



Hoang Anh Gia Lai Joint Stock Company

Consolidated Financial Statements

Quarter IV/2020

Hoang Anh Gia Lai Joint Stock Company

CONTENTS

	<i>Pages</i>
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	
Interim consolidated balance sheet	1 - 2
Interim consolidated financial statements	3 - 4
Interim consolidated cash flow statement	5 - 6
Notes to the interim consolidated financial statements	7 - 54

Hoang Anh Gia Lai Joint Stock Company

B01a-DN/HN

CONSOLIDATED BALANCE SHEET
As at 31 December 2020

VND'000

Code		Notes	31 December 2020	31 December 2019 (restated at Note 32)
	ASSETS			
100	A. CURRENT ASSETS		10,136,116,918	4,955,089,686
110	I. Cash	4	97,275,396	254,431,616
111	1. Cash		97,275,396	254,431,616
130	II. Current accounts receivable		7,672,848,395	2,450,744,878
131	1. Short-term trade receivables	5	4,075,628,659	1,551,364,334
132	2. Short-term advances to suppliers	6	109,093,348	374,650,728
135	3. Short-term loan receivables	7	4,186,477,208	2,267,368,418
136	4. Other short-term receivables	8	631,861,394	467,023,910
137	5. Provision for doubtful debts		(1,330,212,214)	(2,209,662,512)
140	III. Inventories	9	2,286,994,426	2,201,556,690
141	1. Inventories		2,430,367,957	2,223,128,790
149	2. Provision for obsolete inventories		(143,373,531)	(21,572,100)
150	IV. Other current assets		78,998,701	48,356,502
151	1. Short-term prepaid expenses		15,732,572	5,242,656
152	2. Value-added tax deductible		58,646,168	38,898,934
153	3. Tax and other receivables from the State		4,619,961	4,214,912
200	B. NON-CURRENT ASSETS		26,164,793,509	28,620,350,836
210	I. Long-term receivables		1,107,629,790	5,323,069,597
215	1. Long-term loan receivables	7	1,782,648,472	7,513,945,466
216	2. Other long-term receivables	8	514,915,302	747,838,961
219	1. Provision for doubtful long-term receivables		(1,189,933,984)	(2,938,714,830)
220	II. Fixed assets		13,922,517,809	10,280,435,755
221	1. Tangible fixed assets	10	13,701,137,439	10,247,239,903
222	Cost		16,779,026,067	12,614,467,250
223	Accumulated depreciation		(3,077,888,628)	(2,367,227,347)
227	2. Intangible fixed assets	11	221,380,370	33,195,852
228	Cost		243,269,413	48,444,043
229	Accumulated amortization		(21,889,043)	(15,248,191)
230	III. Investment properties	12	65,237,146	67,867,999
231	1. Cost		74,075,831	74,075,831
232	2. Accumulated amortization		(8,838,685)	(6,207,832)
240	IV. Long-term assets in progress		9,629,407,161	11,229,762,864
242	1. Construction in progress	13	9,629,407,161	11,229,762,864
250	V. Long-term investments		277,317,936	284,237,784
252	1. Investments in associates	14.2	266,193,285	273,113,133
253	2. Investment in other entities	15	11,124,651	11,124,651
260	VI. Other long-term assets		1,162,683,667	1,434,976,837
261	1. Long-term prepaid expenses	16	370,030,184	381,576,859
262	2. Deferred tax assets	29.2	98,681,704	74,528,409
269	3. Goodwill		693,971,779	978,871,569
270	TOTAL ASSETS		36,300,910,427	33,575,440,522

CONSOLIDATED INCOME STATEMENT (continued)
As at 31 December 2020

VND'000

Code	RESOURCE	Notes	31 December 2020	31 December 2019 (restated at Note 32)
300	C. LIABILITIES		26.625.879.708	21.823.683.301
310	I. Current liabilities		15.096.673.491	8.089.793.475
311	1. Short-term trade payables	17	1.473.986.873	1.014.993.762
312	2. Short-term advances from customers	18	612.423.214	239.268.824
313	3. Statutory obligations	19	30.906.983	32.597.878
314	4. Payables to employees		175.731.277	109.501.022
315	5. Short-term accrued expenses	20	2.865.325.702	2.020.469.752
318	6. Short-term unearned revenues		409.090	60.667
319	7. Other short-term payables	21	1.481.334.165	920.339.356
320	8. Short-term loans	22	8.456.452.677	3.752.458.704
322	9. Bonus and welfare funds		103.510	103.510
330	II. Non-current liabilities		11.529.206.217	13.733.889.826
333	1. Long-term accrued expenses	20	1.173.684.620	1.990.123.829
337	2. Other long-term liabilities	21	454.179.083	570.972.657
338	3. Long-term loans	22	9.646.397.792	10.945.607.569
341	4. Deferred tax liabilities	29.2	249.231.356	221.472.405
342	5. Other long-term provisions		5.713.366	5.713.366
400	D. OWNERS' EQUITY		9.675.030.719	11.751.757.221
410	I. Equity		9.675.030.719	11.751.757.221
411	1. Share capital	23.1	9.274.679.470	9.274.679.470
411a	- Shares with voting rights		9.274.679.470	9.274.679.470
412	2. Share premium	23.1	3.263.858.784	3.263.858.784
415	3. Treasury shares	23.1	(686.640)	(686.640)
417	4. Foreign exchange differences	23.1	(1.472.151.826)	(424.458.674)
418	5. Investment and development fund	23.1	282.410.699	281.668.774
421	6. Undistributed earnings	23.1	(5.085.856.219)	(4.624.867.005)
421a	- Undistributed earnings up to prior year-end		(3.885.090.932)	(4.814.702.363)
421b	- Undistributed earnings this period		(1.200.765.287)	189.835.358
429	7. Non-controlling interests		3.412.776.451	3.981.562.512
440	TOTAL LIABILITIES AND OWNERS' EQUITY		36.300.910.427	33.575.440.522

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

30 January 2021

Hoang Anh Gia Lai Joint Stock Company

CONSOLIDATED FINANCIAL STATEMENTS
Quarter I/2020

B02a-DN/HN

VND'000

Co de	ITEM	Note	Quarter IV		Accumulated from the beginning of the year	
			Current year	Previous year	Current year	Previous year (restated in Note 32)
01	1. Revenues from sale of goods and rendering of services	24.1	920,374,583	602,871,438	3,104,907,582	2,091,833,174
02	2. Deductions	24.1	(6,661,690)	(7,064,450)	(20,049,725)	(16,389,150)
10	3. Net revenues from sale of goods and rendering of services	24.1	913,712,893	595,806,988	3,084,857,857	2,075,444,024
11	4. Costs of goods sold	25	(1,082,187,580)	(608,072,799)	(2,893,558,405)	(1,847,659,651)
20	5. Gross profit from sale of goods and rendering of services		(168,474,687)	(12,265,811)	191,299,452	227,784,373
21	6. Financial income	24.2	783,598,219	313,190,656	1,273,042,144	2,137,143,442
22	7. Financial expenses	26	(503,373,103)	(941,565,623)	(1,213,752,629)	(1,963,934,151)
23	<i>In which: Interest expenses</i>		(496,858,750)	(330,678,871)	(1,200,095,806)	(1,263,369,664)
24	8. Shares of profit (loss) in associates		4,881,092	36,838,462	8,766,887	12,562,347
25	9. Selling expenses	27	(64,625,845)	(76,885,415)	(354,584,206)	(308,856,859)
26	10. General and administrative expenses	27	(919,831,874)	(275,091,668)	(1,195,164,360)	(772,469,584)
30	11. Net operating profit		(867,826,198)	(955,779,399)	(1,290,392,712)	(667,770,432)
31	12. Other income	28	26,454,346	10,311,300	76,941,013	42,577,126
32	13. Other expenses	28	(679,136,144)	(485,561,913)	(956,138,830)	(1,380,140,330)

Hoang Anh Gia Lai Joint Stock Company

CONSOLIDATED FINANCIAL STATEMENTS
Quarter I/2020

B02a-DN/HN

VND'000

Co de	ITEM	Note	Quarter IV		Accumulated from the beginning of the year	
			Current year	Previous year	Current year	Previous year (restated in Note 32)
40	14. Other losses	28	(652,681,798)	(475,250,613)	(879,197,817)	(1,337,563,204)
50	15. Accounting (loss) profit before tax		(1,520,507,996)	(1,431,030,012)	(2,169,590,529)	(2,005,333,636)
51	16. Current corporate income tax expense	29.1	(1,056,580)	(827,592)	(1,503,496)	(2,253,490)
52	17. Deferred CIT expense	29.2	(4,076,475)	133,411,687	(3,605,656)	98,914,750
60	18. Net profit (loss) after CIT		(1,525,641,051)	(1,298,445,917)	(2,174,699,681)	(1,908,672,376)
61	19. Net profit after tax of the parent		(1,173,541,443)	(662,970,224)	(1,200,765,287)	189,835,358
62	20. Net (loss) profit after tax attributable to the non-controlling interest		(352,099,608)	(635,475,693)	(973,934,394)	(2,098,507,734)
70	21. Basic (loss) earnings per share (VND)		(1,265)	(715)	(1,295)	205
71	21. Diluted earnings per share (VND)		(1,265)	(715)	(1,295)	205

