

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

Interim consolidated financial statements

30 June 2017

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 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 fifteen (15) amended BRCs.

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

As at 30 June 2017, the Company had eleven (11) direct subsidiaries, ten (10) indirect subsidiaries and two (2) associates.

The registered principal activities of the Company are breeding and trading dairy cows and cows for meat; planting and trading rubber latex; generating and trading seedlings; afforesting 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.

BOARD OF DIRECTORS

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

Mr Doan Nguyen Duc	Chairman	
Mr Vo Truong Son	Member	
Mr Doan Nguyen Thu	Member	
Mrs Vo Thi My Hanh	Member	appointed on 30 June 2017
Mr Nguyen Xuan Thang	Member	resigned on 30 June 2017
Mrs Vo Thi Huyen Lan	Member	
Mr Nguyen Ngoc Anh	Member	
Mr Nguyen Quan Anh	Member	

BOARD OF SUPERVISORS

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

Mrs Nguyen Thi Hai Yen	Head	appointed on 10 July 2017
Mr Le Hong Phong	Head	resigned on 30 June 2017
Mr Duong Tran Hung	Member	appointed on 30 June 2017
Mr Pham Ngoc Chau	Member	

Hoang Anh Gia Lai Agricultural Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mrs Vo Thi My Hanh	General Director	appointed on 5 May 2017
Mr Nguyen Xuan Thang	General Director	resigned on 5 May 2017
Mr Phan Thanh Thu	Deputy General Director	
Mr Nguyen Ngoc Anh	Deputy General Director	
Mr Trinh Xuan Nhan	Deputy General Director	
Mr Hoang Dinh Quy	Deputy General Director	
Mr Nguyen Quan Anh	Deputy General Director	
Mrs Nguyen Thi Thanh Thao	Deputy General Director	appointed on 5 May 2017
Mr Le Dinh Vu	Deputy General Director	appointed on 5 May 2017

LEGAL REPRESENTATIVES

The legal representatives of the Company during the period and at the date of this report are:

Mrs Vo Thi My Hanh	General Director	appointed on 5 May 2017
Mr Nguyen Xuan Thang	General Director	resigned on 5 May 2017

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 ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2017.

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

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated financial position of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period. In preparing those interim consolidated financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- ▶ prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2017 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

For and on behalf of management:



Vo Thi My Hanh
General Director

Gia Lai, Vietnam

15 August 2017

Reference: 61280353/19548843/LR-HN

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim consolidated financial statements of Hoang Anh Gia Lai Agricultural Joint Stock Company ("the Company") and its subsidiaries ("the Group"), as prepared on 15 August 2017 and set out on pages 6 to 75 which comprise the interim consolidated balance sheet as at 30 June 2017, the interim consolidated income statement and interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2017, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.



Ernst & Young Vietnam Limited

Đoàn Thị Thu Thủy
Deputy General Director
Audit Practicing Registration Certificate
No. 1070-2013-004-1

Ho Chi Minh City, Vietnam

15 August 2017

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2017

VND'000

Code	ASSETS	Notes	30 June 2017	31 December 2016 (As restated - Note 38)
100	A. CURRENT ASSETS		6,746,160,739	6,475,477,842
110	I. Cash and cash equivalents	5	1,393,482,421	311,458,305
111	1. Cash		1,393,482,421	296,458,305
112	2. Cash equivalents		-	15,000,000
130	II. Current accounts receivable		4,271,611,499	4,648,270,491
131	1. Short-term trade receivables	6	1,827,595,142	1,680,027,335
132	2. Short-term advances to suppliers	7	1,389,725,421	1,733,579,210
135	3. Short-term loan receivables	8	507,480,068	399,490,706
136	4. Other short-term receivables	9	551,990,868	841,151,542
137	5. Provision for short-term doubtful receivables	6	(5,180,000)	(5,978,302)
140	III. Inventories	10	1,061,082,653	1,495,795,947
141	1. Inventories		1,087,474,641	1,789,087,554
149	2. Provision for obsolete inventories		(26,391,988)	(293,291,607)
150	IV. Other current assets		19,984,166	19,953,099
151	1. Short-term prepaid expenses		3,383,115	8,008,788
152	2. Value-added tax deductible		11,282,095	6,633,439
153	3. Tax and other receivables from the State	20	5,318,956	5,310,872
200	B. NON-CURRENT ASSETS		27,481,505,260	28,527,660,010
210	I. Long-term receivables		2,755,965,481	2,525,035,814
215	1. Long-term loan receivables	8	2,069,669,718	1,897,793,366
216	2. Other long-term receivables	9	686,295,763	627,242,448
220	II. Fixed assets		6,730,921,864	6,849,442,378
221	1. Tangible fixed assets	11	6,697,599,627	6,812,962,442
222	Cost		7,606,549,236	8,016,244,835
223	Accumulated depreciation		(908,949,609)	(1,203,282,393)
227	2. Intangible fixed assets	12	33,322,237	36,479,936
228	Cost		54,845,260	54,845,260
229	Accumulated amortisation		(21,523,023)	(18,365,324)
240	III. Long-term asset in progress		12,772,184,025	13,360,385,870
242	1. Construction in progress	13	12,772,184,025	13,360,385,870
250	IV. Long-term investments	15	892,806,441	896,161,285
252	1. Investments in associates		892,806,441	896,161,285
260	V. Other long-term assets		4,329,627,449	4,896,634,663
261	1. Long-term prepaid expenses	16	586,759,685	951,695,003
262	2. Deferred tax assets	33.2	40,977,859	38,764,262
269	3. Goodwill	17	3,701,889,905	3,906,175,398
270	TOTAL ASSETS		34,227,665,999	35,003,137,852

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2017

VND'000

Code	RESOURCES	Notes	30 June 2017	31 December 2016 (As restated - Note 38)
300	C. LIABILITIES		23,749,388,450	25,271,115,579
310	I. Current liabilities		6,180,755,533	6,537,402,367
311	1. Short-term trade payables	18	665,903,678	746,092,154
312	2. Short-term advances from customers	19	283,808,093	255,486,294
313	3. Statutory obligations	20	157,982,766	120,154,736
314	4. Payables to employees		55,930,984	50,924,303
315	5. Short-term accrued expenses	21	216,334,810	142,346,693
318	6. Short-term unearned revenues		13,394,710	9,101,752
319	7. Other short-term payables	22	2,799,741,097	2,554,966,933
320	8. Short-term loans	24	1,987,659,395	2,658,329,502
330	II. Non-current liabilities		17,568,632,917	18,733,713,212
337	1. Other long-term liabilities	22	1,163,634,898	914,104,959
338	2. Long-term loans	24	16,091,146,490	17,432,565,186
341	3. Deferred tax liabilities	33.2	7,549,010	109,516,113
342	4. Long-term provisions	23	306,302,519	277,526,954
400	D. OWNERS' EQUITY		10,478,277,549	9,732,022,273
410	I. Capital		10,478,277,549	9,732,022,273
411	1. Share capital	25.1	7,671,438,950	7,671,438,950
411a	- Shares with voting rights		7,671,438,950	7,671,438,950
412	2. Share premium	25.1	1,064,550,810	1,064,550,810
417	3. Foreign exchange differences reserve	25.1	289,583,027	544,709,749
421	4. Undistributed earnings	25.1	1,406,179,298	391,660,270
421a	- Undistributed earnings up to prior period-end		391,660,270	2,126,574,755
421b	- Undistributed earnings (losses) of the period		1,014,519,028	(1,734,914,485)
429	5. Non-controlling interests	26	46,525,464	59,662,494
440	TOTAL LIABILITIES AND OWNERS' EQUITY		34,227,665,999	35,003,137,852


Pham Thi Luu Ly
Preparer


Ho Thi Tuyet Loan
Chief AccountantVo Thi My Hanh
General Director

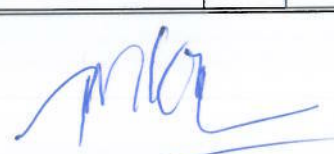
15 August 2017

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2017

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
01	1. Revenue from sale of goods and rendering of services	28.1	1,744,052,858	2,596,980,683
02	2. Deductions	28.1	-	(896,894)
10	3. Net revenue from sale of goods and rendering of services	28.1	1,744,052,858	2,596,083,789
11	4. Cost of goods sold and services rendered	29	(1,161,641,244)	(2,252,265,604)
20	5. Gross profit from sale of goods and rendering of services		582,411,614	343,818,185
21	6. Finance income	28.2	1,144,837,768	133,724,686
22	7. Finance expenses	30	(423,942,070)	(428,532,289)
23	In which: Interest expense		(392,064,151)	(360,944,699)
24	8. Shares of loss of associates	15.1	(3,354,844)	(13,592,521)
25	9. Selling expenses	31	(38,161,060)	(44,690,479)
26	10. General and administrative expenses	31	(257,662,479)	(95,310,496)
30	11. Operating profit (loss)		1,004,128,929	(104,582,914)
31	12. Other income	32	78,479,940	30,235,097
32	13. Other expenses	32	(42,218,023)	(497,451,200)
40	14. Other profit (loss)	32	36,261,917	(467,216,103)
50	15. Accounting profit (loss) before tax		1,040,390,846	(571,799,017)
51	16. Current corporate income tax expense	33.1	(24,292,608)	(586,603)
52	17. Deferred tax (expenses) income	33.2	(2,943,286)	12,899,722
60	18. Net profit (loss) after tax		1,013,154,952	(559,485,898)
61	19. Net profit (loss) after tax attributable to shareholders of the parent		1,014,519,028	(518,508,562)
62	20. Net loss after tax attributable to non-controlling interests	26	(1,364,076)	(40,977,336)
70	21. Basic earnings (loss) per share (VND)	27	1,322	(676)
71	22. Diluted earnings (loss) per share (VND)	27	1,117	(676)


Pham Thi Luu Ly
Preparer


Ho Thi Tuyet Loan
Chief Accountant


Võ Thị Mỹ Hạnh
General Director

15 August 2017

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2017

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit (loss) before tax		1,040,390,846	(571,799,017)
	<i>Adjustments for:</i>			
02	Depreciation and amortisation (include amortisation of goodwill)	11, 12, 17	491,546,583	274,628,699
03	(Utilization of provisions) provisions		(108,111,042)	3,540,438
04	Foreign exchange losses (gains) arisen from revaluation of monetary accounts denominated in foreign currencies		7,291,345	(5,812,273)
05	Profits from investing activities		(1,206,987,554)	(99,528,540)
06	Interest expenses	30	392,064,151	360,944,699
08	Operating profit (loss) before changes in working capital		616,194,329	(38,025,994)
09	Decrease in receivables		574,872,661	282,258,223
10	(Increase) decrease in inventories		(106,929,380)	542,269,453
11	Increase (decrease) in payables		118,328,446	(431,583,607)
12	Increase in prepaid expenses		(226,997,139)	(107,447,558)
14	Interest paid		(71,788,339)	(227,874,829)
15	Corporate income tax paid	33.1	-	(193,268)
20	Net cash flows from operating activities		903,680,578	19,402,420
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(1,476,026,509)	(1,827,055,319)
22	Proceeds from disposals of fixed assets		210,131,350	313,823,745
23	Loans to other entities		(205,705,040)	(312,187,480)
24	Collections from borrowers		10,628,216	279,644,585
25	Payments for investments in other entities		-	(965,214,338)
26	Proceeds from sale of investments in other entities		1,320,948,085	-
27	Interest received		121,564,469	20,431,840
30	Net cash flows used in investing activities		(18,459,429)	(2,490,556,967)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2017

VND'000

Code	ITEMS	Notes	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from share issuance		-	1,652,000,000
33	Drawdown of loans and borrowings		1,576,762,283	2,906,440,810
34	Repayment of loans and borrowings		(1,379,959,316)	(2,331,729,393)
40	Net cash flows from financing activities		196,802,967	2,226,711,417
50	Net increase (decrease) in cash		1,082,024,116	(244,443,130)
60	Cash at the beginning of the period		311,458,305	331,961,020
70	Cash at the end of the period	5	1,393,482,421	87,517,890



Pham Thi Luu Ly
Preparer



Ho Thi Tuyet Loan
Chief Accountant



Võ Thị My Hạnh
General Director

15 August 2017

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at and for the six-month period ended 30 June 2017

1. CORPORATE INFORMATION

Hoang Anh Gia Lai Agricultural 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 fifteen (15) amended BRCs.

