



HAGL Agrico



**PUSHING THROUGH
➔ CHALLENGES**

**ANNUAL REPORT
2016**



BUSINESS PHILOSOPHY

A business under high evaluation must create safety and stability in its operation; sustainable profit and ever growing and expanding market share.

MISSION

Application of state-of-the-art technology in agribusiness to exploit land potentiality, producing agricultural products of utility to life.

Satisfactory treatment is provided both spiritually and materially to encourage executives and employees' creation of new values for customers, shareholders and the whole society

VISION

Becoming a leading company in agribusiness in Vietnam and in the region.

CORE VALUE

Respect: Self-respect; Respect for colleagues; Respect for the Company; Respect for partners; Respect for cooperation.

Compliance: Compliance with the laws and regulation of Vietnam, Laos, Cambodia. Compliance with the Company's regulations and policies.

Willingness to survive hardship: Prepared to tackle challenges, making every effort and determination to find workable solutions.



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GENERAL INFORMATION



HOANG ANH GIA LAI AGRICULTURAL JOINT STOCK COMPANY

Vietnamese name : Công ty cổ phần Nông nghiệp Quốc tế Hoàng Anh Gia Lai
English name : Hoang Anh Gia Lai Agricultural Joint Stock Company
Abbreviation name : HAGL AGRICO

Telephone : (84.269) 22 22 283
Fax : (84.269) 22 22 218
Website : www.haagrico.com.vn

Business registration certificate : 5900712753 first issued by the Department of Planning and Investment of Gia Lai Province on 26/5/2010 and 14th amendment on 08/3/2016

Head office : 15 Truong Chinh, Phu Dong Ward, Pleiku City, Gia Lai Province, Vietnam



**CHARTER CAPITAL:
(OWNER'S EQUITY)**
VND 7,671,438,950,000



**SECURITIES
CODE:**
HNG



**FACE VALUE PER
SHARE:**
VND 10,000



**TOTAL NUMBER OF
SHARES:**
767,143,895



TOTAL CAPITAL (BILLION)

35,468

PRELIMINARY FINANCIAL INFORMATION

UNIT: VND billion

As of 31/12	2016	2015	2014	2013	2012	2011
INCOME STATEMENT						
Total revenue	4,777	4,731	2,212	1,630	134	41
Net revenue	4,776	4,731	2,212	1,630	134	41
Gross profit	510	1,237	1,028	915	40	8
Net operating profit	-412	823	670	681	2	26
Other profit/(loss)	-566	-108	78	-2	1	1
Profit before tax	-978	715	747	679	2	27
Profit after tax	-1,020	744	736	685	3	21
Earnings per share (VND)	-1,298	1,176	1,233	1,574	-20	116
BALANCE SHEET						
Current assets	6,643	7,221	4,732	3,342	3,577	2,815
In which: Inventories	1,672	2,966	1,141	798	480	377
Long-term assets	28,825	19,515	12,392	9,899	6,994	3,075
Total assets	35,468	26,736	17,124	13,241	10,571	5,890
Short-term loans and debts	2,139	3,127	3,728	690	165	476
Other short-term accounts payable	3,986	3,903	2,554	1,425	724	691
Long-term loans and debts	17,257	9,109	3,621	4,779	4,371	908
Other long-term accounts payable	1,602	848	366	143	0	0
Total liabilities	24,984	16,987	10,269	7,037	5,260	2,075
Owner's equity	10,424	9,654	6,833	6,182	5,225	3,721
Minority interest	60	95	22	22	86	94
Total owner's equity	35,468	26,736	17,124	13,241	10,571	5,890

PRELIMINARY FINANCIAL INFORMATION

(cont.d)

UNIT: VND billion

As of 31/12 (cont.d)	2016	2015	2014	2013	2012	2011
CASH FLOW STATEMENT						
Profit before tax	-978	715	747	679	2	27
Depreciation and amortisation	653	333	208	143	37	19
Operating profit before changes of working capital	102	1,366	1,134	981	40	10
Net cash flows from operating activities	685	1,378	-559	547	320	-89
Net cash flows from investing activities	-6,483	-6,458	-1,802	-3,803	-2,922	-2,591
Net cash flows from financial activities	5,774	5,365	2,258	1,883	3,747	2,837
Ending cash and cash equivalents	308	332	47	150	1,524	378

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



Mr. DOAN NGUYEN DUC - BOD CHAIRMAN

Dear Shareholders and Investors!

In 2016, the group of Hoang Anh Gia Lai Agricultural Joint Stock Companies (HAGL Agrico) failed to reach business targets set with a loss of 1,020 billion dongs in the consolidated financial statements. That resulted from the considerable proportion of financial expenses in the structure of expense and profit margin of the cattle sector in decline and 2016 witnessed the Company's revaluation of several assets.

Besides, in spite of the signs of rubber price recovery from USD 1,100/ton in 2015 to USD 2,200/ton, that increase occurred only in the end months of 2016, so in the crop year of 2016 (starting from May) the Company was still restricting expansion of the tapping area. The consequent modest yield resulted in marginal revenue from rubber latex. Considering the rubber price in the late 2016, as recorded, doubled that of the early 2016, the Company plans to expand the tapping area as from May 2017.

Despite the Company failure to achieve the 2016 targets of consolidated profit, it was a year, from a positive view, HAGL achieved other encouraging results. In particular, the Company performed debt restructuring in accordance with cash flows from the projects. The Company has completed the restructuring of existing debts and bonds with credit organizations.

The restructuring entails extending principal repayment schedule for credit outstanding balance and bonds for 4 - 10 years; interest debt repayment for 1 - 3 years; and reducing interest rate and default interest. From a financial position of great fragility due to liquidity evaporation because of the substantial matured interest and principal, liquidity has been improved, financial risk under control. The successful request for extension of the loans not only has alleviated the Company's burden of cash flow for borrowing repayment, but also enabled the Company to devote time to business operation and management of the huge volume of assets to raise the revenue and generate cash flows.

Besides debt restructuring, HAGL Agrico also started the overall restructuring of the Company for the period of 2016 - 2026 the details of which were presented at the 2016 Annual General Meeting of Shareholders. The scope of overall structuring ranges from strategy formulation to organization, corporate governance and finance, including transfer and disposal of assets to reduce existing debts. In 2016, HAGL Agrico started transfer of shares in Hoang Anh Gia Lai Sugarcane JSC and Hoang Anh Attapeu Sugarcane Ltd. This transfer will help to reduce HAGL Agrico's existing debts.

We would like to extend our gratitude to the banks and partners who have provided substantial support to our company and our appreciation for the staff who have devoted themselves to and accompanied HAGL Agrico through hardship over the last year.

During the year, the Company also reviewed and decided to use the redundant land to grow fruit trees of higher value shorter time for harvest. We believe that it is a sensible policy in a context where HAGL Agrico needs a breakthrough and strategic direction to overcome hindrance and ensure long-term competition.

As orientation for 2017, HAGL leaders will strive to enhance intellect capacity, management, and leadership to take the Company through times of hardship. The Company keeps implementing the project for overall restructuring on the basis of heightening security in business and investment operations. As for business, the Company will still focus on core sectors like cattle raising, rubber and palm oil harvest. In addition, the Company continues to make use of the advantage of the land bank and infrastructure in the agribusiness to grow fruit trees. The Company continues participation in fruit supply chain originating from Vietnam, Laos and Cambodia for export. In 2017 the Company is expected to earn a considerable income from dragon fruit, banana and passion fruit

We believe that from 2017 the ability to generate cash flow from the agribusiness sector operation will improve compared with the previous years. There is a reason for this prospect, that is, HAGL has surmounted the most critical time when the commodity market in general and rubber in particular experienced a recession and the prices stayed low for a long time.

We would like to extend our gratitude to the banks and partners who have provided substantial support to our company and our appreciation for the staff who have devoted themselves to and accompanied HAGL Agrico through hardship over the last year.

Our hopes are high that your patience will soon be repaid appropriately.

Chairman of the BOD

DOAN NGUYEN DUC

HISTORY OF THE COMPANY

KEY MILESTONES



2010

- Establishment of Hoang Anh Gia Lai Rubber Joint Stock Company.



2011

- Taking a lease of land with Laos and Cambodia governments, expanding investing activities abroad.



2012

- Building of industrial sugarcane group in Attapeu started.
- Construction of rubber latex processing plant started, with a capacity of 25,000 tons/year in Attapeu.



2013

- Inauguration of the industrial sugarcane group and rubber latex processing plant.
- Breaking the ground of Nong Khang international airport, in Hua Phăn, Laos on 14/03/2013.



2014

- Cultivation of 38,428 ha of rubber in Vietnam, Laos and Cambodia completed.
- Beef cow farming started.
- Starting construction of palm oil plant with a capacity of 45 tons of bunches/hour in Cambodia.



2015

- April 2015, Hoang Anh Gia Lai Rubber Joint Stock Company changed to Hoang Anh Gia Lai Agricultural Joint Stock Company.
- May 2015, inauguration and handover of Hoang Anh Attapeu airport.
- Listed at HOSE dated 10/07/2015



2016

- Overall restructuring of Hoang Anh Gia Lai Agricultural Joint Stock Company.
- Passion fruit project developed, participating in passion fruit projects and passion export value chain originating from Laos and Vietnam.
- Planting dragon fruit, banana, and ten other fruits started.



ADMINISTRATIVE ORGANIZATION



GENERAL SHARE HOLDERS MEETING

BOARD OF SUPERVISION

BOARD OF DIRECTORS

BOARD OF MANAGEMENT

ACCOUNTING DEPARTMENT

PLANT TECHNIQUE & PROTECTION DEPARTMENT

SALES DEPARTMENT

STANDARDS DEPARTMENT (Global GAP, Environment & Society)

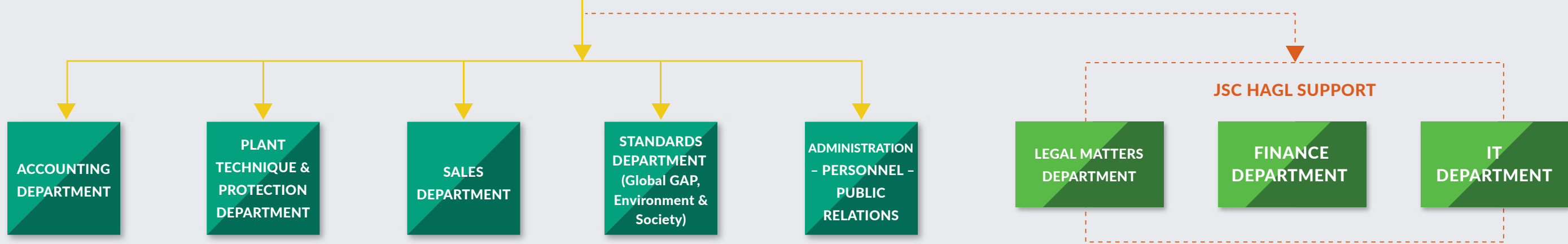
ADMINISTRATION - PERSONNEL - PUBLIC RELATIONS

LEGAL MATTERS DEPARTMENT

FINANCE DEPARTMENT

IT DEPARTMENT

JSC HAGL SUPPORT



SUBSIDIARIES AND ASSOCIATES



11 SUBSIDIARIES
IN VIETNAM

03 SUBSIDIARIES
IN LAOS

03 SUBSIDIARIES
IN CAMBODIA

02 ASSOCIATES

1.1 INVESTMENTS IN SUBSIDIARIES

01. HOANG ANH - QUANG MINH RUBBER INDUSTRIAL AND AGRICULTURAL CO., LTD.

Office: Attapeu, Laos
Ownership: 97,77 %
Charter capital: 40,000,000 USD
Business lines: planting, harvesting and processing latex

02. HOANG ANH - QUANG MINH RUBBER JSC

Office: Gia Lai, Vietnam
Ownership: 97.77 %
Charter capital: 200,000,000,000 VND
Business lines: planting and nursing forest; Planting rubber, sugarcane; Cattle farming.

03. HOANG ANH DAK LAK JSC

Office: Dak Lak, Vietnam
Ownership: 99.53 %
Charter capital: 320,000,000,000 VND
Business lines: real estate; planting and nursing forest; planting rubber, pepper, coffee

04. HOANG ANH ATTAPEU AGRICULTURAL DEVELOPMENT CO., LTD.

Office: Attapeu, Laos
Ownership: 100.00 %
Charter capital: 85,000,000 USD
Business lines: Planting, harvesting and processing latex. Planting and processing palm oil

05. HOANG ANH RATTANAKIRI CO., LTD.

Office: Rattanakiri, Cambodia
Ownership: 100.00 %
Charter capital: 16,000,000 USD
Business lines: Planting, harvesting and processing latex

06. BAN ME RUBBER JSC

Office: Dak Lak, Vietnam
Ownership: 99.45 %
Charter capital: 25,000,000,000 VND
Business lines: Planting and nursing forests; Planting, harvesting and processing latex

07. HENG BROTHERS CO., LTD.

Office: Rattanakiri, Cambodia
Ownership: 100.00 %
Charter capital: 17,000,000 USD
Business lines: Planting, harvesting and processing latex

08. HOANG ANH OYADAV CO., LTD.

Office: Rattanakiri, Cambodia
Ownership: 100.00 %
Charter capital: 67,000,000 USD
Business lines: Planting, harvesting and processing latex

09. CRD CO., LTD.

Office: Rattanakiri, Cambodia
Ownership: 100.00 %
Charter capital: 57,000,000 USD
Business lines: Planting, harvesting and processing latex

10. HOANG ANH GIA LAI SUGARCANE CO., LTD.

Office: Gia Lai, Vietnam
Ownership: 99.99 %
Charter capital: 815,000,000,000 VND
Business lines: sugar manufacturing; Planting sugarcane, rubber tree; planting services

11. HOANG ANH ANDONG MEAS CO., LTD.

Office: Rattanakiri, Cambodia
Ownership: 97.77 %
Charter capital: 42,500,000 USD
Business lines: Planting and processing palm oil

12. HOANG ANH ATTAPEU SUGARCANE CO., LTD.

Office: Attapeu, Laos
Ownership: 99.99 %
Charter capital: 35,000,000 USD
Business lines: sugar manufacturing; Planting sugarcane, rubber; planting services

13. HOANG ANH GIA LAI IMPORT EXPORT TRADING ONE MEMBER CO., LTD.

Office: Gia Lai, Vietnam
Ownership: 100.00 %
Charter capital: 100,000,000,000 VND
Business lines: Import, export
Charter capital: 44,236,800 USD
Business lines: Importing and exporting sugarcane, oil palm, rubber products; Trading in fertilizer, construction materials, equipment, and other parts

14. HIGHLAND DAIRY CATTLE JSC

Office: Gia Lai, Vietnam
Ownership: 99.00 %
Charter capital: 550,000,000,000 VND
Business lines: Cattle farming, livestock services, planting services

15. DAUN PENH JSC

Office: Gia Lai, Vietnam
Ownership: 99.9 %
Charter capital: 200,000,000,000 VND
Business lines: Planting rubber tree, seeded trees, oil-containing fruit

16. AN DONG MIA JSC

Office: Gia Lai, Vietnam
Ownership: 70 %
Charter capital: 200,000,000,000 VND
Business lines: Planting rubber trees, seeded trees, oil-containing fruits

17. HOANG ANH LUMPHAT CO., LTD.

Office: Rattanakiri, Cambodia
Ownership: 70 %
Charter capital: 44,236,800 USD
Business lines: Planting rubber trees, oil palm trees, and construction of palm oil processing plant

18. DAUN PENH AGRICO CO., LTD.

Office: Rattanakiri, Cambodia
Ownership: 99.9 %
Charter capital: 1,000,000 USD
Business lines: Planting rubber trees, oil palm trees, and construction of palm oil processing plant

19. INDOCHINA RUBBER INVESTMENT AND DEVELOPMENT CO., LTD.

Office: HCM city, Vietnam\Ownership: 100.00 %
Charter capital: 1.465,000,000,000 VND
Planting rubber tree and processing rubber products, Planting and nursing forests, Building houses and civil works; Wholesale of machines, equipment and machine spare parts; Cargo transport

20. EASTERN EUROPE RUBBER INVESTMENT CO., LTD.

Office: TP.HCM, Vietnam
Ownership: 100.00 %
Charter capital: 300,000,000,000 VND
Business lines: Planting rubber tree, and processing products from rubber; Planting and nursing forests, Building houses and civil works; Wholesale of machines, equipment and machine spare parts; Cargo transport

21. EASTERN RUBBER CO., LTD.

Office: Kratie, Cambodia
Ownership: 100.00 %
Charter capital: 49,000,000 USD
Business lines: planting rubber tree and building latex processing plant

22. BINH PHUOC KRATIE RUBBER 2 CO., LTD.

Office: Kratie, Cambodia
Ownership: 100.00 %
Business lines: planting rubber tree and building latex processing latex processing plant

23. SOVAN VUTHY CO., LTD.

Office: Kratie, Cambodia
Ownership: 100,00 %
Charter capital: 20,000,000 USD
Business lines: Planting, harvesting and processing latex

24 TRUNG NGUYEN RUBBER JSC

Office: Gia Lai, Vietnam
Ownership: 99.91 %
Charter capital: 3,277,487,120,000 VND
Business lines: planting and harvesting latex; planting fruit tree.

1.2 INVESTMENTS IN ASSOCIATE

BIDIPHAR RUBBER JSC

Business lines: Planting rubber tree 31/12/2016
Ownership: 49.14 %
Carrying amount (VND thousand): 287,143,307

GIA LAI LIVESTOCK JSC

Business lines: cow farming 31/12/2016
Ownership: 23.46 %
Carrying amount (VND thousand): 609,017.978

The list is updated as at 31/12/2016



PREPARED FOR HARDSHIP



BUSINESS SECTORS AND AREAS



COW FARMING

The Company started beef cow farming since mid - 2014 with Australian Brahman breed as the main product.

