

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

Interim separate financial statements

30 June 2017

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 of Gia Lai Province on 26 May 2010 and fifteenth (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.

The current principal activities of the Company are planting and trading rubber trees, fruit trees and other perennial trees; generating and trading seedlings; providing plantation services and related materials; and breeding and trading cows for meat and dairy cows.

The Company's registered 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 date 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 date 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	

MANAGEMENT

Members of the management during the year 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	Vice General Director	
Mr Nguyen Ngoc Anh	Vice General Director	
Mr Trinh Xuan Nhan	Vice General Director	
Mr Hoang Dinh Quy	Vice General Director	
Mr Nguyen Quan Anh	Vice General Director	
Mrs Nguyen Thi Thanh Thao	Vice General Director	appointed on 5 May 2017
Mr Le Dinh Vu	Vice General Director	appointed on 5 May 2017

LEGAL REPRESENTATIVES

The legal representative 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 separate financial statements of the Company for the six-month period ended 30 June 2017.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate financial statements, management is required to:

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2017 and of the interim separate results of its operations and its interim separate 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 separate financial statements.

The Company is the parent company of the subsidiaries listed in Note 11.1 and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2017 prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements have been issued separately.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group as a whole.

For and on behalf of management:



Vo Thi My Hanh
General Director

Pleiku City, Gia Lai Province, Vietnam

15 August 2017

Reference: 61280353/19548843

REPORT ON REVIEW OF INTERIM SEPARATE 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 separate financial statements of Hoang Anh Gia Lai Agricultural Joint Stock Company ("the Company"), as prepared on 15 August 2017 and set out on pages 5 to 41 which comprise the interim separate balance sheet as at 30 June 2016, the interim separate income statement and the interim separate cash flow statement for six-month period then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of interim separate 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 separate 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 separate 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 separate financial statements do not give a true and fair view, in all material respects, of the interim separate financial position of the Company as at 30 June 2017, and of the interim separate results of its operations and its interim separate 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 separate financial statements.

Emphasis of matters

We draw attention to Note 2.1 to the separate financial statements. The Company prepared interim consolidated financial statements of the Company and its subsidiaries (“the Group”) for the financial period ended 30 June 2017 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have reviewed these interim consolidated financial statements and our auditors’ report dated 15 August 2017 has expressed an unqualified conclusion.

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 SEPARATE BALANCE SHEET
as at 30 June 2017

VND'000

Code	ASSETS	Notes	30 June 2017	31 December 2016
100	A. CURRENT ASSETS		2,761,567,645	2,760,454,724
110	I. Cash	4	1,369,843,123	144,092,732
111	1. Cash		1,369,843,123	144,092,732
130	II. Current accounts receivables		1,352,910,023	2,612,035,069
131	1. Short-term trade receivables	5	205,275,962	75,936,361
132	2. Short-term advances to suppliers	6	249,701,455	7,405,264
135	3. Short-term loan receivables	23	305,159,097	611,768,955
136	4. Other short-term receivables	7	592,773,509	1,916,924,489
140	III. Inventories	8	34,317,524	2,514,356
141	1. Inventories		34,590,124	2,786,956
149	2. Provision for obsolete inventories		(272,600)	(272,600)
150	IV. Other current assets		4,496,975	1,812,567
151	1. Short-term prepaid expenses		561,075	540,242
152	2. Value-added tax deductible	15	3,650,069	986,494
153	3. Tax and other receivables from the State	15	285,831	285,831
200	B. NON-CURRENT ASSETS		17,013,994,278	16,658,835,728
210	I. Long-term receivables		5,534,219,784	3,874,467,877
215	1. Long-term loan receivables	23	4,590,311,719	3,853,343,420
216	2. Other long-term receivables	23	943,908,065	21,124,457
220	II. Fixed assets		42,096,233	40,661,481
221	1. Tangible fixed assets	9	14,674,163	10,247,913
222	Cost		34,232,057	28,256,563
223	Accumulated depreciation		(19,557,894)	(18,008,650)
227	2. Intangible assets	10	27,422,070	30,413,568
228	Cost		48,197,185	48,197,185
229	Accumulated amortisation		(20,775,115)	(17,783,617)
250	III. Long-term investments	11	11,436,697,073	12,743,162,129
251	1. Investments in subsidiaries		11,188,437,485	12,563,586,935
252	2. Investment in an associate		286,004,636	286,004,636
254	3. Provision for diminution in value of long-term investments		(37,745,048)	(106,429,442)
260	IV. Other long-term asset		981,188	544,241
261	1. Long-term prepaid expenses		981,188	544,241
270	TOTAL ASSETS		19,775,561,923	19,419,290,452

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

VND'000

Code	RESOURCES	Notes	30 June 2017	31 December 2016
300	C. LIABILITIES		9,651,423,117	9,391,911,447
310	I. Current liabilities		1,368,918,860	1,124,466,235
311	1. Short-term trade payables	12	244,200,391	72,458,084
312	2. Short-term advances from customers	23	73,266,261	-
313	3. Statutory obligations	15	147,260	229,158
314	4. Payables to employees		2,893,133	2,647,623
315	5. Short-term accrued expenses	13	22,674,625	49,257,238
319	6. Other short-term payables	14	331,380,171	366,505,359
320	7. Short-term loans	16	694,357,019	633,368,773
330	II. Non-current liability		8,282,504,257	8,267,445,212
333	1. Long-term accrued expenses	13	-	62,765,852
337	2. Other long-term payables	14	390,267,967	90,503,476
338	3. Long-term loans	16	7,892,236,290	8,114,175,884
400	D. OWNERS' EQUITY		10,124,138,806	10,027,379,005
410	I. Capital	17	10,124,138,806	10,027,379,005
411	1. Share capital		7,671,438,950	7,671,438,950
411a	- Share with voting rights		7,671,438,950	7,671,438,950
412	2. Share premium		1,064,550,810	1,064,550,810
421	3. Undistributed earnings		1,388,149,046	1,291,389,245
421a	- Undistributed earnings up to prior year-end		1,291,389,245	1,185,386,411
421b	- Undistributed earnings of current period		96,759,801	106,002,834
440	TOTAL LIABILITIES AND OWNERS' EQUITY		19,775,561,923	19,419,290,452


