



# **HAGL Agrico**

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

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

Interim consolidated financial statements

Quarter III /2015



# Hoang Anh Gia Lai Agricultural Joint Stock Company

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INTERIM CONSOLIDATED BALANCE SHEET  
as at 30<sup>th</sup> September 2015

VND'000

Code	ASSETS	Notes	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>8,261,220,570</b>	<b>4,731,873,635</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>415,037,463</b>	<b>46,804,781</b>
111	1. Cash		415,037,463	46,804,781
<b>120</b>	<b>II. Short-term investment</b>	<b>5</b>	<b>8,500,000</b>	<b>-</b>
123	1. Held to maturity investment		8,500,000	-
<b>130</b>	<b>III. Current accounts receivable</b>		<b>5,200,680,757</b>	<b>3,494,468,401</b>
131	1. Short-term trade receivables	6	2,471,416,323	1,429,634,589
132	2. Short-term advances to suppliers	7	1,991,395,518	1,661,487,304
135	3. Short-term loan receivables	8.1	505,785,821	228,989,648
136	4. Other short-term receivables	8.2	233,307,855	176,253,620
137	5. Provision for doubtful debts		(1,224,760)	(1,896,760)
<b>140</b>	<b>IV. Inventories</b>		<b>2,612,657,809</b>	<b>1,140,636,497</b>
141	1. Inventories	9	2,612,657,809	1,140,636,497
<b>150</b>	<b>V. Other current assets</b>		<b>24,344,541</b>	<b>49,963,956</b>
151	1. Short-term prepaid expenses		3,522,773	11,298,721
152	2. Value-added tax deductible		15,272,715	28,331,286
153	3. Tax and other receivables from the State		5,549,053	10,333,949
155	4. Other current assets		-	-

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30<sup>th</sup> September 2015

VND'000


Code	ASSETS	Notes	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>15,199,749,095</b>	<b>12,227,433,778</b>
<b>210</b>	<b>I. Long-term receivable</b>	<b>10</b>	<b>1,171,751,878</b>	<b>615,915,348</b>
215	1. Long-term loans receivable		1,130,989,891	576,215,557
216	2. Other long-term receivable		40,761,987	39,699,791
<b>220</b>	<b>II. Fixed assets</b>		<b>4,720,190,224</b>	<b>4,178,392,700</b>
221	1. Tangible fixed assets	11	4,671,792,625	4,135,879,855
222	Cost		5,263,401,219	4,519,219,989
223	Accumulated depreciation		(591,608,594)	(383,340,134)
227	2. Intangible fixed assets	12	48,397,599	42,512,845
228	Cost		58,835,245	48,197,185
229	Accumulated amortisation		(10,437,646)	(5,684,340)
<b>240</b>	<b>III. Long-term assets in progress</b>		<b>7,962,588,473</b>	<b>6,266,089,389</b>
241	1. Long-term work in progress			-
242	2. Construction in progress	13	7,962,588,473	6,266,089,389
<b>250</b>	<b>IV. Long-term investments</b>		<b>287,660,551</b>	<b>248,460,551</b>
252	1. Investments in associates, jointly controlled entities	15	248,460,551	248,460,551
	2. Investment in other entities		39,200,000	-
<b>260</b>	<b>V. Other long-term assets</b>		<b>1,057,557,969</b>	<b>918,575,790</b>
261	1. Long-term prepaid expenses	16	941,821,231	893,292,952
262	2. Deferred tax assets	30.2	46,517,895	25,282,838
269	3. Goodwill		69,218,843	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>23,460,969,665</b>	<b>16,959,307,413</b>




INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30<sup>th</sup> September 2015

VND'000

Code	RESOURCES	Notes	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
<b>300</b>	<b>C. LIABILITIES</b>		<b>13,504,854,514</b>	<b>10,069,183,720</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>7,450,281,310</b>	<b>6,281,915,475</b>
311	1. Short-term trade payables	16	400,288,928	247,166,661
312	2. Short-term advances from customers	17	1,221,379,984	126,467,449
313	3. Statutory obligations	18	363,534,784	256,814,835
314	4. Payables to employees		33,256,145	27,209,734
315	5. Short-term accrued expenses	19	13,472,733	34,999,733
318	6. Short-term unearned revenues		-	-
319	7. Other short-term payables	20	1,070,436,973	1,861,194,194
320	8. Short-term loan and finance lease obligations	21	4,347,911,763	3,728,062,869
322	9. Short-term provision		-	-
<b>330</b>	<b>II. Non-current liabilities</b>		<b>6,054,573,204</b>	<b>3,787,268,245</b>
337	1. Other long-term liabilities	23	1,229,369,512	166,523,184
338	2. Long-term loans and finance lease obligations	24	4,825,203,692	3,620,745,061
341	3. Deferred tax liabilities	30.2	-	-
342	4. Other long-term provisions		-	-
<b>400</b>	<b>D. OWNERS' EQUITY</b>	<b>25</b>	<b>9,956,115,151</b>	<b>6,890,123,693</b>
<b>410</b>	<b>I. Capital</b>		<b>9,956,115,151</b>	<b>6,890,123,693</b>
411	1. Share capital	25.1	7,081,438,950	3,990,670,000
411a	- Shares with voting rights		7,081,438,950	3,990,670,000
412	2. Share premium		2,550,810	1,295,347,000
415	3. Treasury shares		-	-
417	4. Foreign exchange differences reserve		424,106,045	143,518,473
418	5. Investment and development fund		-	-
421	6. Undistributed earnings		2,417,886,503	1,438,861,525
421a	- Undistributed earnings up to the end of prior period		1,438,861,525	770,584,620
421b	- Undistributed earnings of current period		979,024,978	668,276,905
429	7. Non-controlling interests		30,132,843	21,726,695
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>23,460,969,665</b>	<b>16,959,307,413</b>


  
Ho Thi Tuyet Loan  
Preparer


  
Do Van Hai  
Chief Accountant


  
Nguyen Xuan Thang  
General Director
12<sup>th</sup> November 2015

VND'000

Code	ITEMS	Notes	Quarter III		Accumulated from the beginning of the year	
			Current year	Previous year	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	26.1	1,846,740,434	547,642,113	3,919,224,574	1,815,678,464
02	2. Deductions	26.1	-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	26.1	1,846,740,434	547,642,113	3,919,224,574	1,815,678,464
11	4. Cost of goods sold and services rendered	27	(1,333,147,316)	(290,250,410)	(2,576,601,127)	(906,311,590)
20	5. Gross profit from sale of goods and rendering of services		513,593,118	257,391,703	1,342,623,447	909,366,874
21	6. Finance income	26.2	64,594,733	11,124,852	167,795,641	31,128,909
22	7. Finance expenses	28	(131,856,501)	(74,033,977)	(322,323,224)	(207,331,317)
23	<i>In which: Interest expense</i>		(108,818,386)	(67,018,805)	(269,550,453)	(189,904,198)
25	8. Selling expenses		(36,514,356)	(5,801,340)	(50,964,615)	(12,283,562)
26	9. General and administrative expenses		(27,116,417)	(17,968,352)	(95,508,227)	(54,734,782)
30	10. Operating profit		382,700,577	170,712,886	1,041,623,022	666,146,122
31	11. Other income	29	4,382,043	281,841	6,408,687	84,452,875
32	12. Other expense	29	(5,189,572)	(127,912)	(51,150,802)	(181,739)
40	13. Other profit/ (loss)	29	(807,529)	153,929	(44,742,115)	84,271,136

INTERIM CONSOLIDATED INCOME STATEMENT (continued)  
Quarter III /2015

VND'000

Code	ITEMS	Notes	Quarter III		Accumulated from the beginning of the year	
			Current year	Previous year	Current year	Previous year
50	14. Accounting profit before tax		381,893,048	170,866,815	996,880,907	750,417,258
51	15. Current corporate income tax expense	30.1	(8,813,075)	(515,009)	(30,881,595)	(21,477,859)
52	16. Deferred income tax income/(expense)	30.2	21,200,031	4,980,676	21,235,057	10,360,186
60	17. Net profit after tax		394,280,004	175,332,482	987,234,369	739,299,585
61	18. Net profit after tax attributable to shareholders of the parent		391,460,270	174,950,077	979,156,906	738,680,776
62	19. Net profit after tax attributable to non-controlling interests		2,819,734	382,405	8,077,463	618,809
70	20. Basic earnings per share (VND)		605	293	1,513	1,238
71	21. Diluted earnings per share (VND)		540	291	1,369	1,168



