

Hoang Anh Gia Lai Agricultural Joint Stock Company

Interim separate financial statements

30 June 2016

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 ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate ("BRC") No. 5900712753 issued by the Department of Planning and Investment of Gia Lai Province on 26 May 2010 and fourteen (14) amended BRCs.

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

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 cows for meat and dairy cows.

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

BOARD OF DIRECTORS

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

<i>Name</i>	<i>Position</i>
Mr Doan Nguyen Duc	Chairman
Mr Vo Truong Son	Member
Mr Doan Nguyen Thu	Member
Mr Nguyen Xuan Thang	Member
Mrs Vo Thi Huyen Lan	Member
Mr Nguyen Ngoc Anh	Member
Mr Nguyen Quan Anh	Member

BOARD OF SUPERVISORS

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

<i>Name</i>	<i>Position</i>
Mr Le Hong Phong	Head
Mr Pham Ngoc Chau	Member
Mrs Dao Dinh Phuong	Member

MANAGEMENT

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

<i>Name</i>	<i>Position</i>
Mr Nguyen Xuan Thang	Director
Mr Phan Thanh Thu	Vice Director
Mr Nguyen Ngoc Anh	Vice Director
Mr Trinh Xuan Nhan	Vice Director
Mrs Vo Thi My Hanh	Vice Director
Mr Hoang Dinh Quy	Vice Director
Mr Nguyen Quan Anh	Vice Director

Hoang Anh Gia Lai Agricultural Joint Stock Company

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVES

The legal representative of the Company during the period and at the date of this report is Mr Nguyen Xuan Thang.

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 ("the Company") is pleased to present its report and the interim separate financial statements of the Company for the six-month period ended 30 June 2016.

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2016 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

The Company is the parent company of the subsidiaries listed in Note 10.1 and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2016 prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements have been issued separately.

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

For and on behalf of management:



Nguyễn Xuân Thang
Director

Gia Lai Province, Vietnam

29 August 2016



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: 61280353/18688688/LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim separate financial statements of Hoang Anh Gia Lai Agricultural Joint Stock Company ("the Company"), as prepared on 29 August 2016 and set out on pages 6 to 36 which comprise the interim separate balance sheet as at 30 June 2016, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2016, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.



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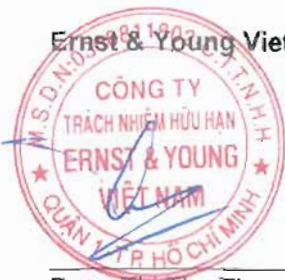
Emphasis of matters

We draw attention to Note 2.1 to the interim separate financial statements. The interim separate financial statements have been prepared on the assumption that the Company will continue as a going concern. As at 30 June 2016, the Company reported loans and bonds payable amounting to VND'000 5,111,578,550, of which VND'000 2,181,765,292 will be due within 12 months from 30 June 2016; the Company is in violation of certain loan and bond covenants as mentioned in Notes 14.1 and 14.2 to the interim separate financial statements. Furthermore, as at 30 June 2016, the Company's current liabilities exceeded its current assets by VND'000 558,959,487. As at the date of these interim separate financial statements, the Company is still waiting for the official approval from relevant authorities to restructure the above loans and bonds. Should the restructure of the above mentioned loans and bonds not be executed, these mentioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

In addition, we draw attention to Note 19 to the interim separate financial statements. As at 30 June 2016, the Company reported short-term and long-term loans receivable from its related parties amounting to VND'000 660,967,953 and VND'000 3,838,516,875 that have yet been approved by the shareholders at Annual General Meeting as required under Circular No. 121/2012/TT-BTC issued by the Ministry of Finance on 26 July 2012 providing regulations on corporate governance applicable to public companies.

Besides, we also draw attention to Note 2.2 to the interim separate financial statements. The Company prepared interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2016 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements. We have reviewed those interim consolidated financial statements and our review report dated 29 August 2016 expressed an unmodified conclusion. Our review conclusion on the interim separate financial information is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Doan Thi Thu Thuy
Deputy General Director
Audit Practicing Registration Certificate
No. 1070-2013-004-1

Ho Chi Minh City, Vietnam

29 August 2016

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2016

VND'000

Code	ASSETS	Notes	30 June 2016	31 December 2015
100	A. CURRENT ASSETS		2,287,347,379	2,794,644,068
110	i. Cash	4	402,357	572,980
111	1. Cash		402,357	572,980
130	ii. Current accounts receivables		2,285,745,033	2,792,656,170
131	1. Short-term trade receivables	5	62,327,180	22,670,764
132	2. Short-term advances to suppliers		2,364,452	567,410
135	3. Short-term loan receivables	19	660,967,953	1,510,757,588
136	4. Other short-term receivables	6	1,562,455,237	1,261,030,197
137	5. Provision for short-term doubtful receivables	5	(2,369,789)	(2,369,789)
140	iii. Inventories	7	914,158	1,028,896
141	1. Inventories		914,158	1,028,896
150	iv. Other current assets		285,831	386,022
152	1. Value-added tax deductible		-	100,191
153	2. Tax and other receivables from the State	18.1	285,831	285,831
200	B. NON-CURRENT ASSETS		13,427,481,372	10,604,939,441
210	i. Long-term receivables		3,841,871,042	2,703,320,877
215	1. Long-term loan receivables	19	3,838,516,875	2,703,320,877
216	2. Other long-term receivables	19	3,354,167	-
220	ii. Fixed assets		39,447,901	45,939,164
221	1. Tangible fixed assets	8	6,009,514	9,475,958
222	Cost		22,846,180	25,036,836
223	Accumulated depreciation		(16,836,666)	(15,560,878)
227	2. Intangible assets	9	33,438,387	36,463,206
228	Cost		48,197,185	48,197,185
229	Accumulated amortisation		(14,758,798)	(11,733,979)
250	iii. Long-term investments	10	9,545,844,404	7,855,101,013
251	1. Investments in subsidiaries	10.1	9,274,657,310	7,581,925,022
252	2. Investment in an associate	10.2	286,004,636	273,175,991
254	3. Provision for diminution in value of long-term investment	10.2	(14,817,542)	-
260	iv. Other long-term asset		318,025	578,387
261	1. Long-term prepaid expenses		318,025	578,387
270	TOTAL ASSETS		15,714,828,751	13,399,583,509

