

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

Separate financial statements

31 December 2015



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

On 3 April 2015, the Company received the 11th amended BRC 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 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 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 Do Van Hai	Head	resigned on 4 April 2015
Mr Pham Ngoc Chau	Member	appointed on 4 April 2015
Mrs Dao Dinh Phuong	Member	appointed 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

LEGAL REPRESENTATIVES

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 2015.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

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.

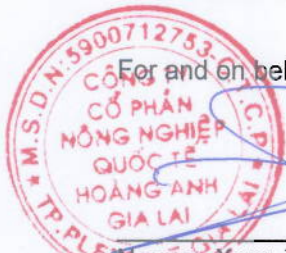
STATEMENT BY MANAGEMENT

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 2015 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with the 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 the subsidiaries listed in Note 10.1 and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2015 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 the 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 operations and consolidated cash flows of the Group as a whole.

For and on behalf of management:



Nguyễn Xuân Thang
Director

Gia Lai Province, Vietnam

8 April 2016



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

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Reference: 60752790/17892163

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 8 April 2016 and set out on pages 6 to 37, which comprise the separate balance sheet as at 31 December 2015, and the separate income statement and separate cash flow statement for the financial year then ended and the notes thereto.

Management's responsibility

The 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 auditor's 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 the 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.



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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 2015, and of the separate results of its operations and its separate cash flows for the 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 matters

We draw attention to Notes 2.1 and 14 to the separate financial statements. The separate financial statements have been prepared on the assumption that the Company will continue as a going concern. As at 31 December 2015, the Company reported loans and bonds payable amounting to VND'000 4,081,940,455, in which VND'000 406,645,000 will be due for repayment in 2016. Moreover, as at this date, the Company is in violation of certain bond covenants as mentioned in Note 14 to the separate financial statements. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. As at the date of the separate financial statements, the Company is still in progress to negotiate with creditors and relevant authorities for restructuring above loans and bonds.

In addition, we draw attention to Note 19 to the separate financial statements. As at 31 December 2015, the Company reported short-term and long-term loans receivable from related parties amounting to VND'000 1,510,757,588 and VND'000 2,703,320,877 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.

Moreover, we also draw attention to Note 2.2 to the separate financial statements. The Company prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015 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 8 April 2016 expressed an unqualified opinion. Our opinion is not qualified in respect of this matter.



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

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

Ho Chi Minh City, Vietnam

8 April 2016

SEPARATE BALANCE SHEET
as at 31 December 2015

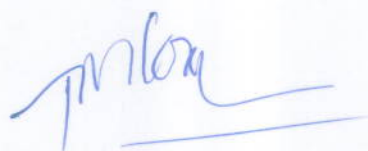
VND'000

Code	ASSETS	Notes	31 December 2015	31 December 2014 (as presented – Note 21)
100	A. CURRENT ASSETS		2,794,644,068	1,326,076,878
110	I. Cash	4	572,980	1,449,756
111	1. Cash		572,980	1,449,756
130	II. Current accounts receivable		2,792,656,170	1,323,479,683
131	1. Short-term trade receivables	5	22,670,764	15,808,396
132	2. Short-term advances to suppliers		567,410	4,543,000
135	3. Short-term loan receivables	19	1,510,757,588	405,196,050
136	4. Other short-term receivables	6	1,261,030,197	899,828,997
137	5. Provision for short-term doubtful receivables	5	(2,369,789)	(1,896,760)
140	III. Inventories	7	1,028,896	1,123,079
141	1. Inventories		1,028,896	1,123,079
150	IV. Other current assets		386,022	24,360
151	1. Short-term prepaid expenses		-	24,360
152	2. Value-added tax deductible		100,191	-
153	3. Tax and other receivables from the State		285,831	-
200	B. NON-CURRENT ASSETS		10,604,939,441	9,345,285,052
210	I. Long-term receivable		2,703,320,877	3,343,583,806
215	1. Long-term loan receivables	19	2,703,320,877	3,343,583,806
220	II. Fixed assets		45,939,164	53,835,887
221	1. Tangible fixed assets	8	9,475,958	11,323,042
222	Cost		25,036,836	23,802,035
223	Accumulated depreciation		(15,560,878)	(12,478,993)
227	2. Intangible assets	9	36,463,206	42,512,845
228	Cost		48,197,185	48,197,185
229	Accumulated amortisation		(11,733,979)	(5,684,340)
250	III. Long-term investments	10	7,855,101,013	5,946,621,909
251	1. Investments in subsidiaries	10.1	7,581,925,022	5,698,161,358
252	2. Investment in an associate	10.2	273,175,991	248,460,551
260	IV. Other long-term asset		578,387	1,243,450
261	1. Long-term prepaid expenses		578,387	1,243,450
270	TOTAL ASSETS		13,399,583,509	10,671,361,930

SEPARATE BALANCE SHEET (continued)
as at 31 December 2015

VND'000

Code	RESOURCES	Notes	31 December 2015	31 December 2014 (as presented – Note 21)
300	C. LIABILITIES		5,130,207,338	5,357,554,042
310	I. Current liabilities		1,454,911,883	3,756,594,851
311	1. Short-term trade payables	11	62,617,582	49,535,597
313	2. Statutory obligations		1,648,286	1,661,435
314	3. Payables to employees		1,107,407	894,958
315	4. Short-term accrued expenses	12	305,212,779	6,718,423
319	5. Other short-term payables	13	677,680,829	1,439,956,438
320	6. Short-term loans	14	406,645,000	2,257,828,000
330	II. Non-current liabilities		3,675,295,455	1,600,959,191
333	1. Long-term accrued expenses	12	-	200,000,000
338	2. Long-term loans	14	3,675,295,455	1,400,959,191
400	D. OWNERS' EQUITY		8,269,376,171	5,313,807,888
410	I. Capital	15	8,269,376,171	5,313,807,888
411	1. Share capital		7,081,438,950	3,990,670,000
411a	- Share with voting rights		7,081,438,950	3,990,670,000
412	2. Share premium		2,550,810	1,295,347,000
421	3. Undistributed earnings		1,185,386,411	27,790,888
421a	- Undistributed earnings up to prior year-end		27,790,888	19,507,500
421b	- Undistributed earnings of current year		1,157,595,523	8,283,388
440	TOTAL LIABILITIES AND OWNERS' EQUITY		13,399,583,509	10,671,361,930