Ho Thi Tuyet Loan  
Preparer  
12<sup>th</sup> November 2015



Do Van Hai  
Chief Accountant



Nguyen Xuan Thang  
General Director



INTERIM CONSOLIDATED CASH FLOW STATEMENT  
Quarter III /2015

VND'000

Code	ITEMS	Notes	Accumulated from the beginning of the year	
			Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Profit before tax</b>		<b>996,880,906</b>	<b>750,417,258</b>
	<b>2. Adjustments for:</b>			
02	Depreciation and amortisation	10,11	221,390,356	148,606,424
03	Provision		-	(317,055)
04	Unrealised foreign exchange losses (gains)		-	-
05	Profits from investing activities		(90,627,495)	(101,860,852)
06	Interest expense	28	269,550,453	189,904,198
08	<b>3. Operating profit before changes in working capital</b>		<b>1,397,194,220</b>	<b>986,749,973</b>
09	Increase in receivables		(1,594,120,620)	(1,017,600,701)
10	Increase in inventories		(1,893,497,953)	(135,342,846)
11	Increase in payables		2,690,444,927	128,303,573
12	Decrease (increase) in prepaid expenses		46,156,734	(78,134,060)
14	Interest paid		(376,196,276)	(196,652,300)
15	Corporate income tax paid	30.1	(6,694,852)	(23,899,813)
17	Other cash outflows from operating activities		-	(546,352)
20	<b>Net cash flows from (used in) operating activities</b>		<b>263,286,180</b>	<b>(337,122,526)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchase, construction of fixed assets and other long-term assets		(3,277,056,811)	(1,460,381,779)
22	2. Proceeds from disposals of fixed assets and other long-term assets		3,221,330	84,170,358
23	3. Loans to other entities and payments for purchase of debt instruments of other entities		(446,890,136)	(690,639,422)
24	4. Collections from borrowers and proceeds from sale of debt instruments of other entities		424,261,110	182,503,437
25	5. Payments for investments in other entities		(461,515,726)	(4,308,576)
26	6. Proceeds from sale of investments in other entities		-	-
27	7. Interest and dividends received		19,244,878	7,248,720
30	<b>Net cash flows used in investing activities</b>		<b>(3,738,735,355)</b>	<b>(1,881,407,262)</b>




INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
Quarter III /2015

VND'000

Code	ITEMS	Notes	Accumulated from the beginning of the year	
			Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	1. Capital contribution and issuance of shares		1,797,972,760	-
32	2. Capital redemption		-	-
33	3. Drawdown of borrowings		5,946,342,673	3,821,598,641
34	4. Repayment of borrowings		(3,817,542,416)	(1,648,137,120)
36	5. Dividends paid for owners		(83,091,160)	-
40	<b>Net cash flows from financing activities</b>		<b>3,843,681,857</b>	<b>2,173,461,521</b>
50	<b>Net increase in cash during the year</b>		<b>368,232,682</b>	<b>(45,068,267)</b>
60	Cash at beginning of year	4	46,804,781	150,191,171
70	Cash at end of year	4	415,037,463	105,122,904


Ho Thi Tuyet Loan  
Preparer

Do Van Hai  
Chief Accountant
  
 Nguyen Xuan Thang  
General Director
12<sup>th</sup> November 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Quarter III /2015**1. CORPORATE INFORMATION**

Hoang Anh Gia Lai Agricultural Joint Stock Company (formerly known as Hoang Anh Gia Lai Rubber Joint Stock Company) ("the Company") was incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 5900712753 issued by the Department of Planning and Investment of Gia Lai Province on 26<sup>th</sup> May 2010 and thirteen (13) subsequent amended Business Registration Certificates.

On 03<sup>rd</sup> April 2015, the Company received the 11<sup>th</sup> amended Business Registration Certificate with the changing its name from Hoang Anh Gia Lai Rubber Joint Stock Company to Hoang Anh Gia Lai Agricultural Joint Stock Company.

On 06<sup>th</sup> May 2015, the Company received the 12<sup>th</sup> amended Business Registration Certificate with the changing General Director from Mr Trinh Xuan Nhan to Mr Nguyen Xuan Thang.

On 04<sup>th</sup> June 2015, the Company received the 13<sup>th</sup> amended Business Registration Certificate with increase charter capital from three thousand nine hundred and ninety billion VND to seven thousand and zero hundred eighty one billion VND.

The Company's parent is Hoang Anh Gia Lai Joint Stock Company which had owned 79.52% ownership as at 30<sup>th</sup> September 2015.

The registered principal activities of the Group are breeding and trading dairy cows and cows for meat; planting rubber trees and trading rubber latex; planting sugarcane and other perennial trees; afforesting; generating and trading seedlings; providing plantation services and related materials; constructing houses; constructing industrial and civil projects.

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

**2. BASIS OF PREPARATION****2.1 Accounting standards and system**

The interim consolidated financial statements of the Group expressed in thousands of Vietnam dong ("VND'000"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

**2.2 Applied accounting documentation system**

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**2. BASIS OF PREPARATION (continued)****2.3 Fiscal year**

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 01<sup>st</sup> January and ends on 31<sup>th</sup> December.

Interim consolidated financial statements 3<sup>rd</sup> quarter are prepared for the accounting period from 01<sup>st</sup> July 2015 to 30<sup>th</sup> September 2015.

**2.4 Accounting currency**

The interim consolidated financial statements are prepared in Vietnam Dong which is also the Company's accounting currency.

**2.5 Basis of consolidation**

The interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiaries for the quarter ended 30<sup>th</sup> September 2015.

The interim financial statements of subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies. Adjustments are made for any differences in accounting policies that may exist to ensure consistency between the subsidiaries and the Company.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet, separately from parent shareholders' equity.

The subsidiaries are consolidated from the date on which the Group obtains control and cease to be consolidated from the date on which the Group ceases to control. Where there is a loss of control over the subsidiaries, the interim consolidated financial statements still include results for the year of the reporting year during which the Group has control.

Except for subsidiaries acquired under common control which are accounted for under the pooling of interests method (*Note 3.13*), other subsidiaries have been included in the interim consolidated financial statements using the purchase method of accounting that measures the subsidiaries' assets and liabilities at their fair value at the acquisition date.

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

*Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system*

On 22<sup>th</sup> 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/QĐ-BTC dated 20 March 2006 ("Decision 15"). Circular 200 is effective for the financial year beginning on or after 1<sup>st</sup> January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Group are applied on a prospective. The Group has additional comparative disclosures in the interim consolidated financial statements targets to change between Circular 200 and Decision 15 in Note 34 of the Interim consolidated financial statements.

**3.2 Cash**

Cash comprise cash on hand, cash in banks and cash in transit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.3 Short-term receivables**

Receivables are presented in the interim consolidated financial statements at the carrying amounts due from customers and other debtors, after clearing the existing provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the interim consolidated 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 construction materials, tools and supplies and merchandise goods	- Actual cost on a weighted average basis
Finished goods and work-in-process	- Cost of direct materials and labour plus attributable overheads based on the normal level of activities

Apartments for sale under construction are carried at the lower of cost and net realisable value. Costs include all expenditures including borrowing costs, directly attributable to the development and construction of the apartments. Net realisable value represents current selling price less estimated cost to complete and estimated selling and marketing expenses.

**Provision for obsolete inventories**

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the interim consolidated balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold and services rendered account in the interim consolidated 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 interim consolidated income statement as incurred.

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the interim consolidated balance sheet and any gain or loss resulting from their disposal is included in the interim consolidated income statement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 intangible assets and other expenditures are charged to the interim consolidated income statement as incurred.

When intangible assets are sold or retired, their costs and accumulated amortisation are removed from the interim consolidated balance sheet and any gain or loss resulting from their disposal is included in the interim consolidated income statement.

*Computer software*

Computer software which is not integral part of hardware is recorded as an intangible asset and amortized during the estimated useful life.

**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:

Buildings & structures	10 - 50 years
Machinery & equipment	5 - 20 years
Means of transportation and transmission	8 - 20 years
Office equipment	3 - 10 years
Livestock	8 years
Land use rights	45 years
Computer software	8 years
Other assets	8 - 15 years

Land use rights with indefinite useful life are not amortised.

Depreciation of rubber plantations is calculated in accordance with Official Letter No. 1937/BTC-TCDN on 09<sup>th</sup> February 2010 issued by Department of Business Finance – Ministry of Finance providing guidance on depreciation of rubber plantations and Decision No. 221/QD-CSVN issued on 27<sup>th</sup> April 2010 by Vietnam Rubber Group providing guidance on the depreciation rates applicable to rubber plantations within 20 years as follows:

Year	Rate (%)	Year	Rate (%)
First year	2.50	Eighteenth year	5.50
Second year	2.80	Nineteenth year	5.20
Third year	3.50	Twentieth year	Remaining carrying value
Fourth year	4.40		
Fifth year	4.80		
Sixth year	5.40		
Seventh year	5.40		
Eighth year	5.10		
Ninth year	5.10		
Tenth year	5.00		
Eleventh year	7.00		
Twelfth year	6.60		
Thirteenth year	6.20		
Fourteenth year	5.90		
Fifteenth year	5.50		
Sixteenth year	5.40		
Seventeenth year	5.00		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.8 Construction in progress**

Construction in progress represents costs attributable directly to the construction of the Group's building and structures, factories, rubber, palm oil, sugarcane and other plantations which have not yet been completed as at the date of these interim consolidated financial statements.

*Factories, buildings and structures*

Costs include attributable costs related directly to the construction of the Group's buildings and factories, buildings and structures such as contractors' costs, survey and designing fees and other costs.

*Plantation costs*

Plantation costs include costs directly attributable to the rubber, palm oil, sugarcane and other plantations such as survey, land compensation, land clearance, rubber and palm oil seeds, fertilizer, transportation of rubber and palm oil seeds and other materials, workers' wages, building roads and fences, fire prevention and security guards, anti-botanic drugs and other related costs.

**3.9 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of a particular asset are capitalised as part of the cost of that asset. Capitalisation of borrowing costs is suspended during the periods in which active development of the asset is interrupted unless such interruption is considered necessary. Capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

**3.10 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet which mainly includes costs of bond issuance, cost of tools and supplies, prepaid land rentals, sugarcane plantation and corn plantation. They are amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

- ▶ Prepaid land rental are amortised over the periods of land lease;
- ▶ Pre-operating expenses/start-up and preparation costs (including expenditures on training, advertising and promotional activities) and tools and supplies are amortised to the interim consolidated income statement over 3 to 5 years; and
- ▶ Sugarcane and corn plantation expenses include: stems, land preparation and planting costs. The stem costs are amortised over the lifetime of the trees. Land preparation and planting costs are amortised over the year, in which economic benefits are generated in connection to the costs incurred.

