

Hoang Anh Gia Lai Agricultural Joint Stock Company

Interim consolidated financial statements

For the six-month period ended 30 June 2020

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 30 June 2020, the Company had eight (8) direct subsidiaries, six (6) 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 during the period and at the date of this report are:

Mr Doan Nguyen Duc	Chairman	
Mr Do Xuan Dien	Vice Chairman	
Mr Vo Truong Son	Member	
Mr Nguyen Quan Anh	Member	
Mrs Vo Thi My Hanh	Member	
Mr Nguyen Hoang Phi	Member	appointed on 26 June 2020
Mrs Vo Thi Huyen Lan	Member	resigned on 26 June 2020
Mr Tran Bao Son	Member	resigned on 26 June 2020

BOARD OF SUPERVISORS

Members of the Board of Supervisors during the period and at the date of this report are:

Mr Le Hong Phong	Head	appointed on 26 June 2020
Mr Nguyen Duc Quang	Head	resigned on 26 June 2020
Mrs Le Thuy Duong	Member	appointed on 26 June 2020
Mr Dang Cong Truc	Member	
Mr Pham Ngoc Chau	Member	resigned on 26 June 2020

MANAGEMENT

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

Mrs Vo Thi My Hanh	General Director	
Mr Hoang Huu Duc	Deputy General Director	appointed on 8 July 2020
Mr Nguyen Quan Anh	Deputy General Director	
Mr Tran Bao Son	Deputy General Director	

LEGAL REPRESENTATIVE

The legal representative of the Company during the period 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 interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated financial position of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim 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 interim consolidated financial statements; and
- ▶ prepare the interim 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 interim 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 interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2020 and of the interim consolidated results of its operations and its interim consolidated cash flows for the period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

For and on behalf of management:



Võ Thị My Hanh
General Director

Gia Lai Province, Vietnam

29 August 2020

Reference: 61280353/22012458/LR-HN

REPORT ON REVIEW OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim consolidated financial statements of Hoang Anh Gia Lai Agricultural Joint Stock Company ("the Company") and its subsidiaries ("the Group") as prepared on 29 August 2020 and set out on pages 5 to 70, which comprise the interim consolidated balance sheet as at 30 June 2020, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

The Group's management is responsible for the preparation and fair presentation of these interim 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 interim consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Company as at 30 June 2020, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

Ernst & Young Vietnam Limited



Duong Le Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2018-004-1

Ho Chi Minh City, Vietnam

29 August 2020

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2020

VND'000

Code	ASSETS	Notes	30 June 2020	31 December 2019
100	A. CURRENT ASSETS		5,118,277,728	3,872,422,704
110	I. Cash	5	50,055,072	111,485,200
111	1. Cash		50,055,072	111,485,200
130	II. Current accounts receivable		2,686,861,230	1,550,646,377
131	1. Short-term trade receivables	6	1,144,246,406	1,209,598,617
132	2. Short-term advances to suppliers	7	1,476,378,584	130,188,322
136	3. Other short-term receivables	8	86,345,155	230,433,528
137	4. Provision for short-term doubtful receivables	6	(20,108,915)	(19,574,090)
140	III. Inventories	9	2,318,356,474	2,166,596,272
141	1. Inventories		2,331,236,131	2,187,324,242
149	2. Provision for obsolete inventories		(12,879,657)	(20,727,970)
150	IV. Other current assets		63,004,952	43,694,855
151	1. Short-term prepaid expenses	15	12,172,457	6,087,728
152	2. Value-added tax deductible		49,497,777	37,122,086
153	3. Tax and other receivables from the State		1,334,718	485,041
200	B. NON-CURRENT ASSETS		20,162,647,161	19,408,066,392
210	I. Long-term receivable		2,017,738	10,372,877
216	1. Other long-term receivables	8	2,017,738	10,372,877
220	II. Fixed assets		9,471,916,163	8,518,016,314
221	1. Tangible fixed assets	10	9,079,569,780	8,512,947,157
222	Cost		11,299,705,047	10,476,925,849
223	Accumulated depreciation		(2,220,135,267)	(1,963,978,692)
227	2. Intangible assets	11	392,346,383	5,069,157
228	Cost		398,863,301	6,648,075
229	Accumulated amortisation		(6,516,918)	(1,578,918)
240	III. Long-term asset in progress		9,844,589,458	10,012,930,483
242	1. Construction in progress	12	9,844,589,458	10,012,930,483
250	IV. Long-term investments	14	321,226,378	318,081,963
252	1. Investment in an associate		318,631,768	315,487,353
253	2. Investment in another entity		2,594,610	2,594,610
260	V. Other long-term assets		522,897,424	548,664,755
261	1. Long-term prepaid expenses	15	126,984,069	126,689,199
262	2. Deferred tax assets	31.2	55,409,831	49,589,730
269	3. Goodwill	16	340,503,524	372,385,826
270	TOTAL ASSETS		25,280,924,889	23,280,489,096

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2020

VND'000

Code	RESOURCES	Notes	30 June 2020	31 December 2019
300	C. LIABILITIES		16,125,208,068	13,542,536,476
310	I. Current liabilities		7,208,480,755	7,912,947,521
311	1. Short-term trade payables	17	1,110,121,095	984,872,754
312	2. Short-term advances from customers	18	420,977,051	197,329,676
313	3. Statutory obligations	19	26,133,851	25,458,573
314	4. Payables to employees		143,828,326	83,065,743
315	5. Short-term accrued expenses	20	1,051,947,600	1,495,873,051
319	6. Other short-term payables	21	203,142,356	471,776,625
320	7. Short-term loans	22	4,252,330,476	4,654,571,099
330	II. Non-current liabilities		8,916,727,313	5,629,588,955
333	1. Long-term accrued expenses	20	505,928,496	728,263,269
337	2. Other long-term liabilities	21	165,722,960	241,038,047
338	3. Long-term loans	22	8,127,892,756	4,550,026,796
341	4. Deferred tax liabilities	31.2	117,183,101	110,260,843
400	D. OWNERS' EQUITY		9,155,716,821	9,737,952,620
410	I. Capital		9,155,716,821	9,737,952,620
411	1. Share capital	23.1	11,085,538,950	11,085,538,950
411a	- Shares with voting rights		11,085,538,950	11,085,538,950
412	2. Share premium	23.1	1,170,127,000	1,170,127,000
417	3. Foreign exchange differences reserve	23.1	(795,710,421)	(203,488,917)
421	4. Accumulated loss	23.1	(2,312,958,246)	(2,323,758,949)
421a	- (Accumulated losses)/ undistributed earnings by the end of prior period		(2,324,056,938)	102,159,258
421b	- Undistributed earnings /(losses) of current period		11,098,692	(2,425,918,207)
429	5. Non-controlling interests	24	8,719,538	9,534,536
440	TOTAL LIABILITIES AND OWNERS' EQUITY		25,280,924,889	23,280,489,096



Nguyen Van Tien
Preparer



Nguyen Hoang Phi
Chief Accountant



Vo Thi My Hanh
General Director

29 August 2020

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2020

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
10	1. Net revenue from sale of goods and rendering of services	26.1	1,165,621,015	781,763,180
11	2. Cost of goods sold and services rendered	27	(760,897,939)	(549,643,301)
20	3. Gross profit from sale of goods and rendering of services		404,723,076	232,119,879
21	4. Finance income	26.2	4,896,376	8,173,543
22	5. Finance expenses	28	(87,803,545)	(398,134,111)
23	- In which: Interest expenses		(203,815,126)	(357,639,636)
24	6. Share of profit of associates	14.1	3,144,415	9,888,089
25	7. Selling expenses	29	(190,683,178)	(138,190,071)
26	8. General and administrative expenses	29	(105,413,981)	(312,532,312)
30	9. Operating profit/(loss)		28,863,163	(598,674,983)
31	10. Other income	30	29,521,160	214,065,263
32	11. Other expenses	30	(46,976,012)	(353,942,866)
40	12. Other loss	30	(17,454,852)	(139,877,603)
50	13. Accounting profit/(loss) before tax		11,408,311	(738,552,586)
51	14. Current corporate income tax expense	31.1	(320,449)	(387,319)
52	15. Deferred tax expense	31.1	(1,102,157)	(12,625,519)
60	16. Net profit/(loss) after tax		9,985,705	(751,565,424)
61	17. Net profit/(loss) after tax attributable to shareholders of the parent		11,098,692	(743,905,549)
62	18. Net loss after tax attributable to non-controlling interests	24	(1,112,987)	(7,659,875)
70	19. Basic earnings/(losses) per share (VND)	25	10	(839)
71	20. Diluted earnings/(losses) per share (VND)	25	10	(671)



