

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

Consolidated financial statements

For the year ended 31 December 2019

Hoang Anh Gia Lai Agricultural Joint Stock Company

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Hoang Anh Gia Lai Agricultural Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Hoang Anh Gia Lai Agricultural Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate ("BRC") No. 5900712753 issued by the Department of Planning and Investment of Gia Lai Province on 26 May 2010 and eighteenth (18) amended BRCs.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange (stock code "HNG") in accordance with Decision No. 278/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 10 July 2015.

As at 31 December 2019, the Company had eight (8) direct subsidiaries, five (5) indirect subsidiaries and one (1) associate.

The registered principal activities of the Company and its subsidiaries ("the Group") are breeding and trading dairy cows and cows for meat; planting and trading rubber latex, palm oil, fruits and other plants; generating and trading seeding; afforesting and related materials; constructing houses; constructing industrial and civil projects.

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

BOARD OF DIRECTORS

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

<i>Name</i>	<i>Position</i>	
Mr Doan Nguyen Duc	Chairman	
Mr Do Xuan Dien	Vice Chairman	appointed on 26 April 2019
Mr Vo Truong Son	Member	
Mr Nguyen Quan Anh	Member	
Mrs Vo Thi My Hanh	Member	
Mrs Vo Thi Huyen Lan	Member	
Mr Tran Bao Son	Member	
Mr Nguyen Hung Minh	Member	resigned on 26 April 2019

BOARD OF SUPERVISORS

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

<i>Name</i>	<i>Position</i>
Mr Nguyen Duc Quang	Head
Mr Dang Cong Truc	Member
Mr Pham Ngoc Chau	Member

MANAGEMENT

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

<i>Name</i>	<i>Position</i>
Mrs Vo Thi My Hanh	General Director
Mr Nguyen Quan Anh	Deputy General Director
Mr Tran Bao Son	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mrs Vo Thi My Hanh.

AUDITORS

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

Hoang Anh Gia Lai Agricultural Joint Stock Company

REPORT OF MANAGEMENT

Management of Hoang Anh Gia Lai Agricultural Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2019.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:




Vo Thi My Hanh
General Director

Gia Lai Province, Vietnam

9 April 2020

Reference: 61280353/21443463-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Hoang Anh Gia Lai Agricultural Joint Stock Company

We have audited the accompanying consolidated financial statements of Hoang Anh Gia Lai Agricultural Joint Stock Company ("the Company") and its subsidiaries ("the Group") as prepared on 9 April 2020 and set out on pages 5 to 68, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statement and the consolidated cash flow statement for the financial year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

Basic for qualified opinion

As disclosed in Note 31, during the year, the Group recorded other income from reversal of the provisional Current Income Tax expense ("CIT expense") as at 31 December 2018 amounting to VND'000 192,397,024 which was made in prior years according to Item 3, Article 8 of Decree No. 20/2017/ND-CP, prescribing tax administration for enterprises engaged in transfer pricing, issued by the Government on 24 February 2017 ("Decree 20").

For the year ended 31 December 2019, the Group has neither accrued similar CIT expense amounting to VND'000 39,385,614 because the Group applied the new guidance of the draft amendment of Decree 20, although it was not officially approved by the relevant local authorities as at the date of this report.

Had the Group recognised CIT expense according to Decree 20 for the year ended 31 December 2019 and no reversal of CIT expense accrued in the said prior fiscal years, the "Other income" would have decreased by VND'000 192,397,024, the "Current CIT expense" would have increased by VND'000 39,385,614, the "Loss before tax" and "Loss after tax" would have increased by VND'000 192,397,024 and VND'000 231,782,638, respectively. At the same time, the "Accumulated losses" and "Statutory obligation" as at 31 December 2019 would have increased by the same amount of VND'000 231,782,638.

Qualified opinion

In our opinion, except for the effect of the matter described in the "*Basis for Qualified Opinion*" paragraph, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2019, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited




Dương Lê Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2018-004-1



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

Ho Chi Minh City, Vietnam

9 April 2020

CONSOLIDATED BALANCE SHEET
as at 31 December 2019

VND'000


Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		3,872,422,704	4,177,427,203
110	I. Cash	5	111,485,200	72,447,272
111	1. Cash		111,485,200	72,447,272
130	II. Current accounts receivable		1,550,646,377	2,766,412,291
131	1. Short-term trade receivables	6	1,209,598,617	2,318,603,106
132	2. Short-term advances to suppliers	7	130,188,322	183,774,708
135	3. Short-term loan receivables	8	-	76,814,000
136	4. Other short-term receivables	9	230,433,528	212,204,353
137	5. Provision for short-term doubtful receivables	6	(19,574,090)	(24,983,876)
140	III. Inventories	10	2,166,596,272	1,294,888,066
141	1. Inventories		2,187,324,242	1,306,450,947
149	2. Provision for obsolete inventories		(20,727,970)	(11,562,881)
150	IV. Other current assets		43,694,855	43,679,574
151	1. Short-term prepaid expenses	16	6,087,728	20,937,610
152	2. Value-added tax deductible		37,122,086	22,405,890
153	3. Tax and other receivables from the State		485,041	336,074
200	B. NON-CURRENT ASSETS		19,408,066,392	26,354,127,080
210	I. Long-term receivable		10,372,877	6,556,215
216	1. Other long-term receivables	9	10,372,877	6,556,215
220	II. Fixed assets		8,518,016,314	9,475,881,785
221	1. Tangible fixed assets	11	8,512,947,157	9,452,032,650
222	Cost		10,476,925,849	11,124,291,966
223	Accumulated depreciation		(1,963,978,692)	(1,672,259,316)
227	2. Intangible assets	12	5,069,157	23,849,135
228	Cost		6,648,075	54,845,260
229	Accumulated amortisation		(1,578,918)	(30,996,125)
240	III. Long-term asset in progress		10,012,930,483	13,270,329,599
242	1. Construction in progress	13	10,012,930,483	13,270,329,599
250	IV. Long-term investments	15	318,081,963	307,231,754
252	1. Investment in an associate		315,487,353	299,447,924
253	2. Investment in another entity		2,594,610	7,783,830
260	V. Other long-term assets		548,664,755	3,294,127,727
261	1. Long-term prepaid expenses	16	126,689,199	154,355,869
262	2. Deferred tax assets	32.2	49,589,730	50,738,434
269	3. Goodwill	17	372,385,826	3,089,033,424
270	TOTAL ASSETS		23,280,489,096	30,531,554,283

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2019

VND'000

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		13,542,536,476	19,855,671,686
310	I. Current liabilities		7,912,947,521	8,513,547,223
311	1. Short-term trade payables	18	984,872,754	413,725,650
312	2. Short-term advances from customers	19	197,329,676	86,711,848
313	3. Statutory obligations	20	25,458,573	46,065,717
314	4. Payables to employees		83,065,743	48,561,776
315	5. Short-term accrued expenses	21	1,495,873,051	1,548,036,970
319	6. Other short-term payables	22	471,776,625	491,538,723
320	7. Short-term loans	23	4,654,571,099	5,878,906,539
330	II. Non-current liabilities		5,629,588,955	11,342,124,463
333	1. Long-term accrued expenses	21	728,263,269	759,275,084
337	2. Other long-term liabilities	22	241,038,047	988,865,252
338	3. Long-term loans	23	4,550,026,796	9,551,092,730
341	4. Deferred tax liabilities	32.2	110,260,843	42,891,397
400	D. OWNERS' EQUITY		9,737,952,620	10,675,882,597
410	I. Capital		9,737,952,620	10,675,882,597
411	1. Share capital	24.1	11,085,538,950	8,868,438,950
411a	- Shares with voting rights		11,085,538,950	8,868,438,950
412	2. Share premium	24.1	1,170,127,000	1,064,550,810
413	3. Convertible bond-options	24.1	-	105,576,190
417	4. Foreign exchange differences reserve	24.1	(203,488,917)	505,361,803
421	5. (Accumulated loss)/ undistributed earnings	24.1	(2,323,758,949)	102,645,162
421a	- Undistributed earnings by the end of prior years		102,159,258	761,794,920
421b	- Losses of current year		(2,425,918,207)	(659,149,758)
429	6. Non-controlling interests	25	9,534,536	29,309,682
440	TOTAL LIABILITIES AND OWNERS' EQUITY		23,280,489,096	30,531,554,283


Nguyen Van Tien
Preparer


Pham Xuan Hoa
Chief Accountant


Vo Thi My Hanh
General Director




9 April 2020

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2019

VND'000

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from sale of goods and rendering of services	27.1	1,810,775,030	3,688,345,377
11	2. Cost of goods sold and services rendered	28	(1,597,611,674)	(2,187,064,427)
20	3. Gross profit from sale of goods and rendering of services		213,163,356	1,501,280,950
21	4. Finance income	27.2	256,474,243	150,727,589
22	5. Finance expenses	29	(693,201,444)	(690,572,665)
23	- In which: Interest expenses		(571,255,746)	(638,937,501)
24	6. Share of profit/(loss) of associates	15.1	26,497,251	(11,458,148)
25	7. Selling expenses	30	(303,246,011)	(149,378,437)
26	8. General and administrative expenses	30	(466,928,330)	(684,976,628)
30	9. Operating (loss)/profit		(967,240,935)	115,622,661
31	10. Other income	31	229,852,274	20,710,867
32	11. Other expenses	31	(1,637,698,902)	(762,096,594)
40	12. Other loss	31	(1,407,846,628)	(741,385,727)
50	13. Accounting loss before tax		(2,375,087,563)	(625,763,066)
51	14. Current corporate income tax (expense)/income	32.1	(795,616)	4,147,599
52	15. Deferred tax expense	32.2	(68,518,150)	(34,499,060)
60	16. Net loss after tax		(2,444,401,329)	(656,114,527)
61	17. Net loss after tax attributable to shareholders of the parent		(2,425,918,207)	(659,149,758)
62	18. Net (loss)/profit after tax attributable to non-controlling interests	25	(18,483,122)	3,035,231
70	19. Basic losses per share (VND)	26	(2,521)	(761)
71	20. Diluted losses per share (VND)	26	(2,521)	(527)


Nguyen Van Tien
Preparer


Pham Xuan Hoa
Chief Accountant


Vo Thi My Hanh
General Director



9 April 2020

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2019

VND'000

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting loss before tax		(2,375,087,563)	(625,763,066)
	<i>Adjustments for:</i>			
02	Depreciation and amortisation (include amortisation of goodwill)	11, 12, 17	1,093,161,166	969,016,977
03	Provisions		3,755,303	16,132,584
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currencies		35,408,481	12,034,349
05	Losses from investing activities		899,740,741	238,622,330
06	Interest expenses	29	571,255,746	638,937,501
08	Operating profit before changes in working capital		228,233,874	1,248,980,675
09	Decrease/(increase) in receivables		90,190,191	(631,488,764)
10	Increase in inventories		(1,141,092,565)	(705,973,160)
11	Decrease in payables		(635,830,855)	(597,517,270)
12	Decrease/(increase) in prepaid expenses		40,704,771	(474,472,323)
14	Interest paid		(474,180,409)	(498,858,220)
15	Corporate income tax paid	32.1	(11,069,339)	(3,881,946)
20	Net cash flows used in operating activities		(1,903,044,332)	(1,663,211,008)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(2,925,449,697)	(1,725,402,752)
22	Proceeds from disposals of fixed assets		4,289,614	218,763,013
23	Loans to other entities		-	(96,265,018)
24	Collections from borrowers		73,000,000	260,397,662
25	Payments for investments in other entity		-	(7,783,830)
26	Proceeds from disposal of investments in other entities		521,389,220	73,000,000
26a	Proceeds from disposal of investments in subsidiaries	4.5	6,996,075,859	-
27	Interest received		6,165,794	21,309,714
30	Net cash flows from/(used in) investing activities		4,675,470,790	(1,255,981,211)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2019

VND'000

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of loans	23	5,150,859,206	6,409,622,237
34	Repayment of loans	23	(7,884,247,736)	(3,471,245,732)
40	Net cash flows (used in)/from financing activities		(2,733,388,530)	2,938,376,505
50	Net increase in cash for the year		39,037,928	19,184,286
60	Cash at beginning of the year		72,447,272	53,262,986
70	Cash at end of the year	5	111,485,200	72,447,272



Nguyen Van Tien
Preparer



Phạm Xuân Hòa
Chief Accountant



Vũ Thị My Hạnh
General Director

9 April 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION

Hoang Anh Gia Lai Agricultural Joint Stock Company (“the Company”) is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate (“BRC”) No. 5900712753 issued by the Department of Planning and Investment (“DPI”) of Gia Lai Province on 26 May 2010 and eighteenth (18) amended BRCs.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange in accordance with the Decision No. 278/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 10 July 2015 with transaction code of “HNG”.