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief accountant

Vo Truong Son
General Director

30 January 2021

CONSOLIDATED CASH FLOW STATEMENTS
Quarter IV/2019

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year (restated in Note 32)
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		(2,169,590,529)	(2,005,333,636)
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets (including amortization of goodwill)	10, 11, 12	855,563,557	1,207,452,901
03	Provisions		905,987,684	163,493,355
04	Unrealised foreign exchange (gains) loss		66,860,381	58,008,292
05	Profits from investing activities		(1,080,866,811)	(165,792,637)
06	Interest expenses	26	1,200,095,806	1,263,369,664
08	Operating profit before changes in working capital		(221,949,912)	521,197,939
09	Decrease (increase) in receivables		503,605,633	77,839,787
10	Decrease (increase) in inventories		(407,925,918)	(878,775,630)
11	Increase (decrease) in payables		190,222,455	(1,233,712,837)
12	Increase in prepaid expenses		224,790,688	120,173,500
14	Interest paid		(1,010,693,003)	(1,128,584,792)
15	Corporate income tax paid	29.1	(210,871)	(12,947,293)
17	Other cash outflows from operating activities		(1,200,000)	(2,767,027)
20	Net cash flows from operating activities		(723,360,928)	(2,537,576,353)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(2,418,382,399)	(4,679,597,082)
22	Proceeds from disposals of fixed assets		89,268,074	1,492,108,659
23	Loans to other entities		(932,307,183)	(4,183,656,108)
24	Collections from borrowers		370,042,240	1,327,282,202
25	Payments for investments in other entities		-	(708,435,715)
26	Proceeds from sale of investments in other entities		15,686,735	12,446,724,361
27	Interest and dividends received		421,317,925	537,820,566
30	Net cash flows used in investing activities		(2,454,374,608)	6,232,246,883

BÁO CÁO LƯU CHUYỂN TIỀN TỆ HỢP NHẤT (tiếp theo)
 Quý IV năm 2020

VND'000

Code	ITEM	Note	Accumulated from the beginning of the year	
			Current year	Previous year (restated in Note 32)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Borrowings received		8,227,794,314	4,568,150,621
34	Borrowings repaid		(5,207,214,998)	(8,346,126,254)
40	Net cash flows (used in) from financing activities		3,020,579,316	(3,777,975,633)
50	Net cash flows		(157,156,220)	(83,305,103)
60	Cash at the beginning	4	254,431,616	337,736,719
70	Cash at the end	4	97,275,396	254,431,616

Tran Thi Thanh Hieu
 Preparer

Le Truong Y Tram
 Chief accountant

Vo Truong Son
 General Director

30 January 2021

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 2020, the Company has six (6) direct subsidiaries, fourteen (14) indirect subsidiaries and two (2) associates as disclosed in Note 14 to the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the period ended 31 December 2020

The current principal activities of the Group and its subsidiaries are warehouse services, processing of agricultural products and services; operating hotels and resorts; and sport and entertainment activities.

The current principal activities of the Group and its subsidiaries are planting and trading rubber, oil palm and variety of fruits; warehouse services, processing of agricultural products and services; operating hotels; and sport and entertainment activities.

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

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

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

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

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

2.2 *Applied accounting documentation system*

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter IV/2020**2. BASIS OF PREPARATION** (continued)**2.3 Fiscal year**

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

The interim consolidated financial statements Quarter III/2019 are prepared for the period from 1 July 2019 to 30 September 2019.

2.4 Accounting currency

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

2.5 Basis of consolidation

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

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter IV/2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Receivables

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

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

3.3 Inventories

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

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

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

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

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

Apartments for sale

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

Cost includes:

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.3 Inventories** (continued)*By products*

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

Provision for obsolete inventories

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

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

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

Land use rights

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

Computer software

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter IV/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.6 Depreciation and amortization**

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

Buildings and structures	8 - 50 years
Machinery and equipment	6 - 15 years
Means of transport and transmission	6 - 20 years
Office equipment	2 - 10 years
Land use rights	20 - 50 years
Computer software	10 years
Other assets	3 - 20 years

Land use right with indefinite useful life is not amortized.

Plantation depreciation

Details:

Year	<i>Tỷ lệ khấu hao (%)</i>			
	<i>Rubber plantations</i>	<i>Dragon fruit plantations</i>	<i>Jack fruit plantations</i>	<i>Mango plantations</i>
	<i>(i)</i>	<i>(ii)</i>	<i>(iii)</i>	<i>(iv)</i>
First year	2,50	1,00	0,82	0,30
Second year	2,80	3,40	1,75	1,00
Third year	3,50	5,00	4,08	2,20
Fourth year	4,40	6,70	5,83	4,30
Fifth year	4,80	8,40	5,83	5,80
Sixth year	5,40	8,40	5,83	5,80
Seventh year	5,40	8,40	5,83	5,80
Eighth year	5,10	8,40	5,83	5,80
Ninth year	5,10	8,40	5,83	5,80
Tenth year	5,00	8,40	5,83	5,80
Eleventh year	7,00	6,70	5,83	5,80
Twelfth year	6,60	6,70	5,83	5,80
Thirteenth year	6,20	6,70	5,83	5,80
Fourteenth year	5,90	6,70	5,83	5,80
Fifteenth year	5,50	Carrying amount	5,83	5,80
Sixteenth year	5,40		4,67	5,80
Seventeenth year	5,00		4,67	5,80
Eighteenth year	5,50		4,67	5,80
Nineteenth year	5,20		4,67	5,80
Twentieth year	Carrying amount		Carrying amount	Carrying amount

Rubber plantations

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

Fruit plantations

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.5 Depreciation and amortization** (continued)*Oil palm plantations*

In accordance with the results of the assessment on the Group's oil palm plantations conducted by the Academy of Forest Sciences (Central South and Tay Nguyen province) in August 2017, the management estimated that the initial development period of the oil palm is 6 years, which conform to the characteristics of the Group's current oil palm plantations in Cambodia and Laos.

As a result, the Group will convert the oil palm plantations into fixed assets and start depreciating after the end of the basic development period.

- (i) Depreciation rate of rubber plantations is based on Official Letter No. 1937/BTC-TCDN dated 9 February 2010 of Corporate Finance Department - Ministry of Finance guiding the depreciation of rubber plantations and the Decision No. 221/QĐ-CSVN on 27 April 2010 of Vietnam Rubber Group guiding the depreciation rate of rubber plantations over the 20 years cycle.
- (ii) Depreciation of dragon fruit, pepper and mango plantations is calculated in accordance with Decision No.115/17/QĐ-HAGL Agrico dated 8 August 2017 by the Management providing guidance on depreciation of dragon fruit, pepper and mango plantations for exploitation cycle
- (iii) Depreciation of jack fruit plantations is based on Decision No. 0111/17/QĐ-HAGL Agrico dated 1 November 2018 by the Board of Management guiding depreciation rate of jack fruit plantations over the exploitation cycle.
- (iv) Depreciation of mango plantations is based on Decision No. 0101/18/QĐ-HAGL Agrico dated 2 January 2018 by the Management providing guidance on depreciation of dragon fruit, pepper and mango plantations for exploitation cycle.
- (v) Depreciation of banana plantations is based on Decision No. 0106/QĐ-HNG dated 1 June 2020 by the Management providing guidance on depreciation on a straight-line basis over ten (10) years.

3.7 Investment properties

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

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

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

Buildings 8 - 50 years

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

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

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

3.8 Construction in progress

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

Buildings, offices, and structures

Costs include costs directly attributable to construction of the Group's buildings, offices, and structures such as construction, survey designs and others.

Plantation costs

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

3.9 Leased assets

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

Where the Group is the lessee

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

Where the Group is the lessor

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.10 Borrowing costs**

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

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

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

3.11 Prepaid expenses

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

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter IV/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.13 Investments***Investments in associates*

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

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

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

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

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for investments

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

3.14 Payables and accruals

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

3.15 Accrual for severance allowance

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter IV/2020**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)**3.16 Earnings per share**

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

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

3.17 Foreign currency transactions

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

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

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

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

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

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

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

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

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

3.19 Appropriation of net profit

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

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

▶ *Investment and development fund*

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

▶ *Welfare fund*

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

3.20 Revenue recognition

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

Sale of goods

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

Revenue from rendering of services

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

Interest

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

Rental income

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

Dividend income

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

Income from disposal of investments

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.21 Taxation***Current income tax*

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

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

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

Deferred income tax

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

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

- 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.21 Taxation** (continued)*Deferred income tax* (continued)

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

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

3.22 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.

