



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

Consolidated financial statements

Quarter IV of 2018

# Hoang Anh Gia Lai Joint Stock Company

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CONSOLIDATED BALANCE SHEET  
As at 31 December 2018

VND'000

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

CONSOLIDATED BALANCE SHEET (continued)  
As at 31 December 2018

VND'000

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

Tran Thi Thanh Hieu  
Preparer

Le Truong Y Tram  
Chief Accountant

Vo Truong Son  
General Director

30 January 2019

# Hoang Anh Gia Lai Joint Stock Company

CONSOLIDATED INCOME STATEMENT  
Quarter IV of 2018

B02a-DN/HN

VND'000

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

CONSOLIDATED INCOME STATEMENT (continued)  
Quarter IV of 2018

VND'000

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

Tran Thi Thanh Hieu  
Preparer

Le Truong Y Tram  
Chief Accountant

Vo Truong Son  
General Director

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

CONSOLIDATED CASH FLOW STATEMENT  
Quarter IV of 2018

VND'000

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



CONSOLIDATED CASH FLOW STATEMENT (continued)  
Quarter IV of 2018

VND'000

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

Tran Thi Thanh Hieu  
Preparer

Le Truong Y Tram  
Chief Accountant

Vo Truong Son  
General Director

30 January 2019

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

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

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

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

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

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

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

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

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

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

**2.2 Applied accounting documentation system**

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

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

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

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

**2.4 Accounting currency**

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

**2.5 Basis of consolidation**

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

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

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

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

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

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

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

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

Cash comprises cash on hand and cash in banks

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

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

**3.2 Receivables**

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

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

**3.3 Inventories**

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

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

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

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

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

*Apartments for sale*

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

Cost includes:

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

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

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

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

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

*Provision for obsolete inventories*

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

**3.5 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortization.

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

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

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

*Land use rights*

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

*Computer software*

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

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

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

**3.6 Depreciation and amortization**

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

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

Land use right with indefinite useful life is not amortized.

*Rubber and pepper plantations*

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

*Dragon fruit plantations*

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

*Mango plantations*

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

*Oil palm plantations*

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

*Plantation Depreciation*

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

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

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

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

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

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

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

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

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

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

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

**3.8 Construction in progress**

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

*Plantation costs*

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

*Cattle project*

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

*Hydropower costs*

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



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

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

*Where the Group is the lessee*

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

*Where the Group is the lessor*

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

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

**3.10 Borrowing costs**

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

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

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

**3.11 Prepaid expenses**

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

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

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

- ▶ Footballer development costs include the costs of training and developing the footballers that belong to Hoang Anh Gia Lai - Arsenal JMG football Academy (“HAGL-JMG”). The footballer development costs are amortized from 7 to 10 years according to the contract signed between HAGL-JMG and the footballers.

**3.12 Business combinations and goodwill**

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.13 Investments***Investments in associates*

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

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

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

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

*Investments in other entities*

Investments in other entities are stated at their acquisition costs.

*Provision for investments*

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

**3.14 Payables and accruals**

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

**3.15 Accrual for severance allowance**

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV of 2018**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.16 Earnings per share**

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

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

**3.17 Foreign currency transactions**

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

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

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

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

All foreign exchange differences incurred during the year are **included in** the interim consolidated income statement

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

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

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

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

**3.18 Treasury shares**

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

**3.19 Appropriation of net profit**

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

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

► *Investment and development fund*

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

► *Welfare fund*

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

**3.20 Revenue recognition**

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

*Sale of goods*

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

*Revenue from rendering of services*

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

*Sale of apartments*

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

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

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

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

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

*Interest*

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

*Rental income*

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

*Dividend income*

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

*Income from disposal/ of investments*

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

**3.21 Taxation***Current income tax*

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

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

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

*Deferred income tax*

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

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

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

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

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

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

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

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

**3.22 Convertible bonds**

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Quarter IV of 2018

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

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

**3.23 Provisions**

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

**3.24 Related parties**

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

**4. CASH**

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



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

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

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

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

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

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

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

## 7. LOAN RECEIVABLES

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

- (i) This represents unsecured loans to related parties with a repayment term from 2018 to 2022 and the average interest rate from 10.00% to 13.00% per annum.
- (ii) Long-term and short-term loans to other parties represents unsecured loans to companies with a repayment term from 2018 to 2023 and the average interest rate from 10.00% to 13.00% per annum.
- (iii) The loan to Laos Government – Attapeu International Airport project represents the interest-free loan in accordance with the Credit Contract signed with Laos Government on 23 May 2013 to finance the construction of Attapeu International Airport. This loan will be off-set against tax payables and other obligations to Laos Government in the future. Details are as follows:

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

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

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

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

**9. INVENTORIES**

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

**10. OTHER CURRENT ASSETS**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Quarter IV of 2018

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

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

## 11. TANGIBLE FIXED ASSETS

VND'000

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

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

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

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

## 13. INVESTMENT PROPERTIES

VND'000

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

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

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

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

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

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



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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Quarter IV of 2018

Co., Ltd.

