

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

(formerly known as Hoang Anh Gia Lai Rubber Joint Stock Company)

Separate financial statements

31 December 2012

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 (formerly known as Hoang Anh Gia Lai Rubber Joint Stock Company) ("the Company") was incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 5900712753 issued by the Department of Planning and Investment of Gia Lai Province on 26 May 2010 and thirteen (13) subsequent amended Business Registration Certificates.

The Company's parent is Hoang Anh Gia Lai Joint Stock Company which had 91.17% ownership as at 31 December 2012. The Company had 7 subsidiaries and 1 associate as disclosed in Note 10.

On 3 April 2015, the Company received the 11th amended Business Registration Certificate No. 5900712753 with the changing its name from Hoang Anh Gia Lai Rubber Joint Stock Company to Hoang Anh Gia Lai Agricultural Joint Stock Company.

The registered principal activities of the Company are planting and trading rubber trees and other perennial trees; generating and trading seedlings; providing plantation services and related materials.

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 at the date of this report are:

<i>Name</i>	<i>Position</i>	
Mr Doan Nguyen Duc	Chairman	
Mr Vo Truong Son	Member	appointed on 4 April 2015
Mr Doan Nguyen Thu	Member	appointed on 4 April 2015
Mr Nguyen Xuan Thang	Member	
Mrs Vo Thi Huyen Lan	Member	appointed on 4 April 2015
Mr Nguyen Ngoc Anh	Member	appointed on 4 April 2015
Mr Nguyen Quan Anh	Member	appointed on 4 April 2015
Mr Nguyen Van Minh	Member	anyigned on 4 April 2015
Mr Nguyen Van Su	Member	resigned on 4 April 2015
Mr Truong Ngoc Thanh	Member	resigned on 4 April 2015
Mr Phan Thanh Thu	Member	resigned on 4 April 2015
Mr Tran Quoc Huy	Member	resigned on 4 April 2015

BOARD OF SUPERVISORS

Members of the Board of Supervisors at the date of this report are:

<i>Name</i>	<i>Position</i>	
Mr Le Hong Phong	Head	appointed on 4 April 2015
Mr Pham Ngoc Chau	Member	appointed on 4 April 2015
Mrs Dao Dinh Phuong	Member	appointed on 4 April 2015
Mr Do Van Hai	Head	resigned on 4 April 2015
Mrs Huynh Thi Lan Hong	Member	resigned on 4 April 2015
Mrs Truong Thi My Nguyet	Member	resigned on 4 April 2015

Hoang Anh Gia Lai Agricultural Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

Members of the Management at the date of this report are:

<i>Name</i>	<i>Position</i>	
Mr Nguyen Xuan Thang	Director	appointed on 19 April 2015
Mr Trinh Xuan Nhan	Director	resigned on 19 April 2015
Mr Phan Thanh Thu	Vice Director	
Mr Nguyen Ngoc Anh	Vice Director	
Mr Trinh Xuan Nhan	Vice Director	appointed on 19 April 2015
Mrs Vo Thi My Hanh	Vice Director	appointed on 19 April 2015
Mr Hoang Dinh Quy	Vice Director	appointed on 19 April 2015
Mr Nguyen Quan Anh	Vice Director	appointed on 19 April 2015
Mr Vo Nguyen Cong Buu	Vice Director	resigned on 19 April 2015
Mr Mai Dinh Hong	Vice Director	resigned on 19 April 2015
Mr Dinh Van Dung	Vice Director	resigned on 12 July 2014

LEGAL REPRESENTATIVE

The legal representatives of the Company during the year and at the date of this report are:

Mr Nguyen Xuan Thang	appointed on 19 April 2015
Mr Trinh Xuan Nhan	resigned on 19 April 2015

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 (formerly known as Hoang Anh Gia Lai Rubber Joint Stock Company) ("the Company") is pleased to present its report and the separate financial statements of the Company for the year ended 31 December 2012.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate 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 separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company 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 separate financial statements.


STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2012 and of the separate results of its operations and its separate cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements.

The Company is the parent company of subsidiaries presented in Note 10.1 and the consolidated financial statements of the Company and its subsidiaries ("the Group") prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements have been issued separately.

Users of these separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of its operations and consolidated cash flows of the Group.

For and on behalf of management:



Nguyen Xuan Thang
Director

10 June 2015

Reference: 60752790/17821943

INDEPENDENT AUDITORS' REPORT

To: The Shareholders and the Board of Directors of Hoang Anh Gia Lai Agricultural Joint Stock Company

We have audited the accompanying separate financial statements of Hoang Anh Gia Lai Agricultural Joint Stock Company (formerly known as Hoang Anh Gia Lai Rubber Joint Stock Company) ("the Company") as prepared on 10 June 2015 and set out on pages 6 to 33, which comprise the separate balance sheet as at 31 December 2012, and the separate income statement and the separate cash flow statement for the financial year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2012, and of the separate results of its operations and its separate cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 to the separate financial statements, which states that the Company is a parent company with subsidiaries and the Company prepared and issued the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2012 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We audited these consolidated financial statements and our auditors' report dated 19 April 2013 expressed an unqualified opinion. Users of these separate financial statements should read them together with the said consolidated financial statements of the Group in order to obtain full information on the consolidated financial position, the consolidated results of operations and the consolidated cash flows of the Group.