Nguyen Van Tien
Preparer



Nguyen Hoang Phi
Chief Accountant



Võ Thị My Hạnh
General Director

29 August 2020

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2020

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit/(loss) before tax		11,408,311	(738,552,586)
	<i>Adjustments for:</i>			
02	Depreciation and amortisation (include amortisation of goodwill)	10, 11, 16	364,676,231	595,621,667
03	(Reversal of provisions)/provisions		(7,313,488)	12,785,629
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currencies		22,295,937	19,105,245
05	(Profits)/losses from investing activities		(570,459)	127,874,942
06	Interest expenses	28	203,815,126	357,639,636
08	Operating profit before changes in working capital		594,311,658	374,474,533
09	(Increase)/decrease in receivables		(927,903,415)	114,100,048
10	Increase in inventories		(143,449,970)	(546,701,171)
11	(Decrease)/increase in payables		(502,643,620)	63,521,242
12	(Increase)/decrease in prepaid expenses		(6,219,406)	29,139,284
14	Interest paid		(128,184,878)	(315,797,870)
15	Corporate income tax paid	31.1	-	(10,332,242)
20	Net cash flows used in operating activities		(1,114,089,631)	(291,596,176)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(956,750,501)	(1,648,868,095)
22	Proceeds from disposals of fixed assets		4,456,625	6,583,347
24	Collections from borrowers		-	73,000,000
25	Payments for purchasing shares in a subsidiary	4.2	(444,000,000)	-
26	Proceeds from disposal of investments in other entities		-	521,389,220
26a	Proceeds from disposal of investments in subsidiaries		-	4,337,521,000
27	Interest received		73,920	5,840,741
30	Net cash flows from/(used in) investing activities		(1,396,219,956)	3,295,466,213

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2020

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of loans (less bond issuance costs)	22	4,831,647,530	2,912,774,883
34	Repayment of loans	22	(2,382,768,071)	(5,885,330,353)
40	Net cash flows from/(used in) financing activities		2,448,879,459	(2,972,555,470)
50	Net (decrease)/increase in cash for the period		(61,430,128)	31,314,567
60	Cash at beginning of the period		111,485,200	72,447,272
70	Cash at end of the period	5	50,055,072	103,761,839



Nguyen Van Tien
Preparer



Nguyen Hoang Phi
Chief Accountant



Võ Thị My Hạnh
General Director

29 August 2020

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2020 and for the six-month period 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 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 30 June 2020, the Company had eight (8) direct subsidiaries, six (6) 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	99.78
(4) Ban Me Rubber One Member Co., Ltd ("Ban Me Rubber")	Planting	Dak Lak, Vietnam	Operating	99.78
(5) Hoang Anh Attapeu Agriculture Development Co., Ltd. ("Hoang Anh Attapeu")	Planting and constructing	Attapeu, Laos	Operating	100.00
(6) Hoang Anh Rattanakiri Co., Ltd.	Planting	Rattanakiri, Cambodia	Operating	100.00
(7) Heng Brothers Co., Ltd.	Planting	Rattanakiri, Cambodia	Operating	100.00
(8) Hoang Anh Oyadav Co., Ltd.	Planting	Rattanakiri, Cambodia	Operating	100.00
(9) CRD Co., Ltd.	Planting	Rattanakiri, Cambodia	Pre-operating	100.00
(10) Hoang Anh Andong Meas Co., Ltd.	Planting and breeding	Rattanakiri, Cambodia	Operating	97.77
(11) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Trading	Gia Lai, Vietnam	Operating	100.00
(12) Highland Dairy Cattle Joint Stock Company	Planting and breeding	Gia Lai, Vietnam	Operating	99.00
(13) An Dong Mia Joint Stock Company	Planting	Gia Lai, Vietnam	Operating	99.90
(14) Hoang Anh Lum Phat One Member Co., Ltd.	Planting	Rattanakiri, Cambodia	Operating	99.90

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

1. CORPORATE INFORMATION (continued)

Details of subsidiaries are as below: (continued)

Pre-operating status means the subsidiary is still under investment stage and have not yet started their commercial operations as at 30 June 2020.

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.

The number of the Group's employees as at 30 June 2020 is 2,816 (31 December 2019: 2,452).

2. BASIS OF PREPARATION

2.1 *Applied accounting standards and system*

The interim consolidated financial statements of the Group expressed in thousands of Vietnam Dong ("VND'000"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying interim consolidated 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

2. BASIS OF PREPARATION (continued)

2.3 Fiscal year

The Group's fiscal year applicable for the preparation of its interim 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 interim consolidated financial statements are prepared in thousands of Vietnam Dong ("VND'000").

2.5 Basis of consolidation

The Group's interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2020.

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 interim financial statements of subsidiaries are prepared for the same reporting period 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 interim consolidated income statement and within equity in the interim consolidated balance sheet, separately from parent shareholders' equity.

The subsidiaries are consolidated from the date 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 interim consolidated financial statements still include results for the period of the reporting period 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

2. BASIS OF PREPARATION (continued)

2.6 *Going concern assumption*

The interim 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 interim consolidated financial statements, the Group has the accumulated loss amounting to VND'000 2,312,958,246. As at 30 June 2020, the Group's current liabilities exceeded its current assets by VND'000 2,090,203,027. In addition, as of that date, the Group was also in violation of certain loan contracts as mentioned in Note 22.4 of the interim 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 interim 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 interim consolidated financial statements on the going concern basis.

Accordingly, the interim 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 comprise cash on hand, cash in bank and cash in transit.

3.2 *Receivables*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period 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.

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 interim 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 interim balance sheet date.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period 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 interim consolidated income statement as incurred.

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

3.5 *Intangible 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 interim 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 interim 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	4 - 50 years
Machinery & equipment	3 - 20 years
Means of transportation & transmit instrument	2 - 20 years
Office equipment	3 - 10 years
Perennial trees	10 - 20 years
Land use rights	20 years
Software system	5 - 8 years
Other assets	8 - 15 years

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period 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)	Banana plantations (ii)	Dragon fruit plantations (iii)	Jack fruits plantations (iv)	Mango plantations (v)
First year	2.50	10.00	1.00	0.80	0.30
Second year	2.80	10.00	3.40	1.80	1.00
Third year	3.50	10.00	5.00	4.10	2.20
Fourth year	4.40	10.00	6.70	5.80	4.30
Fifth year	4.80	10.00	8.40	5.80	5.80
Sixth year	5.40	10.00	8.40	5.80	5.80
Seventh year	5.40	10.00	8.40	5.80	5.80
Eighth year	5.10	10.00	8.40	5.80	5.80
Ninth year	5.10	10.00	8.40	5.80	5.80
Tenth year	5.00	Carrying amount	8.40	5.80	5.80
Eleventh year	7.00		6.70	5.80	5.80
Twelfth year	6.60		6.70	5.80	5.80
Thirteenth year	6.20		6.70	5.80	5.80
Fourteenth year	5.90		6.70	5.80	5.80
Fifteenth year	5.50		Carrying amount	5.80	5.80
Sixteenth year	5.40			4.70	5.80
Seventeenth year	5.00			4.70	5.80
Eighteenth year	5.50			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 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Depreciation and amortisation* (continued)

Depreciation of plantations

- (i) Depreciation of rubber plantations are 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.
- (ii) Depreciation of banana plantations are calculated in accordance with Decision No. 0106/QD-HAGL Agrico dated 1 June 2020 of Management, providing guidance on depreciation of banana plantations over their exploitation cycle.
- (iii) Depreciation of dragon fruits plantations are 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.
- (iv) Depreciation of jack fruit plantations are 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.
- (v) Depreciation of mango plantations are 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.
- (vi) 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, 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 period in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of a particular asset are capitalised as part of the cost of that asset. Capitalisation of borrowing costs is suspended during the periods 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period 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 interim consolidated balance sheet which mainly include cost of tools and supplies, prepaid land rentals and short-term fruit plantations. They are amortised over the period for which the amounts are paid or the period 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 interim 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 period, 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 interim 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 interim consolidated income statement.

3.11 *Assets acquisitions and business combinations*

The Group acquires subsidiaries that own assets and production activities. At the date of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Investments*

Investments 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 interim 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 interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit of the associate is presented on the face of the interim 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 interim financial statements of the associate are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investments in another entity

Investments in another entity are stated at their acquisition costs.

Provision for investments in entities

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 interim consolidated income statement.

3.13 *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.

3.14 *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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Earnings/(losses) per share*

Basic earnings/(losses) per share amounts are calculated by dividing net profit/(loss) after tax for the period 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 period.

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

3.16 *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 period, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the interim 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 interim consolidated income statement.

Conversion of the interim financial statements of foreign operations

Conversion of the interim 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 interim 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 interim financial statements of the subsidiary for the consolidation purpose are taken to the "foreign exchange differences reserve" on the interim consolidated balance sheet and charged to the interim consolidated income statement upon the disposal of the investment.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *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 interim consolidated balance sheet.

3.18 *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 period 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Taxation

Current income tax

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

Current income tax is charged or credited to the interim 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 interim balance sheet date between the tax base of assets and liabilities and their carrying amount for interim 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 interim 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 interim 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *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 interim balance sheet date.

Deferred tax is charged or credited to the interim 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.

3.20 *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 sale of products (plantations, trading and services). Management defines the Group's geographical segments to be based on the location of the Group's assets.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

4. SIGNIFICANT EVENTS DURING THE PERIOD

4.1 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' Resolution 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.

The difference between consideration transferred and the value of net assets acquired in Hoang Anh Dak Lak as at the transaction date amounting to VND'000 297,989 was recorded as an increase to accumulated losses in the Group's interim consolidated balance sheet (Note 23.1).

4.2 Acquisition of Ban Me Rubber

On 13 February 2020, the Group completed the acquisition of 6,190,069 shares, equivalent to 100% ownership interest in Ban Me Rubber from its existing shareholders for a total consideration of VND'000 444,000,000. Such transaction was approved by the Board of Directors' Resolution No. 18/NQ-HDQT-HADL.20 dated 10 January 2020. Accordingly, Ban Me Rubber became the subsidiary of the Group as at that date. As at the date of acquisition, Ban Me Rubber owns long-term land lease rights for plantations with total area of 683 ha in Dak Lak Province, Vietnam. Besides, the Board of Director determined the purpose of acquisition Cao su Ban Me to own land area for developing agricultural plantations. The difference between the consideration transferred and Ban Me Rubber's net assets acquired is VND'000 386,235,226.