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

As at 30 June 2017, the Company had eleven (11) direct subsidiaries, ten (10) indirect subsidiaries and two (2) associates, as follows:

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Holding interest (%)</i>
(1) Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Sekong, Laos	Operating	97.77
(2) Hoang Anh - Quang Minh Rubber Joint Stock Company	Gia Lai, Vietnam	Operating	97.77
(3) Hoang Anh Dak Lak Joint Stock Company	Dak Lak, Vietnam	Operating	99.53
(4) Hoang Anh Attapeu Agriculture Development Co., Ltd.	Attapeu, Laos	Operating	100.00
(5) Hoang Anh Ratanakiri Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	100.00
(6) Heng Brothers Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	100.00
(7) Hoang Anh Oyadav Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	100.00
(8) CRD Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	100.00
(9) Hoang Anh Andong Meas One Member Co., Ltd.	Ratanakiri, Cambodia	Operating	97.77
(10) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Gia Lai, Vietnam	Operating	100.00
(11) Highland Dairy Cattle Joint Stock Company	Gia Lai, Vietnam	Operating	99.00
(12) Dong Penh Joint Stock Company	Gia Lai, Vietnam	Operating	99.90
(13) Daun Penh Agrico One Member Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	99.90
(14) An Dong Mia Joint Stock Company	Gia Lai, Vietnam	Operating	69.50

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

1. **THE COMPANY** (continued)

<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Holding interest (%)</i>
(15) Hoang Anh Lum Phat One Member Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	69.50
(16) Indochina Rubber Investment and Development Co., Ltd.	Ho Chi Minh, Vietnam	Operating	100.00
(17) Binh Phuoc Kratie Rubber 2 Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(18) Sovann Vuthy Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(19) Eastern Europe Rubber Investment Co., Ltd.	Ho Chi Minh, Vietnam	Pre-operating	100.00
(20) Eastern Rubber (Cambodia) Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(21) Trung Nguyen Rubber Joint Stock Company	Gia Lai, Vietnam	Operating	99.91

Pre-operating status means the subsidiaries are still under investments stage and have yet started their commercial operations as at 30 June 2017.

The registered principal activities of the Company and its subsidiaries ("the Group") are breeding and trading dairy cows and cows for meat; planting and trading rubber latex; generating and trading seedlings; afforesting 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.

The number of the Group's employees as at 30 June 2017 is 3,315 (31 December 2016: 3,249).

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, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/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);
- ▶ 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).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

2. BASIS OF PREPARATION (continued)

2.1 *Accounting standards and system* (continued)

Accordingly, the accompanying interim consolidated financial statements including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim 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.

2.3 *Fiscal year*

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

The interim consolidated financial statements are prepared in Vietnam dong ("VND") which is also the Group's accounting currency.

2.5 *Basis of consolidation*

The Group's interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2017.

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

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

Non-controlling 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 of acquisition, being the date on which the Group obtains control and continued to be consolidated until the date that such control ceases. Where there is a loss of control over the subsidiaries, the interim consolidated financial statements still include results for the period of the reporting period during which the Group has control. When the Group loses its control over the subsidiaries but the transfer process of its ownership has not been completed as at reporting date, the Group incorporates the interim consolidated financial statements of subsidiaries as at and up to the date of the Group's loss of control into the Group's interim consolidated financial statements for the reporting period.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash*

Cash and cash equivalents comprise cash on hand and cash at banks.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Receivables*

Receivables are presented in the interim consolidated 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 interim balance sheet date which are doubtful of being recovered, are prepared in accordance with the guidance under Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009 ("Circular No.228"). Increases or decreases to the provision balance are recorded into the general and administrative expense in the interim consolidated income statement.

3.3 *Inventories*

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

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

The perpetual method is used to record inventories, which are valued as follows:

Raw and 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.

Inventory properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory properties and is measured at the lower of cost and net realisable value.

Cost includes:

- ▶ Freehold and leasehold rights for land;
- ▶ Amounts paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory properties recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

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 balance sheet date.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed 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 fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim consolidated income statement.

Land use rights

Land use rights are recorded as intangible fixed assets representing value of the right to use the land acquired or leased by the Group. The useful life of land use rights are assessed either definite or indefinite. Accordingly, land use rights with definite useful life representing the land lease are amortized over the lease term while land use rights with indefinite useful life are not amortized.

3.6 *Depreciation and amortisation*

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

Buildings & structures	10 - 50 years
Machinery & equipment	3 - 20 years
Means of transportation & transmit instrument	6 - 20 years
Office equipment	3 - 10 years
Livestock and perennial trees	8 years
Land use rights	20 years
Software system	5 - 8 years
Other assets	8 - 15 years

Rubber and pepper plantations

Management estimated to start harvesting the rubber and pepper plantations after 7 years and 3 years of cultivation, respectively. Accordingly, the plantations would be transferred from construction in progress to tangible fixed assets after such mentioned years and depreciation will be started.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortisation (continued)

Palm oil plantations

In accordance with the results of the assessment on the Group's oil palm plantations conducted by the Academy of Forest Sciences (Central South and Tay Nguyen province) in August 2017, management has decided to change the initial cultivation period of oil palm trees from 4.5 to 6 years, which conform to the characteristics of the Group's current oil palm plantations in Cambodia and Laos.

Depreciation of plantations

Depreciation rate of rubber plantations is based on Official Letter No 1937/BTC-TCDN dated 9 February 2010 of Corporate Finance Department – Ministry of Finance guiding the depreciation of rubber plantations and the Decision No. 221/QĐ-CSVN on 27 April 2010 of Vietnam Rubber Group guiding the depreciation rate of rubber plantations over the 20 years cycle.

Depreciation rates of dragon fruit and pepper plantations are based on the Decision No 115/17/QĐ-HAGL Agrico on 8 August 2017 by management providing guidance on the depreciation rates over their harvesting period.

The details are as follows:

<i>Year</i>	<i>Rubber plantations</i>	<i>Dragon fruits plantations</i>	<i>Rate (%)</i> <i>Pepper plantations</i>
First year	2.50	1.00	4.60
Second year	2.80	3.40	8.50
Third year	3.50	5.00	8.50
Fourth year	4.40	6.70	8.50
Fifth year	4.80	8.40	8.50
Sixth year	5.40	8.40	8.50
Seventh year	5.40	8.40	6.20
Eighth year	5.10	8.40	6.20
Ninth year	5.10	8.40	6.20
Tenth year	5.00	8.40	3.80
Eleventh year	7.00	6.70	3.80
Twelfth year	6.60	6.70	3.80
Thirteenth year	6.20	6.70	3.80
Fourteenth year	5.90	6.70	3.80
Fifteenth year	5.50	Carrying amount	3.80
Sixteenth year	5.40		3.80
Seventeenth year	5.00		3.80
Eighteenth year	5.50		Carrying amount
Nineteenth year	5.20		
Twentieth year	Carrying amount		

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Construction in progress*

Construction in progress represents costs attributable directly to the construction and development of the Group's buildings and structures, factories, rubber, palm oil, sugarcane and other plantations which have yet been completed as at the interim balance sheet date.

Factories, buildings and structures

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

Plantation costs

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

Beef cattle project

Beef cattle project costs include costs directly attributed to the exploration and development of beef cattle projects such as the cost of breeder, infrastructure costs, cow's pastures and other related costs.

3.8 *Borrowing costs*

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

Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalized 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.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated balance sheet which mainly includes cost of tools and supplies, prepaid land rentals, sugarcane plantation and fruit plantation and other plantations. They are amortised over the periods for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

- ▶ Prepaid land rental are amortised over the periods of land lease;
- ▶ Tools and consumables with large value issued into production and can be used for more than one period, amortised no more than three years and recognised in the interim consolidated income statement; and
- ▶ Fruit, grass plantation and other plantations 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 periods, in which economic benefits are generated in connection to the costs incurred.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *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.

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 acquiree'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 interim consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over ten (10) years on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the interim consolidated income statement.

3.11 *Investments*

Investments in an associate

The Group's investment in an associate is carried at cost and accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which 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. Goodwill is not amortised and subject to annual review for impairment. 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 associate is presented on the face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from associate reduces 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.

Provision for diminution in value of investments

Provision is made for any diminution in value of investments in capital of other entities at the balance sheet in accordance with the guidance under Circular No. 228 and Circular No. 89/2013/TT-BTC issued by the Ministry of Finance on 7 December 2009 and on 28 June 2013, respectively. Increases or decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *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.

3.13 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.14 *Earnings per share*

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

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period 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 actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment;
- Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

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

All foreign exchange differences incurred during the period and arisen from translation of monetary accounts denominated in foreign currency at balance sheet date are taken to the interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Foreign currency transactions* (continued)

Conversion of the financial statements of subsidiaries of the Group which maintains its accounting records in other currency rather than the Group's accounting currency of VND for the consolidation purpose is as follows:

- Assets and liabilities are converted into VND by using the average buying and selling exchange rate, respectively, as announced by the commercial banks where the Group maintains bank accounts at the balance sheet date;
- Equity are converted into VND by using the actual transaction exchange rates; and
- Revenues, other income and expenses are converted into VND by using the average exchange rate for the period.

All foreign exchange differences resulting from conversion of financial statements of the subsidiary for the consolidation purpose are taken to the "foreign exchange reserve" on the interim consolidated balance sheet and charged to the interim consolidated income statement upon the disposal of the investment.

3.16 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) 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 Group's Charter and Vietnamese regulatory requirements.

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 upon the delivery of the goods.

For sale of apartments, revenue is recognised 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 Group; and
- ▶ The costs incurred in respect of the transaction can be measured reliably.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Revenue recognition* (continued)

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 stage of completion of the contract activity at the interim 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 period in which they are incurred.

Rendering of services

Revenue from rendering of services is recognized when the services are rendered.

Interest

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

3.18 *Taxation*

Current income tax

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

Current income tax is charged or credited to the interim 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 interim 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 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Deferred tax (continued)

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; and
- ▶ in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 reassessed 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 period 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 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.

3.19 *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 Group, including holding company, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influences over the Group, key management personnel, including directors and officers of the Group 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

Group's business segment is derived mainly from sales of products (plantation, breeding, trading and services and others). Management defines the Group's geographical segments to be based on the location of the Group's assets.

4. SIGNIFICANT EVENTS

Completion of the transfer of entire equity interest in Hoang Anh Gia Lai Sugar Cane Joint Stock Company and Hoang Anh Attapeu Sugar Cane Co., Ltd ("Sugar Cane Group")

On 22 May 2017, the Company completed the transfer of all its equity interest in Sugar Cane Group for total consideration of VND'000 1,330,000,000 to third parties. As a result, a gain from the transfer amounting to VND'000 871,730,986 was recognised as finance income on the Group's interim consolidated income statement. (Note 28.2).

The Group's management has retrospectively made restatements on the Group's consolidated financial statement for the year ended 31 December 2016 due to the impact of the transaction, as presented in Note 38.

Completion of the transfer of entire equity interest in Ban Me Rubber Joint Stock Company

On 1 June 2017, the Company transferred all its ownership of 99.92% shares in Ban Me Rubber Joint Stock Company with total transfer price of VND'000 130,000,000 to an individual, a related party. Accordingly, gain resulting from this transfer was VND'000 107,418,184 and was recorded as finance income in the interim consolidated income statement (Note 28.2).

5. CASH

	30 June 2017	31 December 2016 (As restated - Note 38)
Cash at banks	1,385,780,977	289,622,311
Cash on hand	7,701,444	6,835,994
Cash equivalents	-	15,000,000
TOTAL	1,393,482,421	311,458,305

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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6. SHORT-TERM TRADE RECEIVABLES

	VND'000	
	30 June 2017	31 December 2016 (As restated - Note 38)
Receivables from sales of goods and rendering of services	945,827,710	862,166,725
- <i>Thanh An Trading One Member Limited</i>	88,459,515	8,512,668
- <i>Mittaphap Transport Service Import and Export Company</i>	88,068,471	-
- <i>Somphot Sayyachack</i>	-	123,100,073
- <i>Others</i>	769,299,724	730,553,984
Receivables from the Laos Government for construction of airports	726,292,806	727,713,177
Receivable from disposal of subsidiaries	130,000,000	-
Others	25,474,626	90,147,433
TOTAL	<u>1,827,595,142</u>	<u>1,680,027,335</u>
<i>In which:</i>		
<i>Due from others</i>	1,156,110,583	1,100,736,022
<i>Due from related parties (Note 34)</i>	671,484,559	579,291,313
Provision for short-term doubtful receivables	(5,180,000)	(5,978,302)
NET	<u>1,822,415,142</u>	<u>1,674,049,033</u>

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND'000	
	30 June 2017	31 December 2016 (As restated - Note 38)
Advances to suppliers of goods and services	1,194,686,349	1,537,124,896
- <i>Pramoul Kaokitwlai</i>	75,436,152	-
- <i>Dairy Vietnam Limited</i>	26,295,632	26,295,632
- <i>Others</i>	1,092,954,565	1,510,829,264
Advances to contractors of construction and suppliers of machineries	195,039,072	196,454,314
TOTAL	<u>1,389,725,421</u>	<u>1,733,579,210</u>
<i>In which:</i>		
<i>Due from related parties (Note 34)</i>	1,213,385,850	1,613,397,390
<i>Due from others</i>	176,339,571	120,181,820

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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8. LOAN RECEIVABLES

	VND'000	
	30 June 2017	31 December 2016
Short-term	507,480,068	399,490,706
Loans to related parties (Note 34) (i)	467,933,972	346,140,125
Loans to others companies and individuals	39,546,096	53,350,581
- <i>Pham Ngoc Anh</i>	38,000,000	-
- <i>Samaki Agricultural Development Co., Ltd</i>	-	53,350,581
- <i>Others</i>	1,546,096	-
Long-term	2,069,669,718	1,897,793,366
Loans to related parties (Note 34) (i)	1,939,699,884	1,815,702,624
Loans to other companies and individuals	129,969,834	82,090,742
- <i>Samaki Agricultural Development Co., Ltd (ii)</i>	105,627,305	82,090,742
- <i>Others</i>	24,342,529	-
TOTAL	<u>2,577,149,786</u>	<u>2,297,284,072</u>

(i) These represent unsecured loans with maturity date from 2017 to 2022 and earn interest rate from 6.5% to 13.0% per annum.

