

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

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

Separate financial statements

31 December 2014

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 92.13% ownership as at 31 December 2014. The Company had 8 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; and breeding and trading dairy cows and cows for meat.

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 year and 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	resigned 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 during the year and 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 during the year and 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:

<i>Name</i>	
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 2014.

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 2014 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

22 June 2015



Ernst & Young Vietnam Limited
28th Floor, Bitexco Financial Tower
2 Hai Trieu Street, District 1
Ho Chi Minh City, S.R. of Vietnam

Tel: +84 8 3824 5252
Fax: +84 8 3824 5250
ey.com

Reference: 60752790/17133713-Se

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 22 June 2015 and set out on pages 6 to 35, which comprise the separate balance sheet as at 31 December 2014, 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 2014, 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 in the separate financial statements, which states that the Company is a parent company with subsidiaries and it prepared and issued the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2014 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated 15 May 2015 has 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.

Ernst & Young Vietnam Limited



Dương Lê Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2013-004-1



Nguyễn Thanh Sang
Auditor
Audit Practicing Registration Certificate
No. 1541-2013-004-1

Ho Chi Minh City, Vietnam

22 June 2015

SEPARATE BALANCE SHEET
as at 31 December 2014

VND'000

Code	ASSETS	Notes	31 December 2014	31 December 2013
100	A. CURRENT ASSETS		4,469,660,684	3,664,545,575
110	I. Cash	4	1,449,756	543,595
111	1. Cash		1,449,756	543,595
130	II. Current accounts receivable		4,466,915,730	3,660,333,379
131	1. Trade receivables	5	15,808,396	10,233,780
132	2. Advances to suppliers		4,543,000	1,678,500
135	3. Other receivables	6	4,448,461,094	3,648,421,099
139	4. Provision for doubtful debts	5	(1,896,760)	-
140	III. Inventories	7	1,123,079	3,418,347
141	1. Inventories		1,123,079	3,418,347
150	IV. Other current assets		172,119	250,254
151	1. Short-term prepaid expenses		24,360	-
152	2. Value-added tax deductible		-	18,261
158	3. Other current assets		147,759	231,993
200	B. NON-CURRENT ASSETS		6,001,701,246	5,334,653,097
220	I. Fixed assets		53,835,887	31,843,804
221	1. Tangible fixed assets	8	11,323,042	15,114,290
222	Cost		23,802,035	24,080,659
223	Accumulated depreciation		(12,478,993)	(8,966,369)
227	2. Intangible assets	9	42,512,845	199,926
228	Cost		48,197,185	333,210
229	Accumulated amortisation		(5,684,340)	(133,284)
230	3. Construction in progress		-	16,529,588
250	II. Long-term investments		5,946,621,909	5,300,498,844
251	1. Investments in subsidiaries	10.1	5,698,161,358	5,090,124,437
252	2. Investment in an associate	10.2	248,460,551	210,374,407
260	III. Other long-term asset		1,243,450	2,310,449
261	1. Long-term prepaid expenses		1,243,450	2,310,449
270	TOTAL ASSETS		10,471,361,930	8,999,198,672

SEPARATE BALANCE SHEET (continued)
as at 31 December 2014

VND'000

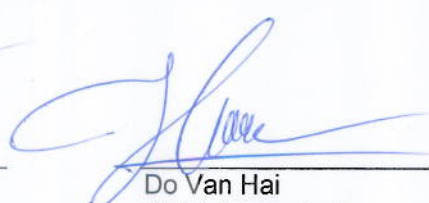
Code	RESOURCES	Notes	31 December 2014	31 December 2013
300	A. LIABILITIES		5,157,554,042	3,688,952,126
310	I. Current liabilities		3,756,594,851	667,209,061
311	1. Short-term loans and borrowings	11	2,257,828,000	99,278,400
312	2. Trade payables	12	49,535,597	1,552,922
314	3. Statutory obligations	13	1,661,435	771,086
315	4. Payables to employees		894,958	401,531
316	5. Accrued expenses	14	6,718,423	9,312,885
319	6. Other payables	15	1,439,956,438	555,892,237
330	II. Non-current liability		1,400,959,191	3,021,743,065
334	1. Long-term loans and debts	16	1,400,959,191	3,021,743,065
400	B. OWNERS' EQUITY		5,313,807,888	5,310,246,546
410	I. Capital	17	5,313,807,888	5,310,246,546
411	1. Share capital		3,990,670,000	3,990,670,000
412	2. Share premium		1,295,347,000	1,295,347,000
420	3. Undistributed earnings		27,790,888	24,229,546
440	TOTAL LIABILITIES AND OWNERS' EQUITY		10,471,361,930	8,999,198,672