Management reviewed and assessed that the said acquisition of Ban Me Rubber was an asset acquisition rather than business combination, in particular for the purpose of acquisition of a land area for developing agricultural plantations. The purchase consideration of this transaction was allocated to acquired assets and liabilities based on their provisional fair values as at the acquisition date. Accordingly, a part of the consideration was allocated and recognized as intangible asset in the Group's interim consolidated balance sheet. The acquired assets and liabilities were added in as the same group with the Group's similar assets and liabilities.

Cao su Ban Me is a One-member Limited company incorporated under Law on Enterprise of Vietnam in accordance with the Business Registration Certificate No. 6000968200 issued by the Department of Planning and Investment of Dak Lak on 13 February 2020. The current principal activity of Cao su Ban Me is planting fruits.

As at 30 June 2020, the Group was still in progress to determine fair value of Cao su Ban Me's assets, liabilities and contingent liabilities, if any on the acquisition date. Accordingly, the Group applied provisional fair value for consolidation purpose of this company.

5. CASH

	VND'000	
	30 June 2020	31 December 2019
Cash on hand	5,627,208	7,424,567
Cash in banks (*)	43,281,914	85,516,633
Cash in transit	1,145,950	18,544,000
TOTAL	50,055,072	111,485,200

(*) The Group used VND'000 33,367,104 to pledge for loans from Joint Stock Commercial Bank for Investment and Development of Vietnam of Hoang Anh Attapeu (Note 22).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended**6. SHORT-TERM TRADE RECEIVABLES**

	VND'000	
	30 June 2020	31 December 2019
Receivable from the Laos Government for construction of airports	715,057,619	743,067,451
Receivables from sale of goods and rendering of services (*)	429,188,787	466,531,166
- Thadi	99,870,173	-
- Daun Penh Agrico Co., Ltd ("Daun Penh")	74,940,972	80,108,487
- Others	254,377,642	386,422,679
TOTAL	1,144,246,406	1,209,598,617
Provision for short-term doubtful receivables	(20,108,915)	(19,574,090)
NET	1,124,137,491	1,190,024,527
<i>In which:</i>		
<i>Due from third parties</i>	886,525,528	1,052,294,443
<i>Due from related parties (Note 32)</i>	237,611,963	137,730,084

(*) Part of short-term trade receivables were used to pledge for short-term bank loans at Ho Chi Minh City Development Joint Stock Commercial Bank, Dong Nai Branch.

Movements of provision for short-term doubtful receivables

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Beginning balance	19,574,090	24,983,876
Add: Provision made during the period	534,825	28,102,867
Less: Utilisation and reversal of provision during the period	-	(5,768,001)
Ending balance	<u>20,108,915</u>	<u>47,318,742</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND'000	
	30 June 2020	31 December 2019
Advances to suppliers of goods and services	1,465,769,114	121,634,268
- <i>Thadi</i>	1,051,745,400	-
- <i>Thanh An Trading One member Co., Ltd</i>	12,919,700	4,067,500
- <i>Others</i>	401,104,014	117,566,768
Advances to contractors of construction and suppliers of machineries	10,127,997	8,046,392
Advances to subcontractors of airport projects in Laos	481,473	507,662
TOTAL	<u>1,476,378,584</u>	<u>130,188,322</u>
<i>In which:</i>		
<i>Due from related parties (Note 32)</i>	1,200,262,312	37,816,210
<i>Due from third parties</i>	276,116,272	92,372,112

8. OTHER RECEIVABLES

	VND'000	
	30 June 2020	31 December 2019
Short-term		
Advances to employees	48,842,145	48,086,868
Lending to other companies	18,652,612	134,861,168
Others	18,850,398	47,485,492
	<u>86,345,155</u>	<u>230,433,528</u>
Long-term		
Others	2,017,738	10,372,877
TOTAL	<u>88,362,893</u>	<u>240,806,405</u>
<i>In which:</i>		
<i>Due from third parties</i>	73,779,093	177,121,747
<i>Due from related parties (Note 32)</i>		
- <i>Short-term</i>	14,583,800	56,409,401
- <i>Long-term</i>	-	7,275,257

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

9. INVENTORIES

	VND'000	
	30 June 2020	31 December 2019
Work in process	1,905,157,444	1,720,396,096
<i>In which:</i>		
<i>Manufacturing and planting activities (i)</i>	1,040,083,151	869,395,362
<i>Construction contracts (ii)</i>	865,074,293	851,000,734
Raw materials	278,769,390	261,748,953
Finished goods	86,708,256	155,519,548
Merchandise goods	37,506,279	33,218,130
Tools and supplies	23,094,762	16,441,515
TOTAL	2,331,236,131	2,187,324,242
Provision for obsolete inventories	(12,879,657)	(20,727,970)
NET	2,318,356,474	2,166,596,272

(i) Parts of these work in progress (manufacturing and planting activities) were pledged for loans from banks (Note 22).

(ii) This mainly represented the on-going construction cost of Nongkhang International Airport in Huaphan 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 30 June 2020 (31 December 2019: 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 interim report, the Group is in the process of preparing the Official letter.

Movements of provision for obsolete inventories:

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Beginning balance	20,727,970	11,562,881
Add: Provision made during the period	8,360,971	1,582,330
Less: Utilisation and reversal of provisions during the period	(16,209,284)	(11,131,567)
Ending balance	<u>12,879,657</u>	<u>2,013,644</u>

Hoang Anh Gia Lai Agricultural Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

10. TANGIBLE FIXED ASSETS

VND'000

	Perennial trees	Means of transportation & instruments	Buildings & structures	Machinery & equipment	Office equipment	Other assets	Total
Cost							
31 December 2019	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
Transfer from construction in progress completed	917,669,906	78,571,603	92,616,087	1,887,975	-	-	1,090,745,571
New purchases	-	10,286,283	1,539,999	17,769,958	39,500	-	29,635,740
Acquisition of a subsidiary	70,893,526	-	353,705	133,000	-	-	71,380,231
Disposals	-	-	-	(9,041,300)	-	-	(9,041,300)
Foreign exchange differences	(248,550,367)	(53,723,508)	(46,103,326)	(11,237,601)	(3,742)	(322,500)	(359,941,044)
30 June 2020	7,263,177,381	2,067,792,100	1,484,081,519	460,828,037	4,302,187	19,523,823	11,299,705,047
<i>In which:</i>							
Fully depreciated	102,928,634	88,181,522	12,082,162	47,818,334	506,710	1,463,386	252,980,748
Accumulated depreciation							
31 December 2019	(779,594,718)	(628,386,447)	(311,262,830)	(236,339,664)	(1,356,533)	(7,038,500)	(1,963,978,692)
Depreciation for the period	(167,887,825)	(82,851,472)	(47,896,071)	(27,911,507)	(294,488)	(1,014,566)	(327,855,929)
Acquisition of a subsidiary	(1,666,580)	-	(66,093)	(41,254)	-	-	(1,773,927)
Disposals	-	-	-	4,889,594	-	-	4,889,594
Foreign exchange differences	33,180,518	17,561,009	12,505,326	5,158,812	2,298	175,724	68,583,687
30 June 2020	(915,968,605)	(693,676,910)	(346,719,668)	(254,244,019)	(1,648,723)	(7,877,342)	(2,220,135,267)
Net carrying amount							
31 December 2019	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
30 June 2020	6,347,208,776	1,374,115,190	1,137,361,851	206,584,018	2,653,464	11,646,481	9,079,569,780
<i>In which:</i>							
Pledged as loans security (Note 22)	6,347,208,776	1,374,115,190	1,137,361,851	206,584,018	-	11,646,481	9,076,916,316

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

11. INTANGIBLE FIXED ASSETS

			VND'000
	<i>Software system</i>	<i>Land use right</i>	<i>Total</i>
Cost			
31 December 2019	-	6,648,075	6,648,075
Transfer from construction in progress completed	5,980,000	-	5,980,000
Acquisition of a subsidiary	-	386,235,226	386,235,226
30 June 2020	<u>5,980,000</u>	<u>392,883,301</u>	<u>398,863,301</u>
Accumulated amortisation			
31 December 2019	-	(1,578,918)	(1,578,918)
Amortisation for the period	(124,583)	(4,813,417)	(4,938,000)
30 June 2020	<u>(124,583)</u>	<u>(6,392,335)</u>	<u>(6,516,918)</u>
Net carrying amount			
31 December 2019	<u>-</u>	<u>5,069,157</u>	<u>5,069,157</u>
30 June 2020	<u>5,855,417</u>	<u>386,490,966</u>	<u>392,346,383</u>
<i>In which:</i>			
<i>Pledged as loans security (Note 22)</i>	-	381,588,011	381,588,011

12. CONSTRUCTION IN PROGRESS

	VND'000	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Fruit plantations (*)	3,988,689,197	3,713,729,509
Rubber plantations (*)	2,696,970,026	3,106,630,075
Oil palm plantations (*)	2,375,112,638	2,447,468,811
Palm oil manufacturing factories (*)	401,736,257	413,487,337
Buildings and structures (*)	324,296,203	229,478,367
Others	57,785,137	102,136,384
TOTAL	<u>9,844,589,458</u>	<u>10,012,930,483</u>

(*) These assets were mortgaged to secure for the loans of the Group (Note 22).