3.23 Related parties

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

4. CASH

	<i>VND'000</i>	
	<i>31 December 2020</i>	<i>31 December 2019</i>
Cash in banks	83,060,781	227,060,804
Cash on hand	14,090,953	8,826,812
Cash in transit	123,662	18,544,000
TOTAL	97,275,396	254,431,616

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter IV/2020**5. SHORT-TERM TRADE RECEIVABLES**

	<i>VND'000</i>	
	<i>31 December 2020</i>	<i>31 December 2019</i>
Receivables from disposal of fixed assets and investment properties	2,615,490,627	275,065,000
Receivables from construction services	741,883,015	777,223,573
Receivables from sales of goods and rendering of services	716,890,884	493,726,186
Receivables from sale of apartments	<u>1,364,133</u>	<u>5,349,575</u>
TOTAL	<u>4,075,628,659</u>	<u>1,551,364,334</u>

Included in trade receivables were amounts due from related parties aggregating to VND'000 38,917,519 as at 31 December 2020 (*Note 30*).

6. SHORT-TERM ADVANCES TO SUPPLIERS

	<i>VND'000</i>	
	<i>31 December 2020</i>	<i>31 December 2019</i>
Advances to suppliers of goods and services	94,852,171	108,160,565
Advances to contractors for construction projects of the Group and purchase of machinery and equipment	14,241,177	25,671,177
Advances for project acquisition	-	240,311,324
Advances to other sellers	<u>-</u>	<u>507,662</u>
TOTAL	<u>109,093,348</u>	<u>374,650,728</u>

Included in advances to suppliers were amounts due to related parties aggregating to VND'000 23,253,451 as at 31 December 2020 (*Note 30*).

7. LOAN RECEIVABLES

	VND'000	
	31 December 2020	31 December 2019
Short-term		
Short-term loans to related parties (Note 30) (i)	3,781,246,179	2,052,173,055
Short-term loans to other parties (ii)	405,231,029	215,195,363
	<u>4,186,477,208</u>	<u>2,267,368,418</u>
Long-term		
Long-term loans to related parties (Note 30) (i)	1,363,307,996	7,453,259,203
Long-term loans to Laos Government for the Attapeu International Airport project (iii)	17,230,477	17,305,361
Long-term loans to other parties (ii)	402,109,999	43,380,902
	<u>1,782,648,472</u>	<u>7,513,945,466</u>
TOTAL	<u>5.969.125.680</u>	<u>9.781.313.884</u>

- (i) This represents unsecured loans to related parties with a repayment term from January 2021 to March 2023.
- (ii) This represents unsecured loans to related parties with a repayment term from January 2021 to December 2022.
- (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:

	2020	2019
Beginning balance (USD)	748,826	648,826
Increased in the year (USD)	-	100,000
Ending balance (USD)	<u>748,826</u>	<u>748,826</u>
Ending balance (VND'000)	<u>17,230,477</u>	<u>17,305,361</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter IV/2020**8. OTHER RECEIVABLES**

	VND'000	
	31 December 2020	31 December 2019
Ngắn hạn		
loans to companies and individuals	418,832,982	320,503,405
Interest from loans to other companies and individuals	149,696,808	54,427,339
Receivables from employees	56,520,293	55,608,929
Others	6,811,311	36,484,237
	631,861,394	467,023,910
Long term		
Interest from loans to other companies and individuals	440,000,000	-
Lending to companies	71,044,948	735,099,245
Other long-term receivables	3,870,354	12,739,716
	514,915,302	747,838,961
TOTAL	1,146,776,696	1,214,862,871

Included in other short-term receivables was amount due from related parties aggregating to 203.254.297 VND'000 and long-term receivables from related parties aggregating to 489.633.305 VND'000 as at 31 December 2020 (Note 30).

9. INVENTORIES

	VND'000	
	31 December 2020	31 December 2019
Work in progress	1,971,410,387	1,711,671,121
<i>of which:</i>		
<i>Manufacturing activities</i>	1,092,390,193	856,080,345
<i>Construction contracts</i>	879,020,194	855,590,776
Raw materials	325,707,975	282,336,032
Finished goods	66,529,136	156,551,372
Merchandise goods	55,088,259	42,046,510
Tools and supplies	7,359,898	30,523,755
Goods in transit	4,272,302	-
TOTAL	2,430,367,957	2,223,128,790
Provision for obsolete inventories	(143,373,531)	(21,572,100)
NET	2,286,994,426	2,201,556,690

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**10. TANGIBLE FIXED ASSETS**

							VND'000
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transport and transmission</i>	<i>Office equipment</i>	<i>Livestock and perennial trees</i>	<i>Other assets</i>	<i>TOTAL</i>
Cost							
Balance at 31/12/2019	2,211,805,251	591,798,639	2,153,540,303	6,794,049	7,591,762,569	58,766,439	12,614,467,250
New purchases	22,652,356	99,699,060	35,885,833	204,507	6,944,167	770,000	166,155,923
Acquisition of subsidiaries	451,332,437	123,541,070	129,755,296	57,000	2,434,148,177	50,000	3,138,883,980
Transfer from construction in progress	238,700,322	4,422,363	228,990,265	-	2,102,597,472	1,095,772	2,575,806,194
Disposals	(1,566,180)	(13,535,720)	(19,334,847)	-	(112,519,120)	-	(146,955,867)
Disposal of subsidiaries	(60,465,126)	(50,293,089)	(287,098,721)	-	(503,994,086)	-	(901,851,022)
Foreign exchange differences	(123,869,284)	(17,104,140)	(93,997,346)	(5,600)	(431,963,232)	(540,789)	(667,480,391)
Balance at 31 December 2020	<u>2,738,589,776</u>	<u>738,528,183</u>	<u>2,147,740,783</u>	<u>7,049,956</u>	<u>11,086,975,947</u>	<u>60,141,422</u>	<u>16,779,026,067</u>
Accumulated depreciation							
Balance at 31/12/2019	(496,053,425)	(312,063,621)	(689,178,533)	(4,698,392)	(828,947,263)	(36,286,113)	(2,367,227,347)
New purchases	(141,937,125)	(68,039,663)	(160,048,241)	(722,521)	(415,151,299)	(4,851,871)	(790,750,720)
Acquisition of subsidiaries	(96,161,089)	(45,473,019)	(35,635,671)	(30,400)	(38,330,619)	(15,476)	(215,646,274)
Transfer from construction in progress	152,305	5,584,935	11,501,353	-	12,534,064	-	29,772,657
Disposals	4,849,416	33,581,843	71,731,059	-	31,566,672	-	141,728,990
Disposal of subsidiaries	30,286,186	7,950,852	30,034,965	3,665	55,665,537	292,861	124,234,066
Foreign exchange differences	(698,863,732)	(378,458,673)	(771,595,068)	(5,447,648)	(1,182,662,908)	(40,860,599)	(3,077,888,628)
Balance at 31 December 2020							
Net carrying amount							
Balance at 31 December 2019	<u>1,715,751,826</u>	<u>279,735,018</u>	<u>1,464,361,770</u>	<u>2,095,657</u>	<u>6,762,815,306</u>	<u>22,480,326</u>	<u>10,247,239,903</u>
Balance at 31 December 2020	<u>2,039,726,044</u>	<u>360,069,510</u>	<u>1,376,145,715</u>	<u>1,602,308</u>	<u>9,904,313,039</u>	<u>19,280,823</u>	<u>13,701,137,439</u>

11. INTANGIBLE FIXED ASSETS

			VND'000
	<i>Land use right</i>	<i>Computer software</i>	<i>TOTAL</i>
Cost			
31 December 2019	31,926,254	16,517,789	48,444,043
New purchases	6,134,100	1,600,000	7,734,100
Acquisition of subsidiaries	182,711,270	-	182,711,270
Transfer from construction in progress	-	4,380,000	4,380,000
31 December 2020	<u>220,771,624</u>	<u>22,497,789</u>	<u>243,269,413</u>
Accumulated depreciation			
31/12/2019	(1,578,918)	(13,669,273)	(15,248,191)
Depreciation for the year	<u>(4,729,199)</u>	<u>(1,911,653)</u>	<u>(6,640,852)</u>
31 December 2020	<u>(6,308,117)</u>	<u>(15,580,926)</u>	<u>(21,889,043)</u>
Net carrying amount			
31 December 2019	<u>30,347,336</u>	<u>2,848,516</u>	<u>33,195,852</u>
31 December 2020	<u>214,463,507</u>	<u>6,916,863</u>	<u>221,380,370</u>