122.740
TOTAL OF COWS
SOLD IN 2016



RUBBER PLANTING AND LATEX PROCESSING

As at 31/12/2016, the Company's total area of rubber is 48,793 ha of which 20,361 ha in Laos, 4,844 ha in Vietnam, and 23,588 ha in Cambodia.

TOTAL AREA OF RUBBER
48,793 HA



OIL PALM PLANTING AND PROCESSING

The Company is maintaining and nurturing 29,307 ha of oil palm, including 6,861 ha in Attapeu, Laos and 22,446 ha in Rattanakiri, Cambodia.

29,307 HA
PLANTED AREA



SUGARCANE

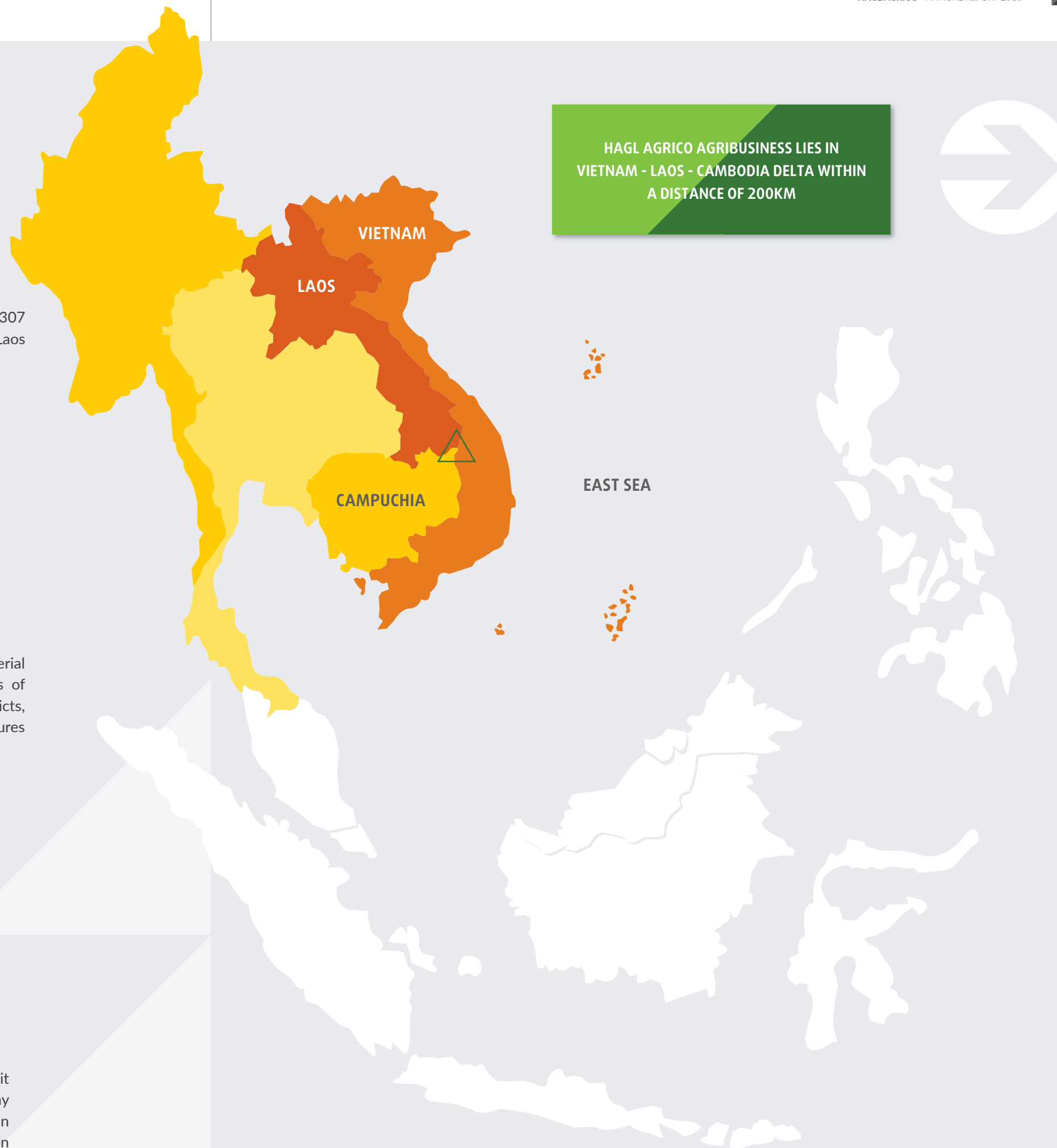
The industrial sugarcane cluster includes a material area of 6,000 ha and a plant of 7,000 tons of canes/day in Samakhixay and Phouvong districts, Attapeu. The Company is conducting procedures for transfer of interest to a partner.

PLANTED AREA
6,000 HA

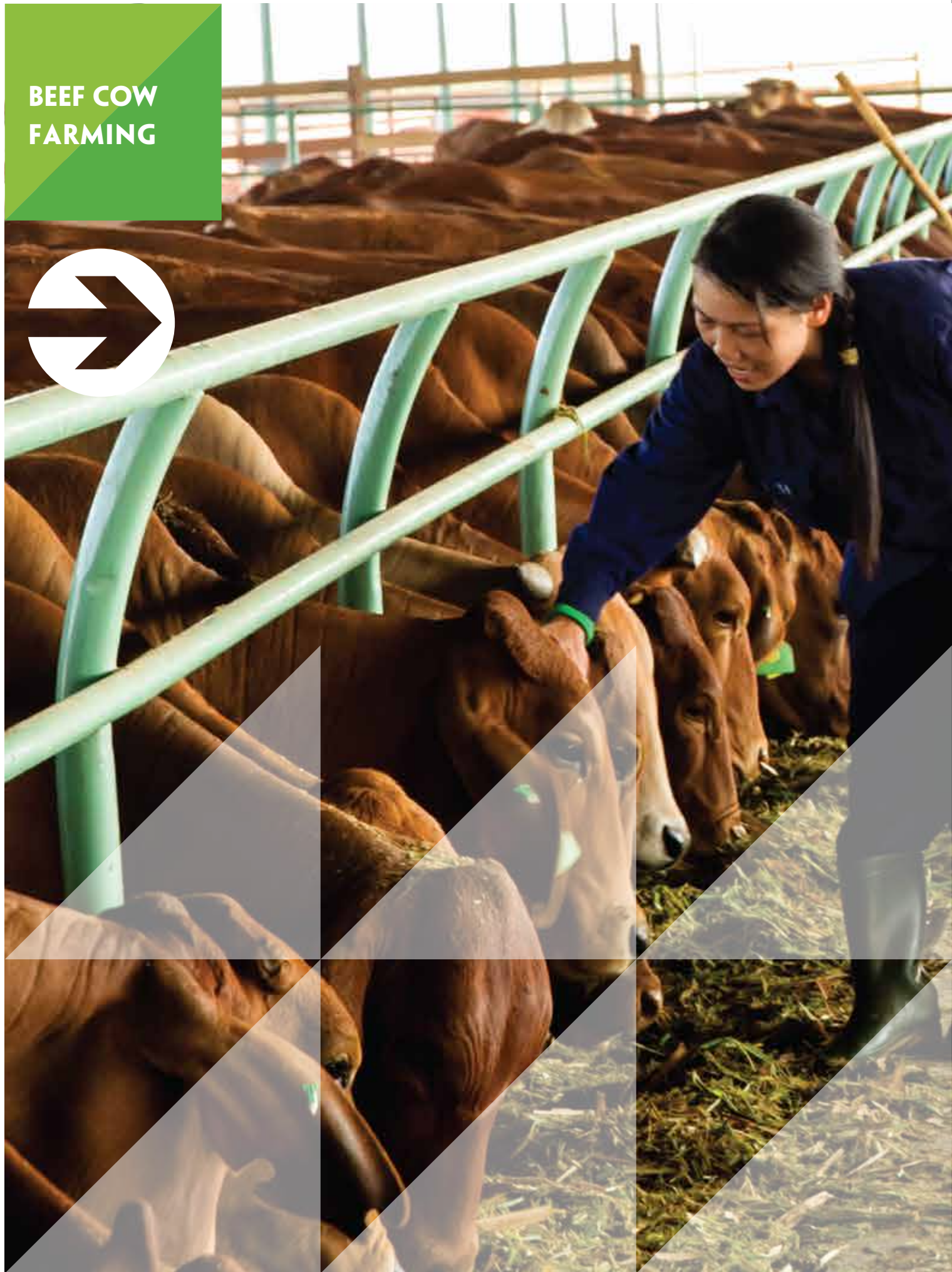


PASSION FRUIT AND OTHER FRUIT TREES

The Company participated in passion fruit projects since early 2016. Besides, the Company makes use of the uncultivated land bank in Vietnam, Laos and Cambodia to plant dragon fruit, banana, avocado and 10 other fruit trees.



BEEF COW FARMING



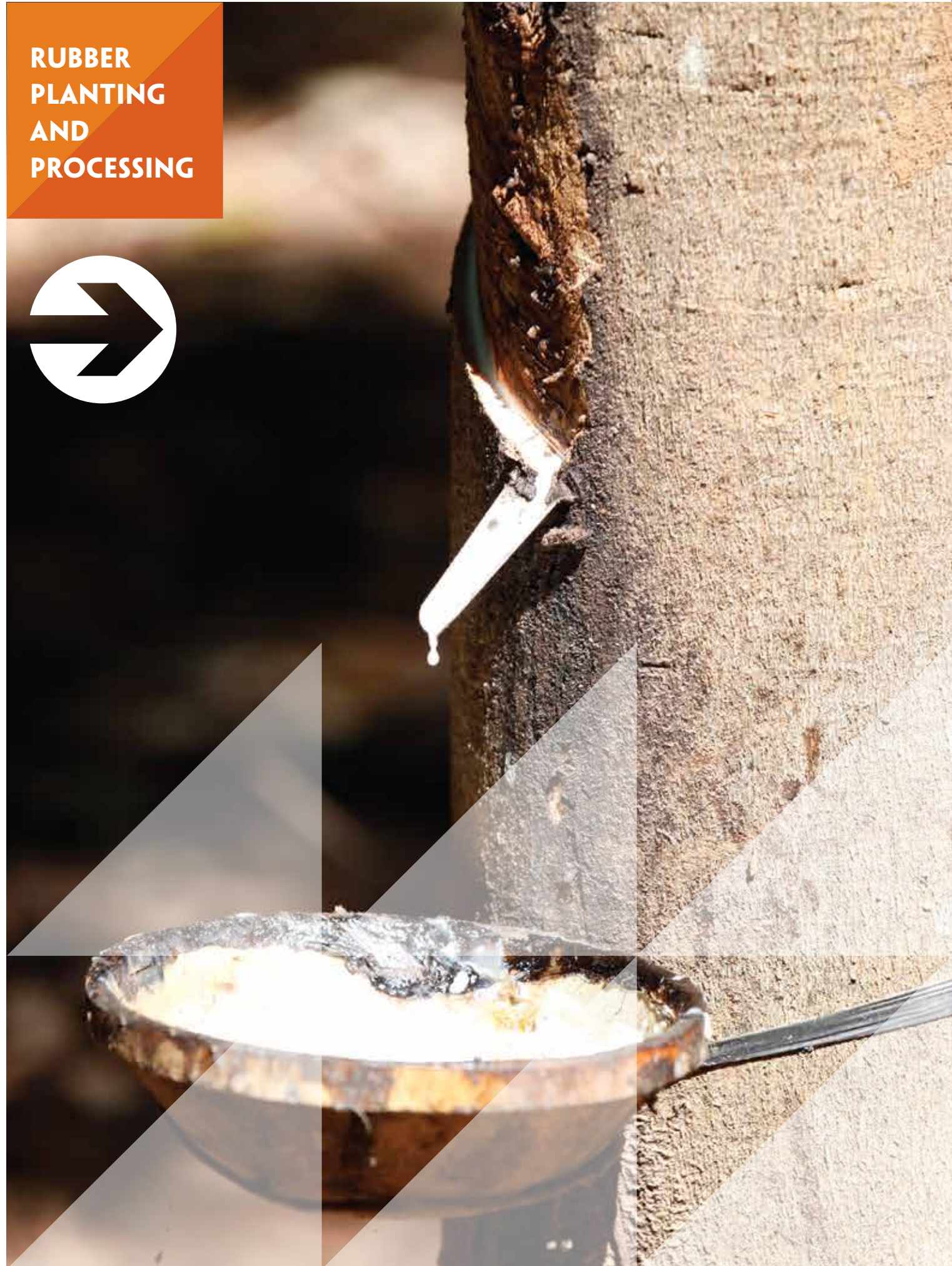
HAGL started its beef cow farming in mid-2014, and selected Australian Brahman breed as the Company's flagship product..

In order to gain a competitive advantage over imported beef in domestic markets, HAGL applies cost-cutting strategy by "Industrialization - mechanization" of the beef farming, to improve quality and efficiency. Possessing a large land bank, HAGL has Pakchong 1 Grass grown to adequately supply fiber food for the cattle.

In 2016, the Company sold 122,740 cows bring in revenue of VND 3,469 billion.

2016
TOTAL SALE OF
122,740
HEADS

RUBBER PLANTING AND PROCESSING



AS AT 31/12/2016, THE COMPANY'S TOTAL AREA OF RUBBER IS 48,793 HA OF WHICH 20,361 HA IN LAOS, 4,844 HA IN VIETNAM, AND 23,588 HA IN CAMBODIA.



The increased area resulted from the Company's additional issuance of 59 million stocks in February 2016 to repurchase 100% of the contribution capital in Indochina Rubber Investment and Development Co., Ltd. from Cuong Thinh Rubber Investment Co., Ltd. and An Thinh Rubber Investment Co., Ltd.



The Company is operating a rubber processing plant with a capacity of 25,000 tons of natural latex/year in Laos. Two key products are SVR 3L and SVR10.

In 2016, 3,692 tons was consumed, bringing in revenue of 114 billion dong; Exploitation of 18,000 tons is planned for 2017.

PLANTED
AREA
48,793
HA

OILPALM PLANTING AND PROCESSING



PLANTED AREA
29,307 HA



NOW HAGLAGRICO IS IN POSSESSION OF 29,307 HA OF OILPALM, OF WHICH 6,861 HA IN ATTAPEU, LAOS AND 22,446 HA IN RATTANAKIRI, CAMBODIA LÀ.

Of all the oil trees, palm oil tree yields the highest oil content, richly varied oil composition, highly nutritional value. A variety of products from the oil palm bunch includes:

MAIN PRODUCTS

- **Crude Palm oil:** processed from the flesh, accounting for 22.5% of the fruit bunch weight.
- **Kernel oil:** processed from the seed, accounting for 2.5% of the fruit bunch weight. Crude oil and kernel oil, after refining, supply materials for food and cosmetics sectors and other industries.

BYPRODUCTS:

- **Hollow bunches and fiber, after full extraction of oil:** used as materials for the thermal power plant or composted to make fertilizer for the plantation.
- **Kernel waste:** used as food for livestock.
- **Kernel shell:** materials for the thermal power plant, making activated carbon or used as seedling pots in nursery gardens.

SUGARCANE PLANTING AND PROCESSING



The industrial sugarcane cluster includes a material area of 6,000 ha and a plant of 7,000 tons of canes/day.

The Company is conducting procedures for transfer of interest at Hoang Anh Gia Lai Sugarcane JSC.



**PLANTED
AREA
6,000
HA**

PASSION FRUIT AND OTHER FRUIT TREES



The Company participated in passion fruit projects and passion export value chain originating from Laos and Vietnam since early 2016.

Passion fruit trees are planted and harvested by Global GAP towards sustainability, high quality, meeting demand for domestic consumption and international export.

These projects adopt Tai Shiang 1 grafted from leading varieties of good yield and top quality.

Main products are fresh fruits for export and passion fruit core used as material supply to beverage Companies.

Besides, the Company makes use of the uncultivated land bank in Vietnam, Laos and Cambodia to plant dragon fruit, banana, avocado and 10 other fruit trees.



HAGL AGRICO DEVELOPMENT ORIENTATION



I. 2017 TARGETS

MAJOR TARGETS: SAFE ACTIVITIES, LIQUIDITY SECURITY

New planting and nursing:

- Making use of the uncultivated land bank in Vietnam, Laos and Cambodia to grow banana, dragon fruit and over ten other fruit trees.
- Nursing 48,793 ha of rubber.

Harvesting latex, beef cow and fruits:

- Sale of 40,000 cows, generating revenue of VND 1,240 billion.
- Harvesting 18,000 tons of latex, generating revenue of VND 745 billion.
- Harvesting 56,250 tons of passion fruit, generating revenue of VND 1,050 billion.
- Harvesting 17,000 tons of dragon fruit, generating revenue of VND 680 billion.
- Harvesting 50,000 tons of bananas, generating revenue of VND 843 billion.

Starting a fruit-distributing company in HCM city for domestic sale of fruit



II. BUSINESS STRATEGY

ADOPTION OF HIGH TECHNOLOGY IN AGRIBUSINESS TO ECONOMIZE ON RESOURCES AND MAKE DIFFERENCE.

Positioned to be a leading company in livestock farming and cultivation in SouthEast Asia and Vietnam.

Flagship products include rubber, palm oil and beef cow; fruit trees are step by step developed.

Target customers come from agro-industrial material utilizing companies and fruit bulk consuming customers both locally and abroad.