13. CAPITALISED BORROWING COSTS

During the period, the Group has capitalised borrowing costs amounting to VND'000 304,531,115 into the value of construction in progress (for the six-month period ended 30 June 2019: VND'000 301,615,313). These are costs incurred on the bank loans to finance the construction and development of buildings and structures, machinery and equipment, development of rubber, palm oil and fruit plantations.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

14. LONG-TERM INVESTMENTS

	VND'000	
	30 June 2020	31 December 2019
Investment in an associate (Note 14.1)	318,631,768	315,487,353
Investment in another entity (Note 14.2)	<u>2,594,610</u>	<u>2,594,610</u>
TOTAL	<u>321,226,378</u>	<u>318,081,963</u>

14.1 Investment in an associate

Associate	Business sector	30 June 2020		31 December 2019	
		Holding interest and voting rights	Carrying value	Holding interest and voting rights	Carrying value
		%	VND'000	%	VND'000
Bidiphar Rubber Joint Stock Company ("Bidiphar")	Planting, harvesting rubber and processing rubber products	49.14	<u>318,631,768</u>	49.14	<u>315,487,353</u>

Details of carrying value of the investment in an associate on 30 June 2020 were as follows:

	VND'000
Cost of investment	
31 December 2019 and 30 June 2020	<u>286,004,636</u>
Accumulated share of profit in post-acquisition	
31 December 2019	29,482,717
Share of profits from an associate	<u>3,144,415</u>
30 June 2020	<u>32,627,132</u>
Carrying amount	
31 December 2019	<u>315,487,353</u>
30 June 2020	<u>318,631,768</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

14. LONG-TERM INVESTMENTS (continued)

14.2 Investment in another entity

Company	Business sector	30 June 2020		31 December 2019	
		Holding interest and voting rights	Cost	Holding interest and voting rights	Cost
		%	VND'000	%	VND'000
Canh Dong Vang Agriculture and Forestry Joint Stock Company	Fruit trading	15.00	<u>2,594,610</u>	15.00	<u>2,594,610</u>

15. PREPAID EXPENSES

	VND'000	
	30 June 2020	31 December 2019
Short term		
Tools and supplies	11,649,291	3,637,990
Others	<u>523,166</u>	<u>2,449,738</u>
	<u>12,172,457</u>	<u>6,087,728</u>
Long term		
Land rental fees	64,198,202	58,958,582
Land clearance costs	43,589,084	46,589,626
Tools and supplies	9,443,820	10,376,864
Office rental	5,015,437	5,102,262
Others	<u>4,737,526</u>	<u>5,661,865</u>
	<u>126,984,069</u>	<u>126,689,199</u>
TOTAL	<u>139,156,526</u>	<u>132,776,927</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

16. GOODWILL

	VND'000		
	<i>Goodwill arising from acquisition of subsidiaries:</i>		
	<i>An Dong Mia</i>	<i>Highland Dairy Cattle</i>	<i>Total</i>
Cost			
31 December 2019 and 30 June 2020	565,417,677	72,228,357	637,646,034
Accumulated amortisation			
31 December 2019	(231,553,640)	(33,706,568)	(265,260,208)
Amortisation for the period	(28,270,884)	(3,611,418)	(31,882,302)
30 June 2020	(259,824,524)	(37,317,986)	(297,142,510)
Net carrying amount			
31 December 2019	333,864,037	38,521,789	372,385,826
30 June 2020	305,593,153	34,910,371	340,503,524

17. SHORT-TERM TRADE PAYABLES

	VND'000	
	<i>30 June 2020</i>	<i>31 December 2019</i>
Payables to suppliers of goods and services	1,041,355,092	910,462,831
- <i>Thadi</i>	267,507,350	207,569,778
- <i>Daun Penh</i>	85,792,776	91,845,863
- <i>Iapacco Joint Stock Company</i>	83,380,671	42,273,048
- <i>Binh Phuoc Kratie Rubber 2 Co., Ltd</i> <i>("Binh Phuoc Kratie")</i>	49,168,809	73,677,590
- <i>Others</i>	555,505,486	495,096,552
Payables to suppliers of machineries and equipment	36,593,914	32,172,611
Payables to constructors	32,172,089	42,237,312
TOTAL	1,110,121,095	984,872,754
<i>In which:</i>		
<i>Due to related parties (Note 32)</i>	581,695,591	521,971,535
<i>Due to third parties</i>	528,425,504	462,901,219

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

18. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND'000	
	30 June 2020	31 December 2019
Sale of goods and services rendered	420,977,051	197,329,676
- Tay Nguyen Agricultural Service Joint Stock Company	236,632,521	-
- Khamkauong Agricultural Development Co., Ltd	48,888,429	56,925,500
- Others	135,456,101	140,404,176
TOTAL	420,977,051	197,329,676
<i>In which</i>		
Due to third parties	420,977,051	179,307,848
Due to a related party (Note 32)	-	18,021,828

19. STATUTORY OBLIGATIONS

	31 December 2019	Increase in the period	Decrease in the period	VND'000 30 June 2020
Corporate income tax (Note 31.1)	19,746,853	320,449	(399,733)	19,667,569
Value-added tax	-	14,028,467	(14,028,467)	-
Personal income tax	5,711,720	3,804,922	(3,050,360)	6,466,282
Other taxes	-	2,384,670	(2,384,670)	-
TOTAL	25,458,573	20,538,508	(19,863,230)	26,133,851

20. ACCRUED EXPENSES

	VND'000	
	30 June 2020	31 December 2019
Short-term		
Interest expenses	843,098,298	649,247,074
Operational costs	152,450,400	790,869,405
Others	56,398,902	55,756,572
	<u>1,051,947,600</u>	<u>1,495,873,051</u>
Long-term		
Interest expenses	505,928,496	728,263,269
TOTAL	1,557,876,096	2,224,136,320
<i>In which:</i>		
Due to third parties	1,336,709,306	2,031,817,627
Due to related parties (Note 32)		
- Short-term	188,420,336	33,322,762
- Long-term	32,746,454	158,995,931

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

21. OTHER PAYABLES

	VND'000	
	30 June 2020	31 December 2019
Short-term		
Borrowing payables to other companies and individuals	122,037,313	205,710,224
Land lease payables	66,370,910	68,603,644
Others	14,734,133	197,462,757
	<u>203,142,356</u>	<u>471,776,625</u>
Long-term		
Land lease payables	122,714,844	113,111,079
Borrowing payables to other companies and individuals	43,008,116	127,926,968
	<u>165,722,960</u>	<u>241,038,047</u>
TOTAL	<u>368,865,316</u>	<u>712,814,672</u>
<i>In which:</i>		
<i>Due to third parties</i>	239,279,816	492,946,005
<i>Due to related parties (Note 32)</i>		
- <i>Short-term</i>	109,652,777	193,893,337
- <i>Long-term</i>	19,932,723	25,975,330

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22. LOANS

	VND'000	
	30 June 2020	31 December 2019
Short-term		
Current portion of long-term loan from related parties (Note 22.3 and 32)	1,483,061,235	-
Current portion of long-term bank loans (Note 22.4)	1,077,360,910	1,209,903,508
Short-term loans from banks (Note 22.1)	1,045,122,875	618,695,510
Short-term loans from related parties (Note 22.2 and 32)	646,785,456	2,825,972,081
	<u>4,252,330,476</u>	<u>4,654,571,099</u>
Long-term		
Long-term loans from related parties (Note 22.3 and 32)	4,833,588,174	1,454,367,231
Long-term loans from banks (Note 22.4)	2,801,940,163	3,095,659,565
Long-term loans from a company and an individual (Note 22.5)	297,238,135	-
Long-term bonds (Note 22.6)	195,126,284	-
	<u>8,127,892,756</u>	<u>4,550,026,796</u>
TOTAL	<u>12,380,223,232</u>	<u>9,204,597,895</u>

Details of the movement of loans and bond are as follows:

	VND'000		
	Short-term loans	Long-term loans	Total
31 December 2019	4,654,571,099	4,550,026,796	9,204,597,895
Drawdown of loans	1,216,555,672	3,620,252,263	4,836,807,935
Transfer from payable to loans	477,162,852	294,087,704	771,250,556
Acquisition of a subsidiary	432,520	-	432,520
Allocation of bonds issuance costs	-	286,689	286,689
Repayment of loans	(1,819,953,717)	(562,814,354)	(2,382,768,071)
Restructuring of short-term loans	(1,995,823,500)	1,995,823,500	-
Current portion of long-term loans	1,725,789,419	(1,725,789,419)	-
Bonds issuance costs	-	(5,160,405)	(5,160,405)
Foreign exchange differences	(6,403,869)	(38,820,018)	(45,223,887)
30 June 2020	<u>4,252,330,476</u>	<u>8,127,892,756</u>	<u>12,380,223,232</u>

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.1 Short-term loans from banks

Bank	30 June 2020	Maturity	Interest rate	Collaterals
	VND'000		% p.a.	(Notes 5, 9, 10, 11 and 12)

Tien Phong Commercial Joint Stock Bank ("TPBank"), Hanoi Branch

Loan facility dated 21 April 2017	599,747,835	From 4 August 2020 to 3 April 2021	The basic interest rate of TPBank with maturity term 3-month + 3.20% p.a. for quarterly year (2020: 10.50% p.a.)	Assets owned by 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 Agricultural Development Co., Ltd ("Dai Thang"); 32,829,686 shares of HNG owned by HAG.
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Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank"), Cambodia Branch

Loan facility dated 30 August 2019	142,956,160	From 1 January 2021 to 3 March 2021	8.50	Land use right and future harvesting right of 1,752.5 ha concession land at Ratanakiri Province, Cambodia owned by Hoang Anh Oyadav.
Loan facility dated 30 March 2020	97,466,880	30 March 2021	8.50	Land use right and future harvesting right of 1,376.3 ha concession land at Ratanakiri Province, Cambodia owned by Hoang Anh Oyadav.