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 June 2016

VND'000

Code	RESOURCES	Notes	30 June 2016	31 December 2015
300	C. LIABILITIES		5,776,120,124	5,130,207,338
310	I. Current liabilities		2,846,306,866	1,454,911,883
311	1. Short-term trade payables	11	22,296,070	62,617,582
313	2. Statutory obligations		229,919	1,648,286
314	3. Payables to employees		873,835	1,107,407
315	4. Short-term accrued expenses	12	327,444,403	305,212,779
319	5. Other short-term payables	13	313,697,347	677,680,829
320	6. Short-term loans	14	2,181,765,292	406,645,000
330	II. Non-current liability		2,929,813,258	3,675,295,455
338	1. Long-term loans	14	2,929,813,258	3,675,295,455
400	D. OWNERS' EQUITY		9,938,708,627	8,269,376,171
410	I. Capital	15	9,938,708,627	8,269,376,171
411	1. Share capital		7,671,438,950	7,081,438,950
411a	- Share with voting rights		7,671,438,950	7,081,438,950
412	2. Share premium		1,064,550,810	2,550,810
421	3. Undistributed earnings		1,202,718,867	1,185,386,411
421a	- Undistributed earnings up to prior period-end		1,185,386,411	27,790,888
421b	- Undistributed earnings of current period		17,332,456	1,157,595,523
440	TOTAL LIABILITIES AND OWNERS' EQUITY		15,714,828,751	13,399,583,509



Nguyen Thi Hai Yen
Preparer



Ho Thi Tuyet Loan
Chief Accountant



Nguyen Xuan Thang
Director

29 August 2016

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2016

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
10	1. Net revenues from sale of goods		39,961,698	9,019,456
11	2. Cost of goods sold		(36,012,861)	(7,228,319)
20	3. Gross profit from sale of goods		3,948,837	1,791,137
21	4. Finance income	16	318,835,232	931,139,785
22	5. Finance expenses	17	(283,995,681)	(113,088,774)
23	In which: Interest expense		(266,161,431)	(112,971,858)
25	6. Selling expenses		(2,152,455)	(1,379,657)
26	7. General and administrative expenses		(12,025,057)	(27,517,531)
30	8. Operating profit		24,610,876	790,944,960
31	9. Other income		824,156	1,662,753
32	10. Other expenses		(8,102,576)	(3,703,744)
40	11. Other loss		(7,278,420)	(2,040,991)
50	12. Accounting profit before tax		17,332,456	788,903,969
51	13. Current corporate income tax income	18.1	-	186,505
60	14. Net profit after tax		17,332,456	789,090,474



Nguyen Thi Hai Yen
Preparer



Ho Thi Tuyet Loan
Chief Accountant



Nguyen Xuan Thang
Director

29 August 2016

INTERIM SEPARATE CASH FLOW STATEMENT
for the six-month period ended 30 June 2016

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		17,332,456	788,903,969
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	8, 9	4,761,990	4,751,492
03	Provision		14,817,542	-
04	Foreign exchange losses arising from translation of monetary accounts denominated in foreign currencies		2,271,901	-
05	Profits from investing activities		(318,835,232)	(931,139,785)
06	Interest expenses	17	266,161,431	112,971,858
08	Operating loss before changes in working capital		(13,489,912)	(24,512,466)
09	Increase in receivables		(38,630,639)	(208,500,005)
10	Decrease (increase) in inventories		114,738	(787,159)
11	Increase in payables		7,242,715	25,298,450
12	Decrease in prepaid expenses		260,362	406,896
14	Interest paid		(19,444,210)	(228,142,226)
15	Corporate income tax paid	18.1	-	(1,157,773)
20	Net cash flows used in operating activities		(63,946,946)	(437,394,283)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
23	Loans to other entities		(300,000,000)	(100,000,000)
24	Collections from borrowers		-	19,652,607
25	Payments for investments in other entities		(1,730,217,525)	(793,304,058)
27	Interest and dividends received		371,908	685,363,851
30	Net cash flows used in investing activities		(2,029,845,617)	(188,287,600)

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2016

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from share issuance	15.1	1,652,000,000	1,797,972,760
33	Drawdown of loans and borrowings		742,391,940	380,757,665
34	Repayment of loans and borrowings		(300,770,000)	(1,470,594,184)
36	Dividends paid		-	(83,091,160)
40	Net cash flows from financing activities		2,093,621,940	625,045,081
50	Net decrease in cash during the period		(170,623)	(636,802)
60	Cash at beginning of period		572,980	1,449,756
70	Cash at end of period	4	402,357	812,954



Nguyen Thi Hai Yen
Preparer



Ho Thi Tuyet Loan
Chief Accountant





Nguyen Xuan Thang
Director

29 August 2016

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at and for the six-month period ended 30 June 2016

1. CORPORATE INFORMATION

Hoang Anh Gia Lai Agricultural Joint Stock ("the Company") is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate ("BRC") No. 5900712753 issued by the Department of Planning and Investment ("DPI") of Gia Lai Province on 26 May 2010 and fourteen (14) amended BRCs.

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

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 cows for meat and dairy cows.

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 30 June 2016 is 63 (31 December 2015 is 99).