(ii) These are unsecured loans with repayment terms from 2021 to 2022.

9. OTHER RECEIVABLES

	VND'000	
	30 June 2017	31 December 2016 (As restated - Note 38)
Short-term	551,990,868	841,151,542
Temporary lending	384,603,986	663,818,789
Interest from loans to	118,394,851	119,212,551
Advances to employees for business activities	37,835,350	42,407,285
Others	11,156,681	15,712,917
<i>In which:</i>		
<i>Due from others</i>	335,531,499	334,039,537
<i>Due from related parties (Note 34)</i>	216,459,369	507,112,005
Long-term	686,295,763	627,242,448
Temporary lending	441,103,821	397,983,108
Interest from loans	118,479,313	81,356,191
Receivables from business co-operation contract (*)	109,666,402	132,347,166
Deposits	16,459,727	14,973,481
Others	586,500	582,502
<i>In which:</i>		
<i>Due from related parties (Note 34)</i>	669,234,116	588,990,280
<i>Due from others</i>	17,061,647	38,252,168
TOTAL	<u>1,238,286,631</u>	<u>1,468,393,990</u>

(*) This represents Business Co-operation Contract ("BCC") with Gia Lai Livestock Joint Stock Company regarding cattle project.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

10. INVENTORIES

	VND'000	
	30 June 2017	31 December 2016 (As restated - Note 38)
Work in process	836,103,645	1,352,549,175
<i>In which:</i>		
<i>Construction contracts</i>	563,489,054	571,123,747
<i>Cows for meat (i)</i>	206,726,626	437,115,594
<i>Manufacturing activities</i>	65,887,965	344,309,834
Apartments available for sales (ii)	77,195,205	85,207,487
Tools and supplies	74,176,752	68,200,942
Raw materials	56,119,441	143,171,020
Finished goods	1,075,819	130,646,483
Merchandise goods	42,803,779	9,312,447
TOTAL	1,087,474,641	1,789,087,554
Provision for obsolete inventories	(26,391,988)	(293,291,607)
NET	1,061,082,653	1,495,795,947

- (i) All the cows for meat have been mortgaged to secure the Group's outstanding borrowings (Note 24).
- (ii) Apartments available for sale have been mortgaged to secure the Group's outstanding borrowings (Note 24).

Hoang Anh Gia Lai Agricultural Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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11. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation & transmit instrument	Office equipment	Livestock and perennial trees	Other assets	Total
Cost							
As at 31 December 2016 (Restated – Note 38)	1,949,502,619	1,970,977,122	1,683,360,604	1,310,463	2,392,058,180	19,035,847	8,016,244,835
Transfer from construction in progress	26,776,770	5,054,232	116,000,722	-	1,775,470,905	-	1,923,302,629
New purchase	34,654,589	60,252,944	40,035,878	-	9,481,701	758,225	145,183,337
Disposals of subsidiaries	(835,493,560)	(1,159,457,813)	(194,728,489)	(205,802)	-	(5,581,418)	(2,195,467,082)
Foreign exchange differences	(19,022,358)	(19,499,102)	(22,578,858)	(8,610)	(21,620,176)	(136,477)	(82,865,581)
Disposals during the period	(207,623)	-	(3,628,652)	-	(196,012,627)	-	(199,848,902)
As at 30 June 2017	1,156,210,437	857,327,383	1,618,461,205	1,096,051	3,959,377,983	14,076,177	7,606,549,236
<i>In which:</i>							
Fully depreciated	3,475,452	19,362,353	13,812,432	717,646	-	1,321,281	38,689,164
Accumulated depreciation							
As at 31 December 2016 (Restated – Note 38)	(297,284,384)	(412,049,871)	(260,027,911)	(1,084,204)	(224,264,340)	(8,571,683)	(1,203,282,393)
Depreciation for the period	(61,113,144)	(64,819,754)	(68,514,405)	(41,103)	(88,870,077)	(744,908)	(284,103,391)
Disposals of subsidiaries	142,383,071	304,811,314	55,689,831	178,284	-	1,433,654	504,496,154
Foreign exchange differences	2,641,264	3,475,492	2,640,568	8,309	2,439,859	50,114	11,255,606
Disposals during the period	90,304	-	1,307,963	-	61,286,148	-	62,684,415
As at 30 June 2017	(213,282,889)	(168,582,819)	(268,903,954)	(938,714)	(249,408,410)	(7,832,823)	(908,949,609)
Net carrying amount							
As at 31 December 2016 (Restated – Note 38)	1,652,218,235	1,558,927,251	1,423,332,693	226,259	2,167,793,840	10,464,164	6,812,962,442
As at 30 June 2017	942,927,548	688,744,564	1,349,557,251	157,337	3,709,969,573	6,243,354	6,697,599,627
<i>In which:</i>							
Pledged as loans security (Note 24)	890,033,673	365,611,309	1,349,557,251	157,337	3,709,969,573	4,082,275	6,319,411,418

VND'000

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

12. INTANGIBLE FIXED ASSETS

	<i>Land use right</i>	<i>Software system</i>	<i>VND'000</i> <i>Total</i>
Cost			
As at 31 December 2016 and as at 30 June 2017	<u>6,648,075</u>	<u>48,197,185</u>	<u>54,845,260</u>
Accumulated amortisation			
As at 31 December 2016	(581,707)	(17,783,617)	(18,365,324)
Amortisation for the period	<u>(166,201)</u>	<u>(2,991,498)</u>	<u>(3,157,699)</u>
As at 30 June 2017	<u>(747,908)</u>	<u>(20,775,115)</u>	<u>(21,523,023)</u>
Net carrying amount			
As at 31 December 2016	<u>6,066,368</u>	<u>30,413,568</u>	<u>36,479,936</u>
As at 30 June 2017	<u>5,900,167</u>	<u>27,422,070</u>	<u>33,322,237</u>

13. CONSTRUCTION IN PROGRESS

	<i>VND'000</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i> <i>(As restated -</i> <i>Note 38)</i>
Rubber and oil palm plantations (*)	10,845,929,855	11,830,017,268
Fruits plantations (*)	1,024,726,133	621,401,558
Palm oil manufacturing factory	397,095,145	379,158,960
Buildings and structures (*)	337,573,507	318,657,348
Pepper plantations	96,935,489	118,707,592
Expenses of cow projects	-	6,637,816
Others	<u>69,923,896</u>	<u>85,805,328</u>
TOTAL	<u>12,772,184,025</u>	<u>13,360,385,870</u>

(*) Rubber, palm oil, fruit, buildings and structures were mortgaged to secure loan collaterals of the Group (Note 24).

14. CAPITALISED BORROWING COSTS

During the period, the Group has capitalised borrowing costs amounting to VND'000 427,331,041 into construction in progress (for the financial year ended 31 December 2016: VND'000 793,789,753). These are costs incurred on the bank loans and bonds to finance the construction and development of buildings and structures, machinery and equipment, rubber, oil palm and fruit plantations.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

15. LONG-TERM INVESTMENTS

	30 June 2017	31 December 2016
Investment in associates (Note 15.1)	<u>892,806,441</u>	<u>896,161,285</u>

VND'000

15.1 Investment in associates

Details of the investment in associates are as follows:

Name	Business sector	30 June 2017		31 December 2016	
		Ownership (%)	Carrying value VND'000	Ownership (%)	Carrying value VND'000
Gia Lai Livestock Joint Stock Company (*)	Breeding and fruits	23.46	602,547,665	23.46	609,017,978
Bidiphar Rubber Joint Stock Company (**)	Rubber plantations	49.14	290,258,776	49.14	287,143,307
TOTAL			<u>892,806,441</u>		<u>896,161,285</u>

(*) Gia Lai Livestock Joint Stock Company is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to BRC No. 5900988952 issued by the Department of Planning and Investment of Gia Lai on 3 June 2014. The main business activities of Gia Lai Livestock Joint Stock Company are trading dairy cows, cows for meat and fruits.

(**) Bidiphar Rubber Joint Stock Company ("Bidiphar") is a shareholding company incorporate under the law on Enterprise of Vietnam pursuant to BRC No 3503000155 issued by the DPI of Binh Dinh on 14 September 2007 and subsequent amended BRCs. The main business activities of Bidiphar are planting, afforesting, harvesting and processing rubber latex.

Details of carrying value of the investment in associates on 30 June 2017 are as follows:

	VND'000
Cost of investment	
As at 31 December 2016 and 30 June 2017	<u>881,804,636</u>
Accumulated share in post-acquisition gain	
As at 31 December 2016	14,356,649
Deduction of unearned profit	(3,966,452)
Share of profit from associates for the period	<u>611,608</u>
As at 30 June 2017	<u>11,001,805</u>
Carrying amount	
As at 31 December 2016	<u>896,161,285</u>
As at 30 June 2017	<u>892,806,441</u>

Total

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as at and for the six-month period ended 30 June 2017

16. LONG-TERM PREPAID EXPENSES

	30 June 2017	31 December 2016 (As restated - Note 38)
	VND'000	
Fruit plantations	281,107,561	181,146,503
Land clearance for new plantations	198,793,894	109,957,794
Land rental fees	63,427,394	64,100,399
Tools and supplies	12,684,446	17,872,685
Sugarcane plantations	-	552,158,941
Others	30,746,390	26,458,681
TOTAL	586,759,685	951,695,003

17. GOODWILL

	VND'000 Amount
Cost	
As at 31 December 2016 and 30 June 2017	4,085,709,858
Accumulated amortisation	
As at 31 December 2016	(179,534,460)
Amortisation for the period (Note 31)	(204,285,493)
As at 30 June 2017	(383,819,953)
Net carrying amount	
As at 31 December 2016	3,906,175,398
As at 30 June 2017	3,701,889,905

18. SHORT-TERM TRADE PAYABLES

	30 June 2017	31 December 2016 (As restated - Note 38)
	VND'000	
Payables to suppliers of goods and services	653,352,410	599,509,033
- International Livestock Export Pty Ltd.	23,987,628	98,785,512
- Others	629,364,782	500,723,521
Payables to suppliers of machinery and equipment	7,090,916	125,705,250
Payables to constructors	5,309,234	4,065,719
Others	151,118	16,812,152
TOTAL	665,903,678	746,092,154
<i>In which:</i>		
Due to related parties (Note 34)	442,988,902	377,425,999
Due to other suppliers	222,914,776	368,666,155

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

19. SHORT-TERM ADVANCES FROM CUSTOMERS

	30 June 2017	31 December 2016 (As restated - Note 38)
		VND'000
Advances from customers	155,799,143	209,052,910
- Binh Ha Breeding Joint Stock Company	103,163,300	103,163,300
- Mr. Lim	23,329,000	22,796,000
- Others	29,306,843	83,093,610
Advances from related parties (Note 34)	128,008,950	46,433,384
TOTAL	283,808,093	255,486,294

20. STATUTORY OBLIGATIONS

	31 December 2016 (As restated - Note 38)	Increase in period	Decrease in period	30 June 2017
				VND'000
Receivables				
Corporate income tax (Note 33.1)	4,990,273	-	-	4,990,273
Others	320,599	42,852	(34,768)	328,683
TOTAL	5,310,872	42,852	(34,768)	5,318,956
Payables				
Value-added tax	97,645,181	14,727,884	(966,121)	111,406,944
Corporate income tax (Note 33.1)	15,450,074	24,292,608	(575,433)	39,167,249
Personal income tax	3,727,910	2,175,522	(1,921,101)	3,982,331
Others	3,331,571	163,997	(69,326)	3,426,242
TOTAL	120,154,736	41,360,011	(3,531,981)	157,982,766

21. ACCRUED EXPENSES

	30 June 2017	31 December 2016 (As restated - Note 38)
		VND'000
Interest expenses	192,741,238	118,205,544
Others	23,593,572	24,141,149
TOTAL	216,334,810	142,346,693

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

22. OTHER PAYABLES

	30 June 2017	31 December 2016 (As restated - Note 38)
		VND'000
Short-term		
Borrowings from companies and individuals	2,799,741,097	2,554,966,933
Loan interest payables	1,706,145,198	1,620,695,815
Land lease payables	1,009,262,429	762,023,950
Others	42,030,874	83,353,623
	42,302,597	88,893,545
<i>In which:</i>		
<i>Due to related parties (Note 34)</i>	2,311,174,452	1,946,457,800
<i>Due to others</i>	488,566,645	608,509,133
Long-term		
Business co-operation contract payables (*)	1,163,634,898	914,104,959
Loan interest payables	550,000,000	550,000,000
Land lease payables	459,688,780	206,170,426
Others	132,897,799	148,216,941
	21,048,319	9,717,592
<i>In which:</i>		
<i>Due to a related party (Note 34)</i>	796,327,384	686,237,677
<i>Due to others</i>	367,307,514	227,867,282
TOTAL	3,963,375,995	3,469,071,892

(*) BCC is between Highland Dairy Cattle Joint Stock Company, a subsidiary, with An Tien Co., Ltd ("An Tien"), a related party, for investment in beef cattle project, total amounting to VND'000 963,968,249 with duration of 5 years in accordance with BCC No. 01/2016/HDHT dated on 20 May 2016. Accordingly, An Tien will contribute VND 700 billion in the project. As 30 June 2017, An Tien contributed VND 550 billion. The BCC is not required to establish a new legal entity and the profits from the project would be shared based on the actual capital contribution of each party.