**3.11 Business combinations and goodwill**

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.11 Business combinations and goodwill (continued)**

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over ten years on a straight-line basis.

When the Company acquires the minority interests of a subsidiary, the difference between the cost of acquisition and the carrying amount of the minority interest is adjusted directly in profit after tax undistributed.

Where the acquisition of subsidiary which is not a business, instead of an asset acquisition, the individual identifiable assets acquired and liabilities assumed are identified and recognised. The cost of the acquisition shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

Where the business combinations involving entities or businesses under common control, the pooling of interest method is applied as follows:

- ▶ The assets and liabilities of the combining entities are reflected at their carrying amounts;
- ▶ No new goodwill is recognised as a result of the combination;
- ▶ The interim consolidated income statement reflects the results of the combining entities for the year, irrespective of when the combination took place; and
- ▶ Comparatives are presented as if the entities had always been combined.

**3.12 Investments**

*Investments in an associate*

The Group's investment in an associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is not amortised until the associate becomes the subsidiary. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends profit receivable from associate reduce the carrying amount of the investment.

The interim financial statements of the associate are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.13 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 Group.

**3.14 Earnings per share**

Basic earnings per share amount is computed by dividing net profit after tax for the period attributable to ordinary equity holders of the Company after any appropriation of bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**3.15 Foreign currency transactions**

Transactions in currencies other than the Group's reporting currency of VND are recorded at the exchange rates on the date of the transaction. At the end of the period, monetary assets denominated in foreign currencies are translated at buying exchange rate, liabilities denominated in foreign currencies are translated at selling exchange rate announced by the commercial bank where the Group maintains bank accounts at the interim consolidated financial statements date. All realised and unrealised foreign exchange differences are taken to the interim consolidated income statement.

The assets and liabilities of foreign entities are translated into VND at buying and selling exchange rate of the bank at the balance sheet date and their revenue, income and expense items are translated at the average exchange rate for the period. The exchange differences arising on the translation are taken directly to "Foreign exchange differences", a separate component of equity and charge to the interim consolidated income statement upon the disposal of the investment.

**3.16 Appropriation of net profits**

Net profit after tax (excluding unrealised exchange gains as at the balance sheet date) is available for appropriation to shareholders upon proposal by the Board of Directors and after approval by the shareholders in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the bonus and welfare fund which is appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting. This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' material and spiritual benefits and presented as a liability on interim consolidated balance sheet.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.17 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 coincides with the transfer of goods.

For sale of apartments, revenue is recognized when all of the following criteria have been effectively met:

- ▶ The Group has transferred to the buyer the significant risks and rewards of ownership of the units;
- ▶ The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the units sold;
- ▶ The amount of revenue can be measured reliably;
- ▶ It is probable that the economic benefits associated with the transaction will flow to the entity; and
- ▶ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

*Construction contracts*

Where the outcome of a construction contract can be estimated reliably and certified by customers, revenue and costs are recognised by reference to the amount of work completed at the balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable to be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

*Rendering of services*

Revenue from rendering of services is recognized when the services are rendered and is stated net of discounts, allowances and non-refundable taxes.

*Interest*

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

*Dividend*

Income is recognized when the Group's entitlement as an investor to receive the dividend established.

**3.18 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Taxation (continued)**

Current income tax is charged or credited to the interim consolidated 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 Group to off-set current tax assets against current tax liabilities and when the Group 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 interim consolidated financial statements purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each interim 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 reassessed at each interim 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 period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

Deferred tax is charged or credited to the interim consolidated 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 Group to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

- ▶ on either the same taxable entity; or
- ▶ when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**4. CASH**

	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
		VND'000
Cash in banks	310,338,621	41,945,776
Cash on hand	104,698,842	4,859,005
Cash in transit	-	-
<b>TOTAL</b>	<b>415,037,463</b>	<b>46,804,781</b>

**5. SHORT-TERM INVESTMENT**

	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
		VND'000
Deposit in bank	8,500,000	-
<b>TOTAL</b>	<b>8,500,000</b>	<b>-</b>

**6. SHORT-TERM TRADE RECEIVABLES**

	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
		VND'000
Receivables from sales of goods and rendering of services	1,310,984,710	958,028,240
Receivables from construction services	732,745,089	470,501,762
Receivables from disposal of subsidiaries	425,663,640	-
Receivables from sale of apartments	2,022,884	1,104,587
<b>TOTAL</b>	<b>2,471,416,323</b>	<b>1,429,634,589</b>

As at 30<sup>th</sup> September 2015, included in short-term trade receivables were amounts due from related parties amounting to VND'000 19,724,062 (Note 31).

**7. SHORT-TERM ADVANCES TO SUPPLIERS**

	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
		VND'000
Advances to contractors for construction and suppliers of machineries	202,694,160	49,088,243
Advances to subcontractors of two airport projects in Laos	634,402,258	963,495,248
Advances to suppliers of goods and services	1,154,299,100	648,903,813
<b>TOTAL</b>	<b>1,991,395,518</b>	<b>1,661,487,304</b>

As at 30<sup>th</sup> September 2015, included in short-term advances to suppliers were the amounts due from related parties amounting to VND'000 989,885,265 (Note 31).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**8. OTHER RECEIVABLES****8.1 Short-term loans receivables**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Short - term loans receivables	505,785,821	228,989,648
<b>TOTAL</b>	<b>505,785,821</b>	<b>228,989,648</b>

**8.2 Other Short-term receivables**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Receivables from employees	151,025,910	107,790,141
Interest from loan to other companies	66,680,965	46,764,005
Others	15,600,980	21,699,474
<b>TOTAL</b>	<b>233,307,855</b>	<b>176,253,620</b>

As at 30<sup>th</sup> September 2015, included in other short term receivables were the amounts due from related parties amounting to VND'000 165,644,377 (Note 31).

**9. INVENTORIES**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Apartments for sale under construction	134,249,506	170,579,766
Finished goods	22,277,870	114,732,141
Merchandise goods	67,257,436	316,840
Work in process	2,087,990,779	532,495,604
Of which from:		
Cows for meat	1,680,574,182	141,250,534
Manufacturing activities	370,839,101	346,900,219
Construction contracts	36,577,496	44,311,866
Services rendered	-	32,985
Raw materials	285,243,416	305,221,847
Building materials	-	-
Tools and supplies	15,638,802	17,290,299
<b>TOTAL</b>	<b>2,612,657,809</b>	<b>1,140,636,497</b>

**10. LONG-TERM RECEIVABLE**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Loans to other companies	1,130,989,891	576,215,557
Others	40,761,987	39,699,791
<b>TOTAL</b>	<b>1,171,751,878</b>	<b>615,915,348</b>

As at 30<sup>th</sup> September 2015, included in long-term receivables were the amounts due from An Phu Real Estate Investment Joint Stock Company – related party amounting to VND'000 280,000,000 in accordance with unsecured loan agreement No. 02/08/HDV/AP/XNK – HAGL Import Export dated on 08<sup>th</sup> August 2014 with credit limit of VND'000 300,000,000 and bear interest at rate of 12% p.a.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

## 11. TANGIBLE FIXED ASSETS

							VND'000
	<i>Buildings &amp; structures</i>	<i>Machinery &amp; equipment</i>	<i>Means of transportation and transmission</i>	<i>Office equipment</i>	<i>Livestock and perennial trees</i>	<i>Other assets</i>	<i>Total</i>
<b>Cost</b>							
Beginning balance 01 <sup>st</sup> Jan 2015	1,221,103,529	1,202,083,826	947,311,879	1,145,439	1,135,705,300	11,870,016	4,519,219,989
Increase	393,807,409	148,739,609	95,442,787	57,224	266,879,297	26,384,138	931,310,464
<i>New purchase</i>	13,991,351	101,270,984	59,726,938	38,591	240,489,752	11,938,093	427,455,708
<i>Foreign exchange differences</i>	30,871,470	32,825,518	10,919,910	18,633	26,389,545	10,885,319	111,910,395
<i>Increase from purchase of     subsidiaries</i>	1,347,855	14,643,107	4,252,317	-	-	3,560,726	23,804,005
<i>Transfer from construction in     progress</i>	347,596,734	-	20,543,622	-	-	-	368,140,356
Decrease	(25,489,824)	(2,532,839)	(66,249,114)	(74,570)	(92,782,888)	-	(187,129,235)
<i>Disposals</i>	(96,150)	(530,862)	(10,386,552)	-	(8,756,856)	-	(19,770,420)
<i>Disposals of Subsidiaries</i>	(25,370,394)	(1,066,977)	(55,862,562)	(74,570)	(84,026,032)	-	(166,400,535)
<i>Reclassification</i>	(23,280)	(935,000)	-	-	-	-	(958,280)
Ending balance 30 <sup>th</sup> Sep 2015	<u>1,589,421,114</u>	<u>1,348,290,596</u>	<u>976,505,552</u>	<u>1,128,093</u>	<u>1,309,801,709</u>	<u>38,254,154</u>	<u>5,263,401,218</u>
<b>Accumulated depreciation</b>							
Beginning balance 01 <sup>st</sup> Jan 2015	(113,230,789)	(153,827,136)	(81,348,327)	(810,648)	(31,640,193)	(2,483,041)	(383,340,134)
Charges for the period	(48,309,559)	(72,252,290)	(62,344,874)	(135,079)	(29,812,236)	(989,574)	(213,843,612)
Decrease	(1,722,284)	(4,053,020)	10,276,777	74,745	2,142,671	(1,143,737)	5,575,152
<i>Disposals</i>	19,230	135,238	2,328,246	-	(802,480)	-	1,680,234
<i>Disposals of Subsidiaries</i>	6,802,908	627,845	8,169,866	74,570	2,162,018	-	17,837,207
<i>Foreign exchange differences</i>	(8,553,476)	(5,751,103)	(221,335)	176	783,133	(1,143,738)	(14,886,343)
<i>Reclassification</i>	9,054	935,000	-	-	-	-	944,054
Ending balance 30 <sup>th</sup> Sep 2015	<u>(163,262,632)</u>	<u>(230,132,446)</u>	<u>(133,416,424)</u>	<u>(870,982)</u>	<u>(59,309,758)</u>	<u>(4,616,352)</u>	<u>(591,608,594)</u>
<b>Net carrying amount</b>							
Beginning balance 01 <sup>st</sup> Jan 2015	<u>1,107,872,740</u>	<u>1,048,256,690</u>	<u>865,963,552</u>	<u>334,791</u>	<u>1,104,065,107</u>	<u>9,386,975</u>	<u>4,135,879,855</u>
Ending balance 30 <sup>th</sup> Sep 2015	<u>1,426,158,482</u>	<u>1,118,158,150</u>	<u>843,089,128</u>	<u>257,111</u>	<u>1,250,491,951</u>	<u>33,637,802</u>	<u>4,671,792,624</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**12. INTANGIBLE FIXED ASSETS**