OFF BALANCE SHEET ITEM

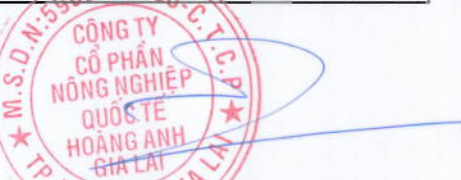
ITEM	31 December 2014	31 December 2013
Foreign currency - United States Dollar (USD)	526.49	566.95



Nguyen Thi Hai Yen
Preparer



Do Van Hai
Chief Accountant



Nguyen Xuan Thang
Director



22 June 2015


SEPARATE INCOME STATEMENT
for the year ended 31 December 2014

VND'000

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenues from sale of goods		10,081,668	4,748,475
11	2. Cost of goods sold		(7,760,345)	(4,255,808)
20	3. Gross profit from sale of goods		2,321,323	492,667
21	4. Finance income	18	365,662,845	356,039,423
22	5. Finance expenses	19	(252,474,286)	(326,153,247)
23	<i>In which: Interest expense</i>		(248,436,845)	(302,262,639)
24	6. Selling expenses		(2,005,159)	(466,324)
25	7. General and administrative expenses		(18,475,415)	(21,534,058)
30	8. Operating profit		95,029,308	8,378,461
31	9. Other income	20	29,460,050	77,606
32	10. Other expenses	20	(29,458,428)	(77,092)
40	11. Other profit	20	1,622	514
50	12. Profit before tax		95,030,930	8,378,975
51	13. Current corporate income tax expense	21	(1,058,447)	-
60	14. Net profit after tax		93,972,483	8,378,975


 Nguyen Thi Hai Yen
Preparer


 Do Van Hai
Chief Accountant


 Nguyen Xuan Thang
Director


22 June 2015

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2014

VND'000

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		95,030,930	8,378,975
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	8, 9	9,262,807	3,869,392
03	Provision		1,896,760	-
05	Profits from investing activities		(361,625,390)	(312,812,943)
06	Interest expense	19	248,436,845	302,262,639
08	Operating (loss) profit before changes in working capital		(6,998,048)	1,698,063
09	(Increase) decrease in receivables		(57,062,956)	524,015,977
10	Decrease (increase) in inventories		2,295,268	(2,403,945)
11	Increase in payables		155,005,962	86,180,419
12	Decrease in prepaid expenses		1,042,639	20,868,756
13	Interest paid		(250,912,907)	(302,068,925)
14	Corporate income tax paid	21	-	(128,075)
16	Other cash outflows for operating activities		(234,747)	(347,164)
20	Net cash flows (used in) from operating activities		(156,864,789)	327,815,106
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(12,075,575)	(18,734,515)
23	Loans to other entities		(512,426,710)	(1,664,059,213)
24	Collections from borrowers		6,942,619	93,111,059
25	Payments for investments in other entities		(646,123,065)	(1,366,838,453)
27	Interest received		43,176	314,237,943
30	Net cash flows used in investing activities		(1,163,639,555)	(2,642,283,179)

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2014

VND'000

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from capital contribution		-	343,816,536
33	Drawdown of loans and borrowings		1,875,797,660	881,153,638
34	Repayment of loans and borrowings		(552,021,613)	(362,821,833)
36	Dividends paid to owners		(2,365,542)	-
40	Net cash flows from financing activities		1,321,410,505	862,148,341
50	Net increase (decrease) in cash during the year		906,161	(1,452,319,732)
60	Cash at beginning of year		543,595	1,452,863,327
70	Cash at end of year	4	1,449,756	543,595



Nguyen Thi Hai Yen
Preparer



Do Van Hai
Chief Accountant



Nguyen Xuan Thang
Director

22 June 2015

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2014

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 92.13% ownership as at 31 December 2014. The Company had 8 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; and breeding and trading dairy cows and cows for meat.