Pham Thi Luu Ly
Preparer

Ho Thi Tuyet Loan
Chief AccountantVo Thi My Hanh
General Director

15 August 2017

INTERIM SEPARATE 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
10	1. Net revenues from sale of goods	18.1	505,886,717	39,961,698
11	2. Cost of goods sold		(371,886,486)	(36,012,861)
20	3. Gross profit from sale of goods		134,000,231	3,948,837
21	4. Finance income	18.2	287,789,624	318,835,232
22	5. Finance expenses	19	(287,477,423)	(283,995,681)
23	<i>In which: Interest expense</i>		(304,956,043)	(266,161,431)
25	6. Selling expenses	20	(26,330,087)	(2,152,455)
26	7. General and administrative expenses	20	(12,485,886)	(12,025,057)
30	8. Operating profit		95,496,459	24,610,876
31	9. Other income	21	3,149,646	824,156
32	10. Other expenses	21	(1,886,304)	(8,102,576)
40	11. Other gains (loss)		1,263,342	(7,278,420)
50	12. Accounting profit before tax		96,759,801	17,332,456
51	13. Current corporate income tax expenses	22.1	-	-
60	14. Net profit after tax		96,759,801	17,332,456



Pham Thi Luu Ly
Preparer



Ho Thi Tuyet Loan
Chief Accountant



Vo Thi My Hanh
General Director

15 August 2017

INTERIM SEPARATE 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 before tax		96,759,801	17,332,456
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	9, 10	4,866,771	4,761,990
03	Provisions		(68,684,394)	14,817,542
04	Foreign exchange losses arising from translation of monetary accounts denominated in foreign currencies		75,099	2,271,901
05	Profits from investing activities		(242,595,918)	(318,835,232)
06	Interest expenses		309,339,345	266,161,431
08	Operating gain (loss) before changes in working capital		99,760,704	(13,489,912)
09	Increase in receivables		(372,887,838)	(38,630,639)
10	(Increase) decrease in inventories		(31,803,168)	114,738
11	Increase in payables		260,191,531	7,242,715
12	(Increase) decrease in prepaid expenses		(457,780)	260,362
14	Interest paid		(147,208,637)	(19,444,210)
20	Net cash flows used in operating activities		(192,405,188)	(63,946,946)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(12,394,903)	-
22	Proceeds from disposals of fixed assets		268,624	-
23	Loans to other entities		-	(300,000,000)
25	Payments for investments in other entities		-	(1,730,217,525)
26	Proceeds from sales of investments in other entities		1,330,000,000	-
27	Interest and dividends received		137,342	371,908
30	Net cash flows from (used in) investing activities		1,318,011,063	(2,029,845,617)

INTERIM SEPARATE 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	Issuance of shares		-	1,652,000.000
33	Drawdown of loans and borrowings	16	901,790,189	742,391,940
34	Repayment of loans and borrowings	16	(801,632,982)	(300,770,000)
40	Net cash flows from financing activities		100,157,207	2,093,621,940
50	Net increase (decrease) in cash during the period		1,225,763,082	(170,623)
60	Cash at beginning of period		144,092,732	572,980
61	Impact of exchange rate fluctuation		(12,691)	-
70	Cash at end of period	4	1,369,843,123	402,357



Pham Thi Luu Ly
Preparer



Ho Thi Tuyet Loan
Chief Accountant



Vo Thi My Hanh
General Director

15 August 2017

NOTES TO THE INTERIM SEPARATE 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 fifteenth (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 has eleven (11) direct subsidiaries; ten (10) indirect subsidiaries and two (2) associates. Detailed of subsidiaries as follow:

<i>Name of company</i>	<i>Location</i>	<i>Status of operation</i>	<i>Holding (%)</i>
<i>Direct and indirect subsidiaries</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 Rattanakiri Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	100.00
(6) Heng Brothers Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	100.00
(7) Hoang Anh Oyadav Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	100.00
(8) CRD Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	100.00
(9) Hoang Anh Andong Meas Co., Ltd.	Rattanakiri, 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	99.70
(13) Daun Penh Agrico One member Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	99.70

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

1. CORPORATE INFORMATION (continued)

	<i>Location</i>	<i>Status of operation</i>	<i>Holding (%)</i>
(14) An Dong Mia Joint Stock Company	Gia Lai, Vietnam	Operating	69.50
(15) Hoang Anh Lumphat Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	69.50
(16) Indochina Rubber Investment and Development Co., Ltd.	Ho Chi Minh City, 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 City, 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 is subsidiaries that is in investment phase and had not start their operation as at 30 June 2017.

The current principal activities of the Company during the period are planting and trading rubber trees, fruit trees and other perennial trees; generating and trading seedlings; providing plantation services and related materials; and breeding and trading cows for meat and dairy cows.

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

The number of the Company's employees as at 30 June 2017 is 234 (31 December 2016 is 68).

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

2. BASIS OF PREPARATION

2.1 Purpose of preparing the interim separate financial statements

The Company has subsidiaries as disclosed in Note 1 and Note 11.1. The Company prepared these interim separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2017 dated 15 August 2017.

Users of the interim separate financial statements should read them together with the said interim consolidated financial statements in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Company and its subsidiaries.

2.2 Accounting standards and system

The interim separate financial statements of the Company, 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 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).

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

2.3 Applied accounting documentation system

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

2.4 Fiscal year

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

2.5 Accounting currency

The Company has adopted VND as its accounting currency. The interim separate financial statements are prepared in VND'000.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprises cash on hand and cash at banks.

3.2 Receivables

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

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered in accordance with Circular No. 228/2009/TT-BTC issued by Ministry of Finance on 7 December 2009 ("Circular 228"). Increases or decreases to the provision balance are recorded into the general and administrative expense in the interim separate 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 materials, tools and supplies and merchandises - Actual cost on a weighted average basis

Provision for obsolete inventories

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

Increases or decreases to the provision balance are recorded into the cost of goods sold in the interim separate income statement.

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 separate income statement as incurred.

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

3.5 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim separate income statement as incurred.

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

NOTES TO THE INTERIM SEPARATE 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*

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 and structures	10 years
Machinery and equipment	3 - 10 years
Means of transportation	6 - 10 years
Office equipment	4 - 5 years
Computer software	5 - 8 years

3.7 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and are recorded as expenses during the period in which they are incurred.

3.8 *Prepaid expenses*

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

3.9 *Investments*

Investments in subsidiaries

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investment in an associate

Investment in an associate over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associate arising subsequent to the date of acquisition by the Company are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Provision for diminution in value of investments

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

3.10 *Payables and accruals*

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

At the end of the 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 Company conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All exchange differences incurred during the period and arising from the translation of monetary accounts denominated in foreign currencies at period-end are taken to the interim separate income statement.