As at 30 June 2016, the Company has eleven (11) direct subsidiaries; twelve (12) indirect subsidiaries and one (1) associate as follow:

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Holding (%)</i>
(1) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Attapeu, Laos	Operating	100.00
(2) Hoang Anh - Quang Minh Rubber Joint Stock Company	Gia Lai, Vietnam	Operating	99.38
(3) Hoang Anh Dak Lak Joint Stock Company	Dak Lak, Vietnam	Operating	100.00
(4) Hoang Anh Attapeu Agriculture Development Co., Ltd.	Attapeu, Laos	Operating	100.00
(5) Hoang Anh Rattanakiri Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	100.00
(6) Ban Me Rubber Joint Stock Company	Dak Lak, Vietnam	Pre-operating	99.99
(7) Heng Brothers Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	97.77
(8) Hoang Anh Oyadav Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	99.99
(9) CRD Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	100.00
(10) Hoang Anh Gia Lai Cane Sugar Joint Stock Company	Gia Lai, Vietnam	Operating	99.99
(11) Hoang Anh Andong Meas Co., Ltd.	Rattanakiri, Cambodia	Operating	97.77
(12) Hoang Anh Attapeu Sugar-Cane Co., Ltd.	Attapeu, Laos	Operating	99.99
(13) Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Gia Lai, Vietnam	Operating	100.00

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

1. **CORPORATE INFORMATION** (continued)

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Holding (%)</i>
(14) Highland Dairy Cattle Joint Stock Company	Gia Lai, Vietnam	Operating	99.00
(15) Dong Penh Joint Stock Company	Gia Lai, Vietnam	Operating	99.90
(16) Daun Penh Agrico One member Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	99.90
(17) An Dong Mia Joint Stock Company	Gia Lai, Vietnam	Operating	69.05
(18) Hoang Anh Lumphat Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	69.05
(19) Indochina Rubber Investment and Development Co., Ltd.	Ho Chi Minh City, Vietnam	Pre-operating	100.00
(20) Eastern Europe Rubber Investment Co., Ltd.	Ho Chi Minh City, Vietnam	Pre-operating	100.00
(21) Eastern Rubber (Cambodia) Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(22) Sovann Vuthy Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(23) Binh Phuoc Kratie Rubber 2 Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
<i>Name of associate</i>	<i>Location</i>	<i>Status of operation</i>	<i>Holding (%)</i>
(1) Bidiphar Rubber Joint Stock Company	Binh Dinh, VietNam	Operating	49.14

2. **BASIS OF PREPARATION**

2.1 **Going concern assumption**

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

As at 30 June 2016, the Company reported loans and bonds payable amounting to VND'000 5,111,578,550, of which VND'000 2,181,765,292 will be due within 12 months from 30 June 2016; the Company is also in violation of certain loan and bond covenants as mentioned in Notes 14.1 and 14.2 to the interim separate financial statements. Furthermore, as at 30 June 2016, the Company's current liabilities also exceeded its current assets by VND'000 558,959,487.

As at the date of these interim separate financial statements, the Company is still waiting for the official approval from relevant authorities to restructure the above loans and bonds.

Management believes that the approval from relevant authorities will be obtained and expects that the restructuring exercise will be executed as planned. Therefore, management continues preparing its interim separate financial statements on going concern basis.

Accordingly, the accompanying interim separate financial statements do not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

2. BASIS OF PREPARATION (continued)

2.2 Accounting standards and system

The interim separate financial statements of the Company, expressed in Vietnam dong ("VND") are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard No. 27 – Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

The Company has subsidiaries as presented in Note 10.1. The Company prepared the interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by this regulation, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2016 dated 29 August 2016.

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

2.3 Applied accounting documentation system

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

2.4 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.

2.5 Accounting currency

The interim 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 comprises cash on hand and cash at banks.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Receivables

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

The provision for doubtful receivables 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 into the general and administrative expense in the interim 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 merchandises - Actual cost 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 merchandises 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 in the interim 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 interim separate income statement as incurred.

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

Machinery and equipment	3 - 10 years
Means of transportation	6 - 10 years
Office equipment	4 - 5 years
Software system	5 - 8 years

3.7 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and are recorded as expenses during the period in which they are incurred.

3.8 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim 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.

3.9 Investments

Investments in subsidiaries

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in an associate

Investments in an associate over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associate arising subsequent to the date of acquisition by the Company are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Provision for diminution in value of investments

Provision is made for any diminution in value of investments at the balance sheet date is made in accordance with the guidance under Circular No. 228/2009/TT-BTC and Circular No. 89/2013/TT-BTC issued by the Ministry of Finance on 7 December 2009 and on 28 June 2013, respectively. Increases or decreases to the provision balance are recorded as finance expense in the interim 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 actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Foreign currency transactions (continued)

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

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

All exchange differences incurred during the period and arising from the translation of monetary accounts denominated in foreign currencies at period-end are taken to the interim separate income statement.

3.12 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval in the Shareholder's Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

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, usually upon the delivery of the goods.

Interest

Revenue is recognised as the interest accrues unless collectability is in doubt.

Dividend

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

3.14 Taxation

Current corporate income tax

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Taxation (continued)

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 interim separate financial statements purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. 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.

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 interim 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.

3.15 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding company, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influences over the Company, key management personnel, including directors and officers of the Company and close members of the families of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4. CASH

	VND'000	
	30 June 2016	31 December 2015
Cash on hand	279,440	353,026
Cash at banks	122,917	219,954
TOTAL	402,357	572,980

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016**5. SHORT-TERM TRADE RECEIVABLES**

	VND'000	
	30 June 2016	31 December 2015
Trade receivables from related parties (Note 19)	40,028,675	19,285,351
Trade receivables from other customers	22,298,505	3,385,413
- Mr Nguyen Hung	11,378,250	-
- Agricultural Development Dai Thang One member Co., Ltd.	5,308,080	-
- Thien Quan One member Company Limited	3,162,413	3,385,413
- Other customers	2,449,762	-
TOTAL	62,327,180	22,670,764
Provision for doubtful short-term receivables	(2,369,789)	(2,369,789)
NET	59,957,391	20,300,975