As at 31 December 2019, the Company had eight (8) direct subsidiaries, five (5) indirect subsidiaries and one (1) associate.

Details of subsidiaries are as follows:

<i>Name of subsidiaries</i>	<i>Business</i>	<i>Location</i>	<i>Status</i>	<i>Holding interest and voting rights (%)</i>
(1) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd. (“Hoang Anh - Quang Minh”)	Planting	Sekong, Laos	Operating	97.77
(2) Hoang Anh - Quang Minh Rubber Joint Stock Company	Planting	Gia Lai, Vietnam	Operating	97.77
(3) Hoang Anh Dak Lak Joint Stock Company (“Hoang Anh Dak Lak”)	Planting	Dak Lak, Vietnam	Operating	99.53
(4) Hoang Anh Attapeu Agriculture Development Co., Ltd. (“Hoang Anh Attapeu”)	Planting and constructing	Attapeu, Laos	Operating	100.00
(5) Hoang Anh Rattanakiri Co., Ltd.	Planting	Rattanakiri, Cambodia	Operating	100.00
(6) Heng Brothers Co., Ltd.	Planting	Rattanakiri, Cambodia	Operating	100.00
(7) Hoang Anh Oyadav Co., Ltd. (“Hoang Anh Oyadav”)	Planting	Rattanakiri, Cambodia	Operating	100.00
(8) CRD Co., Ltd.	Planting	Rattanakiri, Cambodia	Pre-operating	100.00
(9) Hoang Anh Andong Meas Co., Ltd.	Planting and breeding	Rattanakiri, Cambodia	Operating	97.77
(10) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Trading	Gia Lai, Vietnam	Operating	100.00
(11) Highland Dairy Cattle Joint Stock Company (“Highland Dairy Cattle”)	Planting and breeding	Gia Lai, Vietnam	Operating	99.00
(12) An Dong Mia Joint Stock Company (“An Dong Mia”)	Planting	Gia Lai, Vietnam	Operating	99.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

1. CORPORATE INFORMATION (continued)

Details of subsidiaries are as follows (continued):

<i>Name of subsidiaries</i>	<i>Business</i>	<i>Location</i>	<i>Status of operation</i>	<i>Holding interest and voting rights (%)</i>
(13) Hoang Anh Lum Phat Co., Ltd. ("Hoang Anh Lumphat")	Planting	Ratanakiri, Cambodia	Operating	99.90

Pre-operating status means the subsidiary is still under investment stage and have not yet started their commercial operations as at 31 December 2019.

The registered principal activities of the Company and its subsidiaries ("the Group") are breeding and trading dairy cows and cows for meat; planting and trading rubber latex, palm oil, fruits and plants; generating and trading seeding; afforesting and related materials; constructing houses; constructing industrial and civil projects.

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

The number of the Group's employees as at 31 December 2019 is 2,452 (31 December 2018: 2,316).

2. BASIS OF PREPARATION

2.1 *Applied accounting standards and system*

The consolidated financial statements of the Company and its subsidiaries (the "Group"), expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

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.

2.4 Accounting currency

The Company's accounting currency is VND.

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

2.5 Basis of consolidation

The Group's consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

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

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

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

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

The subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continued to be consolidated until the date that such control ceases. Where there is a loss of control over the subsidiaries, the consolidated financial statements still include results for the year of the reporting year during which the Group has control.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**2. BASIS OF PREPARATION (continued)****2.6 Going concern assumption**

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

As disclosed in the consolidated financial statements, the Group incurred a net loss after tax of VND'000 2,425,918,207 and on this date, the accumulated loss was VND'000 2,323,758,949. As at 31 December 2019, the Group's current liabilities exceeded its current assets by VND'000 4,040,524,817. In addition, as of that date, the Group was also in violation of certain loan contracts as mentioned in Note 23.4 of the consolidated financial statements. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

As at the date of these consolidated financial statements, the Group is still in progress to develop their projects in order to ensure operating cash flows of the Group, restructure debts and negotiate with lenders to amend some breached terms and conditions relating to loan and attached mortgage contracts. In addition, on 3 August 2018, the Group signed the Strategic Investment Cooperation Agreement with Truong Hai Auto Corporation ("THACO"), in which, THACO commits to assist the Group to restructure finance and raise capitals, which shall be used to finance to the Group's agricultural projects. In addition, on 1 June 2019, the Group signed the Sale Agreement with Thadi Agriculture Farming Processing & Distribution Joint Stock Company ("Thadi"), in which, Thadi supports to buy and distribute agricultural products of the Group. On this basis, the Group's management consider it is appropriate to prepare the Group's consolidated financial statements on the going concern basis.

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

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

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

3.2 Receivables

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

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories

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

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

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

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

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 consolidated financial statements.

Construction work-in-process - Construction contract

Construction work-in-process acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as construction work-in-process - Construction contract and is measured at the lower of cost and net realisable value.

Cost includes:

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

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

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

Provision for obsolete inventories

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (continued))

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 *Intangible fixed assets*

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

Land use rights

Land use rights are recorded as intangible assets representing value of the right to use the land acquired or leased by the Group. The useful life of land use rights are assessed either definite or indefinite. Accordingly, land use rights with definite useful life representing the land lease are amortised over the lease term while land use rights with indefinite useful life are not amortised.

3.6 *Depreciation and amortisation*

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

Buildings & structures	10 - 50 years
Machinery & equipment	3 - 20 years
Means of transportation & transmit instrument	6 - 20 years
Office equipment	3 - 10 years
Livestock	8 years
Perennial trees	3 - 20 years
Land use rights	20 years
Software system	5 - 8 years
Other assets	8 - 15 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortisation (continued)

Depreciation of perennial trees.

The details are as follows:

Year	Rate (%)				
	Rubber plantations (i)	Dragon fruit plantations (ii)	Pepper plantations (i)	Jack fruit plantations (iii)	Mango plantations (iv)
First year	2.50	1.00	4.60	0.80	0.30
Second year	2.80	3.40	8.50	1.80	1.00
Third year	3.50	5.00	8.50	4.10	2.20
Fourth year	4.40	6.70	8.50	5.80	4.30
Fifth year	4.80	8.40	8.50	5.80	5.80
Sixth year	5.40	8.40	8.50	5.80	5.80
Seventh year	5.40	8.40	6.20	5.80	5.80
Eighth year	5.10	8.40	6.20	5.80	5.80
Ninth year	5.10	8.40	6.20	5.80	5.80
Tenth year	5.00	8.40	3.80	5.80	5.80
Eleventh year	7.00	6.70	3.80	5.80	5.80
Twelfth year	6.60	6.70	3.80	5.80	5.80
Thirteenth year	6.20	6.70	3.80	5.80	5.80
Fourteenth year	5.90	6.70	3.80	5.80	5.80
Fifteenth year	5.50	Carrying amount	3.80	5.80	5.80
Sixteenth year	5.40		3.80	4.70	5.80
Seventeenth year	5.00		3.80	4.70	5.80
Eighteenth year	5.50		Carrying amount	4.70	5.80
Nineteenth year	5.20			4.70	5.80
Twentieth year	Carrying amount			Carrying amount	Carrying amount

Rubber plantations

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

Fruit and pepper plantations

Management estimated the condition to record plantations as fixed assets and starting depreciation when rate of producing has reached 50 percent of the plantation from harvesting processing period.

Palm oil plantations

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

Accordingly, the Group will transfer such construction in progress to fixed assets and starting depreciation after such mentioned years and harvesting criteria are satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortisation (continued)

Depreciation of plantations

- (i) Depreciation of rubber plantations is calculated in accordance with Official Letter No. 1937/BTC-TCDN on 9 February 2010 issued by Department of Business Finance - Ministry of Finance providing guidance on depreciation of rubber plantations and Decision No. 221/QD-CSVN issued on 27 April 2010 by Vietnam Rubber Group, providing guidance on the depreciation rates applicable to rubber plantations within twenty (20) years of exploitation cycle.

Depreciation of pepper plantations is calculated in accordance with Decision No. 115/17/QD-HAGL Agrico on 8 August 2017 of Management, providing guidance on depreciation of pepper plantations over their exploitation cycle.

- (ii) Depreciation of dragon fruits plantations is calculated in accordance with Decision No. 115/17/QD-HAGL Agrico dated 8 August 2017 of Management, providing guidance on depreciation of dragon fruit plantations over their exploitation cycle.
- (iii) Depreciation of jack fruit plantations is calculated in accordance with Decision No. 0111/18/QD-HAGL Agrico dated 1 November 2018 of Management, providing guidance on depreciation of jack fruit plantations over their exploitation cycle.
- (iv) Depreciation of mango plantations is calculated in accordance with Decision No. 0101/18/QD-HAGL Agrico dated 2 January 2018 of Management, providing guidance on depreciation of mango plantations over their exploitation cycle.
- (v) Depreciation of other plantations are appropriately calculated in accordance with other relevant decisions of the Management.

3.7 Construction in progress

Construction in progress represents accumulated costs attributable directly to the construction and development of the Group's buildings and structures, factories, rubber, palm oil, and other plantations which have yet been completed as at the balance sheet date.

Factories, buildings and structures

Costs include attributable costs related directly to the construction of the Group's factories, buildings and structures such as construction costs, survey and designing fees and other related costs.

Plantations

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

3.8 Borrowing costs

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet which mainly include cost of tools and supplies, prepaid land rentals and short-term fruit plantations. They are amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

- Prepaid land rental is amortised over the periods of land lease;
- Tools and supplies with large value issued into production and amortised no more than three (3) years and recognised in the consolidated income statement; and
- Short-term fruit plantations include: seeds, land preparation, planting and caring costs. The seeding costs are amortised over the lifetime of the trees. Land preparation, planting and caring costs are amortised over the year, in which economic benefits are generated in connection to the costs incurred.

3.10 *Business combinations and goodwill*

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

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

3.11 *Investments*

Investment in an associate

The Group's investment in an associate is carried at cost and accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence, and which is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investments (continued)

Investment in an associate (continued)

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

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

Investment in another entity

Investment in another entity is stated at its acquisition cost.

Provision for diminution in value of investments

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

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

3.12 Payables and accruals

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

3.13 Provisions

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

3.14 Losses per share

Basic losses per share amounts are calculated by dividing net loss after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted losses earnings per share amounts are calculated by dividing the net loss after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 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 commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
 - Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.
- All foreign exchange differences incurred are taken to the consolidated income statement.