Other matter

The financial statements of the Company for the year ended 31 December 2011, presented herein as corresponding figures have not been audited.

Ernst & Young Vietnam Limited



Le Vu Truong
Deputy General Director
Audit Practicing Registration Certificate
No. 1588-2013-004-1

Doan Chi Thu Thuy
Auditor
Audit Practicing Registration Certificate
No. 1070-2013-004-1

Ho Chi Minh City, Vietnam

10 June 2015

SEPARATE BALANCE SHEET
as at 31 December 2012

VND'000

Code	ASSETS	Notes	31 December 2012	31 December 2011 (unaudited)
100	A. CURRENT ASSETS		4,108,271,091	1,681,079,399
110	I. Cash and cash equivalent	4	1,452,863,327	352,166,849
111	1. Cash		1,152,863,327	352,166,849
112	2. Cash equivalents		300,000,000	-
130	II. Current accounts receivable		2,649,188,400	1,316,745,305
131	1. Trade receivables	5	13,978,395	5,213,478
132	2. Advances to suppliers		61,000	14,269,679
135	3. Other receivables	6	2,635,149,005	1,297,262,148
140	III. Inventories	7	1,014,402	10,045,198
141	1. Inventories		1,014,402	10,045,198
150	IV. Other current assets		5,204,962	2,122,047
152	1. Value-added tax deductible		1,795,647	551,320
158	2. Other current assets		3,409,315	1,570,727
200	B. NON-CURRENT ASSETS		3,973,818,277	2,493,049,101
220	I. Fixed assets		19,349,849	20,745,987
221	1. Tangible fixed assets	8	19,083,281	20,412,777
222	Cost		25,545,820	23,354,383
223	Accumulated depreciation		(6,462,539)	(2,941,606)
227	2. Intangible assets	9	266,568	333,210
228	Cost		333,210	333,210
229	Accumulated amortisation		(66,642)	-
250	II. Long-term investments		3,933,660,391	2,471,903,181
251	1. Investments in subsidiaries	10.1	3,723,285,984	2,308,899,468
252	2. Investment in an associate	10.2	210,374,407	163,003,713
260	III. Other long-term assets		20,808,037	399,933
261	1. Long-term prepaid expenses	11	20,808,037	399,933
270	TOTAL ASSETS		8,082,089,368	4,174,128,500

SEPARATE BALANCE SHEET (continued)
as at 31 December 2012

VND'000

Code	RESOURCES	Notes	31 December 2012	31 December 2011 (unaudited)
300	A. LIABILITIES		3,124,038,333	686,246,903
310	I. Current liabilities		77,891,386	115,179,050
312	1. Trade payables	12	1,121,459	4,785,172
314	2. Statutory obligations		145,309	2,559,203
315	3. Payables to employees		1,563,995	480,710
316	4. Accrued expenses	13	8,111,171	873,030
319	5. Other payables	14	66,949,452	106,480,935
330	II. Non-current liability		3,046,146,947	571,067,853
334	1. Long-term loans and debts	15	3,046,146,947	571,067,853
400	B. OWNERS' EQUITY		4,958,051,035	3,487,881,597
410	I. Capital	16	4,958,051,035	3,487,881,597
411	1. Share capital		3,646,853,464	2,889,788,864
412	2. Share premium		1,295,347,000	576,747,000
420	3. Undistributed earnings		15,850,571	21,345,733
440	TOTAL LIABILITIES AND OWNERS' EQUITY		8,082,089,368	4,174,128,500

OFF BALANCE SHEET ITEM

ITEM	31 December 2012	31 December 2011 (unaudited)
Foreign currency - United States Dollar (USD)	558.17	552.91

Nguyen Thi Hai Yen
Preparer

Do Van Hai
Chief Accountant

Nguyen Xuan Thang
Director



10 June 2015


SEPARATE INCOME STATEMENT
for the year ended 31 December 2012

VND'000

Code	ITEMS	Notes	Current year	Previous year (unaudited)
10	1. Net revenues from sale of goods and rendering of services	17	22,700,592	45,891,347
11	2. Cost of goods sold and services rendered		(22,700,592)	(45,561,691)
20	3. Gross profit from sale of goods and rendering of services		-	329,656
21	4. Finance income	18	31,001,531	42,709,234
22	5. Finance expenses	19	(17,194,205)	(416,667)
23	<i>In which: Interest expense</i>		(16,501,631)	(416,667)
25	6. General and administrative expenses		(18,868,726)	(12,124,886)
30	7. Operating (loss) profit		(5,061,400)	30,497,337
31	8. Other income		3,014,473	2,504,202
32	9. Other expenses		(3,014,473)	(2,372,819)
40	10. Other profit		-	131,383
50	11. (Loss) profit before tax		(5,061,400)	30,628,720
51	12. Current corporate income tax expense	20	(211,762)	(5,754,133)
60	13. Net (loss) profit after tax		(5,273,162)	24,874,587