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 2014 was 101 (31 December 2013 was 183).

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 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

2. BASIS OF PREPARATION (continued)

2.1 *Accounting standards and system* (continued)

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.

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 *Cash*

Cash comprise cash on hand and cash in banks.

3.2 *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.

3.3 *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 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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

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.

3.4 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 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.

3.5 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 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.

3.6 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	8 years

3.7 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.

3.8 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 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.

3.10 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.

3.11 Foreign currency transactions

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. As at the balance sheet date, 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.

3.12 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 social activities.

3.13 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.

Interest

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

Dividend

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 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.

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Taxation* (continued)

Deferred tax (continued)

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.

3.15 *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, trade and other receivables and loan 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.

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014**4. CASH**

	VND'000	
	31 December 2014	31 December 2013
Cash on hand	101,740	159,404
Cash in banks	1,348,016	384,191
TOTAL	<u>1,449,756</u>	<u>543,595</u>

5. TRADE RECEIVABLES

	VND'000	
	31 December 2014	31 December 2013
Due from related parties (Note 22)	9,207,848	3,488,448
Due from third parties	6,600,548	6,745,332
TOTAL	<u>15,808,396</u>	<u>10,233,780</u>
Provision for short-term doubtful debts	(1,896,760)	-
TOTAL	<u>13,911,636</u>	<u>10,233,780</u>

6. OTHER RECEIVABLES

	VND'000	
	31 December 2014	31 December 2013
Due from related parties (Note 22)	4,446,398,700	3,646,371,762
Due from third parties	2,062,394	2,049,337
TOTAL	<u>4,448,461,094</u>	<u>3,648,421,099</u>

7. INVENTORIES

	VND'000	
	31 December 2014	31 December 2013
Merchandise goods	965,139	945,200
Raw materials	141,676	1,846,285
Tools and supplies	16,264	16,316
Work in process	-	610,546
TOTAL	<u>1,123,079</u>	<u>3,418,347</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

8. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Total
Cost					
Beginning balance	278,624	16,616,942	6,903,819	281,274	24,080,659
Increase	814,383	-	704,795	-	1,519,178
Disposals	(1,093,007)	-	(704,795)	-	(1,797,802)
Ending balance	-	16,616,942	6,903,819	281,274	23,802,035
Accumulated depreciation					
Beginning balance	(99,067)	(6,971,749)	(1,717,642)	(177,911)	(8,966,369)
Depreciation for the year	(88,313)	(2,739,904)	(824,685)	(58,849)	(3,711,751)
Disposals	187,380	-	11,747	-	199,127
Ending balance	-	(9,711,653)	(2,530,580)	(236,760)	(12,478,993)
Net carrying amount					
Beginning balance	179,557	9,645,193	5,186,177	103,363	15,114,290
Ending balance	-	6,905,289	4,373,239	44,514	11,323,042

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

9. INTANGIBLE ASSETS

	<i>VND'000</i>
	<i>Computer software</i>
Cost	
Beginning balance	333,210
New purchases	<u>47,863,975</u>
Ending balance	<u>48,197,185</u>
Accumulated amortisation	
Beginning balance	(133,284)
Amortisation for the year	<u>(5,551,056)</u>
Ending balance	<u>(5,684,340)</u>
Net carrying amount	
Beginning balance	<u>199,926</u>
Ending balance	<u>42,512,845</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

10. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

10.1 Investments in subsidiaries

Details of investments in the Company's subsidiaries as at 31 December 2014 are as follows:

Name of subsidiaries	Business activities	Status	31 December 2014		31 December 2013	
			% holding	Cost VND'000	% holding	Cost VND'000
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Agricultural	Operating	100.00	1,936,150,456	100.00	1,258,493,046
Hoang Anh Gia Lai Cane Sugar JSC	Agricultural	Operating	99.99	1,375,149,450	99.99	1,374,492,900
Hoang Anh Rattanakiri Co., Ltd.	Agricultural	Pre-operating	100.00	909,883,615	100.00	909,883,615
Hoang Anh - Quang Minh Rubber JSC	Agricultural	Operating	97.54	439,601,488	97.54	439,601,488
Gia Lai Industrial Forest Plantation JSC	Agricultural	Operating	99.83	425,625,996	99.83	425,625,996
Hoang Anh Dak Lak JSC (i)	Real estate and Agricultural	Operating	99.42	373,422,705	99.40	370,374,238
Hoang Anh Oyadav Co., Ltd.	Agricultural	Pre-operating	100.00	171,654,457	100.00	271,654,457
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Trading	Operating	100.00	66,673,191	100.00	39,998,697
TOTAL				5,698,161,358		5,090,124,437

(i) On 30 June 2014, the Company acquired additional 0.017% equity interest in its subsidiary, Hoang Anh Dak Lak JSC from the minority shareholders, increasing its ownership in Hoang Anh Dak Lak JSC from 99.40% to 99.42%.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014**10. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (continued)****10.2 Investment in an associate**

Name	Business activity	31 December 2014		31 December 2013	
		% holding	Carrying value VND'000	% holding	Carrying value VND'000
Bidiphar Rubber JSC	Rubber plantation	45.22	248,460,551	39.63	210,374,407

11. SHORT-TERM LOANS AND BORROWINGS

	VND'000	
	31 December 2014	31 December 2013
Current portion of long-term bonds (Note 16)	2,000,000,000	-
Current portion of long-term loans from a related party (Note 16)	249,278,400	99,278,400
Current portion of long-term loans from banks (Note 16)	8,549,600	-
TOTAL	2,257,828,000	99,278,400

12. TRADE PAYABLES

	VND'000	
	31 December 2014	31 December 2013
Due to related parties (Note 22)	48,845,097	1,158,226
Due to third parties	690,500	394,696
TOTAL	49,535,597	1,552,922

13. STATUTORY OBLIGATIONS

	VND'000	
	31 December 2014	31 December 2013
Corporate income tax (Note 21)	1,058,447	-
Value-added tax	537,671	-
Personal income tax	65,317	771,086
TOTAL	1,661,435	771,086

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

14. ACCRUED EXPENSES

	VND'000	
	31 December 2014	31 December 2013
Loan interests	5,828,823	8,304,885
Others	889,600	1,008,000
TOTAL	<u>6,718,423</u>	<u>9,312,885</u>

15. OTHER PAYABLES

	VND'000	
	31 December 2014	31 December 2013
Due to related parties (Note 22)	1,435,202,757	555,888,748
Due to third parties	4,753,681	3,489
TOTAL	<u>1,439,956,438</u>	<u>555,892,237</u>

16. LONG-TERM LOANS AND DEBTS

	VND'000	
	31 December 2014	31 December 2013
Bonds with warrants to bond holders (Note 16.1)	2,000,000,000	2,000,000,000
Long-term loans from banks (Note 16.2)	956,637,838	684,797,112
Loans from a related party (Note 16.3 and 22)	702,149,353	436,224,353
TOTAL	<u>3,658,787,191</u>	<u>3,121,021,465</u>
<i>In which:</i>		
Non-current portion	1,400,959,191	3,021,743,065
Current portion of warrants to bond holders (Note 11)	2,000,000,000	-
Current portion of long-term loans from a related party (Note 11)	249,278,400	99,278,400
Current portion of long-term loans from banks (Note 11)	8,549,600	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

16. LONG-TERM LOANS AND DEBTS (continued)

16.1 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.