Conversion of the financial statements of foreign operations

Conversion of the financial statements of foreign operations 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 buying and selling exchange rates, respectively, as announced by the commercial banks where the Group frequently conducts its transactions at the balance sheet date;
- Revenues, other income and expenses are converted into VND by using the actual transactional exchange rates; or the average exchange rates if the average exchange rates do not exceed +/- 2% the transactional exchange rates.
- All foreign exchange differences resulting from conversion of financial statements of the subsidiary for the consolidation purpose are taken to the "foreign exchange differences reserve" on the consolidated balance sheet and charged to the consolidated income statement upon the disposal of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Appropriation of net profits

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval 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 as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Bonus and welfare fund

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

3.17 Revenue recognition

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

Sale of goods

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

Construction contracts

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

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

Rendering of services

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

Interest

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation

Current income tax

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

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

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

Deferred tax

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Deferred tax (continued)

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity.

3.19 *Convertible bond*

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

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

This component is recorded as financial liabilities and determined at amortised cost (less issuance cost) until it was terminated through conversion or payment.

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

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

3.20 *Related parties*

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

3.21 *Segment information*

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

4. SIGNIFICANT EVENTS DURING THE YEAR

4.1 *Partial disposal of interests in An Dong Mia Joint Stock Company (“An Dong Mia”)*

On 1 March 2019, Highland Cattle Joint Stock Company, the Group's subsidiary disposed 20,000 shares, equivalent to 0.09% equity interest in An Dong Mia to individual investors for a total amount of VND'000 1,000,000. Accordingly, the Group decreased its ownership interest in An Dong Mia from 99.99% to 99.90%.

The difference between proceeds received and the value of net assets disposed in An Dong Mia as at the transaction date amounting to VND'000 952,203 was recorded as a deduction to accumulated losses in the Group's consolidated balance sheet (*Note 24.1*).

4.2 *Additional subscription of entire shares newly issued by Dong Penh Joint Stock Company (“Dong Penh”)*

On 18 April 2019, the Company additionally subscribed the entire 28,125,000 shares newly issued by Dong Penh. Accordingly, the Company increased its ownership interest in Dong Penh from 99.90% to 99.96%.

The difference between consideration transferred and the value of net assets acquired in Dong Penh as at the transaction date amounting to VND'000 122,893 was recorded as a deduction to accumulated losses in the Group's consolidated balance sheet (*Note 24.1*).

4.3 *Liquidation of Eastern Europe Investment Company Limited (“Eastern Europe”)*

On 2 May 2019, Eastern Europe completed necessary legal procedures to liquidate their operations. Accordingly, an amount of VND'000 993,568 was recognised as finance expenses in the consolidated income statement, as a loss from such liquidation (*Note 29*).

4.4 *Additional subscription of entire shares held by non-controlling interests in Trung Nguyen Rubber Joint Stock Company (“Trung Nguyen Rubber”)*

On 9 September 2019, the Company increased its investment in Trung Nguyen Rubber by additional capital contribution of VND'000 445,229,648. Accordingly, the Company increased its interest ownership in Trung Nguyen Rubber from 99.91% to 100.00%.

4.5 *Fully disposal of interests in Indochina Rubber Investment and Development Co., Ltd and its subsidiaries (“Indochina Rubber Group”); Dong Penh and its subsidiaries - (“Dong Penh Group”) and Trung Nguyen Rubber*

On 24 September 2019, the Group had completed to transfer all contributed share capital in Indochina Rubber Group and Dong Penh Group and Trung Nguyen Rubber to Thadi Agriculture Farming Processing & Distribution Joint Stock Company (“Thadi”) in accordance with Promised Sale and Purchase of Share Agreement dated 4 April 2019, for a total consideration of VND'000 6,996,075,859. Such transactions were approved by the Board of Directors' Resolutions No. 1706/19/NQ-HDQT HAGL Agrico dated 17 June 2019, No. 1908/19/NQ-HDQT HAGL Agrico dated 19 August 2019 and No. 0909/19/NQ-HDQT HAGL Agrico dated 9 September 2019. Accordingly, a gain resulting from this disposal of VND'000 245,936,649 was recognised as finance income in the consolidated income statement (*Note 27.2*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

5. CASH

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	7,424,567	11,309,966
Cash in banks	85,516,633	61,137,306
Cash in transit	18,544,000	-
TOTAL	<u>111,485,200</u>	<u>72,447,272</u>

6. SHORT-TERM TRADE RECEIVABLES

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Receivable from the Laos Government for construction of airports (*)	743,067,451	748,511,168
Receivables from sales of goods and rendering of services	466,531,166	1,053,891,938
- <i>Tay Nguyen Agricultural Service Joint Stock Company ("Tay Nguyen Agricultural")</i>	79,448,210	70,606,751
- <i>Thanh An Commercial One member Co., Ltd.</i>	57,517,134	62,850,287
- <i>Canh Dong Vang Agriculture and Forestry Joint Stock Company ("Canh Dong Vang")</i>	50,342,466	30,370,320
- <i>Gia Lai Livestock Joint Stock Company</i>	49,377,567	132,668,954
- <i>Others</i>	229,845,789	757,395,626
Receivable from disposal of investment	-	516,200,000
- <i>Heygo Food Joint Stock Company ("JSC")</i>	-	516,200,000
TOTAL	<u>1,209,598,617</u>	<u>2,318,603,106</u>
Provision for short-term doubtful receivables	(19,574,090)	(24,983,876)
NET	<u>1,190,024,527</u>	<u>2,293,619,230</u>
<i>In which:</i>		
<i>Due from third parties</i>	1,052,294,443	2,262,817,019
<i>Due from related parties (Note 33)</i>	137,730,084	30,802,211

Movements of provision for short-term doubtful receivables:

	VND'000	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	24,983,876	13,042,811
Add: Provision made during the year	17,824,851	18,590,676
Less: Utilisation and reversal of provision during the year	(23,234,637)	(6,649,611)
Ending balance	<u>19,574,090</u>	<u>24,983,876</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to suppliers of goods and services	124,827,244	137,811,769
- <i>Highland Rubber</i>	28,257,752	-
- <i>Viet Nam Technology Development Co., Ltd.</i>	12,429,634	-
- <i>Dai Thang Agricultural Development Co., Ltd.</i> <i>("Dai Thang")</i>	5,434,295	32,006,466
- <i>Others</i>	78,705,563	105,805,303
Advances to contractors of construction and suppliers of machineries	4,853,416	44,774,842
Advances to subcontractors of airport projects in Laos	507,662	1,188,097
TOTAL	130,188,322	183,774,708
<i>In which:</i>		
<i>Due to third parties</i>	90,510,912	149,155,439
<i>Due to related parties (Note 33)</i>	39,677,410	34,619,269

8. SHORT-TERM LOAN RECEIVABLES

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loan to a third party	-	73,000,000
- <i>Mrs Le Thuy Duong</i>	-	73,000,000
Loan to a related party (Note 33)	-	3,814,000
TOTAL	-	76,814,000

9. OTHER RECEIVABLES

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Lending to other companies	134,861,168	5,777,694
Advances to employees	48,086,868	75,839,557
Others	47,485,492	130,587,102
	230,433,528	212,204,353
Long-term		
Others	10,372,877	6,556,215
TOTAL	240,806,405	218,760,568
<i>In which:</i>		
<i>Due from third parties</i>	177,121,747	209,273,580
<i>Due from related parties (Note 33)</i>		
- <i>Short-term</i>	56,409,401	9,486,988
- <i>Long-term</i>	7,275,257	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

10. INVENTORIES

	VND'000	
	Ending balance	Beginning balance
Work in process	1,720,396,096	1,088,623,555
<i>In which:</i>		
<i>Manufacturing and planting activities (i)</i>	869,395,362	461,687,641
<i>Construction contracts (ii)</i>	851,000,734	609,273,069
<i>Cows for meat</i>	-	17,662,845
Raw materials	261,748,953	132,746,014
Finished goods	155,519,548	46,872,104
Merchandise goods	33,218,130	28,543,749
Tools and supplies	16,441,515	9,665,525
TOTAL	2,187,324,242	1,306,450,947
Provision for obsolete inventories	(20,727,970)	(11,562,881)
NET	2,166,596,272	1,294,888,066

(i) Parts of these work in progress (manufacturing and planting activities) were pledged for loans from banks (Note 23).

(ii) This mainly represented the on-going construction cost of Nongkhang International Airport in Houaphanh Province, Lao People's Democratic Republic under the Contract No. LAO - NKP01 on 15 June 2013 with the first acceptance value of USD 25,584,644 up to 31 December 2019 (31 December 2018: USD 25,584,644). According to the Minutes No. 16453/GTVT on 12 July 2019, Lao People's Democratic approved for the extension of construction period to 31 December 2019.

On 4 February 2020, the Group received Notification Letter No. 818/NACP issued by the Ministry of Transportation and Traffic of Lao People's Democratic Republic, requested the Group to send Official letter to ask for the extension to 30 November 2020 in order to complete the project. At the date of this report, the Group is in the process of preparing the Official letter.

Movements of provision for obsolete inventories:

	VND'000	
	Current year	Previous year
Beginning balance	11,562,881	4,060,240
Add: Provision made during the year	20,296,656	11,131,567
Less: Utilisation and reversal of provisions during the year	(11,131,567)	(3,628,926)
Ending balance	<u>20,727,970</u>	<u>11,562,881</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

11. TANGIBLE FIXED ASSETS

VND'000

	Perennial trees	Means of transportation & transmit instruments	Buildings & structures	Machinery & equipment	Livestock	Office equipment	Other assets	Total
Cost								
Beginning balance	7,028,402,028	2,234,884,094	1,410,213,351	420,298,150	13,220,831	1,959,847	15,313,665	11,124,291,966
Transfer from construction in progress	2,152,352,731	291,943,520	422,934,307	23,335,932	-	-	4,065,627	2,894,632,117
New purchases	-	70,424,872	3,388,887	74,731,337	-	2,687,907	5,092,280	156,325,283
Disposals	-	-	(5,017,468)	(2,419,057)	-	-	-	(7,436,525)
Disposal of subsidiaries	(1,368,893,077)	(497,446,205)	(195,243,813)	(22,834,904)	-	(161,339)	(4,145,465)	(2,088,724,803)
Written-off	(1,045,748,566)	(5,524,776)	(162,532,265)	(21,736,952)	(13,220,831)	(173,614)	(42,209)	(1,248,979,213)
Foreign exchange differences	(242,948,800)	(61,623,783)	(38,067,945)	(10,058,501)	-	(46,372)	(437,575)	(353,182,976)
Ending balance	6,523,164,316	2,032,657,722	1,435,675,054	461,316,005	-	4,266,429	19,846,323	10,476,925,849
<i>In which:</i>								
Fully depreciated	-	88,614,885	137,162,696	38,457,453	-	826,412	2,293,477	267,354,923
Accumulated depreciation								
Beginning balance	(537,058,498)	(542,427,437)	(368,251,441)	(216,044,270)	(748,695)	(1,418,645)	(6,310,330)	(1,672,259,316)
Depreciation for the year	(464,756,772)	(179,650,104)	(103,832,265)	(50,471,047)	-	(301,831)	(2,107,618)	(801,119,637)
Disposals	-	-	3,168,431	434,972	-	-	-	3,603,403
Disposal of subsidiaries	109,666,597	72,524,956	61,109,636	3,471,064	-	161,129	1,052,947	247,986,329
Written-off	91,650,411	5,079,025	85,727,659	20,493,185	748,695	172,479	42,209	203,913,663
Foreign exchange differences	20,903,544	16,087,113	10,815,150	5,776,432	-	30,335	284,292	53,896,866
Ending balance	(779,594,718)	(628,386,447)	(311,262,830)	(236,339,664)	-	(1,356,533)	(7,038,500)	(1,963,978,692)
Net carrying amount								
Beginning balance	6,491,343,530	1,692,456,657	1,041,961,910	204,253,880	12,472,136	541,202	9,003,335	9,452,032,650
Ending balance	5,743,569,598	1,404,271,275	1,124,412,224	224,976,341	-	2,909,896	12,807,823	8,512,947,157
<i>In which:</i>								
Pledged as loans security (Note 23)	5,743,569,598	1,404,271,275	1,124,412,224	224,976,341	-	-	12,807,823	8,510,037,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