Ho Thi Tuyet Loan
Preparer



Do Van Hai
Chief Accountant



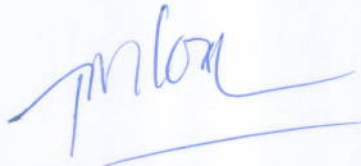
Nguyen Xuan Thang
Director

8 April 2016

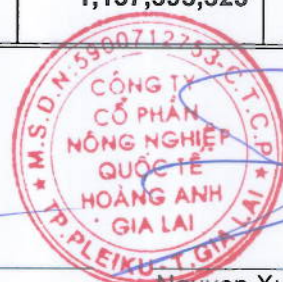
SEPARATE INCOME STATEMENT
for the year ended 31 December 2015


VND'000

Code	ITEMS	Notes	Current year	Previous year (as presented – Note 21)
10	1. Net revenues from sale of goods		12,502,387	10,081,668
11	2. Cost of goods sold		(10,912,626)	(7,760,345)
20	3. Gross profit from sale of goods		1,589,761	2,321,323
21	4. Finance income	16	1,554,902,898	465,662,845
22	5. Finance expenses	17	(348,787,673)	(352,474,286)
23	In which: Interest expense		(345,763,745)	(348,436,845)
25	6. Selling expenses		(1,434,776)	(2,005,159)
26	7. General and administrative expenses		(46,629,496)	(18,475,415)
30	8. Operating profit		1,159,640,714	95,029,308
31	9. Other income		3,510,057	1,622
32	10. Other expenses		(5,741,753)	-
40	11. Other (loss) profit		(2,231,696)	1,622
50	12. Accounting profit before tax		1,157,409,018	95,030,930
51	13. Current corporate income tax income (expense)	18.1	186,505	(1,058,447)
60	14. Net profit after tax		1,157,595,523	93,972,483


Ho Thi Tuyet Loan
Preparer


Do Van Hai
Chief Accountant




Nguyen Xuan Thang
Director

8 April 2016

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2015

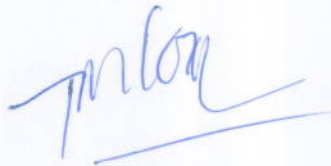
VND'000


Code	ITEMS	Notes	Current year	Previous year (as presented - Note 21)
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		1,157,409,018	95,030,930
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	8, 9	9,580,583	9,262,807
03	Provision		473,029	1,896,760
04	Foreign exchange losses arising from translation of monetary accounts denominated in foreign currencies		1,511,014	-
05	Profits from investing activities		(1,554,584,317)	(461,625,390)
06	Interest expenses	17	345,763,745	348,436,845
08	Operating loss before changes in working capital		(39,846,928)	(6,998,048)
09	Increase in receivables		(190,537,314)	(57,062,956)
10	Decrease in inventories		94,183	2,295,268
11	Increase in payables		54,508,869	155,005,962
12	Decrease in prepaid expenses		689,423	1,042,639
14	Interest paid		(294,208,449)	(250,912,907)
15	Corporate income tax paid	18.1	(1,157,773)	-
17	Other cash outflows from operating activities		-	(234,747)
20	Net cash flows used in operating activities		(470,457,989)	(156,864,789)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(2,273,301)	(12,075,575)
22	Proceeds from disposals of fixed assets		589,441	-
23	Loans to other entities		(450,004,966)	(512,426,710)
24	Collections from borrowers		19,652,607	6,942,619
25	Payments for investments in other entities		(1,794,800,626)	(646,123,065)
27	Interest and dividends received		1,232,022,903	43,176
30	Net cash flows used in investing activities		(994,813,942)	(1,163,639,555)

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2015

VND'000

Code	ITEMS	Notes	Current year	Previous year (as presented – Note 21)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from share issuance		1,797,972,760	-
33	Drawdown of loans and borrowings		4,256,390,738	1,875,797,660
34	Repayment of loans and borrowings		(4,506,651,183)	(552,021,613)
36	Dividends paid		(83,317,160)	(2,365,542)
40	Net cash flows from financing activities		1,464,395,155	1,321,410,505
50	Net (decrease) increase in cash during the year		(876,776)	906,161
60	Cash at beginning of year		1,449,756	543,595
70	Cash at end of year	4	572,980	1,449,756


Ho Thi Tuyet Loan
Preparer

Do Van Hai
Chief Accountant

 Nguyen Xuan Thang
Director

8 April 2016

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

1. CORPORATE INFORMATION

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

On 3 April 2015, the Company received the 11th amended BRC 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 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 31 December 2015 was 99 (31 December 2014 was 101).

2. BASIS OF PREPARATION

2.1 *Going concern assumption*

The 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 31 December 2015, the Company reported loans and bonds payable amounting to VND'000 4,081,940,455, in which VND'000 406,645,000 will be due for repayment in 2016. Moreover, as at this date, the Company is in violation of certain bond covenants as mentioned in Note 14. In view thereof, the Company's ability to continue in business is dependent upon management's success of achieving future cash flows to repay the loans and bonds payable or obtaining agreement from creditors to restructure the current loans and bonds in place.

As at the date of these separate financial statements, the Company is still in progress to negotiate with creditors and relevant authorities for restructuring above loans and bonds. The management believed that its restructuring plan would be approved and the Company can continue its operation for the foreseeable future.