As at 31 December 2014, these bonds were reclassified as current portion and presented in separate financial statement as a short-term loan (*Note 11*).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

16. LONG-TERM LOANS AND DEBTS (continued)

16.2 Long-term loans from banks

Long-term loans from banks include:

	VND'000	
	31 December 2014	31 December 2013
Bank for Investment Development of Vietnam ("BIDV"), Gia Lai branch	694,183,233	684,797,112
Sai Gon Thuong Tin Commercial Joint Stock Bank ("Sacombank"), Da Nang branch	262,454,605	-
TOTAL	956,637,838	684,797,112

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

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

Name of banks	31 December 2014	Maturity term	Interest rate	Collateral
	VND'000			
<i>BIDV, Gia Lai branch</i>				
Loan Agreement No. 01/2010/HD-TD dated on 1 April 2010	694,183,233	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. (from 7.5% to 8% p.a. in 2014)	10,000 ha rubber at Attapeu province, Laos of subsidiaries
<i>In which:</i>				
<i>Current portion</i>	8,549,600			
<i>Sacombank, Da Nang branch</i>				
Credit Contract No. LD1400300153 dated 3 January 2014	262,454,605	Repayment in 60 months from the first drawdown date (i.e. 3 January 2014)	1.125% p.a. for the first three months, the interest rate of individual savings deposit with the term of 13 month plus 0.3333% per month for subsequent periods and adjusted four times per year (12% to 13% p.a. in 2014)	Land use right and attached assets in Binh Hien, Binh Thuan, Da Nang of Hoang Anh Construction and Housing Development JSC; 200 apartments and land use rights in Bau Thac Gian, Thac Gian, Da Nang City of Hoang Anh Gia Lai JSC
TOTAL	956,637,838			
<i>In which:</i>				
<i>Current portion</i>	8,549,600			

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

16. LONG-TERM LOANS AND DEBTS (continued)

16.3 Long-term loans from a related party

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

<i>Lender</i>	<i>31 December 2014</i>	<i>Maturity</i>	<i>Interest rate</i>
	<i>VND'000</i>		
<i>Hoang Anh Gia Lai JSC, parent company</i>			
Loan Agreement No. 05-01/2014/HDV-HAGL dated on 28 March 2014	200,000,000	36 months from contracted date	12% p.a.
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	11.9% p.a.
Loan Agreement No. 01/2013/HDV-HAGL dated on 17 May 2013	66,073,000	36 months from contracted date	15% p.a.
Loan Agreement No. 09/12/2014/HDV-HAGL dated on 9 December 2014	65,925,000	36 months from contracted date	12% p.a.
TOTAL	<u>702,149,353</u>		
<i>In which:</i>			
<i>Current portion</i>	<i>249,278,400</i>		

Loans from a related party are unsecured loans which were used to finance the Company's 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 2014

17. OWNERS' EQUITY

17.1 Increase and decrease in owners' equity

	Contributed share capital	Share premium	Undistributed earnings	Total
Prior year				
As at 1 January 2013	3,646,853,464	1,295,347,000	15,850,571	4,958,051,035
Capital contributions	343,816,536	-	-	343,816,536
Net profit for the year	-	-	8,378,975	8,378,975
As at 31 December 2013	<u>3,990,670,000</u>	<u>1,295,347,000</u>	<u>24,229,546</u>	<u>5,310,246,546</u>
Current year				
As at 1 January 2014	3,990,670,000	1,295,347,000	24,229,546	5,310,246,546
Net profit for the year	-	-	93,972,483	93,972,483
Remuneration of Board of Directors and Board of Supervisors	-	-	(221,999)	(221,999)
Dividend paid	-	-	(90,189,142)	(90,189,142)
As at 31 December 2014	<u>3,990,670,000</u>	<u>1,295,347,000</u>	<u>27,790,888</u>	<u>5,313,807,888</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