Laos operating

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

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

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

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

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

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

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

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

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

(\*) becoming an associate since 12 September 2018

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

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

|                              | VND'000             |                   |
|------------------------------|---------------------|-------------------|
|                              | 31 December<br>2018 | 31 December 2017  |
| Thanh nien Media Corporation | 6,200,000           | 6,200,000         |
| Other investments            | 10,113,871          | 4,307,903         |
| <b>TOTAL</b>                 | <b>16,313,871</b>   | <b>10,507,903</b> |

**17. LONG-TERM PREPAID EXPENSES**

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

**18. SHORT-TERM TRADE PAYABLES**

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

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

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

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

**20. STATUTORY OBLIGATIONS**

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

**21. ACCRUED EXPENSES**

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

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

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

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

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

**23. LOAN**

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

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

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

**23.2 Domestic straight bonds**

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

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



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

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

**23.4 Short-term loans from other organizations and individuals**

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

**23.5 Other long-term loans from individuals**

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

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

VND'000

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

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

|                                | <i>31 December 2018</i> | <i>31 December 2017</i> |
|--------------------------------|-------------------------|-------------------------|
|                                | <i>Shares</i>           | <i>Shares</i>           |
| Shares authorized to be issued | 927,467,947             | 927,467,947             |
| Shares issued and fully paid   | 927,467,947             | 927,467,947             |
| <i>Ordinary shares</i>         | <i>927,467,947</i>      | <i>927,467,947</i>      |
| Treasury shares                | 68,664                  | 68,664                  |
| <i>Ordinary shares</i>         | <i>68,664</i>           | <i>68,664</i>           |
| Outstanding shares             | 927,399,283             | 927,399,283             |
| <i>Ordinary shares</i>         | <i>927,399,283</i>      | <i>927,399,283</i>      |

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

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

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

VND'000

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

**25.2 Financial income**

VND'000

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

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

**25. REVENUE** (continued)

**25.2 Financial income** (continued)

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

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

**26. COST OF GOODS SOLD**

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

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

**27. FINANCIAL EXPENSES**

|  | <i>Quarter IV</i>   |                      | <i>VND'000</i><br><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 | 326,116,098         | 520,574,801          | 1,538,945,302   | 1,585,315,746        |
| Foreign exchange differences             | (19,243,586)        | 44,697,095           | 107,946,740   | 63,397,561           |
| Others                                   | 11,754,700          | 21,883,959           | 38,094,628  | 49,219,131           |
| <b>TOTAL</b>                             | <b>318,627,212</b>  | <b>587,155,855</b>   | <b>1,684,986,670</b>  | <b>1,697,932,438</b> |

**28. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

|   | <i>Quarter IV</i>   |                      | <i>VND'000</i><br><i>Accumulated from the beginning of the year</i> |                      |
|---|---------------------|----------------------|---|----------------------|
|   | <i>Current year</i> | <i>Previous year</i> | <i>Current year</i>   | <i>Previous year</i> |
| <b>Selling expenses</b>                       | <b>47,538,707</b>   | <b>48,178,414</b>    | <b>192,446,214</b>  | <b>143,923,122</b>   |
| Transportation expenses and external services | 41,207,561          | 34,754,202           | 155,486,871   | 101,156,821          |
| Labor costs                                   | 2,571,819           | 11,004,480           | 21,266,484  | 27,962,791           |
| Depreciation and amortization                 | 509,233             | 2,071,936            | 2,107,159   | 3,456,575            |
| Others  | 3,250,094           | 347,796              | 13,585,700  | 11,346,935           |
| <b>General and administrative expenses</b>    | <b>291,322,539</b>  | <b>215,617,222</b>   | <b>994,270,998</b>  | <b>707,548,329</b>   |
| Goodwill allocation                           | 102,049,629         | 79,899,509           | 390,318,070   | 319,598,039          |
| Labor costs                                   | 32,225,212          | 61,806,667           | 144,515,994   | 182,156,078          |
| External services                             | 9,440,217           | 34,538,620           | 45,693,810  | 76,519,841           |
| Depreciation and amortization                 | 6,593,880           | 9,354,400            | 32,772,297  | 35,605,584           |
| Provisions                                    | 4,547,665           | 8,620,401            | 15,156,079  | 8,620,401            |
| Others  | 136,465,936         | 21,397,625           | 365,814,748   | 85,048,386           |
| <b>TOTAL</b>                                  | <b>338,861,246</b>  | <b>263,795,636</b>   | <b>1,186,717,212</b>  | <b>851,471,451</b>   |