The core benefit offered to customers is the reliability of agor products tagged with HAGL Agrico brand thanks to explicitness in product origin tracing.

III. SUSTAINABLE DEVELOPMENT TARGETS

- Sustainable growth of revenue and profit to guarantee the interest of shareholders and investors.
- Economic development in parallel with environment protection and share of benefit value with society and community from business and investing activities.
- Creating stable employment for local people.



CONSTANT EFFORT



INFORMATION ABOUT THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS, THE GOVERNING BODY OF THE COMPANY, HOLDS ABSOLUTE POWER TO ACT IN THE NAME OF THE COMPANY TO DECIDE AND CARRY OUT RIGHTS AND OBLIGATIONS OF THE COMPANY OUTSIDE THE COMPETENCE OF THE GMS. THE BOARD OF DIRECTORS OF THE COMPANY IS COMPRISED OF 07 MEMBERS, EACH OF WHOM SERVES A MAXIMUM TERM OF 05 YEARS. THE CHAIRMAN OF THE BOARD OF DIRECTORS IS ELECTED BY THE BOARD OF DIRECTORS.



1. MR. DOAN NGUYEN DUC BOD Chairman

- Birth year: 1963
- Working Experience:
+ 1992 – now: Hoang Anh Gia Lai JSC
- Current position at HAGL Agrico: Chairman of the BOD -
- Other managerial titles: Chairman of the BOD – Hoang Anh Gia Lai Joint Stock Company

01. Mr. Doan Nguyen Duc
BOD Chairman

02. Mr. Vo Truong Son
BOD member

03. Mr. Doan Nguyen Thu
BOD member

04. Mr. Nguyen Xuan Thang
BOD member

05. Ms. Vo Thi Huyen Lan
BOD member

06. Mr. Nguyen Ngoc Anh
BOD member

07. Mr. Nguyen Quan Anh
BOD member



2. Mr. VO TRUONG SON BOD member

- Year of birth: 1973
- Qualifications:
Master of Finance, Bachelor of Law,
Member of the Association of Chartered
Certified Accountants (ACCA), the Vietnam
Association of Certified Public Accountants
(VACPA), CFA
- Working experience:
+ 08/1996-11/2003: Auditing and
Consulting Company Ltd. (A&C)
+ 11/2003-10/2008: Senior Audit Manager
at Ernst & Young Vietnam
+ 10/2008 – now: Hoang Anh Gia Lai JSC
- Current position at HAGL Agrico:
BOD member
- Other titles: BOD member and
General Director – Hoang Anh Gia Lai JSC



3. Mr. DOAN NGUYEN THU BOD member

- Year of birth: 1977
- Qualifications:
Bachelor of Economics, HCMC
university of Economics,
MBA – Fullerton College, USA
- Working experience:
+ 1999 – 2000: Hoang Anh Sai Gon Co., Ltd.
+ 2003 – 2004: Viet May Co., Ltd.
+ 2004 – 2006: Hoang Anh Gia Enterprise
+ 2006 – now: Hoang Anh Gia Lai JSC
- Current position at HAGL Agrico:
BOD member
- Other titles:
+ BOD Chairman - Hoang Anh Gia Lai
Furniture JSC
+ BOD member and Deputy General
Director - Hoang Anh Gia Lai JSC

INFORMATION ABOUT THE BOARD OF DIRECTORS



04. MR. NGUYEN XUAN THANG BOD member and General Director

- Year of birth: 1977
- Qualifications:
BA in Enterprise Finance
- Working experience:
 - + 1999 – 2000: Coffee Company
No.15 – 15th Army Corps, Gia Lai province
 - + 2000 – 2003: Hung Binh Co., Ltd.
Pleiku city, Gia Lai province
 - + 2003 – 2004: Trung Hieu Co., Ltd.
 - + Vietnam Military Telecommunications Group
 - + 2005 – 2007: Highland Forestry school
 - + 2007 – now: Hoang Anh Gia Lai JSC
- Current position at HAGL Agrico:
BOD member and General Director
- Other titles:
BOD member and Deputy General Director -
Hoang Anh Gia Lai JSC

05. MS VO THI HUYEN LAN BOD member

- Year of birth: 1971
- Qualifications:
Bachelor of Economics – HCMC University
of Economics; HEC MBA - France; Master in
Finance, L'Université Dauphine – France
- Working experience:
 - + 1996 – 1998: chief accountant at
Presioso company
 - + 1998 – 2002: chief accountant at Escape
Bourbon An Lac
 - + 2002 – 2006: Deputy General Director,
CFO at Big C Vietnam
 - + 2007 - now:
General Director - Jaccar Holdings
- Current position at HAGL Agrico: BOD member
- Other titles:
 - + General Director - Jaccar Holdings
 - + BOD member - Bourbon Ben Luc JSC
 - + BOD member - My Lan JSC
 - + BOD member - Agrex Saigon Foodstuffs JSC
 - + BOD member - Hoang Anh Gia Lai JSC

06. MR NGUYEN NGOC ANH BOD member

- Year of birth: 1961
- Qualifications: Economics BA, Mechanic Engineer
- Working experience:
 - + 1984 – 1989: Dak Lak Mechanics Plant
 - + 1989 – 1993: 17 March Mechanics Plant, Pleiku city
 - + 1995 – 1997: Gia Lai Sugar Factory
 - + 1997 – 2002: Director - Bourbon Factory, Gia Lai
 - + 2002 – 2007: Deputy General Director –
Bourbon Co., Ltd., Gia Lai
 - + 2007 – 2009: General Director – Gia Lai Sugarcane
Thermal Power Company
 - + 2009 – 2011: BOD Chairman – Gia Lai Sugarcane
Thermal Power Company and Deputy General Director –
Gia Lai Power JSC
 - + 2011 - 2016: Director - Hoang Anh Gia Lai Sugar Cane JSC,
and Director - Hoang Anh Attapeu Co., Ltd.
 - + 12/2016 – now: Director - Trung Nguyen Rubber JSC.
Director – Branch of Hoang Anh Gia Lai Fruit,
under Hoang Anh Gia Lai JSC
- Current position at HAGL Agrico:
BOD member and Deputy General Director
- Other titles: Director - Trung Nguyen Rubber JSC.
Director - Branch of Hoang Anh Gia Lai Fruit,
under Hoang Anh Gia Lai JSC

07. MR NGUYEN QUAN ANH BOD member

- Year of birth: 1969
- Working experience:
 - + 1993 - 2005: Hoang Anh Enterprise
 - + Từ 2006 - 2009: Director - Hoang Anh Gia Lai
Furniture Export Factory Branch
 - + 2010 - 6/2012: Director - Gia Lai Mining JSC
 - + 2013 - 2015: Deputy General Director -
Hoang Anh Gia Lai Mining JSC, and Director -
+ 2016 - now: Director – Daun Penh Agrico
One Member Co., Ltd
- Current position at HAGL Agrico:
BOD member and Deputy General Director
- Other titles: Director – Daun Penh Agrico
One Member Co., Ltd

INFORMATION ABOUT THE BOARD OF MANAGEMENT



1. MR NGUYEN XUAN THANG
General Director

(For information see BOD)

01. Mr. **Nguyen Xuan Thang**
General Director

02. Mr. **Trinh Xuan Nhan**
Phó Tổng Giám đốc

03. Mr. **Phan Thanh Thu**
Deputy General Director

04. Mr. **Hoang Dinh Quy**
Deputy General Director

05. Mr. **Nguyen Ngoc Anh**
Deputy General Director

06. Ông **Nguyen Quan Anh**
Deputy General Director

07. Ms. **Vo Thi My Hanh**
Deputy General Director



2. MR TRINH XUAN NHAN
Deputy General Director

- Year of birth: 1960
- Qualifications: Economics BA
- Working experience:
 - + 2010 - 04/2015: Hoang Anh Gia Lai Rubber JSC
 - + 04/2015 - now: Hoang Anh Gia Lai Agricultural JSC
- Current position at HAGL Agrico: Deputy General Director



3. MR PHAN THANH THU
Deputy General Director

- Year of birth: 1963
- Qualifications: Hue Music arts
- Working experience:
 - + 1984 - 1992: Dam San theatre company
 - + 1993 - 2003: Hoang Anh Enterprise
 - + 2003 - 5/2016: Director - Hoang Anh Attapeu Agriculture Development Co., Ltd
- Current position at HAGL Agrico: Deputy General Director
- Other titles: BOD member JSC Hoang Anh Gia Lai

INFORMATION ABOUT THE BOARD OF MANAGEMENT



04. MR HOANG DINH QUY
Deputy General Director

- Year of birth: 1963
- Qualifications: BA in Law
- Working experience:
 - + 1983 - 1987: military service, Unit C6E546 - F473 - Corps 12
 - + 1988 -2007: Chu Pah Rubber One Member Co., Ltd.
 - + 2008 - now: Director - Hoang Anh Quang Minh Rubber Industrial and Agricultural Co., Ltd
- Current position at HAGL Agrico: Deputy General Director
- Other titles: Director - Hoang Anh Quang Minh Rubber Industrial and Agricultural Co., Ltd



06. MR NGUYEN NGOC ANH
Deputy General Director

(For information see BOD)



07. MR NGUYEN QUAN ANH
Deputy General Director

(For information see BOD)



05. MS VO THI MY HANH
Deputy General Director

- Year of birth: 1977
- Qualifications: Law BA, MBA
- Working experience:
 - + 2001 - 2006: Hoang Anh Enterprise. Sales Manager in 2004
 - + 2006 - 2008: Hoang Anh Gia Lai JSC. Deputy Director - Hoang Anh Gia Lai Furniture Factory Branch
 - + 2009: 1 - 4/2009 Assistant Manager -Investment and Project Planning Department. Since 4/2009 Deputy Director - Hoang Anh Gia Lai Hydro Power JSC
 - + 2009 - now: Deputy Director - Hoang Anh Gia Lai Furniture JSC then Director since 9/2013 and Deputy Director - Hoang Anh Gia Lai Rubber JSC since 12/2014, and since 2/2015 Deputy CFO - HAGL Medical Pharmacy University Hospital
- Current position at HAGL Agrico: Deputy General Director
- Other title
 - + Director - Hoang Anh Gia Lai Furniture JSC
 - + Deputy CFO - HAGL Medical Pharmacy University Hospital
 - + Secretary to BOD of Hoang Anh Gia Lai JSC

INFORMATION ABOUT THE BOARD OF SUPERVISION



01. MR LE HONG PHONG BOS HEAD

- Year of birth: 1980
- Qualifications: Economics BA
- Working experience:
 - + 2003 – 2004: Audit Assistant – Financial, Accounting Consulting and Auditing company
 - + 2004 – 2010: Audit Assistant, team leader – Auditing and Consulting Company Ltd.
 - + 2010 – 2011: Internal Controller for finance – Dat Xanh Group
 - + 2011 – 2015: Assistant Manager of Internal Audit - Hoang Anh Gia Lai JSC
 - + 1/2016 – 9/2016: Director - Indochina Rubber Investment and Development Co., Ltd.
 - + 10/2016 – now: Head of Internal audit – Hoang Anh Gia Lai Agrico JSC
 - + 12/2016 – now: Director – Eastern Europe Rubber Investment Co., Ltd.
- Current position at HAGL Agrico: BOS Head
- Other titles: Director - Eastern Europe Rubber Investment Co., Ltd



02. MR PHAM NGOC CHAU BOS MEMBER

- Year of birth: 1975
- Qualifications: Economics BA
- Working experience:
 - + 2001 – 2003: Sai Gon Trading Production Development JSC
 - + 2004 – 2007: Europe Asia Co., Ltd.
 - + 2008 – 2012: Hoang Anh Gia Lai Real Estate Management JSC
 - + 2012 – now: Hoang Anh Gia Lai JSC
- Current position at HAGL Agrico: BOS member
- Other titles: none



STEPS TO IMPROVEMENT



REPORT OF OPERATIONS IN 2016

MOVEMENT IN REVENUE TARGETS BY SECTOR



ITEMS	2016	2015	INCREASE/DECREASE AGAINST 2015 %	PLAN IN 2016	PLAN COMPLETED %
	(VND Billion)	(VND Billion)		(VND Billion)	
Cow	3,469	2,541	36.52	3,365	103.09
Sugarcane	463	958	-51.67	370	125.14
Commodity	513	352	45.74	311	164.95
Corn	135	296	-54.39	136	99.26
Construction	0	284	-100.00		
Rubber	114	197	-42.12	127	89.78
Real estate	31	57	-45.14		
Service	51	45	13.33		
TOTAL	4,776	4,730	1	4,309	111

I. POSITION OF OPERATION IN 2016

IN 2016, HAGL AGRICO TOTAL REVENUE REACHED VND 4,776 BILLION, INCREASING BY 1% AS COMPARED WITH THAT OF 2015

In which:

 **3.469**

Cattle farming reached revenue of VND 3,469 billion, accounting for 72.63% of the total revenue. This sector brings major revenue for HAGL Agrico this year.

 **114**

Rubber reached revenue of VND 114 billion, accounting for 2.39% in total revenue and decreasing by 42% against 2015.

 **135**

Corn reached revenue of VND 135 billion, accounting for 2.83% in total revenue and decreasing by 54% against 2015.

 **463**

Sugarcane reached revenue of VND 463 billion, accounting for 9.69% in total revenue and decreasing by 52% against 2015.

 **513**

Products and commodity reached revenue of VND 513 billion, accounting for 10.74% in total revenue and increasing by 46% against 2015.

 **51**

Services reached revenue of VND 51 billion, accounting for 1.07% in total revenue and increasing by 13% against 2015.

 **31**

Real estate reached revenue of VND 31 billion, accounting for 0.65% in total revenue and decreasing by 45% against 2015.

REPORT OF OPERATIONS IN 2016

(CONTINUED)

II. ORGANIZATION AND PERSONNEL

01. EMPLOYEE POLICES

HAGL Agrico determined having qualified human resources is the key element in building and developing the Company.



AS AT 31/12/2016 HAGL AGRICO HAD

12,365

EMPLOYEES

HAGL Agrico is constantly recruiting highly experienced experts and new staff, based on their ability, experience, qualifications and skills appropriate for each position, aiming to develop the human resources, enhance the level and ability for employees. The Company appreciates staff diversity and promotes equal opportunities, regardless of gender, religion or nationality. The Company employs its staff with the right age as defined in the Labor Code of each country.

HAGL Agrico encourages and facilitates the staff to maximize their capabilities in their work. Training courses are regularly organized and trained by foreign experts in technical training of all fields to improve the quality, the expertise qualification and maximize the potential in each individual. As a result, all employees are updated regularly on the technical knowledge, policies and operational status of the Company, equipped with basic skills to perform their assigned tasks.

HAGL Agrico adheres to the employee policies in accordance with the law. The Company applies a working regime of 6 days / week and 8 hours / day, together with annual leaves and holidays in line with the laws of Vietnam and other countries where HAGL Agrico is having its operation. In addition, the Company also coordinates with the Social Insurance Agency to ensure employee policies happen in a timely and adequate way, such as the sick and maternity leave or allowance for men when having their paternity at their child's birth is also supported by the Company.

On the other hand, the Company also places high concern in the health of employees. In addition to the health insurance card, the Company also supports by offering reduction in medical treatment expenses at the Hoang Anh Gia Lai Medicine and Pharmacy University Hospital, especially for workers who are sent on business trips to Laos and Cambodia.



In the Company, labor safety policies are rigorously observed to ensure a safe working environment for employees. Regular training courses on occupational safety, fire prevention and firefighting are held for all staff. Labor safety equipment is provided timely and adequately to meet the requirements of work. The Company issues and closely monitors the implementation of the regulations on labor safety and environmental sanitation, and regularly examines and evaluates the safety at work.

At HAGL Agrico, work is organized and assigned to the most suitable employees according to their professional qualification and competence, simultaneously, healthy competition is created in each department to encourage every employee to try their best. HAGL Agrico places a high priority on employing local human resources for high stability as well as contributing to creating jobs for local workers.

Having said "Solidarity is strength," the Company always aims to build a working environment where each employee has a cohesive and supportive interaction to each other, bringing HAGL Agrico sustainable developments.

REPORT OF OPERATIONS IN 2016 (CONTINUED)

II. ORGANIZATION AND PERSONNEL

(CONTINUED)

02. CHANGES IN EXECUTIVE BOARD IN 2016

STT	NAME	TITLE	DATE	REASON
01	Ho Thi Tuyet Lan	Chief accountant	02/08/2016	Appointment
02	Do Van Hai	Chief accountant	02/08/2016	Dismissal
03	Dao Dinh Phuong	Member of the Board of Supervision	19/11/2016	Dismissal

III. FINANCIAL POSITION

A. FINANCIAL POSITION

VND billion

Item	2016	2015	increase/decrease (%)
Total asset	35,468	26,736	32.7
<i>In which: - Current assets</i>	<i>6,643</i>	<i>7,221</i>	<i>(8.0)</i>
<i>- Non-current assets</i>	<i>28,825</i>	<i>19,515</i>	<i>47.7</i>
Owner's equity	10,484	9,749	7.5
Receivables	7,174	5,272	36.1
<i>In which: - Short term receivables</i>	<i>4,649</i>	<i>3,889</i>	<i>19.6</i>
<i>- Long term receivables</i>	<i>2,525</i>	<i>1,384</i>	<i>82.5</i>
Liabilities	24,984	16,987	47.1
<i>In which: - Current liabilities</i>	<i>6,125</i>	<i>7,030</i>	<i>(12.9)</i>
<i>- Non-current liabilities</i>	<i>18,859</i>	<i>9,957</i>	<i>89.4</i>
Inventories	1,672	2,966	(43.6)
Net revenue	4,776	4,731	1.0
Operating profit (loss)	-412	823	(150.0)
Other profit (loss)	-566	-108	422.0
Profit (loss) before tax	-978	715	(236.7)
Profit (loss) after tax	-1,020	744	(237.1)
Basic earnings per share (VND)	-1,298	1,176	(210.4)

B. PRELIMINARY FINANCIAL INDICES

Item	2016	2015	Note
1. Liquidity			
+ Current ratio:			
Current assets/short term debts	1.08	1.03	
+ Quick ratio:			
Current assets - inventories/short term debts	0.81	0.61	
02. Capital structure			
+ Total debts/ Total assets	0.70	0.64	
+ Total debts/ Owner's equity	2.38	1.74	
03. Profitability			
+ Profit after tax/ Net revenue	-21.4%	15.7%	
+ Profit after tax/ Owner's equity	-9.7%	7.6%	
+ Profit after tax / Total assets	-2.9%	2.8%	
+ Operating profit/ Net revenue	-8.6%	17.4%	

REPORT OF OPERATIONS IN 2016
(CONTINUED)

IV. POSITION OF INVESTMENT AND PROJECT IMPLEMENTATION BY 31/12/2016



01. CATTLE FARMING

In 2016, the Company made a sale of 122,740 heads bringing revenue of VND 3,469 billion.