Nguyen Thi Hai Yen
Preparer


Do Van Hai
Chief Accountant


Nguyen Xuan Thang
Director



10 June 2015

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2012

VND'000

Code	ITEMS	Notes	Current year	Previous year (unaudited)
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	(Loss) profit before tax		(5,061,400)	30,628,720
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	8, 9	3,816,448	2,850,697
05	Profits from investing activities		(31,001,531)	(42,709,234)
06	Interest expense	19	16,501,631	416,667
08	Operating loss before changes in working capital		(15,744,852)	(8,813,150)
09	Decrease (increase) in receivables		662,704,003	(15,137,172)
10	Decrease (increase) in inventories		9,030,796	(10,029,198)
11	Decrease in payables		(32,953,931)	(326,141,034)
12	Increase in prepaid expenses		(20,408,104)	(399,933)
13	Interest paid		(9,263,490)	(416,667)
14	Corporate income tax paid	20	(2,609,656)	(3,228,164)
16	Other cash outflows for operating activities		(913,300)	(995,378)
20	Net cash flows from (used in) operating activities		589,841,466	(365,160,696)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(3,466,586)	(9,774,362)
22	Proceeds from disposals of fixed assets		1,046,276	595,111
23	Loans to other entities		(1,150,042,896)	(571,940,882)
24	Collections from borrowers		40,351,866	-
25	Payments for investments in other entities		(1,461,734,228)	(1,651,968,542)
27	Interest received		33,659,863	38,625,901
30	Net cash flows used in investing activities		(2,540,185,705)	(2,194,462,774)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from capital contribution		583,664,600	2,264,546,939
33	Drawdown of loans and borrowings		3,562,200,970	647,185,538
34	Repayment of loans and borrowings		(1,094,824,853)	-
40	Net cash flows from financing activities		3,051,040,717	2,911,732,477

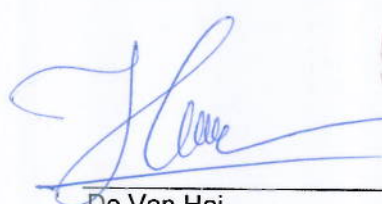
SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2012

VND'000

Code	ITEMS	Notes	Current year	Previous year (unaudited)
50	Net increase in cash and cash equivalents during the year		1,100,696,478	352,109,007
60	Cash at beginning of year		352,166,849	57,842
70	Cash and cash equivalents at end of year	4	1,452,863,327	352,166,849



Nguyen Thi Hai Yen
Preparer



Do Van Hai
Chief Accountant



Nguyen Xuan Thang
Director

10 June 2015

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2012

1. CORPORATE INFORMATION

Hoang Anh Gia Lai Agricultural Joint Stock Company (formerly known as Hoang Anh Gia Lai Rubber Joint Stock Company) ("the Company") was incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 5900712753 issued by the Department of Planning and Investment of Gia Lai Province on 26 May 2010 and thirteen (13) subsequent amended Business Registration Certificates.

The Company's parent is Hoang Anh Gia Lai Joint Stock Company which had 91.17% ownership as at 31 December 2012. The Company had 7 subsidiaries and 1 associate as disclosed in Note 10.

On 3 April 2015, the Company received the 11th amended Business Registration Certificate No. 5900712753 with the changing its name from Hoang Anh Gia Lai Rubber Joint Stock Company to Hoang Anh Gia Lai Agricultural Joint Stock Company.

The registered principal activities of the Company are planting and trading rubber trees and other perennial trees; generating and trading seedlings; providing plantation services and related materials.

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 Company's employees as at 31 December 2012 was 282 (31 December 2011 was 104).

2. BASIS OF PREPARATION

2.1 *Accounting standards and System*

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

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

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

The Company is the parent company of subsidiaries presented in Note 10.1 and the consolidated financial statements of the Company and its subsidiaries ("the Group") prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements have been issued separately.

Users of these separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of its operations and consolidated cash flows of the Group.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

2. BASIS OF PREPARATION (continued)

2.2 *Applied accounting documentation system*

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

2.3 *Fiscal year*

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

2.4 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies*

The accounting policies adopted by the Company in preparation of the separate financial statements are consistent with those followed in the preparation of the Company's separate financial statements for the year ended 31 December 2011 except for the change in the accounting policy in relation to foreign currency translation.

For the year ended 31 December 2012, the Company adopted Circular No. 179/2012/TT-BTC providing guidance on recognition, measurement, and treatment for the foreign exchange differences issued by the Ministry of Finance on 24 October 2012 ("Circular 179") in addition to Vietnamese Accounting Standard No. 10 - Effects of Changes in Foreign Exchange Rates (the "VAS 10") adopted in prior years.