	VND'000		
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost</b>			
Beginning balance 01 <sup>st</sup> Jan 2015	-	48,197,185	48,197,185
Increase	10,638,060	-	10,638,060
Decrease	-	-	-
<i>Disposals</i>	-	-	-
Ending balance 30 <sup>th</sup> Sep 2015	<u>10,638,060</u>	<u>48,197,185</u>	<u>58,835,245</u>
<b>Accumulated amortisation</b>			
Beginning balance 01 <sup>st</sup> Jan 2015	-	(5,684,340)	(5,684,340)
Increase	-	(4,537,229)	(4,537,229)
<i>Charges for the period</i>	-	(4,537,229)	(4,537,229)
Decrease in the period	(216,077)	-	(216,077)
<i>Classification</i>	<u>(216,077)</u>	<u>-</u>	<u>(216,077)</u>
Ending balance 30 <sup>th</sup> Sep 2015	<u>(216,077)</u>	<u>(10,221,569)</u>	<u>(10,437,646)</u>
<b>Net carrying amount</b>			
Beginning balance 01 <sup>st</sup> Jan 2015	-	42,512,845	42,512,845
Ending balance 30 <sup>th</sup> Sep 2015	<u>10,421,983</u>	<u>37,975,616</u>	<u>48,397,599</u>

**13. CONSTRUCTION IN PROGRESS**

	VND'000	
	<i>30<sup>th</sup> September 2015</i>	<i>31<sup>th</sup> December 2014</i>
Rubber and oil palm plantations	7,073,479,187	5,702,401,513
Buildings and structures	447,946,579	314,219,395
Cattle farm	147,975,518	-
Others	293,187,189	249,468,481
<b>TOTAL</b>	<u><b>7,962,588,473</b></u>	<u><b>6,266,089,389</b></u>

**14. CAPITALISED BORROWING COSTS**

During the year, the Group has capitalised borrowing costs amounting to VND'000 371,761,796 into inventories and construction in progress (financial year ended 30<sup>th</sup> Sep 2014: VND'000 317,468,498). These costs incurred on the bank loans and bonds to finance the construction and development of buildings and structures, machinery and equipment, rubber and sugarcane plantations and apartment projects.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**15. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE****15.1 Investments in subsidiaries**

Details of investment in the Company's subsidiaries as at 30<sup>th</sup> September 2015 are as follows:

Name	Location	Status of operation	Date of establishment or acquisition	holding (%)
(1) Hoang Anh Quang Minh Rubber Industrial and Agricultural Co., Ltd. ("HA Quang Minh Ltd.")	Attapeu, Laos	Operating	12/01/2007	97.77
(2) Hoang Anh - Quang Minh Rubber JSC (i)	Gia Lai, Vietnam	Operating	01/02/2007	97.77
(3) Hoang Anh Dak Lak JSC (ii)	Dak Lak, Vietnam	Operating	12/09/2007	99.53
(4) Hoang Anh Attapeu Agriculture Development Co., Ltd. ("HA Attapeu")	Attapeu, Laos	Operating	22/05/2008	100.00
(5) Hoang Anh Rattanakiri Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	18/11/2009	100.00
(6) Ban Me Rubber JSC	Dak Lak, Vietnam	Pre-operating	15/01/2010	99.91
(7) Heng Brothers Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	25/01/2010	100.00
(8) Hoang Anh Oyadav Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	16/07/2010	100.00
(9) CRD Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	15/12/2010	100.00
(10) Hoang Anh Gia Lai Cane Sugar JSC	Gia Lai, Vietnam	Operating	26/01/2011	99.99
(11) Hoang Anh Andong Meas Co., Ltd.	Rattanakiri, Cambodia	Operating	17/02/2011	97.77
(12) Hoang Anh Attapeu Sugar-Cane Co., Ltd.	Attapeu, Laos	Operating	01/11/2011	99.99
(13) Hoang Anh Gia Lai Import – Export Trading One member Co, Ltd.	Gia Lai, Vietnam	Operating	05/02/2013	100.00
(14) Highland Dairy Cattle JSC (iii)	Gia Lai, Vietnam	Operating	30/04/2015	99.00

(i) In the period, the Company has acquired 0.23% share from minority shareholders of the Hoang Anh Quang Minh Rubber Industrial and Agricultural Co., Ltd. increase the percentage of ownership from 97.54% to 97.77%.

(ii) In the period, the Company made an additional contribution of 0.04% ownership in Hoang Anh Dak Lak JSC (Subsidiary exists) for a total purchase price was VND'000 20,000,000 and has acquired 22,239 share from minority shareholders, increasing the percentage of ownership from 99.42% to 99.53%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**15. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE (continued)****15.1 Investments in subsidiaries (continued)**

On April 27<sup>th</sup> 2015, The Company acquired 98.61% share in Highland Dairy Cattle JSC, a joint stock company is incorporated under the Law on Enterprise of Viet Nam pursuant to Business Registration Certificate No. 5900985126 issued by the Department of Planning and Investment of Gia Lai province on 28<sup>th</sup> April 2014. The current activity of Highland Dairy Cattle JSC is breeding cows for meat. On 12<sup>th</sup> May 2015, the Company contributed VND' 000 154,568,300 to Highland Dairy Cattle JSC, increasing its ownership to 99%.

30<sup>th</sup> June 2015, the Company signed agreements to dispose the entire investment in Gia Lai Industrial Forest Plantation JSC to three individuals are Ms Le Thi Ngoc Bich, Mr Nguyen Van Thieng and Mr Tran Quang Dung.

**15.2 Investment in an associate**

Name	Business activity	30 <sup>th</sup> September 2015		31 <sup>th</sup> December 2014	
		holding	Carrying value	holding	Carrying value
		%	VND'000	%	VND'000
Bidiphar Rubber JSC	Rubber plantation	45.22	248,460,551	45.22	248,460,551

The Company's share in the results of the associate during the year has been assessed by management to be insignificant to the interim consolidated financial statements taken as a whole and accordingly, not recognised in the interim consolidated financial statements.

**16. LONG-TERM PREPAID EXPENSES**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Cost of sugarcane plantation	701,258,601	765,142,344
Cost of corn plantation	52,202,439	48,928,696
Land rental fees	69,526,391	25,878,208
Tools and supplies	19,353,255	22,371,230
Office rental fees	5,563,002	5,325,976
Cost of grass plantation	52,820,542	19,108,996
Others	41,097,001	6,537,502
<b>TOTAL</b>	<b>941,821,231</b>	<b>893,292,952</b>

**17. SHORT-TERM TRADE PAYABLES**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Payable for purchase of machinery and equipment	70,477,921	50,324,018
Payable for purchase of goods and services	288,253,864	143,851,713
construction contractors	18,753,971	46,893,800
Others	22,803,172	6,097,130
<b>TOTAL</b>	<b>400,288,928</b>	<b>247,166,661</b>

As at 30<sup>th</sup> September 2015, included in short - term trade payables were the amounts due from related parties amounting to VND'000 126,914,153 (Note 31).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**18. SHORT-TERM ADVANCE FROM CUSTOMERS**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Advances from trade customers	1,221,379,985	123,395,346
Advances from customers for purchase of apartments	-	3,072,103
Others	-	-
<b>TOTAL</b>	<b><u>1,221,379,985</u></b>	<b><u>126,467,449</u></b>

As at 30<sup>th</sup> September 2015, included in Short-term Advance from Customers were the amounts due from Hoang Anh Gia Lai Joint Stock Company – parent company amounting to VND'000 60,184,220 (Note 31).