3.12 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the Shareholder's Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

3.13 *Revenue recognition*

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

Sale of goods

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

Interest

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

Dividend

Dividends is recognised when the Company's entitlement as an investor to receive the dividend is established.

3.14 *Taxation*

Current income tax

Current income tax assets and liabilities for the current and prior period 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 separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Taxation* (continued)

Current income tax (continued)

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for interim separate 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.
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except :

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, 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 re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the 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 interim separate income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; or when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding company, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influences over the Company, key management personnel, including directors and officers of the Company and close members of the families of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4. CASH

	VND'000	
	30 June 2017	31 December 2016
Cash on hand	104,760	138,078
Cash at banks	<u>1,369,738,363</u>	<u>143,954,654</u>
TOTAL	<u>1,369,843,123</u>	<u>144,092,732</u>

5. SHORT-TERM TRADE RECEIVABLES

	VND'000	
	30 June 2017	31 December 2016
Trade receivables from other customers	161,356,361	30,858,935
- <i>Thanh An Trade One Member Limited Company</i>	88,459,515	8,512,668
- <i>Others</i>	72,896,846	22,346,267
Trade receivables from related parties (Note 23)	<u>43,919,601</u>	<u>45,077,426</u>
TOTAL	<u>226,738,682</u>	<u>75,936,361</u>

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

6. SHORT-TERM ADVANCES TO SUPPLIERS

	VND'000	
	30 June 2017	31 December 2016
Advances to related parties (Note 23)	241,033,360	3,805,424
Advances to other suppliers	8,668,095	3,599,840
TOTAL	249,701,455	7,405,264

7. OTHER SHORT-TERM RECEIVABLES

	VND'000	
	30 June 2017	31 December 2016
Interest receivables	459,694,317	1,790,227,345
Payment on behalf	22,676,097	21,076,098
Others	110,403,095	105,621,046
TOTAL	592,773,509	1,916,924,489
<i>In which:</i>		
<i>Other receivables from related parties (Note 23)</i>	581,964,916	1,915,427,244
<i>Other receivables from others</i>	10,808,593	1,497,245

8. INVENTORIES

	VND'000	
	30 June 2017	31 December 2016
Merchandises	33,672,807	2,414,654
Raw materials	83,282	73,339
Tools and supplies	834,035	298,963
TOTAL	34,590,124	2,786,956
Provision for obsolete inventories	(272,600)	(272,600)
NET	34,317,524	2,514,356

Hoang Anh Gia Lai Agricultural Joint Stock Company

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

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Cost					
As at 31 December 2016	5,756,830	17,006,391	5,078,185	415,157	28,256,563
New purchase	4,420,218	458,110	1,766,111	-	6,644,439
Disposal	-	-	(668,945)	-	(668,945)
Reclassification	-	92,972	-	(92,972)	-
As at 30 June 2017	10,177,048	17,557,473	6,175,351	322,185	34,232,057
<i>In which:</i>					
<i>Fully depreciated</i>	-	14,903,993	511,302	281,274	15,696,569
Accumulated depreciation					
As at 31 December 2016	189,524	14,938,475	2,596,464	284,187	18,008,650
Depreciation for the period	287,964	1,227,583	346,338	13,388	1,875,273
Disposal	-	-	(326,029)	-	(326,029)
Reclassification	-	1,550	-	(1,550)	-
As at 30 June 2017	477,488	16,167,608	2,616,773	296,025	19,557,894
Net carrying amount					
As at 31 December 2016	5,567,306	2,067,916	2,481,721	130,970	10,247,913
As at 30 June 2017	9,699,560	1,389,865	3,558,578	26,160	14,674,163

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

10. INTANGIBLE ASSETS

	VND'000
	<i>Computer software</i>
Cost	
As at 31 December 2016 and 30 June 2017	<u>48,197,185</u>
<i>In which:</i>	
<i>Fully depreciated</i>	333,210
Accumulated amortisation	
As at 31 December 2016	17,783,617
Amortisation for the period	<u>2,991,498</u>
As at 30 June 2016	<u>20,775,115</u>
Net carrying amount	
As at 31 December 2016	<u>30,413,568</u>
As at 30 June 2017	<u>27,422,070</u>

11. LONG-TERM INVESTMENTS

	VND'000	
	30 June 2017	31 December 2016
Investment in subsidiaries (<i>Note 11.1</i>)	11,188,437,485	12,563,586,935
Investment in an associate (<i>Note 11.2</i>)	<u>286,004,636</u>	<u>286,004,636</u>
TOTAL	11,474,442,121	12,849,591,571
Provision for diminution in value of long-term investments	<u>(37,745,048)</u>	<u>(106,429,442)</u>
NET	<u>11,436,697,073</u>	<u>12,743,162,129</u>

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

11. LONG-TERM INVESTMENTS (continued)

11.1 Investments in subsidiaries

Details of investments in the subsidiaries are as follows:

Name of subsidiaries	Business activities	30 June 2017		31 December 2016		
		Holding %	Cost VND'000	Provision Holding %	Cost VND'000	Provision VND'000
Trung Nguyen Rubber Joint Stock Company	Industrial and agricultural plantation, livestock of cattle	99.91	3,277,737,120	99.91	3,277,737,120	-
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Industrial and agricultural plantation, livestock of cattle and construction	100.00	2,101,029,560	100.00	2,101,029,560	-
Indochina Rubber Investment and Development Co., Ltd.	Industrial plantation	100.00	1,650,000,000	100.00	1,650,000,000	-
Hoang Anh Gia Lai Cane Sugar Joint Stock Company (i)	Industrial plantation and livestock of cattle	-	-	99.99	1,375,149,450	-
Hoang Anh Rattanakiri Co., Ltd.	Industrial plantation	100.00	943,513,646	100.00	943,513,646	-
Dong Penh Joint Stock Company	Industrial plantation	99.70	798,397,600	99.70	798,397,600	-
An Dong Mia Joint Stock Company	Industrial plantation	69.50	695,695,000	69.50	695,695,000	-
Highland Dairy Cattle Joint Stock Company	Breeding	99.00	615,584,549	99.00	615,584,549	(21,242,922)
Hoang Anh - Quang Minh Rubber Joint Stock Company	Industrial and agricultural plantation, livestock of cattle	97.77	440,512,398	97.77	440,512,398	-
Hoang Anh Dak Lak Joint Stock Company	Industrial plantation and real estate	99.53	394,313,155	99.53	394,313,155	(51,239,691)
Hoang Anh Oyadav Co., Ltd.	Industrial plantation	100.00	171,654,457	100.00	171,654,457	-
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Trading	100.00	100,000,000	100.00	100,000,000	(33,946,829)
TOTAL			11,188,437,485		(37,745,048)	(106,429,442)