6. OTHER SHORT-TERM RECEIVABLES

	VND'000	
	30 June 2016	31 December 2015
Interest receivables	1,424,093,719	1,204,902,148
Dividends receivables	109,331,400	27,656,400
Payment on behalf	26,880,739	24,815,654
Others	2,149,379	3,655,995
TOTAL	1,562,455,237	1,261,030,197
<i>In which:</i>		
Other receivables from related parties (Note 19)	1,561,220,372	1,259,743,045
Other receivables from others	1,234,865	1,287,152

7. INVENTORIES

	VND'000	
	30 June 2016	31 December 2015
Merchandises	799,694	945,200
Raw materials	72,229	63,901
Tools and supplies	42,235	19,795
TOTAL	914,158	1,028,896

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016**8. TANGIBLE FIXED ASSETS**

	VND'000			
	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
Cost				
As at 31 December 2015	17,621,446	7,134,116	281,274	25,036,836
Disposal	<u>(615,055)</u>	<u>(1,575,601)</u>	-	<u>(2,190,656)</u>
As at 30 June 2016	<u>17,006,391</u>	<u>5,558,515</u>	<u>281,274</u>	<u>22,846,180</u>
<i>In which:</i>				
<i>Fully depreciated</i>	316,623	-	281,274	597,897
Accumulated depreciation				
As at 31 December 2015	12,436,478	2,847,449	276,951	15,560,878
Depreciation for the period	1,378,906	353,942	4,323	1,737,171
Disposal	<u>(138,387)</u>	<u>(322,996)</u>	-	<u>(461,383)</u>
As at 30 June 2016	<u>13,676,997</u>	<u>2,878,395</u>	<u>281,274</u>	<u>16,836,666</u>
Net carrying amount				
As at 31 December 2015	<u>5,184,968</u>	<u>4,286,667</u>	<u>4,323</u>	<u>9,475,958</u>
As at 30 June 2016	<u>3,329,394</u>	<u>2,680,120</u>	<u>-</u>	<u>6,009,514</u>

9. INTANGIBLE ASSETS

	VND'000	
	<i>Computer software</i>	
Cost		
As at 31 December 2015 and 30 June 2016		<u>48,197,185</u>
Accumulated amortisation		
As at 31 December 2015		11,733,979
Amortisation for the period		<u>3,024,819</u>
As at 30 June 2016		<u>14,758,798</u>
Net carrying amount		
As at 31 December 2015		<u>36,463,206</u>
As at 30 June 2016		<u>33,438,387</u>

10. LONG-TERM INVESTMENTS

	VND'000			
	<u>30 June 2016</u>		<u>31 December 2015</u>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Investment in subsidiaries (Note 10.1)	9,274,657,310	-	7,581,925,022	-
Investment in an associate (Note 10.2)	286,004,636	<u>(14,817,542)</u>	273,175,991	-
TOTAL	<u>9,560,661,946</u>	<u>(14,817,542)</u>	<u>7,855,101,013</u>	<u>-</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

10. LONG-TERM INVESTMENTS (continued)

10.1 Investments in subsidiaries

Details of investments in the subsidiaries are as follows:

Name of subsidiaries	Business activities	30 June 2016		31 December 2015	
		Holding (%)	Cost VND'000	Holding (%)	Cost VND'000
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Industrial and agricultural plantation, livestock of cattle and construction	100.00	2,101,029,560	100.00	2,080,734,798
Indochina Rubber Investment and Development Co., Ltd. (i)	Industrial plantation	100.00	1,650,000,000	-	-
Hoang Anh Gia Lai Cane Sugar Joint Stock Company	Industrial plantation and livestock of cattle	99.99	1,375,149,450	99.99	1,375,149,450
Hoang Anh Rattanakiri Co., Ltd.	Industrial plantation	100.00	932,321,141	100.00	909,883,615
Dong Penh Joint Stock Company	Industrial plantation	99.70	798,397,600	99.70	798,397,600
An Dong Mia Joint Stock Company	Industrial plantation	69.50	695,695,000	69.50	695,695,000
Highland Dairy Cattle Joint Stock Company	Breeding	99.00	615,584,549	99.00	615,584,549
Hoang Anh - Quang Minh Rubber Joint Stock Company	Industrial and agricultural plantation, livestock of cattle	97.77	440,512,398	97.77	440,512,398
Hoang Anh Dak Lak Joint Stock Company	Industrial plantation and real estate	99.53	394,313,155	99.53	394,313,155
Hoang Anh Oyadav Co., Ltd.	Industrial plantation	100.00	171,654,457	100.00	171,654,457
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd	Trading	100.00	100,000,000	100.00	100,000,000
TOTAL			9,274,657,310		7,581,925,022

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

10. LONG-TERM INVESTMENTS (continued)

10.1 Investments in subsidiaries (continued)

(i) On 22 February 2016, the Company acquired 100% shares in Indochina Rubber Investment and Development Co., Ltd., a limited liability company incorporated under the Law on Enterprises of Vietnam pursuant to BRC No. 0311181334 issued by the DPI of Ho Chi Minh City on 23 September 2011. The registered principal activities of Indochina Rubber Investment and Development Company Limited are to plant and trade rubber trees and other perennial trees.