**19. STATUTORY OBLIGATIONS**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Value-added tax	328,689,494	250,852,246
Corporate income tax (Note 30.1)	31,815,010	4,464,177
Personal income tax	1,778,103	1,136,926
Others	1,252,177	361,486
<b>TOTAL</b>	<b><u>363,534,784</u></b>	<b><u>256,814,835</u></b>

**20. SHORT-TERM ACCRUED EXPENSES**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Interest expense	9,936,271	12,329,868
Operating costs	3,536,462	22,669,865
<b>TOTAL</b>	<b><u>13,472,733</u></b>	<b><u>34,999,733</u></b>

**21. OTHER SHORT-TERM PAYABLES**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Payable to other companies	974,418,901	1,756,995,369
Payable for land lease	46,449,140	16,239,014
Others	49,568,932	87,959,811
<b>TOTAL</b>	<b><u>1,070,436,973</u></b>	<b><u>1,861,194,194</u></b>

As at 30<sup>th</sup> September 2015, included in others short - term payables were the amounts due from related parties amounting to VND'000 893,193,414 (Note 31).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**22. SHORT-TERM LOANS AND BORROWINGS**

	30 <sup>th</sup> September 2015	VND'000 31 <sup>th</sup> December 2014
Short-term loans from banks	1,876,264,485	828,650,337
Current portion of long-term loans from a related party (Note 24.3)	66,073,000	640,151,353
Current portion of long-term loans from banks (Note 24.1)	410,111,338	270,571,455
Current portion of long-term bonds (Note 24.2)	1,995,462,939	1,988,689,724
<b>TOTAL</b>	<b>4,347,911,762</b>	<b>3,728,062,869</b>

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

Banks	30 <sup>th</sup> September 2015 VND'000	Maturity Term	Interest rate	Collateral
<i>Lao Vietnam Joint Venture Bank ("Lao – Viet Bank"), Attapeu branch</i>				
Credit contract No. 080/HD-LVB.ATP/2015, 01 <sup>st</sup> July 2015 Replace for credit contract No. 028/LVB-NVKD/2012, 20 <sup>th</sup> October 2012 and credit contract No. 003/HD-LVB.ATP/2015, 20 <sup>th</sup> Jan 2015	216,010,121	30 <sup>th</sup> June 2016	Floating rate, ranging from 8.5% to 11.25% p.a.	Part of Hoang Anh Attapeu Hotel owned by HA Attapeu, 3 machine for cane
Credit limit contract No. 088/NHLV-ATP/2014 dated 2 <sup>nd</sup> October 2014	111,390,768	From 6 <sup>th</sup> October 2015 to 11 <sup>th</sup> December 2015	8.5% p.a.	All of buildings, machinery and equipment servicing for cow project and entire cow herd is imported from HA Quang Minh Ltd, arising from the investment
Credit limit contract No. 089/LVB, ATP/2014 dated 2 <sup>nd</sup> October 2014	123,383,040	From 31 <sup>th</sup> December 2015 to 1 <sup>st</sup> April 2016	5.5% p.a. loans in US\$	Assets arising from loans (cow herd of cow project)
Credit limit contract No. 097/HD-LVB.ATP/2015 dated 5 <sup>th</sup> August 2015	112,677,000	From 27 <sup>th</sup> April 2016 to 25 <sup>th</sup> May 2016	9.75% p.a.	Assets arising from cow project
Credit limit contract No. 083/HD/LVB.ATP/2015 dated 9 <sup>th</sup> July 2015	139,287,093	From 9 <sup>th</sup> July 2016 to 8 <sup>th</sup> Sep 2016	6.5% p.a. for the six month	Land use right and attached assets No. 0001, 0002, 0003 in Ta Num village, La Mam, Se Kong of "HA Quang Minh Ltd"
<b>TOTAL</b>	<b>702,748,022</b>			



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**22. SHORT-TERM LOANS AND BORROWING (continued)**

Details of the short-term loans from banks are as follows (continued)

*Bank for Investment Development of Vietnam ("BIDV"), Gia Lai branch*

Credit limit contract No. 01/2015/5331375/HĐTD dated 19 <sup>th</sup> June 2015	760,024,380	From 20 <sup>th</sup> December 2015 to 29 <sup>th</sup> August 2016	Floating rate, ranging from 9.5% to 10% p.a.	Unsecured
Credit limit contract No. 04/2015/6261950/HĐTD Dated on 04 <sup>th</sup> May 2015	413,492,083	From 04 <sup>th</sup> February 2016 to 10 <sup>th</sup> June 2016	Floating rate, from 9% to 10% p.a.	Assets arising from loans (cow herd of cow project)

<b>TOTAL</b>	<b><u>1,173,516,463</u></b>
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**23. OTHER LONG-TERM LIABILITIES**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Payable for land lease	143,985,512	166,433,291
Long-term liabilities to the related party (Note 31)	1,085,315,000	-
Others	69,000	89,893
<b>TOTAL</b>	<b><u>1,229,369,512</u></b>	<b><u>166,523,184</u></b>

**24. LONG-TERM LOANS AND DEBTS**

	VND'000	
	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
Long-term loans from banks	3,402,938,677	2,659,318,516
Bonds with warrants to bond holders	1,995,462,939	1,988,689,724
Loans from a related party	1,898,449,353	1,872,149,353
<b>TOTAL</b>	<b><u>7,296,850,969</u></b>	<b><u>6,520,157,593</u></b>
<i>In which:</i>		
<i>Non-current portion</i>	4,825,203,692	3,620,745,061
<i>Current portion of warrants to bond holders (Note 24.2)</i>	1,995,462,939	1,988,689,724
<i>Current portion of long-term loans from a related party (Note 24.3)</i>	66,073,000	640,151,353
<i>Current portion of long-term loans from banks (Note 24.1)</i>	410,111,338	270,571,455

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**24.1 Long-term loans from banks**

Long-term loans from banks include:

<i>Name of banks</i>	<i>30<sup>th</sup> September 2015</i>	<i>Maturity term</i>	<i>Interest rate</i>	<i>Collateral</i>
	<i>VND'000</i>			
<i>BIDV, Binh Dinh branch</i>				
Loan Agreement No. 01/2012/BIDV-HAGL_Attapeu dated on 22 <sup>th</sup> March 2012	580,787,625	Repayment in 72 months from the first drawdown date (i.e. 23 <sup>th</sup> April 2012)	12-month savings deposit interest rate of USD plus 3.5% p.a. (7% p.a. in 2015)	All assets arising from loans and equity investment of Hoang Anh Gia Lai – Attapeu Industrial Complex Investment and Construction Project
Loan Agreement No. 01/2013/BIDV-Attapeu, dated on 18 <sup>th</sup> February 2013	663,368,620	Repayment in 120 months from the first drawdown date (i.e. 18 <sup>th</sup> April 2013)	12-month savings deposit interest rate of USD plus 5% p.a. (7% p.a. in 2015)	A part of 7,950 ha rubber and 2,000 ha palm oil project at Attapeu province, Laos and all investments in HA Attapeu
<b>TOTAL</b>	<b><u>1,244,156,245</u></b>			

*In which:**Current portion* 330,270,642*BIDV, Gia Lai branch*

Loan Agreement No. 01/2010/HD-TD dated on 01 <sup>st</sup> April 2010	731,078,159	Repayment in 130 months from the first drawdown date (i.e. 28 <sup>th</sup> April 2010)	12-month savings deposit interest rate of USD plus 4,7% p.a. (7% p.a. in 2015)	10,000 ha rubber project at Attapeu province, Laos
Loan Agreement No. 01/2015/6261950/HĐTD Dated on 04 <sup>th</sup> May 2015	286,173,372	Repayment in 84 months from the first drawdown date (i.e. 04 <sup>th</sup> May 2015)	BIDV's internal transfer fund interest rate for term of over 12 months plus 3.2% p.a.	Assets arising from loans of cow project
Loan Agreement No. 02/2015/6261950/HĐTD Dated on 04 <sup>th</sup> May 2015	63,958,170	Repayment in 84 months from the first drawdown date (i.e. 04 <sup>th</sup> May 2015)	BIDV's internal transfer fund interest rate for term of over 12 months plus 3.2% p.a.	Assets arising from loans of cow project
<b>TOTAL</b>	<b><u>1,081,209,701</u></b>			

*In which:**Current portion* 9,004,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**24. LONG-TERM LOANS AND DEBTS (continued)****24.1 Long-term loans from banks (continued)**

Long-term loans from banks include (continued)

Name of banks	30 <sup>th</sup> September 2015	Maturity term	Interest rate	Collateral
	VND'000			
<i>Sacombank, Da Nang branch</i>				
Credit Contract No. LD1400300153 dated 3 <sup>rd</sup> January 2014	<u>262,454,605</u>	Repayment in 60 months from the first drawdown date (i.e. 3 <sup>rd</sup> January 2014)	1.125% p.a. for the first three months, the interest rate of individual savings deposit with the term of 13 month plus 0.3333% per month for subsequent periods and adjusted four times per year (11.55% to 11.7% p.a. in 2015)	Land use right and attached assets in Binh Hien, Binh Thuan, Da Nang of Hoang Anh Construction and Housing Development JSC; 10,570,000 share of Hoang Anh Gia Lai JSC belongs to Mr Doan Nguyen Duc – chairman of Hoang Anh Gia Lai JSC
<i>Sacombank, Thu Duc branch</i>				
Credit contract No, LD1333200419 dated on 29 <sup>th</sup> November 2013	<u>250,000,000</u>	Repayment in 66 months from the first drawdown date (i.e. 6 <sup>th</sup> December 2013)	Floating rate, ranging from 11% to 12% p.a. in 2015	Land use rights in Nam Duong, Hai Chau, Da Nang of Hoang Anh Gia Lai JSC; all rubber trees and construction attached with lands, other assets belong to la Puch farm, ChuProng district, Gia Lai
<i>ACB, Gia Lai branch</i>				
Loan Agreement No. GILDN0204111 0 dated on 4 <sup>th</sup> November 2010	<u>179,989,966</u>	Repayment in 120 months from the first drawdown date (i.e. 4 <sup>th</sup> November 2010)	Floating rate, ranging from 10.5% to 11% p.a. in 2015	19 million shares of the Company and term deposit of Hoang Anh Gia Lai JSC of VND 74 billion
<i>In which:</i>				
<i>Current portion</i>	<u>34,335,393</u>			
<i>Laos - Viet Bank, Attapeu branch</i>				
Loan Agreement No. 025/LVB.NVKD/ 2012 dated on 10 <sup>th</sup> September 2012	<u>36,501,303</u>	Repayment in 48 months from the first drawdown date (i.e. 10 <sup>th</sup> September 2012)	13.5% p.a. for the first year, and will be determined at the 12 month saving deposit rate plus 3% p.a. adjusted twice p.a. (13,75% p.a. in 2015)	A part of Hoang Anh Attapeu Hotel and Rubber Latex Processing Factory - owned by HA Attapeu

