



No: /CV- HAGL Agrico
(Explanation on fluctuations in business
results in the Separate Financial
Statements for the Quarter II of 2016)

Gia Lai, 23 August 2016

To: - **The State Securities Commission**
- **Ho Chi Minh Stock Exchange**

Firstly, Hoang Anh Gia Lai Agricultural Joint Stock Company ("Company") would like to send you a wish of health and respectful greeting.

Hereby, Hoang Anh Gia Lai Agricultural Joint Stock Company (Stock code: HNG) explains the fluctuations in business results in the Separate Financial Statements for the Quarter II of 2016 as compared to those for the Quarter II of 2015 as follows:

- Profit after tax in the Quarter II of 2016: VND 16 billion
- Profit after tax in the Quarter II of 2015: VND 789 billion

Description of the fluctuations:

1. Business operations

- Revenue from sales and services in the period increased by 24 billion as compared to that in the same period of 2015 (Quarter II/2015: VND 7 billion; Quarter II/2016: VND 31 billion). The fluctuation is mainly due to the income of selling seedlings increased.
- Corresponding to the fluctuations of revenue, the cost of goods sold in the period increased by 22 billion as compared to that in the same period of 2015 (Quarter II/2015: VND 6 billion; Quarter II/2016: VND 28 billion).

2. Financial operations

- Financial income in the period decreased by VND 642 billion as compared to that in the same period of 2015 (Quarter II/2015: VND 872 billion; Quarter II/2016: VND 230 billion). The fluctuation is mainly due to the decrease of dividends received from subsidiaries
- Financial expenses in the period increased by VND 129 billion as compared to that in the same period of 2015 (Quarter II/2015: VND 58 billion; Quarter II/2016: VND 187 billion). The cause is mainly due to the increase of interest costs. There are some loans incurred in the period.

3. Investment operations

- The losses from associated companies in the period increased by VND 15 billion as compared to that in the same period of 2015 (Quarter II/2015: 0 billion, Quarter II/ 2016: VND 15 billion).

The Company's other operations have been going on normally with no considerable fluctuations.

Above is the company's explanation on the business results in the Separate Financial Statements Quarter II/2016

Yours sincerely.

Recipient:

- *As above*
- *Filed in office*

**HOANG ANH GIA LAI AGRICULTURAL
JOINT STOCK COMPANY
GENERAL DIRECTOR**

(Signed and Sealed)

NGUYEN XUAN THANG