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

2.2 *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);

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015**2. BASIS OF PREPARATION (continued)****2.2 Accounting standards and system (continued)**

- ▶ 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 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 separate financial position and separate results of operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

The Company is the parent company of the subsidiaries listed in Note 10.1 and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2015 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 the 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 operations and 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 separate financial statements are prepared in Vietnam dong ("VND") which is also the Company's accounting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1 Change in accounting policies and disclosures**

The accounting policies adopted by the Company in preparation of the separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended 31 December 2014, except for the change in the accounting policy in relation to Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system.

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QD-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial year beginning on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Company are applied on a prospective basis as Circular 200 does not require for retrospective application. The Company also reclassifies certain corresponding figures of prior year following the presentation of the current year's separate financial statements in accordance with Circular 200 as disclosed in Note 22.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Cash

Cash comprises cash on hand and cash at banks.

3.3 Receivables

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

3.4 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

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 separate income statement.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the separate income statement as incurred.

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

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the 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 separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Depreciation and amortisation

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

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

3.8 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 year in which they are incurred.

3.9 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

3.10 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 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 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 separate income statement.

3.11 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 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.

At the end of the year, 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 year and arisen from the translation of monetary accounts denominated in foreign currencies at year-end are taken to the separate income statement.

3.13 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.

3.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.15 Taxation***Current income tax*

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

Current income tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to 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.

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. 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 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.

3.16 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 companies, 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

4 CASH

	VND'000	
	31 December 2015	31 December 2014
Cash on hand	353,026	101,740
Cash at banks	219,954	1,348,016
TOTAL	572,980	1,449,756

5. SHORT-TERM TRADE RECEIVABLES

	VND'000	
	31 December 2015	31 December 2014
Trade receivables from related parties (Note 19)	19,285,351	9,207,848
Trade receivables from customers	3,385,413	6,600,548
- Thien Quan Co., Ltd.	3,385,413	4,586,800
- Other customers	-	2,013,748
TOTAL	22,670,764	15,808,396
Provision for doubtful short-term receivables	(2,369,789)	(1,896,760)
NET	20,300,975	13,911,636

6. OTHER SHORT-TERM RECEIVABLES

	VND'000	
	31 December 2015	31 December 2014 (as presented – Note 21)
Interest receivables	1,204,902,148	862,453,324
Dividends receivables	27,656,400	30,020,475
Payment on behalf	24,815,654	-
Staff advances	1,011,029	147,758
Others	2,644,966	7,207,440
TOTAL	1,261,030,197	899,828,997
<i>In which:</i>		
Other receivables from related parties (Note 19)	1,259,743,045	897,618,844
Other receivables from others	1,287,152	2,210,153

7. INVENTORIES

	VND'000	
	31 December 2015	31 December 2014
Merchandises	945,200	965,139
Raw materials	63,901	141,676
Tools and supplies	19,795	16,264
TOTAL	1,028,896	1,123,079

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015**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 2014	16,616,942	6,903,819	281,274	23,802,035
New purchases	1,004,504	1,268,797	-	2,273,301
Disposal	-	(1,038,500)	-	(1,038,500)
As at 31 December 2015	<u>17,621,446</u>	<u>7,134,116</u>	<u>281,274</u>	<u>25,036,836</u>
<i>In which:</i>				
Fully depreciated	316,623	-	242,365	558,988
Accumulated depreciation				
As at 31 December 2014	9,711,653	2,530,580	236,760	12,478,993
Depreciation for the year	2,724,825	765,928	40,191	3,530,944
Disposal	-	(449,059)	-	(449,059)
As at 31 December 2015	<u>12,436,478</u>	<u>2,847,449</u>	<u>276,951</u>	<u>15,560,878</u>
Net carrying amount				
As at 31 December 2014	<u>6,905,289</u>	<u>4,373,239</u>	<u>44,514</u>	<u>11,323,042</u>
As at 31 December 2015	<u>5,184,968</u>	<u>4,286,667</u>	<u>4,323</u>	<u>9,475,958</u>

9. INTANGIBLE ASSETS

	VND'000
	<i>Computer software</i>
Cost	
As at 31 December 2014 and 31 December 2015	<u>48,197,185</u>
Accumulated amortisation	
As at 31 December 2014	5,684,340
Amortisation for the year	<u>6,049,639</u>
As at 31 December 2015	<u>11,733,979</u>
Net carrying amount	
As at 31 December 2014	<u>42,512,845</u>
As at 31 December 2015	<u>36,463,206</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

10. LONG-TERM INVESTMENTS

10.1 Investments in subsidiaries

Details of investments in the subsidiaries are as follows:

Name of subsidiaries	Business activities	Status	31 December 2015		31 December 2014	
			% holding	Cost VND'000	% holding	Cost VND'000
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Agricultural and construction	Operating	100.00	2,080,734,798	100.00	1,936,150,456
Hoang Anh Gia Lai Cane Sugar JSC	Agricultural	Operating	99.99	1,375,149,450	99.99	1,375,149,450
Hoang Anh Rattanakiri Co., Ltd.	Agricultural	Pre-operating	100.00	909,883,615	100.00	909,883,615
Dong Penh JSC (i)	Agricultural	Pre-operating	99.70	798,397,600	-	-
An Dong Mia JSC (ii)	Agricultural	Pre-operating	69.50	695,695,000	-	-
Highland Dairy Cattle JSC (iii)	Breeding	Operating	99.00	615,584,549	-	-
Hoang Anh - Quang Minh Rubber JSC (iv)	Agricultural	Operating	97.77	440,512,398	97.54	439,601,488
Hoang Anh Dak Lak JSC (v)	Real estate and agricultural	Operating	99.53	394,313,155	99.42	373,422,705
Hoang Anh Oyadav Co., Ltd.	Agricultural	Pre-operating	100.00	171,654,457	100.00	171,654,457
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Trading	Operating	100.00	100,000,000	100.00	66,673,191
Trung Nguyen Rubber JSC (formerly known as Gia Lai Industrial Forest Plantation JSC) (vi)	Agricultural	Operating	-	-	99.83	425,625,996
TOTAL				7,581,925,022		5,698,161,358