Ho Chi Minh City Development Joint Stock Commercial Bank ("HDBank"), Dong Nai Branch

Loan facility dated 25 June 2020	204,952,000	26 June 2021	10.00	172,070,455 shares of HNG owned by HAG; 19,980,000 shares of An Dong Mia owned by HNG; Land use right of 7,926 ha at Ratanakiri Province, Cambodia owned by Hoang Anh Lumphat; 20,000,000 shares of Ms Le Thi Ngoc Bich and Ms Vo Thi Le Thu contributed in An Dong Mia and all of debt collection rights, future income arising from sales contracts with value over VND 1,000 billion.
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TOTAL 1,045,122,875

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as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.2 Short-term loans from related parties

Lenders	30 June 2020 VND'000	Maturity	Interest rate % p.a.	Purpose	Collateral
Thadi, The company with the same members of Board of Director ("BOD")					
Loan facility dated 1 June 2020	563,000,000	From 2 January 2021 to 31 May 2021	10.50	To finance working capital requirements	Unsecured
Mrs Kieu Ngoc Hoa, Shareholder					
Loan facility dated 29 April 2020	47,000,000	From 29 July 2020 to 25 August 2020	14.00	To finance working capital requirements	Unsecured
Hoang Anh Gia Lai Joint Stock Company, Parent company					
Loan facility dated 19 July 2019	35,485,456	19 July 2020	10.00	To finance working capital requirements	Unsecured
Loan facility dated 1 November 2019	1,300,000	1 November 2020	11.50	To finance working capital requirements	Unsecured
TOTAL	646,785,456				

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as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.3 Long-term loans from related parties

Lender	30 June 2020 VND'000	Maturity date	Interest rate % p.a.	Purpose	Collaterals
Hoang Anh Gia Lai Joint Stock Company ("HAG"), Parent company					
Loan facility dated 1 February 2020	1,995,823,500	1 February 2023	10.50	To finance working capital requirements	Unsecured
Loan facility dated 1 January 2020	102,612,657	1 January 2023	10.50	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
Loan facility dated 5 July 2015	60,922,399	5 July 2021	10.50	To finance for palm oil factory and thermal power plant in Cambodia	Unsecured
Loan facility dated 1 January 2020	15,259,464	1 January 2023	10.50	To finance working capital requirements	Unsecured
	<u>2,263,823,549</u>				
Thadi, The company with the same members of BOD					
Loan facility dated 1 June 2020	2,185,877,212	From 26 August 2020 to 26 June 2024	10.70	To finance working capital requirements	Unsecured
THACO, The company with the same members of BOD					
Loan facility dated 10 December 2019	805,260,834	10 June 2021	10.50	To finance working capital requirements	Unsecured
Loan facility dated 4 February 2020	687,444,593	6 February 2023	9.50 - 10.50	To finance working capital requirements	Unsecured
Loan facility dated 14 February 2020	251,835,457	17 February 2023	10.50	To finance working capital requirements	Unsecured
Loan facility dated 2 March 2020	24,365,000	2 March 2023	10.50	To finance working capital requirements	Unsecured
	<u>1,768,905,884</u>				

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as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.3 Long-term loans from related parties (continued)

Lender	30 June 2020 VND'000	Maturity date	Interest rate % p.a.	Purpose	Collaterals
<i>Trung Nguyen Rubber One Member Co., Ltd ("Trung Nguyen Rubber")</i> , The subsidiary of the company with the same members of BOD					
Loan facility dated 1 March 2020	98,042,764	From 25 November 2020 to 28 November 2021	9.30 - 11.30	To finance working capital requirements	Unsecured

TOTAL 6,316,649,409

In which:

Non-current portion 4,833,588,174
Current portion 1,483,061,235

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.4 Long-term loans from banks

	30 June 2020	31 December 2019	VND'000 Purpose
Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV")	1,693,526,080	1,877,239,318	To finance for the rubber, palm oil plantation projects and working capital
Ho Chi Minh City Development Joint Stock Bank ("HDBank")	810,004,584	952,352,906	To finance for the rubber, palm oil and fruit plantation projects and working capital
Laos - Vietnam Joint Venture Bank ("Laos - Viet Bank")	788,315,804	822,882,246	To finance for the rubber, palm oil plantation and cow projects
Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank")	512,454,605	553,088,603	To finance for the rubber, palm oil plantation projects and working capital
Tien Phong Commercial Joint Stock Bank ("TPBank")	75,000,000	100,000,000	To finance for the rubber and fruit plantation projects
TOTAL	<u>3,879,301,073</u>	<u>4,305,563,073</u>	
<i>In which:</i>			
<i>Non-current portion</i>	<i>2,801,940,163</i>	<i>3,095,659,565</i>	
<i>Current portion</i>	<i>1,077,360,910</i>	<i>1,209,903,508</i>	

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as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.4 Long-term loans from banks (continued)

Details of the long-term loans from banks are as follows:

Banks	30 June 2020		Maturity	Interest rate % p.a.	Collaterals (Notes 5, 9, 10, 11 and 12)
	VND'000	Original amount USD			
BIDV, Gia Lai Branch					
Loan facility dated 1 April 2010	726,078,035	- 31,168,836	From 31 December 2021 to 31 December 2026	Interest rate of 12 - month saving deposit in USD at BIDV paid in arrears + 4.70% p.a. (2020: 7.20 - 8.50)	Land use right and rubber plantations of 9,996.9 ha at Saysetha, San Xay and Phu Vong Districts, Attapeu Province, Laos owned by Hoang Anh Attapeu.
Loan facility dated 19 June 2015 (*)	423,026,099	135,075,441 12,361,050	28 December 2019	VND: 11.60 USD: 8.60 - 9.06	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 Street, Phu Dong Ward, Pleiku City; Land use right and harvesting right of 1,040.52 ha rubber plantations at Ia Pa District, Gia Lai Province, Vietnam owned by Trung Nguyen Rubber.

(*) As at 23 July 2020, the Group repaid for all of loans which were on due as mentioned above.

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22. LOANS (continued)

22.4 Long-term loans from banks (continued)

Banks	30 June 2020 VND'000	Original amount USD	Maturity	Interest rate % p.a.	Collaterals (Notes 5, 9, 10, 11 and 12)
BIDV, Binh Dinh Branch					
Loan facility dated 18 February 2013 (*)	544,421,946	24,777,920	From 25 September 2020 to 25 December 2026	Interest rate of 12- month saving deposit in USD at BIDV paid in arrears + 5.00% p.a. (2020: 5.90 - 6.70)	HNG's demand-deposit accounts at BIDV Binh Dinh branch under the mortgage contract of VND'000 16,674,624 and VND'000 16,692,480; 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	1,693,526,080				
<i>In which:</i>					
Non-current portion	1,262,590,039				
Current portion	430,936,041				

(*) As at 30 June 2020, and up to the date of the interim 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended**22. LOANS** (continued)**22.4 Long-term loans from banks** (continued)

Banks	30 June 2020		Maturity	Interest rate % p.a.	Collaterals (Notes 5, 9, 10, 11 and 12)
	VND'000	Original amount VND'000 USD			
HDBank, Dong Nai Branch					
Loan facility dated 25 April 2014 (*)	777,504,584	393,750,000 16,473,689	From 25 December 2020 to 25 December 2023	VND: 12.87 USD: 8.50	172,070,455 shares of HNG owned 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, Ms Le Thi Ngoc Bich and Ms Vo Thi Le Thu
HDBank, Dak Lak Branch					
Loan facility dated 30 March 2018	32,500,000	32,500,000	From 30 September 2020 to 31 December 2020	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		810,004,584			
<i>In which:</i>					
Non-current portion	555,360,414				
Current portion	254,644,170				

(*) As at 30 June 2020, and up to the date of the interim consolidated financial statements, the actual rubber plantations area of the Group was 4,074 ha, which was lower than 6,653 ha as committed in the Loan contract.

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as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.4 Long-term loans from banks (continued)

Banks	30 June 2020		Original amount	Maturity	Interest rate % p.a.	Collaterals (Notes 5, 9, 10, 11 and 12)
	VND'000	LAK'000				
Laos - Viet Bank, Attapeu Branch						
Loan facility dated 5 August 2015 and 26 November 2015 (*)	298,568,862	-	13,588,570	From 25 August 2020 to 25 August 2022	10.00	Office building of Hoang Anh Attapeu at Km No.31, Hatxan Ward, Saysettha District, Attapeu Province, Laos corresponding to the map No. 17 001 0008 with an area of 0.3 ha; Rubber latex production factory in Saysettha District, Attapeu Province, Laos; All imported cows (14,219 cows) owned by Hoang Anh Attapeu.
Loan facility dated 15 March 2013 (**)	259,341,603	37,555,000	7,649,850	From 25 September 2020 to 25 December 2026	LAK: 12.75 USD: 10.00	Land use right and harvest right of 4,733.01 ha rubber plantation and 3,155.79 ha palm oil plantations at Attapeu Province, Laos owned by Hoang Anh Attapeu.