12. INTANGIBLE FIXED ASSETS

			VND'000
	<i>Software system</i>	<i>Land use rights</i>	<i>Total</i>
Cost			
Beginning balance	48,197,185	6,648,075	54,845,260
Written off an asset	(47,863,975)	-	(47,863,975)
Written off fully amortised assets	(333,210)	-	(333,210)
Ending balance	-	6,648,075	6,648,075
Accumulated amortisation			
Beginning balance	(29,749,612)	(1,246,513)	(30,996,125)
Amortisation for the year	(5,982,996)	(332,405)	(6,315,401)
Written off an asset	35,399,398	-	35,399,398
Written off fully amortised assets	333,210	-	333,210
Ending balance	-	(1,578,918)	(1,578,918)
Net carrying amount			
Beginning balance	18,447,573	5,401,562	23,849,135
Ending balance	-	5,069,157	5,069,157

13. CONSTRUCTION IN PROGRESS

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Fruit plantations (*)	3,713,729,509	2,920,344,527
Rubber plantations (*)	3,106,630,075	5,866,751,345
Oil palm plantations (*)	2,447,468,811	3,475,316,316
Palm oil manufacturing factories (*)	413,487,337	434,245,963
Buildings and structures (*)	229,478,367	481,190,254
Others	102,136,384	92,481,194
TOTAL	10,012,930,483	13,270,329,599

(*) These assets were mortgaged to secure for the loans of the Group (Note 23).

14. CAPITALISED BORROWING COSTS

During the year, the Group has capitalised borrowing costs amounting to VND'000 522,276,485 into the value of construction in progress (for the year ended 31 December 2018: VND'000 613,834,029). These are costs incurred on the bank loans and bonds to finance the construction and development of buildings and structures, machinery and equipment, development of rubber, palm oil and fruit plantations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

15. LONG-TERM INVESTMENTS

	VND'000	
	Ending balance	Beginning balance
Investment in an associate (Note 15.1)	315,487,353	299,447,924
Investments in another entity (Note 15.2)	<u>2,594,610</u>	<u>7,783,830</u>
TOTAL	<u>318,081,963</u>	<u>307,231,754</u>

15.1 Investment in an associate

Associate	Business sector	Ending balance		Beginning balance	
		Ownership	Carrying value	Ownership	Carrying value
		%	VND'000	%	VND'000
Bidiphar Rubber JSC ("Bidiphar")	Planting, harvesting rubber, and processing rubber products	49.14	<u>315,487,353</u>	49.14	<u>299,447,924</u>

Details of carrying value of the investment in an associate on 31 December 2019 were as follows:

	VND'000
Cost of investment	
Beginning and ending balances	<u>286,004,636</u>
Accumulated share of profit in post-acquisition	
Beginning balance	13,443,288
Share of profits from an associate	26,497,251
Dividends received	<u>(10,457,822)</u>
Ending balance	<u>29,482,717</u>
Carrying amount	
Beginning balance	<u>299,447,924</u>
Ending balance	<u>315,487,353</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

15. LONG-TERM INVESTMENTS (continued)

15.2 Investment in another entity

Company	Business section	Ending balance		Beginning balance	
		Ownership	Cost	Ownership	Cost
		%	VND'000	%	VND'000
Canh Dong Vang (*)	Fruit trading	15.00	<u>2,594,610</u>	45.00	<u>7,783,830</u>

(*) On 25 January 2019, the Company transferred 57,000 shares, equivalent to 30% ownership interest in Canh Dong Vang to Tay Nguyen Agricultural, a third party, for a consideration of VND'000 5,189,220. Accordingly, the Company's ownership interest in Canh Dong Vang decreased from 45% to 15% as at that date.

Canh Dong Vang was acquired for the purpose of hold-ing less than 20%, according to the Resolution of the Board of Directors No. 1510/18/NQ-HDQT HAGL Agrico dated 15 October 2018.

16. PREPAID EXPENSES

	VND'000	
	Ending balance	Beginning balance
Short term		
Tools and supplies	3,637,990	1,637,637
Short-term fruit plantations	-	12,548,563
Others	<u>2,449,738</u>	<u>6,751,410</u>
	<u>6,087,728</u>	<u>20,937,610</u>
Long term		
Land rental fees	58,958,582	65,526,788
Land clearance costs	46,589,626	52,379,067
Tools and supplies	10,376,864	18,622,267
Office rental	5,102,262	5,333,584
Others	<u>5,661,865</u>	<u>12,494,163</u>
	<u>126,689,199</u>	<u>154,355,869</u>
TOTAL	<u>132,776,927</u>	<u>175,293,479</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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17. GOODWILL

VND'000

	<i>Goodwill arising from acquisition of subsidiaries:</i>					<i>Total</i>
	<i>Trung Nguyen Rubber</i>	<i>Dong Penh</i>	<i>An Dong Mia</i>	<i>Indochina Rubber</i>	<i>Highland Dairy Cattle</i>	
Cost						
Beginning balance	2,667,823,198	611,353,527	565,417,677	168,887,099	72,228,357	4,085,709,858
Disposals	(2,667,823,198)	(611,353,527)	-	(168,887,099)	-	(3,448,063,824)
Ending balance	-	-	565,417,677	-	72,228,357	637,646,034
Accumulated amortisation						
Beginning balance	(555,796,500)	(191,532,985)	(175,011,872)	(47,851,345)	(26,483,732)	(996,676,434)
Amortisation for the year	(177,854,880)	(35,662,289)	(56,541,768)	(8,444,355)	(7,222,836)	(285,726,128)
Disposals	733,651,380	227,195,274	-	56,295,700	-	1,017,142,354
Ending balance	-	-	(231,553,640)	-	(33,706,568)	(265,260,208)
Net carrying amount						
Beginning balance	2,112,026,698	419,820,542	390,405,805	121,035,754	45,744,625	3,089,033,424
Ending balance	-	-	333,864,037	-	38,521,789	372,385,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

18. SHORT-TERM TRADE PAYABLES

	VND'000	
	Ending balance	Beginning balance
Payables to suppliers of goods and services	910,462,831	377,901,730
- Thadi	207,569,778	-
- Daun Penh Agrico Co., Ltd ("Daun Penh")	91,845,863	-
- Binh Phuoc Kratie Rubber 2 Co Ltd ("Binh Phuoc Kratie")	73,677,590	-
- Iapacco JSC	42,273,048	17,788,694
- Others	495,096,552	360,113,036
Payables to suppliers of machineries and equipment	32,172,611	29,265,527
Payables to constructors	42,237,312	6,558,393
TOTAL	984,872,754	413,725,650
<i>In which:</i>		
Due to third parties	462,901,219	351,378,057
Due to related parties (Note 33)	521,971,535	62,347,593

19. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND'000	
	Ending balance	Beginning balance
Sale of goods and services rendered	197,329,676	86,711,848
- Khamkauong Agricultural Development Co., Ltd	56,925,500	-
- Thanh Long Production and Trading Co., Ltd	27,500,000	-
- Thadi	18,021,828	-
- Others	94,882,348	86,711,848
TOTAL	197,329,676	86,711,848
<i>In which:</i>		
Due to third parties	179,307,848	86,711,848
Due to a related party (Note 33)	18,021,828	-

20. STATUTORY OBLIGATIONS

	VND'000			
	Beginning balance	Increase for the year	Decrease for the year	Ending balance
Corporate income tax (Note 32.1)	30,335,388	480,804	(11,069,339)	19,746,853
Value-added tax	6,822,116	57,847,902	(64,670,018)	-
Personal income tax	6,082,410	4,594,482	(4,965,172)	5,711,720
Others	2,825,803	1,367,196	(4,192,999)	-
TOTAL	46,065,717	64,290,384	(84,897,528)	25,458,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

21. ACCRUED EXPENSES

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>VND'000</i>	
Short-term		
Operating expenses	790,869,405	745,217,478
Interest expenses	649,247,074	577,022,877
Others	55,756,572	225,796,615
	<u>1,495,873,051</u>	<u>1,548,036,970</u>
Long-term		
Interest expenses	<u>728,263,269</u>	<u>759,275,084</u>
TOTAL	<u>2,224,136,320</u>	<u>2,307,312,054</u>
<i>In which:</i>		
<i>Due to third parties</i>	2,031,817,627	2,114,464,712
<i>Due to related parties (Note 33)</i>		
- <i>Short-term</i>	33,322,762	83,882,304
- <i>Long-term</i>	158,995,931	108,965,038

22. OTHER PAYABLES

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>VND'000</i>	
Short-term		
Borrowing payables to other companies and individuals	205,710,224	383,737,755
Land lease payables	68,603,644	77,030,840
Other payables	197,462,757	30,770,128
	<u>471,776,625</u>	<u>491,538,723</u>
Long-term		
Borrowing payables to other companies and individuals	127,926,968	326,733,232
Land lease payables	113,111,079	112,132,020
Business Cooperation Contract	-	550,000,000
	<u>241,038,047</u>	<u>988,865,252</u>
TOTAL	<u>712,814,672</u>	<u>1,480,403,975</u>
<i>In which:</i>		
<i>Due to third parties</i>	492,104,005	644,178,084
<i>Due to related parties (Note 33)</i>		
- <i>Short-term</i>	194,735,337	207,292,780
- <i>Long-term</i>	25,975,330	628,933,111

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS

	VND'000	
	Ending balance	Beginning balance
Short-term		
Short-term loans from related parties (Note 23.3 and 33)	2,825,972,081	1,729,600,000
Current portion of long-term bank loans (Note 23.4)	1,209,903,508	762,209,407
Short-term loans from banks (Note 23.2)	618,695,510	683,258,274
Short-term convertible bonds (Note 23.1)	-	2,153,212,703
Current portion of long-term bonds	-	484,897,155
Short-term loans from a company and individuals	-	60,729,000
Current portion of long-term loan from an individual	-	5,000,000
	<u>4,654,571,099</u>	<u>5,878,906,539</u>
Long-term		
Long-term loans from banks (Note 23.4)	3,095,659,565	4,318,640,316
Long-term loans from related parties (Note 23.5 and 33)	1,454,367,231	3,679,224,832
Long-term bonds	-	1,553,227,582
	<u>4,550,026,796</u>	<u>9,551,092,730</u>
TOTAL	<u>9,204,597,895</u>	<u>15,429,999,269</u>

Details of the movement of loans are as follows:

	VND'000		
	Short-term loans	Long-term loans	Total
Beginning balance	5,878,906,539	9,551,092,730	15,429,999,269
Drawdown of loans	3,997,189,408	1,153,669,798	5,150,859,206
Repayment of loans	(4,041,139,596)	(3,843,108,140)	(7,884,247,736)
Conversion of convertible bond to ordinary shares (Note 23.1)	(2,217,100,000)	-	(2,217,100,000)
Decrease due to disposal of subsidiaries	(141,310,000)	(463,590,000)	(604,900,000)
Current portion of long-term loans	1,107,320,286	(1,107,320,286)	-
Amortisation of discount value of convertible bonds	63,634,964	-	63,634,964
Bonds issuance costs	252,333	109,398	361,731
Offsetting with receivables	-	(715,195,559)	(715,195,559)
Foreign exchange differences	6,817,165	(25,631,145)	(18,813,980)
Ending balance	<u>4,654,571,099</u>	<u>4,550,026,796</u>	<u>9,204,597,895</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.1 Short-term convertible bonds

On 9 August 2019, the Company issued additional 221,710,000 ordinary shares to convert 221,710 bonds to Truong Hai Auto Corporation and others bond holders amounting to VND'000 2,217,100,000 to share capital. The issuance was approved by the Shareholders' Resolution No. 0605/18/NQDHDHCD-HAGL Agrico dated 6 May 2018, the Board of Directors' Resolution No. 0605-1/18/NQHDQT-HAGL Agrico dated 6 May 2018 and the Board of Directors' Resolution No. 3007/19/NQHDQT-HAGL Agrico dated 30 July 2019.