12. INVESTMENT PROPERTIES

			VND'000
	<i>Buildings and structures</i>	<i>Land use right</i>	<i>TOTAL</i>
Cost			
31 December 2019 và 31 December 2020	<u>47,003,809</u>	<u>27,072,022</u>	<u>74,075,831</u>
Accumulated depreciation			
31 December 2019	(3,250,255)	(2,957,577)	(6,207,832)
Amortisation for the year	<u>(1,891,458)</u>	<u>(739,395)</u>	<u>(2,630,853)</u>
31 December 2020	<u>(5,141,713)</u>	<u>(3,696,972)</u>	<u>(8,838,685)</u>
Gicarrying amount			
31 December 2019	<u>43,753,554</u>	<u>24,114,445</u>	<u>67,867,999</u>
31 December 2020	<u>41,862,096</u>	<u>23,375,050</u>	<u>65,237,146</u>

13. CONSTRUCTION IN PROGRESS

	31 December 2020	VND'000 31 December 2019
Fruit plantations	4,600,249,518	4,672,843,963
Rubber plantations	2,607,802,343	3,168,482,172
Oil palm plantations	1,622,523,232	2,554,744,875
Buildings, plants and factories	563,554,894	647,942,539
HAGL-JMG Academy	-	41,937,787
Other construction works	235,277,174	143,811,528
TOTAL	9,629,407,161	11,229,762,864

14. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES**14.1. Investment in subsidiaries**

Details of the Company's subsidiaries as at 31/3/2020 as follows:

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment / acquisition</i>	<i>(%) interest</i>
Agribusiness				
(1) Hoang Anh Gia Lai Agriculture JSC ("HNG")	Gia Lai, Vietnam	Operating	26/5/2010	40,29
(2) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Gia Lai, Vietnam	Operating	5/2/2013	40,29
(3) Hoang Anh - Quang Minh Rubber One Member Co. Ltd. (previously Hoang Anh - Quang Minh Rubber JSC) ("HAQM")	Gia Lai, Vietnam	Operating	1/2/2007	40,29
(4) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd	Attapeu, Laos	Operating	12/1/2007	40,29
(5) Hoang Anh Dak Lak JSC	Đắk Lắk, Vietnam	Operating	12/9/2007	40,23
(6) Ban Me Rubber One Member Co., Ltd.	Đắk Lắk, Vietnam	Operating	17/1/2020	40,23
(7) Hoang Anh Attapeu Agriculture Development Co., Ltd.	Attapeu, Laos	Operating	22/5/2008	40,29
(8) Hoang Anh Andong Meas	Ratanakiri, Cambodia	Operating	17/2/2011	40,29
(9) Hoang Anh Oyadav Co., Ltd.	Ratanakiri, Cambodia	Operating	16/7/2010	40,29
(10) Heng Brothers Co., Ltd.	Ratanakiri, Cambodia	Operating	25/1/2010	40,29
(11) CRD Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	15/12/2010	40,29
(12) Hoang Anh Ratanakiri Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	18/11/2009	40,29

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter I/2020**14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**14.1. Investments in associates** (continued)

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment / acquisition</i>	<i>(%) interest</i>
(13) Highland Dairy Cattle One Member Co. Ltd. (previously Highland Dairy Cattle JSC) ("Highland Dairy Cattle")	Gia Lai, Việt Nam	Đang hoạt động	26/4/2015	40.29
(14) Hung Thang Loi Gia Lai JSC	Gia Lai, Việt Nam	Đang hoạt động	31/1/2018	78.22
(15) Dai Thang Agricultural Development Co., Ltd.	Sê KMr., Lào	Đang hoạt động	31/1/2018	78.22
(16) Khan Xay Agriculture Development Co., Ltd.	Sê KMr., Lào	Đang hoạt động	31/3/2020	78.22
(17) Gia Lai Livestock JSC ("Gia Lai Livestock")	Gia Lai, Việt Nam	Đang hoạt động	10/09/2020	88.03
Construction, trading and services				
(18) Hoang Anh Gia Lai Sport JSC	Gia Lai, Việt Nam	Đang hoạt động	12/1/2009	60.41
(19) Hoang Anh Gia Lai Hospital JSC ("HAGL Hospital")	Gia Lai, Việt Nam	Đang hoạt động	7/5/2008	99.00
(20) Hoang Anh Gia Lai Vientiane Co., Ltd.	Viêng chăn, Lào	Trước hoạt động	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 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES** (continued)**14.2. Investments in associates**

<i>Name of associates</i>	<i>Business activity</i>	<i>31/3/2020</i>		<i>VND'000</i> <i>31/12/2019</i>	
		<i>(%) interest</i>	<i>Carrying value VND'000</i>		
Bidiphar Rubber JSC (*)	Rubber plantation	49.14	258.583.764	49,14	265.503.612
East Asia Investment and Construction Consultant JSC	Electric design and consultancy	25.00	7,609,521	25,00	7,609,521
TOTAL			266,193,285		273,113,133

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**15. INVESTMENT IN OTHER ENTITIES**

	VND'000	
	31 December 2020	31 December 2019
Thanh nien Media Corporation	6,200,000	6,200,000
Other investments	4,924,651	4,924,651
TOTAL	11,124,651	11,124,651

16. LONG-TERM PREPAID EXPENSES

	VND'000	
	31 December 2020	31 December 2019
Land reclamation	249,358,745	240,352,484
Land rentals	67,389,782	69,091,972
Tools and supplies	20,220,647	15,677,456
Office rentals	4,982,444	5,102,262
Training costs of HAGL-JMG	-	39,802,957
Others	28,078,566	11,549,728
TOTAL	370,030,184	381,576,859

17. SHORT-TERM TRADE PAYABLES

	VND'000	
	31 December 2020	31 December 2019
Payable for purchase of goods and services	1,399,626,204	991,975,634
Payable for purchase of fixed assets and fruit plantations	36,614,441	-
Payable to construction contractors	32,246,228	19,491,735
Payable for purchase of shares	5,500,000	-
Others	-	3,526,393
TOTAL	1,473,986,873	1,014,993,762

Included in trade payables were amounts due to related parties aggregating to 117,774,770 VND'000 at 31 December 2020 (Note 30).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**18. SHORT TERM ADVANCES FROM CUSTOMERS**

	VND'000	
	31 December 2020	31 December 2019
Advances from trade customers	612,423,214	238,750,940
Others	-	517,884
TOTAL	612,423,214	239,268,824

19. STATUTORY OBLIGATIONS

	VND'000	
	31 December 2020	31 December 2019
Corporate income tax (Note 29.1)	20,655,927	19,970,633
Personal income tax	9,238,747	9,170,521
Value-added tax payable	741,922	1,229,085
Others	270,387	2,227,639
TOTAL	30,906,983	32,597,878

20. ACCRUED EXPENSES

	VND'000	
	31 December 2020	31 December 2019
Interest expenses	3,748,186,755	3,133,743,647
<i>In which:</i>		
<i>Interest expenses on bank loans and bonds</i>	3,573,431,389	3,119,484,631
<i>Interest expenses on other organizations</i>	174,755,366	14,259,016
Operating costs	252,915,459	833,435,274
Bond issuance expenses	37,908,108	43,414,660
TOTAL	4,039,010,322	4,010,593,581
<i>In which:</i>		
Short term	2,865,325,702	2,020,469,752
Long term	1,173,684,620	1,990,123,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**21. OTHER PAYABLES**

	<i>VND'000</i>	
	<i>31 December 2020</i>	<i>31 December 2019</i>
Short term		
Payables to other companies and individuals (i)	1,237,508,735	556,542,089
Business Cooperation Contracts (ii)	104,112,630	36,000,000
Payables for land lease	72,772,594	69,533,695
Gains from Business Cooperation Contracts	-	17,989,667
Others	66,940,206	240,273,905
	<u>1,481,334,165</u>	<u>920,339,356</u>
Long term		
Payables to other companies and individuals (i)	335,560,734	173,220,900
Payables for land lease	118,618,349	112,751,757
Business Cooperation Contracts (ii)	-	285,000,000
	<u>454,179,083</u>	<u>570,972,657</u>
TOTAL	<u>1,935,513,248</u>	<u>1,491,312,013</u>

Included in other payables were short-term amounts due to related parties aggregating to 237,626,493 VND'000 and long-term amounts 236,357,918 VND'000 at 31 December 2020 (Note 30).