(*) As at 30 June 2020, and up to the date of the interim consolidated financial statements, Hoang Anh Attapeu disposed of all the cows of the company.

(**) As at 30 June 2020, and up to the date of the interim 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.

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as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.4 Long-term loans from banks (continued)

Banks	30 June 2020		Original amount	Maturity	Interest rate	Collaterals
	VND'000	LAK'000				
Laos - Viet Bank, Attapeu Branch (continued)						
Loan facility dated 9 July 2015 (*)	170,134,748	-	7,743,231	From 25 October 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 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	60,270,591	-	2,743,056	From 25 August 2020 to 25 November 2020	10.00	All equipment, materials, and machineries for construction project of palm oil processing factory owned by Hoang Anh Attapeu.

TOTAL

In which:

Non - current portion 446,535,107
Current portion 341,780,697

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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22. LOANS (continued)

22.4 Long-term loans from banks (continued)

Banks	30 June 2020 VND'000	Maturity	Interest rate % p.a.	Collaterals (Notes 5, 9, 10, 11 and 12)
Sacombank, Sai Gon Branch				
Loan facility dated 3 January 2014 (*)	262,454,605	From 24 December 2021 to 24 December 2026	Interest rate of 13-month saving deposit paid in areas of Sacombank + 2.00% p.a. and be adjusted each of 3-month (2020: 9.90)	23.2 million shares of HAG owned by the Chairman; 14.5 million shares of Hoang Anh - Quang Minh owned by HNG.
Loan facility dated 29 November 2013 (**)	250,000,000	From 25 December 2021 to 6 December 2026	9.80	The right to use and exploit on a total area of 1,365.2 ha of rubber at Ea H'leo Commune, Ea H'leo District, Dak Lak Province, Vietnam is owned by Hoang Anh Dak Lak; The land use right of 479.2 ha in EaH'leo Commune, EaH'leo District, Dak Lak Province, Vietnam is owned by Hoang Anh Dak Lak and 683.33 ha in EaH'leo Commune, EaH'leo District, Dak Lak Province, Vietnam is owned by Ban Me Rubber Co., Ltd.
TOTAL	512,454,605			
<i>In which:</i>				
Non-current portion	512,454,605			
Current portion	-			

(*) As at 30 June 2020, and up to the date of the interim consolidated financial statements, the actual rubber plantations area of the Group was 2,429 ha, which was lower than 9,000 ha as committed in the Loan contract.

(**) As at 30 June 2020, and up to the date of the interim consolidated financial statements, the actual palm oil plantations area of the Group was 5,233 ha, which was lower than 9,470 ha as committed in the Loan contract.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.4 Long-term loans from banks (continued)

Banks	30 June 2020 VND'000	Maturity	Interest rate % p.a.	Collaterals (Notes 5, 9, 10, 11 and 12)
TP Bank, Head office				
Loan facility dated 19 November 2018	<u>75,000,000</u>	From 25 November 2020 to 25 November 2021	11.00	Securities with income, dividends, right and benefits arising from 15,000,000 shares of HNG owned by HAG.
<i>In which:</i>				
Non-current portion	25,000,000			
Current portion	50,000,000			

22.5 Long-term loans from a company and individuals

Lenders	30 June 2020 VND'000	Maturity	Interest rate % p.a.	Purpose	Collaterals
Mr Nguyen Ngoc Mai					
Loan facility dated 21 January 2020	<u>220,730,000</u>	21 January 2023	10.00	To finance working capital requirements	Unsecured
Nam Cong III Electrical Co., Ltd					
Loan facility dated 1 January 2020	<u>76,508,135</u>	1 January 2025	8.00	To finance working capital requirements	Unsecured
TOTAL	<u>297,238,135</u>				
<i>In which:</i>					
Non-current portion	297,238,135				
Current portion	-				

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as at 30 June 2020 and for the six-month period then ended

22. LOANS (continued)

22.6 Bonds

Straight bonds

Details of the straight bonds as at 30 June 2020 are as follows:

<i>Issuance agent</i>	<i>Bond holder</i>	<i>30 June 2020</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Purpose</i>	<i>Collaterals</i>
		<i>VND'000</i>		<i>% p.a.</i>		<i>(Notes 5, 9, 10, 11 and 12)</i>
Tien Phong Securities Joint Stock Company	Individual	200,000,000	4 December 2021	9.50	Implementation of investment programs and projects of the Company	Land use rights and assets attached to future land and right to exploit fruit orchards on an area of 498.28 ha in Ia Bang commune, Chu Prong District, in Ia Pech Commune, Ia Grai District and in Village A, Commune Gao, Pleiku, Gia Lai Province are owned by Highland Dairy Cattle.

Bond issuance fees
(4,873,716)
195,126,284

In which:

Non-current portion 195,126,284
Current portion -

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

23. OWNERS' EQUITY

23.1 Increase and decrease in owners' equity

	Share capital	Share premium	Equity component of convertible bond	Foreign exchange differences	Accumulated losses	Total
						VND'000
For the period ended 30 June 2019						
1 January 2019	8,868,438,950	1,064,550,810	105,576,190	505,361,803	102,645,162	10,646,572,915
Net loss for the period	-	-	-	-	(743,905,549)	(743,905,549)
Equity transactions inside Group with non-controlling interests in subsidiaries without changing control	-	-	-	-	1,342,107	1,342,107
Remuneration of the Board of Supervision	-	-	-	-	(618,000)	(618,000)
Foreign exchange differences	-	-	-	(280,260,609)	-	(280,260,609)
30 June 2019	8,868,438,950	1,064,550,810	105,576,190	225,101,194	(640,536,280)	9,623,130,864
For the period ended 30 June 2020						
1 January 2020	11,085,538,950	1,170,127,000	-	(203,488,917)	(2,323,758,949)	9,728,418,084
Net profit for the period	-	-	-	-	11,098,692	11,098,692
Additional subscription of entire shares newly issued by a subsidiary	-	-	-	-	(297,989)	(297,989)
Foreign exchange differences	-	-	-	(592,221,504)	-	(592,221,504)
30 June 2020	11,085,538,950	1,170,127,000	-	(795,710,421)	(2,312,958,246)	9,146,997,283

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended**23. OWNERS' EQUITY** (continued)**23.2 Capital transactions with owners**

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Beginning balance and ending balance	<u>11,085,538,950</u>	<u>8,868,438,950</u>

23.3 Shares

	Shares	
	<u>30 June 2020</u>	<u>31 December 2019</u>
Shares authorised to be issued	1,108,553,895	1,108,553,895
Shares issued and fully paid <i>Ordinary shares</i>	1,108,553,895	1,108,553,895
Shares in circulation <i>Ordinary shares</i>	1,108,553,895	1,108,553,895

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.

24. NON-CONTROLLING INTERESTS

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Beginning balance	9,534,536	29,309,682
Share of loss during the period	(1,112,987)	(7,659,875)
Additional subscription of entire shares newly issued by a subsidiary	297,989	-
Equity transactions with non-controlling interests in subsidiaries without changing control	-	(342,107)
Ending balance	<u>8,719,538</u>	<u>21,307,700</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended**25. EARNINGS/(LOSSES) PER SHARE**

The Group used the following information to calculate basic and diluted earnings/(losses) per share:

	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Net profit/(loss) profit after tax attributable to ordinary shareholders (VND'000)	11,098,692	(743,905,549)
Weighted average number of ordinary shares for basic earnings per share (<i>share</i>)	1,108,553,895	886,843,895
Weighted average number of ordinary shares increased for the effect of convertible bonds	-	221,710,000
Weighted average number of ordinary shares adjusted for the effect of dilution	1,108,553,895	1,108,553,895
Basic earnings/(losses) per share (VND)	10	(839)
Diluted earnings/(losses) per share (VND)	10	(671)

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

26. REVENUES**26.1 Net revenues from sale of goods and rendering of services**

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Sale of fruits	994,462,051	583,414,204
Sale of rubber latex	107,178,878	118,878,125
Sale of goods and merchandises	37,112,777	37,029,625
Revenue from rendering of services	26,867,309	3,531,181
Sale of chilli	-	38,910,045
Net revenue	1,165,621,015	781,763,180
<i>In which:</i>		
<i>Net revenue from third parties</i>	660,426,365	730,521,801
<i>Net revenue from related parties</i>	505,194,650	51,241,379

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

26. REVENUES (continued)

26.2 Finance income

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Foreign exchange difference gains	4,822,456	6,163,725
Interest income from bank deposits	73,920	128,033
Interest income from loans to other companies	-	1,881,785
TOTAL	<u>4,896,376</u>	<u>8,173,543</u>

27. COST OF GOODS SOLD AND SERVICES RENDERED

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Cost of fruit sold	581,145,953	363,091,217
Cost of rubber latex sold	139,917,345	114,069,101
Cost of goods sold	15,927,643	24,034,776
Cost of services rendered	23,906,998	5,405,036
Cost of chilli sold	-	43,043,171
TOTAL	<u>760,897,939</u>	<u>549,643,301</u>

28. FINANCE EXPENSES

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Loan and bond interest expenses	203,815,126	357,639,636
Foreign exchange difference losses	28,884,260	22,196,045
Reversal of other finance expenses	(155,818,739)	-
Loss from liquidation of a subsidiary	-	993,568
Others	10,922,898	17,304,862
TOTAL	<u>87,803,545</u>	<u>398,134,111</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