Following Circular 179, at the end of the year, monetary assets and liabilities denominated in foreign currencies are translated into VND using buying exchange rate announced by the commercial bank where the Company maintains bank accounts. In 2011, the inter-bank exchange rates ruling at the balance sheet date was used for this translation.

Circular 179 was applied from 2012 on prospective basis. The impacts of the change from using interbank exchange rate to buying exchange rate announced by the commercial bank for the year end translation to the separate financial statement as at and for the year ended 31 December 2012 are not material as a whole.

3.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash in banks and short-term deposits with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 *Receivables*

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

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

3.4 *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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Inventories (continued)

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

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

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 Company, based on appropriate evidence of impairment available at the balance sheet date.

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

3.5 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 separate income statement as incurred.

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

3.6 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 additions, improvements are added to the carrying amount of the intangible assets and other expenditures are charged to the separate income statement as incurred.

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

3.7 Depreciation and amortisation

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

Buildings & structures	10 - 50 years
Machinery & equipment	5 - 20 years
Means of transportation	8 - 20 years
Office equipment	3 - 10 years
Computer software	5 years

3.8 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expenses when they are incurred.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

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 separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses. Costs of bond issuance are amortised over the periods of bonds.

3.10 *Investments*

Investments in subsidiaries, associates and other investments are stated at their acquisition cost less provision where appropriate. Provision is made for any diminution in value of the investments at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the separate income statement.

3.11 *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 Company.

3.12 *Foreign currency transactions*

The Company follows the guidance under VAS 10 in relation to foreign currency transactions as applied consistently in prior years. In addition to VAS 10, starting from 2012, the Company adopts Circular 179 in relation to foreign currency transaction which impacts are presented in Note 3.1.

Transactions in currencies other than the Company's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the year, the monetary assets and liabilities denominated in foreign currencies are translated at buying exchange rate announced by the commercial bank where the Company maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the separate income statement.

3.13 *Appropriation of net profits*

Net profit after tax (excluding unrealised exchange gains as at the balance sheet date) is available for appropriation to shareholders upon proposal by the Board of Directors and after approval by the shareholders in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the bonus and welfare fund which is appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting. This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' material and spiritual benefits and presented as a liability on separate balance sheet.

3.14 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Revenue recognition (continued)

Rendering of services

Revenue from rendering of services is recognized when the services are rendered and is stated net of discounts, allowances and non-refundable taxes.

Interest

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

3.15 Taxation

Current income tax

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

Current income tax is charged or credited to the separate 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 Company to off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for separate 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, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are 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, associates, and interests in joint ventures, 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Taxation* (continued)

Deferred tax (continued)

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

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

Deferred tax is charged or credited to the separate 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 Company to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.16 *Financial instruments*

Initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009, providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of separate financial instruments ("Circular 210") are classified, for disclosures in the notes to the separate financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Company's financial assets include cash and cash equivalents, trade and other receivables and borrowing receivables.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the separate financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans, borrowings and bonds.

Subsequent re-measurement

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Financial instruments* (continued)*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the separate balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. CASH AND CASH EQUIVALENTS

	VND'000	
	31 December 2012	31 December 2011 (unaudited)
Cash on hand	169,661	137,048
Cash in banks	1,152,693,666	352,029,801
Cash equivalents	300,000,000	-
TOTAL	1,452,863,327	352,166,849

5. TRADE RECEIVABLES

	VND'000	
	31 December 2012	31 December 2011 (unaudited)
Due from third parties	10,010,000	3,910,500
Due from related parties (Note 21)	3,968,395	1,302,978
TOTAL	13,978,395	5,213,478

6. OTHER RECEIVABLES

	VND'000	
	31 December 2012	31 December 2011 (unaudited)
Due from related parties (Note 21)	2,632,021,832	1,292,167,944
Due from third parties	3,127,173	5,094,204
TOTAL	2,635,149,005	1,297,262,148

7. INVENTORIES

	VND'000	
	31 December 2012	31 December 2011 (unaudited)
Merchandise goods	945,200	10,045,198
Work in process	54,622	-
Tools and supplies	14,580	-
TOTAL	1,014,402	10,045,198

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

8. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Total
Cost					VND'000
Beginning balance (<i>unaudited</i>)	-	18,353,820	4,447,956	552,607	23,354,383
New purchases	278,624	1,683,973	1,221,145	282,844	3,466,586
Disposal	-	(1,275,149)	-	-	(1,275,149)
Ending balance	278,624	18,762,644	5,669,101	835,451	25,545,820
Accumulated depreciation					
Beginning balance (<i>unaudited</i>)	-	(2,346,894)	(432,675)	(162,037)	(2,941,606)
Depreciation for the year	(24,767)	(2,955,362)	(571,270)	(198,407)	(3,749,806)
Disposal	-	228,873	-	-	228,873
Ending balance	(24,767)	(5,073,383)	(1,003,945)	(360,444)	(6,462,539)
Net carrying amount					
Beginning balance (<i>unaudited</i>)	-	16,006,926	4,015,281	390,570	20,412,777
Ending balance	253,857	13,689,261	4,665,156	475,007	19,083,281