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**24. LONG-TERM LOANS AND DEBTS (continued)****24.1 Long-term loans from banks (continued)**

Long-term loans from banks include (continued)

*Laos - Viet Bank, Attapeu branch (continued)*

Loan Agreement No. 098/HD-LVB.ATP/2015 dated on 05 <sup>th</sup> August 2015	74,147,832	Repayment in 60 months from the first drawdown date (i.e. 26 <sup>th</sup> August 2015)	10% p.a. for the first year, then apply floating rate of the bank at the time of adjustment	Assets arising from loans of this project
Loan Agreement No. 010/2013/LVB-ATTAPEU dated on 15 <sup>th</sup> March 2013	274,479,025	Repayment in 120 months from the first drawdown date (i.e. 21 <sup>th</sup> March 2013)	12.5% p.a. for the first twelve months, the interest rate of individual savings deposit with the term of 13 month plus 3% p.a. for subsequent periods and adjusted every six months (13,75% p.a. in 2015)	A part of 7,950 ha rubber and 2,000 ha palm oil project at Attapeu province, Laos

<b>TOTAL</b>	<b>385,128,160</b>
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*In which:*

<i>Current portion</i>	36,501,303
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**24.2 Bonds with warrants**

On 5<sup>th</sup> December 2012, the Company announced the issuance of new bonds with a total value of VND 2,000 billion (the par value per bond is VND 100 million) which was arranged by Vietnam Prosperity Bank Securities Company Limited ("VPBS"). These bonds will be repaid after three (3) years and one year grace period, Interest rate is paid for every quarter at the rate 11.37% p.a. for the first three quarters and the ceiling interest rate of deposit of the State Bank of Vietnam ("SBV") in Vietnam dong with the term from one to twelve (12) months plus margin of 3% p.a. for subsequent periods. Should SBV remove the ceiling interest rate of saving deposit in Vietnam dong with the term from one to twelve (12) months, the interest rate of individual saving deposit in Vietnam Dong with the term of twelve (12) months announced by VPBS plus margin of 3% p.a. will be applied for subsequent years. The Company has issued the bonds to Euro Capital Securities Company ("ECS") in accordance with the contract dated 7<sup>th</sup> December 2012, 25<sup>th</sup> December 2012 and 27<sup>th</sup> December 2012 with proceeds of VND 750 billion, VND 450 billion and VND 800 billion, respectively. Accordingly, total proceeds from these bond issuances were VND 2,000 billion. The purpose of this bond issuance is to finance investment projects of the Group including the project of planting 28,173 hectares of new rubber trees in Rattanakiri Province, Cambodia; projects of planting 9,470 hectares palm oil in Rattanakiri Province, Cambodia; projects of planting 25,000 hectares rubber trees and palm oil in Attapeu and Sekong Province, Laos; projects of planting 5,000 hectares rubber trees in Attapeu and Sekong Province, Laos; projects of planting 3,000 hectares sugar cane trees in Attapeu and Sekong Province, Laos; to restructure existing debts of the Group and finance working capital and finance other investment projects of the Group. These bonds are secured by 150,717,250 shares of the Company held by Hoang Anh Gia Lai JSC, the parent company.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**24. LONG-TERM LOANS AND DEBTS (continued)****24.2 Bonds with warrants (continued)**

In addition, a warrant was granted for every bond issued and the warrants will be considered independent securities from the bond after being granted. Each warrant grants the holder the right to purchase a number of shares of the Company equivalent to 0.000775% of actual contributed share capital of the Company right after all warrants are exercised. Should all warrants be exercised, the Company committed that warrant holders will own at least 15,5% ownership in the Company. The exercisable period of the warrant is four (4) years from the date of issuance of the warrant.

As at 23<sup>th</sup> June 2015, as agreed between the Company and Euro Capital Security on negotiations and extend the expiration date of the warrants from four (4) years up to six (6) years from the date issued warrants.

As at 30<sup>th</sup> September 2015, these bonds were reclassified as current portion and presented in consolidated financial statement as a short-term loan (Note 22).

**24.3 Long-term loans from a related party**

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

<i>Lenders</i>	<i>30<sup>th</sup> September 2015</i>	<i>Maturity</i>	<i>Interest rate</i>
	<i>VND'000</i>		
<i>Hoang Anh Gia Lai JSC, parent company</i>			
Loan Agreement No. 04/2014/HDV-HAGL dated on 1 <sup>st</sup> April 2014	500,000,000	36 months from the contract date	12% p.a.
Loan Agreement No. 03/2014/HĐV-HAGL dated on 6 <sup>th</sup> November 2014	300,000,000	36 months from the contract date	12% p.a.
Loan Agreement No. 05-01/2014/HDV-HAGL dated on 28 <sup>th</sup> March 2014	200,000,000	36 months from the contract date	12% p.a.
Loan Agreement No. 20082012/HDV-HAGL dated on 20 <sup>th</sup> August 2012	150,000,000	72 months from the contract date	16% p.a.
Loan Agreement No. 01/2011/HDV-HAGL dated on 28 <sup>th</sup> December 2011	150,000,000	72 months from the contract date	11.9% p.a.
Loan Agreement No. 05/2012/HDV-HAGL dated on 28 <sup>th</sup> April 2012	120,872,953	60 months from the contract date	From 14% to 17% p.a.
Loan Agreement No. 03/2012/HDV-HAGL dated on 28 <sup>th</sup> April 2012	120,000,000	60 months from the contract date	14% p.a.
Loan Agreement No. 02/2011/HDV-HAGL dated on 28 <sup>th</sup> December 2011	99,278,400	72 months from the contract date	11.9% p.a.
Loan Agreement No. 01/2013/HDV-HAGL dated on 17 <sup>th</sup> May 2013	66,073,000	36 months from the contract date	15% p.a.
Loan Agreement No. 09/12/2014/HDV-HAGL dated on 9 <sup>th</sup> December 2014	10,225,000	36 months from the contract date	12% p.a.
Loan Agreement No. 05-02/2014/HDV-HAGL dated on 28 <sup>th</sup> March 2014	2,000,000	36 months from the contract date	12% p.a.
Loan Agreement No. 04/2015/HĐV-HAGL dated on 06 <sup>th</sup> January 2015	80,000,000	36 months from the contract date	10.87% p.a.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**24. LONG-TERM LOANS AND DEBTS (continued)****24.3 Long-term loans from a related party (continued)**

Loan Agreement No. 02/2015/HĐV-HAGL dated on 06 <sup>th</sup> January 2015	100,000,000	36 months from the contract date	10.87% p.a.
<b>TOTAL</b>	<b><u>1,898,449,353</u></b>		

*In which:**Current portion*            66,073,000

Loans from a related party are unsecured loans which were used to finance the Group's working capital requirements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**25. OWNERS' EQUITY****25.1 Increase and decrease in owners' equity**

	VND'000						
	<i>Share capital</i>	<i>Share premium</i>	<i>Foreign exchange differences</i>	<i>Undistributed earnings</i>	<i>Consolidation reserve</i>	<i>Non-controlling interests</i>	<i>Total owners' equity and non-controlling interests</i>
<b>9 months 2014</b>							
As at 01 <sup>st</sup> January 2014	3,990,670,000	1,295,347,000	125,673,607	608,536,760	162,047,860	21,594,718	6,203,869,945
Capital contributions	-	-	-	-	-	-	-
Net profit for the year	-	-	-	738,680,776	-	618,809	739,299,585
Foreign exchange differences	-	-	51,395,168	-	-	-	51,395,168
Remuneration to the Board, the Supervisory Board and Secretariat	-	-	-	(166,500)	-	-	(166,500)
Dividend for non-controlling interests	-	-	-	-	-	(135,681)	(135,681)
Purchase of share from Non-controlling interests	-	-	-	-	-	(89,429)	(89,429)
Dividend by cash	-	-	-	(90,189,142)	-	-	(90,189,142)
<b>As at 30<sup>th</sup> September 2014</b>	<b>3,990,670,000</b>	<b>1,295,347,000</b>	<b>177,068,775</b>	<b>1,256,861,894</b>	<b>162,047,860</b>	<b>21,988,417</b>	<b>6,903,983,946</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**25. OWNERS' EQUITY** (continued)**25.1 Increase and decrease in owners' equity** (continued)