10.2 Investment in an associate

Name	Business activity	Holding %	30 June 2016			31 December 2015		
			Cost VND'000	Provision VND'000	Cost VND'000	Provision VND'000		
Bidiphar Rubber Joint Stock Company	Rubber plantation	49.14	<u>286,004,636</u>	<u>(14,817,542)</u>	47.80	<u>273,175,991</u>	-	

11. SHORT-TERM TRADE PAYABLES

	VND'000	
	30 June 2016	31 December 2015
Trade payables to suppliers	9,308,476	62,562,500
- Mr Huynh Ngoc Thanh	3,710,000	61,490,000
- Other suppliers	5,598,476	1,072,500
Trade payables to related parties (Note 19)	<u>12,987,594</u>	<u>55,082</u>
TOTAL	<u>22,296,070</u>	<u>62,617,582</u>

12. SHORT-TERM ACCRUED EXPENSES

	VND'000	
	30 June 2016	31 December 2015
Interest expenses	304,386,210	305,212,779
Others	<u>23,058,193</u>	-
TOTAL	<u>327,444,403</u>	<u>305,212,779</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016**13. OTHER SHORT-TERM PAYABLES**

	VND'000	
	30 June 2016	31 December 2015
Loans and borrowings	307,299,430	671,398,820
Dividend payable	4,506,440	4,506,440
Other payables	1,891,477	1,775,569
TOTAL	<u>313,697,347</u>	<u>677,680,829</u>
<i>In which:</i>		
Other payables to related parties (Note 19)	174,041,715	672,939,276
Other payables to others	139,655,632	4,741,553

14. LOANS

	VND'000	
	30 June 2016	31 December 2015
Short-term loans	2,181,765,292	406,645,000
Current portion of long-term bonds (Note 14.1)	1,679,089,688	300,000,000
Current portion of long-term loans from banks (Note 14.2)	302,675,604	40,572,000
Current portion of long-term loans from a related party (Note 14.3)	200,000,000	66,073,000
Long-term loans	2,929,813,258	3,675,295,455
Long-term bonds (Note 14.1)	-	1,700,000,000
Long-term loans from banks (Note 14.2)	676,560,302	944,919,102
Long-term loans from a related party (Notes 14.3)	2,253,252,956	1,030,376,353
TOTAL	<u>5,111,578,550</u>	<u>4,081,940,455</u>

Movements of loans are as follows:

	VND'000	
	Short-term loans	Long-term loans
31 December 2015	406,645,000	3,675,295,455
Drawdown from borrowings	1,650,000,000	-
Transfer of current portion of long-term loans	2,141,544,293	(2,141,544,293)
Repayment from borrowings	(1,950,000,000)	-
Bond issuance cost	-	(20,910,312)
Reclassification due to contract extension	(66,073,000)	66,073,000
Reclassification from account payable	-	1,356,803,604
Foreign exchange difference arising from revaluation of ending balance denominated in foreign currencies	(351,001)	(5,904,196)
30 June 2016	<u>2,181,765,292</u>	<u>2,929,813,258</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

14. LOANS (continued)

Management is currently negotiating with its main creditors in an effort to find a solution for dealing with the Group's current financial position. The solution included restructuring principal repayment date of the bonds and loans by extending 3 to 15 years; restructuring and extending the due date of interest payables for additional 3 years; reducing interest rates; responding to new drawdowns; and maintaining the Company's current credit grade. As at the date of these interim separate financial statements, the Company is still waiting for the official approval of relevant authorities for restructuring the said loans and bonds.

14.1 Bonds

Details of bonds as at 30 June 2016 were presented as below:

<i>Issuance arranged by</i>	<i>Amount</i>
	<i>VND'000</i>
Euro Capital Securities Joint Stock Company ("ECS")	1,700,000,000
Bond issuance cost	<u>(20,910,312)</u>
TOTAL	<u>1,679,089,688</u>
<i>In which:</i>	
<i>Current portion of long-term bonds</i>	1,679,089,688

Straight bonds

On 17 November 2015, the Company announced the issuance of bonds with a total value of VND 1,700 billion (the par value per bond is VND 1 billion) which was arranged by ECS. These bonds will be repaid from 17 December 2017 to 17 December 2018. Interest is paid for every quarter at the rate of 10.5% p.a. for the first quarter and apply the saving interest rate of deposit of Vietnam Prosperity Joint Stock Commercial Bank - Main Operation Centre in Vietnam dong with the term twelve (12) months plus margin of 4.5% p.a. for subsequent periods.

The purpose of this bond issuance is to restructure part of the bonds with total par value of VND 2.000 billion which was issued on December 2012, to finance investment projects of the Group including the project of planting rubber trees, palm oil and sugar cane trees in Cambodia and Laos.

These bonds are secured by 181,717,250 shares of HNG held by Hoang Anh Gia Lai Joint Stock Company, parent company; of which, 31,000,000 shares of HNG were used to secure for the bonds with par value of VND 600 billion – HAGL 600 Bonds issued by Hoang Anh Gia Lai Joint Stock Company, parent company. The value of collateral asset for the bonds is depended on its market value. As at 30 June 2016 and up to the date of these interim separate financial statements, the value of collateral assets dose not equal at least 200% the total par value of bonds as required in the bonds contracts.

As at 30 June 2016, these bonds were owned by National Citizen Bank and Vietnam Prosperity Joint Stock Commercial Bank with the values of VND 300 billion and VND 1,400 billion, respectively and bore interest at interest rate ranging from 10.50% to 11.30% p.a. for the current period.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016**14. LOAN (continued)****14.1 Bonds (continued)*****Bonds with warrants***

On 5 December 2012, the Company issued 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 are repaid after three (3) years and have grace period of one year.

On 17 November 2015, the Company repurchased 17,000 bonds before the maturity date with total nominal value of VND 1,700 billion. The remaining of 3,000 bonds with a total par value of VND 300 billion has been extended one (1) year from 28 December 2015. On 18 May 2016, the Company repurchased these remaining bonds before the maturity date.

The additional interest amounting to VND 255 billion corresponding to 17,000 bonds that repurchased in 2015 (currently presented in other short-term payable), are extended but no later than 10 December 2016 and secured by 92,855,945 shares of HNG which is owned by Hoang Anh Gia Lai Joint Stock Company. The shares of 92,855,945 were also used as collaterals for bonds of Hoang Anh Gia Lai Joint Stock Company including unconvertible bonds with total par value of VND 530 billion – Huynh De Bonds, unconvertible bonds with total par value of VND 350 billion – Phu Hoang Anh Bonds and the bonds with total par value of VND 600 billion – HAGL 600 Bonds.