- (i) This balance represents non-bearing interest and non-mortgage advances with a repayment term in 2020, from other companies and other individuals outside the Group for the purpose of supplementing working capital.
- (ii) Representing the capital contribution received from BCC signed on 24 September 2018 and 20 April 2020 with related individuals in the Group on the investment cooperation in the Group's fruit tree projects. BCCs do not require the establishment of a new legal entity and profit will be divided based on the income statement of the project but no lower than 12% of the total investment capital cooperation term of three (3) years or six (6) months from the contract date;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**22. LOANS**

	VND'000	
	31 December 2020	31 December 2019
Short term		
Short -term bank loans (Note 22.1)	1,467,713,308	897,504,879
Current portion of long-term bank loans (Note 22.3)	1,194,476,642	1,536,534,626
Current portion of domestic straight bonds (Note 22.2)	556,846,419	120,000,000
Short-term loans from organizations and individuals (Note 22.4)	5,237,416,308	1,198,419,199
	<u>8,456,452,677</u>	<u>3,752,458,704</u>
Long term		
Domestic straight bonds (Note 22.2)	7,042,023,021	7,044,687,161
Long-term bank loans (Note 22.3)	2,528,363,191	3,095,659,574
Long-term loans from companies and individuals	76,011,580	805,260,834
	<u>9,646,397,792</u>	<u>10,945,607,569</u>
TOTAL	<u>18,102,850,469</u>	<u>14,698,066,273</u>

22.1 Short-term bank loans

	VND'000	
	31 December 2020	31 December 2019
Ho Chi Minh City Development Joint Stock Commercial Bank	600,951,992	-
Tien Phong Commercial Joint Stock Bank	599,797,783	599,732,982
Saigon Thuong Tin Commercial Joint Stock Bank	263,432,455	18,962,528
Commercial Joint Stock Bank for Investment and Development of Vietnam	3,531,078	5,144,374
Laos - Viet Bank	-	273,664,995
	<u>1,467,713,308</u>	<u>897,504,879</u>
TOTAL	<u>1,467,713,308</u>	<u>897,504,879</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**22. LOANS (continued)****22.2 Domestic straight bonds**

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

<i>Arrangement organizations</i>	<i>Date of issuance</i>	<i>Amount VND'000</i>	<i>Maturity date</i>
BIDV and BIDV Securities Joint Stock Company	31/3 năm 2017	5,876,000,000	30/12/2026
HDB Securities Corporation	29/12/2016	930,000,000	31 December 2023
Tien Phong Securities JSC	28/10 2020	350,000,000	28/10/2024
ACB Securities Limited Company	25/4/2012	300,000,000	18/6/2023
Tien Phong Securities JSC	4/6 2020	200,000,000	4/12/2021
Issuance expense		<u>(57,130,560)</u>	
TOTAL		<u>7,598,869,440</u>	
<i>In which:</i>			
<i>Long-term bonds</i>		7.042.023.021	
<i>Long-term bonds mature within one year</i>		556.846.419	

22.3 Long-term bank loan

	<i>VND'000</i>	
	<i>31 December 2020</i>	<i>31 December 2019</i>
Bank for Investment and Development of Vietnam	1,231,637,142	2,126,870,427
Laos - Viet Bank - Attapeu Branch	1,025,470,338	822,882,260
Vietnam Export Import Commercial Joint - Stock Bank	711,277,748	-
Saigon Thuong Tin Commercial Joint Stock Bank	512,454,605	553,088,595
Tien Phong Commercial Joint Stock Bank	242,000,000	100,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank	-	1,029,352,918
TOTAL	<u>3,722,839,833</u>	<u>4,632,194,200</u>
<i>In which:</i>		
<i>Long-term loans</i>	2,528,363,191	3,095,659,574
<i>Long-term loans mature within one year</i>	1,194,476,642	1,536,534,626

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**22. LOANS** (continued)**22.4 Short term Loans from other organizations and individuals**

	VND'000	
	31 December 2020	31 December 2019
Thadi Agriculture Farming Processing & Distribution JSC	5,122,729,860	-
Trustlink Investment And Service JSC	9,242,448	93,304,467
Hakuba Ltd.Co.	-	58,000,000
Truong Hai Auto Corp	-	897,464,625
Others	105,444,000	149,650,107
TOTAL	<u>5,237,416,308</u>	<u>1,198,419,199</u>

22.5 Long term loans from organizations and individuals

	VND'000	
	31 December 2020	31 December 2019
Others	76,011,580	805,260,834
TOTAL	<u>76,011,580</u>	<u>805,260,834</u>
<i>In which:</i>		
<i>Long term loans</i>	76,011,580	805,260,834

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**23. OWNER'S EQUITY****23.1 Increase and decrease in owners' equity**

ND'000

	Share capital	Share premium	Treasury shares	Foreign exchange difference	Investment and development fund	Undistributed earnings	TOTAL
2019 (restated - Note 32)							
Balance at 31 December 2018	9,274,679,470	3,263,858,784	(686,640)	485,237,344	280,644,763	(4,925,458,860)	8,378,274,861
Net loss for the period	-	-	-	-	-	189,835,358	189,835,358
Remuneration for the BOD, the BOS and secretarial board	-	-	-	-	-	(2,797,000)	(2,797,000)
Investment & development and bonus & welfare funds	-	-	-	-	1,024,011	(1,024,011)	-
Foreign exchange differences	-	-	-	(909,696,018)	-	-	(909,696,018)
Equity transactions inside Group with non-controlling interests	-	-	-	-	-	114,577,508	114,577,508
Balance 31 December 2019	9,274,679,470	3,263,858,784	(686,640)	(424,458,674)	281,668,774	(4,624,867,005)	7,770,194,709
2020							
Balance 31 December 2019	9,274,679,470	3,263,858,784	(686,640)	(424,458,674)	281,668,774	(4,624,867,005)	7,770,194,709
Net profit for the period	-	-	-	-	-	(1,200,765,287)	(1,200,765,287)
Remuneration for the BOD, the BOS and secretarial board	-	-	-	-	-	(1,200,000)	(1,200,000)
Investment & development and bonus & welfare funds	-	-	-	-	741,925	(741,925)	-
Foreign exchange differences	-	-	-	(1,047,693,152)	-	-	(1,047,693,152)
Equity transactions inside Group with non-controlling interests (*)	-	-	-	-	-	741,717,998	741,717,998
Balance 31 December 2020	9,274,679,470	3,263,858,784	(686,640)	(1,472,151,826)	282,410,699	(5,085,856,219)	6,262,254,268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter II/2020**23. OWNER'S EQUITY** (continued)**23.1 Increase and decrease in owners' equity** (continued)

(*)Capital transactions with non-controlling interests of subsidiaries but do not lose control, mainly included:

<i>Transaction</i>	<i>VND'000</i> <i>Undistributed earnings</i> <i>(accumulated losses)</i>
- Hung Thang Loi Issuance of 93,144,900 HNG shares (1)	722,713,776
- HAG Issuance of 6.000.000 HNG shares (2)	41,158,977
- Gia Lai Livestock acquisition of HAGL Hospital shares (3)	25,134
- HNG redemption of Hoàng Anh - Quang Minh - Laos shares (4)	(8,273,660)
- Hoang Anh - Quang Minh Rubber JSC increased capital (5)	(5,145,678)
- HNG additional acquisition of Highland dairy cattle shares (6)	(7,381,316)
- HNG additional acquisition of An Dong Mia shares (7)	(1,188,656)
- Loans swapped into Livestock Gia Lai equity (8)	(149,108)
- Hoang Anh Daklak increased capital (9)	(41,471)
TOTAL	<u>741,717,998</u>

(1) During the year, Hung Thang Loi completed the issuance of 93,144,900 HNG shares. Accordingly, the Group's ownership in HNG was decreased from 47.41% to 40.83%. The difference between the selling price and the carrying amount corresponding to the ownership of the net asset value of the Group in HNG at the date of transaction was 722.713.776 VND'000 which has been recorded as an increase in the undistributed earnings on the consolidated balance sheet;

(2) On 31 December 2020, the Company issued 6,000,000 HNG shares. Accordingly, the Group's ownership in HNG decreased from 40.83% to 40.29%. The difference between the selling price and carrying value corresponding to the ownership of the Group's net asset value in HNG at the transaction date of VND'00041,158,977 is recognized as an increase in undistributed earnings after tax on the consolidated balance sheet;

(3) During the year, Gia Lai Livestock Production redeemed 50,000 shares of HAGL Hospital from a third party. Accordingly, the Group's ownership in HAGL Hospital increased from 99.50% to 100.00%. The difference between the cost of additional investment and the carrying amount corresponding to the share of the net asset value of the Group in HAGL Hospital at the transaction date of VND'000 25,134 is recognized as an increase in undistributed earnings on the consolidated balance sheet;