Possessing a large land bank, the Company has grown Pakchong 1 Grass to adequately supply fiber food for the cattle.

REVENUE
VND 3,469 BILLION

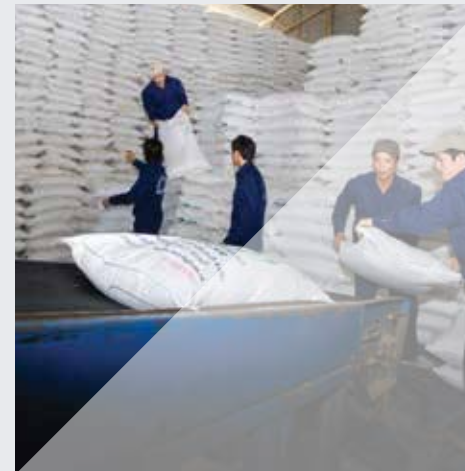
TOTAL OF COWS SOLD
122,740 HEADS



02. OIL PALM

The Company is maintaining and nurturing 29,307 ha of oil palm, including 6,861 ha in Attepeu, Laos and 22,446 ha in Rattanakiri, Cambodia. The Company will not expand the planting area of oil palm. The Company has completed the processing plant with a capacity of 45 tons of fresh fruit/hour in Cambodia.

PLANTED AREA
29,307 HA



03. SUGARCANE

Currently, the Company is conducting procedures to transfer its share capital in Hoang Anh Gia Lai Sugarcane JSC.

CURRENT AREA
6,000 HA



04. RUBBER

At the end of 2016, the Company's total area of rubber is 48,793 ha of which 20,361 ha in Laos, 4,844 ha in Vietnam and 23,588 ha in Cambodia. The Company will not expand the planting area. The rubber processing plant with a capacity of 25,000 tons/year is under good operation with two key products known as SVR 3L and SVR 10.

Tapping the latex: the exploitation of latex will be conducted selectively over the areas of big trees. In 2012, the whole planting area is expected to go into exploitation.

CURRENT AREA
48,793 HA



05. PASSION FRUIT

In 2016, the Company started passion fruit tree planting projects under Global GAP standards towards sustainability, high quality, meeting demands for domestic consumption and international export.

Besides, the Company makes use of the uncultivated land bank in Laos and Cambodia to plants dragon fruit, banana, avocado and 10 other fruit trees.

REPORT OF OPERATIONS IN 2016 (CONTINUED)

V. STRUCTURE OF SHAREHOLDER, CHANGES IN OWNER'S EQUITY

1. SHARES

(as at 20/03/2017)

01. Total outstanding shares: 767,143,895 shares

In which ordinary shares: 767,143,895 shares

02. Shares with free transferability: 767,143,895 shares

03. Shares with restricted transferability: 0 share

04. Treasury shares: 0 share

2. SHAREHOLDER STRUCTURE

NO	ITEMS	NUMBER OF SHARES	PERCENTAGE %	NUMBER OF SHAREHOLDERS	SHAREHOLDER STRUCTURE	
					INSTITUTION	INDIVIDUAL
1	Government shareholders	0	0%	0	0	0
2	Founding shareholders/ FDI shareholders	540,463,340	70.45%	2	1	1
3	Major shareholders (holding more than 5% of voting shares)	0				
4	Trade union	0				
5	Treasury shares	0				
6	Other shareholders	226,680,555	29.55%	3,213	39	3,174
	Total	767,143,895	100,00%	3,215	40	3,175
	In which: - Domestic	762,623,315	99.41%	3,175	24	3,151
	- Foreign	4,520,580	0.59%	40	16	24

3. CHANGES IN OWNER'S EQUITY

CONTENT	CHARTER CAPITAL (VND)
Owner's equity at the beginning of the period	7,081,438,950,000
Increase in owner's equity in 2016	590,000,000,000
Owner's equity after increase	7,671,438,950,000

Capital increase in 2016:

According to the Resolution of the General Meeting of Shareholders No. 0610/15/NQĐHĐCĐ-HAGL Agrico dated 06/10/2015 approving the plan of separate shares offering, and the Resolution of the Board of Directors No. 3010/15/N-QHDQT-HAGL Agrico dated 30/10/2015 through the detailed implementation of the plan to issue shares under private placement, the Company increased its charter capital by VND 590,000,000,000 from the issuance of shares under private placement. On 08/03/2016, the Company received the 14th Amended Business Registration Certificate issued by the Department of Planning and Investment of Gia Lai province, approving the Company's increased charter capital to VND 7,671,438,950,000 dong.



REPORT OF THE BOARD OF MANAGEMENT

I. GENERAL ASSESSMENT OF PRODUCTION AND BUSINESS RESULTS

In 2016, Hoang Anh Gia Lai Agricultural JSC (HAGL Agrico, the Company) failed to reach its business target set with a loss of VND 1,020 billion as in the consolidated financial statements. That was resulted from the considerable proportion of financial expenses in the structure of expense, the decline in profit margin of cattle sector, the disposal of some real estate projects and the revaluation of several assets in 2016.

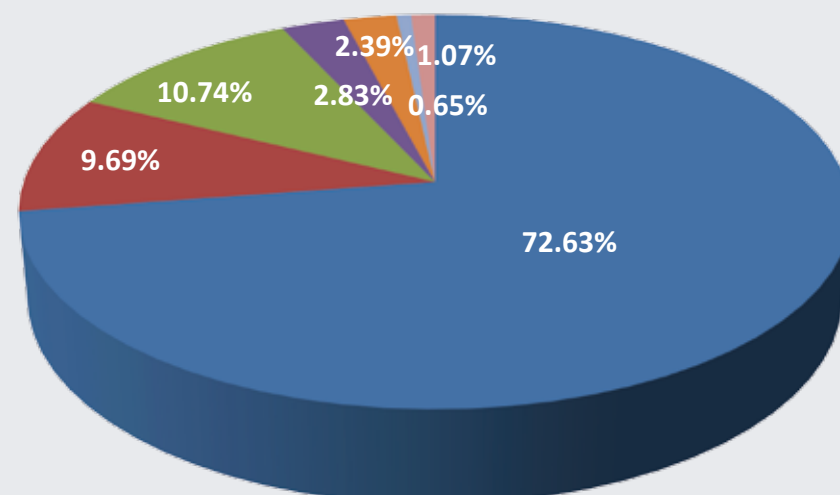
Despite the Company's failure to achieve the 2016 targets of consolidated profit, the Company has accomplished debt restructuring in accordance with cash flows from the projects.

01. REVENUE

SECTOR	2016		2015		2014	
	Doanh thu (VND billion)	Proportion %	Doanh thu (VND billion)	Proportion %	Doanh thu (VND billion)	Proportion %
Cow	3,469	72.63	2,541	53.72	0	0.00
Sugarcane	463	9.69	958	20.25	1,042	47.11
Commodity	513	10.74	352	7.44	200	9.04
Corn	135	2.83	296	6.26	205	9.27
Construction	-	-	284	6.00	482	21.79
Rubber	114	2.39	197	4.16	226	10.22
Real estate	31	0.65	57	1.21	35	1.58
Services	51	1.07	45	0.95	22	0.99
TOTAL	4,776	100	4,730	100	2,212	100

(VND billion)

- Cow
- Sugarcane
- Commodity
- Corn
- Construction
- Rubber
- Real estate
- Services



Revenue proportion and comparison with 2015

Beef cows reached VND 3,469 billion, accounting for 72.63% in revenue structure and increasing by 37% against 2015.

Sugarcane reached VND 463 billion, accounting for 9.69% in revenue structure and decreasing by 52% against 2015.

Rubber reached VND 114 billion, accounting for 2.39% in revenue structure and decreasing by 42% against 2015.



Commodity and products reached VND 513 billion, accounting for 10.74% in revenue structure and increasing by 46% against 2015.

Real estate reached VND 31 billion, accounting for 0.65% in revenue structure and decreasing by 45% against 2015.

Corn reached VND 135 billion, accounting for 2.83% in revenue structure and decreasing by 54% against 2015.

Services reached VND 51 billion, accounting for 1.07% in revenue structure and increasing by 13% against 2015.

02. EXPENSES

Unit: VND thousand

ITEMS	2016	2015	2014
Cost of sales	88,270,096	72,904,454	15,753,442
Enterprise Cost Management	306,168,650	120,958,460	87,274,811
Interest expenses	701,146,747	364,676,504	277,854,593

- Cost of sales increased by 21% as compared with that of 2015, from VND 73 billion to VND 88 billion in relation to the increase in sale revenue.
- Enterprise cost management increased by 153% as compared with that of 2015, from VND 121 billion to VND 306 billion, mainly due to the distribution of goodwill arising from the acquisition of share capital of some subsidiaries.
- Non-capitalized interest expenses increased 92% as compared with that of 2015, from VND 365 billion to VND 701 billion. This interest expense mainly came from the sugarcane and beef cow sectors.

03. ADVANTAGES AND ADVERSITIES IN THE YEAR 2016

Adversities: Huge debts caused a significant increase in HAGL Agrico's financial expenses, while revenue from rubber was inconsiderable and profit margin of beef cow sector declined.

Advantages: Rubber prices started to recover in the last months of 2016. The creditors together agreed restructuring of HAGL Agrico debt.

REPORT OF THE BOARD OF MANAGEMENT

II. FINANCIAL POSITION

01. ASSETS

Total assets in 2016 enjoyed a significant increase as compared with those in 2015 (accounting for VND 8,733 billion). Details are as follows:

Unit: VND thousand

Item	2016	2015	Value	Increase/ (Decrease) %
Current assets	6,643,444,600	7,220,860,465	-577,415,865	-8%
Cash and cash equivalent	308,340,423	331,961,020	-23,620,597	
Short-term receivables	4,648,948,580	3,888,556,900	760,391,680	
Inventories	1,671,761,591	2,966,320,073	-1,294,558,482	
Other current assets	14,394,006	34,022,472	-19,628,466	
Non-current assets	28,824,808,449	19,514,770,142	9,310,038,307	48%
Long-term receivables	2,525,035,814	1,383,681,815	1,141,353,999	
Fixed assets	7,072,654,253	5,596,337,810	1,476,316,443	
Long-term assets in progress	13,359,625,077	9,977,184,540	3,382,440,537	
Long-term investments	896,161,285	311,150,970	585,010,315	
Goodwill	3,906,175,398	1,244,184,337	2,661,991,061	
Other long-term assets	1,065,156,622	1,002,230,670	62,925,952	
Total assets	35,468,253,049	26,735,630,607	8,732,622,442	33%

Scale:

In 2016, total assets of the Company reached VND 35,468 billion, increasing by VND 8,733 billion (accounting for 33%) year-over-year.

In which, long-term assets in progress increased by VND 3,382 billion and fixed assets increased by VND 1,476 billion.

This indicates an expansion in the Company's scale which was mainly resulted from the Company's investment in long-term assets through the acquisition of shares in Indochina Rubber Development and Investment Company Ltd. and Trung Nguyen Rubber Joint Stock Company.

Structure:

Long-term assets take up a major proportion in total asset structure accounting for 81% of total assets.

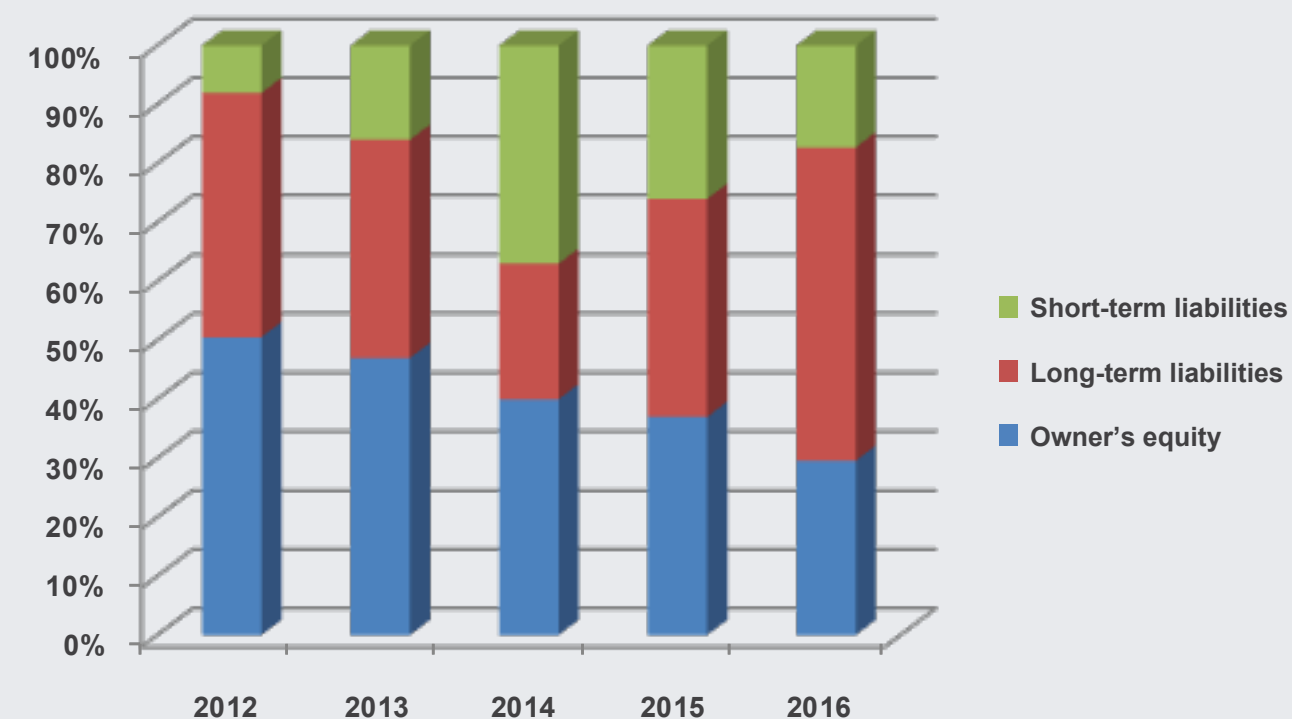
HAGL Agrico's long-term asset are mainly rubber and oil palm plantations, cattle farms and processing plants.

II. FINANCIAL POSITION (continued)

02. LIABILITIES

The total liabilities account for 70% of total capital, in which long-term liabilities account for 53% and short-term liabilities account for 17%. Details are as follows:

Item	2012	2013	2014	2015	2016
Owner's equity	50%	47%	40%	37%	30%
Long-term liabilities	41%	37%	23%	37%	53%
Short-term liabilities	9%	16%	37%	26%	17%



The increase in the ratio of total loans and debts over total assets from 0.63 times by the end of 2015 to 0.7 times by the end of 2016 and the increase of the ratio of total loans and debts over Owner's equity from 1.7 times by the end of 2015 to 2.38 times by the end of 2016 represented the Company's financial leverage reflecting a desire to increase the earnings per share. However, the use of this leverage did not really produce effects as the Company is in transition from basic construction to business operation while the modest revenues fail to pay the principals on loans and loan interest due resulting in the Company's loss in profit after tax.

REPORT OF THE BOARD OF MANAGEMENT

II. FINANCIAL POSITION (continued)

03. PROFITABILITY

ITEM	2016	2015	2014
Profitability			
Profit after tax/net revenue	-21.4%	15.7%	33.3%
Profit after tax/owner's equity	-9.7%	7.6%	10.7%
Profit after tax/total assets	-2.9%	2.8%	4.3%
Operational capacity			
Net revenue/total assets	13.5%	17.7%	13.0%

In 2016, the items of profitability of the Company decreased sharply compared to 2015. The main reason is the loss of profit after tax while net revenue increased by only 1%, the owner's equity increased by 8%, and total assets increased by 33%.

04. LIQUIDITY

ITEM	2016	2015	2014
Current liquidity			
Current ratio	1.08	1.03	0.75
Quick ratio	0.81	0.61	0.57
Capital structure			
Total loans and debts/owner's equity	2.38	1.74	1.50
Total loans and debts/total assets	0.70	0.64	0.60

The items of liquidity of HAGL Agrico in 2016 increased as compared with 2015. The main reason is that short-term debts decreased by VND 905 billion (accounting for -13%) while short-term assets decreased by VND 577 billion (accounting for -8%) and current assets excluding inventory increased by VND 717 billion (accounting for 17%).

The ratio of debts over owner's equity increased from 1.7 times at the end of 2015 to 2.38 times by the end of 2016, and the ratio of debts over total assets increased from 0.63 times at the end 2015 to 0.7 times by the end of 2016.