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

11. LONG-TERM INVESTMENTS (continued)

11.1 Investments in subsidiaries (continued)

- (i) The Company has transferred key management positions of Hoang Anh Gia Lai Sugar Cane Joint Stock Company ("HAGL Sugar Cane") and Hoang Anh Attapeu Sugar Cane Co., Ltd, a subsidiary of HAGL Sugar Cane and right to operate and fully control of the sugar factory, the sugar cane plantations and related assets of the Sugar Cane Group in Laos to a third party since 31 August 2016. The two parties have been in progress of completing necessary legal procedures regarding the transfer of the Sugar Cane Group to these third party. Up to the date of these separate financial statements, these necessary legal procedures are still on going.

According to the capital contributed capital transfer contract dated 22 May 2017, between Sugarcane HAGL 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 Group of Sugarcane companies is obliged to make to any third party (including the Government of Laos and/or the Vietnamese Government) arising on or before 31 August 2016.

11.2 Investment in an associate

Name	Business activity	30 June 2017		31 December 2016	
		Holding %	Cost VND'000	Holding %	Cost VND'000
Bidiphar Rubber Joint Stock Company	Rubber plantation	49.14	<u>286,004,636</u>	49.14	<u>286,004,636</u>

12. SHORT-TERM TRADE PAYABLES

	VND'000	
	30 June 2017	31 December 2016
Trade payables to related parties (Note 23)	214,284,298	56,350,535
Trade payables to suppliers	<u>29,916,093</u>	<u>16,107,549</u>
TOTAL	<u>244,200,391</u>	<u>72,458,084</u>

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

13. SHORT-TERM AND LONG-TERM ACCRUED EXPENSES

	VND'000	
	30 June 2017	31 December 2016
Short-term	22,674,625	49,257,238
Interest expenses	265,125	24,012,500
Others	22,409,500	25,244,738
Long-term	-	62,765,852
Interest expenses	-	62,765,852
TOTAL	22,674,625	112,023,090

14. OTHER SHORT-TERM AND LONG-TERM PAYABLES

	VND'000	
	30 June 2017	31 December 2016
Short-term	331,380,171	366,505,359
Interest expenses	296,838,356	360,636,540
Dividend payables	4,732,440	4,506,440
Other payables	29,809,375	1,362,379
Long-term	390,267,967	90,503,476
Interest expenses	390,267,967	90,503,476
TOTAL	721,648,138	457,008,835

In which:

<i>Other short-term payables to related parties (Note 23)</i>	282,606,736	169,092,163
<i>Other long-term payables to related parties (Note 23)</i>	155,897,252	83,336,578
<i>Other payables to others</i>	283,144,150	204,580,094

15. TAX AND OBLIGATION, RECEIVABLES FROM THE STATE

	VND'000			
	31 December 2016	Increase for period	Decrease for period	30 June 2017
Receivables				
Value added tax	986,494	3,165,834	(502,259)	3,650,069
Corporate income tax (Note 22)	285,831	-	-	285,831
TOTAL	1,272,325	3,165,834	(502,259)	3,935,900
Payable				
Personal income tax	229,158	475,337	(557,235)	147,260
TOTAL	229,158	475,337	(557,235)	147,260

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

16. LOANS

	30 June 2017	31 December 2016
	VND'000	
Short-term	694,357,019	633,368,773
Short-term loans from a related party (Note 16.1)	414,119,000	-
Short-term loans from bank (Note 16.2)	231,704,413	
Current portion of long-term bonds (Note 16.3)	43,358,600	297,091,268
Current portion of long-term loans from banks (Note 16.4)	5,175,006	5,179,552
Current portion of long-term loans from related party (Note 16.5)	-	331,097,953
Long-term	7,892,236,290	8,114,175,884
Long-term bonds (Note 16.3)	2,069,321,888	1,817,205,919
Long-term loans from banks (Note 16.4)	987,694,020	988,331,032
Long-term loans from related party (Notes 16.5)	4,835,220,382	5,308,638,933
TOTAL	<u>8,586,593,309</u>	<u>8,747,544,657</u>

Movements of loans are as follows:

	Short-term loans	Long-term loans
	VND'000	
As at 31 December 2016	633,368,773	8,114,175,884
Drawdown from borrowings	761,303,189	140,487,000
Transfer of current portion of long-term loans	(446,577,729)	(355,055,253)
Repayment from borrowings	-	4,383,302
Bond issuance costs	(253,732,668)	253,732,668
Offset with account receivable	-	(264,850,298)
Foreign exchange difference arising from revaluation of ending balance denominated in foreign currencies	(4,546)	(637,013)
As at 30 June 2017	<u>694,357,019</u>	<u>7,892,236,290</u>

16.1 Short-term loans from a related party

Details of the short-term loans from bank and a related party as at 30 June 2017 are as follows:

Lender	30 June 2017	Maturity term	Interest rate
	VND'000		% p.a
Hung Thang Loi Joint Stock Company	414,119,000	22 June 2018	4.20

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017**16. Loans (continued)****16.2 Short-term loans from bank**

Lenders	30 June 2017 VND'000	Maturity term	Interest rate % p.a.	Purposes	Collateral
<i>TP Bank</i>					
Loan Agreement No. 2104/HBTD/TPBANK, dated 21 April 2017	231,704,413	No more than nine-month and are specified in each note of debt receiving	- Loan in VND: 10% p.a. for the first period, apply the basic interest rate of TP Bank with maturity term three (3) months plus margin of 3.2% p.a. for quarterly period (2017: 10%) - Loan in foreign currency: interest rate assigned by TP Bank at drawdown date	Finance for working capital needs for trading fruits (passion, banana and dragon fruit), related property ownership rights on land lots No. BY440746, area 1.8 mil m2 and certificate of land ownership right at Cambodia No. Kor Ror 0185, area 925ha	

16.3 Long-term bonds

Details of bonds as at 30 June 2017 were presented as below:

Issuance arranged by	30 June 2017	31 December 2016
Euro Capital Securities Joint Stock Company ("ECS")	1,694,000,000	1,700,000,000
IB Securities Joint Stock Company ("IB")	431,000,000	431,000,000
Bond issuance costs	(12,319,512)	(16,702,813)
TOTAL	2,112,680,488	2,114,297,187
<i>In which:</i>		
Current portion of long-term bonds	43,358,600	297,091,268
Long-term bonds	2,069,321,888	1,817,205,919

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

16. LOANS (continued)

16.3 Long-term bonds (continued)

Straight bonds

Details of straight bonds as at 30 June 2017 were presented as below:

<i>Issuance agents</i>	<i>Bond holder</i>	<i>30 June 2017</i> VND'000	<i>Maturity term</i>	<i>Interest rate</i> % p.a	<i>Purposes</i>	<i>Collateral</i>
ESC	Vietnam Prosperity Joint-Stock Commercial Bank("VPB") (*)	1,394,000,000	from 17 August 2017 to 17 December 2021	10.5% p.a. for the first quarter and apply the saving interest rate of deposit of VP Bank – Main Operation Centre in Vietnam dong with the term twelve (12) months plus margin of 4.5% p.a. for subsequent periods (2017: 10.8 – 11.6)	restructure part of the bonds with total par value of VND 2,000 billion (**) which was issued on December 2012, to finance investment projects of the 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 Hoang Anh Gia Lai Joint Stock Company ("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	VPB	431,000,000	from 27 March 2018 to 27 December 2020	10.5% p.a. for the first three-quarter and apply the saving interest rate of deposit of VP Bank in Vietnam dong with the term twelve (12) months plus margin of 4% p.a. for subsequent periods. (2017: 10.5 – 11.0)	restructure The Company's loan and payables	234,484,450 shares of HNG held by HAG, parent company; land use right and attached assets of 7,376 ha at Lumphat District, Rattanakiri Province, Cambodia owned by the Company's subsidiaries and 4,700,000 shares of HAG held by Chairman Doan Nguyen Duc
Bond issuance costs		(12,319,511)				
TOTAL		2,112,680,488				
<i>In which:</i>						
<i>Long-term bonds</i>		2,069,321,888				
<i>Current portion of long-term bonds</i>		43,358,600				

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017**16. LOAN (continued)****16.3 Long-term bonds (continued)**

(*) As at 30 June 2017 and up to the date of these interim separate financial statements, the value of collateral assets does not equal at least 200% the total par value of bonds as required in the bonds collateral contracts. However, in accordance with the arrangement for bond restructure dated on 10 February 2017, VPB, Bond holder owned bonds amounted to VND 1,400 billion, agreed to the revised maturity up to 17 December 2021.

() Bonds with warrants**

On 5 December 2012, the Company issued 20,000 bonds with a total value of VND 2,000 billion (the par value per bond is VND 100 million) which was arranged by VPBS. These bonds are repaid after three (3) years and have grace period of one (1) year. The Company repurchased 17,000 bonds with total nominal value of VND 1,700 billion on 17 November 2015 and the remaining of 3,000 bonds with a 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 has committed that warrant holders will own at least 15.5% contributed charter capital in the Company at the time that warrants are exercised.

On 23 June 2015, in accordance with an agreement between ECS – owner of 20,000 warrants and the Company, the exercisable period is extended for two (2) years. Accordingly, the exercisable period of the warrants is increased from four (4) years to six (6) years from the date of issuance of the warrant, which is 5 December 2018.

16.4 Long-term loans from banks

	VND'000	
	30 June 2017	31 December 2016
Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV"), Gia Lai Branch and Ben Nghe Branch	730,414,421	731,055,979
Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank"), Sai Gon Branch	262,454,605	262,454,605
TOTAL	992,869,026	993,510,584
<i>In which:</i>		
<i>Non-current portion</i>	987,694,020	988,331,032
<i>Current portion</i>	5,175,006	5,179,552

The Company obtained these loans mainly to finance the rubber plantations development projects and purchase of machineries and equipment for subsidiaries in Laos and Cambodia.

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

16. LOANS (continued)

16.4 Long-term loans from banks (continued)

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

Name of banks	30 June 2017 VND'000	Original amount USD	Maturity term	Interest rate (%p.a.)	Collateral
<i>BIDV, Gia Lai Branch and Ben Nghe Branch</i>					
Loan Agreement No. 01/2010/HD-TD dated 1 April 2010	730,414,421	32,077,928	from 31 December 2017 to 31 December 2026	12 month savings deposit interest rate paid in arrears of BIDV in USD plus 4.7% p.a. (2017: 7.05 – 7.20)	Land use right and rubber plantations of 9,996.9 ha at Saysetha, San Xay and Phu Yong Districts, Attapeu Province, Laos owned by the Company's subsidiaries
<i>Sacombank, Sai Gon Branch</i>					
Credit Contract No. LD1400300153 dated 3 January 2014	262,454,605	-	from December 2021 to December 2026	2017: 9.50% p.a. and from 2018 equal to 13 month savings deposit interest rate paid in arrears of Sacombank plus 2% p.a. and be adjusted each of three-month	23,2 million shares of HAG owned by Mr Doan Nguyen Duc – Chairman and 14,5 million shares of Hoang Anh - Quang Minh Rubber Joint Stock Company owned by HNG

TOTAL 992,869,026

In which:

Long-term loan from bank 987,694,020
Current portion 5,175,006

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

16. LOANS (continued)

16.5 Long-term loans from a related party

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

<i>Lenders</i>	<i>30 June 2017</i>	<i>Maturity term</i>	<i>Interest rate</i>
	<i>VND'000</i>		<i>% p.a.</i>
<i>HAG, parent company (Note 23)</i>			
Loan Agreement No. 10/HĐVHAGL- NNQT dated 7 December 2016	3,218,877,000	7 December 2021	4.20
Loan Agreement No. 01-01/2016/HĐV- HAGL dated 1 January 2016	1,189,809,533	1 January 2019	4.20
Loan Agreement No. 25-07/2015/HĐV- HAGL dated 25 July 2015	234,292,849	25 July 2020	9.30 – 9.75
Loan Agreement No. 01/2013/HĐV- HAGL dated 17 May 2013 – Appendix No. 01/2013/HĐV-HAGL-PL1 dated 1 June 2016	66,073,000	17 May 2019	4.20 – 12.00
	4,709,052,382		
<i>Hoang Anh Gia Lai Hydropower Joint Stock Company (Note 23)</i>			
Loan Agreement No. 02/17/TĐHAGL- NNQT dated 10 February 2017	126,168,000	17 February 2020	5.00
	4,835,220,382		
<i>In which:</i>			
<i>Non-current portion</i>	4,835,220,382		
<i>Current portion</i>	-		

Loans from a related party are unsecured loans which were used to finance the working capital requirements of the Company and its subsidiaries.