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

9. INTANGIBLE ASSETS

	<i>VND'000</i>
	<i>Computer software</i>
Cost	
Beginning balance (<i>unaudited</i>)	333,210
Ending balance	<u>333,210</u>
Accumulated amortisation	
Beginning balance (<i>unaudited</i>)	-
Amortisation for the year	<u>(66,642)</u>
Ending balance	<u>(66,642)</u>
Net carrying amount	
Beginning balance (<i>unaudited</i>)	<u>333,210</u>
Ending balance	<u><u>266,568</u></u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

10. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

10.1 *Investments in subsidiaries*

Details of investment in the Company's subsidiaries as at 31 December 2012 are as follows:

Name of subsidiaries	Business activities	Status	31 December 2012		31 December 2011 (unaudited)	
			% of holding	Cost VND'000	% of holding	Cost VND'000
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Agricultural	Pre-operating	100.00	948,224,878	100.00	695,971,314
Hoang Anh Rattanakiri Co., Ltd.	Agricultural	Pre-operating	100.00	909,883,615	100.00	886,371,115
Hoang Anh Gia Lai Cane Sugar JSC (i)	Agricultural	Pre-operating	80.00	674,343,450	55.00	156,627,770
Gia Lai Industrial Forest Plantation JSC	Agricultural	Pre-operating	99.83	498,957,073	99.76	283,795,098
Hoang Anh Dak Lak JSC (ii)	Real estate and Agricultural	Operating	99.40	370,374,238	85.30	156,818,091
Hoang Anh Oyadav Co., Ltd.	Agricultural	Pre-operating	100.00	192,186,650	-	-
Hoang Anh - Quang Minh Rubber JSC	Agricultural	Operating	64.66	129,316,080	64.66	129,316,080
TOTAL				3,723,285,984		2,308,899,468

(i) The Company acquired additional 25% equity interest in its subsidiary, Hoang Anh Gia Lai Cane Sugar JSC from the minority shareholders, increasing its ownership in Hoang Anh Gia Lai Cane Sugar JSC from 55% to 80%.

(ii) The Company acquired additional 13.23% equity interest in its subsidiary, Hoang Anh Dak Lak JSC from the minority shareholders, increasing its ownership in Hoang Anh Dak Lak JSC from 85.30% to 98.53%. After that, the Company contributed additional 0.87% equity interest in Hoang Anh Dak Lak JSC, increasing its ownership to 99.40%.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

10. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (continued)

10.2 Investment in an associate

Name	Business activity	31 December 2012		31 December 2011 (unaudited)	
		% of holding	Carrying value VND'000	% of holding	Carrying value VND'000
Bidiphar Rubber JSC	Rubber plantation	39.63	210,374,407	32.68	163,003,713

11. LONG-TERM PREPAID EXPENSES

	VND'000	
	31 December 2012	31 December 2011 (unaudited)
Costs of bond issuance	20,541,870	-
Tools	266,167	399,933
TOTAL	20,808,037	399,933

12. TRADE PAYABLES

	VND'000	
	31 December 2012	31 December 2011 (unaudited)
Due to a related party (Note 21)	1,081,459	4,065,344
Due to third parties	40,000	719,828
TOTAL	1,121,459	4,785,172

13. ACCRUED EXPENSES

The accrued expenses represent the accrual of loan interests as at 31 December 2012.

14. OTHER PAYABLES

	VND'000	
	31 December 2012	31 December 2011 (unaudited)
Due to a related party (Note 21)	66,920,722	106,460,276
Due to third parties	28,730	20,659
TOTAL	66,949,452	106,480,935

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

15. LONG-TERM LOANS AND DEBTS

	VND'000	
	31 December 2012	31 December 2011 (unaudited)
Bonds with warrants (Note 15.1)	2,000,000,000	-
Long-term loan from bank (Note 15.2)	675,995,594	571,067,853
Loans from a related party (Note 15.3 and 21)	<u>370,151,353</u>	<u>-</u>
TOTAL	<u>3,046,146,947</u>	<u>571,067,853</u>