Accordingly, share capital of the Company increased from VND'000 8,868,438,950 to VND'000 11,085,538,950. On 26 August 2019, the Department of Planning and Investment of Gia Lai Province approved and issued the new Business Registration Certificate for increasing share capital as mentioned above.

Details of short-term convertible bonds were as follows:

	<i>VND'000</i>
	<i>Amount</i>
For the year ended 31 December 2019	
Value of convertible bonds	2,217,100,000
Equity component (<i>Note 24.1</i>)	(105,576,190)
	2,111,523,810
Liability component at initial recognition	105,576,190
Add: Accumulated amortisation of discount	
Beginning balance	41,941,226
Amortisation for the year	63,634,964
	105,576,190
Liability component before conversion	2,217,100,000
Transfer convertible bonds to ordinary shares (<i>Note 24.1</i>)	(2,217,100,000)
Value of convertible bonds at as year end	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.2 Short-term loans from banks

<i>Bank</i>	<i>Ending balance</i>	<i>Original amount</i>	<i>Maturity</i>	<i>Interest rate</i>	<i>Collaterals</i> <i>(Notes 10, 11 and 13)</i>
	<i>VND'000</i>	<i>USD</i>		<i>% p.a.</i>	
<i>Tien Phong Commercial Joint Stock Bank ("TPbank") - Hanoi Branch</i>					
Loan facility dated 21 April 2017	599,732,982	-	From 10 March 2020 to 30 September 2020	The basic interest rate of TPbank with maturity term 3-month + 3.20% p.a. for quarterly year (2019: 10.50)	Assets owned by Eastern Rubber (Cambodia) Co., Ltd. ("Eastern Rubber") formed in current and future on land lots in accordance to certificate of land ownership right at Cambodia No. Kor Ror 0185, area of 925 ha; 453.7 ha of fruit plantation land at Huoi Kong Village, Paksong District, Champasak Province, Laos owned by Dai Thang Agriculture Development Co., Ltd.; 32,829,686 HNG shares owned by HAG.
<i>Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank") - Cambodia Branch</i>					
Loan facility dated 30 August 2019	18,962,528	800,000	29 February 2020	9.00	Land use right and rubber plantations of 463.4 ha at Ratanakiri Province, Cambodia owned by Hoang Anh Oyadav.
TOTAL	618,695,510				

Hoang Anh Gia Lai Agricultural Joint Stock Company

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.3 Short-term loans from related parties

<i>Lenders</i>	<i>Ending balance</i> VND'000	<i>Maturity</i>	<i>Interest rate</i> % p.a.	<i>Purpose</i>	<i>Collateral</i>
<i>Truong Hai Auto Corporation</i>					
Loan facility dated 11 December 2019	453,563,957	11 December 2020	9.50	To finance working capital needs	Unsecured
Loan facility dated 6 June 2019	224,000,000	12 July 2020	8.00	Invest in planting 7,000 ha of bananas in Laos and Cambodia	Unsecured
Loan facility dated 17 June 2019	219,900,668	4 December 2020	8.00	Nong Khang Airport Project in Huaphan Province, Laos	Unsecured
	<u>897,464,625</u>				
<i>Hoang Anh Gia Lai Joint Stock Company</i>					
Loan facility dated 1 October 2018 (*)	781,218,000	21 June 2020	6.00 - 8.00	To finance working capital requirements	Unsecured
Loan facility dated 7 January 2019 (*)	381,080,000	29 January 2020	6.50 - 8.00	To finance working capital requirements	Unsecured
Loan facility dated 6 June 2019 (*)	297,000,000	7 June 2020	8.00	To finance new banana plantations in an area of 7,000 ha	Unsecured
Loan facility dated 26 November 2018 (*)	202,250,000	5 December 2019	6.50 - 8.00	To finance working capital requirements	Unsecured
Loan facility dated 18 February 2019 (*)	180,174,000	18 August 2020	7.00 - 8.00	To finance working capital needs	Unsecured
Loan facility dated 19 July 2019	35,485,456	19 July 2020	10.00	To finance working capital needs	Unsecured
Loan facility dated 1 November 2019	1,300,000	30 April 2020	11.50	To finance working capital needs	Unsecured
	<u>1,878,507,456</u>				
<i>Mrs Kieu Ngoc Hoa, shareholder</i>					
Loan facility dated 4 November 2019	50,000,000	4 February 2020	14.00	To finance working capital needs	Unsecured
TOTAL	<u>2,825,972,081</u>				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.3 Short-term loans from related parties (continued)

(*) Short-term loans from HAG, including principle and related interest as at 31 December 2019, was restructured to be new loan with maturity to 31 January 2023, in according to new Loan Contract No. 0102/2020/HDV/HAGL-NNQT dated 1 February 2020.

23.4 Long-term loans from banks

	Ending balance	Beginning balance	VND'000 Purpose
Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV")	1,877,239,318	1,888,233,421	To finance for the rubber, palm oil plantation projects and working capital
Ho Chi Minh City Development Joint Stock Bank ("HD Bank")	952,352,906	1,034,341,177	To finance for the rubber, palm oil and fruit plantation projects and working capital
Laos - Vietnam Joint Venture Bank ("Laos - Viet Bank")	822,882,246	903,442,605	To finance for the rubber, palm oil plantation and cow projects
Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank")	553,088,603	1,004,832,520	To finance for the rubber, palm oil plantation projects and working capital
Tien Phong Commercial Joint Stock Bank ("TPbank")	100,000,000	250,000,000	To finance for the rubber and fruit plantation projects
TOTAL	<u>4,305,563,073</u>	<u>5,080,849,723</u>	
<i>In which:</i>			
<i>Non-current portion</i>	3,095,659,565	4,318,640,316	
<i>Current portion</i>	1,209,903,508	762,209,407	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.4 Long-term loans from banks (continued)

Banks	Ending balance VND'000	Original amount		Maturity	Interest rate % p.a.	Collaterals (Notes 10, 11 and 13)
		VND'000	USD			
BIDV, Gia Lai Branch						
Loan facility dated 1 April 2010	734,611,164	-	31,623,382	From 31 December 2020 to 31 December 2026	Interest rate of 12 - month saving deposit in USD at BIDV paid in arrears + 4.70% p.a. (2019: 7.20)	Land use right and rubber plantations of 9,996.9 ha at Saysetha and Phu Vong Districts, Attapeu Province, Laos owned by Hoang Anh Attapeu.
Loan facility dated 19 June 2015	576,965,337	289,818,146	12,361,050	28 December 2019	VND 11.60 USD 9.28	2 floors of shopping centres located at Bau Thac Gian Commercial - Residential Building, Da Nang City, Vietnam owned by HAG; 7 cars owned by HAG; 13,310,000 shares of HNG held by HAG; Office building of Group at 15 Truong Chinh St, Phu Dong Ward, Pleiku City; Land use right and harvesting right of 1,040.52 ha rubber plantations at La Pa District, Gia Lai Province, Vietnam owned by Trung Nguyen Rubber.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.4 Long-term loans from banks (continued)

Banks	Ending balance	Original amount	Maturity	Interest rate	Collaterals (Notes 10, 11 and 13)
	VND'000	USD			
BIDV, Binh Dinh Branch					
Loan facility dated 18 February 2013 (*)	565,662,817	24,777,920	From 25 March 2021 to 25 December 2026	Interest rate of 12- month saving deposit in USD at BIDV paid in arrears + 5.00% p.a. (2019: 6.70 - 7.00)	Land use right of 37 luxury apartments in block A, B and C at No. 40, Hung Vuong Street, Buon Ma Thuot City, Dak Lak Province, Viet Nam owned by Hoang Anh Dak Lak; 119 apartments in HAGL's high class offices, and luxury apartments located at No. 6 Hoang Van Thu Street, Pleiku City, Gia Lai Province, Vietnam owned by HAG; HAGL Granite Stone factory located alongside of the highway No. 14, Ia Bang Commune, Dak Doa District, Gia Lai Province, Vietnam owned by HAG; Land use right of 6,993.2 m2 at Phu Dong Ward, Pleiku City, Gia Lai Province, Viet Nam owned by HAG; Land use right of 4,733.01 ha rubber and 3,155.79 ha palm oil in Attapeu Province, Laos owned by Hoang Anh Attapeu.
TOTAL	<u>1,877,239,318</u>				
<i>In which:</i>					
Non-current portion	1,289,714,877				
Current portion	587,524,441				

(*) As at 31 December 2019, and up to the date of the consolidated financial statements, the actual rubber plantation area of the Group was 13,714 ha, which was lower than 17,950 ha as committed in the Loan contract. Additionally, the actual palm oil plantation area of the Hoang Anh Attapeu was 1,449.2 ha, which was lower than 3,155.79 ha as committed in the Loan contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)**23.4 Long-term loans from banks (continued)**

Banks	Ending balance VND'000	Original amount		Maturity	Interest % p.a.	Collaterals (Notes 10, 11 and 13)
		VND'000	USD			
HD Bank, Dong Nai Branch						
Loan facility dated 25 April 2014 (*)	887,352,906	450,000,000	18,827,073	From 25 June 2020 to 25 December 2023	VND: 12.57 USD: 8.50	172,070,455 shares of HNG held by HAG; Land use right of 7,924 ha in Ratanakiri Province, Cambodia owned by Hoang Anh Lumphat; 20,000,000 shares of An Dong Mia held by HNG, Mrs. Le Thi Ngoc Bich and Mrs. Vo Thi Le Thu.
HD Bank, Dak Lak Branch						
Loan facility dated 30 March 2018	65,000,000	65,000,000	-	From 31 March 2020 to 31 December 2020	11.50 - 11.80	Land use right and future harvesting right of fruits, and herb projects at Ea H'Leo Commune, Ea H'Leo District, Dak Lak Province, Vietnam owned by Hoang Anh Dak Lak.
TOTAL	952,352,906					
<i>In which:</i>						
Non-current portion	665,514,685					
Current portion	286,838,221					

(*) As at 31 December 2019, and up to the date of the consolidated financial statements, the actual palm oil plantation area of the Group was 4,074 ha, which was lower than 6,653 ha as committed in the Loan contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.4 Long-term loans from banks (continued)

<i>Banks</i>	<i>Ending balance</i>	<i>Original amount</i>		<i>Maturity</i>	<i>Interest rate</i>	<i>Collaterals</i> (Notes 10, 11 and 13)
		<i>VND'000</i>	<i>LAK'000</i>			
Laos - Viet Bank, Attapeu Branch						
Loan facility dated 5 August 2015 and 26 November 2015 (*)	310,331,827	-	13,593,570	From 25 November 2019 to 25 August 2022	10.00	Office building of Hoang Anh Attapeu at Km No.31, Hatxan Ward, Xaysettha District, Attapeu Province, Laos corresponding to the map No. 17 001 0008 with an area of 0.3 ha; Rubber latex production factory in Xaysettha District, Attapeu Province, Laos; All imported cows (14,219 cows) of Hoang Anh Attapeu.
Loan facility dated 15 March 2013 (**)	272,699,137	38,155,000	7,649,850	From 25 December 2019 to 25 December 2026	LAK: 12.75 USD: 10.00	Land use right and harvest right of 4,733.01 ha rubber plantations, and 3,155.79 ha palm oil plantations at Attapeu Province, Laos owned by Hoang Anh Attapeu.