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

10. LONG-TERM INVESTMENTS (continued)

10.1 Investments in subsidiaries (continued)

- (i) On 14 October 2015, the Company acquired 99.70% shares in Dong Penh JSC, a shareholding company is incorporated under the Law on Enterprises of Vietnam pursuant to BRC No. 5900981604 issued by the DPI of Gia Lai Province on 13 March 2014. The registered principal activities of Dong Penh JSC are planting and trading rubber trees and other perennial trees.
- (ii) On 15 October 2015, the Company acquired 69.50% shares in An Dong Mia JSC, a shareholding company is incorporated under the Law on Enterprises of Vietnam pursuant to BRC No. 5900910258 issued by the DPI of Gia Lai Province on 10 July 2012. The registered principal activities of An Dong Mia JSC are planting and trading rubber trees and other perennial trees.
- (iii) On 27 April 2015, the Company acquired 98.61% shares in Highland Dairy Cattle JSC, a shareholding company is incorporated under the Law on Enterprises of Vietnam pursuant to BRC No. 5900985126 issued by the DPI of Gia Lai Province on 28 April 2014. The registered principal activities of Highland Dairy Cattle JSC is breeding and trading cows for meat and cows for milk. On 12 May 2015, the Company contributed VND'000 154,568,300 to Highland Dairy Cattle JSC, increasing its ownership to 99.00%.
- (iv) On 18 May 2015, the Company acquired additional 45,500 shares in its subsidiary, Hoang Anh - Quang Minh Rubber JSC from the non-controlling shareholders for a total consideration of VND'000 910,910, increasing its ownership in Hoang Anh - Quang Minh Rubber JSC from 97.54% to 97.77%.
- (v) On 8 January 2015, the Company contributed additional VND'000 20,000,000 or 0.04% equity interest in its subsidiary, Hoang Anh Dak Lak JSC, the Company increased its interest in Hoang Anh Dak Lak JSC from 99.42% to 99.46%. On 22 September 2015, the Company acquired additional 22,239 shares in Hoang Anh Dak Lak JSC from the non-controlling shareholders for a total consideration of VND'000 890,450, increasing its ownership in Hoang Anh Dak Lak JSC from 99.46% to 99.53%.
- (vi) On 30 June 2015, the Company signed agreements to dispose all its interest in Trung Nguyen Rubber JSC to three individuals who are Ms Le Thi Ngoc Bich, Mr Nguyen Van Thieng and Mr Tran Quang Dung with the amount of VND'000 425,663,640 and recognised a gain from disposal of the investment amounting to VND'000 37,643 in the separate income statement.

10.2 Investment in an associate

Name	Business activity	31 December 2015		31 December 2014	
		% holding	Carrying value VND'000	% holding	Carrying value VND'000
Bidiphar Rubber JSC	Rubber plantation	47.80	<u>273,175,991</u>	45.22	<u>248,460,551</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

11. SHORT-TERM TRADE PAYABLES

	VND'000	
	31 December 2015	31 December 2014
Trade payables to suppliers	62,562,500	690,500
- Mr. Huynh Ngoc Thanh	61,490,000	-
- Other suppliers	1,072,500	690,500
Trade payables to related parties (Note 19)	<u>55,082</u>	<u>48,845,097</u>
TOTAL	<u>62,617,582</u>	<u>49,535,597</u>

12. ACCRUED EXPENSES

	VND'000	
	31 December 2015	31 December 2014 (as presented – Note 21)
Short-term	305,212,779	6,718,423
Interest expenses	305,212,779	5,828,823
Others	-	889,600
Long-term	-	200,000,000
Interests expenses	<u>-</u>	<u>200,000,000</u>
TOTAL	<u>305,212,779</u>	<u>206,718,423</u>

13. OTHER SHORT-TERM PAYABLES

	VND'000	
	31 December 2015	31 December 2014
Loans and borrowings	671,398,820	1,435,180,033
Dividend payable	4,506,440	4,732,440
Other payables	<u>1,775,569</u>	<u>43,965</u>
TOTAL	<u>677,680,829</u>	<u>1,439,956,438</u>
<i>In which:</i>		
Other payables to related parties (Note 19)	672,939,276	1,435,202,757
Other payables to others	4,741,553	4,753,681

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

14. LOANS

	VND'000	
	31 December 2015	31 December 2014
Short-term loans	406,645,000	2,257,828,000
Current portion of long-term bonds (Note 14.1)	300,000,000	2,000,000,000
Current portion of long-term loans from banks (Note 14.3)	40,572,000	8,549,600
Current portion of long-term loans from a related party (Note 14.4)	66,073,000	249,278,400
Long-term loans	3,675,295,455	1,400,959,191
Long-term bonds (Note 14.2)	1,700,000,000	-
Long-term loans from banks (Note 14.3)	944,919,102	948,088,238
Long-term loans from a related party (Notes 14.4)	1,030,376,353	452,870,953
TOTAL	4,081,940,455	3,658,787,191

Movements of loans are as follows:

	VND'000	
	Short-term loans	Long-term loans
31 December 2014	2,257,828,000	1,400,959,191
Drawdown from borrowings	-	2,150,000,000
Transfer of current portion of long-term loans	(145,624,739)	145,624,739
Repayment from borrowings	(1,707,604,000)	(55,700,000)
Foreign exchange difference arisen from revaluation of ending balance denominated in foreign currencies	2,045,739	34,411,525
31 December 2015	406,645,000	3,675,295,455

14.1 Bonds with warrants

On 5 December 2012, the Company announced the issuance of 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 one year grace period. Interest rate is paid for every quarter at the rate 11.37% p.a. for the first three quarters and apply 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. In addition, the Company has also committed to pay the additional interest of 5% p.a. for this amount of bonds, starting from the issuance date to maturity date (Note 21). The Company has issued the bonds to EuroCapital Securities Company ("ECS") in accordance with the contracts 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015**14. LOANS** (continued)**14.1 Bonds with warrants** (continued)

The purpose of these bonds issuance is to finance investment projects of the Company including the project of planting 28,173 hectares of 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 150,717,250 shares of the Company ("HNG") 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 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.