15.1 Bonds with warrants

On 5 December 2012, the Company announced the issuance of new bonds with a total value of VND 2,000 billion (the par value per bond is VND 100 million) which was arranged by Vietnam Prosperity Bank Securities Company Limited ("VPBS"). These bonds will be repaid after three (3) years and one year grace period. Interest rate is paid for every quarter at the rate 11.37% p.a. for the first three quarters and the ceiling interest rate of deposit of the State Bank of Vietnam ("SBV") in Vietnam dong with the term from one to twelve (12) months plus margin of 3% p.a. for subsequent periods. Should SBV remove the ceiling interest rate of saving deposit in Vietnam dong with the term from one to twelve (12) months, the interest rate of individual saving deposit in Vietnam dong with the term of twelve (12) months announced by VPBS plus margin of 3% p.a. will be applied for subsequent years. The Company has issued the bonds to EuroCapital Securities Company ("ECS") in accordance with the contract dated 7 December 2012, 25 December 2012 and 27 December 2012 with proceeds of VND 750 billion, VND 450 billion and VND 800 billion, respectively. Accordingly, total proceeds from these bond issuances were VND 2,000 billion. The purpose of this bond issuance is to finance investment projects of the Company including the project of planting 28,173 hectares of new rubber trees in Rattanakiri Province, Cambodia; projects of planting 9,470 hectares palm oil in Rattanakiri Province, Cambodia; projects of planting 25,000 hectares rubber trees and palm oil in Attapeu and Sekong Province, Laos; projects of planting 5,000 hectares rubber trees in Attapeu and Sekong Province, Laos; projects of planting 3,000 hectares sugar cane trees in Attapeu and Sekong Province, Laos; to restructure existing debts of the Company and finance working capital and finance other investment projects of the Company. These bonds are secured by 143 million shares of the Company held by Hoang Anh Gia Lai JSC, the parent company.

In addition, a warrant was granted for every bond issued and the warrants will be considered independent securities from the bond after being granted. Each warrant grants the holder the right to purchase a number of shares of the Company equivalent to 0.000775% of actual contributed share capital of the Company right after all warrants are exercised. Should all warrants be exercised, the Company committed that warrant holders will own at least 15.5% ownership in the Company. The exercisable period of the warrant is four (4) years from the date of issuance of the warrant.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

15. LONG-TERM LOANS AND DEBTS (continued)

15.2 Long-term loan from a bank

Details of the long-term loan from a bank are as follows:

Name of bank	31 December 2012	Maturity term	Interest rate	Collateral
VND'000				
<i>Bank for Investment Development of Vietnam, Gia Lai branch</i>				
Loan Agreement No. 01/2010/HD-TD dated on 1 April 2010	<u>675,995,594</u>	Repayment in 130 months from the first drawdown date (i.e. 28 April 2010)	12-month savings deposit interest rate of USD plus 4.7% p.a.	10,000 ha rubber at Attapeu province, Laos of subsidiaries

The Company obtained this loan mainly to finance the development of rubber plantations, and purchases of machinery and equipment at subsidiaries in Laos.

15.3 Long-term loans from a related party

Details of the long-term loans from a related party are as follows:

Lender	31 December 2012	Maturity	Interest rate
VND'000			
<i>Hoang Anh Gia Lai JSC, parent company</i>			
Loan Agreement No. 20082012/HDV-HAGL dated on 20 August 2012	150,000,000	36 months from contracted date	16% p.a.
Loan Agreement No. 05/2012/HDV-HAGL dated on 28 April 2012	120,872,953	60 months from contracted date	From 14% to 17% p.a.
Loan Agreement No. 02/2011/HDV-HAGL dated on 28 December 2011	99,278,400	36 months from contracted date	19.9% p.a.
TOTAL	<u>370,151,353</u>		

Loans from a related party are unsecured loans which were used to finance working capital requirements of the Company and its subsidiaries.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

16. OWNERS' EQUITY

16.1 Increase and decrease in owners' equity

Previous year	Contributed share capital	Share premium	Undistributed earnings	VND'000 Total
As at 1 January 2011 (unaudited)	484,571,925	-	(3,528,854)	481,043,071
Capital contributions				
In which:				
Cash	2,264,546,939	-	-	2,264,546,939
Investment in Hoang Anh Construction and Housing Development Joint Stock Company (*)	140,670,000	576,747,000	-	717,417,000
Net profit for the year	-	-	24,874,587	24,874,587
As at 31 December 2011 (unaudited)	2,889,788,864	576,747,000	21,345,733	3,487,881,597
Current year				
As at 1 January 2012 (unaudited)	2,889,788,864	576,747,000	21,345,733	3,487,881,597
Capital contributions				
In which:				
Cash	583,664,600	-	-	583,664,600
Investment in Hoang Anh Construction and Housing Development Joint Stock Company (**)	173,400,000	718,600,000	-	892,000,000
Net loss for the year	-	-	(5,273,162)	(5,273,162)
Remuneration of Board of Director and Board of Supervisors	-	-	(222,000)	(222,000)
As at 31 December 2012	3,646,853,464	1,295,347,000	15,850,571	4,958,051,035

(*) The Company issued 14,067,000 new shares or approximately 3.53% of its share capital to the minority shareholders of Hoang Anh Construction and Housing Development Joint Stock Company ("HAH") in exchange for 14,067,000 existing shares or approximately 7.03% of equity in HAH held by these minority shareholders on 14 December 2011.