17. OWNERS' EQUITY (continued)

17.2 *Contributed share capital*

Shareholders	Per Business Registration Certificate			Contributed share capital
	Shares	VND'000	%	VND'000
Hoang Anh Gia Lai JSC	367,660,000	3,676,600,000	92.13	3,676,600,000
Other shareholders	31,407,000	314,070,000	7.87	314,070,000
TOTAL	399,067,000	3,990,670,000	100	3,990,670,000

17.3 *Shares*

	31 December 2014	31 December 2013
	Shares	Shares
Shares authorised to be issued	399,067,000	399,067,000
Shares issued and fully paid	399,067,000	399,067,000
<i>Ordinary shares</i>	399,067,000	399,067,000
Outstanding shares	399,067,000	399,067,000
<i>Ordinary shares</i>	399,067,000	399,067,000

18. FINANCE INCOME

	Current year	VND'000 Previous year
Interest income from loans to related parties	273,228,923	285,897,680
Dividend	88,353,294	19,507,500
Bond issuance expenses collected from subsidiaries	-	20,257,802
Interest income from bank deposits	207,617	26,915,263
Others	3,873,011	3,461,178
TOTAL	365,662,845	356,039,423

19. FINANCE EXPENSES

	Current year	VND'000 Previous year
Interest expense from banks and bond	248,436,845	302,262,639
Bond issuance expenses	-	20,257,802
Others	4,037,441	3,632,806
TOTAL	252,474,286	326,153,247

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

20. OTHER INCOME AND EXPENSES

	VND'000	
	Current year	Previous year
Other income	29,460,050	77,606
Proceeds from disposals of fixed assets	29,458,428	-
Others	1,622	77,606
Other expenses	29,458,428	77,092
Net carrying amounts of disposed assets	29,458,428	-
Others	-	77,092
Net profit	1,622	514

21. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 22% of taxable profits (year 2013: 25%).

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 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:

	VND'000	
	Current year	Previous year
Profit before tax	95,030,930	8,378,975
<i>Adjustments</i>		
Dividend income	(88,353,294)	(19,507,500)
Accrued expenses	(118,400)	1,008,000
Non-deductible expenses	-	8,372,411
Estimated current taxable profit (loss) before loss carried forward and tax	6,559,236	(1,748,114)
Tax loss carried forward	(1,748,114)	-
Estimated current taxable profit	4,811,122	-
Estimated current CIT expense for the year	1,058,447	-
CIT payable at beginning of the year	-	128,075
CIT paid during the year	-	(128,075)
CIT payable at end of the year	1,058,447	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

22. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the financial year ended 31 December 2014 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	Transfer of dividend	83,091,160
		Payable of interest expense	81,797,144
		Purchase of assets	48,671,743
		Purchase of investment in an associate	38,086,144
		Sale of assets	29,519,575
		Purchase of raw materials	4,255,941
		Sale of goods	722,516
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd	Subsidiary	Dividend income	10,512,975
		Purchase of raw materials	2,569,132
Hoang Anh Dak Lak JSC	Subsidiary	Interest income	13,706,702
		Sale of goods	325,500
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Sale of goods	4,034,050
Hoang Anh - Quang Minh Rubber JSC	Subsidiary	Interest income	53,811,425
Hoang Anh Attapeu Agriculture Development Co., Ltd	Subsidiary	Interest income	59,756,030
		Sale of goods	851,402
Gia Lai Industrial Forest Plantation JSC	Subsidiary	Dividend income	77,840,319
		Interest income	17,160,571
		Sale of goods	4,045,700
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Interest income	65,714,301
		Depository fee	306,972
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Interest income	13,846,730
		Depository fee	3,354,842
Hoang Anh Gia Lai Cane Sugar JSC	Subsidiary	Interest income	48,890,934