On 17 November 2015, the Company repurchased 17,000 bonds before the maturity date from two bondholders including Vietnam Joint Stock Commercial Bank for Prosperity and Tien Phong Commercial Joint Stock Bank, the number of bond is 12,000 bonds and 5,000 bonds, respectively with total nominal value of VND 1,700 billion. Accordingly, 150,717,250 shares of HNG owned by Hoang Anh Gia Lai JSC was used as collateral of bonds with warrants of VND 2,000 billion has been unwinded.

The additional interest amounting to VND 255 billion corresponding to 17,000 bonds repurchased before the maturity date 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 JSC. The shares of 92,855,945 were also used as collateral for bonds of Hoang Anh Gia Lai JSC 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, the remaining of 3,000 bonds with a total par value of VND 300 billion has been extended one (1) year, the new maturity date is on 28 December 2016. At date of this separate report, these bonds are secured by 25,585,000 shares and 3,850,000 shares of Hoang Anh Gia Lai JSC ("HAG") owned by Mr. Doan Nguyen Duc and Mr. Nguyen Anh Hoa, respectively and 4,000,000 shares of HNG owned by Hoang Anh Gia Lai JSC. As at 31 December 2015 and at date of these separate financial statements, total value of collateral assets does not equal to minimum 130% value of bond owned by bondholders.

As at 31 December 2015, these bonds were owned by North Asia Commercial Joint Stock Bank, beared interest at interest rate from 9.40% to 9.80% p.a. and have been classified into current portion of long-term bonds for the purpose of presenting separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

14. LOANS (continued)

14.2 *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 rate is paid for every quarter at the rate 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 Company has issued the bonds to National Citizen Commercial Joint Stock Bank, Tien Phong Commercial Joint Stock Bank and Vietnam Prosperity Joint Stock Commercial Bank in accordance with the contracts dated 17 November 2015, with proceeds of VND 300 billion, VND 200 billion and VND 1,200 billion, respectively. Accordingly, total proceeds from these bonds issuances were VND 1,700 billion. 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 Company including the project of planting 28,173 hectares of 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 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 finance working capital and finance other investment projects of the Company. These bonds are secured by 181,717,250 shares of HNG held by Hoang Anh Gia Lai JSC, parent company. In which, 31,000,000 shares of HNG were used to secure for the bonds with par value of VND 600 billion – HAGL 600 Bonds of the Hoang Anh Gia Lai JSC. At date of these separate financial statements, the value of collateral assets dose not equal at least 200% the total par value of bonds as required in collateral contract.

As at 31 December 2015, these bonds were owned by Vietnam Public Commercial Joint Stock Bank, Tien Phong Commercial Joint Stock Bank and Vietnam Prosperity Joint Stock Commercial Bank with the value at VND 300 billion, VND 200 billion and VND 1,200 billion, respectively and beard interest at interest rate of 10.50% p.a.

14.3 *Long-term loans from banks*

	VND'000	
	31 December 2015	31 December 2014
Bank for Investment Development of Vietnam ("BIDV"), Gia Lai Branch	723,036,497	694,183,233
Sai Gon Thuong Tin Commercial Joint Stock Bank ("Sacombank"), Da Nang Branch	262,454,605	262,454,605
TOTAL	985,491,102	956,637,838
<i>In which:</i>		
<i>Non-current portion</i>	944,919,102	948,088,238
<i>Current portion</i>	40,572,000	8,549,600

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

14. LOANS (continued)

14.3 Long-term loans from banks (continued)

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

Name of banks	31 December 2015		Maturity term	Interest rate	Collateral
	VND'000	Original amount USD			
<i>BIDV, Gia Lai Branch</i>					
Loan Agreement No. 01/2010/HD-TD dated 1 April 2010	723,036,497	-	32,077,928	12 month savings deposit interest rate paid in areas of BIDV in USD plus 4.7% p.a. (2015: 7% p.a.)	Land use right of 10,000 ha rubber at Saysetha, San Xay and Phu Vong District, Attapeu Province, Laos of subsidiaries
<i>In which:</i>					
<i>Current portion</i>					
	40,572,000				
<i>Sacombank, Da Nang Branch</i>					
Credit Contract No. LD1400300153 dated 3 January 2014	262,454,605	-	12,420,658	1.125%/month for the first 3 months; then at the 13- month deposit rate plus 0.3333% per month, adjusted four times per year (2015: 11.55% - 12% p.a.)	20,000 m ² of land use right and related assets at Binh Thuan Ward, Hai Chau District, Da Nang City held by Hoang Anh Construction and Development House JSC and 16 million shares of HAG held by Doan Nguyen Duc - Chairman
TOTAL	985,491,102				

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

14. LOANS (continued)

14.4 Loans from a related party

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

<i>Lender</i>	<i>31 December 2015</i>	<i>Maturity term</i>	<i>Interest rate</i>
	<i>VND'000</i>		<i>% p.a.</i>
<i>Hoang Anh Gia Lai JSC, parent company (Note 19)</i>			
Loan Agreement No. 25-07/2015/HDV- HAGL dated 25 July 2015	350,000,000	60 months from contracted date	10 - 10.35
Loan Agreement No. 05-01/2014/HDV- HAGL dated 28 March 2014	200,000,000	36 months from contracted date	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	36 months from contracted date	16.00
Loan Agreement No. 05/2012/HDV- HAGL dated 28 April 2012	120,872,953	60 months from contracted date	14.00 – 17.00
Loan Agreement No. 02/2015/HDV- HAGL dated 6 January 2015	100,000,000	36 months from contracted date	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	36 months from contracted date	11.93
Loan Agreement No. 01/2013/HDV- HAGL dated 17 May 2013	66,073,000	36 months from contracted date	15.00
Loan Agreement No. 09/12/2014/HDV- HAGL dated 9 December 2014	10,225,000	36 months from contracted date	12.00
TOTAL	<u>1,096,449,353</u>		
<i>In which:</i>			
<i>Non-current portion</i>	<i>1,030,376,353</i>		
<i>Current portion</i>	<i>66,073,000</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 SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