23. LONG-TERM PROVISION

Long-term provision mainly represents the provision for foreign contractor tax in relation to the loans among subsidiaries in the Group, which lenders are operating outside of Vietnam.

Hoang Anh Gia Lai Agricultural Joint Stock Company

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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24. LOANS

	31 December 2016 (As restated - Note 38)	Increase in the period	Decrease in the period	VND '000 30 June 2017
Short-term	2,658,329,502	1,638,672,245	(2,309,342,352)	1,987,659,395
Short-term bank loans (Note 24.1)	1,071,367,450	999,859,836	(851,087,141)	1,220,140,145
Short-term loans from companies and individuals (Note 24.2)	761,027,300	17,400,000	(717,070,000)	61,357,300
Short-term loans from related parties (Note 24.3)	7,823,000	414,119,000	-	421,942,000
Current portion of long-term bank loans (Note 24.4)	187,922,531	83,293,614	(110,354,795)	160,861,350
Current portion of long-term loans from related party (Note 24.6)	333,097,953	80,000,000	(333,097,953)	80,000,000
Current portion of long-term bonds (Note 24.5)	297,091,268	43,999,795	(297,732,463)	43,358,600
Long-term loan	17,432,565,186	645,953,133	(1,987,371,829)	16,091,146,490
Long-term bank loans (Note 24.4)	5,964,217,509	154,614,898	(782,970,036)	5,335,862,371
Long-term bonds (Note 24.5)	1,817,205,920	301,474,570	(49,358,601)	2,069,321,889
Long-term loans from related party (Note 24.6)	9,651,141,757	186,863,665	(1,155,043,192)	8,682,962,230
Long-term loans from individuals (Note 24.7)	-	3,000,000	-	3,000,000
TOTAL	20,090,894,688	2,284,625,378	(4,296,714,181)	18,078,805,885

The Group completed the debts restructuring plan with its creditors comprising Bank for Investment and Development of Vietnam Joint Stock Company; Vietnam Prosperity Joint Stock Commercial Bank, Saigon Thuong Tin Commercial Joint Stock Bank and Laos - Vietnam Joint Venture Bank. The restructuring included extending the original maturities of principal of loans and bonds from 4 to 10 more years; extending maturities of interest expense payables from 1 to more 3 years, and reducing interest rates and penalty.

Hoang Anh Gia Lai Agricultural Joint Stock Company

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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24. LOANS (continued)

24.1 Short-term loans from banks

	30 June 2017	31 December 2016 (As restated - Note 38)
		VND'000
Bank for Investment Development of Vietnam ("BIDV")	758,598,890	504,124,600
Tien Phong Commercial Joint Stock Bank ("TP Bank")	231,704,413	-
Laos - Vietnam Joint Venture Bank ("Laos - Viet Bank")	117,473,472	349,778,076
Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank")	81,640,120	24,157,000
Ho Chi Minh City Development Joint Stock Bank ("HD Bank")	30,723,250	193,307,774
TOTAL	1,220,140,145	1,071,367,450

Hoang Anh Gia Lai Agricultural Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

24. LOANS (continued)

24.1 Short-term loans from banks (continued)

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

Banks	30 June 2017	Maturity date	Interest rate %/year	Collateral (Notes 10, 11 and 13)
<i>BIDV, Gia Lai Branch</i>	VND'000			
Loan contract No. 04/2015/6261950/HDTD dated 4 May 2015 - Appendix No. 01/2016/6261950 (*)	599,932,035	From 6 July 2017 to 26 January 2018	6.8 – 10.4	Assets arising from loans, project of meat cows at Chuprong District, Gia Lai Province, Viet Nam
Loan contract No. 01/20155331375/HDTD date 19 June 2015	158,666,855	From 29 November 2017 to 16 April 2018	9.30 – 11.60	Assets arising in the future of 1,194.74 ha rubber plantation at Ia Pa District, Gia Lai Province, Viet Nam; current deposits of HAG at BIDV amounting to VND 6 billion and a part of shopping centre in Bau Thac Gian, Da Nang City owned by HAG
TOTAL	758,598,890			
<i>TPbank, Head office Ha Noi</i>				
Loan contract No. 2104/HDTD/TPBANK dated 21 April 2017	231,704,413	From 12 July 2017 to 26 March 2018	10% for first year and changes 3 times per year equal to 3-month saving rate of TP Bank plus margin of 3.2%/year (2017: 10%)	Land use right 180.4 ha of Gia Lai Livestock Join Stock Company, a related company and related assets in Gia Lai; land use right 925 ha and related assets at Kratie, Cambodia

(*) As at 12 July 2017, the Group fully re-paid this short-term loan.

Hoang Anh Gia Lai Agricultural Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

24. LOANS (continued)

24.1 Short-term loans from banks (continued)

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

Banks	30 June 2017	Original amount	Maturity date	Interest rate	Collateral
	VND'000	USD		%/year	(Notes 10, 11 and 13)
<i>Laos - Viet Bank, Attapeu Branch</i>					
Loan contract No. 083/HD-LVB.ATP/2015 dated 9 July 2015	<u>117,473,472</u>	5,282,501	9 July 2017	8.00	Land use rights of 3 lots of land 1,001.78 ha at Laman District, Sekong Province, Laos, and attached assets of cows project
<i>Sacombank, Cambodia Branch</i>					
Loan contract No. LD1716600008 dated 15 June 2017	23,317,620	1,000,000	15 June 2018	9.0	Land use rights at TaLao Commune, Ouchum District, Ratanakiri Province and at Nhang Commune, Andong Meas District, Ratanakiri Province owned by Hoang Anh Oyadav Co., Ltd.
Loan contract No. LD1717200001 dated on 21 June 2017	23,329,000	1,000,000	21 June 2018	9.0	Land and Rubber plantation at Sre Thimay, Khsum Commune, Snol District, Kro Ches Province, Cambodia
Loan contract No. LD1717200004 dated 11 April 2017	23,329,000	1,000,000	11 April 2018	9.0	
Loan contract No. LD1717200002 dated 20 June 2017	11,664,500	500,000	20 June 2018	9.0	
TOTAL	<u>81,640,120</u>				
<i>HD Bank, Gia Lai Branch</i>					
Contract No. 0481/2015/HDTDHM-DN/170 dated 12 September 2016	<u>30,723,250</u>	-	12 July 2017	10.5	Assets arising from loans - project of cows

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

24. LOANS (continued)

24.2 Short-term loans from enterprise and individuals

Details of the short-term loans from companies and individuals are as follows:

<i>Lender</i>	<i>30 June 2017</i> <i>VND'000</i>	<i>Maturity date</i>	<i>Interest rate</i> <i>% per year</i>
<i>Mrs Tran Thi Huu Duyen</i>			
Loan No. 1	24,581,000	27 August 2017	7.00
Loan No. 2	8,948,000	29 January 2017	10.00
<i>Canh Hung Hai Thanh Joint Stock Company</i>			
Loan No. 3	18,000,000	26 October 2016	9.00
<i>Mr Vu Duy Khuong</i>			
Loan No. 4	9,200,000	24 December 2016	10.87
<i>Mr Che Duc Toan</i>			
Loan No.5	628,300	4 June 2016	8.00
TOTAL	61,357,300		

Short-term loans from individuals and enterprise represent unsecured loans which were used to finance the Group's working capital requirements and to finance projects of the Group. As at 30 June 2017 and as at the date of the interim consolidated financial statements, the Group has not paid the overdue loans as mentioned above.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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24. LOANS (continued)

24.3 Short-term loans from related parties

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

<i>Lender</i>	<i>30 June 2017</i> <i>VND'000</i>	<i>Maturity date</i>	<i>Interest rate</i> <i>% per year</i>
<i>Hung Thang Loi Gia Lai Joint Stock Company (Note 34)</i>			
Loan No. 1	414,119,000	20 June 2018	4.20
<i>Mr Duong Hoang Bac (Note 34)</i>			
Loan contract No. 0511/2016/HDVT/DHB-CSDD dated 11 May 2016	1,115,000	11 May 2017	10.00
Loan contract No. 0606/2016/HDVT/DHB-CSDD dated 6 June 2016	1,119,500	6 June 2017	10.00
Loan contract No. 0608/2016/HDVT/DHB-CSDD dated 8 June 2016	2,238,000	8 June 2017	10.00
Loan contract No. 0722/2016/HDVT/DHB-CSDD dated 22 July 2016	1,116,000	22 July 2017	10.00
Loan contract No. 0812/2016/HDVT/DHB-CSDD dated 12 August 2016	1,115,500	12 August 2017	10.00
Loan contract No. 1104/2016/HDVT/DHB-CSDD dated 4 November 2016	1,119,000	4 November 2017	10.00
TOTAL	<u>421,942,000</u>		

Short-term loans from related parties represent unsecured loans which were used to finance the Group's working capital requirements and to finance projects of the Group. As at 30 June 2017 and as at the date of the interim consolidated financial statements, the Group has not paid the overdue loans as mentioned above.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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24. LOANS (continued)

24.4 Long-term loans from banks

	VND'000	
	30 June 2017	31 December 2016 (As restated - Note 38)
BIDV	2,345,214,188	3,093,845,163
HD Bank	1,138,453,077	1,042,206,160
Laos - Viet Bank	1,022,331,371	1,022,006,112
Sacombank	990,725,085	994,082,605
TOTAL	5,496,723,721	6,152,140,040
<i>In which:</i>		
<i>Non-current portion</i>	5,335,862,371	5,964,217,509
<i>Current portion</i>	160,861,350	187,922,531

The Group obtained these loans mainly to finance the construction and development of rubber, palm oil and fruits plantations, purchases of machinery and equipment and cow projects.

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24. LOANS (continued)

24.4 Long-term loans from banks (continued)

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

Bank	30 June 2017	Original amount	Maturity date	Interest rate	Collateral
	VND'000	USD		%/year	(Notes 10, 11 and 13)
<i>BIDV, Binh Dinh Branch</i>					
Loan Agreement No. 01/2013/BIDV-Attapeu dated on 18 February 2013	654,620,906	29,436,736	From 25 December 2017 to 25 June 2023	12-month savings deposit in USD interest of BIDV paid in arrears + 5.00% (2017: 7.50)	Apartments in Hoang Van Thu buildings, Pleiku City, Gia Lai Province, Vietnam; land use right of 2,332 m2 in Dong Da Ecological Lake, Quy Nhon City, Binh Dinh Province, Viet Nam; HAGL Grannite Stone factory in Dak Doa, Gia Lai Province, Vietnam; land use right of 6,993.2 m2 at Phu Dong Ward, Pleiku City, Gia Lai Province, Viet Nam; 84 apartments in HAGL-BIDV luxury buildings at DakLak Province, Viet Nam; current account amounting to VND'000 65,990,000 of HAG in BIDV
					Land use right and other related assets including 5,588 ha of rubber and 2,093.6 ha of palm oil at Attapeu Province, Laos

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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24. LOANS (continued)

24.4 Long-term loans from banks (continued)

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

Bank	30 June 2017		Maturity date	Interest rate %/year	Collateral (Notes 10, 11 and 13)
	VND'000	Original amount USD			
<i>BIDV, Gia Lai Branch</i>					
Loan contract No. 01/20155331375/HD-TD dated 19 June 2015	601,306,442	313,978,211	From 13 March 2019 to 28 December 2019	USD 7.70 - 7.82; VND 9.30 - 11.60	Assets arising in the future of 1,194.74 ha rubber plantation at la Pa District, Gia Lai Province, Vietnam; current account amounting to VND 6 billion of HAG in BIDV; and a part of apartments and shopping centre in Bau Thac Gian, Da Nang City of Hoang Anh Gia Lai Parent Company ("HAG"); 3.31 mil of HNG shares owned by HAG
Loan Agreement No. 01/2010/HD-TD dated on 1 April 2010	730,414,422	-	From 31 December 2017 to 31 December 2026	12-month savings deposit in USD interest rate of BIDV paid in arrears + 4.70% (2017: 7.05 - 7.20)	Land use right of 9,996.9 ha rubber in Saysetha, San Xay and Phu Vong Districts, Attapeu Province, Laos

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

24. LOANS (continued)

24.4 Long-term loans from banks (continued)

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

Bank	30 June 2017		Maturity date	Interest rate %/year	Collateral (Notes 10, 11 and 13)
	VND'000	Original amount VND'000 USD			
<i>BIDV, Gia Lai Branch (continued)</i>					
Loan No. 01/2015/6261950/HDTD dated 4 May 2015 (*)	218,359,830	218,359,830	From 4 July 2017 to 4 May 2022	Fund transfer pricing rate more than 12 months of BIDV + 3.20% (2017: 12.00)	Assets arising from the loans, project of meat cow in Gia Lai Province, Vietnam
Loan contract No. 02/2015/6261950/HDTD dated 4 May 2015 (*)	74,544,317	74,544,317	From 4 July 2017 to 4 May 2022	Fund transfer pricing rate more than 12 months of BIDV + 3.20% (2017: 9.90 – 12.3)	Assets arising from the loans, project of meat cow in Gia Lai Province, Vietnam
Loan Contract No. 05/2015/6261950/HDTD dated 1 December 2015 (*)	65,968,271	65,968,271	From 5 December 2017 to 5 September 2022	12 month savings deposit interest rate +3.00%, no lower than first interest rate, adjust for each 3 months (2017: 9.90)	Assets arising from the loans, project of meat cow in Gia Lai Province, Vietnam
TOTAL		2,345,214,188			
<i>In which :</i>					
Non-current portion	2,238,167,381				
Current portion	107,046,807				

(*) As at 30 June 2017, total value of collateral assets are less than total amount of outstanding loans balance as required in the collateral contract.