In addition, a warrant was granted for every bond issued and the warrants will be considered as independent securities with the bonds 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's right after all warrants are exercised. Should all warrants be exercised, the Company has committed that warrant holders will own at least 15.5% ownership in the Company.

On 23 June 2015, in accordance with an agreement between ECS – owner of 20,000 warrants and the Company, the exercisable period is extended for two (2) years. Accordingly, the exercisable period of the warrants is increased from four (4) years to six (6) years from the date of issuance of the warrant, which is 5 December 2018.

14.2 Long-term loans from banks

	VND'000	
	30 June 2016	31 December 2015
Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV"), Gia Lai Branch	716,781,301	723,036,497
Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank"), Sai Gon Branch	262,454,605	262,454,605
TOTAL	<u>979,235,906</u>	<u>985,491,102</u>
<i>In which:</i>		
<i>Non-current portion</i>	676,560,302	944,919,102
<i>Current portion</i>	302,675,604	40,572,000

The Company obtained these loans mainly to finance the rubber plantations development projects and purchase of machineries and equipment for subsidiaries in Laos and Cambodia.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

14. LOANS (continued)

14.2 Long-term loans from banks (continued)

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

Name of banks	30 June 2016		Original amount	Maturity term	Interest rate	Collateral
	VND'000	VND'000				
<i>BIDV, Gia Lai Branch</i>						
Loan Agreement No 01/2010/HD-TD dated 1 April 2010	716,781,301	-	32,077,928	From 31 December 2016 to 31 December 2020	12 month savings deposit interest rate paid in areas of BIDV in USD plus 4.7% p.a. (2016: 7% p.a.)	Land use right and rubber plantations of 10,000 ha at Saysetha, San Xay and Phu Yong District, Attapeu Province, Laos owning by the Company's subsidiaries
<i>In which:</i>						
Current portion	40,220,999					
<i>Sacombank, Sai Gon Branch (*)</i>						
Credit Contract No. LD1400300153 dated 3 January 2014	262,454,605	-	-	From 24 January 2017 to 3 February 2019	1.125%/month for the first 3 months; then at the 13- month deposit rate plus 0.3333%/month, adjusted four times per year (2016: 11.55% p.a.)	16 million shares of HAG owned by Mr. Doan Nguyen Duc - Chairman
<i>In which:</i>						
Current portion	262,454,605					
TOTAL	979,235,906					

(*) As at 30 June 2016 and up to the date of these interim separate financial statements, the value of collateral assets dose not equal at least 100% the total loan balance as required in the loan contract and collateral contract.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

14. LOANS (continued)

14.3 Loans from a related party

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

<i>Lender</i>	<i>30 June 2016</i>	<i>Maturity term</i>	<i>Interest rate</i>
	<i>VND'000</i>		<i>% p.a.</i>
<i>Hoang Anh Gia Lai Joint Stock Company, parent company (Note 19)</i>			
Loan Agreement No. 01-01/2016/HDV-HAGL dated 1 January 2016	1,356,803,603	1 January 2019	11.50
Loan Agreement No. 25-07/2015/HDV-HAGL dated 25 July 2015	350,000,000	25 July 2020	10.35
Loan Agreement No. 05-01/2014/HDV-HAGL dated 28 March 2014	200,000,000	28 March 2017	12.00
Loan Agreement No. 20082012/HDV-HAGL dated 20 August 2012 – Appendix No. 20082012/HDV-HAGL-PL1 dated 20 August 2015	150,000,000	20 August 2018	11.50 – 16.00
Loan Agreement No. 05/2012/HDV-HAGL dated 28 April 2012	120,872,953	28 April 2017	14.00 – 17.00
Loan Agreement No. 02/2015/HDV-HAGL dated 6 January 2015	100,000,000	6 January 2018	10.87
Loan Agreement No. 02/2011/HDV-HAGL dated 28 December 2011 – Appendix No. 02/2011/HDV-HAGL-PL3 dated 28 December 2014	99,278,400	28 December 2017	11.93
Loan Agreement No. 01/2013/HDV-HAGL dated 17 May 2013 – Appendix No. 01/2013/HDV-HAGL-PL1 dated 1 June 2016	66,073,000	17 May 2019	11.50 – 15.00
Loan Agreement No. 09/12/2014/HDV-HAGL dated 9 December 2014	10,225,000	9 December 2017	12.00
TOTAL	<u>2,453,252,956</u>		
<i>In which:</i>			
<i>Non-current portion</i>	<i>2,253,252,956</i>		
<i>Current portion</i>	<i>200,000,000</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 INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

15. OWNERS' EQUITY

15.1 Increase and decrease in owners' equity

	Contributed share capital	Share premium	Undistributed earnings	VND'000 Total
For the six-month period ended 30 June 2015				
As at 31 December 2014	3,990,670,000	1,295,347,000	27,790,888	5,313,807,888
Issuance of shares in cash	798,723,950	999,248,810	-	1,797,972,760
Issuance of shares from share premium	2,292,045,000	(2,292,045,000)	-	-
Net profit for the period	-	-	789,090,474	789,090,474
As at 30 June 2015	7,081,438,950	2,550,810	816,881,362	7,900,871,122
For the six-month period ended 30 June 2016				
As at 31 December 2015	7,081,438,950	2,550,810	1,185,386,411	8,269,376,171
Issuance of shares in cash (i)	590,000,000	1,062,000,000	-	1,652,000,000
Net profit for the period	-	-	17,332,456	17,332,456
As at 30 June 2016	7,671,438,950	1,064,550,810	1,202,718,867	9,938,708,627

(i) In accordance with the Resolution of Board of Director No. 3010/15/NQHDQT-HAGL Agrico dated 30 October 2015 and agreements for share issuance No. 01/HDMBCK/2015 and No. 02/HDMBCK/2015 dated 1 December 2015, the Company issued ordinary shares to Cuong Thinh Rubber Investment Co., Ltd. and An Thinh Rubber Investment Co., Ltd. with the number of share is 27,500,000 and 31,500,000 shares, respectively with price of VND 28,000 per share.

