	127,459,065
		Disposal of assets	383,279
Thanh Binh Investment & Construction Consultant Co., Ltd	Related Company	Construction contract receivable	27,595,944
		Sales of goods and Rendering of services	2,180,959
Minh Tuan Trading and Services Co., Ltd.	Related Company	Construction contract receivable	5,501,714
Hoang Anh Gia Lai Wooden Furniture JSC - Hoàng Anh Gia Lai Plastic Factory branch	Related Company	Sales of goods and Rendering of services	1,991,458
Hoang Anh Gia Lai Wooden Furniture JSC	Related Company	Sales of goods and Rendering of services	958,488
		Construction contract receivable	291,600
TOTAL			<u>166,362,507</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 Wooden Furniture JSC - Hoàng Anh Gia Lai Plastic Factory branch	Related Company	Advances for purchase of goods and services	92,447
TOTAL			<u>2,392,250</u>

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

30. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
Short-term receivables (Note 7)			
Gia Lai Livestock JSC	Related Company	Interest income	1,068,890,232
Hoang Anh Gia Lai Wooden furniture JSC	Related Company	Interest income	86,936,725
An Tien Co., Ltd.	Related Company	Interest income	60,000,000
Ms. Ho Thi Kim Chi	Deputy general director	Interest income	12,643,127
Mr. Doan Nguyen Duc	BOD chairman	Interest income	11,090,000
TOTAL			<u>1,239,560,084</u>
Long-term receivables (Note 7)			
Gia Lai Livestock JSC	Related Company	Interest income	3,684,234,990
Le Me JSC	Related Company	Interest income	3,006,976,577
Huynh De Construction JSC	Related Company	Interest income	196,731,113
Thanh Binh Investment & Construction Consultant Co., Ltd	Related Company	Interest income	145,168,287
Hoang Anh Gia Lai Wooden Furniture JSC	Related Company	Interest income	100,000,000
Viet May Investment JSC	Related Company	Interest income	1,500,000
TOTAL			<u>7,134,610,967</u>

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

30. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Amounts due to and due from related parties as at 30 September 2019 were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
<i>Other short-term receivables (Note 8)</i>			
Phu Hoang Anh JSC	Related Company	Interest income	148,506,994
Thang Long Agricultural Development One Member Co., Ltd.	Related Company	Lending	129,704,009
An Tien Co., Ltd.	Related Company	Interest income	37,903,970
Gia Lai Livestock JSC	Related Company	Lending	33,992,270
		Interest income	7,858,646
Hoang Anh Mekong JSC	Related Company	Lending	12,624,059
Hoang Anh Gia Lai Wooden Furniture JSC	Related Company	Interest income	9,210,250
		Lending	2,192,000
Mr. Doan Nguyen Duc	Chủ tịch HĐQT	Lending Others	7,835,314 23,454
Huynh De Construction JSC	Related Company	Interest income	17,255
TOTAL			<u>389,868,221</u>
<i>Other long term receivables (Note 8)</i>			
Gia Lai Livestock JSC	Related Company	Interest income	379,053,464
Le Me JSC	Related Company	Interest income	154,802,168
Thanh Binh Investment & Construction Consultant Co., Ltd	Related Company	Interest income	54,401,046
Huynh De Construction JSC	Related Company	Interest income	47,387,336
Phu Hoang Anh JSC	Related Company	Interest income	24,666,079
Hoang Anh Gia Lai Wooden Furniture JSC	Related Company	Interest income	15,620,743
Other related parties	Related party	Others	273,178
TOTAL			<u>676,204,014</u>

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

30. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 30 September 2019 were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Amounts</i>
Short-term trade payables (Note 17)			
Gia Lai Livestock JSC	Related Company	Purchase of goods	28,049,681
East Asia Investment and Construction Consultant JSC	Associate	fees for legal services	10,005,086
Hoang Anh Gia Lai Wooden Furniture JSC - Hoang Anh Gia Lai Plastic Factory branch	Related Company	Purchase of goods	4,442,858
Other related parties	Related Company	Others	<u>1,574,653</u>
TOTAL			<u>44,072,278</u>
Other short-term payables (Note 21)			
An Tien Co., Ltd.	Related Company	BBC	87,500,000
Ms Doan Thi Nguyen Nguyen	Related Company	Temporary borrowing	20,000,000
Le Me JSC	Related Company	Temporary borrowing	11,685,000
Hoang Anh Gia Lai Wooden Furniture JSC	Related Company	Temporary borrowing	7,397,802
Other Related Company	Related Company	others	<u>1,281,700</u>
TOTAL			<u>127,864,502</u>
Other long-term payables (Note 21)			
Mr. Doan Nguyen Duc	BOD chairman	BBC	180,000,000
An Tien Co., Ltd.	Related Company	BBC	412,500,000
Ms. Ho Thi Kim Chi	Deputy General Director	BBC	105,000,000
Ms Vo Thi My Hanh	BOD member	BBC	20,000,000
Hoang Anh Gia Lai Wooden Furniture JSC	Related Company	Others	<u>25,148</u>
TOTAL			<u>717,525,148</u>