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014**22. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties as at 31 December 2014 were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
Trade receivables			
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Sale of goods	4,144,050
Hoang Anh Gia Lai Bridge & Road JSC	Related party	Sale of assets	3,285,900
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Sale of goods	943,950
Hoang Anh Gia Lai JSC	Parent company	Sale of goods	833,948
			9,207,848
Other receivables			
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Lending and interest	1,405,794,209
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Lending and interest	733,601,713
Hoang Anh - Quang Minh Rubber JSC	Subsidiary	Lending and interest Dividend receivable	704,427,235 19,507,500
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Lending and interest	693,096,585
Hoang Anh Gia Lai Cane Sugar JSC	Subsidiary	Lending and interest	516,742,252
Gia Lai Industrial Forest Plantation JSC	Subsidiary	Lending and interest	185,500,617
Hoang Anh Dak Lak JSC	Subsidiary	Lending and interest	172,070,569
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd	Subsidiary	Dividend receivable	10,512,975
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Payment on behalf	1,946,085
Hoang Anh Attapeu Cane Sugar JSC	Subsidiary	Payment on behalf	1,861,956
Hoang Anh An Dong Meas Co Ltd	Subsidiary	Payment on behalf	1,337,004
			4,446,398,700
Trade payables			
Hoang Anh Gia Lai JSC	Parent company	Purchase of assets Purchase of raw materials	48,671,743 27,951
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Subsidiary	Purchase of raw materials	145,403
			48,845,097

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014**22. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties as at 31 December 2014 were as follows:
(continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
<i>Other payables</i>			
Hoang Anh Gia Lai JSC	Parent company	Borrowings and interest expenses	1,222,561,645
		Dividend payable	83,091,160
		Payment on behalf	44,116,614
Gia Lai Industrial Forest Plantation JSC	Subsidiary	Borrowings	85,410,614
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Receive on behalf	22,724
			1,435,202,757
<i>Long-term loans and borrowings</i>			
Hoang Anh Gia Lai JSC	Parent company	Long-term loans	702,149,353

23. COMMITMENT

As disclosed in Note 16.1, 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, 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.

24. 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 in bank that arise directly from its operations.

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 2014 and 31 December 2013.

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.

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

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 2014

24. 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:

	VND'000		
	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>Total</i>
31 December 2014			
Loans and borrowings	378,700,953	1,280,086,238	1,658,787,191
Bonds with warrants	2,000,000,000	-	2,000,000,000
Trade payables	49,535,597	-	49,535,597
Other payables and accrued expenses	1,446,674,861	-	1,446,674,861
TOTAL	<u>3,874,911,411</u>	<u>1,280,086,238</u>	<u>5,154,997,649</u>
31 December 2013			
Loans and borrowings	99,278,400	1,021,743,065	1,121,021,465
Bonds with warrants	-	2,000,000,000	2,000,000,000
Trade payables	1,552,922	-	1,552,922
Other payables and accrued expenses	565,205,122	-	565,205,122
TOTAL	<u>666,036,444</u>	<u>3,021,743,065</u>	<u>3,687,779,509</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 2014 and 31 December 2013.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Carrying amount		Fair value		VND'000
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	
Financial assets					
Account receivables	4,703,788	6,745,332	4,703,788	4,703,788	6,745,332
Receivables from related parties	4,455,606,548	3,649,860,210	4,455,606,548	4,455,606,548	3,649,860,210
Other receivables	2,062,394	2,049,337	2,062,394	2,062,394	2,049,337
Cash and cash equivalents	1,449,756	543,595	1,449,756	1,449,756	543,595
TOTAL	4,463,822,486	3,659,198,474	4,463,822,486	4,463,822,486	3,659,198,474
Financial liabilities					
Loans and debts	2,956,637,838	2,684,797,112	2,956,637,838	2,956,637,838	2,684,797,112
Loans from a related party	702,149,353	436,224,353	702,149,353	702,149,353	436,224,353
Payable to related parties	1,484,047,854	557,046,974	1,484,047,854	1,484,047,854	557,046,974
Trade payables	690,500	394,696	690,500	690,500	394,696
Other current liabilities	11,472,104	9,316,374	11,472,104	11,472,104	9,316,374
TOTAL	5,154,997,649	3,687,779,509	5,154,997,649	5,154,997,649	3,687,779,509

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 2014

26. 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

22 June 2015