29. SELLING AND ADMINISTRATIVE EXPENSES

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Selling expenses		
Transportation expenses	158,577,716	117,137,185
External service expenses	24,275,856	11,511,832
Salary expenses	5,364,634	7,106,971
Depreciation expenses	1,427,831	1,191,021
Others	1,037,141	1,243,062
	<u>190,683,178</u>	<u>138,190,071</u>
General and administration expenses		
Salary expenses	41,199,056	47,815,091
Allocation of goodwill (Note 16)	31,882,302	204,285,494
Depreciation and amortisation expenses	9,142,251	8,320,029
External service expenses	7,159,840	8,851,050
Provision	534,825	28,102,867
Others	15,495,707	15,157,781
	<u>105,413,981</u>	<u>312,532,312</u>
TOTAL	<u>296,097,159</u>	<u>450,722,383</u>

30. OTHER INCOME AND EXPENSES

	VND'000	
	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Other income		
Reversal of accrual	26,924,870	192,397,024
Profits from disposals of fixed assets	771,240	348,604
Written-off payables	-	20,152,510
Others	1,825,050	1,167,125
	<u>29,521,160</u>	<u>214,065,263</u>
Other expenses		
Depreciation of idle assets	(20,814,243)	(29,843,683)
Cost of developing plantations	(19,116,088)	(310,570,165)
Penalties	(6,228,360)	(463,261)
Others	(817,321)	(13,065,757)
	<u>(46,976,012)</u>	<u>(353,942,866)</u>
OTHER LOSS	<u>(17,454,852)</u>	<u>(139,877,603)</u>

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as at 30 June 2020 and for the six-month period then ended

31. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profit (2019: 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 interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

31.1 Current CIT

The current CIT payable is based on taxable profit for the current period. The taxable profit of the Group for the period differs from the profit as reported in the interim 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. CORPORATE INCOME TAX (continued)

31.1 Current CIT (continued)

	VND'000	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Current tax expense	320,449	228,327
Under accrual of CIT in previous periods	-	158,992
Deferred tax expense	1,102,157	12,625,519
TOTAL	1,422,606	13,012,838

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

	VND'000	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Accounting profit/(loss) before tax	11,408,311	(738,552,586)
<i>Adjustments:</i>		
Losses of subsidiaries	444,965,189	978,634,242
Non-deductible expenses	46,976,012	8,689,865
Amortisation of goodwill	31,882,302	204,285,494
Change in unrealised intra-group profits	25,671,541	15,014,359
Foreign exchange differences	22,295,937	4,522,265
Difference in intercompany interest income and expenses in consolidation	-	51,918,299
Profits of activities which are exempted for CIT	(343,005,074)	(197,211,762)
Changes in movement of accruals	(182,743,609)	(192,397,024)
Provision for investment into subsidiaries	(34,611,292)	(94,980,105)
Utilization of tax loss carried forward	(22,892,366)	(4,325,738)
Profit from associates shared	(3,144,415)	(9,888,089)
Others	4,799,709	(24,567,585)
Estimated current taxable profit for the period	1,602,245	1,141,635
Estimated current CIT expense	320,449	228,327
Adjustment for under accrual of CIT in previous periods	-	158,992
Estimated current CIT for the period	320,449	387,319
CIT payable at beginning of the period	19,461,022	30,049,556
Others	(399,733)	(736,239)
CIT paid during the period	-	(10,332,242)
CIT payable at end of the period	19,381,738	19,368,394
<i>In which:</i>		
CIT payable	19,667,569	19,654,225
CIT receivable	(285,831)	(285,831)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

31. CORPORATE INCOME TAX (continued)

31.2 Deferred tax

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

	VND'000			
	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2020</i>	<i>31 December 2019</i>	<i>For the six-month period ended 30 June 2020</i>	<i>For the six-month period ended 30 June 2019</i>
Deferred tax assets				
Unrealised intra-group profits	55,409,831	49,589,730	5,820,101	6,370,502
Deferred tax liabilities				
Provision for investments	(117,183,101)	(110,260,843)	(6,922,258)	(18,996,021)
Deferred tax expense			(1,102,157)	(12,625,519)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

32. TRANSACTIONS WITH RELATED PARTIES

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

Related parties	Relationship	Transactions	VND'000	
			For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Thadi	The company with the same members of BOD	Loans	2,748,877,212	-
		Advance for purchase goods	1,051,745,400	-
		Sale of goods	492,020,775	25,168,963
		Purchase of materials and services	250,302,911	-
		Loan interests	24,082,509	-
THACO	The company with the same members of BOD	Loans	1,041,618,877	983,590,000
		Interest expenses	90,117,993	31,327,082
HAG	Parent company	Interest expenses	142,119,235	195,889,014
		Purchase of materials	26,763,593	16,844,477
		Sale of goods and rendering of services	8,880,988	-
Trung Nguyen Rubber	The subsidiary of the company with the same members of BOD	Interest expenses	3,253,235	-
		Sale of materials	864,772	-
Mrs Kieu Ngoc Hoa	Shareholder	Loans	47,000,000	-
		Interest expenses	914,411	-
Truong Hai International Logistic Co., Ltd. ("Truong Hai Logistic")	The subsidiary of the company with the same members of BOD	Purchase of services	20,710,411	-
		Sale of materials	958,000	-
Chu Lai - Truong Hai Road Transport Co., Ltd. ("Thaco Chu Lai Transportation")	The subsidiary of the company with the same members of BOD	Purchase of services	14,263,566	9,572,791
Hoang Anh Gia Lai University Medical Center JSC	Affiliate	Purchase of services	1,201,932	-
Binh Phuoc Kratie	The subsidiary of the company with the same members of BOD	Sale of materials	236,000	14,450,942
		Purchase of goods	-	55,803,523

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	VND'000	
			30 June 2020	31 December 2019
Short-term trade receivables (Note 6)				
Thadi	The company with the same members of BOD	Sale of goods	99,870,173	-
Daun Penh	The subsidiary of the company with the same members of BOD	Sale of materials	74,940,972	80,108,487
Binh Phuoc Kratie	The subsidiary of the company with the same members of BOD	Sale of materials	29,638,310	19,114,510
HAG	Parent company	Sale of goods and rendering of services	20,589,286	23,171,406
Trung Nguyen Rubber	The subsidiary of the company with the same members of BOD	Sale of materials	10,344,432	9,435,130
Truong Hai Logistic	The subsidiary of the company with the same members of BOD	Sale of materials	958,000	-
Eastern Rubber	The subsidiary of the company with the same members of BOD	Sale of materials	-	4,948,622
Others	Related party	Sale of goods	1,270,790	951,929
			237,611,963	137,730,084

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	VND'000	
			30 June 2020	31 December 2019
Short-term advances to suppliers (Note 7)				
Thadi	The company with the same members of BOD	Advances for purchase of goods	1,051,745,400	-
HAG	Parent company	Advances for purchase of goods	131,889,641	772,642
Hoang Anh Gia Lai Wooden Furniture JSC	Related party	Advances for purchase of goods	9,792,374	-
Dai Thang	Affiliate	Advances for purchase of goods	5,434,295	5,434,295
Trung Nguyen Rubber	The subsidiary of the company with the same members of BOD	Advances for purchase of goods	1,376,737	28,257,752
Eastern Rubber	The subsidiary of the company with the same members of BOD	Advances for purchase of goods	-	3,351,521
Others	Related party	Advances for purchase of goods	23,865	-
			1,200,262,312	37,816,210
Other short-term receivables (Note 8)				
HAG	Parent company	Payment on behalf	14,061,281	11,941,830
Binh Phuoc Kratie	The subsidiary of the company with the same members of BOD	Payment on behalf	140,205	6,577,232
Dai Thang	Affiliate	Payment on behalf	132,314	4,601,784
Daun Penh	The subsidiary of the company with the same members of BOD	Lending materials	-	33,038,555
Others	Related party	Payment on behalf	250,000	250,000
			14,583,800	56,409,401

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

32. 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>VND'000</i>	
			<i>30 June 2020</i>	<i>31 December 2019</i>
<i>Other long-term receivable (Note 8)</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
			<u>-</u>	<u>7,275,257</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended.