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24. LOANS (continued)

24.4 Long-term loans from banks (continued)

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

Bank	30 June 2017		Maturity date	Interest rate %/year	Collateral (Notes 10, 11 and 13)
	VND'000	Original amount USD			
HD Bank, Dong Nai Branch Loan Contract No.0044/2014/HDTDTDH- DN dated 25 April 2014	878,692,452	450,000,000	From 25 June 2020 to 31 December 2023	Adjusted twice per year (2017: USD 7.00 - 7.50 and VND 10.50 - 12.00)	42,880,000 shares of HAG hold by Mr. Doan Nguyen Duc – Chairman and Ms. Hoang Thi Ngoc Bich – wife of chairman and Land use rights of 7,924 ha at Ratanakiri Province, Cambodia and attached assets
HD Bank, Dak Lak Branch Loan Contract No.1762/2015/HDTDTDH- DN dated 2 December 2015	62,960,625	62,960,625	From 26 December 2017 to 2 December 2020	Floating rate (2017: 10.50 - 11.25)	Assets arising from the loan - cows and calves of cattle breeding project

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24. LOANS (continued)

24.4 Long-term loans from banks (continued)

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

Bank	Ending balance VND'000	Original amount USD	Maturity date	Interest rate %/year	Collateral (Notes 10, 11 and 13)
HD Bank, Gia Lai Branch					
Contract No. 0588/16/HDLDTDH- DN/170/DNGN-KUNN/DN/01 dated 30 September 2016	99,800,000	-	From 30 September 2019 to 30 September 2021	12.50	Assets, harvesting rights in the future of fruit plantation project including profits arising from project
Contract No. 9451/17/HDTDDH-PN/170 dated 1 July 2017	97,000,000	-	From 30 June 2018 to 30 June 2020	13.00	Fruit plantations, harvesting rights in the future of fruit plantation project including profits arising from cow project
TOTAL	1,138,453,077				
<i>In which :</i>					
Non-current-portion	1,124,103,912				
Current portion	14,349,165				

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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24. LOANS (continued)

24.4 Long-term loans from banks (continued)

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

Bank	30 June 2017		Maturity date	Interest rate %/year	Collateral (Notes 10, 11 and 13)
	VND'000	Original amount LAK'000 USD			
<i>Laos- Viet Bank, Attapeu Branch</i>					
Loan Contract No. 098/HDLVB.ATP/ 2015 dated 5 August 2015	311,451,875	- 14,005,246	From 25 November 2018 to 25 August 2022	10.00	Office building of Hoang Anh Attapeu Agriculture Development Co., Ltd at Km No.31; Hatxan Commune, Xaysettha District, Attapeu Province, Laos corresponding to the map No. 17 001 0008
Loan Agreement No. 010/2013/LVB- ATTAPEU dated 15 March 2013	275,984,447	39,355,143 7,649,850	From 21 June 2018 to 14 March 2023	USD: Adjust for twice per year (2017: 9.50 - 11.00). LAK: 13-month savings deposit interest paid in arrears plus 3%, adjust for twice per year (2017: 12.75 - 13.75)	0.3 ha, rubber latex production factory at Hatxan Commune, Xaysettha District, Attapeu Province, Laos and imported cows of Hoang Anh Attapeu Agriculture Development Co.,Ltd
Loan contract no. 097/HD- LVB.ATP/2015 - dated 16 March 2015	110,890,918	- 4,986,500	From 25 November 2018 to 25 August 2022	8.75	

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24. LOANS (continued)

24.4 Long-term loans from banks (continued)

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

Bank	30 June 2017		Original amount	Maturity date	Interest rate %/year	Collateral (Notes 10, 11 and 13)
	VND'000	LAK'000				
<i>Laos - Viet Bank, Attapeu Branch (continued)</i>						
Loan contract No. 083/HD-LVB.ATP/2015 dated 9 July 2015	222,993,851	-	10,027,500	From 25 January 2019 to 25 October 2022	9.50 - 10.00	Land use rights of 1,001.78 ha at Laman District, Sekong Province, Laos, and attached assets of cows project
Loan Contract No. 124/HD-LVB/2015 dated 25 November 2015	101,010,280	-	4,542,191	From 25 February 2017 to 30 November 2020	Floating rate (2017: 9.50 - 10.50)	All equipment, materials and machinery for the construction of palm oil processing factory
TOTAL	1,022,331,371					
<i>In which:</i>						
Non-current portion	982,865,993					
Current portion	39,465,378					

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24. LOANS (continued)

24.4 Long-term loans from banks (continued)

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

Bank	30 June 2017		Original amount	Maturity date	Interest rate %/year	Collateral (Notes 10, 11 and 13)
	VND'000	USD				
<i>Sacombank, Sai Gon Branch</i>						
Loan Agreement No. LD1636300050 dated 28 December 2016	300,000,000	300,000,000	-	From 28 June 2020 to 28 December 2021	12-months savings deposit + 2.5%, adjust for three times per year (2017: 10.00)	Land use right of 3.467 ha rubber plantation at Gia Lai Province and all attached assets planted and harvested by Trung Nguyen Rubber; Land use right of 687.9 ha rubber plantation and attached assets in Ea H'leo, Dak Lak Province, Vietnam 18.57 million shares of HAG hold by Mr. Doan Nguyen Duc – Chairman; 14.5 million shares of HNG hold by Hoang Anh Gia Lai Hydropower JSC and 4.99 million shares of Hoang Anh Quang Minh Joint Stock Company 23.2 million HAG shares held by Mr. Doan Nguyen Duc – Chairman; 14.5 million share of Hoang Anh Quang Minh Joint Stock Company, a subsidiary.
Loan Agreement No. LD1400300153 dated 3 January 2014	262,454,605	262,454,605	-	From December 2021 to December 2026	2017: 9.50% and from 2018: 13-month saving deposit of Sacombank + 2%, adjust for each 3 months	

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24. LOANS (continued)

24.4 Long-term loans from banks (continued)

Bank	30 June 2017		Maturity date	Interest rate %/year	Collateral (Notes 10, 11 and 13)
	VND'000	USD			
<i>Sacombank, Thu Duc Branch</i>					
Loan contract No. LD133200419 dated 29 November 2013	250,000,000	250,000,000	From 25 December 2021 to 25 December 2026	Floating rate (2017: 10.00 - 11.85)	Land use right of 1,328.1 ha of rubber plantation and attached assets in Chuprong District, Gia Lai; Land use right of 479.2 ha at EaH'Leo Commune, EaH'Leo District valued at VND 95.84 billion and 683.33 ha at EaH'Leo Commune, EaH'Leo District, Gia Lai Province, Vietnam
Loan Agreement No. LD1623900077 dated 10 November 2016	85,000,000	85,000,000	From 25 April 2020 to 11 October 2021	9.5%/year for first year and saving interest of 13 months of SBC + margin of 2.5%/year for subsequent years (2017:9.5%)	Land use right of 1,382 ha of rubber plantation in Ia Puch, Chuprong District, Gia Lai Province, Vietnam and attached assets
<i>Sacombank, Cambodia Branch</i>					
Loan contract No LD1616880002 dated 16 June 2016	93,270,480	-	23 June 2021	9.00	Land use rights at TaLao Commune, Ouchum District, Ratanakiri Province and at Nhang Commune, Andong Meas District, Ratanakiri Province, Cambodia
TOTAL	990,725,085				
<i>In which:</i>					
Non-current portion	990,725,085				
Current portion	-				

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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24. LOANS (continued)

24.5 Bonds

Straight bonds

Details of the outstanding domestic straight bonds as follows:

Issuance agent	Bond holder	30 June 2017	Interest rate	Maturity date	Purpose	Collateral
		VND'000	%/year			
Euro Capital Securities Joint Stock Company	Vietnam Prosperity Joint Stock Commercial Bank ("VPB") (*)	1,394,000,000	10.5% for the first three-quarter and apply 12-month saving interest rate of deposit in VND of VPB plus 4.5% (2017: 10.8 – 11.6%)	From 17 August 2019 to 17 December 2021	Restructuring of part of the bonds with total par value of VND 2.000 billion which was issued in December 2012, to finance investment projects of the Group, including the project of planting rubber trees, palm oil and sugar cane trees in Cambodia and Laos	181,717,250 shares of HNG held by HAG, parent company; of which, 31,000,000 shares of HNG were used to secure for the bonds with par value of VND 600 billion - HAGL 600 Bonds issued by HAG
IB Securities Joint Stock Company	VPB	431,000,000	10.5% for the first three-quarter and apply the saving interest rate of deposit in VND of VPB with the term of twelve (12) months plus 4% for subsequent periods (2017: 10.5 - 11.0)	From 17 February 2019 to 17 December 2021	Restructuring of bonds interest payable of VND 1,400 billion-bond	234,484,450 shares of HNG held by HAG, parent company; land use right of 7,376 ha at Lumphat District, Ratanakiri Province, Cambodia and attached assets owned by the Company's subsidiaries and 4,700,000 shares of HAG held by Mr Doan Nguyen Duc - Chairman
Bond issuance costs		(12,319,511)				
TOTAL		2,112,680,489				
<i>In which:</i>						
Current portion		2,069,321,889				
Non-current portion		43,358,600				

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

24. LOANS (continued)

24.5 Bonds (continued)

***Straight bonds* (continued)**

(*) As at 30 June 2017 and up to the date of these consolidated financial statements, the value of collateral assets did not equal to at least 200% the total par value of bonds as required in the bond contracts. However, regarding extendable bond contracts made on 10 February 2017, VP Bank, bond holder of VND 1,400 billion - bond agreed to extend maturity date of principals and which were due from 17 August 2019 to 17 December 2021.

Bond with warrants

On 5 December 2012, the Company announced the issuance of new 20,000 bonds with total value of VND 2,000 billion (the par value per bond is VND 100 million) which was arranged by Vietnam Prosperity Bank Securities Company Limited ("VPBS"). These bonds are repaid after three (3) years and have grace period of one (1) year. The Company repurchased 17,000 bonds before the maturity date with total nominal value of VND 1,700 billion on 17 November 2015, and 3,000 bonds with total par value of VND 300 billion on 18 May 2016.