III. IMPROVEMENTS ON ORGANIZATIONAL STRUCTURE, POLICIES AND MANAGEMENT

1.1 ORGAIZATIONAL STRUCTURE

In 2016, HAGL Agrico has made significant organizational changes to suit the existing business sectors:

Company Organization: On February 22, 2016, the Group purchased 100% of its share capital in Indochina Rubber Investment and Development Company Ltd.; On 9 December 2016, the Group completed the acquisition of 99.9% of ownership in Trung Nguyen Rubber Joint Stock Company.

Department Organization: HAGL Agrico has rearranged the departments in accordance with the requirements of the overall restructuring plan. The Irrigation Management Department and Exploitation and Processing Department were dissolved to be transferred to subsidiaries' management and operation; establishing a number of new functional departments including Sales Department, Standard Department (Global Gap, Environment & Society), and Administrative- Human Resources – Public relation Department; Merging the Plant Engineering Department to the Plant Protection Department. The Department of Finance and Legislation has been transferred to parent Company (Hoang Anh Gia Lai Joint Stock Company) for overall management of HAGL Group and directly support HAGL Agrico.

1.2 POLICIES

On August 1, 2016, the Company issued a Decision about the rubber tree growing period before putting into exploitation, which basically takes 7 years to grow and will be put into operation from the 8th year. The chief accountant of the subsidiaries shall base on the above provisions to transfer the plantations to the fixed asset.

On November 1, 2016, the Company issued a decision about the oil palm tree growing period before putting into exploitation, which basically takes 4.5 years to grow. The chief accountant of the subsidiaries shall base on the above provisions to transfer the plantations to the fixed asset.

1.3 MANAGEMENT

In order to strengthen the assignment and delegation of work, to ensure the effectiveness of work performance, in 2016, the Company decided to reorganize the functional departments as above.

The Company has implemented the use of a weekly working plan from director level to functional department and individuals so that the Board of Management can easily follow the work flow and improve the performance of departments as well as staff.

The Board of Management also regularly holds meetings with functional departments and subsidiary directors to set objectives, implementation plan, understand and speed up the production and business position at the project sites as well as solve entanglement and difficulties.

IV. DEVELOPMENT PLAN IN THE FUTURE

- In 2017, the Company continues overall restructuring plan emphasizing safety in investment and business.
- The Company will still focus on core business sectors such as cattle farming, rubber and palm oil harvesting.
- In addition, taking advantage of land and agricultural infrastructure, the Company will selectively expand some areas of redundant land for planting fruit trees and exporting to foreign markets.
- The Company will continues to play a part in supply chain of fruit originated from Vietnam, Laos, and Cambodia to export oversea, mainly to Chinese market. The Company also plans to work with some partners to develop fruit distributing chains in Vietnam.
- In 2017, the Company is expected to have good revenue from dragon fruit, banana and passion fruit.

V. REPORTS ON THE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY OF THE COMPANY

In addition to the commitments made in the approved environmental and social impact assessment, the Board of Management paid particular attention to the release of Regulations on utilization of chemicals and pesticides in agricultural production and the issuance of the Mechanism on receiving, handling feedback, petition and providing information to individuals and organizations regarding the investment projects of HAGL Agrico.

REPORT OF THE BOARD OF DIRECTORS

01. ASSESSMENT OF THE BOARD OF DIRECTORS OF THE COMPANY'S OPERATIONS



Rubber: Continual recovery of rubber price serves as a lever for the Company to speed up the latex harvest - the Company's flagship investment. In 2017 the Company is expected to exploit 18,000 tons of latex bringing revenue of 745 billion dong.

Livestock: Currently a major contribution to the Company revenue and profit. In 2017 the Company is expected to sell 40,000 heads bringing revenue of 1,240 billion dong.

Sugarcane: The Company is currently performing procedures for transfer of share capital in Hoang Anh Gia Lai Sugarcane JSC

Passion fruit and others: Making use of the redundant land in Vietnam, Laos and Cambodia, the Company engaged in planting passion fruit, and passion fruit export value chain of Laos and Vietnamese origins.

Finance: The Company's repayment term was restructured, thus alleviating the pressure on cash flow for repayment and focusing on investing activities and management enhancement.

Governance system: Consolidating and perfecting the governance system, improving the competence of the management leadership of the Company, enhancing management of sectors and carrying out governance of strategy including planning, exercising, and inspecting and strategy assessment.

02. ASSESSMENT BY THE BOARD OF DIRECTORS ABOUT THE BOARD OF MANAGEMENT OPERATIONS

The Board of Directors exercises supervision on The Board of Management as required by the Charter and Regulation of Company. From quarterly meetings and at request, the Board of Directors explicitly discussed and questioned on the operation of the General Director in implementing the operation strategy and business targets passed by the General Meeting of Shareholders. The Board of Management is required to regularly and proactively make detailed and updated report on the progress of implementation as well as hindrance or difficulty arising in the course of realizing the business plan.

According to the assessment by the Board of Directors, the Board of Management did not achieve the profit targets in 2016. However, the Board of Management successfully restructured the debts, rescheduling repayment term. The Board of Directors found that the Board of Management strictly observed the procedures and regulations in the running of the Company by the Charter and Regulation on Company governance as well as current legal regulations. The Board of Directors commented that the members of the Board of Management are all qualified and competent enough to undertake the tasks assigned by the General Meeting of Shareholders and the Board of Directors.

03. PLAN AND ORIENTATION OF THE BOARD OF DIRECTORS

In 2017, The Board of Directors will instruct the Board of Management to continue implementation of the restructuring plan as presented at the General Meeting of shareholders in September 2016. The restructuring enables the Company to reform business operations, organization and personnel rationally, focus on major areas, in order to improve the financial position and stabilize production and business, and also create steps for the Company to achieve strategic goals in a longer-term vision.

The Company will also accelerate latex harvest and concentrate resources from such short-term projects as cattle farming, passion fruit and other fruit trees, as these projects can generate quick cash flow enabling the Company to adopt "using the short-term goals to achieve the long-term goals".



ENHANCING VALUES



CORPORATE GOVERNANCE

I. MEETINGS OF THE BOARD OF DIRECTORS

In 2016, the Company held 7 meetings of the BOD as follows:

- On January 31, 2016, about updates on business results as at December 31, 2015;
- On May 20, 2016, about improving the Company management;
- On July 4, 2016, about the selection of the audit firm for preparing the 2016 interim financial statements;
- On August 2, 2016, about the change of the Company's Chief Accountant;
- On August 6, 2016, about the finalization of the Shareholder list;
- On August 19, 2016, about updates on the business, production and investment position for the first six months of 2016;
- On December 2, 2016, about the appointment of Director for subsidiaries.

Attendees:

NO.	Member of the BOD	Title	Attending times	Rate
01	Mr. Doan Nguyen Duc	Chairman	07	100%
02	Mr. Vo Truong Son	Member	07	100%
03	Mr. Doan Nguyen Thu	Member	07	100%
04	Mr. Nguyen Xuan Thang	Member	07	100%
05	Ms. Vo Thi Huyen Lan	Member	07	100%
06	Mr. Nguyen Ngoc Anh	Member	07	100%
07	Mr. Nguenyn Quan Anh	Member	07	100%

II. SUPERVISION ACTIVITIES OF THE BOD TO THE BOMA

In 2016, the BOD gave instructions and exercised supervision on the following activities of the BOM:

- Completing the development of the Company's restructuring plan;
- Directing and supervising the production and business activities of the Company to ensure good protection and maintenance of rubber, palm oil and sugarcane plantations;
- Directing and supervising the implementation of Resolutions of the BOD, especially in the management of the Company to enhance production and business effectiveness and saving costs.
- Directing and supervising the completion of the private issuance of 59,000,000 shares of the Company to investors, depository registration and listing of the newly issued shares;
- Directing and supervising the implementation of the loan restructuring process of the Company;
- Directing and supervising the management of cash flow and maintenance the Company cash flow liquidity.

III. SHARE OWNERSHIP

No.	Name	Title	01 JAN 2016		31 DEC 2016		Reason
			Quantity	Rate	Quantity	Rate	
I. Share ownership of members of the BOD							
01	Doan Nguyen Duc	Chairman	-	-	-	-	-
02	Vo Truong Son	Member	563,106,700	73.403	540,958,340	70.516	(2.887)
	- Capital representative of Hoang Anh Gia Lai JSC		563,106,700	73.403	540,458,340	70.451	(2.952)
	- Owning individuals		-	-	500,000	0.065	0.065
03	Doan Nguyen Thu	Member	-	-	-	-	-
04	Vo Thi Huyen Lan	Member	-	-	-	-	-
05	Nguyen Xuan Thang	Member of the BOD and General Director	5,000	0.001	5,000	0.001	-
06	Nguyen Quan Anh	Member of the BOD and Deputy General Director	5,000	0.001	5,000	0.001	-
07	Nguyen Ngoc Anh	Member of the BOD and Deputy General Director	-	-	-	-	-
II. Share ownership of members of the Board of Management							
01	Trinh Xuan Nhan	Deputy General Director	-	-	-	-	-
02	Phan Thanh Thu	Deputy General Director	-	-	-	-	-
03	Hoang Dinh Quy	Deputy General Director	1,000	0.000	1,000	0.000	-
04	Vo Thi My Hanh	Deputy General Director	5,000	0.001	5,000	0.001	-
III. Share ownership of members of the Board of Supervision							
01	Le Hong Phong	Head of the BOS	-	-	-	-	-
02	Pham Ngoc Chau	Member of the BOS	-	-	-	-	-
03	Dao Dinh Phuong	Member of the BOS	-	-	-	-	-
	Total		563,122,700		540,974,340		(22,148,360)

REPORT OF THE BOARD OF SUPERVISION

I. ACTIVITIES OF THE BOARD OF SUPERVISION

No.	Member of the BOS	Title	Start date	Number of meetings	Attending rate	Reason of absence
1	Mr. Le Hong Phong	Head of the BOS	04/04/2015	03	3/3	
2	Mr. Pham Ngoc Chau	Member	04/04/2015	03	3/3	
3	Ms. Dao Dinh Phuong	Member	04/04/2015	02	2/3	Dismissed

On 05/11/2016, the Board of Supervision of HAGL Agricultural JSC received the resignation form of Ms. Dao Dinh Phuong, member of the BOS, according to which Ms. Dao Dinh Phuong will no longer be Member of the Board of Supervision from 19/11/2016.

The Board of Supervision performed its inspection and supervision on the following tasks:

- Developing supervising plans and allocating specific work to each member of the BOS;
- Evaluating administrative management; implementing business and production activities of the Executive Board based on the business strategy as well as the Board of Directors' business policy;
- Checking the compliance with the laws and charters of the Company; monitoring implementation of Resolutions of the General Meeting of Shareholders and Resolutions of the Board of Directors;
- Attending meetings of the Board of Directors and considering the appropriateness of the Resolutions and decisions of the Board of Directors and the Board of Management in managing;
- Verifying of Financial statements quarterly, semi-annually and annually;
- Discussing with the external auditors about the audit results of financial statements.

II. PERFORMANCE OF THE BOS

1. Supervising the implementation of Resolutions of the 2016 GMS

During the year, the Company implemented Resolutions passed by the GMS as follows:

- + Completing the debt restructuring of the Company with credit institutions under the Group's restructuring scheme passed by the GMS.
- + Have not implemented the issuance of 110 billion shares under private placement for domestic investors.

2. Reviewing the financial position in 2016

On a quarterly basis, the Board of Supervision performs inspection, review and analysis of information and data on the Company's financial statements and has periodical discussion with the Company's independent auditors - Ernst & Young Vietnam Ltd. on the scope of audit, audit results and other issues relating to financial activities.

The accounting and financial statements have been prepared in full compliance with the relevant legal regulations, ensuring the principles of honesty, prudence and rationality.

The Board of Supervision agreed with the audited financial statements for 2016.

3. Supervising the activities between the BOS and The BOD, BOM and Shareholders

There has always been a close cooperation between the Board of Supervision and the Board of Directors, the Board of Management and the managers to catch up with the situation of business activities and to give constructive contribution for the Company's benefits.

The Board of Supervisors regularly supervises the Company's disclosure of information to ensure timely, sufficient and accurate information to shareholders. The Board of Supervision did not receive any letter, request or complaint from the Shareholder during the year.

III. OPERATIONAL PLAN OF THE BOS IN 2017

- Inspecting and supervising activities of the Board of Directors and the Executive Board in:
 - + Implementing strategies, production and business plans, project investment of the Company, approved by the GMS and the BOD;
 - + Review the use and management of capital, debt restructuring and annual cash flow plans.
- Verifying quarterly, semi-annual and annual financial statements together with the examination of other issues relating to financial activities.
- Examining and supervising investment in new projects and investment in nursing plantations.

RISK FACTORS

01. MARKET RISKS

The prices products from the Group's cultivation and livestock sectors including rubber, sugar, palm oil, beef, etc. are sensitive to the global market and under an ongoing movement. This factor has a direct impact on the cash flows and profits of the Company. In addition, as a newcomer to the agricultural sector, HAGL Agrico is also exposed to competitive risks from domestic competitors and Southeast Asian countries such as Thailand, Malaysia and Indonesia which enjoy historical length and experience in planting rubber trees, sugarcane and oil palm.

Risk management measure: By applying the low-cost strategy consistently in all sectors, the Group could always control investment expenses and costs at the lowest rate. Simultaneously, the Company takes advantage of the large contiguous land bank with abundant water resources which is very convenient for mechanization and application of high technologies to achieve optimum efficiency in production, high productivity and create competitive products.

02. EXCHANGE RATE RISKS

The Company's business activities involve transactions in different currencies because the Company engage its business in three countries Vietnam, Laos and Cambodia, so the costs in each country are paid in the domestic currency.



The exchange rates of currencies used in main transactions in Laos and Cambodia may increase against Vietnam dong causing and increase in operating costs and affecting the profitability of the Company. Most of the rubber and palm oil products are expected to be exported to foreign markets and traded in US dollars, so any decline in the US dollar exchange rate will lead to lower revenue in export of rubber and palm oil. Regarding livestock sector, beef cows are imported from Australia paid in US dollars but sold locally bringing revenue of VND. Therefore the increase fluctuations of US dollar exchange rate may affect the cost of its cattle imports, leading to a reduction in the Company's profit margin.

Risk management measure: The Group's operations comprise both import and export transactions, so the exchange rate movements can be offset against each other to reduce the impacts on the Group's profit and cash flows. Moreover, future export revenues will provide foreign-currency inflows to meet import payment needs. To minimize exchange rate risk, the Company updates and forecasts exchange rate fluctuations on a regular basis.

03. INTEREST RATE RISKS

The Company's operations require a huge investment capital source to invest in long-term projects. A large proportion of the required capital has been raised by borrowing from banks and issuing corporate bonds at a floating interest rate. If the interest rate gets increased, the borrowing costs become more burdensome and adversely affect the Company's businesses.

Risk management measure: The Group has actively developed a debt and equity structure according to each period of the economy and its production and business. Thanks to good relationships with major commercial banks, the Group is able to reach a number of loan agreements with affordable expenses. In addition to the capital mobilization from loans, and bonds, the Company also mobilized capital from issuance of shares.

04. RỦI RO VỀ LUẬT PHÁP

The Company's business activities are essentially governed by the policies, laws and regulations of governments and local authorities in the countries where the Company is having its operations including Vietnam, Laos, and Cambodia.



As a listed Company, the Group's operations are primarily governed by the Enterprise Law, Securities Law and other regulations of the stock exchange. However, the laws and regulations are still under continuous improvement, so possible legal and policy changes will have certain impacts on the management and operation activities of the Group.

Risk management measure: HAGL Agrico is regularly updated by the Legal Department of Hoang Anh Gia Lai Joint Stock Company on the changes of legal documents related to the Company's activities. These are also timely disseminated to related departments to help forecast and drive the Company's operations in accordance with the law. Besides, the legal department is responsible for reviewing business agreements in the Company's daily transactions to mitigate legal risks

05. SECTOR CHARACTERISTIC RISKS

Cultivation: The Company's plantations can be affected by natural disasters such as storms, tornados, floods, droughts and pest disease that may affect the Company's productivity, yield and farming practices.

Risk management measure: The Company has purchased tree insurance for rubber, oil palm plantations.

The Company has an engineering team of specializing in plant protection who will regularly examine and monitor to timely detect and handle diseases, minimize damage to the plantations.

Livestock: Livestock can be affected by common diseases causing a reduction in quantity and quality of products, affecting the Company's investment costs and business performance

Risk management measure: The Company regularly holds trainings for its veterinary staff who are deeply knowledgeable of common diseases in cattle as well as provides sanitation procedures for food, water, waste to minimize development and spread of pathogens.

06. ENVIRONMENT RISKS:

Air: Air pollution is possibly caused by clearance activities, gas emission, and smell from water waste in factories.

Risk management measure: The Company's projects are far from residential areas. Vehicles transporting land are always covered with canvas watered. Workers working directly at the project sites are equipped with labor protection devices to minimize impacts on their health.

Water resource: Irrigation makes the water resources increasingly exhausted. Fertilization, spraying, and plant protection activities and waste water from processing plants have negative impacts on water source.

Risk management measure: In order to use water economically, the Company has applied drip irrigation systems to mitigate the loss of water. Minimize the use of chemical fertilizers at the projects, prioritize the use of environmentally-friendly pesticides to prevent diseases. Chemical containers are properly processed. Waste water from the plants is treated to standards and is reused as irrigation water for the projects.

07. OTHER RISKS

In addition to the risks described above, there are some other force majeure that is unlikely to occur but once it happens, it will also affect the business performance of the Company. Devastating storms, fires and earthquakes can cause damage, destroy part or all of the businesses, farms and plantations.