15. OWNERS' EQUITY

15.1 Increase and decrease in owners' equity

	Contributed share capital	Share premium	Undistributed earnings	Total
				VND'000
Previous 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 declared	-	-	(90,189,142)	(90,189,142)
As at 31 December 2014	3,990,670,000	1,295,347,000	27,790,888	5,313,807,888
Current year				
As at 1 January 2015	3,990,670,000	1,295,347,000	27,790,888	5,313,807,888
Issuance of shares in cash (i)	798,723,950	999,248,810	-	1,797,972,760
Issuance of shares from share premium (ii)	2,292,045,000	(2,292,045,000)	-	-
Net profit for the year	-	-	1,157,595,523	1,157,595,523
As at 31 December 2015	7,081,438,950	2,550,810	1,185,386,411	8,269,376,171

(i) In accordance with the Resolution of shareholders at Extraordinary General Meeting year 2015 No. 0604/15/DHDCD-NNHAGL ("Resolution No. 0604") dated 6 April 2015, the Company had offered and issued ordinary shares to Hoang Anh Gia Lai JSC and its employees. The aforementioned transaction has been completed as at 2 June 2015.

(ii) In accordance with Resolution No. 0604, the Company issued ordinary shares from share premium to its existing owners at the ratio of 49.5%. The aforementioned transaction has been completed as at 2 June 2015.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015**15. OWNERS' EQUITY (continued)****15.2 Shares**

	31 December 2015		31 December 2014	
	Quantity	Amount VND'000	Quantity	Amount VND'000
Issued shares				
<i>Issued and paid-up shares</i>	708,143,895	7,081,438,950	399,067,000	3,990,670,000
Ordinary shares	708,143,895	7,081,438,950	399,067,000	3,990,670,000
Shares in circulation				
Ordinary shares	708,143,895	7,081,438,950	399,067,000	3,990,670,000

16. FINANCE INCOME

	VND'000	
	Current year	Previous year (as presented - Note 21)
Dividend income	1,190,255,496	88,353,294
Interest income from lending	364,268,379	373,228,923
Others	379,023	4,080,628
TOTAL	1,554,902,898	465,662,845

17. FINANCE EXPENSES

	VND'000	
	Current year	Previous year (as presented - Note 21)
Interest expenses from banks and bonds	345,763,745	348,436,845
Foreign exchange losses	2,907,014	-
Others	116,914	4,037,441
TOTAL	348,787,673	352,474,286

18. CORPORATE INCOME TAX

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

The Company' tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the separate financial statements could change at a later date upon final determination by the tax authorities.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

18. CORPORATE INCOME TAX (continued)

18.1 Current CIT

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.

A reconciliation between the profit before tax and taxable profit is presented below:

	VND'000	
	Current year	Previous year
Accounting profit before tax	1,157,409,018	95,030,930
<i>Adjustments</i>		
Dividend income	(1,190,255,496)	(88,353,294)
Non-deductible expenses	24,052,198	-
Accrued expenses	(889,600)	(118,400)
(Tax loss) taxable profit before tax and loss carried forward	(9,683,880)	6,559,236
Tax loss carried forward	-	(1,748,114)
(Tax loss) estimated current taxable profit	(9,683,880)	4,811,122
Estimated current CIT expense for the year	-	1,058,447
CIT payable at beginning of year	1,058,447	-
Over provision of CIT expense prior year	(186,505)	-
CIT paid during the year	(1,157,773)	-
CIT (over-paid) payable at end of year	(285,831)	1,058,447

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 consecutive years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company had aggregated accumulated tax losses of VND'000 9,683,880 available for offset against future taxable profits. Details are as follows:

						VND'000
Originating year	Can be utilized up to	Tax loss amount (*)	Utilized up to 31 December 2015	Forfeited	Unutilized at 31 December 2015	
2015	2020	9,683,880	-	-	9,683,880	

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

19. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the years ended 31 December 2015 and 31 December 2014 were as follows:

Related parties	Relationship	Transactions	VND'000			
			Current year	Previous year (as presented - Note 21)		
Hoang Anh Gia Lai JSC	Parent company	Loans and borrowings	2,456,390,738	541,877,604		
		Purchase of investments	485,731,688	38,086,144		
		Interest expenses	117,170,467	81,797,144		
		Payment of dividend	83,091,160	-		
		Purchase of fixed assets	-	48,671,743		
		Sales of assets	-	29,519,575		
		Purchase of materials	-	3,893,678		
		Sales of goods	-	722,516		
		Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Subsidiary	Purchase of materials, assets	2,333,073	2,569,132
				Dividend income	-	10,512,975
Hoang Anh Dak Lak JSC	Subsidiary	Interest income	17,561,410	21,100,413		
		Sales of goods	62,470	325,500		
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Sales of goods	4,703,715	4,034,050		
Hoang Anh - Quang Minh Rubber JSC	Subsidiary	Interest income	74,531,852	82,864,627		
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Dividend income	372,000,000	-		
		Loan	199,999,980	-		
		Interest income	83,343,743	81,254,030		
		Sales of goods	-	851,402		
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Loan	99,999,999	-		
		Interest income	84,938,972	79,214,301		
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Loan	150,004,987	-		
		Interest income	79,162,589	21,346,229		
		Consultant fee	-	3,354,842		
Hoang Anh Gia Lai Cane Sugar JSC	Subsidiary	Dividend income	818,255,496	-		
		Interest income	57,410,591	60,671,491		
Highland Dairy Cattle JSC	Subsidiary	Sales of fixed assets	589,441	-		
		Sales of goods	601,081	-		
Trung Nguyen Rubber JSC	Related party	Interest income	23,882,177	26,435,602		
		Sales of goods	4,769,767	4,045,700		
		Dividend income	-	77,840,319		