(*) As at 31 December 2019, and up to the date of the consolidated financial statements, Hoang Anh Attapeu disposed of all the cows of the company.

(**) As at 31 December 2019, and up to the date of the consolidated financial statements, the actual palm oil plantations area of the Group was 1,449.2 ha, which was lower than 3,155.79 ha as committed in the Loan contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. **LOANS** (continued)

23.4 **Long-term loans from banks** (continued)

Banks	Ending balance VND'000	Original amount		Maturity	Interest rate % p.a.	Collaterals (Notes 10, 11 and 13)
		LAK'000	USD			
Laos - Viet Bank, Attapeu Branch (continued)						
Loan facility dated 9 July 2015 (*)	176,886,768	-	7,748,231	From 25 January 2020 to 25 October 2022	10.00	Land use right of 3 land plots with total area of 1,001.78 ha at Laman District, Sekong Province, Laos; All related assets belonging to breeding cow, and import cow projects - value of 26,460,000 USD owned by Hoang Anh - Quang Minh; all assets attached on rubber plantation with area of 420.91 ha in Laman District, Sekong Province, Laos owned by Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.
Loan facility dated 25 November 2015	62,964,514	-	2,758,056	From 25 February 2020 to 25 November 2020	10.00	All equipments, materials, and machineries for construction project of palm oil processing factory owned by Hoang Anh Attapeu.
TOTAL	822,882,246					
<i>In which:</i>						
<i>Non - current portion</i>	564,430,731					
<i>Current portion</i>	258,451,515					

(*) As at 31 December 2019, and up to the date of the consolidated financial statements, the Group did not maintain the cows at value of 26,460,000 USD as required in the Loan contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.4 Long-term loans from banks (continued)

Banks	Ending balance	Original amount		Maturity	Interest rate	Collaterals (Notes 10, 11 and 13)
		VND'000	VND'000			
Sacombank, Sai Gon Branch						
Loan facility dated 3 January 2014 (*)	262,454,605	262,454,605	-	From 24 December 2021 to 24 December 2026	Interest rate of 13-month saving deposit paid in arears of Sacombank + 2.00% p.a. and be adjusted each of 3-month (2019: 9.80)	23.2 million shares of HAG owned by the Chairman; 14.5 million shares of Hoang Anh - Quang Minh owned by HNG.
Sacombank, Thu Duc Branch						
Loan facility dated 29 November 2013 (**)	250,000,000	250,000,000	-	From 25 December 2021 to 6 December 2026	9.80	Land use right of 1,328.1 ha of rubber plantations, and attached assets in Chuprong District, Gia Lai Province, Vietnam owned by Trung Nguyen Rubber; Land use right of 479.2 ha ha at EaH'Leo Commune, EaH'Leo District, Dak Lak Province, Vietnam owned by Hoang Anh Dak Lak, and 683.33 ha at EaH'Leo Commune, EaH'Leo District, Dak Lak Province, Vietnam owned by Ban Me Rubber JSC.

(*) As at 31 December 2019, and up to the date of the consolidated financial statements, the actual plantation area of the Group was 2,429 ha, which was lower than 9,000 ha as committed in the Loan contract.

(**) As at 31 December 2019, and up to the date of the consolidated financial statements, the actual palm oil plantation area of the Group was 5,233 ha, which was lower than 9,470 ha as committed in the Loan contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.4 Long-term loans from banks (continued)

Banks	Ending balance	Original amount		Maturity	Interest rate % p.a.	Collaterals (Notes 10, 11 and 13)
	VND'000	VND'000	USD			
Sacombank, Cambodia Branch						
Loan facility dated 16 June 2016	40,633,998	-	1,714,286	From 22 June 2020 to 21 June 2021	9.00	Land use right: Land project No. 1 in Talao Commune, Ouchum District, Ratanakiri Province, Cambodia, and Land project No. 2 in Nhang Commune, Andong Meas District, Ratanakiri Province, Cambodia owned by Hoang Anh Oyadav.
TOTAL	553,088,603					
<i>In which:</i>						
Non-current portion	525,999,272					
Current portion	27,089,331					

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.4 Long-term loans from banks (continued)

Banks	Ending balance	Original amount		Maturity	Interest rate	Collaterals (Notes 10, 11 and 13)
	VND'000	VND'000	USD		% p.a.	
TPbank, Head office						
Loan facility dated 19 November 2018	<u>100,000,000</u>	100,000,000	-	From 25 May 2020 to 25 November 2021	11.40	Securities with income, dividends, right and benefits arising from 15,000,000 shares of HNG held by HAG.
<i>In which:</i>						
Non-current portion	50,000,000					
Current portion	50,000,000					

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

23. LOANS (continued)

23.5 Long-term loans from related parties

Details of the loans from related parties are as follows:

<i>Lenders</i>	<i>Ending balance</i> VND'000	<i>Maturity</i>	<i>Interest rate</i> % p.a.	<i>Purpose</i>	<i>Collateral</i>
<i>HAG, Parent company (Note 33)</i>					
Loan facility dated 5 July 2015	300,000,000	5 July 2021	9.75	To finance for palm oil factory and thermal power plant in Cambodia	Unsecured
Loan facility dated 6 January 2014	259,900,868	6 January 2022	9.75	To finance working capital requirements	Unsecured
Loan facility dated 7 December 2016	89,205,529	1 January 2022	12.50	To finance working capital requirements	Unsecured
	<u>649,106,397</u>				
<i>THACO, The company with the same members of BOD (Note 33)</i>					
Loan facility dated 10 December 2019	805,260,834	10 June 2021	10.50	To finance working capital requirements	Unsecured
TOTAL	<u>1,454,367,231</u>				
<i>In which:</i>					
<i>Non-current portion</i>	1,454,367,231				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

24. OWNERS' EQUITY

24.1 Increase and decrease in owners' equity

	VND'000					
	Share capital	Share premium	Equity component of convertible bond	Foreign exchange differences	Undistributed earnings /(accumulated losses)	Total
Previous year						
Beginning balance	7,671,438,950	1,064,550,810	-	454,592,390	911,299,891	10,101,882,041
Shares issuance	1,197,000,000	-	-	-	-	1,197,000,000
Net loss for the year	-	-	-	-	(659,149,758)	(659,149,758)
Equity transactions inside Group with non-controlling interests in subsidiaries without changing control	-	-	-	-	(148,694,971)	(148,694,971)
Convertible bonds issuance	-	-	105,576,190	-	-	105,576,190
Remuneration for BOD, BOS and BOD's Secretaries	-	-	-	-	(810,000)	(810,000)
Foreign exchange differences	-	-	-	50,769,413	-	50,769,413
Ending balance	<u>8,868,438,950</u>	<u>1,064,550,810</u>	<u>105,576,190</u>	<u>505,361,803</u>	<u>102,645,162</u>	<u>10,646,572,915</u>
Current year						
Beginning balance	8,868,438,950	1,064,550,810	105,576,190	505,361,803	102,645,162	10,646,572,915
Conversion of convertible bond to ordinary shares (Note 23.1)	2,217,100,000	105,576,190	(105,576,190)	-	-	2,217,100,000
Net loss for the year	-	-	-	-	(2,425,918,207)	(2,425,918,207)
Equity transactions inside Group with non-controlling interests in subsidiaries without changing control (Note 4.1 and 4.2)	-	-	-	-	1,075,096	1,075,096
Remuneration for BOD, BOS and BOD's Secretaries	-	-	-	-	(1,561,000)	(1,561,000)
Foreign exchange differences	-	-	-	(470,370,136)	-	(470,370,136)
Disposal of subsidiaries	-	-	-	(238,480,584)	-	(238,480,584)
Ending balance	<u>11,085,538,950</u>	<u>1,170,127,000</u>	<u>-</u>	<u>(203,488,917)</u>	<u>(2,323,758,949)</u>	<u>9,728,418,084</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**24. OWNERS' EQUITY** (continued)**24.2 Capital transactions with owners**

	VND'000	
	Current year	Previous year
Beginning balance	8,868,438,950	7,671,438,950
Conversion of convertible bond to ordinary shares (Note 23.1)	2,217,100,000	-
Increase in the year	-	1,197,000,000
Ending balance	<u>11,085,538,950</u>	<u>8,868,438,950</u>

24.3 Shares

	Shares	
	Ending balance	Beginning balance
Shares authorised to be issued	1,108,553,895	886,843,895
Shares issued and fully paid <i>Ordinary shares</i>	1,108,553,895	886,843,895
Shares in circulation <i>Ordinary shares</i>	1,108,553,895	886,843,895

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

25. NON-CONTROLLING INTERESTS

	VND'000	
	Current year	Previous year
Beginning balance	29,309,682	50,886,343
Share of (loss)/profit during the year	(18,483,122)	3,035,231
Equity transactions with non-controlling interests in subsidiaries without changing control	(790,635)	(24,116,892)
Dividends paid to non-controlling interests	-	(495,000)
Disposal of subsidiaries	(501,389)	-
Ending balance	<u>9,534,536</u>	<u>29,309,682</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

26. LOSSES PER SHARE

The Group used the following information to calculate basic and diluted losses per share:

	<i>Current year</i>	<i>Previous year</i>
Net losses after tax attributable to ordinary shareholders (VND'000)	(2,425,918,207)	(659,149,758)
Weighted average number of ordinary shares for basic earnings per share (<i>share</i>)	962,467,537	866,183,347
Weighted average number of ordinary shares increased for the effect of convertible bonds	-	221,710,000
Weighted average number of ordinary shares increased for the effect of right to purchase additional shares	-	162,675,507
Weighted average number of ordinary shares adjusted for the effect of dilution	962,467,537	1,250,568,854
Basic losses per share (VND)	(2,521)	(761)
Diluted losses per share (VND)	(2,521)	(527)

There have been no potential dilutive ordinary shares during the year and up to the date of these consolidated financial statements.