(**) The Company issued 17,340,000 new shares or approximately 4.34% of its share capital to the minority shareholders of HAH in exchange for 17,340,000 existing shares or approximately 8.67% of equity in HAH held by these minority shareholders on 14 December 2012.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012**16. OWNERS' EQUITY (continued)****16.2 Contributed share capital**

Shareholders	Per Business Registration Certificate			Contributed share capital
	Shares	VND'000	%	VND'000
Hoang Anh Gia Lai JSC	363,810,000	3,638,100,000	91.17	3,331,783,464
Other shareholders	35,257,000	352,570,000	8.83	315,070,000
TOTAL	399,067,000	3,990,670,000	100	3,646,853,464

16.3 Shares

	31 December 2012	31 December 2011 (unaudited)
	Shares	Shares
Shares authorised to be issued	399,067,000	399,067,000
Shares issued and fully paid	364,685,346	288,978,886
<i>Ordinary shares</i>	364,685,346	288,978,886
Outstanding shares	364,685,346	288,978,886
<i>Ordinary shares</i>	364,685,346	288,978,886

17. NET REVENUES FROM SALES OF GOOD AND RENDERING OF SERVICES

	Current year	VND'000 Previous year (unaudited)
Net revenues	22,700,592	45,891,347
<i>Of which:</i>		
<i>Sale of goods</i>	13,216,131	41,408,146
<i>Rendering of services</i>	9,484,461	4,483,201

18. FINANCE INCOME

	Current year	VND'000 Previous year (unaudited)
Interest income from loans to related parties	21,872,093	-
Interest income from bank deposits	9,129,438	42,709,234
TOTAL	31,001,531	42,709,234

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

19. FINANCE EXPENSES

	<i>Current year</i>	<i>VND'000</i> <i>Previous year</i> <i>(unaudited)</i>
Interest expense from banks and bond	16,501,631	416,667
Bond issuance expenses	692,574	-
TOTAL	17,194,205	416,667

20. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 25% of taxable profits.

The Company' 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 separate financial statements could change at a later date upon final determination by the tax authorities.

The CIT payable is based on taxable profit for the year. Taxable profit differs from (loss) profit as reported in the separate 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 Company's liability for current tax is calculated using applicable tax rates that have been enacted by the balance sheet date.

The current CIT expense for the year was computed as follows:

	<i>Current year</i>	<i>VND'000</i> <i>Previous year</i> <i>(unaudited)</i>
(Loss) profit before tax	(5,061,400)	30,628,720
<i>Adjustments</i>		
Adjustment of taxable revenue	4,083,333	(4,083,333)
Non-deductible expenses	1,492,113	-
Estimated current taxable profit before loss carried forward and tax	514,046	26,545,387
Tax loss carried forward	-	(3,528,854)
Estimated current taxable profit after tax loss carried forward	514,046	23,016,533
Estimated current CIT expense	128,512	5,754,133
Under accrual of CIT in prior year	83,250	-
Estimated current CIT for the year	211,762	5,754,133
CIT payable at beginning of the year	2,525,969	-
CIT paid during the year	(2,609,656)	(3,228,164)
CIT payable at end of the year	128,075	2,525,969

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012**21. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties during the financial year ended 31 December 2012 were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
Hoang Anh Gia Lai JSC	Parent company	Capital contribution	583,664,600
		Transfer of HAH's shares	892,000,000
		Purchase of material	1,319,116
		Interest expenses	42,760,367
		Purchase of investment in an associate	47,347,712
Hoang Anh Dak Lak JSC	Subsidiary	Sale of goods	380,520
		Sale of assets	1,046,276
		Purchase of fixed assets	983,145
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Interest income	3,092,340
Hoang Anh Attapeu Agriculture Development Co., Ltd	Subsidiary	Interest income	8,322,127
		Sale of goods	28,948
Gia Lai Industrial Forest Plantation JSC	Subsidiary	Sale of goods	8,958,903
		Machinery rental	1,513,500
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Sale of goods	93,805
Hoang Anh Gia Lai Cane Sugar JSC	Subsidiary	Interest income	10,457,625
Hoang Anh An Dong Meas Co Ltd	Subsidiary	Sale of goods	28,948
Hoang Anh Gia Lai Bridge & Road JSC	Related party	Sale of goods	3,555,000

Amounts due to and due from related parties as at 31 December 2012 were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
Trade receivables			
Hoang Anh Gia Lai Bridge & Road JSC	Subsidiary	Sale of goods	3,910,500
Hoang Anh Attapeu Agriculture Development Co., Ltd	Subsidiary	Sale of goods	28,948
Hoang Anh An Dong Meas Co Ltd	Subsidiary	Lending and interest	28,947
			<u>3,968,395</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

21. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 31 December 2012 were as follows:
(continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
<i>Other receivables</i>			
Hoang Anh Gia Lai JSC	Parent company	Sale of shares	892,000,000
Hoang Anh Attapeu Agriculture Development Co., Ltd	Subsidiary	Lending and interest	854,036,718
Hoang Anh - Quang Minh Rubber JSC	Subsidiary	Lending and interest	388,373,102
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Lending and interest	253,978,387
Attapeu Sugar Cane Ltd.	Subsidiary	Lending and interest	243,457,625
Gia Lai Industrial Forest Plantation JSC	Subsidiary	Lending and interest	176,000
			2,632,021,832
<i>Trade payable</i>			
Hoang Anh Dak Lak JSC	Subsidiary	Purchase of assets	1,081,459
<i>Other payable</i>			
Hoang Anh Gia Lai JSC	Parent company	Borrowing	66,920,722
<i>Long-term loan</i>			
Hoang Anh Gia Lai JSC	Parent company	Long-term loans	370,151,353