Risk management measure: The Company has fully purchased tree insurance for rubber, oil palm and sugarcane plantations; livestock insurance for cattle farms; accident insurance for employees, third party liability insurance.



SUSTAINABLE DEVELOPMENT



REPORT OF SUSTAINABLE DEVELOPMENT

HAGL AGRICO REPORT OF ACCESSION OF IMPACTS ON ENVIRONMENT AND SOCIETY

MATERIAL MANAGEMENT

Materials currently used by the Company in production and packaging products includes:

- Manure bags: Annually, the Company uses nylon fiber bags to distribute manure to farms, 50% of which is reused to collect plant waste in the lots such as rotten fruit, branches, leaves, etc.
- The Company uses cartons to transport passion fruit. Cartons are easily biodegradable, so it is an environmentally friendly material.
- Irrigation pipes (such as PVC, HDPE, LDPE pipes) are used for drip irrigation for plantations. Broken pipes after used are shipped to the Company's factories for recycling with a rate of up to 90%.
- The Company uses available manure from cattle farms for top-dressing and broadcasting at planting.

ENERGY CONSUMPTION

HAGL Agrico has applied a number of measures to save energy such as:

- Applying drip irrigation to crops: to save water, electric power, and costs.
- Applying fertilizer through drip irrigation (irrigation fertilization): In addition to drip irrigation, the Company has applied irrigation fertilization techniques by dissolving the fertilizer in the tanks and then joining into the drip irrigation pipe to each plant. This measure saves considerable manual work, time, but maintain regular distribution of fertilizers to crops.

- Gradually replacing old appliances and equipment such as incandescent bulbs, fluorescent bulbs, etc. with LED bulb.
- Utilizing solar water heaters.
- Utilizing electricity generated from byproducts such as sugarcane bagasse from processing plants.
- Constructing irrigation canals exploiting gravity to bring water to the reservoir to irrigate the plantations.
- Disseminating and exercising regulations on economical and effective use of electricity.

WATER CONSUMPTION

Water is pumped from large rivers (such as Srepok, Se Kaman, Se Xou, Ayun stream, Ayun Ha lake, Ea Hleo stream) which are full of water all year round to irrigate in the dry season and for processing products, domestic use.

Water is used for rubber latex processing plants, sugar production, fruit processing and packaging facilities, cattle farms and domestic water.

Despite having advantages of water resources, the Company still uses Israeli drip irrigation system – to ration an exact level of irrigation water for every milliliter – to optimize the amount of water used.

Furthermore, all wastewater from processing plants is treated and reused to irrigate crops. Wastewater from livestock farms is partially treated to produce gas and the rest is treated to irrigate crops.

REPORT OF SUSTAINABLE DEVELOPMENT



LABOURER-RELATED POLICIES

The total number of employees of HAGL Agrico as at 31/12/2016 is 12,365, of which there are 2,101 indirect employees with an average salary of VND 7,000,000 per month and 10,264 direct employees with an average salary of VND 6,000,000 per month.

For Vietnamese executives, technical and managerial staff:

- The Company applies the salary policy, including perks, encouraging and supporting when working abroad.
- The Company also carries out the employees' health care by supporting their medical expenses at the MPU-HAGL Hospital, considering the exemption and reduction of medical expenses for staff working in foreign countries.
- Implementing the rules, the regulations of labor safety to ensure a safe working environmental for staff, employees of the Company.
- Regularly organizing trainings in statistical software, accounting software, awareness of ISO 9001 and Global GAP, HACCP hygiene and food safety, internal auditor training, guiding for safe operations of machinery and equipment at factories and plantations.
- For foreign consulting experts (Thailand, Malaysia, Israel, and Australia) and local experts, the Company has contract in training and transferring new technology in agriculture such as in planting oil palm, sugarcane and fruit trees, building and managing the palm oil processing plants, raising cattle.



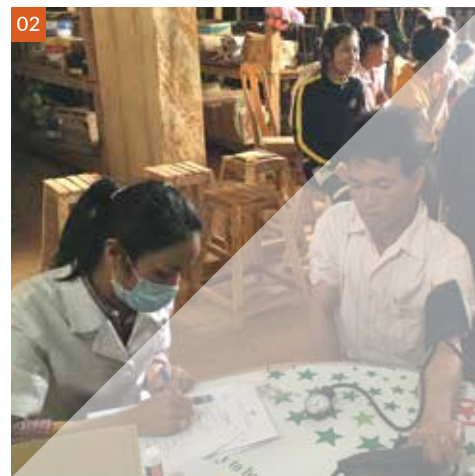
- Average training time for each employee per year is 20 days.
- In HAGL Agrico, work is assigned appropriately so that it suits the best to each employee's level of expertise and ability. Healthy competition is created in each department to encourage each employee to perform their best. The Company always encourages and facilitates the staff participation in training courses to enhance their expertise qualification.

For local employees:

- The Company gives priority to employing local people.
- Annually, the Company cooperates with MPU-HAGL Hospital to offer free medical examination and treatment for contracted laborers, provide drugs and food for neighboring communities around the project area.
- The Company has built some construction works for workers within the project areas such as workers' houses, family houses, public toilets, toilets in plots, etc.
- Workers are trained about plant cultivation and nursing procedures, hygiene and food safety, labor safety, first aid in at work, product harvesting and latex processing.
- Average training time per year for each worker is 30 days.

REPORT OF SUSTAINABLE DEVELOPMENT

THE COMPANY RESPONSIBILITY TO COMMUNITY



- 01. Workers at projects sites.
- 02 & 03. Free medical examination and treatment for plantation workers.
- 04. Housing for local workers at project sites.
- 05 & 06. Training in first aid for plantation staff.

"NOT ONLY ECONOMIC DEVELOPMENT BUT HAGL AGRICO IS ALSO AIMING TO CULTURAL DEVELOPMENT AND INTEGRATION WITH LOCAL COMMUNITIES"

In order to expand investment abroad, the Company has focused on social welfare and local community development. The Company has built bridges, roads, hospitals, schools, communal houses, workers' houses for people in the project areas and neighboring areas with difficulties.

Annually, the Company cooperates with MPU-HAGL Hospital to offer free medical examination and treatment provide drugs and food for the locals.

Not only economic development, HAGL Agrico is also aiming to cultural development and integration with the local communities. Most of the Company's directors, supervisors and technicians are willing to learn the local language and able to communicate well with the inhabitants.

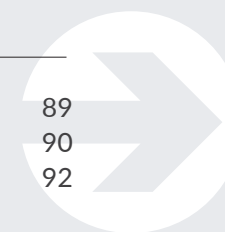




FINANCIAL STATEMENTS

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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 fourteen (14) amended BRCs.

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

As at 31 December 2016, the Company had twelve (12) direct subsidiaries, twelve (12) 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; planting oil palm; planting sugarcane and other perennial trees; afforesting; generating and trading seedlings; providing plantation services and related materials; constructing houses; constructing industrial and civil projects.

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

BOARD OF DIRECTORS

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

Name	Position
Mr Doan Nguyen Duc	Chairman
Mr Vo Truong Son	Member
Mr Doan Nguyen Thu	Member
Mr Nguyen Xuan Thang	Member
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 year and at the date of this report are:

Name	Position
Mr Le Hong Phong	Head
Mr Pham Ngoc Chau	Member
Mrs Dao Dinh Phuong	Member

Resigned on 19 November 2016

MANAGEMENT

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

Name	Position
Mr Nguyen Xuan Thang	General Director
Mr Phan Thanh Thu	Deputy General Director
Mr Nguyen Ngoc Anh	Deputy General Director
Mr Trinh Xuan Nhan	Deputy General Director
Mrs Vo Thi My Hanh	Deputy General Director
Mr Hoang Dinh Quy	Deputy General Director
Mr Nguyen Quan Anh	Deputy General Director

LEGAL REPRESENTATIVES

The legal representative of the Company during the year and at the date of this report is Mr Nguyen Xuan Thang.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited



Ernst & Young Việt Nam Limited
28th floor, Bitexco Financial Tower,
2 Hai Trieu Street District 1, Ho Chi Minh City
Socialist Republic of Vietnam

Tel: +84 8 3824 5252
Fax: +84 8 3824 5250
Website: ey.com

REPORT OF MANAGEMENT

Management of Hoang Anh Gia Lai Agricultural Joint Stock Company (“the Company”) is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2016.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those 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 consolidated financial statements; and
- + prepare the 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 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 consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of management:



Nguyen Xuan Thang
General Director

Gia Lai, Vietnam
27 April 2017

INDEPENDENT AUDITORS' REPORT

Reference: 61280353/18688688-HN

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

We have audited the accompanying consolidated financial statements of Hoang Anh Gia Lai Agricultural Joint Stock Company (“the Company”) and its subsidiaries (“the Group”), as prepared on 27 April 2017 and set out on pages 6 to 74 which comprise the consolidated balance sheet as at 31 December 2016, the consolidated income statement and consolidated cash flow statement for the financial year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

INDEPENDENT AUDITORS' REPORT

(continued)

B01-DN/HN

CONSOLIDATED BALANCE SHEET

as at 31 December 2016

Basis for qualified opinion

As mentioned in the Note 4.4 of the 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 ("Group of Sugar cane companies") together with the operational right 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 these consolidated financial statements, the involved parties are still in the legal and administrative process to finalise the transaction. However, the Group's management confirmed that it has ceased all control over the Group of Sugar cane companies after 31 August 2016. Accordingly, the Group's management has included the balance sheet as at 31 August 2016 and income statement and cash flow statement for the 8-month period then ended of the Group of Sugar cane companies into the Group's consolidated financial statements for the year ended 31 December 2016. Owing to the uncomplete legal procedures in relation to the transaction, we were unable to obtain sufficient audit evidence to determine the timing of Group's loss of control over the Group of Sugarcane companies. In addition, we were not able to perform the necessary audit procedures to verify the figures on the balance sheet of Group of Sugar cane companies as at 31 August 2016, and income statement and cash flow statement for the 8-month period then ended. Accordingly, we were unable to determine whether it is necessary to make any adjustments to the Group's consolidated financial statements for the year ended 31 December 2016 relating to the financial information of Group of Sugar cane companies or not.

Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2016, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



Doan Thi Thu Thuy
Deputy General Director
Audit Practicing Registration Certificate
No. 1070-2013-004-1

Ho Chi Minh City, Vietnam
3 May 2017



Pham Thi Cam Tu
Auditor
Audit Practicing Registration Certificate
No. 2266-2013-004-1

VND'000

Code	RESOURCES	Notes	Ending balance	Beginning balance (As restated - Note 38)
100	A. CURRENT ASSETS		6,643,444,600	7,220,860,465
110	I. Cash and cash equivalents	5	308,340,423	331,961,020
111	1. Cash		293,340,423	331,961,020
112	2. Cash equivalents		15,000,000	-
130	II. Current accounts receivable		4,648,948,580	3,888,556,900
131	1. Short-term trade receivables	6	1,680,875,463	1,065,007,018
132	2. Short-term advances to suppliers	7	1,732,975,730	2,257,718,117
135	3. Short-term loan receivables	8	399,490,706	265,641,262
136	4. Other short-term receivables	9	840,786,681	302,560,292
137	5. Provision for short-term doubtful receivables	6	(5,180,000)	(2,369,789)
140	III. Inventories	10	1,671,761,591	2,966,320,073
141	1. Inventories		1,704,449,696	2,971,502,880
149	2. Provision for obsolete inventories		(32,688,105)	(5,182,807)
150	IV. Other current assets		14,394,006	34,022,472
151	1. Short-term prepaid expenses		2,967,605	8,857,139
152	2. Value-added tax deductible		6,115,529	22,934,095
153	3. Tax and other receivables from the State	20	5,310,872	2,231,238
200	B. NON-CURRENT ASSETS		28,824,808,449	19,514,770,142
210	I. Long-term receivables		2,525,035,814	1,383,681,815
215	1. Long-term loan receivables	8	1,897,793,366	1,307,804,207
216	2. Other long-term receivables	9	627,242,448	75,877,608
220	II. Fixed assets		7,072,654,253	5,596,337,810
221	1. Tangible fixed assets	11	7,036,174,317	5,553,475,832
222	Cost		8,209,060,771	6,246,257,348
223	Accumulated depreciation		(1,172,886,454)	(692,781,516)
227	2. Intangible assets	12	36,479,936	42,861,978
228	Cost		54,845,260	54,845,260
229	Accumulated amortisation		(18,365,324)	(11,983,282)
240	III. Long-term assets in progress		13,359,625,077	9,977,184,540
242	1. Construction in progress	13	13,359,625,077	9,977,184,540
250	IV. Long-term investments	15	896,161,285	311,150,970
252	1. Investment in an associate		896,161,285	271,950,970
253	2. Investment in other entity		-	39,200,000
260	V. Other long-term assets		4,971,332,020	2,246,415,007
261	1. Long-term prepaid expenses	16	1,026,392,360	944,944,277
262	2. Deferred tax assets	33.2	38,764,262	57,286,393
269	3. Goodwill	17	3,906,175,398	1,244,184,337
270	TOTAL ASSETS		35,468,253,049	26,735,630,607

CONSOLIDATED BALANCE SHEET

as at 31 December 2016

B01-DN/HN
(continued)

VND'000

Code	RESOURCES	Notes	Ending balance	Beginning balance (As restated - Note 38)
300	C. LIABILITIES		24,984,262,903	16,986,609,990
310	I. Current liabilities		6,124,980,643	7,030,109,890
311	1. Short-term trade payables	18	644,831,970	630,784,705
312	2. Short-term advances from customers	19	180,807,868	787,064,002
313	3. Statutory obligations	20	120,251,709	148,940,710
314	4. Payables to employees		52,564,498	27,580,067
315	5. Short-term accrued expenses	21	144,091,844	474,504,889
318	6. Short-term unearned revenues		9,101,752	-
319	7. Other short-term payables	22	2,834,677,638	1,834,130,467
320	8. Short-term loans	24	2,138,653,364	3,127,105,050
330	II. Non-current liabilities		18,859,282,260	9,956,500,100
337	1. Other long-term liabilities	22	1,309,428,416	847,958,773
338	2. Long-term loans	24	17,257,342,463	9,108,541,327
341	3. Deferred tax liabilities	33.2	21,285,888	-
342	4. Long-term provisions	23	271,225,493	-
400	D. OWNERS' EQUITY		10,483,990,146	9,749,020,617
410	I. Capital		10,483,990,146	9,749,020,617
411	1. Share capital	25.1	7,671,438,950	7,081,438,950
411a	- Shares with voting rights		7,671,438,950	7,081,438,950
412	2. Share premium	25.1	1,064,550,810	2,550,810
417	3. Foreign exchange differences reserve	25.1	546,519,640	443,148,354
421	4. Undistributed earnings	25.1	1,141,711,973	2,126,574,755
421a	- Undistributed earnings up to prior year-end		2,126,574,755	1,419,585,622
421b	- (Losses) undistributed earnings of current year		(984,862,782)	706,989,133
429	5. Non-controlling interests	26	59,768,773	95,307,748
440	TOTAL LIABILITIES AND OWNERS' EQUITY		35,468,253,049	26,735,630,607

Nguyen Thi Hai Yen
Preparer

Ho Thi Tuyet Loan
Chief AccountantNguyen Xuan Thang
General Director

27 April 2017

CONSOLIDATED INCOME STATEMENT

as at and for the year ended 31 December 2016

B02-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	4,777,217,797	4,730,680,433
02	2. Deductions	28.1	(1,249,713)	-
10	3. Net revenue from sale of goods and rendering of services	28.1	4,775,968,084	4,730,680,433
11	4. Cost of goods sold and services rendered	29	(4,265,868,089)	(3,493,579,993)
20	5. Gross profit from sale of goods and rendering of services		510,099,995	1,237,100,440
21	6. Finance income	28.2	236,063,665	164,880,632
22	7. Finance expenses	30	(779,118,866)	(383,460,219)
23	<i>In which: Interest expense</i>		(701,146,747)	(364,676,504)
24	8. Shares of profit (loss) of an associate	15.1	15,581,670	(1,225,021)
25	9. Selling expenses	31	(88,270,096)	(72,904,454)
26	10. General and administrative expenses	31	(306,168,650)	(120,958,460)
30	11. Operating (loss) profit		(411,812,282)	823,432,918
31	12. Other income	32	146,890,520	2,233,328
32	13. Other expenses	32	(712,608,755)	(110,612,760)
40	14. Other loss	32	(565,718,235)	(108,379,432)
50	15. Accounting (loss) profit before tax		(977,530,517)	715,053,486
51	16. Current corporate income tax expense	33.1	(2,769,781)	(3,048,663)
52	17. Deferred tax income	33.2	(39,808,019)	32,003,555
60	18. Net (loss) profit after tax		(1,020,108,317)	744,008,378
61	19. Net (loss) profit after tax attributable to shareholders of the parent		(984,862,782)	724,591,678
62	20. Net (loss) profit after tax attributable to non-controlling interests	26	(35,245,535)	19,416,700
70	21. Basic (loss) earnings per share (VND)	27	(1,298)	1,176
71	22. Diluted (loss) earnings per share (VND)	27	(1,298)	957

Nguyen Thi Hai Yen
Preparer

Ho Thi Tuyet Loan
Chief AccountantNguyen Xuan Thang
General Director

27 April 2017

CONSOLIDATED CASH FLOW STATEMENT

as at and for the year ended 31 December 2016

B03-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting (loss) profit before tax		(977,530,517)	715,053,486
	<i>Adjustments for:</i>			
02	Depreciation and amortisation (include amortisation of goodwill)	11, 12, 17	653,452,212	333,420,043
03	Provisions		30,315,509	5,655,836
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currencies		41,043,322	328,995
05	Profits from investing activities		(346,011,414)	(52,746,866)
06	Interest expenses	30	701,146,747	364,676,504
08	Operating profit before changes in working capital		102,415,859	1,366,387,998
09	Decrease in receivables		875,215,570	344,086,017
10	Decrease (increase) in inventories		938,230,687	(2,180,235,216)
11	(Decrease) increase in payables		(691,305,524)	2,159,563,563
12	(Increase) decrease in prepaid expenses		(197,173,232)	66,793,246
14	Interest paid		(341,716,133)	(371,302,612)
15	Corporate income tax paid	33.1	(239,528)	(6,794,852)
17	Other cash outflows from operating activities		-	(265,314)
20	Net cash flows from operating activities		685,427,699	1,378,232,830
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(2,178,926,107)	(4,421,246,855)
22	Proceeds from disposals of fixed assets		547,530,515	27,568,222
23	Loans to other entities		(715,111,278)	(969,807,867)
24	Collections from borrowers		389,552,552	304,157,896
25	Payments for investments in other entities		(4,619,176,184)	(1,852,343,193)
26	Proceeds from sale of investments in other entities		-	425,663,640
27	Interest received		93,015,805	28,114,041
30	Net cash flows used in investing activities		(6,483,114,697)	(6,457,894,116)

CONSOLIDATED CASH FLOW STATEMENT

as at and for the year ended 31 December 2016

B03-DN/HN
(continue)

VND'000

Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Proceeds from share issuance	25.1	1,652,000,000	1,797,972,760
33	Drawdown of loans and borrowings		9,623,507,911	9,304,243,116
34	Repayment of loans and borrowings		(5,501,441,510)	(5,654,081,191)
36	Dividends paid		-	(83,317,160)
40	Net cash flows from financing activities		5,774,066,401	5,364,817,525
50	Net (decrease) increase in cash		(23,620,597)	285,156,239
60	Cash at beginning of the year		331,961,020	46,804,781
70	Cash and cash equivalents at the end of the year	5	308,340,423	331,961,020

Nguyen Thi Hai Yen
Preparer

Ho Thi Tuyet Loan
Chief Accountant



Nguyen Xuan Thang
General Director

27 April 2017a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

B09-DN/HN

01. 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 fourteen (14) amended BRCs.