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

17. OWNERS' EQUITY

17.1 Increase and decrease in owners' equity

	Contributed share capital	Share premium	Undistributed earnings	Total
	VND '000			
For the six-month period ended 30 June 2016				
As at 31 December 2015	7,081,438,950	2,550,810	1,185,386,411	8,269,376,171
Issuance of shares in cash	590,000,000	1,062,000,000	-	1,652,000,000
Net profit for the period	-	-	17,332,456	17,332,456
As at 30 June 2016	7,671,438,950	1,064,550,810	1,202,718,867	9,938,708,627
For the six-month period ended 30 June 2017				
As at 31 December 2016	7,671,438,950	1,064,550,810	1,291,389,245	10,027,379,005
Net profit for the period	-	-	96,759,801	96,759,801
As at 30 June 2017	7,671,438,950	1,064,550,810	1,388,149,046	1,388,149,046

17.2 Shares

	30 June 2017	31 December 2016
	Quantity	Quantity
Shares authorised to be issued	767,143,895	767,143,895
Shares issued and fully paid Ordinary shares	767,143,895	767,143,895
Outstanding shares Ordinary shares	767,143,895	767,143,895

The company's ordinary shares are issued with par value of 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.

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

18. REVENUE**18.1 Revenue from sale of goods**

	<i>For the six-month period ended 30 June 2017</i>	<i>VND'000 For the six-month period ended 30 June 2016</i>
Net revenue from sale of goods	<u>505,886,717</u>	<u>39,961,698</u>
<i>Of which:</i>		
<i>Revenue to others</i>	433,348,265	11,378,250
<i>Revenue to related parties (Note 23)</i>	72,538,452	28,583,448

18.2 Finance income

	<i>For the six-month period ended 30 June 2017</i>	<i>VND'000 For the six-month period ended 30 June 2016</i>
Interest income from lending	287,607,942	236,788,324
Dividend income	-	81,675,000
Others	181,682	371,908
TOTAL	<u>287,789,624</u>	<u>318,835,232</u>

19. FINANCE EXPENSES

	<i>For the six-month period ended 30 June 2017</i>	<i>VND'000 For the six-month period ended 30 June 2016</i>
Interest expenses	304,956,043	266,161,431
Loss from disposal investment in subsidiary	45,149,450	-
Bond issue cost	4,383,302	2,189,688
(Revert) provision for diminution in value of long-term investments	(68,684,394)	14,817,542
Others	1,673,022	827,020
TOTAL	<u>287,477,423</u>	<u>283,995,681</u>

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

20. SELLING AND GENERAL 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	26,330,087	2,152,455
External service costs	15,075,146	1,959,114
Materials and packaging expenses	5,904,687	-
Labour costs	4,692,744	132,126
Others	657,510	61,215
General and administrative expenses	12,485,886	12,025,057
Labour cost	5,552,051	5,175,038
Depreciation and amortisation expenses	3,318,348	3,376,284
Others	3,615,487	3,473,735
TOTAL	38,815,973	14,177,512

21. 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	3,149,646	824,156
Penalty received	2,731,738	-
Others	417,908	824,156
Other expenses	1,886,304	8,102,576
Penalty paid	109,084	6,327,501
Others	1,777,220	1,775,075
NET OTHER PROFIT (LOSS)	1,263,342	(7,278,420)

22. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") of 20% of taxable profits.

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

22.1 Current tax

The current tax payable is based on taxable profit for the current period. The taxable profit of the Company for the year differs from the profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

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

22. CORPORATE INCOME TAX (continued)

22.1 Current tax (continued)

A reconciliation between the profit before tax and taxable profit 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 before tax	96,759,801	17,332,456
<i>Adjustments</i>		
Dividend income	-	(81,675,000)
Non-deductible expenses	62,547,159	281,340
Accrued expenses, unrealised exchange gain/loss	131.937	975.980
Profit (tax loss) before tax and loss carried forward	159.438.897	(63.085.224)
Tax loss carried forward	(159.438.897)	-
Tax loss estimated current	-	(63.085.224)
Estimated current CIT expense for the period	-	-
CIT over-paid at beginning of period	(285.831)	(285.831)
CIT paid during the period	-	-
CIT over-paid at end of period	(285.831)	(285.831)

22.2 Deferred tax

Deferred tax assets have not been recognized in respect of the tax losses carried forward due to uncertainty of future taxable profits as follows:

Tax losses carried forward

The Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five (5) consecutive years subsequent to the year in which the loss was incurred. As at the balance sheet date, the Company had aggregated accumulated tax losses of VND'000 42,307,494 (31 December 2016: VND'000 201,746,391) available for offset against future taxable profits. Details are as follows:

						VND'000
Originating year	Can be utilized up to	Tax loss amount	Utilized up to 30 June 2017	Forfeited	Unutilized up to 30 June 2017	
2015	2020	10,097,286 (*)	10,097,286	-	-	
2016	2021	191,649,105 (**)	149,341,611	-	42,307,494	
TOTAL		201,746,391	159,438,897	-	42,307,494	

(*) Tax losses as per tax assessment minutes.

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

No deferred tax assets were recognised in respect of the remaining VND'000 42,307,494 because future taxable profit cannot be ascertained at this stage.