On 9 March 2016, the Company has received the 14th amended BRC No. 5900712753 issued by the Department of Planning and Investment of Gia Lai Province on 8 March 2016 with the changing its charter capital, increased from VND'000 7,081,438,950 to VND'000 7,671,438,950.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016**15. OWNERS' EQUITY (continued)****15.2 Shares**

	<i>30 June 2016</i>	<i>31 December 2015</i>
	<i>Quantity</i>	<i>Quantity</i>
Shares authorised to be issued	767,143,895	708,143,895
Shares issued and fully paid	767,143,895	708,143,895
<i>Ordinary shares</i>	<i>767,143,895</i>	<i>708,143,895</i>
Outstanding shares	767,143,895	708,143,895
<i>Ordinary shares</i>	<i>767,143,895</i>	<i>708,143,895</i>

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

16. FINANCE INCOME

	<i>VND'000</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Interest income from lending	236,788,324	120,982,808
Dividend income	81,675,000	810,106,596
Others	371,908	50,381
TOTAL	<u>318,835,232</u>	<u>931,139,785</u>

17. FINANCE EXPENSES

	<i>VND'000</i>	
	<i>For the six-month period ended 30 June 2016</i>	<i>For the six-month period ended 30 June 2015</i>
Interest expenses	266,161,431	112,971,858
Provision for diminution in value of long-term investment	14,817,542	-
Others	3,016,708	116,916
TOTAL	<u>283,995,681</u>	<u>113,088,774</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

18. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") of 20% of taxable profits (2015: 22%).

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

18.1 Current CIT

The current CIT payable is based on taxable profit for the current period. Taxable profit differs from profit as reported in the interim separate income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current CIT is calculated using applicable tax rates that have been enacted as at the balance sheet date.

A reconciliation between the profit before tax as reported in the interim separate income statement and tax loss is presented below:

	<i>For the six-month period ended 30 June 2016</i>	<i>VND'000 For the six-month period ended 30 June 2015</i>
Accounting profit before tax	17,332,456	788,903,969
<i>Adjustments:</i>		
Dividend income	(81,675,000)	(810,106,596)
Foreign exchange losses arising from translation of monetary accounts denominated in foreign currencies	(2,271,901)	-
Accrued expenses	3,247,881	272,940
Non-deductible expenses	258,951	18,116,129
Penalty	22,389	-
Adjusted net loss before tax and loss carried forward	(63,085,224)	(2,813,558)
Tax loss carried forward	-	-
Estimated current tax loss	(63,085,224)	(2,813,558)
Estimated current CIT expense for the period	-	-
CIT prepaid at beginning of period	(285,831)	1,058,447
Adjustment for over provision of tax from prior period	-	(186,505)
CIT paid during the period	-	(1,157,773)
CIT prepaid at end of period	(285,831)	(285,831)

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016**18. CORPORATE INCOME TAX (continued)****18.2 Unrecognised deferred tax**

Deferred tax assets have not been recognized in respect of the tax losses carried forward due to uncertainty of future taxable profits as follows:

Tax losses carried forward

The Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five (5) consecutive years subsequent to the year in which the loss was incurred. As at the balance sheet date, the Company had aggregated accumulated tax losses of VND'000 72,769,104 (31 December 2015: VND'000 9,683,880) available for offset against future taxable profits. Details are as follows:

Originating year	Can be utilized up to	Tax loss amount (*)	VND'000	
			Utilized up to 30 June 2016	Unutilized at 30 June 2016
2015	2020	9,683,880	-	9,683,880
2016	2021	63,085,224	-	63,085,224
TOTAL		72,769,104	-	72,769,104

(*) Estimated tax losses as per the Company's CIT declarations have not been reviewed by the local tax authority as of the date of these interim separate financial statements.

19. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Company with related parties during the six-month period ended 30 June 2016 and 30 June 2015 were as follows:

Related parties	Relationship	Transactions	VND'000	
			For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Hoang Anh Gia Lai Joint Stock Company	Parent company	Loans and borrowings	742,391,941	380,757,665
		Interest expenses	105,475,818	53,047,739
		Purchase of investments	12,828,645	461,016,248
		Receipt on behalf	12,133,333	-
		Payment of dividend	-	83,091,160

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

19. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions of the Company with related parties during the six-month period ended 30 June 2016 and 30 June 2015 were as follows: (continued)

Related parties	Relationship	Transactions	VND'000	
			For the six-month period ended 30 June 2016	For the six-month period ended 30 June 2015
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Interest income	7,108,446	4,846,889
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Indirect subsidiary	Interest income	32,333,003	21,562,810
		Sales of goods	4,725,130	4,672,215
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Interest income	71,817,958	25,646,495
		Payment on behalf	12,813,813	-
		Capital contribution	12,690,762	-
		Sales of goods	8,212,000	-
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Interest income	41,512,055	34,084,339
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Interest income	44,275,621	33,905,314
		Payment on behalf	26,869,066	-
Hoang Anh Gia Lai Cane Sugar Joint Stock Company	Subsidiary	Interest income	26,086,380	22,220,931
		Dividend income	-	810,106,596
Highland Dairy Cattle Joint Stock Company	Subsidiary	Dividend income	81,675,000	-
		Sales of goods	2,225,890	-
Trung Nguyen Rubber Joint Stock Company	Related party	Interest income	10,300,690	-
		Sales of goods	3,402,925	-
An Phu Real Estate & Investment Corporation	Related party	Loan	300,000,000	-
		Interest income	3,354,167	-
Gia Lai Livestock Joint Stock Company	Related party	Sales of goods and service	4,362,245	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

19. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 30 June 2016 and 31 December 2015 were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2016</i>	<i>VND'000 31 December 2015</i>
Short-term trade receivables (Note 5)				
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Indirect subsidiary	Sales of goods	13,572,895	8,847,765
Gia Lai Livestock Joint Stock Company	Related party	Sales of goods	9,704,731	4,811,498
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Sales of goods	9,155,950	943,950
Trung Nguyen Rubber Joint Stock Company	Related party	Sales of service	4,400,944	17,589
Highland Dairy Cattle Joint Stock Company	Subsidiary	Sales of goods	2,753,000	605,847
Hoang Anh Gia Lai Joint Stock Company	Parent company	Sales of goods	441,155	772,802
Hoang Anh Gia Lai Bridge & Road Joint Stock Company	Related party	Sales of fixed assets	-	3,285,900
			40,028,675	19,285,351
Short-term loan receivables (*)				
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Lending	242,000,000	129,120,002
Hoang Anh - Quang Minh Rubber Joint Stock Company	Subsidiary	Lending	130,000,000	195,783,281
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Lending	120,872,953	336,073,001
Hoang Anh Gia Lai Cane Sugar Joint Stock Company	Subsidiary	Lending	50,000,000	170,611,131
Trung Nguyen Rubber Joint Stock Company	Related party	Lending	45,000,000	123,358,579
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Lending	40,095,000	427,589,992
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Lending	33,000,000	128,221,602
			660,967,953	1,510,757,588

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

19. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 30 June 2016 and 31 December 2015 were as follows: (continued)

Related parties	Relationship	Transactions	VND'000	
			30 June 2016	31 December 2015
Other short-term receivables (Note 6)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Payment on behalf	2,065,085	2,065,085
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Interest income	319,107,786	260,857,696
		Payment on behalf	5,446,141	5,446,141
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Interest income	322,043,906	280,531,851
		Payment on behalf	7,212,880	7,212,880
Hoang Anh - Quang Minh Rubber Joint Stock Company	Subsidiary	Interest income	281,942,746	249,609,743
		Dividend receivable	19,507,500	19,507,500
		Payment on behalf	6,391,705	6,391,705
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Interest income	210,052,795	166,450,808
		Payment on behalf	5,406,428	5,406,428
Hoang Anh Gia Lai Cane Sugar Joint Stock Company	Subsidiary	Interest income	211,728,316	185,641,936
		Dividend receivable	8,148,900	8,148,900
		Payment on behalf	25,000	25,000
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Interest income	39,457,277	32,348,831
Trung Nguyen Rubber Joint Stock Company	Related party	Interest income	39,760,893	29,460,203
		Other	914,514	304,838
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Payment on behalf	333,500	333,500
Highland Dairy Cattle Joint Stock Company	Subsidiary	Dividend receivable	81,675,000	-
			1,561,220,372	1,259,743,045

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016**19. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties as at 30 June 2016 and 31 December 2015 were as follows: (continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i>	
			<i>30 June 2016</i>	<i>31 December 2015</i>
<i>Long-term loan receivables (*)</i>				
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Lending	1,442,318,487	1,069,417,133
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Lending	520,449,591	633,329,591
Hoang Anh - Quang Minh Rubber Joint Stock Company	Subsidiary	Lending	451,064,043	385,280,762
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Lending	535,351,401	320,151,353
An Phu Real Estate & Investment Corporation	Related party	Lending	300,000,000	-
Hoang Anh Attapeu Cane Sugar Joint Stock Company	Subsidiary	Lending	353,611,131	233,000,000
Trung Nguyen Rubber Joint Stock Company	Related party	Lending	140,500,617	62,142,038
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Lending	95,221,605	-
			<u>3,838,516,875</u>	<u>2,703,320,877</u>
<i>Other long-term receivables</i>				
An Phu Real Estate & Investment Corporation	Related party	Interest income	<u>3,354,167</u>	-
<i>Short-term trade payables (Note 11)</i>				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Purchase of investments	12,828,645	-
		Purchase of raw materials	4,389	27,335
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Subsidiary	Purchase of raw materials	143,252	23,424
Hoang Anh Gia Lai Sport Joint Stock Company	Related party	Purchase of raw materials	11,308	4,323
			<u>12,987,594</u>	<u>55,082</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

19. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 30 June 2016 and 31 December 2015 were as follows: (continued)

Related parties	Relationship	Transactions	VND'000	
			30 June 2016	31 December 2015
Other short-term payables (Note 13)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Interest expenses	172,368,922	54,759,771
		Receipts on behalf	1,451,675	1,457,387
		Borrowings	-	615,181,662
Hoang Anh An Dong Meas Co., Ltd.	Indirect subsidiary	Receipts on behalf	-	1,319,343
Daun Penh Agric Co., Ltd.	Indirect subsidiary	Borrowings	150,381	150,381
Hoang Anh Lumphat Co., Ltd.	Indirect subsidiary	Other	70,737	70,732
			174,041,715	672,939,276
Long-term loans (Note 14.3)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Long-term loans	<u>2,453,252,956</u>	<u>1,096,449,353</u>

(*) As at 30 June 2016, the Company had short-term and long-term loan receivables from its related parties amounting to VND'000 660,967,953 and VND'000 3,838,516,875, respectively, that had yet been approved by the shareholders at Annual General Meeting as required under Circular No. 121/2012/TT-BTC issued by the Ministry of Finance on 26 July 2012 providing regulations on corporate governance applicable to public companies ("Circular 121").

Management committed to get approval for loans receivable to related parties at the coming Shareholder Meeting and adjust management policies relating to loan receivable to comply with relevant rules to lending or guarantee for shareholders and related parties in accordance with Circular 121.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2016

20. EVENTS AFTER THE BALANCE SHEET DATE


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



Nguyen Thi Hai Yen
Preparer



Ho Thi Tuyet Loan
Chief Accountant



Nguyen Xuan Thang
Director

29 August 2016