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

19. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 31 December 2015 and 31 December 2014 were as follows:

Related parties	Relationship	Transactions	VND'000	
			31 December 2015	31 December 2014 (as presented - Note 21)
Short-term trade receivables				
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Sales of goods	8,847,765	4,144,050
Gia Lai Livestock JSC	Related party	Sales of goods	4,811,498	-
Hoang Anh Gia Lai Bridge & Road JSC	Related party	Sales of fixed assets	3,285,900	3,285,900
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Sales of goods	943,950	943,950
Hoang Anh Gia Lai JSC	Parent company	Sales of goods	772,802	833,948
Highland Dairy Cattle JSC	Subsidiary	Sales of goods	605,847	-
Trung Nguyen Rubber JSC	Related party	Sales of service	17,589	-
			19,285,351	9,207,848
Short-term loan receivables (*)				
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Lending	427,589,992	137,917,650
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Lending	336,073,001	99,278,400
Hoang Anh - Quang Minh Rubber JSC	Subsidiary	Lending	195,783,281	-
Hoang Anh Gia Lai Cane Sugar JSC	Subsidiary	Lending	170,611,131	168,000,000
Hoang Anh Oyadav Co., Ltd	Subsidiary	Lending	129,120,002	-
Hoang Anh Dak Lak JSC	Subsidiary	Lending	128,221,602	-
Trung Nguyen Rubber JSC	Related party	Lending	123,358,579	-
			1,510,757,588	405,196,050

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

19. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 31 December 2015 and 31 December 2014 were as follows: (continued)

Related parties	Relationship	Transactions	VND'000	
			31 December 2015	31 December 2014 (as presented - Note 21)
Other short-term receivables				
Hoang Anh Gia Lai JSC	Parent company	Payment on behalf	2,065,085	-
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Interest income	260,857,696	186,729,313
		Payment on behalf	5,446,141	-
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Interest income	280,531,851	204,377,359
		Payment on behalf	7,212,880	-
Hoang Anh - Quang Minh Rubber JSC	Subsidiary	Interest income	249,609,743	181,469,596
		Dividend receivable	19,507,500	19,507,500
		Payment on behalf	6,391,705	-
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Interest income	166,450,808	95,650,979
		Payment on behalf	5,406,428	-
Hoang Anh Gia Lai Cane Sugar JSC	Subsidiary	Interest income	185,641,936	136,692,235
		Dividend receivable	8,148,900	-
		Payment on behalf	25,000	-
Hoang Anh Dak Lak JSC	Subsidiary	Interest income	32,348,831	38,983,780
Trung Nguyen Rubber JSC	Related party	Interest income	29,460,203	18,550,062
		Other	304,838	-
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Payment on behalf	333,500	1,946,085
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Subsidiary	Dividend receivable	-	10,512,975
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
			1,259,743,045	897,618,844

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015**19. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties as at 31 December 2015 and 31 December 2014 were as follows: (continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i>	
			<i>31 December 2015</i>	<i>31 December 2014 (as presented - Note 21)</i>
<i>Long-term loan receivables (*)</i>				
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Lending	1,069,417,133	1,124,143,246
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Lending	633,329,591	612,444,606
Hoang Anh - Quang Minh Rubber JSC	Subsidiary	Lending	385,280,762	581,064,043
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Lending	320,151,353	456,945,954
Hoang Anh Attapeu Cane Sugar JSC	Subsidiary	Lending	233,000,000	235,611,130
Trung Nguyen Rubber JSC	Related party	Lending	62,142,038	185,500,617
Hoang Anh Dak Lak JSC	Subsidiary	Lending	-	147,874,210
			<u>2,703,320,877</u>	<u>3,343,583,806</u>
<i>Short-term trade payables</i>				
Hoang Anh Gia Lai JSC	Parent company	Purchase of raw materials	27,335	27,951
		Purchase of fixed assets	-	48,671,743
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Subsidiary	Purchase of raw materials	23,424	145,403
Hoang Anh Gia Lai Sport JSC	Related party	Purchase of raw materials	4,323	-
			<u>55,082</u>	<u>48,845,097</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

19. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 31 December 2015 and 31 December 2014 were as follows: (continued)

Related parties	Relationship	Transactions	VND'000	
			31 December 2015	31 December 2014 (as presented - Note 21)
Other short-term payables				
Hoang Anh Gia Lai JSC	Parent company	Borrowings	615,181,662	1,118,513,247
		Interest expenses	54,759,771	104,048,398
		Receipts on behalf	1,457,387	44,116,614
		Dividend payable	-	83,091,160
Hoang Anh An Dong Meas Co., Ltd.	Subsidiary	Receipts on behalf	1,319,343	-
Daun Penh Agrico Co., Ltd	Subsidiary	Borrowings	150,381	-
Trung Nguyen Rubber JSC	Related party	Borrowings	-	85,410,614
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Receipts on behalf	-	22,724
Hoang Anh Lumphat Co., Ltd.	Subsidiary	Other	70,732	-
			672,939,276	1,435,202,757

Long-term loans

Hoang Anh Gia Lai JSC	Parent company	Long-term loans	<u>1,096,449,353</u>	<u>702,149,353</u>
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(*) As at 31 December 2015, the Company reported short-term and long-term loans receivable from related parties amounting to VND'000 1,510,757,588 and VND'000 2,703,320,877, respectively and 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.