							VND'000
	<i>Share capital</i>	<i>Share premium</i>	<i>Foreign exchange differences</i>	<i>Undistributed earnings</i>	<i>Consolidation reserve</i>	<i>Non-controlling interests</i>	<i>Total owners' equity and non-controlling interests</i>
<b>9 months 2015</b>							
As at 01 <sup>st</sup> January 2015 (as previously stated)	3,990,670,000	1,295,347,000	143,518,473	1,276,813,665	162,047,860	21,726,695	6,890,123,693
Reclassification (Note 32)	-	-	-	162,047,860	(162,047,860)	-	-
As at 01 <sup>st</sup> January 2015 (restated amount)	3,990,670,000	1,295,347,000	143,518,473	1,438,861,525	-	21,726,695	6,890,123,693
Capital contributions	798,723,950	999,248,810	-	-	-	-	1,797,972,760
Net profit for the year	-	-	-	1,006,274,137	-	8,077,463	1,014,351,600
Foreign exchange differences	-	-	246,691,033	-	-	-	246,691,033
Issuance of bonus shares to shareholders	2,292,045,000	(2,292,045,000)	-	-	-	-	-
Dividend paid	-	-	-	-	-	(601,854)	(601,854)
Disposals of subsidiaries	-	-	-	-	-	(3,790,485)	(3,790,485)
Redemption of shares of minority shareholders	-	-	-	(131,928)	-	(778,975)	(910,903)
Purchase subsidiaries	-	-	-	-	-	5,500,000	5,500,000
<b>As at 30<sup>th</sup> September 2015</b>	<b>7,081,438,950</b>	<b>2,550,810</b>	<b>390,209,506</b>	<b>2,445,003,734</b>	<b>-</b>	<b>30,132,844</b>	<b>9,949,335,844</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**25. OWNERS' EQUITY** (continued)**25.2 Details in owners' equity**

Shareholders	Per Business Registration Certificate			Contributed share capital
	Shares	VND'000	%	VND'000
Hoang Anh Gia Lai JSC	563,106,700	5,631,067,000	79,52	5,631,067,000
Other shareholders	145,037,195	1,450,371,950	20,48	1,450,371,950
<b>TOTAL</b>	<b>708,143,895</b>	<b>7,081,438,950</b>	<b>100</b>	<b>7,081,438,950</b>

**25.3 Shares**

	30 <sup>th</sup> September 2015	31 <sup>th</sup> December 2014
	Shares	Shares
Shares authorised to be issued	708,143,895	399,067,000
Shares issued and fully paid	708,143,895	399,067,000
<i>Ordinary shares</i>	708,143,895	399,067,000
Outstanding shares	708,143,895	399,067,700
<i>Ordinary shares</i>	708,143,895	399,067,000

Shares of the company were issued with per value of VND 10,000 per share, the shareholders holding common shares of the Company are entitled to dividends announced by the Company, each ordinary share represents one voting right, unlimited.

According to the Minutes of the Shareholders' Meeting on 6<sup>th</sup> April 2015 and the Resolution of the Extraordinary General Meeting of shareholders 2015 No. 0604/15/ĐHDCD-NNHAGL issued on 6<sup>th</sup> April 2015, the Company has offered and issued share with total amount of 309,076,895 shares, by which the Company has increased the capital from VND'000 3,990,670,000 to VND'000 7,081,438,950.

**25.4 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Basic earnings per share are calculated as follows:

	9 months 2015	9 months 2014
Net profit attributable to ordinary shareholders of the Company (VND'000)	979,156,906	738,680,776
Weighted average number of ordinary shares during the period for basic earnings per share	647,323,064	596,605,165
<b>Basic earnings per share (VND)</b>	<b>1,513</b>	<b>1,238</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**26. REVENUES****26.1 Net revenues from sale of goods and rendering of services**

	Quarter III		VND'000 Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
	<b>Net revenue</b>	<b>1,846,740,434</b>	<b>547,642,113</b>	<b>3,919,224,574</b>
<i>Of which:</i>				
<i>Sale of sugar</i>	254,926,843	180,985,773	756,076,005	968,985,693
<i>Revenue from construction contracts</i>	2,118,348	135,862,945	282,799,539	337,125,606
<i>Sale of goods</i>	101,690,001	58,924,105	187,077,165	128,227,555
<i>Rending of services</i>	34,622,185	5,660,240	68,057,398	11,744,993
<i>Sale of rubber latex</i>	30,374,299	72,704,049	135,772,522	144,307,463
<i>Sale of apartments</i>	20,392,095	5,800,573	38,276,094	23,769,835
<i>Sale of corn</i>	23,872,965	87,704,428	305,974,991	201,517,319
<i>Sales of cows</i>	1,378,743,698	-	2,145,190,860	-

**26.2 Finance income**

	Quarter III		VND'000 Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
	Interest income from loans to other companies	20,561,738	6,446,289	37,450,167
Interest income from bank deposits	6,143,502	39,695	6,347,917	380,395
Foreign exchange gains	36,395,091	4,638,869	76,210,679	13,227,782
Gain on disposal of investments	-	-	45,997,842	-
Others	1,494,402	-	1,789,036	210,634
<b>TOTAL</b>	<b>64,594,733</b>	<b>11,124,853</b>	<b>167,795,641</b>	<b>31,128,909</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**27. COST OF GOODS SOLD AND SERVICES RENDERED**

VND'000

	Quarter III		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Cost of sugar	178,126,327	89,382,481	447,757,667	437,449,111
Cost of construction contracts	1,375,182	79,804,967	183,587,239	181,387,463
Cost of goods sold	72,093,575	58,186,336	153,587,710	112,989,347
Cost of services rendered	39,033,887	4,440,178	68,055,604	11,843,729
Cost of rubber latex	24,221,358	29,008,512	91,014,284	63,463,248
Cost of apartments sold	19,001,440	5,654,750	36,168,660	24,106,364
Cost of corn sold	14,222,957	23,773,186	134,070,967	75,072,328
Cost of cows sold	985,072,591	-	1,462,358,997	-
<b>TOTAL</b>	<b>1,333,147,317</b>	<b>290,250,410</b>	<b>2,576,601,128</b>	<b>906,311,590</b>

**28. FINANCE EXPENSES**

VND'000

	Quarter III		Accumulated from the beginning of the year	
	Current year	Previous year	Current year	Previous year
Interest expense	108,818,386	67,018,805	269,550,453	189,904,198
Foreign exchange losses	17,019,796	6,719,632	45,464,726	16,479,979
Bond issuance expenses	6,645	220,960	1,296,371	657,899
Others	6,011,675	74,580	6,011,675	289,241
<b>TOTAL</b>	<b>131,856,502</b>	<b>74,033,977</b>	<b>322,323,225</b>	<b>207,331,317</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**29. OTHER INCOME AND EXPENSES**

	VND'000			
	Quarter III		Accumulated from the beginning of the year	
	<i>Current year</i>	<i>Previous year</i>	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>	<b>4,382,042</b>	<b>281,841</b>	<b>6,408,687</b>	<b>84,452,875</b>
Proceeds from disposals of fixed assets	4,292,661	224,389	4,955,482	84,170,358
Compensation received	-	-	-	-
Others	89,381	57,452	1,453,205	282,517
<b>Other expenses</b>	<b>(5,189,572)</b>	<b>(127,912)</b>	<b>(51,150,802)</b>	<b>(181,739)</b>
Net carrying amounts of disposed assets	(3,273,369)	-	(3,862,810)	-
Expense related to support subsidiaries	-	-	-	-
Others	(1,916,203)	(127,912)	(47,287,992)	(181,739)
<b>NET PROFIT (LOSS)</b>	<b>(807,530)</b>	<b>153,929</b>	<b>(44,742,115)</b>	<b>84,271,136</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

**30. CORPORATE INCOME TAX**

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

The Company's subsidiaries located at Laos and Cambodia have the obligations to pay CIT at the rates of 24% and 20%, respectively, of their taxable profits. They are also entitled to CIT exemption and reduction in accordance with their respective Business Registration Certificates, Investment Licences and applicable tax regulations.

The Company and its subsidiaries' 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 consolidated financial statements could change at a later date upon final determination by the tax authorities.

The CIT payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated 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 Group's liability for current tax is calculated using applicable tax rates that have been enacted by the balance sheet date.