In addition, a warrant was granted for every bond issued and the warrants will be considered as independent securities with the bonds after being granted. Each warrant grants the holder the right to purchase a number of shares of the Company equivalent to 0.000775% of actual contributed share capital of the Company's right after all warrants are exercised. Should all warrants be exercised, the Company 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 two (2) years. Accordingly, the exercisable year of the warrants has been increased from four (4) years to six (6) years from the date of issuance of the warrants, which is 5 December 2018.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

24. LOANS (continued)

24.6 Long-term loans from related parties

Details of the loans from related parties are as follows:

<i>Lender</i>	<i>30 June 2017</i> <i>VND'000</i>	<i>Maturity date</i>	<i>Interest rate</i> <i>%/year</i>
<i>HAGL, Parent company (Note 34)</i>			
Loan Agreement No. 10/HDVHAGL-NNQT dated 7 December 2016	3,218,877,000	7 December 2021	4.20
Loan Agreement No. 09.2016/HDVHAGL-HATTAPU dated 1 September 2016	1,321,098,855	1 September 2021	8.00
Loan Agreement No. 01-01/2016/HDV-HAGL dated 1 January 2016	1,189,809,533	1 January 2019	4.20
Business Corporation Contract - 36 months - HAGL dated 28 August 2015	600,000,000	28 August 2018	10.77
Loan Agreement No. 04/2014/HDV-HAGL dated on 1 April 2014	500,000,000	3 April 2019	9.75
Loan Agreement No. 25-07/2015/HDV-HAGL dated 25 July 2015	234,292,849	25 July 2020	9.30 – 9.75
Loan Agreement No. 07/2013/HDV-HAGL dated on 8 July 2013	60,429,920	From 30 April 2017 to 30 December 2027	9.75
Loan Agreement No. 03/2014/HDV-HAGL dated on 6 November 2014	300,000,000	6 March 2020	9.75
Loan Agreement No. 0507/HTKD/HAGL-CSHAQM date on 5 July 2015	300,000,000	7 July 2018	9.75
Loan Agreement No. 01-01/2016/HDV-HAGL dated on 1 January 2016	273,507,200	1 January 2019	12.50
Loan Agreement 2402/HDV-HAGL dated 24 February 2016	43,145,733	24 February 2019	10.50
Loan Agreement No. 04/2015/HDV-HAGL dated on 6 January 2015	80,000,000	6 January 2018	9.75
Loan Agreement No. 02-06/HDV-HAGL dated on 01 June 2016	73,076,978	22 March 2019	10.00
Loan Agreement No. 01/2013/HDV-HAGL dated on 17 May 2013 – Appendix No 01/2013/HDV-HAGL-PL1 dated 1 June 2016	66,073,000	17 May 2019	4.20 – 12.00

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

24. LOANS (continued)

24.6 Long-term loans from related parties (continued)

Details of the long-term loans from related parties are as follows: (continued)

<i>Lender</i>	<i>30 June 2017</i>	<i>Maturity date</i>	<i>Interest rate</i>
	<i>VND'000</i>		<i>%/year</i>
<i>HAGL, Parent company (Note 34) (continued)</i>			
Loan Agreement 03-2017/HDVHAGL-BSTN dated 31 March 2017	12,567,123	31 March 2022	12.00
Loan Agreement 01/HDVHAGL dated 14 January 2016	31,908,500	14 January 2019	6.00
Loan Agreement 12/HDVHAGL-ADM dated 30 December 2016	34,007,539	30 December 2023	10.00
<i>Gia Lai Livestock Joint Stock Company (Note 34)</i>			
Loan Agreement No. 28/09/16-HDV dated 28 September 2016	298,000,000	28 September 2018	6.00
<i>Hoang Anh Gia Lai Hydropower Joint Stock Company (Note 34)</i>			
Loan Agreement No. 02/17/TDHAGL-NNQT dated 7 December 2016	126,168,000	17 February 2020	5.00
TOTAL	<u>8,762,962,230</u>		
<i>In which:</i>			
<i>Non-current portion</i>	<i>8,682,962,230</i>		
<i>Current portion</i>	<i>80,000,000</i>		

Loans from related parties are unsecured loans which were used to finance the Group's working capital requirements and to finance projects of the Group.

24.7 Long-term loans from individuals

Detail of long-term loans from individual and enterprise as below:

<i>Lender</i>	<i>30 June 2017</i>	<i>Maturity date</i>	<i>Interest rate</i>
	<i>VND'000</i>		<i>%/year</i>
<i>Mrs Huynh Tran Thanh Phuong</i>			
Loan contract No. 01/2017HDV/CSTN-HTTP dated 28 June 2017	<u>3,000,000</u>	29 June 2019	6.50

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25. OWNERS' EQUITY

25.1 Increase and decrease in owners' equity

	Share capital	Share premium	Foreign exchange differences	Undistributed earnings	Total
					VND '000
For the six-month period ended 30 June 2016					
As at 1 January 2016	7,081,438,950	2,550,810	443,148,354	2,126,574,755	9,653,712,869
Net loss for the period	-	-	-	(518,508,562)	(518,508,562)
Issuance of shares in cash	590,000,000	1,062,000,000	-	-	1,652,000,000
Foreign exchange differences	-	-	30,425,921	-	30,425,921
As at 30 June 2016	<u>7,671,438,950</u>	<u>1,064,550,810</u>	<u>473,574,275</u>	<u>1,608,066,193</u>	<u>10,817,630,228</u>
For the six-month period ended 30 June 2017					
As at 1 January 2017 (As restated – Note 38)	7,671,438,950	1,064,550,810	544,709,749	391,660,270	9,672,359,779
Net profit for the period	-	-	-	1,014,519,028	1,014,519,028
Foreign exchange differences	-	-	(255,126,722)	-	(255,126,722)
As at 30 June 2017	<u>7,671,438,950</u>	<u>1,064,550,810</u>	<u>289,583,027</u>	<u>1,406,179,298</u>	<u>10,431,752,085</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

25. OWNERS' EQUITY (continued)

25.2 Shares

	30 June 2017	31 December 2016
	Shares	Shares
Shares authorised to be issued	767,143,895	767,143,895
Shares issued and fully paid	767,143,895	767,143,895
<i>Ordinary shares</i>	767,143,895	767,143,895
Shares in circulation	767,143,895	767,143,895
<i>Ordinary shares</i>	767,143,895	767,143,895

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

26. NON-CONTROLLING INTERESTS

	For the six-month period ended 30 June 2017	VND'000 For the six-month period ended 30 June 2016
As at 31 December 2017	59,662,494	225,915,036
Loss during the period	(1,364,076)	(40,977,336)
Declaration of dividends to non-controlling shareholders	-	(825,000)
Disposals of subsidiaries	(11,772,954)	-
Ending balance	46,525,464	184,112,700

27. EARNINGS (LOSS) PER SHARE

The Group used the following information to calculate basic and diluted earnings (loss) per share:

	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
Net profit (loss) after tax attributable to ordinary shareholders (VND'000)	1,014,519,028	(518,508,562)
Weighted average number of ordinary shares for basic earnings per share (<i>share</i>)	767,143,895	767,143,895
Effect of dilution due to warrants (<i>i</i>)	140,718,703	140,718,703
Weighted average number of ordinary shares adjusted for the effect of dilution (<i>share</i>)	907,862,598	907,862,598
Basic earnings (loss) per share (VND)	1,322	(676)
Diluted earnings (loss) per share (VND)	1,117	(676)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017**27. EARNINGS (LOSS) PER SHARE** (continued) (i)

As disclosed in Note 24.5 to the interim consolidated financial statements, on 5 December 2012, the Group issued bonds with warrants of VND 2,000 billion at par value of VND 100 million per bond. These warrants could potentially dilute earnings per share in the future.

28. REVENUES**28.1 Net revenues from sale of goods and rendering of services**

	VND'000	
	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
Gross revenue	1,744,052,858	2,596,980,683
<i>In which:</i>		
Sale of fruits	808,652,723	-
Sale of cows	436,166,329	1,864,372,813
Sale of rubber latex	212,498,987	15,756,190
Sale of goods	181,241,355	165,566,546
Sale of sugar and related products	80,764,242	369,844,648
Revenue from rendering of services	16,732,979	27,785,217
Sale of apartments	7,996,243	17,254,301
Sale of corns	-	136,400,968
Less - Sales returns	-	(896,894)
Net revenue	1,744,052,858	2,596,083,789
<i>In which:</i>		
Sale of fruits	808,652,723	-
Sale of cows	436,166,329	1,863,475,919
Sale of rubber latex	212,498,987	15,756,190
Sale of goods	181,241,355	165,566,546
Sale of sugar and related products	80,764,242	369,844,648
Revenue from rendering of services	16,732,979	27,785,217
Sale of apartments	7,996,243	17,254,301
Sale of corns	-	136,400,968

28.2 Finance income

	VND'000	
	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
Income from disposal of subsidiaries	979,149,170	-
Interest income from loans to other companies	157,677,292	80,180,188
Foreign exchange difference gains	7,081,427	49,460,042
Others	929,879	4,084,456
TOTAL	1,144,837,768	133,724,686

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29. COST OF GOODS SOLD AND SERVICES RENDERED

	VND'000	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Cost of fruits sold	372,021,587	-
Cost of cows sold	351,242,270	1,653,413,570
Cost of rubber latex sold	161,054,048	18,347,665
Cost of goods sold	165,218,145	158,412,739
Cost of sugar and related products sold	92,493,950	257,591,977
Cost of services rendered	11,446,710	80,096,729
Cost of apartments sold	8,164,534	17,035,482
Cost of corns sold	-	67,367,442
TOTAL	<u>1,161,641,244</u>	<u>2,252,265,604</u>

30. FINANCE EXPENSES

	VND'000	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Interest expenses	392,064,151	360,944,699
Foreign exchange difference losses	17,879,419	63,847,124
Others	13,998,500	3,740,466
TOTAL	<u>423,942,070</u>	<u>428,532,289</u>

31. SELLING AND ADMINISTRATIVE EXPENSES

	VND'000	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Selling expenses	38,161,060	44,690,479
Transportation expenses	23,727,122	32,654,170
External services	9,134,750	10,364,126
Salary expenses	4,336,622	349,626
Depreciation expenses	815,236	703,700
Others	147,330	618,857
General and administration expenses	257,662,479	95,310,496
Allocation of goodwill	204,285,493	22,612,745
Salary expenses	27,283,333	37,925,074
Depreciation and amortisation expenses	6,912,661	10,123,511
External services	8,281,657	12,572,975
Others	10,899,335	12,076,191
TOTAL	<u>295,823,539</u>	<u>140,000,975</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

32. OTHER INCOME AND EXPENSES

	VND'000	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Other income	78,479,940	30,235,097
Proceeds from disposals of fixed assets	74,273,840	28,923,912
Others	4,206,100	1,311,185
Other expenses	42,218,023	497,451,200
Depreciation of idle assets	5,895,019	693,420
Loss from assessment of non-performing assets	-	473,559,413
Others	36,323,004	23,198,367
OTHER PROFIT (LOSS)	36,261,917	(467,216,103)

33. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profit (2016:22%).

The Company's subsidiaries located in Lao People's Democratic Republic have the obligations to pay CIT at the rate of 24% of their taxable profits and 2% of taxable profit of project transfer. Subsidiaries located in Kingdom of Cambodia have the obligations to pay CIT at the rate of 20% of their taxable profits. They are also entitled to CIT exemption and reduction in accordance with their respective BRCs, 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 into 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.

33.1 Current CIT

The CIT payable is based on taxable profit for the year. 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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33. CORPORATE INCOME TAX (continued)

33.1 Current CIT (continued)

	VND'000	
	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
Current tax expense	24,292,608	586,603
Deferred tax expense (income)	2,943,286	(12,899,722)
TOTAL	27,235,894	(12,313,119)

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

	VND'000	
	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
Accounting profit (loss) before tax	1,040,390,846	(571,799,017)
<i>Adjustments:</i>		
Losses of subsidiaries	345,230,032	624,408,719
Amortisation of goodwill	204,285,493	22,612,745
Non-deductible interest expenses	111,727,017	-
Change in intra-group unrealised profits	19,327,395	69,854,572
Non-deductible expenses	17,396,569	20,118,236
Adjustment due to disposals of subsidiaries to interim consolidated financial statements	(919,278,620)	-
Profits of activities which are exempted	(120,870,721)	(175,090,358)
Accrued expenses	(107,312,741)	-
Foreign exchange difference	(33,474,002)	20,100,391
Provision for investment into subsidiaries	(31,319,128)	(14,817,542)
(Gain) loss from associates shared	(611,608)	13,592,521
Others	2,035,896	969,114
Estimated current taxable profit before loss carried forward	527,526,428	9,949,381
Loss carried forward	(340,805,288)	(3,354,098)
Estimated current taxable profit	186,721,140	6,595,283
Estimated current CIT expense	22,700,403	1,319,056
Adjustment for under (over) accrual of CIT in previous period	1,592,205	(732,453)
Estimated current CIT for the period	24,292,608	586,603
CIT payable at beginning of the period	10,459,801	717,988
Others (decrease) increases	(575,433)	10,689,961
CIT paid during the period	-	(193,268)
CIT payable at end of the period	34,176,976	11,801,284
<i>In which:</i>		
CIT payable (Note 20)	39,167,249	13,313,156
CIT receivable (Note 20)	(4,990,273)	(1,511,872)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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33. CORPORATE INCOME TAX (continued)

33.2 *Deferred tax*

The following comprises the Group's deferred tax assets and the movements thereon during the period:

	VND'000			
	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>30 June 2017</i>	<i>31 December 2016</i>	<i>For the six- month period ended 30 June 2017</i>	<i>For the six- month period ended 30 June 2016</i>
Deferred tax assets				
Unrealised intra-group profits	40,977,859	38,764,262	2,213,597	15,863,230
Deferred tax liabilities				
Change in deferred tax due to disposals of Sugar Cane Group	-	(88,230,225)	(18,893,761)	-
Provision for investment	(7,549,010)	(21,285,888)	13,736,878	(2,963,508)
	(7,549,010)	(109,516,113)		
Deferred tax (expense) income			(2,943,286)	12,899,722

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

34. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties for the six-month period ended were as follows:

Related parties	Relationship	Transactions	VND'000	
			For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
Hoang Anh Gia Lai Joint Stock Company	Parent company	Interest expenses	325,476,388	296,188,744
		Loans and borrowings	66,050,314	3,319,167,381
		Purchase of goods, services and materials	37,293,795	99,226,683
		Lending	52,530,000	-
		Purchase of fixed assets	6,658,860	1,639,806
		Sales of goods	2,076,060	2,319,756
		Rendering of services	787,444	1,412,974
		Purchase of investment	-	12,828,645
Mr Nguyen Quoc Huy	Related party	Disposals of investment	130,000,000	-
Gia Lai Livestock Joint Stock Company	Associate	Purchase of goods	128,070,165	86,353,011
		Sales of goods and rendering of services	45,203,698	295,662,520
		Interest income	31,073,578	33,128,785
		Sales of cows	21,729,708	-
Dai Thang Agricultural Development Co., Ltd	Related company	Purchases of goods and services	200,900,387	-
		Sales of goods and rendering of services	56,245,454	-
An Phu Real Estate Investment Joint Stock Company	Related company	Interest income	91,725,829	65,657,500
Mrs Nguyen Thi Nga	Related party	Interest income	9,804,167	-
Mrs Nguyen Thi Kim Loan	Related party	Interest income	8,192,424	-
Mrs Truong Thi Truc Thien Trang	Related party	Interest income	6,278,648	-
Hung Thang Loi Gia Lai Joint Stock Company	Related company	Loans	414,119,000	-
		Interest income	373,176	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

34. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at the balance sheet date were as follows:

Related parties	Relationship	Transactions	VND'000	
			30 June 2017	31 December 2016
Short-term trade receivables (Note 6)				
Gia Lai Livestock Joint Stock Company	Associate	Sales of goods	348,193,938	320,117,214
Hoang Anh Gia Lai Joint Stock Company	Parent company	Sales of goods	141,693,024	143,484,740
Mr Nguyen Quoc Huy	Related party	Disposals of investment	130,000,000	-
Dai Thang Agricultural Development Co., Ltd	Related company	Transfer of investment	25,474,626	90,147,433
		Sales of goods	23,799,159	23,731,185
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Sales of goods	1,395,125	1,117,123
Hoang Anh Gia Lai Sport Joint Stock Company	Related company	Sales of goods	497,394	413,196
Hoang Nguyen Housing Development Co., Ltd	Related company	Sales of goods	215,552	153,649
Thang Long Agricultural Development Co., Ltd.	Related company	Sales of goods	84,557	-
Hoang Anh Attapeu Hydro Power JSC	Related company	Sales of goods	69,245	25,005
Others	Related company	Sales of goods	61,939	101,768
			671,484,559	579,291,313
Short-term advances to suppliers (Note 7)				
Gia Lai Livestock Joint Stock Company	Associate	Purchase of goods	709,676,036	702,918,510
Hoang Anh Gia Lai Joint Stock Company	Parent company	Purchase of materials	476,557,940	897,478,880
Dai Thang Agricultural Development Co., Ltd	Related company	Purchase of seeds	14,151,874	-
Hoang Tho Co., Ltd	Related company	Purchase of goods	13,000,000	13,000,000
			1,213,385,850	1,613,397,390

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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34. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at the balance sheet date were as follows (continued):

Related parties	Relationship	Interest rate % per year	VND'000	
			30 June 2017	31 December 2016
Short-term loan receivables (Note 8) (*)				
An Phu Real Estate Investment Joint Stock Company	Related company	(i)	300,000,000	280,000,000
Thang Long Agricultural Development Co., Ltd.	Related company	12.5%	162,764,884	61,397,808
V&H Corporation (Laos) Co., Ltd.	Related company		5,169,088	4,742,317
			467,933,972	346,140,125
Long-term loan receivables (Note 8) (*)				
Gia Lai Livestock Joint Stock Company	Associate	6 - 9.75%	573,691,667	573,691,667
An Phu Investment Real Estate Joint Stock Company	Related company	(i)	942,957,042	870,000,000
Mrs Nguyen Thi Nga	Related party	6.5%	150,000,000	150,000,000
Mrs Nguyen Thi Kim Loan	Related party	6.5%	125,340,956	125,340,957
Mrs Truong Thi Truc Thien Trang	Related party	6.5%	95,180,219	96,670,000
Hoang Anh Gia Lai Joint Stock Company	Parent company	11 - 13%	52,530,000	-
			1,939,699,884	1,815,702,624

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

34. TRANSACTIONS WITH RELATED PARTIES (continued)

- (*) Short-term and long-term loans to related parties were approved by the General Shareholders Meeting dated 30 June 2017, compliance with terms and regulations regarding lending or granting guarantee to shareholders and related individuals pursuant to Circular No. 121/2012 /TT-BTC issued by the Ministry of Finance on 26 July 2012 on Corporate Governance applicable to public companies.
- (i) These represented unsecured loan to An Phu to support financial working capital of An Phu regarding its acquisition of the Group's subsidiaries and real estate projects based on the restructuring plan of the Group. Details were as follows:

<i>Loan receivables</i>	<i>30 June 2017</i>	<i>Maturity date</i>	<i>Interest rate</i>
	<i>VND'000</i>		<i>%/year</i>
Loan receivable No. 1	372,957,042	8 August 2019	12%
Loan receivable No. 2	287,000,000	30 December 2021	15%
Loan receivable No. 3	283,000,000	30 August 2020	15%
Loan receivable No. 4	<u>300,000,000</u>	27 May 2018	14%
TOTAL	<u>1,242,957,042</u>		

As at the date of the consolidated financial statements, loan receivables of the Group to An Phu and related parties to An Phu were granted guarantees by personal assets of Chairman of the Group - Mr. Doan Nguyen Duc and some assets of other related companies.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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34. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at the balance sheet date were as follows (continued):

Related parties	Relationship	Transactions	VND'000	
			30 June 2017	31 December 2016
Other short-term receivables (Note 9)				
An Phu Investment Real Estate Joint Stock Company	Related company	Interest income	103,873,232	84,116,944
Gia Lai Livestock Joint Stock Company	Associate	Payment on behalf Interest income	53,711,465 -	4,418,868 20,317,649
Hoang Anh Gia Lai Joint Stock Company	Parent company	Temporary lending Others	28,057,872 755,492	252,120,865 5,092,869
Dai Thang Agricultural Development Co., Ltd	Related company	Lending material and fixed assets	28,431,694	132,565,743
Thang Long Agricultural Development Co., Ltd	Related company	Temporary lending	1,290,391	-
Mrs Nguyen Thi Kim Loan	Related party	Interest income	-	3,100,087
Mrs Nguyen Thi Nga	Related party	Interest income	-	3,232,192
Mrs Truong Thi Truc Thien Trang	Related party	Interest income	-	2,083,040
Others	Related party	Payment on behalf	339,223	63,748
			216,459,369	507,112,005
Other long-term receivables (Note 9)				
Thang Long Agricultural Development Co., Ltd	Related company	Lending material and fixed assets	293,263,261	295,543,906
Gia Lai Livestock Joint Stock Company	Associate Business Corporation	Contract Interest income	109,650,982 91,442,270	109,650,981 60,368,691
Dai Thang Agricultural Development Co., Ltd	Related company	Lending material and fixed assets	147,840,561	102,439,202
Mrs Nguyen Thi Nga	Related party	Interest income	12,997,024	-
Mrs Nguyen Thi Kim Loan	Related party	Interest income	11,496,591	-
Mrs Truong Thi Truc Thien Trang	Related party	Interest income	2,543,427	-
An Phu Investment Real Estate Joint Stock Company	Related company	Interest income	-	20,987,500
			669,234,116	588,990,280

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

34. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at the balance sheet date were as follows
(continued):

Related parties	Relationship	Transactions	VND'000	
			30 June 2017	31 December 2016
Short-term trade payables (Note 18)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Purchase of materials	(231,455,315)	(294,126,649)
		Purchase of fixed assets	(5,933,117)	(6,718,545)
		Purchase of investment	-	(12,828,645)
		Others	(24,707)	(24,707)
Dai Thang Agricultural Development Co., Ltd	Related company	Purchase of goods and services	(126,886,212)	(3,195,941)
Gia Lai Livestock Joint Stock Company	Associate	Purchase of goods and services	(74,410,405)	(38,299,440)
		Purchase of fixed assets	-	(19,290,278)
Hoang Anh Gia Lai Mineral Joint Stock Company	Related company	Purchase of materials	(1,285,103)	(1,319,002)
Hoang Anh Gia Lai Hospital Joint Stock Company	Related company	Health medical services	(461,978)	(179,022)
Others	Related party	Purchase of materials	(2,532,065)	(1,443,770)
			(442,988,902)	(377,425,999)
Short-term advances from customers (Note 19)				
Dai Thang Agricultural Development Co., Ltd	Related company	Sales of goods	(105,039,231)	(24,395,000)
Hoang Anh Gia Lai Joint Stock Company	Parent company	Sales of goods	(21,751,340)	(21,993,920)
Gia Lai Livestock Joint Stock Company	Associate	Sales of goods	(1,173,915)	-
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related company	Sales of goods	(20,904)	(20,904)
Hoang Tho Co., Ltd.	Related company	Sales of goods	(23,560)	(23,560)
			(128,008,950)	(46,433,384)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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34. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at the balance sheet date were as follows (continued):

Related parties	Relationship	Transactions	VND'000	
			30 June 2017	31 December 2016
Other short-term payables (Note 22)				
Hoang Anh Gia Lai Joint Stock Company	Parent Company	Borrowings and interest expenses	(1,226,599,831)	(1,007,581,103)
Nam Kong 3 Electricity Co., Ltd.	Related company	Borrowings	(677,911,115)	(499,290,919)
Gia Lai Livestock Joint Stock Company	Associate	Receipt on behalf	(366,890,561)	(404,622,013)
		Interest expenses	(18,252,500)	-
		Others	(296,359)	-
Hoang Anh Gia Lai Mineral Joint Stock Company	Related company	Others	(7,885,106)	(1,943,782)
Hoang Anh Gia Lai (Bangkok) Co., Ltd	Related company	Interest expenses	(7,117,134)	(7,369,738)
Hoang Anh Attapeu Hydro Power JSC	Related company	Borrowings	(2,336,127)	-
An Tien Co., Ltd	Related company	Dividends	(2,034,000)	(2,034,000)
Hoang Anh Sekong Mineral Co., Ltd.	Related company	Borrowings	(1,065,530)	(1,457,363)
Hung Thang Loi Gia Lai Joint Stock Company	Related company	Interest expenses	(373,176)	-
Mr Duong Hoang Bac	Related party	Borrowings	(247,500)	-
Hoang Anh Gia Lai Hospital Joint Stock Company	Related company	Others	(165,513)	(158,882)
Mrs Vo Thi My Hanh	Related party	Borrowings	-	(22,000,000)
			(2,311,174,452)	(1,946,457,800)
Other long-term payables (Note 22)				
An Tien Co., Ltd	Related company	Business corporation	(550,000,000)	(550,000,000)
Hoang Anh Gia Lai Joint Stock Company	Parent company	Interest expenses	(246,327,384)	(136,237,677)
			(796,327,384)	(686,237,677)

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34. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at the balance sheet date were as follows (continued):

Related parties	Relationship	Transactions	VND'000	
			30 June 2017	31 December 2016
Short-term loans (Note 24.3)				
Hung Thang Loi Gia Lai Joint Stock Company	Related company	Short-term loans	(414,119,000)	-
Hoang Anh Gia Lai Joint Stock Company	Parent company	Short-term loans	(80,000,000)	-
Mr Duong Hoang Bac	Related party	Short-term loans	(7,823,000)	(7,823,000)
			(501,942,000)	(7,823,000)
Long-term loans (Note 24.6)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Long-term loans	(8,258,794,230)	(9,686,239,709)
Gia Lai Livestock Joint Stock Company	Associate	Long-term loans	(298,000,000)	(298,000,000)
Hoang Anh Gia Lai Hydropower Joint Stock Company	Related company	Long-term loans	(126,168,000)	-
			(8,682,962,230)	(9,984,239,709)

Salaries, bonus and remunerations for the members of the Board of Directors and the management are as follows:

	VND'000	
	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
Salary, remunerations and bonus	2,163,785	2,788,114

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35. OPERATING LEASE COMMITMENTS

The Group leases parcels of land in Vietnam, Laos and Cambodia to build factories, hotels, plant rubber and other plantations and offices lease under the operating lease agreements. The future lease commitments are as follows:

	VND'000	
	30 June 2017	31 December 2016
Less than one year	29,160,040	37,971,585
From 1 to 5 years	116,640,158	183,123,566
More than 5 years	1,102,087,401	2,642,095,589
TOTAL	<u>1,247,887,599</u>	<u>2,863,190,740</u>

SIGNIFICANT COMMITMENTS DURING THE PERIOD

In accordance with capital contributed capital transfer contract dated 22 May 2017, between Hoang Anh Gia Lai Agricultural Joint Stock Company ("HNG") and Bien Hoa Sugar Joint Stock Company, Thanh Thanh Cong Tay Ninh Joint Stock Company and the agreement dated 15 June 2017, HNG pledged unconditional and irrevocable liability for any debts, fines, indemnities, financial obligations and /or any guarantee commitment, debt, any other type of guarantees (whether existing or not yet reflected or potential) that the Sugar Cane Group is obliged to any third party (including the Government of Laos and/or the Vietnamese Government) arising on or before 31 August 2016 but yet recorded to the consolidated financial statements as of 31 August of the Sugar Cane Group, included but not limited to payables related to:

- (a) Taxes, fees regarding transfer of profits from the Sugar Cane Group in Laos to the company located in Vietnam in accordance with the laws and regulation of Laos and Vietnam;
- (b) Foreign contractor tax or other similar tax on constructing, land clearance related to the factory and sugar plantation of Sugar Cane Group;
- (c) Social insurance, health insurance and personal income tax of employees currently working at Sugar Cane Group;
- (d) Value added tax related to the transfer of assets regarding planting grass activities and raising cows of Sugar Cane Group; and
- (e) Financial obligations, other tax obligations, liability and legal proceedings relating to the business of Sugar Cane Group before 31 August 2016.