20. OFF BALANCE SHEET ITEM

	31 December 2015	31 December 2014
Foreign currency: United States dollar (USD)	902.41	526.49

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

21. RESTATEMENT OF PRIOR YEAR'S SEPARATE FINANCIAL STATEMENTS

The Company omitted in recognition of interest expenses in relation to the additional interest of 5% p.a. for the bonds with warrants of VND 2,000 billion (*Note 14.1*) amounting to VND'000 200,000,000. The Company's management decided to adjust the additional interest expenses into separate financial statements for the year ended 31 December 2013 and 31 December 2014. These bonds mainly finance for the investment in construction in progress projects, therefore most of interest expenses was capitalized into construction in progress.

Certain corresponding figures on the separate financial statements as at and for the year ended 31 December 2014 as follows:

	<i>31 December 2014 (before restated)</i>	<i>Restatement</i>	<i>VND'000 31 December 2014 (after restated)</i>
SEPARATE BALANCE SHEET			
Other receivables	4,448,461,094	200,000,000	4,648,461,094
Long-term accrued expenses	-	200,000,000	200,000,000
			<i>VND'000</i>
	<i>Previous year (before restated)</i>	<i>Restatement</i>	<i>Previous year (after restated)</i>
SEPARATE INCOME STATEMENT			
Finance income	365,662,845	100,000,000	465,662,845
Finance expenses	(252,474,286)	(100,000,000)	(352,474,286)
<i>In which: Interest expense</i>	<i>(248,436,845)</i>	<i>(100,000,000)</i>	<i>(348,436,845)</i>
SEPARATE CASH FLOW			
Profits from investing activities	(361,625,390)	(100,000,000)	(461,625,390)
Interest expense	248,436,845	100,000,000	348,436,845

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015**22. CORRESPONDING FIGURES**

Certain corresponding figures on the separate financial statements as at and for the year ended 31 December 2014 has been reclassified to reflect the presentation of the current year's separate financial statements in accordance with Circular 200, with details as follows:

			<i>VND'000</i>
	<i>31 December 2014 (previously presented)</i>	<i>Reclassification</i>	<i>31 December 2014 (reclassified)</i>
SEPARATE BALANCE SHEET			
Other receivables	4,648,461,094	(4,648,461,094)	-
Other current assets	147,759	(147,759)	-
Short-term loan receivables	-	405,196,050	405,196,050
Other short-term receivables	-	899,828,997	899,828,997
Long-term loan receivables	-	3,343,583,806	3,343,583,806
			<i>VND'000</i>
	<i>Previous year (previously presented)</i>	<i>Reclassification</i>	<i>Previous year (reclassified)</i>
SEPARATE INCOME STATEMENT			
Other incomes	29,460,050	(29,458,428)	1,622
Other expenses	(29,458,428)	29,458,428	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2015

23. EVENTS AFTER THE BALANCE SHEET DATE

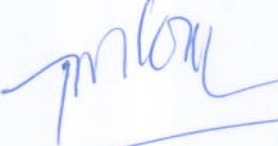
On 22 February 2016, the Company had completed the issuance of 59,000,000 ordinary shares to non-controlling shareholders at the price of VND 28,000 per share (par value: VND 10,000 per share) in accordance with the Resolution of Shareholder No. 0610/15/NQDHDCD-HAGL Agrico dated 6 October 2015, the Resolutions of Board of Directors No. 3010/15/NQHDQT-HAGL Agrico dated 30 October 2015 and No. 3012/15/NQHDQT-HAGL Agrico dated 30 December 2015. Accordingly, the Company's share capital increased from VND'000 7,081,438,950 to VND'000 7,671,438,950 and share premium increased from VND'000 2,550,810 to VND'000 1,064,550,810. On 8 March 2016, the Company received the 14th amended BRC No. 5900712753 issued by the DPI of Gia Lai Province in relation to approval for the increase of the Company's share capital.

Also on 22 February 2016, the Company had acquired 100% equity interest in Indochina Rubber Investment and Development Co., Ltd. ("Indochina Rubber") from Cuong Thinh Rubber Co., Ltd. and An Thinh Rubber Co., Ltd. in accordance with Capital transfer contracts No. 01/2016/HDCN dated on 20 February 2016 and No. 02/2016/HDCN dated on 20 February 2016 with the consideration amount of VND 770 billion and VND 880 billion, respectively. Accordingly, Indochina Rubber has become the Company's subsidiary since 22 February 2016.

As at the date of these separate financial statements, the Company has yet made repayment for initial principal and interest of on-due loans and bonds. In addition, the Company is in violation of certain banks and bonds covenants as mentioned in Note 14 to the separate financial statements.

The management is currently negotiating with its main creditors with a view to finding a solution to the Company's financial situation. Main discussions include restructuring the current financing in place by extending principal payment schedule of loans and bonds to minimum time of 3 to 15 years, restructuring and extending the due date of interest payables for additional 3 years, decreasing interest rates, responding to new drawdowns, and maintaining the Company's current credit limit.

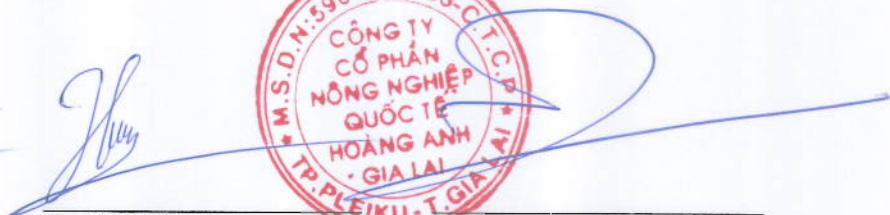
Except for the above events, there has been no significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the separate financial statements.



Ho Thi Tuyet Loan
Preparer



Do Van Hai
Chief Accountant

Nguyen Xuan Thang
Director

8 April 2016