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

23. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Company with related parties during the period 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	139,897,373	105,475,818
		Purchase of goods	5,414,981	-
		Purchase fixed assets	3,288,251	-
		Sales of goods	105,180	406,540
		Loan and borrowing	-	742,391,941
Hung Thang Loi Joint Stock Company	Related party	Loan	414,119,000	-
		Loan interest	373,175	-
Dai Thang Agriculture Development Co., Ltd.	Related party	Purchase of goods	145,844,574	-
		Sales of goods	14,131,977	5,308,080
Gia Lai Livestock Joint Stock Company	Related party	Purchase of goods	83,682,683	4,362,245
		Sales of goods	6,648,849	4,302,883
		Lending	1,600,000	-
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Interest income	81,838,407	71,817,958
		Sales of goods	41,698,020	8,212,000
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Interest income	51,270,294	44,275,621
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Interest income	48,279,014	41,512,055
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Interest income	44,388,634	32,333,003
		Sales of goods	4,160,981	4,725,130
Trung Nguyen Rubber Joint Stock Company	Subsidiary	Interest income	32,420,788	10,300,690
		Sales of goods	3,944,601	3,402,925
		Purchase of goods	2,309,200	-
		Purchase fixed assets	519,200	-
		Dispose fixed assets	343,000	-
An Phu Real Estate & Investment Corporation	Related party	Interest income	21,116,667	3,354,167
		Lending	-	300,000,000
Highland Dairy Cattle Joint Stock Company	Subsidiary	Interest income	19,862,830	-
		Sales of goods	1,030,569	2,225,890
		Dividend income	-	81,675,000
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Interest income	7,979,779	7,108,446
		Lending	3,254,000	-
		Sales of goods	817,455	-
		Borrowing	22,670	-
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Subsidiary	Sales of goods	820	-
Hoang Anh Gia Lai Cane Sugar Co., Ltd.	Subsidiary	Interest income	-	26,086,380

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

23. TRANSACTIONS WITH RELATED PARTIES (continued)

As at balance sheet date, amounts due to and due from related parties were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i>	
			<i>30 June 2017</i>	<i>31 December 2016</i>
<i>Short-term trade receivables (Note 5)</i>				
Gia Lai Livestock Joint Stock Company	Related party	Sales of goods	20,776,729	14,073,555
Dai Thang Agriculture Development Co., Ltd.	Related party	Sales of goods	12,690,032	10,998,540
Highland Dairy Cattle Joint Stock Company	Subsidiary	Sales of goods	4,503,575	3,198,914
Hoang Anh Andong Meas Co., Ltd.	Subsidiary	Sales of goods	1,630,072	-
Trung Nguyen Rubber Joint Stock Company	Subsidiary	Sales of goods	1,617,996	-
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Sales of goods	1,123,729	3,493,144
Hoang Anh Gia Lai Fruit Processing Branch	Related party	Sales of goods	370,217	-
Hoang Anh Gia Lai Bridge & Road Joint Stock Company	Related party	Sales of fixed assets	273,725	1,903,798
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Sales of goods	-	9,926,139
Hoang Anh Gia Lai Joint Stock Company	Parent company	Sales of goods	-	1,371,575
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Sales of goods	-	110,080
Hoang Anh Gia Lai Pleiku Hotel Branch	Related party	Sales of goods	-	1,681
			43,919,601	45,077,426
<i>Short-term advances to suppliers (Note 6)</i>				
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Advance to purchase goods	95,710,490	-
Hoang Anh Andong Meas Co., Ltd.	Subsidiary	Advance to purchase goods	43,375,030	-
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Advance to purchase goods	25,258,504	-

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

23. TRANSACTIONS WITH RELATED PARTIES (continued)

As at balance sheet date, amounts due to and due from related parties were as follows:

Related parties	Relationship	Transactions	VND'000	
			30 June 2017	31 December 2016
Short-term advances to suppliers (Note 6) (continued)				
Trung Nguyen Rubber Joint Stock Company	Subsidiary	Advance to purchase goods	24,881,866	-
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Advance to purchase goods	15,041,320	-
Dai Thang Agriculture Development Co., Ltd.	Related party	Advance to purchase goods	14,151,875	-
Highland Dairy Cattle Joint Stock Company	Subsidiary	Advance to purchase goods	8,757,958	3,156,868
Hoang Anh Gia Lai Fruit Processing Branch	Related party	Advance to purchase goods	5,078,070	358,367
Gia Lai Livestock Joint Stock Company	Related party	Advance to purchase goods	4,799,516	-
Heng Brothers Co., Ltd.	Subsidiary	Advance to purchase goods	3,612,096	-
Hoang Anh Gia Lai Mechanical Branch	Related party	Advance to purchase goods	366,635	290,189
			241,033,360	3,805,424
Short-term loan receivables (*)				
An Phu Real Estate & Investment Corporation	Related party	Lending	300,000,000	-
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Lending	5,159,097	40,896,000
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Lending	-	242,000,002
Hoang Anh - Quang Minh Rubber Joint Stock Company	Subsidiary	Lending	-	130,000,000
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Lending	-	120,872,953
Trung Nguyen Rubber Joint Stock Company	Subsidiary	Lending	-	45,000,000
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Lending	-	33,000,000
			305,159,097	611,768,955

(*) Short-term loan receivables represent unsecured loans to related parties which maturity term is June 2018 and earn the interest at the averaged interest rates ranging from 7% to 14% per annum.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017**23. TRANSACTIONS WITH RELATED PARTIES** (continued)As at balance sheet date, amounts due to and due from related parties were as follows:
(continued)

Related parties	Relationship	Transactions	VND'000	
			30 June 2017	31 December 2016
Other short-term receivables (Note 7)				
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Interest income	409,394,215	798,812,037
		Payment on behalf	286,636	413,519
Highland Dairy Cattle Joint Stock Company	Subsidiary	Dividend receivable	81,675,000	81,675,000
An Phu Real Estate & Investment Corporation	Related party	Lending	42,104,167	-
Hoang Anh - Quang Minh Rubber Joint Stock Company	Subsidiary	Dividend receivable	19,507,500	19,507,500
		Payment on behalf	6,391,704	6,391,705
		Interest income	-	319,096,868
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Payment on behalf	7,212,880	7,212,880
		Interest income	-	362,314,788
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Payment on behalf	5,406,428	5,406,428
		Interest income	-	255,497,231
Hoang Anh Lumphat One Member Limited	Subsidiary	Net-off receivables	2,941,301	2,941,301
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Other Interest income	2,815,000	-
			-	47,736,855
Hoang Anh Gia Lai Joint Stock Company	Parent company	Payment on behalf	2,065,085	2,065,085
		Other	140,000	-
Gia Lai Livestock Joint Stock Company	Related party	Payment on behalf	1,600,000	-
Hoang Anh Gia Lai Bridge & Road Joint Stock Company	Related party	Other	375,000	-
Hoang Anh Gia Lai Fruit Processing Branch	Related party	Other	50,000	-
Trung Nguyen Rubber Joint Stock Company	Subsidiary	Interest income	-	6,356,047
			581,964,916	1,915,427,244