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

**29. OTHER INCOME AND EXPENSES**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter IV of 2018**30. CORPORATE INCOME TAX**

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

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

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

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

The CIT expense for the year comprised of:

|                               | VND'000           |                   |
|-------------------------------|-------------------|-------------------|
|                               | 2018              | 2017              |
| Current tax expense           | 2,998,375         | 24,802,221        |
| Expense (income) tax deferred | 72,687,207        | 33,735,757        |
| <b>TOTAL</b>                  | <b>75,685,582</b> | <b>58,537,978</b> |



**30. CORPORATE INCOME TAX (continued)**

**30.1 Current income tax**

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

**30. CORPORATE INCOME TAX (continued)**

**30.2 Deferred CIT**

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

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

**31. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties were as follows:

| <i>Related parties</i>                                   | <i>Relationship</i> | <i>Transactions</i>                      | <i>VND'000<br/>Amounts</i> |
|--|---------------------|--|----------------------------|
| Gia Lai Livestock JSC                                    | Related Company     | Interest income                          | 442,306,989                |
|  |                     | Purchase of goods and services           | 73,686,063                 |
|  |                     | Sales of goods and Rendering of services | 23,067,140                 |
| An Phu Real Estate Investment JSC                        | Related Company     | Interest income                          | 109,683,955                |
|  |                     | Rendering of services                    | 158,377                    |
| Le Me JSC  | Related Company     | Interest income                          | 85,550,994                 |
| Phu Hoang Anh JSC  | Related Company     | Interest income                          | 31,112,788                 |
| Hoang Anh Gia Lai Wood JSC                               | Related Company     | Interest income                          | 21,758,486                 |
|  |                     | Sales of goods                           | 4,778,215                  |
| Huynh De Construction JSC                                | Related Company     | Interest income                          | 19,946,349                 |
| Thanh Binh Investment & Construction Consultant Co., Ltd | Related Company     | Interest income                          | 15,269,167                 |
| An Tien Co., Ltd.  | Related Company     | Interest income                          | 11,103,123                 |
|  |                     | Rendering of services                    | 108,871                    |

**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

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

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

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

Hoang Anh Gia Lai Joint Stock Company  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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|                                  |                 |                  |                           |
|----------------------------------|-----------------|------------------|---------------------------|
|                                  |                 | receivable       |                           |
|                                  |                 | Sales of goods   | 1,010,461                 |
|                                  |                 | and Rendering of |                           |
|                                  |                 | services         |                           |
| Electric Construction One member | Related company | Sales of goods   | 382,628                   |
| Co., Ltd.                        |                 | and              |                           |
|                                  |                 | Rendering of     |                           |
|                                  |                 | services         |                           |
| <b>TOTAL</b>                     |                 |                  | <b><u>307,145,549</u></b> |

**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

***Short-term advances to suppliers (Note 6)***

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

***Short-term loan receivables (Note 7)***

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

***Long-term loan receivables (Note 7)***

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

**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

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

**Other short-term receivables (Note 8)**

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

**Other long-term receivables (Note 8)**

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

**31. TRANSACTIONS WITH RELATED PARTIES** (continued)

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

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

**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

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

**32. BUSINESS CONSOLIDATION**

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

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

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

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



**32. BUSINESS CONSOLIDATION (continued)**

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

**33. RECLASSIFICATION OF BEGINNING BALANCE**

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

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

**34. EVENTS AFTER THE BALANCE SHEET DATE**

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

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Tran Thi Thanh Hieu  
Preparer

30 January 2019

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Le Truong Y Tram  
Chief Accountant

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Vo Truong Son  
General Director