



Gia Lai, 17 August 2015

No: /CV- HAGL Agrico
(*Re. Explanation on changes in business results
in the separated financial statements
for the 2nd quarter of 2015*)

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

Hoang Anh Gia Lai Agricultural Joint Stock Company (stock code: HNG) would like to give the explanations on the fluctuations in business results in the separated financial statements for the 2nd quarter of 2015 as compared to those for the 2nd quarter of 2014 as follows:

- Profit after tax in the 2nd quarter of 2015 : VND 788,738,318 thousand
- Profit after tax in the 2nd quarter of 2014: VND (2,120,469) thousand

Description of the fluctuations:

1. Business operations

- Revenue from sales of goods and service provision in the period increased by VND 3.4 billion as compared to that in the same period of 2014 (Quarter II/2014: VND 3.4 billion; Quarter II/2015: VND 6.7 billion). The fluctuation is mainly due to an increase in the sale of seedlings to the agriculture sector of the Group.
- Corresponding to the fluctuation of revenue, the cost of goods sold in the period increased by VND 3.4 billion as compared to that in the same period of 2014 (Quarter II/2014: VND 2.3 billion; Quarter II/2015: VND 5.6 billion).

2. Financial operations

- Financial income in the period increased by VND 805 billion as compared to that in the same period of 2014 (Quarter II/2014: VND 67 billion; Quarter II/2015: VND 872 billion). The fluctuation is mainly due to the dividend of VND 810 billion received from the Group's subsidiaries. This revenue did not arise in the same period of 2014.
- Financial expenses in the period decreased by VND 3 billion as compared to that in the same period of 2014 (Quarter II/2014: VND 60 billion; Quarter II/2015: VND 57 billion). The major reason is the reduction in floating interest rates.

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 separated financial statements for Quarter II/2015.

Yours faithfully,

**GENERAL DIRECTOR
(Signed and Sealed)**

To:

- As above;
- Filed in the Company

NGUYEN XUAN THANG