27. REVENUES

27.1 Revenues from sale of goods and rendering of services

	<i>Current year</i>	<i>Previous year</i>
	<i>VND'000</i>	
Sale of fruits	1,243,174,162	2,351,617,889
Sale of rubber latex	341,922,013	345,167,899
Sale of goods, merchandises and by-products	176,705,580	292,364,339
Sale of chilli	38,704,084	496,448,129
Revenue from rendering of services	10,269,191	10,917,384
Sale of cows	-	126,874,935
Sale of pepper	-	38,214,213
Sale of apartments	-	26,740,589
TOTAL	1,810,775,030	3,688,345,377
<i>In which:</i>		
<i>Net revenue from related parties</i>	<i>1,019,035,719</i>	<i>584,274,041</i>
<i>Net revenue from third parties</i>	<i>791,739,311</i>	<i>3,104,071,336</i>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

27. REVENUES (continued)

27.2 Finance income

	VND'000	
	Current year	Previous year
Income from disposal of investments (Note 4.5)	245,936,649	73,082,312
Foreign exchange difference gains	8,202,737	10,487,492
Interest income	2,334,857	67,038,014
Others	-	119,771
TOTAL	<u>256,474,243</u>	<u>150,727,589</u>
<i>In which:</i>		
Interest income from loans to related parties	-	49,037,033

28. COST OF GOODS SOLD AND SERVICES RENDERED

	VND'000	
	Current year	Previous year
Cost of fruits sold	963,666,625	1,247,147,011
Cost of rubber latex sold	437,352,727	361,367,131
Cost of goods sold	142,753,774	18,578,858
Cost of chilli sold	43,130,128	335,048,650
Cost of services rendered	10,708,420	24,121,237
Cost of cows sold	-	138,206,269
Cost of pepper sold	-	34,962,327
Cost of apartments sold	-	27,632,944
TOTAL	<u>1,597,611,674</u>	<u>2,187,064,427</u>

29. FINANCE EXPENSES

	VND'000	
	Current year	Previous year
Interest expenses	571,255,746	638,937,501
Foreign exchange difference losses	73,063,454	16,313,294
Loss from liquidation of a subsidiary (Note 4.3)	993,568	-
Others	47,888,676	35,321,870
TOTAL	<u>693,201,444</u>	<u>690,572,665</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

30. SELLING AND ADMINISTRATIVE EXPENSES

	VND'000	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
Transportation expenses	242,763,685	109,693,562
External service expenses	39,448,664	22,632,265
Salary expenses	14,617,287	10,211,387
Depreciation expenses	2,412,294	2,188,094
Others	4,004,081	4,653,129
	<u>303,246,011</u>	<u>149,378,437</u>
General and administration expenses		
Allocation of goodwill (Note 17)	285,726,128	408,570,987
Salary expenses	90,366,973	56,185,369
External service expenses	49,313,604	28,800,846
Provision for doubtful debts	15,532,723	11,647,070
Depreciation and amortisation expenses	13,713,037	14,120,863
Others	12,275,865	165,651,493
	<u>466,928,330</u>	<u>684,976,628</u>
TOTAL	<u>770,174,341</u>	<u>834,355,065</u>

31. OTHER INCOME AND EXPENSES

	VND'000	
	<i>Current year</i>	<i>Previous year</i>
Other income		
Reversal of tax accrual under Decree 20 (*)	192,397,024	-
Written-off payables	20,152,510	-
Profits from disposals of fixed assets	456,492	-
Others	16,846,248	20,710,867
	<u>229,852,274</u>	<u>20,710,867</u>
Other expenses		
Costs for developing plantations	(1,340,360,552)	(541,841,519)
Depreciation of idle assets	(54,983,799)	(79,563,818)
Penalties	(10,144,168)	(29,728,088)
Loss from disposal of fixed assets	-	(26,972,709)
Others	(232,210,383)	(83,990,460)
	<u>(1,637,698,902)</u>	<u>(762,096,594)</u>
OTHER LOSS	<u>(1,407,846,628)</u>	<u>(741,385,727)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

31. OTHER INCOME AND EXPENSES (continued)

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

For the year ended 31 December 2019, the Board of Directors also decided not to recognise provision for CIT due to the Group's application of the draft amendments to Decree 20 issued by the Government in 2019. According to the amendments, the Group estimates the total net interest expenses incurred in the year (interest expenses are offset with interest income) shall not exceed 30% of the total net profit from operating activities plus (+) net interest expenses plus (+) depreciation expenses during the year.

As at the date of these consolidated financial statements, the official document to amend Decree 20 has not been officially issued. However, based on available information, the Group believes that Decree 20 will be amended in a positive way according to the draft amendments issued by the Government during the year.

Based on the management's assessment, the guidance at Item 3, Article 8 of Decree 20 has many ambiguous points, with various ways of interpretation that may cause variations in practical application and this guidance does not reflect the intention of transfer pricing regulations. The management is still in discussions and proposing their view points to the State Audit Office, General Department of Taxation ("GDT"), Office of the Government and Ministry of Finance ("MOF") to ask for their consideration in amending guidance of Decree 20.

As at the date of these consolidated financial statements, Decree 20 is not amended, and the Group's management is still in the process of discussing with the relevant local authorities.

32. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profit (2018: 20%).

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. CORPORATE INCOME TAX (continued)

32.1 Current CIT

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

	VND'000	
	Current year	Previous year
Current tax expense	636,624	499,451
Under/(over) accrual of CIT in previous years	158,992	(4,647,050)
Deferred tax expense	68,518,150	34,499,060
TOTAL	69,313,766	30,351,461

A reconciliation between the taxable profit and loss before tax is presented below:

	VND'000	
	Current year	Previous year
Accounting loss before tax	(2,375,087,563)	(625,763,066)
<i>Adjustments:</i>		
Non-deductible expenses	1,634,636,353	9,857,984
Losses of subsidiaries	1,295,381,210	842,321,736
Amortisation of goodwill	285,726,128	408,570,987
Difference in intercompany interest income and expenses in consolidation	129,099,274	76,088,699
Foreign exchange differences	35,408,481	(97,302,362)
Change in unrealised intra-group profits	11,021,368	(20,241,725)
Difference between actual interest rate and nominal interest rate on convertible bonds in the consolidated financial statements	7,679,836	-
Provision for investments into subsidiaries	(336,847,230)	(214,456,985)
Profits of activities which are exempted for CIT	(254,707,311)	(397,108,217)
Gain from disposal of investment in the consolidated financial statements	(245,936,649)	(73,082,312)
Change in accrual expenses	(192,397,024)	50,505,561
(Profit)/loss from associate shared	(26,497,251)	11,458,148
Others	35,703,497	31,648,807
Estimated current taxable profit for the year	3,183,119	2,497,255
Estimated current CIT expense	636,624	499,451
Adjustment for under/(over) accrual of CIT in previous years	158,992	(4,647,050)
Estimated current CIT for the year	795,616	(4,147,599)
CIT payable at beginning of the year	30,049,556	38,237,764
CIT paid during the year	(11,069,339)	(3,881,946)
Foreign exchange differences	(314,811)	(158,662)
CIT payable at end of the year	19,461,022	30,049,557
<i>In which:</i>		
CIT payable	19,746,853	30,335,388
CIT receivable	(285,831)	(285,831)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

32. CORPORATE INCOME TAX (continued)

32.2 *Deferred tax*

The following comprises the Group's deferred tax asset and deferred tax liability movements thereon during the year:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
				VND'000
Deferred tax assets				
Unrealised intra-group profits	49,589,730	50,738,434	(1,148,704)	(3,524,143)
Deferred tax liabilities				
Provision for investments	(110,260,843)	(42,891,397)	(67,369,446)	(30,974,917)
<i>Deferred tax expense</i>			<u>(68,518,150)</u>	<u>(34,499,060)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Group with its related parties during the current year and previous year were as follows:

Related parties	Relationship	Transactions	VND'000	
			Current year	Previous year
Thadi	The company with the same members of BOD	Disposal of subsidiaries	6,996,075,859	-
		Sales of goods	895,648,536	-
		Purchase of materials and services	166,081,413	-
THACO	The company with the same members of BOD	Loans and borrowings	2,588,289,459	746,132,000
		Interest expenses	94,567,711	6,259,160
HAG	Parent company	Loans and borrowings	1,243,488,420	1,566,296,280
		Interest expenses	313,654,152	366,866,926
		Sales of goods and services	47,356,218	10,194,902
		Purchase of materials	41,547,567	101,513,023
Mrs Kieu Ngoc Hoa	Shareholder	Loans	130,000,000	-
Mr Nguyen Anh Hoa	Shareholder	Loans	100,000,000	-
Daun Penh	The subsidiary of the company with the same members of BOD	Purchases of goods	93,716,041	-
		Sale of materials	20,813,957	-
Binh Phuoc Kratie	The subsidiary of the company with the same members of BOD	Purchase of goods	76,567,770	-
		Sale of materials	18,874,266	-
Eastern Rubber	The subsidiary of the company with the same members of BOD	Purchase of goods	32,568,454	-
		Sale of materials	18,363,685	-
Hoang Anh Gia Lai Furniture JSC	Related party	Purchase of materials	61,529,361	-
Thaco Chu Lai Mechanical Complex Co., Ltd. ("Thaco Chu Lai")	The subsidiary of the company with the same members of BOD	Purchase of goods and services	34,871,617	-
		Purchase of assets	2,466,176	-
Chu Lai - Truong Hai Transportation Co., Ltd. ("Thaco Chu Lai Transportation")	The subsidiary of the company with the same members of BOD	Purchase of services	24,683,368	-
Thaco Agricultural Machinery Manufacturing Co., Ltd. ("Thaco Agricultural Machinery")	The subsidiary of the company with the same members of BOD	Purchase of machineries	21,002,527	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended**33. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties as at the balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>VND'000 Beginning balance</i>
Short-term trade receivables (Note 6)				
Daun Penh	The subsidiary of the company with the same members of BOD	Sales of materials	80,108,487	-
Binh Phuoc Kratie	The subsidiary of the company with the same members of BOD	Sales of materials	19,114,510	-
HAG	Parent company	Sales of goods and services	23,171,406	1,803
Highland Rubber	The subsidiary of the company with the same members of BOD	Sales of materials	9,435,130	-
Eastern Rubber	The subsidiary of the company with the same members of BOD	Sales of materials	4,948,622	-
Canh Dong Vang	Related party (until 25 January 2019)	Sales of goods	-	30,370,320
Others	Related party	Sales of goods	951,929	430,088
			137,730,084	30,802,211
Short-term advances to suppliers (Note 7)				
Highland Rubber	The subsidiary of the company with the same members of BOD	Advances for purchase of goods	28,257,752	-
Dai Thang	Affiliate	Advances for purchase of goods	5,434,295	32,006,466
Eastern Rubber	The subsidiary of the company with the same members of BOD	Advances for purchase of goods	3,351,521	-
HAG	Parent company	Advances for purchase of goods	-	2,612,803
Others	Related party	Advances for purchase of goods	2,633,842	-
			39,677,410	34,619,269
Short-term loan receivables (Note 8)				
HAG	Parent company	Non-interest-bearing loan	-	3,814,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>VND'000 Beginning balance</i>
<i>Other short-term receivables (Note 9)</i>				
Daun Penh	The subsidiary of the company with the same members of BOD	Lending materials	33,038,555	-
HAG	Parent company	Payment on behalf	11,941,830	3,917,872
		Temporary lending	-	680,800
Binh Phuoc Kratie	The subsidiary of the company with the same members of BOD	Payment on behalf	6,577,232	-
Dai Thang	Affiliate	Payment on behalf	4,601,784	-
Others	Related party	Others	250,000	4,888,316
			56,409,401	9,486,988
<i>Other long-term receivable (Note 9)</i>				
Daun Penh	The subsidiary of the company with the same members of BOD	Lending	6,780,054	-
Binh Phuoc Kratie	The subsidiary of the company with the same members of BOD	Lending	495,203	-
			7,275,257	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>VND'000 Beginning balance</i>
Short-term trade payables (Note 18)				
Thadi	The company with the same members of BOD	Purchase of materials and services	(207,569,778)	-
Daun Penh	The subsidiary of the company with the same members of BOD	Purchase of goods	(91,845,863)	-
Binh Phuoc Kratie	The subsidiary of the company with the same members of BOD	Purchase of goods	(73,677,590)	-
HAG	Parent company	Purchase of goods and services	(64,288,041)	(62,246,015)
Hoang Anh Gia Lai Furniture JSC	Related party	Purchase of materials	(42,390,542)	-
Thaco Chu Lai	The subsidiary of the company with the same members of BOD	Purchase of goods	(18,934,507)	-
Thaco Chu Lai Transportation	The subsidiary of the company with the same members of BOD	Purchase of services	(14,561,396)	-
Thaco Agricultural Machinery Manufacturing Co., Ltd.	The subsidiary of the company with the same members of BOD	Purchase of machinery	(6,080,000)	-
Thaco Truck - Bus Distribution Co., Ltd.	The subsidiary of the company with the same members of BOD	Purchase of services	(1,994,000)	-
Others	Related party	Purchase of goods	(629,818)	(101,578)
			(521,971,535)	(62,347,593)
Short-term advances from customer (Note 19)				
Thadi	The company with the same members of BOD	Advance to purchase goods	18,021,828	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>VND'000 Beginning balance</i>
<i>Short-term accrued expenses (Note 21)</i>				
HAG	Parent company	Interest expenses	(27,191,064)	(77,623,144)
THACO	The company with the same members of BOD	Interest expenses	(5,172,794)	(6,259,160)
Mrs. Kieu Ngoc Hoa	Shareholder	Interest expenses	(958,904)	-
			<u>(33,322,762)</u>	<u>(83,882,304)</u>
<i>Long-term accrued expenses (Note 21)</i>				
HAG	Parent company	Interest expenses	(154,362,922)	(108,965,038)
THACO	The company with the same members of BOD	Interest expenses	(4,633,009)	-
			<u>(158,995,931)</u>	<u>(108,965,038)</u>
<i>Other short-term payables (Note 22)</i>				
HAG	Parent company	Offsetting	(123,024,506)	(39,871,191)
Daun Penh	The subsidiary of the company with the same members of BOD	Borrowing materials	(58,541,505)	-
Le Me JSC	Related party	Borrowing	(11,685,000)	(11,685,000)
Mr Doan Nguyen Duc	Chairman	Borrowing	-	(136,000,000)
Dai Thang	Affiliate	Borrowing materials	-	(18,475,588)
Others	Related party	Others	(1,484,326)	(1,261,001)
			<u>(194,735,337)</u>	<u>(207,292,780)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

33. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	VND'000	
			Ending balance	Beginning balance
Other long-term payables (Note 22)				
Daun Penh	The subsidiary of the company with the same members of BOD	Borrowing materials	(20,975,330)	-
Hung Thang Loi Gia Lai JSC	Affiliate	Borrowing	(5,000,000)	-
An Tien Co., Ltd.	Related party	BCC	-	(550,000,000)
HAG	Parent company	Borrowing	-	(78,933,111)
			(25,975,330)	(628,933,111)
Short-term loans (Note 23.1 and 23.3)				
HAG	Parent company	Short-term loans	(1,878,507,456)	(983,468,000)
THACO	The company with the same members of BOD	Convertible bonds	-	(2,216,880,000)
		Loans	(897,464,625)	(746,132,000)
Mrs. Kieu Ngoc Hoa	Shareholder	Short-term loans	(50,000,000)	-
			(2,825,972,081)	(3,946,480,000)
Long-term loans (Note 23.5)				
HAG	Parent company	Long-term loans	(649,106,397)	(3,679,224,832)
THACO	The company with the same members of BOD	Long-term loans	(805,260,834)	-
			(1,454,367,231)	(3,679,224,832)

Remunerations for the members of the BOD, BOS and managements are as follows:

	VND'000	
	Current year	Previous year
Salaries, remunerations and bonus	4,804,960	5,619,873

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

34. OPERATING LEASE COMMITMENTS

The Group leases parcels of land in Vietnam, Laos and Cambodia to build factories, hotels, plant rubber and other plantations and office lease under the operating lease agreements. The future lease commitments are as follows:

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	25,242,008	27,650,133
From 1 to 5 years	100,968,031	110,600,534
More than 5 years	906,550,484	1,007,761,374
TOTAL	<u>1,032,760,523</u>	<u>1,146,012,041</u>

35. OFF BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currencies:		
- LAK	554,609,265	84,386,864
- Cambodia Riels (KHR)	161,524,156	34,050,002
- USD	1,864,493	1,750,585

36. COMMITMENTS AND CONTINGENCIES

Important commitments

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

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

As at 31 December 2019 and up to the date of these consolidated financial statements, the Group has been being in progress to work with local tax authorities to finalise related tax exposures, if any, which may occur in relation to such disposal of the Group of Sugarcane companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

36. COMMITMENTS AND CONTINGENCIES (continued)

Warranty provision for airport projects

As at 31 December 2019, the Group is in progress to construct and complete remaining works and sections of two airport projects namely the Attapeu Airport Construction Project in Attapeu Province and the Nongkhang Airport Construction Project in Huaphan Province, Lao People's Democratic Republic. The Group did not recognise any warranty provision for the two projects because these projects have not been completed and handed over to contractors.

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

37. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Secondary information is reported geographically. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result of its operation include transfers between business segments. Those transfers are eliminated in preparation of the consolidated financial statements.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

37.1 Business segment

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

- ▶ Plantation: planting rubber, oil palm, sugarcane, harvesting, processing and trading of rubber latex, sugar, oil palm and other tree plantations;
- ▶ Breeding and trading cows for meat and dairy cows;
- ▶ Trading and services: construction service, purchasing and trading of goods; and
- ▶ Others: developing apartments for sale and office buildings for sale and lease and hotel service.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. SEGMENT INFORMATION (continued)

37.1 Business segment (continued)

	<i>Plantation</i>	<i>Breeding</i>	<i>Trading and services</i>	<i>Eliminations</i>	<i>VND'000</i> <i>Total</i>
For the year ended 31 December 2018					
<i>Revenue</i>					
External customers	3,231,448,130	126,874,935	330,022,312	-	3,688,345,377
Inter-segment elimination	857,907,005	-	430,289,798	(1,288,196,803)	-
Total	4,089,355,135	126,874,935	760,312,110	(1,288,196,803)	3,688,345,377
<i>Results</i>					
Segment results	2,110,830,016	(11,331,334)	689,979,071	(1,288,196,803)	1,501,280,950
Unallocated expenses					(1,575,740,792)
Loss before income tax, finance income and finance expenses					(74,459,842)
Finance income					150,727,589
Finance expenses					(690,572,665)
Share of loss from associates					(11,458,148)
Loss before tax					(625,763,066)
Current income tax income					4,147,599
Deferred tax expense					(34,499,060)
Net loss for the year					(656,114,527)
As at 31 December 2018					
<i>Assets and liabilities</i>					
Segment assets	23,957,801,119	1,613,646,049	2,101,595,348	-	27,673,042,516
Cash					72,447,272
Investments in an associate					299,447,924
Unallocated assets					2,486,616,571
Total assets					30,531,554,283
Segment liabilities	(25,593,438,896)	(1,161,786,068)	(11,788,226,852)	-	(38,543,451,816)
Unallocated liabilities					18,687,780,130
Total liabilities					(19,855,671,686)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. SEGMENT INFORMATION (continued)

37.1 Business segment (continued)

	VND'000				
	<i>Plantation</i>	<i>Breeding</i>	<i>Trading and services</i>	<i>Eliminations</i>	<i>Total</i>
For the year ended 31 December 2019					
<i>Revenue</i>					
External customers	1,626,044,667	-	184,730,363	-	1,810,775,030
Inter-segment elimination	1,197,808,050	-	723,564,640	(1,921,372,690)	-
Total	2,823,852,717	-	908,295,003	(1,921,372,690)	1,810,775,030
<i>Results</i>					
Segment results	1,375,634,748	-	758,901,298	(1,921,372,690)	213,163,356
Unallocated expenses					(2,178,020,969)
Loss before tax, finance income and expenses					(1,964,857,613)
Finance income					256,474,243
Finance expenses					(693,201,444)
Share of profit from an associate					26,497,251
Loss before tax					(2,375,087,563)
Current income tax expense					(795,616)
Deferred tax expense					(68,518,150)
Net loss for the year					(2,444,401,329)
As at 31 December 2019					
<i>Assets and liabilities</i>					
Segment assets	19,831,247,887	-	2,109,795,519	-	21,941,043,406
Cash					111,485,200
Investments in an associate					315,487,353
Unallocated assets					912,473,137
Total assets					23,280,489,096
Segment liabilities	(15,170,288,266)	-	(7,246,306,632)	-	(22,416,594,898)
Unallocated liabilities					8,874,058,422
Total liabilities					(13,542,536,476)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

37. SEGMENT INFORMATION (continued)

37.2 Geographical segment

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

	<i>Vietnam</i>	<i>Laos</i>	<i>Cambodia</i>	<i>VND'000</i> <i>Total</i>
For the year ended 31 December 2018				
Sales to external customers	2,913,105,285	487,301,078	287,939,014	3,688,345,377
Capital expenditure of fixed assets	328,077,063	607,531,429	637,999,662	1,573,608,154
As at 31 December 2018				
<i>Other segment information</i>				
Segment assets	5,025,138,438	12,201,406,693	10,446,497,385	27,673,042,516
Cash				72,447,272
Investment in an associate				299,447,924
Unallocated assets				2,486,616,571
Total assets				<u>30,531,554,283</u>
For the year ended 31 December 2019				
Sales to external customers	1,704,177,416	32,136,212	74,461,402	1,810,775,030
Capital expenditure of fixed assets	238,684,377	798,668,201	520,575,681	1,557,928,259
As at 31 December 2019				
<i>Other segment information</i>				
Segment assets	1,698,383,046	12,297,563,683	7,945,096,677	21,941,043,406
Cash				111,485,200
Investment in an associate				315,487,353
Unallocated assets				912,473,137
Total assets				<u>23,280,489,096</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2019 and for the year then ended

38. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the Company's consolidated balance sheet for the year ended 31 December 2018 have been reclassified to reflect the presentation of the consolidated financial statements for the year ended 31 December 2019.

39. EVENTS AFTER THE BALANCE SHEET DATE

Additional subscription of entire shares newly issued by Hoang Anh Dak Lak

On 5 February 2020, the Company additionally acquired the entire 35,900,000 shares, which were newly issued by Hoang Anh Dak Lak, a subsidiary within the Group for a consideration of VND'000 359,000,000 in accordance with the Board of Directors' Resolutions No. 0901/20/NQ-HDQT HAGL Agrico dated 9 January 2020. Accordingly, the Company increased its interest ownership in Hoang Anh Dak Lak from 99.53% to 99.78% as at that date.

Acquisition of Ban Me Rubber Joint Stock Company ("Ban Me Rubber")

On 13 February 2020, the Group completed the acquisition of 6,190,069 shares, equivalent to 100% ownership of Ban Me Rubber from related parties being Trung Nguyen Rubber's shareholder at the total consideration of VND'000 444,000,000 in accordance with the Board of Directors' Resolutions No. 18/NQ-HDQT-HADL.20 dated 10 January 2020. Accordingly, Ban Me Rubber became the subsidiary of the Group as at that date.


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



Nguyen Van Tien
Preparer



Pham Xuan Hoa
Chief Accountant

Vo Thi My Hanh
General Director

9 April 2020