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017**23. TRANSACTIONS WITH RELATED PARTIES (continued)**

As at balance sheet date, amounts due to and due from related parties were as follows:
(continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2017</i>	<i>VND'000 31 December 2016</i>
Long-term loan receivables (*)				
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Lending	1,638,077,510	1,455,792,165
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Lending	799,419,593	520,449,591
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Lending	748,654,354	535,351,402
Hoang Anh - Quang Minh Rubber Joint Stock Company	Subsidiary	Lending	735,474,043	451,064,043
Trung Nguyen Rubber Joint Stock Company	Subsidiary	Lending	535,998,617	490,998,617
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Lending	128,221,602	95,221,602
Indochina Rubber Investment and Development Co., Ltd.	Subsidiary	Lending	4,466,000	4,466,000
An Phu Real Estate & Investment Corporation	Related party	Lending	-	300,000,000
			4,590,311,719	3,853,343,420
Other long-term receivables				
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Lending	324.066.230	-
Hoang Anh - Quang Minh Rubber Joint Stock Company	Subsidiary	Lending	209.075.503	-
Hoang Anh Rattanakiri Co., Ltd.	Subsidiary	Lending	193.471.492	-
Hoang Anh Oyadav Co., Ltd.	Subsidiary	Lending	129.639.537	-
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Lending	55.716.634	-
Trung Nguyen Rubber Joint Stock Company	Subsidiary	Lending	31.487.355	-
Indochina Rubber Investment and Development Co., Ltd.	Indirect subsidiary	Interest income	451.314	136.957
An Phu Real Estate & Investment Corporation	Related party	Interest income	-	20.987.500
			943.908.065	21.124.457

(*) Long-term loan receivables represent unsecured loans to related parties which maturity term is from July 2018 to June 2023 and earn the interest at the averaged interest rates ranging from 7% to 14% per annum.

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

23. TRANSACTIONS WITH RELATED PARTIES (continued)

As at balance sheet date, amounts due to and due from related parties were as follows:
(continued)

Related parties	Relationship	Transactions	VND'000	
			30 June 2017	31 December 2016
Short-term trade payables (Note 12)				
Dai Thang Agriculture Development Co., Ltd.	Related party	Purchase of raw materials, goods	126,886,212	3,195,942
Highland Dairy Cattle Joint Stock Company	Subsidiary	Purchase of goods	39,971,531	-
Gia Lai Livestock Joint Stock Company	Related party	Purchase of raw materials, goods	35,495,190	5,367,889
Hoang Anh Gia Lai Material Branch	Related party	Purchase of raw materials	5,105,875	-
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Subsidiary	Purchase of raw materials	4,954,319	2,674,574
Hoang Anh Gia Lai Fruit Processing Branch	Related party	Purchase of services	991,617	-
Trung Nguyen Rubber Joint Stock Company	Subsidiary	Purchase of raw materials	469,200	25,674,802
Hoang Anh Gia Lai Wooden Joint Stock Company	Related party	Purchase of raw materials	310,238	-
Hoang Anh Gia Lai Mechanical Branch	Related party	Purchase of fixed assets	74,500	-
Hoang Anh Gia Lai Pleiku Hotel Branch	Related party	Purchase of services	13,166	-
Hoang Anh Gia Lai Sport Joint Stock Company	Related party	Purchase of raw materials	12,450	3,124
Hoang Anh Gia Lai Joint Stock Company	Parent company	Purchase of investment	-	12,828,645
		Purchase of raw materials	-	6,605,559
			214,284,298	53,154,593
Short-term advances from customers				
Hoang Anh Attapeu Agriculture Development Co., Ltd.	Subsidiary	Advance to purchase goods	51,927,832	-
Dai Thang Agriculture Development Co., Ltd.	Related party	Advance to purchase goods	11,723,230	-
Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.	Subsidiary	Advance to purchase goods	6,242,196	-
Gia Lai Livestock Joint Stock Company	Related party	Advance to purchase goods	1,173,915	-
Hoang Anh Dak Lak Joint Stock Company	Subsidiary	Advance to purchase goods	1,060,213	-
Trung Nguyen Rubber Joint Stock Company	Subsidiary	Advance to purchase goods	634,275	-
Highland Dairy Cattle Joint Stock Company	Subsidiary	Advance to purchase goods	504,600	-
			73,266,261	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2017**23. TRANSACTIONS WITH RELATED PARTIES** (continued)As at balance sheet date, amounts due to and due from related parties were as follows:
(continued)

			VND'000	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2017</i>	<i>31 December 2016</i>
<i>Other short-term payables (Note 14)</i>				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Interest expenses	249,156,284	168,133,553
		Receipts on behalf	2,494,325	958,610
Hoang Anh Gia Lai Import - Export Trading One member Co., Ltd.	Subsidiary	Borrowings	22,670,000	-
Hoang Anh Gia Lai Mineral Joint Stock Company	Related party	Borrowings	5,950,000	-
Hoang Anh Gia Lai Hydropower Joint Stock Company	Related party	Interest expenses	2,336,127	-
			<u>282,606,736</u>	<u>169,092,163</u>
<i>Other long-term payables (Note 14)</i>				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Interest expenses	<u>155,897,252</u>	<u>83,336,578</u>
<i>Short-term loan (Note 16.1)</i>				
Hung Thang Loi Joint Stock Company	Related party	Short-term loans	414,119,000	-
<i>Long-term loan (Note 16.5)</i>				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Long-term loans	4,709,052,382	5,639,736,886
Hoang Anh Gia Lai Hydropower Joint Stock Company	Related party	Long-term loan	126,168,000	-
			<u>4,835,220,382</u>	<u>5,639,736,886</u>

Transactions with other related parties*Net salaries, bonus and remunerations for the members of the Board of Management, the Board of Directors are as follows:*

	VND'000	
	<i>For the six-month period ended 30 June 2017</i>	<i>For the six-month period ended 30 June 2016</i>
Salary and bonus	<u>1,695,000</u>	<u>1,362,000</u>

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

24. SIGNIFICANT COMMITMENTS

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.

25. 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 HAGL). 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 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 is no matter or circumstance that has arisen since the balance date that requires adjustments or disclosures to be made in the separate financial statements of the Company.



Pham Thi Luu Ly
Preparer



Ho Thi Tuyet Loan
Chief Accountant

Vo Thi My Hanh
General Director

15 August 2017