(4) On 22/9 2020, HNG redeemed 100% of the capital contribution in Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd ("Hoang Anh Quang Minh Laos") from HAQM. Accordingly, The difference between the cost of additional investment and the carrying amount corresponding to the share of the net asset value of the Group in Hoang Anh Quang Minh Lào at the transaction date of VND'000 8,273,660 is recognized as an decrease in undistributed earnings after tax on the consolidated balance sheet;

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter II/2020

23. OWNER'S EQUITY (continued)

23.1 Increase and decrease in owners' equity (continued)

(*)Capital transactions with non-controlling interests of subsidiaries but do not lose control, mainly included: (continued):

- (5) During the year, HAQM completed a private placement of 292,100,000 shares to HNG. Accordingly, HAQM's equity capital increased from VND'000 200,000 to VND'000 3,121,000,000, HNG's ownership in HAQM increased from 97.77% to 99.86%, and the Group's ownership in HAQM increased from 42.93% to 43.85%. In addition, HNG redeemed shares of HAQM from a third party. Accordingly, HNG's ownership in HAQM increased from 99.86% to 100.00%, and the Group's ownership in HAQM increased from 43.85% to 43.91%. The difference between the cost of additional investment and the carrying amount corresponding to the ownership of the Group's net asset value in HAQM at the transaction date is VND'000 5,145,678, which is recognized as a decrease in undistributed earnings on the consolidated balance sheet;
- (6) During the year, HNG additionally acquired 550,000 shares of Highland Dairy Cattle from a third party. Accordingly, HNG's ownership in Highland Dairy Cattle increased from 99.00% to 100.00%, and the Group's ownership rate in Central Highlands dairy cows increased from 43.47% to 43.91%. The difference between the additional investment cost and the carrying amount corresponding to the ownership of the net asset value of the Group in Tay Nguyen Dairy Cow as of the transaction date is 7,381,316 VND'000, which is recorded at a decrease in undistributed profit after tax on the consolidated balance sheet
- (7) During the year, An Dong Mia JSC ("ADM") completed a private placement of 130,000,000 shares to HNG, corresponding to an increase in ADM's equity from VND'000 200,000,000 to VND ' 000 1,500,000,000. In addition, HNG redeemed 20,000 shares of ADM from a third party. Accordingly, HNG's ownership in ADM increased from 99.90% to 100.00%, and the Group's ownership in ADM increased from 43.87% to 43.91%. The difference between the cost of additional investment and the carrying amount corresponding to the ownership of the net asset value of the Group in ADM at the transaction date is 1,188,656 VND'000, which is recognized as a decrease in undistributed net profit on the consolidated balance sheet;
- (8) On September 15, 2020, the Company completed the conversion of its receivables and loans for Gia Lai Breeding to 586,561,300 shares, equivalent to 88.03% of Gia Lai Livestock . The difference between the cost of additional investment and the carrying amount corresponding to the ownership of the net asset value of the Group in Gia Lai Livestock as at the transaction date of VND'000 149,108 was recorded as a decrease in undistributed net profit on the consolidated balance sheet;; and
- (9) During the year, Hoang Anh Dak Lak completed a private placement of 27,100,000 shares to HNG, corresponding to HADL's share capital increased from VND'000 359,000,000 to VND'000 950,000,000. Accordingly, HNG's ownership in Hoang Anh Dak Lak increased from 99.78% to 99.84%, and the Group's ownership in Hoang Anh Dak Lak increased from 43.81% to 43.84%. The difference between the cost of additional investment and the carrying amount corresponding to the ownership of the net asset value of the Group in Hoang Anh Dak Lak as at the transaction date of VND'000 41,471 was recorded as a decrease in undistributed profit after tax on the consolidated balance sheet.

Hoang Anh Gia Lai Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter II/2020

23. OWNER'S EQUITY (continued)

23.2 Shares

	31 December 2020	31 December 2019
	<i>Cổ phiếu</i>	<i>Cổ phiếu</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>	927,467,947	927,467,947
Treasury shares	68,664	68,664
<i>Ordinary shares</i>	68,664	68,664
Outstanding shares	927,399,283	927,399,283
<i>Ordinary shares</i>	927,399,283	927,399,283

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter II/2020**24. REVENUE****24.1 Revenues from sale of goods and rendering of services**

	VND'000			
	Quarter IV		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Gross revenues	920,374,583	602,871,438	3,104,907,582	2,091,833,174
<i>Of which:</i>				
<i>Sale of fruits</i>	543,905,106	331,839,383	2,293,107,482	1,290,876,230
<i>Sale of latex</i>	104,775,899	154,357,450	265,607,748	341,922,012
<i>Rendering of other services</i>	116,170,321	60,353,229	318,262,951	234,260,834
<i>Sale of pigs</i>	121,162,500	-	121,162,500	-
<i>Sale of goods, commodities, Sale of chilies</i>	34,360,757 -	56,321,376 -	106,766,901 -	186,070,014 38,704,084
Deductions	(6,661,690)	(7,064,450)	(20,049,725)	(16,389,150)
<i>Rebate</i>	(6,661,690)	-	(20,049,725)	-
<i>Sales return</i>	-	(7,064,450)	-	(16,389,150)
Net revenues	913,712,893	595,806,988	3,084,857,857	2,075,444,024
<i>Of which:</i>				
<i>Sale of fruits</i>	537,507,810	324,774,933	2,273,820,969	1,275,351,600
<i>Sale of latex</i>	104,775,899	154,357,450	265,607,748	341,922,012
<i>Rendering of other services</i>	115,905,927	60,353,229	317,499,739	234,260,834
<i>Sale of pigs</i>	121,162,500	-	121,162,500	-
<i>Sale of goods, commodities, Sale of chilies</i>	34,360,757 -	56,321,376 -	106,766,901 -	185,205,494 38,704,084

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter II/2020**24. REVENUE** (continued)**24.2 Financial income**

	VND'000			
	Quarter IV		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Gain on disposal of investments	676,671,392	87,624,354	676,671,392	1,325,083,129
Interest income from loans to other companies	103,712,346	208,883,637	568,920,714	779,225,691
Foreign exchange gains	2,908,836	16,078,654	26,255,555	31,346,993
Others	305,645	604,011	1,194,483	1,487,629
TOTAL	783,598,219	313,190,656	1,273,042,144	2,137,143,442

25. COST OF GOODS SOLD

	VND'000			
	Quarter IV		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Sale of fruits	732,088,185	301,572,779	2,060,400,507	1,005,948,511
Sale of latex	117,856,810	201,408,845	363,406,896	451,431,843
Rendering of other services	91,529,539	56,780,867	287,075,605	202,192,049
Sale of pigs	114,349,414	-	114,349,414	-
Sale of goods, commodities, Sale of chilies	26,363,632	48,310,308	68,325,983	144,957,120
	-	-	-	43,130,128
TOTAL	1,082,187,580	608,072,799	2,893,558,405	1,847,659,651

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter II/2020**26. FINANCE EXPENSES**

	VND'000			
	<i>Quarter IV</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Interest expense on bank loans and bonds	496,858,750	330,678,871	1,200,095,806	1,263,369,664
Foreign exchange differences	(322,780)	42,096,815	77,800,249	94,509,128
Reversal of provision for contractor tax	-	-	(95,505,481)	-
Loss on disposal of investments	-	589,323,493	-	597,592,450
Others	6,837,133	(20,533,556)	31,362,055	8,462,909
TOTAL	503,373,103	941,565,623	1,213,752,629	1,963,934,151

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND'000			
	<i>Quarter IV</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year (Restated - Note 32)</i>
Selling expenses	64,625,845	76,885,415	354,584,206	308,856,859
Transportation expenses and external services	61,126,231	68,845,171	334,938,913	288,324,842
Labor costs	2,271,392	6,876,495	11,239,056	15,493,345
Depreciation and amortization	717,598	656,707	2,853,668	2,412,294
Others	510,624	507,042	5,552,569	2,626,378
General and administrative expenses	919,831,874	275,091,668	1,195,164,360	772,469,584
Reversal of Provisions	799,336,531	155,011,583	779,629,626	175,446,187
Allocation of goodwill	43,754,083	33,669,769	162,811,094	315,937,136
Labor costs	42,500,472	40,954,838	144,396,505	152,029,212
External services	10,835,293	29,802,153	41,293,131	30,758,900
Depreciation and amortization	2,136,099	10,302,994	22,425,332	72,024,456
Others	21,269,396	5,350,331	44,608,672	26,273,693
TOTAL	984,457,719	351,977,083	1,549,748,566	1,081,326,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter II/2020**28. OTHER INCOME AND EXPENSES**