The CIT expense for the year comprised:

	VND'000	
	9 months in 2015	9 months in 2014
Current CIT expense	30,881,595	21,477,859
Deferred tax benefit	(21,235,057)	(10,360,186)
<b>TOTAL</b>	<b><u>9,646,538</u></b>	<b><u>11,117,673</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015

## 30. CORPORATE INCOME TAX (continued)

## 30.1 Current CIT

	VND'000	
	9 months in 2015	9 months in 2014
<b>Profit before tax</b>	<b>996,880,907</b>	<b>750,417,258</b>
<b>Adjustments to increase (decrease) accounting profit before tax</b>		
<i>Adjustments to increase</i>		
Accrued expenses	178,460	-
Losses of subsidiaries	50,628,136	6,565,520
Change in intra-group unrealised profit	204,184	56,152,097
Penalty expenses	745,291	-
Non-deductible expenses	-	38,369
Allocated goodwill expenses	3,787,180	-
Non-deductible interest expenses	5,361,232	-
Others	18,116,134	15,040,810
<i>Adjustments to decrease</i>		
Profit from sale which is tax exempt	(1,021,829,680)	(719,877,320)
Share premium from disposals of subsidiaries	(45,960,199)	-
Accrued expenses of previous year, deductible this period	(1,597,795)	-
Deductible interest expenses	16,734,008	-
Foreign exchange differences unrealized	117,463,303	-
Others	-	(771,697)
<b>Estimated current taxable profit before loss carried forward and tax</b>	<b>140,711,159</b>	<b>107,565,037</b>
Tax loss carried forward	-	-
<b>Estimated current taxable profit</b>	<b>140,711,159</b>	<b>107,565,037</b>
<b>Estimated current CIT expense</b>	<b>27,994,002</b>	<b>23,664,308</b>
Adjustment for over accrual of CIT in previous year	2,887,593	(2,186,449)
<b>Estimated current CIT for the year</b>	<b>30,881,595</b>	<b>21,477,859</b>
CIT payable at beginning of the year	699,945	2,309,178
Adjustment over accrual of tax from previous year	(186,505)	-
Others	121,704	-
CIT paid during the period	(6,694,852)	(1,538,923)
<b>CIT payable at end of the period</b>	<b>24,821,888</b>	<b>22,248,114</b>
<i>In which:</i>		
CIT payable (Note 19)	31,815,010	22,248,114
CIT receivable	(6,993,123)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**30. CORPORATE INCOME TAX (continued)****30.2 Deferred tax**

The following comprises the Group's deferred tax assets and the movements there on during the financial year:

VND'000

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30<sup>th</sup> September 2015</i>	<i>31<sup>th</sup> December 2014</i>	<i>30<sup>th</sup> September 2015</i>	<i>31<sup>th</sup> December 2014</i>
<b><i>Deferred tax assets</i></b>				
Tax losses of subsidiaries	-	-	-	1,993,275
Unrealised intra-group profit	23,025,234	25,282,838	2,257,604	(12,353,461)
Others	23,492,661	-	(23,492,661)	-
	<b>46,517,895</b>	<b>25,282,838</b>	<b>(21,235,057)</b>	<b>(10,360,186)</b>
<b><i>Deferred tax benefit credit to interim consolidated income statement</i></b>			<b>(21,235,057)</b>	<b>(10,360,186)</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**31. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions with related parties were as follows:

			VND'000
Hoang Anh Gia Lai JSC and branches	Parent company and related parties	Loan interest	176,780,439
		Purchase of assets	53,789,665
		Purchase of goods	
		Sale of assets	211,789,876
		Purchase of materials	86,481,346
		Sale of goods	288,764,694
		Purchase of Highland Dairy Cattle shares	47,029,891
			461,016,248
An Phu Real Estate Investment JSC	Related party	Interest income	25,480,000

Amounts due to and due from related parties as at 30<sup>th</sup> September 2015 were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000 Amounts</i>
<b>Short - term trade receivables</b>			
Hoang Anh Gia Lai JSC	Parent company	Sales of goods	264,236
Hoang Anh Gia Lai Material Branch	Related party	Sales of goods	9,906,749
Hoang Anh Gia Lai Mechanical Branch	Related party	Sales of goods	5,603,571
Hoang Anh Gia Lai Hydropower J.S.C.	Related party	Sales of goods	43,240
Hoang Anh Attapeu Electric Co., Ltd.	Related party	Sales of goods	38,471
Hoang Anh Gia Lai Sport JSC	Related party	Sales of goods	49,526
Hoang Anh Se Kong Minerals Co., Ltd.	Related party	Sales of goods	14,493
Hoang Anh Gia Lai Bridge & Road JSC	Related party	Sale of goods	517,399
		Sale of assets	3,285,900
Hoang Anh Gia Lai Mineral JSC	Related party	Sales of goods	477
<b>TOTAL</b>			<b><u>19,724,062</u></b>

**Short - term advances to suppliers**

Hoang Anh Gia Lai JSC	Parent company	Advance for purchase of goods	170,771,749
Hoang Anh Gia Lai Material Branch	Related party	Advance for purchase of goods	662,873,344
Hoang Anh Gia Lai Mechanical Branch	Related party	Advance for construction	136,188,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**31. TRANSACTIONS WITH RELATED PARTIES** (continued)

Amounts due to and due from related parties as at 30<sup>th</sup> September 2015 were as follows (continued):

**Short-term advances to suppliers** (continued)

Hoang Anh Gia Lai Bridge & Road JSC	Related party	Advance for construction	8,730,227
Hoang Anh Se Kong Minerals Co., Ltd.	Related party	Advance for purchase of seeds	25,779
Hoang Anh Gia Lai - Bangkok Co., Ltd.	Related party	Advance for purchase of goods	11,295,500
<b>TOTAL</b>			<b>989,885,265</b>

**Other short-term receivables**

Hoang Anh Gia Lai JSC	Parent company	Lending	111,916,281
Hoang Anh Gia Lai Material Branch	Related party	Sales of goods	808,520
An Phu Real Estate Investment JSC	Related party	Interest income	36,730,000
V&H Company	Related party	Lending	3,714,971
Hoang Anh Gia Lai Vientiane Co. Ltd.	Related party	Lending	11,809,080
Nam Kong 3 Electric Co., Ltd.	Related party	Lending	633,224
Hoang Anh Attapeu Electric Co., Ltd.	Related party	Lending	32,301
<b>TOTAL</b>			<b>165,644,377</b>

**Short-term trade payables**

Hoang Anh Gia Lai JSC	Parent company	Purchase of goods materials	80,747,996
Hoang Anh Gia Lai Hospital JSC	Related party	Services received	130,800
Hoang Anh Gia Lai Material Branch	Related party	Purchase of good, materials	84,848
Hoang Anh Gia Lai Mechanical Branch	Related party	Construction services	41,834,483
Hoang Anh Gia Lai Bridge & Road JSC	Related party	Construction services	2,340,197
Hoang Anh Gia Lai Minerals JSC	Related party	Purchase of goods	1,727,378
Hoang Anh Gia Lai Sport JSC	Related party	Purchase of materials	48,451
<b>TOTAL</b>			<b>126,914,153</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties as at 30<sup>th</sup> September 2015 were as follows (continued):

**Other short-term payables**

Hoang Anh Gia Lai JSC	Parent company	Borrowing and interest expenses	883,438,045
Hoang Anh Attapeu Electric Co. Ltd.	Related party	Borrowing	6,208,710
Others	Related party	Others	3,546,659
<b>TOTAL</b>			<b><u>893,193,414</u></b>

**Other long-term payables**

Hoang Anh Gia Lai JSC	Parent company	Business cooperation	<b><u>1,085,315,000</u></b>
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**Long-term loans**

Hoang Anh Gia Lai JSC	Parent company	Long-term loans	<b><u>1,898,449,353</u></b>
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**32. RECLASSIFICATION CORRESPONDING FIGURES**

Certain corresponding figures on the consolidated financial statements for the year ended 31<sup>th</sup> December 2014 have been reclassified to reflect the presentation of the current period's interim consolidated financial statements in accordance with Circular 200 and Circular 202. Details are as follows:

**Balance sheet**

	31 <sup>th</sup> December 2014 (Previously presented)	Reclassification	VND'000 31 <sup>th</sup> December 2014 (Reclassified)
<b>CURRENT ASSETS</b>	<b>5,061,399,953</b>	<b>(329,526,318)</b>	<b>4,731,873,635</b>
Short-term loan receivables	-	228,989,648	228,989,648
Other short-term receivables	626,979,445	(450,725,825)	176,253,620
Other current assets	107,790,141	(107,790,141)	-
<b>NON-CURRENT ASSETS</b>	<b>11,909,217,736</b>	<b>318,216,042</b>	<b>12,227,433,778</b>
Long-term loans receivable	280,000,000	296,215,557	576,215,557
Other long-term receivable	-	39,699,791	39,699,791
Long-term prepaid expenses	904,603,228	(11,310,276)	893,292,952
Other long-term assets	6,389,030	(6,389,030)	-
<b>LIABILITIES</b>	<b>10,080,493,996</b>	<b>(11,310,276)</b>	<b>10,069,183,720</b>
Short-term loan and finance lease obligations	3,739,373,145	(11,310,276)	3,728,062,869
<b>OWNERS' EQUITY</b>	<b>6,868,396,998</b>	<b>21,726,695</b>	<b>6,890,123,693</b>
Non-controlling interests	-	21,726,695	21,726,695
<b>Non-controlling interests</b>	<b>21,726,695</b>	<b>(21,726,695)</b>	<b>-</b>
Consolidation reserve	162,047,860	(162,047,860)	-
Undistributed earnings	1,276,813,665	162,047,860	1,438,861,525



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
Quarter III /2015**33. EVENTS AFTER THE BALANCE SHEET DATE**

On 14<sup>th</sup> October 2015, the Company has acquired shares of three individuals shareholders of the Dong Penh Joint Stock Company, respectively Mr Tran Quang Dung 9,980,000 shares, Mr Nguyen Van Thieng 4,980,000 shares and Ms Le Thi Ngoc Bich 4,980,000 shares, in order to own 99.7% of share of Dong Penh Joint Stock Company.

On 15<sup>th</sup> October 2015, the Company has acquired shares of three individuals shareholders of the An Dong Mia Joint Stock Company (Viet Nam), respectively Mr Huynh Ngoc Thanh 7,900,000 shares, Ms Nguyen Thi Hong Hanh 3,000,000 shares and Mr Dinh Hoang Hiep 3,000,000 shares, in order to own 69.5% of share of An Dong Mia Joint Stock Company.

In addition, there have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.



Ho Thi Tuyet Loan  
Preparer



Do Van Hai  
Chief Accountant



Nguyen Xuan Thang  
General Director

12<sup>th</sup> November 2015