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

As at 31 December 2016, the Company had twelve (12) direct subsidiaries, twelve (12) indirect subsidiaries and two (2) associate, as follows:

Name of subsidiaries	Location	Status of operation	Holding interest (%)
(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) Ban Me Rubber Joint Stock Company	Dak Lak, Vietnam	Pre-operating	99.45
(7) Heng Brothers Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	100.00
(8) Hoang Anh Oyadav Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	100.00
(9) CRD Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	100.00
(10) Hoang Anh Gia Lai Sugar Cane Joint Stock Company	Gia Lai, Vietnam	Held for sale	99.99
(11) Hoang Anh Attapeu Sugar Cane Co., Ltd.	Attapeu, Laos	Held for sale	99.99
(12) Hoang Anh Andong Meas One Member Co., Ltd.	Rattanakiri, Cambodia	Operating	97.77
(13) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Gia Lai, Vietnam	Operating	100.00
(14) Highland Dairy Cattle Joint Stock Company	Gia Lai, Vietnam	Operating	99.00
(15) Dong Penh Joint Stock Company	Gia Lai, Vietnam	Operating	99.90

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(continue)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

THE COMPANY (continued)

Name of subsidiaries	Location	Status of operation	Holding interest (%)
(16) Daun Penh Agrico One Member Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	99.90
(17) An Dong Mia Joint Stock Company	Gia Lai, Vietnam	Operating	70.00
(18) Hoang Anh Lum Phat One Member Co., Ltd.	Rattanakiri, Cambodia	Pre-operating	70.00
(19) Indochina Rubber Investment and Development Co., Ltd.	Ho Chi Minh, Vietnam	Operating	100.00
(20) Binh Phuoc Kratie Rubber 2 Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(21) Sovann Vuthy Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(22) Eastern Europe Rubber Investment Co., Ltd.	Ho Chi Minh, Vietnam	Pre-operating	100.00
(23) Eastern Rubber (Cambodia) Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(24) 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 not yet started their commercial operations as at 31 December 2016.

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; planting oil palm, planting sugarcane and other perennial trees; afforesting; generating and trading seedlings; providing plantation services and related materials; constructing houses; constructing industrial and civil projects.

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

The number of the Group's employees as at 31 December 2016 is 3,249 (31 December 2015: 3,074).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Group expressed in thousands of Vietnam dong ("VND'000"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard 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 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 consolidated financial position and consolidated results of operations and 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 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 consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2016.

The financial statements of the subsidiaries are prepared for the same reporting year 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 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 consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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(continued)

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation (continued)

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 consolidated financial statements still include results for the year of the reporting year 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 financial statements of subsidiaries as at and up to the date of the Group's loss of control into the Group's 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 and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Receivables

Receivables are presented in the 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 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. Increases or decreases to the provision balance are recorded into the general and administrative expense in the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

B09-DN/HN
(continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

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 consolidated 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 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 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 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 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 consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Intangible fixed assets (continued)

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	8 years
Land use rights	20 years
Software system	5 - 8 years
Other assets	8 - 15 years

Management estimated to start harvesting the rubber and oil palm plantations after seven (7) years and four and a half (4.5) 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 accordingly.

Depreciation of rubber plantations is calculated in accordance with Official Letter No. 1937/BTC-TCDN on 9 February 2010 issued by Department of Business Finance - Ministry of Finance providing guidance on depreciation of rubber plantations and Decision No. 221/QD-CSVN issued on 27 April 2010 by Vietnam Rubber Group providing guidance on the depreciation rates applicable to rubber plantations within 20 years as follows:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

B09-DN/HN
(continued)

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 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, rubber and palm oil 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 year 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 years 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 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 year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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 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 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 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 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 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 financial statements of the associate are prepared for the same reporting year 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.

Investments in other entities

Investments in other entities are stated at their acquisition costs.

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. 228/2009/TT-BTC and Circular No. 89/2013/TT-BTC issued by the Ministry of Finance on 7 December 2009 and on 28 June 2013, respectively. Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

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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 year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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

3.15 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the 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 year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet date which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the 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 year and arisen from translation of monetary accounts denominated in foreign currency at balance sheet date are taken to the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Foreign currency transactions (continued)

Conversion of the financial statements of a subsidiary 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 year.

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 consolidated balance sheet and charged to the 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.

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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 balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

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

Rendering of services

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

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

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

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for 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 CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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(continued)

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 year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the 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 year 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.

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as at and for the year ended 31 December 2016

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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. BUSINESS COMBINATION

4.1 Capital restructuring

During the year, as also presented at Note 24, the Group has completed its debts restructuring plan with the creditors comprising Bank for Investment and Development of Vietnam Joint Stock Company; Vietnam Prosperity Joint Stock Commercial Bank and Saigon Thuong Tin Commercial Joint Stock Bank. The restructuring involved 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 3 more years, and reducing interest rates and penalty.

4.2 Acquisition of Indochina Rubber Investment and Development Co., Ltd. and its subsidiaries

On 22 February 2016, the Company acquired 100% equity interest in Indochina Rubber Investment and Development Co., Ltd. ("Indochina Rubber") from An Think Investment Rubber Co., Ltd. and Cuong Think Rubber Co., Ltd. in accordance with the Share Capital Transferring Contracts for considerations of VND 880 billion and VND 770 billion, respectively. Accordingly, Indochina Rubber became the Group's subsidiary since this date.

Indochina Rubber is a limited liability company with two or more member incorporated under the Law on Enterprise of Vietnam pursuant to BRC No 0311181334 issued by the Department of Planning and Investment of Ho Chi Minh City on 23 September 2011. This Company's head office is located at 11D Phan Ke Binh Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

As at the acquisition date, Indochina Rubber has the following subsidiaries:

Name of subsidiaries	Location	Business activity	Status of operation	% holding
(1) Eastern Europe Rubber Investment Co., Ltd.	Ho Chi Minh City, Vietnam	Planting rubber	Pre-operating	100%
(2) Eastern Rubber (Cambodia) Co., Ltd.	Kratie, Cambodia	Planting rubber	Pre-operating	100%
(3) Sovann Vuthy Co., Ltd.	Kratie, Cambodia	Planting rubber	Pre-operating	100%
(4) Binh Phuoc Kratie Rubber 2 Co., Ltd.	Kratie, Cambodia	Planting rubber	Pre-operating	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. BUSINESS COMBINATIONS (continued)

4.2 Acquisition of Indochina Rubber Investment and Development Co., Ltd. and its subsidiaries (continued)

The current principal activities of Indochina Rubber and its subsidiaries ("Indochina Rubber Group") is planting and pampering rubber plantations in Cambodia.

As at 31 December 2016, the Group is in process of completion its valuation relating to Indochina Rubber Group's identifiable assets, payables and other contingent liabilities as at the date of acquisition. Therefore, the Group applied provisional fair value method to account for the transaction.

The provisional fair value of the identifiable assets and liabilities of Indochina Rubber Group are as below:

	VND'000 Provisional fair value recognised on acquisition
Assets	
Cash	684,785,662
Short-term investment	276,612,284
Other short-term receivables	32,460,055
Fixed assets	2,839,163
Construction in progress	1,680,586,665
Liabilities	
Other short-term payables	(203,027,005)
Short-term loans	(488,455,486)
Long-term loans	(504,688,437)
Total net assets	1,481,112,901
Goodwill arising on acquisition (Note 17)	168,887,099
Consideration at fair value	1,650,000,000

4.3 Acquisition of Trung Nguyen Rubber Joint Stock Company ("Trung Nguyen Rubber")

On 9 December 2016, the Group completed the acquisition of 81,937,178 shares, equivalent to 99.9% ownership of Trung Nguyen Rubber Joint Stock Company ("Trung Nguyen Rubber") from a related party being Trung Nguyen Rubber's shareholder at the total consideration of VND'000 3,277,737,120. Accordingly, Trung Nguyen Rubber became the subsidiary of the Group.

Trung Nguyen Rubber is a shareholding company incorporated under the Law on Enterprise of Vietnam in accordance with the Business Registration Certificate No. 5900189156 issued by the Department of Planning and Investment of Gia Lai on 18 February 2008. The company's registered head office is located at 15 Truong Chinh Street, Phu Dong Ward, Pleiku City, GiaLai, VietNam The current principal activities of Trung Nguyen Rubber are developing and operating rubber and fruit plantations; and livestock.

As at 31 December 2016, the Group was still in process to determine fair value of the assets, liabilities, and contingent liabilities of Trung Nguyen Rubber on acquisition date. Accordingly, the Group applied provisional fair value method for consolidation purpose of this company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. BUSINESS COMBINATIONS (continued)

4.3 Acquisition of Trung Nguyen Rubber Joint Stock Company ("Trung Nguyen Rubber") (continued)

The provisional fair values of identifiable assets and liabilities of Trung Nguyen Rubber at the acquisition date were as follows:

	VND'000
	<i>Provisional fair value recognised on acquisition</i>
Assets	
Cash	150,156,944
Other short-term receivables	1,067,788,689
Inventories	251,734,900
Other short-term assets	4,115,080
Fixed assets	127,142,696
Construction in progress (rubber and fruit plantation)	988,522,788
Long-term prepaid expenses	8,107,961
Other long-term receivables	764,670,000
Liabilities	
Short-term loans	(192,510,774)
Payables	(1,027,882,185)
Long-term loans	(1,531,400,617)
Total net assets	610,445,482
Goodwill arising on acquisition (Note 17)	2,667,823,198
Non-controlling interests (Note 26)	(531,560)
Consideration at fair value	3,277,737,120

4.4 Transfer shares in Hoang Anh Gia Lai Sugar Cane Joint Stock Company and Hoang Anh Attapeu Sugar Cane Co., Ltd

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 ("Group of Sugar cane companies") together with the operational right of the sugarcane mill, sugarcane plantations and other related assets in Laos to another third party since 31 August 2016. As at the date of these consolidated financial statements, the two parties are still in the process of carrying out necessary legal procedures relating to this arrangement. However, the Group's management confirmed that it has ceased all control over the Group of Sugar cane companies after 31 August 2016. Accordingly, the Group's management has included the balance sheet as at 31 August 2016 and income statement and cash flow statement for the 8-month period then ended of the Group of Sugar cane companies into the Group's consolidated financial statements for the year ended 31 December 2016.

The consolidated balance sheet and the consolidated income statement of the Group of Sugar cane companies for the period from 1 January 2016 to 31 August 2016 are included to the Group's consolidated financial statements as at 31 December 2016 and for the year then ended, as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. BUSINESS COMBINATIONS (continued)

4.4 Transfer shares in Hoang Anh Gia Lai Sugar Cane Joint Stock Company and Hoang Anh Attapeu Sugar Cane Co., Ltd (continued)

CONSOLIDATED BALANCE SHEET

	VND'000
	<i>Fair value at 31 August 2016</i>
Assets	
Cash	8,420,846
Short-term assets	101,755
Inventories	371,383,029
Other short-term receivables	5,567,522
Prepaid expenses	279,113,465
Fixed assets	1,920,521,443
Liabilities	
Loan	(794,079,850)
Other short-term payables	(764,853,195)
Total net assets	1,026,175,015
Owners' Equity	815,000,000
Foreign exchange differences	67,461,794
Undistributed earnings	143,713,221
	1,026,175,015

CONSOLIDATED INCOME STATEMENT

	For the period from 1 January 2016 to 31 August 2016
Revenue from sale of goods	700,511,814
Cost of goods sold	(529,149,304)
Gross profit from sale of goods	171,362,510
Finance expenses	(145,174,439)
General and administrative expenses and other expense	(21,359,825)
Accounting profit before tax	4,828,246
Net profit after tax	4,828,246

5. CASH AND CASH EQUIVALENTS

	VND'000	VND'000
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash at banks	288,844,262	299,868,168
Cash on hand	4,496,161	32,092,852
Cash equivalents (*)	15,000,000	-
TOTAL	308,340,423	331,961,020

(*) Cash equivalents represent short-term deposits at bank in VND with original maturity of less than three (3) months and earning interest at the interest rate of 5% per year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6. SHORT-TERM TRADE RECEIVABLES

	Ending balance	VND'000 Beginning balance
Receivables from sales of goods and rendering of services	863,014,853	334,427,275
- Somphot Sayyachack	123,100,073	-
- Others	739,914,780	334,427,275
Receivables from the Laos Government for construction of airports	727,713,177	730,579,743
Receivable from disposal of project	90,147,433	-
TOTAL	1,680,875,463	1,065,007,018
<i>In which:</i>		
Due from others	1,101,584,150	795,469,537
Due from related parties (Note 34)	579,291,313	269,537,481
Provision for short-term doubtful receivables	(5,180,000)	(2,369,789)
NET	1,675,695,463	1,062,637,229

7. SHORT-TERM ADVANCES TO SUPPLIERS

	Ending balance	VND'000 Beginning balance
Advances to suppliers of goods and services	1,536,521,416	1,704,406,965
- Kasimex Co., Ltd.	-	372,988,152
- Other suppliers	1,536,521,416	1,331,418,813
Advances to contractors of construction and suppliers of machineries	193,133,363	225,683,640
Advances to subcontractors of airport projects in Laos	3,320,951	327,627,512
- Mr Nguyen Dac Quoc	-	70,266,565
- Ms Pham Thanh Thuy	-	28,044,369
- Others	3,320,951	229,316,578
TOTAL	1,732,975,730	2,257,718,117
<i>In which:</i>		
Due from related parties (Note 34)	1,613,397,390	1,427,806,350
Due from others	119,578,340	829,911,767

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8. LOAN RECEIVABLES

	Ending balance	VND'000 Beginning balance
Short-term	399,490,706	265,641,262
Loans to Samaki Agricultural Development Co., Ltd (i)	53,350,581	91,785,395
Loans to related parties (Note 34) (ii)	346,140,125	173,855,867
Long-term	1,897,793,366	1,307,804,207
Loans to related parties (Note 34) (ii)	1,815,702,624	1,245,353,038
Loans to other companies and individuals	82,090,742	62,451,169
- Loans to Samaki Agricultural Development Co., Ltd (i)	82,090,742	18,415,519
- Loans to Dara Ratanakiri Agricultural Development Co., Ltd	-	44,035,650
TOTAL	2,297,284,072	1,573,445,469

(i) These loans are unsecured, having repayment term from 2017 to 2020.

(ii) These represent unsecured loans to related party with maturity date from 2017 to 2020 and earn interest rate from 6.0% to 12.5% per year.

9. PHẢI THU KHÁC

	Ending balance	VND'000 Beginning balance
Short-term	840,786,681	302,560,292
Temporary lending	663,774,612	14,184,867
Interest from loans to	119,212,551	77,470,619
Advances to employees	42,086,601	204,857,675
Others	15,712,917	6,047,131
<i>In which:</i>		
Due from related parties (Note 34)	507,112,005	89,611,563
Due from others	333,674,676	212,948,729
Long-term	627,242,448	75,877,608
Temporary lending	397,983,108	36,633,182
Receivable from business co-operation contract (*)	132,347,166	-
Interest from loans	81,356,191	27,421,314
Deposits	14,973,481	11,823,112
Others	582,502	-
<i>In which:</i>		
Due from related parties (Note 34)	588,990,280	23,349,092
Due from others	38,252,168	52,528,516
TOTAL	1,468,029,129	378,437,900

(*) This represents BCC with Gia Lai Live Stock Joint Stock Company regarding cattle project and BCC with Power Construction Installation Co., Ltd regarding fruit plantations.