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	VND'000	
			30 June 2020	31 December 2019
Short-term trade payables (Note 17)				
Thadi	The company with the same members of BOD	Purchase of materials and services	(267,507,350)	(207,569,778)
Daun Penh	The subsidiary of the company with the same members of BOD	Purchase of goods	(85,792,776)	(91,845,863)
HAG	Parent company	Purchase of materials and services	(75,224,901)	(64,288,041)
Hoang Anh Gia Lai Wooden Furniture JSC	Related party	Purchase of materials	(64,950,875)	(42,390,542)
Binh Phuoc Kratie	The subsidiary of the company with the same members of BOD	Purchase of goods	(49,168,809)	(73,677,590)
Truong Hai Logistic	The subsidiary of the company with the same members of BOD	Purchase of services	(20,460,287)	-
Thaco Chu Lai Transportation	The subsidiary of the company with the same members of BOD	Purchase of services	(14,225,567)	(14,561,396)
Thaco Truck - Bus Distribution Co., Ltd.	The subsidiary of the company with the same members of BOD	Purchase of services	(1,994,000)	(1,994,000)
Thaco Chu Lai	The subsidiary of the company with the same members of BOD	Purchase of goods	(660,081)	(18,934,507)
Thaco Agricultural Machinery Manufacturing Co., Ltd.	The subsidiary of the company with the same members of BOD	Purchase of machinery	-	(6,080,000)
Others	Related party	Purchase of goods	(1,710,945)	(629,818)
			(581,695,591)	(521,971,535)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

			VND'000	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2020</i>	<i>31 December 2019</i>
Short-term advances from customers (Note 18)				
Thadi	The company with the same members of BOD	Advance to purchase goods	-	18,021,828
Short-term accrued expenses (Note 20)				
HAG	Parent company	Interest expenses	(86,796,205)	(27,191,064)
THACO	The company with the same members of BOD	Interest expenses	(76,374,452)	(5,172,794)
Thadi	The company with the same members of BOD	Interest expenses	(24,082,509)	-
Mrs Kieu Ngoc Hoa	Shareholder	Interest expenses	(818,521)	(958,904)
Truong Hai Logistic	Subsidiary of company with the same member of BOD	Purchase of services	(276,331)	-
Chu Lai Truong Hai Composite Components Manufacturing One Member Co., Ltd.	Subsidiary of company with the same member of BOD	Purchase of materials	(72,318)	-
			(188,420,336)	(33,322,762)
Long-term accrued expenses (Note 20)				
HAG	Parent company	Interest expenses	(23,038,715)	(154,362,922)
THACO	The company with the same members of BOD	Interest expenses	(9,707,739)	(4,633,009)
			(32,746,454)	(158,995,931)
Other short-term payables (Note 21)				
Dai Thang	Affiliate	Borrowing	(53,783,098)	-
Daun Penh	The subsidiary of the company with the same members of BOD	Borrowing materials	(32,465,519)	(58,541,505)
Le Me JSC	Related party	Borrowing	(11,685,000)	(11,685,000)
Hoang Anh Gia Lai Wooden Furniture JSC	Related party	Borrowing	(10,000,000)	-
HAG	Parent company	Offsetting	(1,715,040)	(123,024,506)
Others	Related party	Others	(4,120)	(642,326)
			(109,652,777)	(193,893,337)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	VND'000	
			30 June 2020	31 December 2019
Other long-term payables (Note 21)				
HAG	Parent company	Borrowing	(14,932,723)	-
Hung Thang Loi Gia Lai JSC	Affiliate	Borrowing	(5,000,000)	(5,000,000)
Daun Penh	The subsidiary of the company with the same members of BOD	Borrowing materials	-	(20,975,330)
			(19,932,723)	(25,975,330)
Short-term loans (Note 22.2 and 22.3)				
Thadi	The company with the same members of BOD	Current portion	(618,825,195)	-
		Short-term loans	(563,000,000)	-
THACO	The company with the same members of BOD	Current portion	(805,260,834)	-
		Short-term loans	-	(897,464,625)
Trung Nguyen Rubber	The subsidiary of the company with the same members of BOD	Current portion	(58,975,206)	-
Mrs Kieu Ngoc Hoa	Shareholder	Short-term loans	(47,000,000)	(50,000,000)
HAG	Parent company	Short-term loans	(36,785,456)	(1,878,507,456)
			(2,129,846,691)	(2,825,972,081)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	VND'000	
			30 June 2020	31 December 2019
Long-term loans (Note 22.3)				
HAG	Parent company	Long-term loans	(2,263,823,549)	(649,106,397)
Thadi	The company with the same members of BOD	Long-term loans	(1,567,052,017)	-
THACO	The company with the same members of BOD	Long-term loans	(963,645,050)	(805,260,834)
Trung Nguyen Rubber	The subsidiary of the company with the same members of BOD	Long-term loans	(39,067,558)	-
			(4,833,588,174)	(1,454,367,231)

Salaries, bonus and remunerations for the members of the Board of Directors and the management are as follows:

	VND'000	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Salaries, bonus and remunerations	2,444,416	2,290,746

33. 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	
	30 June 2020	31 December 2019
Less than 1 year	25,309,410	25,242,008
From 1 to 5 years	101,237,639	100,968,031
More than 5 years	896,370,387	906,550,484
TOTAL	1,022,917,436	1,032,760,523

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

34. OFF BALANCE SHEET ITEMS

30 June 2020 31 December 2019

Foreign currencies:		
- LAK	1,040,857,861	554,609,265
- Cambodia Riels (KHR)	37,286,950	161,524,156
- USD	400,842	1,864,493

35. COMMITMENTS AND CONTINGENCIES

Important commitments

Guarantee commitment:

As at 30 June 2020, the Group used 4,999,000 shares of Hoang Anh - Quang Minh Rubber Joint Stock Company, a subsidiary, to pledge for loans of Thadi at Sacombank, Sai Gon Branch.

Another commitment:

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

- Taxes, 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;
- Foreign contractor tax or other similar tax on constructing, land clearance related to the factory and working capital of the Group of Sugarcane Companies;
- Social insurance, health insurance and personal income tax of employees currently working at the Group of Sugarcane Companies;
- Value-added tax related to the transfer of assets regarding planting grass activities and raising cows of the Group of Sugarcane Companies; and
- 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 30 June 2020 and up to the date of these interim consolidated financial statements, the Group was still 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.

Warranty provision for airport projects

As at 30 June 2020, 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

36. 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 interim 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.

36.1 *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; and
- ▶ Trading and services: construction service, purchasing and trading of goods.

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 interim 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 profit and certain assets and liability information regarding the Group's business segment:

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

36. SEGMENT INFORMATION (continued)

36.1 Business segment (continued)

	Plantation	Trading and services	Eliminations	Total
For the six-month period ended 30 June 2019				
<i>Revenue</i>				VND'000
External customers	741,202,374	40,560,806	-	781,763,180
Inter-segment elimination	657,867,293	414,846,157	(1,072,713,450)	-
Total	1,399,069,667	455,406,963	(1,072,713,450)	781,763,180
Results				
Segment results	878,096,123	426,737,206	(1,072,713,450)	232,119,879
Operating expenses				(450,722,383)
Other loss				(139,877,603)
Loss before income tax, finance income and finance expenses				(358,480,107)
Finance income				8,173,543
Finance expenses				(398,134,111)
Share of profit from associates				9,888,089
Loss before tax				(738,552,586)
Current income tax expense				(387,319)
Deferred tax expense				(12,625,519)
Net loss for the period				(751,565,424)
As at 31 December 2019				
<i>Assets and liabilities</i>				
Segment assets	20,655,979,903	2,197,536,640	-	22,853,516,543
Cash				111,485,200
Investments in an associate				315,487,353
Total assets				23,280,489,096
Segment liabilities	(9,164,825,574)	(4,377,710,902)	-	(13,542,536,476)
Total liabilities				(13,542,536,476)

Hoang Anh Gia Lai Agricultural Joint Stock Company

B09a-DN/HN

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

36. SEGMENT INFORMATION (continued)

36.1 Business segment (continued)

	Plantation	Trading and services	Eliminations	VND'000 Total
For the six-month period ended 30 June 2020				
<i>Revenue</i>				
External customers	1,101,640,929	63,980,086	-	1,165,621,015
Inter-segment elimination	632,624,016	547,604,564	(1,180,228,580)	-
Total	1,734,264,945	611,584,650	(1,180,228,580)	1,165,621,015
<i>Results</i>				
Segment results	1,013,201,647	571,750,009	(1,180,228,580)	404,723,076
Operating expenses				(296,097,159)
Other loss				(17,454,852)
Profit before tax, finance income and finance expenses				91,171,065
Finance income				4,896,376
Finance expenses				(87,803,545)
Share of profit from an associate				3,144,415
Profit before tax				11,408,311
Current income tax expense				(320,449)
Deferred tax expense				(1,102,157)
Net profit for the period				9,985,705
As at 30 June 2020				
<i>Assets and liabilities</i>				
Segment assets	21,457,607,170	3,454,630,879	-	24,912,238,049
Cash				50,055,072
Investments in an associate				318,631,768
Total assets				25,280,924,889
Segment liabilities	(8,470,695,649)	(7,654,512,419)	-	(16,125,208,068)
Total liabilities				(16,125,208,068)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

36. SEGMENT INFORMATION (continued)

36.2 Geographical segment

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

	Vietnam	Laos	Cambodia	VND'000 Total
For the six-month period ended 30 June 2019				
Sales to external customers	752,431,968	15,453,799	13,877,413	781,763,180
Capital expenditure of fixed assets	217,058,179	809,731,448	495,526,560	1,522,316,187
As at 31 December 2019				
<i>Other segment information</i>				
Segment assets	1,769,014,550	12,808,988,610	8,275,513,383	22,853,516,543
Cash				111,485,200
Investment in an associate				315,487,353
Total assets				23,280,489,096
For the six-month period ended 30 June 2020				
Sales to external customers	887,204,590	24,777,766	253,638,659	1,165,621,015
Capital expenditure of fixed assets	29,663,097	337,799,887	423,485,902	790,948,886
As at 30 June 2020				
<i>Other segment information</i>				
Segment assets	3,151,146,144	12,770,130,926	8,990,960,979	24,912,238,049
Cash	42,722,119	3,481,142	3,851,811	50,055,072
Investment in an associate	318,631,768	-	-	318,631,768
Total assets				25,280,924,889

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2020 and for the six-month period then ended

37. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events or circumstances occurring after the balance sheet date which would require adjustments or disclosures to be made in the accompanying interim consolidated financial statements of the Group.

Nguyễn Văn Tiên
Preparer

Nguyễn Hoàng Phi
Chief Accountant



Võ Thị My Hạnh
General Director

29 August 2020