	VND'000			
	<i>Quarter IV</i>		<i>Accumulated from the beginning of the year</i>	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
Other income	26,454,346	10,311,300	76,941,013	42,577,126
Gain from disposal of long-term assets	-	593,673	4,586,911	593,673
Others	26,454,346	9,717,627	72,354,102	41,983,453
Others	679,136,144	485,561,913	956,138,830	1,380,140,330
Depreciation of idle assets	21,124,965	8,506,327	54,302,400	44,549,697
Fruit plantation conversion	20,055,630	220,134,981	54,461,417	1,164,006,774
Loss on disposal of other long-term assets	547,714	-	28,787,420	17,041,036
Write-off of fixed assets	31,784,899	27,822,142	134,069,141	209,177,686
Penalties	7,626,655	7,497,351	29,071,045	30,834,638
Financing BBC	-	185,750,000	4,369,938	185,750,000
Assessment of non-performing assets	-	16,824,254	-	16,824,254
Provision (Reversal of Provisions)	447,815,548	-	447,815,548	(335,292,885)
Others	150,180,733	19,026,858	203,261,921	47,249,130
OTHER LOSS (PROFIT)	(652,681,798)	(475,250,613)	(879,197,817)	(1,337,563,204)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**29. CORPORATE INCOME TAX**

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

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

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

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

The CIT expense for the year comprised of:

	<i>VND'000</i>	
	<i>2020</i>	<i>2019</i>
Current tax expense	1,503,496	2,253,490
Expense (income) tax deferred	<u>120,252,453</u>	<u>(98,914,750)</u>
TOTAL	<u>121,755,949</u>	<u>(96,661,260)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**29. CORPORATE INCOME TAX (continued)****29.1 Current CIT**

	2020	2019
		<i>VND'000</i>
Total loss before tax	(2,169,590,529)	(2,005,333,636)
Adjustments to increase (decrease) in accounting profit		
Losses of subsidiaries	2,098,087,022	4,096,620,067
Non deductible expenses	-	(431,320)
Amortisation of goodwill	162,811,094	315,937,136
Movement of intra-group unrealized profit	9,866,893	(31,070,098)
Foreign exchange differences	66,860,384	64,232,377
Share of profit (loss) from associates	(8,766,887)	(12,562,347)
Loss from disposal of subsidiaries in the interim consolidated financial statements	(501,830,482)	(2,805,287,927)
Expenses without adequate supporting documents	-	39,197,043
Deductible interest expenses at entities level but capitalized on consolidated financial statements	153,740,481	82,805,391
(Reversal of) Provision for investments	(143,915,008)	483,220,642
Profit from activities which are tax exempted	(247,215,161)	(32,681,914)
Dividend	-	(79,977)
Others	579,952,193	(257,486,591)
Estimated taxable income	-	(62,921,154)
Estimated Current CIT	1,502,385	4,300,785
Exempt/reduced CIT	-	(2,488,156)
Adjustments under accrual of CIT from previous years	1,111	440,861
Estimated current CIT	1,503,496	2,253,490
CIT payable at beginning of the period	19,970,633	29,128,714
Adjustments under accrual of CIT from previous years to current year	-	158,992
Classification from tax payable	51,210	-
CIT paid during the period	(210,871)	(12,947,293)
Other adjustments	(658,541)	-
CIT payable at end of the period	20,655,927	18,593,903

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**29. CORPORATE INCOME TAX (continued)****29.2 Deferred CIT**

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

	<i>Consolidated balance sheet</i>		<i>VND'000</i>
	<i>31/12/ 2020</i>	<i>31/12/ 2019</i>	<i>Consolidated financial statements</i>
<i>Deferred tax assets</i>			
Unrealized intra-group profit	74,257,731	74,528,409	270,678
Accruals	24,423,973	-	(24,423,973)
	98,681,704	74,528,409	
<i>Deferred tax liabilities</i>			
Interest expenses capitalized on consolidated financial statements	106,631,714	111,211,562	(4,579,848)
Provision for investments in associates, subsidiaries	142,599,642	110,260,843	32,338,799
	249,231,356	221,472,405	
<i>Deferred income tax expenses</i>			3,605,656

30. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Amounts</i>
Gia Lai Livestock JSC	Related company previously	Interest income Sales of goods and Rendering of services	236,687,093 93,492,947
Le Me JSC	Related company	Interest income	295,408,780
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Interest income	22,776,978
Hoang Anh Gia Lai Wooden Furniture JSC - Hoang Anh Gia Lai Plastic Factory branch	Related company	Sales of goods and Rendering of services	8,198,548
Mr. Doan Nguyen Duc	BOD Chairman	Accruals of BBC capital	6,511,106
Ms. Vo Thi Mỹ Hanh	BOD member	Accruals of BBC capital	5,538,779
Ms. Ho Thi Kim Chi	Phó Tổng Giám đốc	Accruals of BBC capital	4,122,224

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**30. TRANSACTIONS WITH RELATED PARTIES (continued)**

Receivables and payables to related parties as at 31 December 2020 were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Amounts</i>
<i>Short-term trade receivables (Note 5)</i>			
Thanh Binh Investment & Construction Consultant Co., Ltd	Related company	Construction contract receivable	27,595,944
Minh Tuan Trading and Services Co., Ltd.	Related company	Construction contract receivable	5,501,714
Hoang Anh Gia Lai Wooden Furniture JSC - Hoang Anh Gia Lai Plastic Factory branch	Related company	Receivables from sales of goods and rendering of services	5,444,663
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Receivables from sales of goods	375,198
TOTAL			<u>38,917,519</u>
<i>Short-term advances to suppliers (Note 6)</i>			
Hoang Anh Gia Lai Wooden Furniture JSC- CN Nhà máy Nhựa Hoàng Anh Gia Lai	Related company	Advances for purchase of goods	<u>23,253,451</u>
<i>Short term loan receivables (Note 7)</i>			
Le Me JSC	Related company	Loan	3,644,498,048
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Loan	86,936,725
Mr. Nguyen Ngoc Mai	Related party	Loan	30,000,000
Mr. Lê Văn Thạch	Related party	Loan	15,000,000
Hoang Anh Gia Lai Wooden Furniture JSC - Hoang Anh Gia Lai Plastic Factory branch	Related company	Loan	3,000,000
Ms. Ho Thi Kim Chi	Deputy General Director	Loan	1,811,406
TOTAL			<u>3,781,246,179</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**30, TRANSACTIONS WITH RELATED PARTIES** (continued)

Receivables and payables to related parties as at 31 December 2020 were as follows (continued):

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Amounts</i>
Long term loan receivables (Note 7)			
Le Me JSC	Related company	Loan	840,307,996
Mr. Nguyen Ngoc Mai	Related party	Loan	253,800,000
Mr. Le Van Thach	Related party	Loan	126,900,000
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Loan	100,000,000
Mr. Tran Quang Dung	Related party	Loan	42,300,000
TOTAL			<u>1,363,307,996</u>
Other short term receivables (Note 8)			
Le Me JSC	Related company	Interest income	112,367,032
Mr. Doan Nguyen Duc	BOD Chairman	Temporary borrowing	65,516,518
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Interest income	22,873,208
Other Related parties	Related party	Others	2,497,539
TOTAL			<u>203,254,297</u>
Other long term receivables (Note 8)			
Le Me JSC	Related company	BBC Interest income	440,000,000 7,160,868
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Interest income	29,854,077
Mr. Le Van Thach	Related party	Interest income	7,903,800
Mr. Nguyen Ngoc Mai	Related party	Interest income	4,026,480
Mr. Tran Quang Dung	Related party	Interest income	688,080
TOTAL			<u>489,633,305</u>
Short term payables to suppliers (Note 17)			
Hoang Anh Gia Lai Wooden Furniture JSC - Hoang Anh Gia Lai Plastic Factory branch	Related company	Mua hàng hóa	116,694,540
Other related parties	Related party	Others	1,080,230
TOTAL			<u>117,774,770</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**30. TRANSACTIONS WITH RELATED PARTIES (continued)**

Receivables and payables to related parties as at 31 December 2020 were as follows (continued):

			VND'000
<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amounts</i>
<i>Other short term payables (Note 21)</i>			
Mr. Doan Nguyen Duc	BOD chairman	BBC Temporary borrowing	100,000,000 70,000,000
Le Me JSC	Related company	Temporary borrowing	37,481,217
Hoa Hoang Anh Gia Lai Wooden Furniture JSC - Hoang Anh Gia Lai Plastic Factory branch	Related company	Temporary borrowing	24,000,000
Ms. Vo Thi My Hanh	BOD member	BBC Temporary borrowing	4,112,630 1,000,000
Other related parties	Related party	Others	1,032,646
TOTAL			237,626,493
<i>Other long term payables (Note 21)</i>			
Mr. Nguyen Ngoc Mai	Related party	Temporary borrowing	236,357,918