36. OFF BALANCE SHEET ITEMS

	30 June 2017	31 December 2016
Foreign currencies:		
- LAK	1,124,558,679	9,035,600,152
- Cambodia Riels (KHR)	64,206,236	111,306,843
- USD	38,114	1,182,684
- EUR	-	1,259

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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37. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Secondary information is reported geographically. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result of its operation include transfers between business segments. Those transfers are eliminated in preparation of the interim consolidated financial statements.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

37.1 *Business segment*

For management purposes, the Group is organised into business units based on their products and services, and has reportable operating segments as follows:

- ▶ Plantation: planting rubber, oil palm, sugarcane, harvesting, processing and trading of rubber latex, sugar, oil palm and other tree plantations;
- ▶ Breeding and trading cows for meat and dairy cows;
- ▶ Trading and services: construction service, purchasing and trading of goods; and
- ▶ Others: developing apartments and office buildings for sale and lease and hotel service.

Management monitors the operating results of its business units separately for the purposes of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the interim consolidated financial statements. Group financing, including finance costs and finance revenue, and income taxes are managed on a Group basis and are not allocated to operating segments.

Hoang Anh Gia Lai Agricultural Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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37. SEGMENT INFORMATION (continued)

37.1 Business segment (continued)

The following tables present revenue and profit and certain assets and liability information regarding the Group's business segment:

	Plantation	Breeding	Trading and services	Others	Eliminations	Total
For the six-month period ended 30 June 2016						
<i>Revenue</i>						VND'000
External customers	522,001,806	1,863,475,919	192,827,277	17,778,787	-	2,596,083,789
Inter-segment elimination	130,560,272	96,219,428	164,161,361	-	(390,941,061)	-
Total	652,562,078	1,959,695,347	356,988,638	17,778,787	(390,941,061)	2,596,083,789
<i>Results</i>						
Segment results	178,694,722	210,062,349	(45,682,191)	743,305	-	343,818,185
Unallocated expenses						(607,217,078)
Loss before income tax, finance income and finance expense						(263,398,893)
Finance income						133,724,686
Finance expense						(428,532,289)
Share loss from associates						(13,592,521)
Loss before tax						(571,799,017)
Current corporate income tax						(586,603)
Deferred tax income						12,899,722
Net loss for the period						(559,485,898)
As at 31 December 2016						
<i>Assets and liabilities</i>						
Segment assets	25,323,141,520	2,551,785,637	1,128,255,807	1,526,216,329	-	30,529,399,293
Cash and cash equivalents						311,458,305
Investments in an associate						896,161,285
Unallocated assets						3,266,118,969
Total assets						35,003,137,852
Segment liabilities						(26,939,081,627)
Unallocated liabilities						1,667,966,048
Total liabilities						(25,271,115,579)

Hoang Anh Gia Lai Agricultural Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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37. SEGMENT INFORMATION (continued)

37.1 Business segment (continued)

The following table present revenue and profit and certain assets and liability information regarding the Group's business segment (continued):

	Plantation	Breeding	Trading and services	Others	Eliminations	Total
For the six-month period ended 30 June 2017						
<i>Revenue</i>						VND'000
External customers	1,133,843,801	436,166,329	161,279,808	12,762,920	-	1,744,052,858
Inter-segment elimination	48,827,788	55,166,175	165,023,069	-	(269,017,032)	-
Total	1,182,671,589	491,332,504	326,302,877	12,762,920	(269,017,032)	1,744,052,858
<i>Results</i>						
Segment results	539,852,799	140,090,234	167,051,084	4,434,529	(269,017,032)	582,411,614
Unallocated expenses						(259,561,622)
Profit before income tax, finance income and finance expense						322,849,992
Finance income						1,144,837,768
Finance expense						(423,942,070)
Share profit from associates						(3,354,844)
Profit before tax						1,040,390,846
Current income tax expense						(24,292,608)
Deferred tax expenses						(2,943,286)
Net profit for the period						1,013,154,952
As at 30 June 2017						
<i>Assets and liabilities</i>						
Segment assets	23,141,520,969	2,759,413,333	1,699,739,709	1,586,473,361	-	29,187,147,372
Cash						1,393,482,421
Investments in associates						892,806,441
Unallocated assets						2,754,229,765
Total assets						34,227,665,999
Segment liabilities						(24,715,233,367)
Unallocated liabilities						965,844,917
Total liabilities						(23,749,388,450)

Hoang Anh Gia Lai Agricultural Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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37. SEGMENT INFORMATION (continued)

37.2 Geographical segment

The following tables present revenue, profit and certain asset information regarding the Group's geographical segments:

	Vietnam	Laos	Cambodia	Others	VND'000 Total
For the six-month period ended 30 June 2016					
Sales to external customers	1,295,698,770	1,220,092,748	64,536,080	15,756,191	2,596,083,789
Capital expenditure of tangible fixed assets	497,449,738	461,286,885	206,194,119	-	1,164,930,742
As at 31 December 2016					
<i>Other segment information</i>					
Segment assets	8,595,514,184	13,279,967,335	8,653,917,774	-	30,529,399,293
Cash and cash equivalents					311,458,305
Investment in an associate					896,161,285
Unallocated assets					3,266,118,969
Total assets					35,003,137,852
For the six-month period ended 30 June 2017					
Sales to external customers	1,020,692,054	659,296,838	64,063,966	-	1,744,052,858
Capital expenditure of tangible fixed assets	168,928,715	612,332,007	249,160,883	-	1,030,421,605
As at 30 June 2017					
<i>Other segment information</i>					
Segment assets	8,898,440,095	11,763,913,816	8,524,793,461	-	29,187,147,372
Cash					1,393,482,421
Investment in associates					892,806,441
Unallocated assets					2,754,229,765
Total assets					34,227,665,999

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

38. RESTATEMENT AND RECLASSIFICATION OF PRIOR YEAR'S CONSOLIDATED FINANCIAL STATEMENTS

The Group transferred the key management positions of Hoang Anh Gia Lai Sugar Cane Joint Stock Company and Hoang Anh Attapeu Sugar Cane Company Limited ("Sugar cane Group") together with the operation rights of the sugar cane mill, sugar cane plantations and other related assets in Laos to another third party since 31 August 2016. As at the date of 31 December 2016's consolidated financial statements of the Group, the legal and administrative process was still in progress, however the Group's management confirmed that it has lose control over the Sugar Cane Group after 31 August 2016. Accordingly, the Group's management has the balance sheet as at 31 August 2016, income statement and cash flow statement for the 8-month period then ended of the Sugar Cane Group into the Group's consolidated financial statements for the year ended 31 December 2016.

During the current period, the legal and administrative process of the above transaction has been completed on 22 May 2017. Accordingly, the Group's management re-assessed and concluded that the Group has effectively lost all control over the Sugar Cane Group from this date and decided to make restatements to the Group's consolidated financial statements for the year ended 31 December 2016 by the inclusion of the financial statements of Sugar Cane Group for the year ended as at 31 December 2016 into the Group's consolidated financial statements for the same period.

After receiving the key management positions, operation rights of sugar cane mill, sugar cane plantation and other related assets since 31 August 2016, the Board of Directors of the Sugar Cane Group has performed the inventory stock-take and revaluation on other assets in conformity to its new business model. Accordingly, some assets have been written-down or written-off as appropriate.

In addition, certain corresponding figures on the Group's consolidated balance sheet as at 31 December 2016 have been reclassified to reflect the presentation of the current period's interim consolidated financial statements.

Details of such restatements and presentation of corresponding figures are as follows:

	31 December 2016 (previously presented)	Impact of restate/ adjustment	VND'000 31 December 2016 (restated)
INTERIM CONSOLIDATED BALANCE SHEET			
A. CURRENT ASSETS	6,643,444,600	(167,966,758)	6,475,477,842
I. Cash and cash equivalents	308,340,423	3,117,882	311,458,305
Cash	293,340,423	3,117,882	296,458,305
II. Current accounts receivable	4,648,948,580	(678,089)	4,648,270,491
Short-term trade receivables	1,680,875,463	(848,128)	1,680,027,335
Short-term advances to suppliers	1,732,975,730	603,480	1,733,579,210
Other short-term receivables	840,786,681	364,861	841,151,542
Provision for short-term doubtful receivables	(5,180,000)	(798,302)	(5,978,302)
III. Inventories	1,671,761,591	(175,965,644)	1,495,795,947
Inventories	1,704,449,696	84,637,858	1,789,087,554
Provision for obsolete inventories	(32,688,105)	(260,603,502)	(293,291,607)
IV. Other current assets	14,394,006	5,559,093	19,953,099
Short-term prepaid expenses	2,967,605	5,041,183	8,008,788
Value-added tax deductible	6,115,529	517,910	6,633,439

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

38. RESTATEMENT AND RECLASSIFICATION OF PRIOR YEAR'S CONSOLIDATED FINANCIAL STATEMENTS (continued)

Details of certain corresponding figures on the interim consolidated financial statements for the six-month period ended as at 30 June 2017 have been restated as follows (continued):

	31 December 2016 (previously presented)	Impact of restate/ adjustment	31 December 2016 (restated)
INTERIM CONSOLIDATED BALANCE SHEET			
B. NON-CURRENT ASSETS	28,824,808,449	(297,148,439)	28,527,660,010
<i>I. Fixed assets</i>	<i>7,072,654,253</i>	<i>(223,211,875)</i>	<i>6,849,442,378</i>
Tangible fixed assets	7,036,174,317	(223,211,875)	6,812,962,442
- Cost	8,209,060,771	(192,815,936)	8,016,244,835
- Accumulated depreciation	(1,172,886,454)	(30,395,939)	(1,203,282,393)
<i>II. Long-term assets in progress</i>	<i>13,359,625,077</i>	<i>760,793</i>	<i>13,360,385,870</i>
Construction in progress	13,359,625,077	760,793	13,360,385,870
<i>III. Other long-term asset</i>	<i>4,971,332,020</i>	<i>(74,697,357)</i>	<i>4,896,634,663</i>
Long-term prepaid expenses	1,026,392,360	(74,697,357)	951,695,003
TOTAL ASSETS	35,468,253,049	(465,115,197)	35,003,137,852
A. LIABILITIES	24,984,262,903	286,852,676	25,271,115,579
<i>I. Current liabilities</i>	<i>6,124,980,643</i>	<i>412,421,724</i>	<i>6,537,402,367</i>
Short-term trade payables	644,831,970	101,260,184	746,092,154
Short-term advances from customers	180,807,868	74,678,426	255,486,294
Statutory obligations	120,251,709	(96,973)	120,154,736
Payables to employees	52,564,498	(1,640,195)	50,924,303
Short-term accrued expenses	144,091,844	(1,745,151)	142,346,693
Other short-term payables	2,834,677,638	(279,710,705)	2,554,966,933
Short-term loans	2,138,653,364	519,676,138	2,658,329,502
<i>II. Non-current liabilities</i>	<i>18,859,282,260</i>	<i>(125,569,048)</i>	<i>18,733,713,212</i>
Other long-term liabilities	1,309,428,416	(395,323,457)	914,104,959
Long-term loans	17,257,342,463	175,222,723	17,432,565,186
Deferred tax liabilities	21,285,888	88,230,225	109,516,113
Long-term provisions	271,225,493	6,301,461	277,526,954
B. OWNERS' EQUITY	10,483,990,146	(751,967,873)	9,732,022,273
<i>I - Capital</i>	<i>10,483,990,146</i>	<i>(751,967,873)</i>	<i>9,732,022,273</i>
Foreign exchange differences reserve	546,519,640	(1,809,891)	544,709,749
Undistributed earnings	1,141,711,973	(750,051,703)	391,660,270
Non-controlling interests	59,768,773	(106,279)	59,662,494
TOTAL LIABILITIES AND OWNERS' EQUITY	35,468,253,049	(465,115,197)	35,003,137,852

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017

39. EVENTS AFTER THE BALANCE SHEET DATE

On 14 July 2017, the Company entered into a loan transfer agreement and obligation swap with HAG regarding repayment to individuals (who are currently bond holders with a total value of VND 697 billion of HAG). Accordingly, the balance of loan payables to HAG in accordance with Loan Agreement No. 01-01/2016/HDV-HAGL dated 1 January 2016 would decrease by VND 697 billion after the change of lender from HAG to these individuals.

As at the date of these interim consolidated financial statements, the Company was in the process of completing necessary legal procedures to issue ordinary shares in order to settle the outstanding balance of VND 697 billion to these individuals.

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



Pham Thi Luu Ly
Preparer



Ho Thi Tuyet Loan
Chief Accountant



Vo Thi My Hanh
General Director

15 August 2017