22. COMMITMENT

As disclosed in Note 15.1, on 5 December 2012, the Company announced the issuance of bonds with warrants amounting to VND 2,000 billion. These bonds were issued to ECS according to the contract signed on 7 December 2012, 25 December 2012 and 27 December 2012 with total proceeds of VND 750 billion, VND 450 billion and VND 800 billion, respectively. Accordingly, the Company commits to ECS that the Company's shares will be officially listed in Singapore Exchange Securities Trading Limited before 10 December 2015.

If the Company does not fulfil its commitment as above, the Hoang Anh Gia Lai JSC shall be liable to a payment in cash of a part or of full amount calculated as agreed in the said contract.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise bonds, loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has loan receivables, trade and other receivables, and cash and cash equivalents that arise directly from its operations.

The Company is exposed to market risk, credit risk, liquidity risk.

Management reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices include interest rate risk, currency risk, real estate price risk and other price risk. Financial instruments affected by market risk include bonds and loans and borrowings.

The sensitivity analyses in the following sections relate to the position as at 31 December 2012 and 31 December 2011.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cash, bond and loans and borrowings.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favorable for its purposes within its risk management limits.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings.

With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

	<i>Increase/decrease basis point</i>	<i>Effect on profit before tax VND'000</i>
Current year		
VND	+300	43,580,810
VND	-300	(43,580,810)
Previous year (unaudited)		
VND	+300	10,560,894
VND	-300	(10,560,894)

The assumed movement in percentages for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

A sensitivity analysis is not presented for currency risk as the Company's exposure to currency risk is minimal at reporting date.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and loan to other companies.

Trade receivables

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. The Company seeks to maintain strict control over its outstanding receivables and has a credit control personnel to minimize credit risk. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Company's management evaluates the concentration of credit risk in respect to bank deposit as low.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintaining a level of cash and bank loans deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	<i>Less than 1 year</i>	<i>From 1 to 5 year</i>	<i>VND'000 Total</i>
31 December 2012			
Loans and borrowings	-	1,046,146,947	1,046,146,947
Bonds with warrants	-	2,000,000,000	2,000,000,000
Trade payables	1,121,459	-	1,121,459
Other payables and accrued expenses	75,060,623	-	75,060,623
TOTAL	<u>76,182,082</u>	<u>3,046,146,947</u>	<u>3,122,329,029</u>
31 December 2011 (unaudited)			
Loans and borrowings	-	571,067,853	571,067,853
Trade payables	4,785,172	-	4,785,172
Other payables and accrued expenses	107,353,965	-	107,353,965
TOTAL	<u>112,139,137</u>	<u>571,067,853</u>	<u>683,206,990</u>

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

Collateral

The Company did not hold collateral at 31 December 2012 and 31 December 2011.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Carrying amount		Fair value		VND '000
	31 December 2012	31 December 2011 (unaudited)	31 December 2012	31 December 2011 (unaudited)	
Financial assets					
Account receivables	10,010,000	3,910,500	10,010,000	3,910,500	
Receivables from related parties	2,635,990,227	1,293,470,922	2,635,990,227	1,293,470,922	
Other receivable	3,127,173	5,094,205	3,127,173	5,094,205	
Cash and cash equivalents	1,452,863,327	352,166,849	1,452,863,327	352,166,849	
TOTAL	4,101,990,727	1,654,642,476	4,101,990,727	1,654,642,476	
Financial liabilities					
Loans and borrowings	2,675,995,594	571,067,853	2,675,995,594	571,067,853	
Loans due to a related party	370,151,353	-	370,151,353	-	
Payables due to related parties	68,002,181	110,525,620	68,002,181	110,525,620	
Other current liabilities	8,179,901	1,613,517	8,179,901	1,613,517	
TOTAL	3,122,329,029	683,206,990	3,122,329,029	683,206,990	

It is management's assessment that the fair values of these financial assets and liabilities are not materially different from their carrying amounts as at the balance sheet date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

25. EVENTS AFTER THE BALANCE SHEET DATE


On 3 April 2015, the Company received the 11th amended Business Registration Certificate No. 5900712753 with the changing its name from Hoang Anh Gia Lai Rubber Joint Stock Company to Hoang Anh Gia Lai Agricultural Joint Stock Company.

According to Resolution No. 03/04/15/NQHDQT-HAGL issued by Board of Directors of Hoang Anh Gia Lai JSC dated 3 April 2015, the Board of Directors agreed with the plan to list the Company's shares in Ho Chi Minh Stock Exchange which is expected to complete by end of July 2015.


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



Nguyen Thi Hai Yen
Preparer



Do Van Hai
Chief Accountant



Nguyen Xuan Thang
Director

10 June 2015