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

31. SIGNIFICANT EVENTS DURING THE PERIOD

Transferring all interests in subsidiaries

On 17 June 2019, HNG Board of Directors passed Resolution No.1706/19/NQ-HĐQT Agrico regarding transferring all the capital contribution accounting for 100% of the charter capital of Indochina Rubber Investment and Development Co., Ltd belonging to HNG to Thadi Agriculture Farming Processing & Distribution JSC (“Thadi”). As at the date of consolidated financial Statements, HNG had completed legal procedures to transfer. The difference between the selling price and the carrying amount corresponding to the ownership of the net asset value of the Group in the Company on the transaction date was 792,545,171 VND’000 which had been recorded in finance income in the consolidated financial statements;

On 19 August 2019, HNG Board of Directors passed Resolution No1908-1/19/NQ-HĐQT Agrico regarding transferring all the capital contribution accounting for 99,875% of the charter capital of Daun Penh Co., Ltd (“Daun Penh”) belonging to HNG to Thadi. As at the date of this consolidated financial statements, HNG had completed legal procedures to transfer. The difference between the selling price and the carrying amount corresponding to the ownership of the net asset value of the Group in the Company on the transaction date was 1,323,037,725 VND’000 which had been recorded in finance income in the consolidated financial statements; and

On 9 September 2019, HNG Board of Directors passed Resolution No0909/19/NQHĐQT-HAGL Agrico regarding transferring all the capital contribution accounting for 100% of the charter capital of Trung Nguyen Rubber One Member Co., Ltd belonging to HNG to Thadi. As at the date of this consolidated financial statements, HNG had completed legal procedures to transfer, which had been recorded in finance income in the consolidated financial statements 1,193,319,724 VND’000 in finance expenses in the consolidated financial statements.

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

30. ADJUSTMENTS TO CORRESPONDING FIGURES

30.1 Adjustment to the figures

Revenue from sale of goods

During 9 months of 2018, the Board of Management adjusted revenues and cost of goods sold on a number of commodities to suit the presentation of 2018 Financial Statements Detailed information is restated as follows:

	<i>9 months of 2018 (previously stated)</i>	<i>Adjustment and reclassification</i>	<i>VND'000 9 months of 2018 (restated)</i>
CONSOLIDATED FINANCIAL STATEMENTS			
Net revenue from sale of goods and rendering of services	4,435,374,597	(116,021,892)	4,319,352,705
Cost of goods sold	(2,144,869,489)	3,995,927	(2,140,873,562)
Gross profit from sale of goods and rendering of services	2,290,505,108	(112,025,965)	2,178,479,143
Revenue from financing activities	1,176,589,135	(10,457,823)	1,166,131,312
Net profit from operating activities	1,291,053,580	(122,483,788)	1,168,569,792
Accounting profit before tax	519,770,551	(122,483,788)	397,286,763
Earnings after CIT	477,866,760	(122,483,788)	355,382,972
Earnings after tax of parent	368,630,330	(81,120,950)	287,509,380
Earnings after tax of non-controlling interest	109,236,430	(41,362,838)	67,873,592
Basic earnings per share amounts (VND)	397	(87)	310
Diluted earnings (loss) per share amounts (VND)	397	(87)	310
CONSOLIDATED CASH FLOWS			
Accounting profit before tax	519,770,551	(122,483,788)	397,286,763
Profits from investing activities	(914,039,298)	10,457,822	(903,581,476)
Operating profit before changes in working capital	1,634,128,218	(112,025,966)	1,522,102,252
Decrease in receivables	2,127,590,206	71,882,699	2,199,472,905
Increase in inventories	(252,027,321)	(3,995,927)	(256,023,248)
Decrease in payables	(3,418,690,483)	44,139,193	(3,374,551,290)

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter III/2019

32. ADJUSTMENTS TO CORRESPONDING FIGURES (continued)

30.2 Re-classification of Opening balance

During the period, the Group reclassified the cost of fruit plantations from the Long-term prepaid expenses to Tangible fixed assets and Construction in progress in the Consolidated Balance. Accordingly, Comparatives at beginning of the year was also reclassified in accordance the Consolidated Financial Statements Quarter III/2019 as follows:

<i>Item</i>	<i>31 December 2018 (previously stated)</i>	<i>Reclassified</i>	<i>VND'000 31 December 2018 (restated)</i>
Long-term prepaid expense	1,224,232,772	(805,776,779)	418,455,993
Tangible fixed assets	10,671,588,242	285,280,137	10,956,868,379
Construction in progress	16,910,792,900	520,496,642	17,431,289,542

30. EVENTS AFTER THE BALANCE SHEET DATE

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

Tran Thi Thanh Hieu
Preparer

5th November 2019

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director