31. SALARY, REMUNERATION FOR THE BOD, BOM**31.1 Salary**

Salaries for BOD and BOM members are detailed as follows:

			VND'000	
<i>Họ và tên</i>	<i>Chức vụ</i>	<i>2020</i>	<i>2019</i>	
Mr. Doan Nguyen Duc	BOD Chairman	2,342,328	2,338,128	
Mr. Vo Truong Son	General Director	1,969,893	1,963,428	
Ms. Ho Thi Kim Chi	Deputy General Director	1,326,582	1,295,777	
Mr. Nguyen Văn Minh	Deputy General Director	1,200,936	1,259,745	
Mr. Doan Nguyen Thu	Deputy General Director	-	529,932	
TOTAL		6,839,739	7,387,010	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**31. SALARY, REMUNERATION FOR THE BOD, BOM (continued)****31.2 Remuneration**

Remuneration for BOD and BOM members are detailed as follows:

<i>Full name</i>	<i>Title</i>	<i>VND'000</i>	
		<i>2020</i>	<i>2019</i>
Mr. Doan Nguyen Duc	Chairman	140,400	140,400
Mr. Vo Truong Son	BOD member	108,000	108,000
Ms. Vo Thị Huyen Lan	BOD member	108,000	108,000
Mr. Nguyen Van Minh	BOD member	108,000	108,000
Ms. Vo Thi My Hanh	BOD member	108,000	108,000
Mr. Phan Thanh Thu (i)	BOD member	54,000	108,000
Mr. Doan Nguyen Thu (i)	BOD member	54,000	108,000
Ms. Nguyen Thi Huyen (ii)	BOD member	54,000	-
TOTAL		734,400	788,400

(i) Mr. Doan Nguyen Thu and Mr. Phan Thanh Thu had their terms expired from 26/6/2020,

(ii) Ms. Nguyen Thị Huyền was appointed from 26/6/2020,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020**32. ADJUSTMENT TO CORRESPONDING FIGURES**

During the year, the Group's Board of Directors reviewed the past data related to the estimation and provision for receivables and made retrospective adjustments.

Retrospectively affecting details were as follows:

	31 December 2019 (previously stated)	Retrospective adjustments	VND'000 31/12/2019 (restated)
CONSOLIDATED BALANCE SHEET			
A. CURRENT ASSETS	7,073,675,026	(2,118,585,340)	4,955,089,686
<i>II. Short term receivables</i>	<i>4,569,330,218</i>	<i>(2,118,585,340)</i>	<i>2,450,744,878</i>
Provision for short term doubtful debts	(91,077,172)	(2,118,585,340)	(2,209,662,512)
B. NON-CURRENT ASSETS	31,558,812,063	(2,938,461,227)	28,620,350,836
<i>I. Long-term receivables</i>	<i>8,261,530,824</i>	<i>(2,938,461,227)</i>	<i>5,323,069,597</i>
Provision for long term doubtful debts	(253,603)	(2,938,461,227)	(2,938,714,830)
TOTAL ASSETS	38,632,487,089	(5,057,046,567)	33,575,440,522
D. OWNERS' EQUITY	16,808,803,788	(5,057,046,567)	11,751,757,221
<i>I. Equity</i>	<i>16,808,803,788</i>	<i>(5,057,046,567)</i>	<i>11,751,757,221</i>
Undistributed earnings	290,839,236	(4,915,706,241)	(4,624,867,005)
- Undistributed earnings after tax up to prior year- end	74,321,521	(4,889,023,884)	(4,814,702,363)
- Undistributed earnings this period	216,517,715	(26,682,357)	189,835,358
Non-controlling interests	4,122,902,838	(141,340,326)	3,981,562,512
TOTAL LIABILITIES AND OWNERS' EQUITY	38,632,487,089	(5,057,046,567)	33,575,440,522
CONSOLIDATED FINANCIAL STATEMENTS			
General and administrative expenses	(672,601,510)	(99,868,074)	(772,469,584)
Net operating loss	(567,902,358)	(99,868,074)	(667,770,432)
Total accounting loss before tax	(1,905,465,562)	(99,868,074)	(2,005,333,636)
Loss after CIT	(1,808,804,302)	(99,868,074)	(1,908,672,376)
Profit after tax of the parent	216,517,715	(26,682,357)	189,835,358
Loss after tax of non-controlling interest	(2,025,322,017)	(73,185,717)	(2,098,507,734)
Basic earnings per share	233	(28)	205
Diluted earnings per share	233	(28)	205
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting loss before tax	(1,905,465,562)	(99,868,074)	(2,005,333,636)
Provisions	63,625,281	99,868,074	163,493,355

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020

33. SIGNIFICANT EVENTS DURING THE PERIOD

Converting Gia Lai Livestock JSC (“Gia Lai Livestock”) into a subsidiary

On September 10, 2020, the Board of Directors of the Company passed Resolution No. 1009/20 / NQHĐQT-HAGL on converting the receivable from Gia Lai Livestock of VND'000 5,865,613,000 into 586,561,300 shares accounting for 88.03% ownership in Gia Lai Livestock, Accordingly, Gia Lai Livestock becomes a Subsidiary of the Group from this date when the Group was issued 8th amended Business Registration Certificate by the Department of Planning and Investment of Gia Lai Province.

Transfer of all ownership in An Dong Mia One Member Ltd. Co. (formerly An Dong Mia Joint Stock Company) and Hoang Anh Lumphat One Member Ltd. Co. (“An Dong Group”)

On December 21, 2020, the Board of Directors of HNG passed Resolution No. 2112/20/ NQHĐQT-HAGL Agrico on the transfer of all interest accounting for 100% of the charter capital of An Dong Mia One Member Ltd. Co., owned by HNG to Truong Hai Agriculture JSC. The difference between the selling price and carrying value corresponding to the ownership of the net asset value of the Group in the An Dong Mia group as at the transaction date of VND'000 676,671,391 was recognized as financial income action on the consolidated income statement.

Acquisition of Ban Me Rubber JSC (“Ban Me Rubber”)

On 13/2 2020, Hoang Anh Dak Lak JSC acquired 100% ownership in Ban Me Rubber from individuals at VND'000 444,000,000. Accordingly, Ban Me Rubber becomes a subsidiary of the Group from this date when the Group was issued 11th amended Business Registration Certificate by the Department of Planning and Investment of Gia Lai Province approving transforming JSC into One Member Co., Ltd.

The Board of Management believes that the above purchase price represents the fair value of the project owned by this subsidiary. The Board of Management handled this acquisition as an asset purchase and does not consider it an acquisition because this subsidiary only owns the project and has not come into operation yet.

Acquisition of Khan Xay Agriculture Development One Member Co., Ltd. (“Khan Xay”)

On 17/3 2020, Dai Thang Agriculture Development One Member Co., Ltd.. bought 100% ownership in Khan Xay at VND'000 230,782,233, Accordingly, Khan Xay became a subsidiary of the Group from this date.

The Board of Management believes that the above purchase price represents the fair value of the project owned by this subsidiary. The Board of Management handled this acquisition as an asset purchase and does not consider it an acquisition because this subsidiary only owns the project and has not come into operation yet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)
Quarter IV/2020

34. EVENTS AFTER THE BALANCE SHEET DATE

HAG completed transfer of 47,500,000 HNG shares

On January 22, 2021, the Company completed the transfer of 47,500,000 HNG shares owned by the Company to a third party. Accordingly, the Company's ownership in HNG decreased from 40.83% to 36.55%.

HNG approved the plan of issuing shares to swap debts and supplement operating capital

On January 8, 2021, the General Meeting of Shareholders of HNG passed Resolution No. 0801/21 / NQĐHĐCĐ-HAGL Agrico approving the plan for private placement of shares to swap debts and supplement working capital. The number of shares offered for sale is expected to be 741,446,105 shares with a total value of VND'000 7,414,461,050

Accordingly, when this transaction is completed, HNG's registered share capital will increase from VND'000 11,085,538,950 to VND'000 18,500,000,000, which will reduce the Company's ownership in HNG from 36.55% to 21.90% respectively.

In addition, the Board of Directors of HNG also passed Resolution No. 0801/21 / NQHDQT-HAGL Agrico on Mr. Doan Nguyen Duc's resignation from Chairman of the Board of Directors of and elected Mr. Tran Ba Duong to this title Chairman of the Board of Directors for the term 2020 -2025 starting from January 8, 2021. Thus, as from this date, HNG is no longer a subsidiary of the Company.

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

Tran Thi Thanh Hieu
Preparer

Le Truong Y Tram
Chief Accountant

Vo Truong Son
General Director

30 January, 2021