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10. INVENTORIES

	Ending balance	Beginning balance
		VND'000
Work in process	1,389,742,505	2,378,243,787
<i>In which:</i>		
Construction contracts	571,123,747	473,525,915
Cows for meat (i)	437,115,594	1,417,725,816
Manufacturing activities	381,503,164	486,992,056
Raw materials	186,905,652	410,514,950
Apartments available for sales (ii)	85,207,487	116,436,784
Finished goods	24,107,256	35,923,410
Tools and supplies	9,214,595	17,412,328
Merchandise goods	9,272,201	12,971,621
TOTAL	1,704,449,696	2,971,502,880
Provision for obsolete inventories	(32,688,105)	(5,182,807)
NET	1,671,761,591	2,966,320,073

(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 borrowing (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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	VND'000 Total
Cost							
Beginning balance	1,751,998,830	1,550,006,980	1,125,435,420	1,128,933	1,800,069,049	17,618,136	6,246,257,348
Transfer from construction in progress	196,516,888	347,910,763	695,961,341	-	778,706,242	864,581	2,019,959,815
New purchases	26,807,321	31,003,209	26,279,246	167,081	58,745,617	1,155,000	144,157,474
Increase due to acquisition of subsidiaries	25,988,803	2,021,522	56,974,590	74,570	71,217,751	-	156,277,236
Disposals	(7,840,564)	(8,661,355)	(22,023,202)	(55,150)	(299,350,587)	-	(337,930,858)
Foreign exchange differences	(2,658,017)	6,232,270	(5,840,849)	(1,863)	(17,329,892)	(61,893)	(19,660,244)
Ending balance	1,990,813,261	1,928,513,389	1,876,786,546	1,313,571	2,392,058,180	19,575,824	8,209,060,771
<i>In which:</i>							
Fully depreciated	2,847,477	8,038,454	15,274,895	681,749	-	1,264,222	28,106,797
Accumulated depreciation							
Beginning balance	182,587,724	264,276,795	154,622,415	932,663	85,387,327	4,974,592	692,781,516
Depreciation for the year	95,339,793	108,042,404	117,686,888	123,914	147,412,478	3,745,457	472,350,934
Increase due to acquisition of subsidiaries	9,018,725	964,918	11,722,114	74,570	4,515,050	-	26,295,377
Disposals	(181,731)	(504,453)	(3,512,178)	(55,150)	(12,047,639)	-	(16,301,151)
Foreign exchange differences	(734,118)	206,252	(673,932)	(2,197)	(1,003,726)	(32,501)	(2,240,222)
Ending balance	286,030,393	372,985,916	279,845,307	1,073,800	224,263,490	8,687,548	1,172,886,454
Net carrying amount							
Beginning balance	1,569,411,106	1,285,730,185	970,813,005	196,270	1,714,681,722	12,643,544	5,553,475,832
Ending balance	1,704,782,868	1,555,527,473	1,596,941,239	239,771	2,167,794,690	10,888,276	7,036,174,317
<i>In which:</i>							
Pledged as loans security (Note 24)	1,704,782,868	1,555,527,473	1,596,941,239	239,771	2,167,794,690	10,888,276	7,036,174,317

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as at and for the year ended 31 December 2016

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12. INTANGIBLE FIXED ASSETS

	Land use right	Software system	VND'000 Total
Cost			
Beginning balance and ending balance	6,648,075	48,197,185	54,845,260
Accumulated amortisation			
Beginning balance	249,303	11,733,979	11,983,282
Amortisation for the year	332,404	6,049,638	6,382,042
Ending balance	581,707	17,783,617	18,365,324
Net carrying amount			
Beginning balance	6,398,772	36,463,206	42,861,978
Ending balance	6,066,368	30,413,568	36,479,936

13. CONSTRUCTION IN PROGRESS

	Ending balance	VND'000 Beginning balance (restated Note 38)
Rubber and oil palm plantations (*)	11,830,017,268	8,960,446,565
Fruits plantations (*)	621,401,558	-
Palm oil manufacturing factory	379,158,960	116,271,731
Buildings and structures (*)	317,896,555	497,170,668
Expenses of cow projects (*)	118,707,592	83,114,339
Pepper plantations	6,637,816	249,346,043
Others	85,805,328	70,835,194
TOTAL	13,359,625,077	9,977,184,540

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

14. CAPITALISED BORROWING COSTS

During the year, the Group has capitalised borrowing costs amounting to VND'000 793,789,753 into construction in progress (for the year ended 31 December 2015: VND'000 557,954,522). These are costs incurred on the bank loans and bonds to finance the construction and development of buildings and structures, machinery and equipment, rubber and oil palm plantations.

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15. LONG-TERM INVESTMENTS

	Ending balance	VND'000 Beginning balance
Investment in associates (Note 15.1)	896,161,285	271,950,970
Investment in other (Note 15.2)	-	39,200,000
TOTAL	896,161,285	311,150,970

15.1 Investment in an associate

Details of the investment in associates were as follows:

Name	Business sector	Ending balance		Beginning balance	
		Ownership (%)	Carrying value VND'000	Ownership (%)	Carrying value VND'000
Gia Lai Livestock Joint Stock Company (*)	Breeding	23.46	609,017,978	-	-
Bidiphar Rubber Joint Stock Company (**)	Rubber plantations	49.14	287,143,307	47.80	271,950,970
TOTAL			896,161,285		271,950,970

(*) On 10 August 2016, the Group completed the additional purchase of 14,850,000 shares, equivalent to 18.56% ownership of Gia Lai Livestock Joint Stock Company ("CNGL") from An Phu Real Estate Investment Joint Stock Company (related party), with total purchase amounting to VND'000 550,000,000, increasing its ownership in CNGL from 4.9% to 23.46%. Accordingly, CNGL becomes the Group's associates as at this date (Note 15.2).

Gia Lai Livestock Joint Stock Company is a joint stock 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 during the year were trading dairy cows, cows for meat and agricultural products.

(**) On 30 June 2016, the Company acquired additional 285,081 shares in Bidiphar from Hoang Anh Gia Lai Joint Stock Company for a total consideration of VND'000 12,828,645, increasing its ownership in Bidiphar from 47.80% to 49.14%.

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15. LONG-TERM INVESTMENTS (continued)

15.1 Investment in an associate (continued)

Details of carrying value of the investment in an associate on 31 December 2016 were as follows:

	VND'000
	Total
Cost of investment	
Beginning balance	273,175,991
Increase	608,628,645
Ending balance	881,804,636
Accumulated share in post-acquisition gain	
Beginning balance	(1,225,021)
Share in post-acquisition loss for the year	(6,826,722)
Share of profit from associates for the year	22,408,392
Ending balance	14,356,649
Carrying amount	
Beginning balance	271,950,970
Ending balance	896,161,285

15.2 Investment in other entity

Name	Business sector	Ending balance		Beginning balance	
		Ownership (%)	Carrying value VND'000	Ownership (%)	Carrying value VND'000
Gia Lai Livestock Joint Stock Company (Note 15.1)	Livestock and fruit	-	-	4.9	39,200,000

16. LONG-TERM PREPAID EXPENSES

	Ending balance	Beginning balance
Sugarcane plantations	619,284,626	658,428,542
Fruit plantations	186,650,602	-
Land clearance for new plantations	109,720,596	119,334,616
Land rental fees	64,100,399	81,399,952
Tools and supplies	19,653,096	18,864,683
Office rental	5,510,308	5,521,946
Cost of corn plantations	-	49,185,469
Others	21,472,733	12,209,069
TOTAL	1,026,392,360	944,944,277

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17. GOODWILL

	VND'000
	Amount
Cost	
Beginning balance (Previously presented)	438,189,885
Beginning balance (Restated)	1,248,999,561
Acquisition during the year (Note 4.2 and 4.3)	2,836,710,297
Ending balance	4,085,709,858
Accumulated amortisation	
Beginning balance	(4,815,224)
Amortisation for the year (Note 31)	(174,719,236)
Ending balance	(179,534,460)
Net carrying amount	
Beginning balance (Previously presented)	433,374,661
Beginning balance (Restated - Note 38)	1,244,184,337
Ending balance	3,906,175,398

18. SHORT-TERM TRADE PAYABLES

	Ending balance	Beginning balance
Payables to suppliers of goods and services	610,608,725	400,037,969
- International Livestock Export Pty Ltd.	98,785,512	-
- Others	511,823,213	400,037,969
Payables to suppliers of machinery and equipment	12,654,466	164,346,595
Payables to constructors	4,368,714	4,910,141
Others	17,200,065	61,490,000
TOTAL	644,831,970	630,784,705
In which:		
Due to related parties (Note 34)	377,425,999	451,203,895
Due to other suppliers	267,405,971	179,580,810

19. SHORT-TERM ADVANCES FROM CUSTOMERS

	Ending balance	Beginning balance
Advances from customers	134,374,484	684,971,696
- Binh Ha Breeding Joint Stock Company	103,163,300	105,643,300
- Indochina Cows Joint Stock Company	-	574,711,583
- Others	31,211,184	4,616,813
Advances from related parties (Note 34)	46,433,384	102,092,306
TOTAL	180,807,868	787,064,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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20. STATUTORY OBLIGATIONS

	Beginning balance	Increase in year	Decrease in year	VND'000 Ending balance
Receivables				
Corporate income tax (Note 33.1)	1,511,872	-	-	1,511,872
Others	719,366	3,079,634	-	3,799,000
TOTAL	2,231,238	3,079,634	-	5,310,872
Payables				
Value-added tax	142,676,704	35,481,597	(80,416,147)	97,742,154
Corporate income tax (Note 33.1)	2,229,860	14,753,475	(1,533,261)	15,450,074
Personal income tax	4,034,146	27,314,973	(27,621,209)	3,727,910
Others	-	4,107,542	(775,971)	3,331,571
TOTAL	148,940,710	81,657,587	(110,346,588)	120,251,709

21. ACCRUED EXPENSES

	VND'000	
	Ending balance	Beginning balance
Interest expenses	112,196,446	330,277,520
Operation costs	8,267,249	16,441,862
Others	23,628,149	127,785,507
TOTAL	144,091,844	474,504,889

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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22. OTHER PAYABLES

	VND'000 Ending balance	VND'000 Beginning balance
Short-term	2,834,677,638	1,834,130,467
Temporary borrowings payables	1,625,718,749	1,615,923,757
Loan interest payables	1,020,275,337	165,665,618
Land lease payables	83,353,623	16,237,999
Dividend payables	5,331,441	5,109,394
Other payables	99,998,488	31,193,699
<i>In which:</i>		
<i>Due to related parties (Note 34)</i>	1,946,457,800	1,778,504,016
<i>Due to others</i>	888,219,838	55,626,451
Long-term	1,309,428,416	847,958,773
Business co-operation contract payables (*)	550,000,000	-
Land lease payables	247,882,752	35,245,319
Loan interest payables	148,216,941	188,478,724
Borrowings payables	9,648,592	624,165,730
Other payables	353,680,131	69,000
<i>In which:</i>		
<i>Due to a related party (Note 34)</i>	686,237,677	659,411,049
<i>Due to others</i>	623,190,739	188,547,724
TOTAL	4,144,106,054	2,682,089,240

(*) BCC between Highland Dairy Cattle Joint Stock Company, a subsidiary, with An Tien Co., Ltd ("An Tien") 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 31 December 2016, 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 parties.

23. LONG-TERM PROVISION

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

11. LOANS

	Beginning balance	Increase	Decrease	VND'000 Ending balance
Short-term	3,127,105,050	4,153,262,203	(5,141,713,889)	2,138,653,364
Short-term bank loans (Note 24.1)	2,101,643,091	1,746,914,533	(2,776,496,631)	1,072,060,993
Current portion of long-term bank loans (Note 24.2)	659,401,026	130,350	(292,308,526)	367,222,850
Current portion of long-term loans from related party (Note 24.4)	66,060,933	387,037,020	(120,000,000)	333,097,953
Current portion of long-term bonds (Note 24.3)	300,000,000	1,950,000,000	(1,952,908,732)	297,091,268
Short-term loans from individuals (Note 24.6)	-	61,357,300	-	61,357,300
Short-term loans from related party (Note 24.5)	-	7,823,000	-	7,823,000
Long-term loan	9,108,541,327	10,504,986,042	(2,356,184,906)	17,257,342,463
Long-term loans from related party (Note 24.4)	3,377,388,430	7,764,885,895	(1,491,132,570)	9,651,141,755
Long-term bank loans (Note 24.2)	4,031,152,897	2,309,100,147	(551,258,256)	5,788,994,788
Long-term bonds (Note 24.3)	1,700,000,000	431,000,000	(313,794,080)	1,817,205,920
TOTAL	12,235,646,377	14,658,248,245	(7,497,898,795)	19,395,995,827

During the year, 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 and Saigon Thuong Tin Commercial Joint Stock 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 3 more years, and reducing interest rates and penalty.

24.1 Short-term loans from banks

	Ending balance	Beginning balance	VND'000
Bank for Investment Development of Vietnam ("BIDV")	504,124,600	1,248,291,110	1,248,291,110
Laos - Vietnam Joint Venture Bank ("Laos - Viet Bank")	350,471,619	853,351,981	853,351,981
Ho Chi Minh City Development Joint Stock Bank ("HD Bank")	193,307,774	-	-
Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank")	24,157,000	-	-
TOTAL	1,072,060,993	2,101,643,091	2,101,643,091

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. LOANS (continued)

24.1 Short-term loans from banks (continued)

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

Banks	Ending balance VND'000	Original amount USD	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
BIDV, Gia Lai Branch Loan contract No. 04/2015/6261950/HDTD dated 4 May 2015 - Appendix No. 01/2016/6261950	504,124,600	-	From 1 May 2017 to 8 July 2017	6.50 - 9.00	Assets arising from loans, project of meat cows at Chuprong District, Gia Lai Province, Viet Nam
Lao - Viet Bank, Attapeu Branch Loan contract No. 080/HID - LVB.ATP/2015 dated 1 July 2015	216,919,925	-	From 8 January 2017 to 31 August 2017	8.00	Sugarcane cutting machines valued at LAK 5.16 billion; land use right of 18.313 m ² at Samakhixay District, Attpeu Province, Laos and attached assets
Loan contract No. 083/HID-LVB.ATP/2015 dated 9 July 2015	133,551,694	5,982,684	From 28 March 2017 to 7 September 2017	8.00 - 9.50	Land use rights of 1,001.78 ha at Laman District, Sekong Province, Laos, and attached assets of cows project
TOTAL	350,471,619				

24. LOANS (continued)**24.1 Short-term loans from banks (continued)**

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

Banks	Ending balance VND'000	Original amount USD	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
HDBank, GiaLai Branch Loan contract No. 0481/2015/HDTDHM-DN/170 dated 12 September 2016	192,510,774	-	From 18 January 2017 to 9 July 2017	10.50	Assets arising from loans - project of meat cows owned by Cao Su Trung Nguyen JSC
HDBank, DakLak Branch Loan contract No. 1762/2015/HDTDHM-DN/111 dated 29 February 2016	797,000	-	From 28 February 2017 to 26 April 2017	Adjust for every 3 months; (2016:10.05)	Assets arising from loans - project of breeding cows and calves owned by Hoang Anh Dak Lak JSC
TOTAL	193,307,774				
Sacombank, Campuchia Branch Loan contract No. LD1616800001 dated 16 June 2016	24,157,000	1,000,000	30 June 2017	9.00	Land use rights at TaLao commune, Ouchum District, Rattanakiri Province and at Nhang commune, Andong Meas District, Rattanakiri Province

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24. LOANS (continued)**24.2 Long-term loans from banks**

	VND'000	
	Ending balance	Beginning Balance
BIDV	3,097,922,762	2,335,644,860
HD Bank	1,042,206,160	937,322,850
Laos - Viet Bank	1,022,006,112	669,030,620
Sacombank	994,082,604	569,974,355
Asia Commercial Bank	-	178,581,238
TOTAL	6,156,217,638	4,690,553,923
<i>In which:</i>		
Non-current portion	5,788,994,788	4,031,152,897
Current portion	367,222,850	659,401,026

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

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24. LOANS (continued)

24.2 Long-term loans from banks (continued)

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

Banks	Ending balance VND'000	Original amount USD	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
BIDV, Binh Dinh Branch Loan Agreement No. 01/2013/BIDV-Attapeu dated on 18 February 2013	656,877,231	29,436,736	From 25 March 2016 to 25 December 2022	12-month savings deposit in USD interest of BIDV paid in arrears + 5.00% (2016: 7.00%)	Apartments in Hoang Van Thu buildings, Pleiku City, Gia Lai Province, Vietnam; land use rights of 4,320 m ² in Dong Da Ecological Lake, Quy Nhon City; HAGL Granite Stone factory in Dak Doa, Gia Lai Province, Vietnam; Land use right of 6,993.2 m ² at Phu Dong Province, Pleiku; 117 apartments in HAGL-BIDV luxury buildings at DakLak Province; current account amounting to VND'000 47,989,463 of HAG in BIDV; 9 apartments at Bau Thac Gian commercial condominium, Ham Nghi Street, Thac Gian Ward, Thanh Khe District, Da Nang City
Loan Agreement No. 01/2012/BIDV-HAGL Attapeu dated on 22 March 2012	577,159,925	25,722,235	From 30 March 2017 to 21 April 2023	12-month savings deposit in USD interest of BIDV paid in arrears + 3.50% (2016: 7.00-8.00)	Land use right of 51 ha at Phou Vong District, Attapeu Province, Laos and attached assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(continued)

24. LOANS (continued)

24.2 Long-term loans from banks (continued)

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

Banks	Ending balance VND'000	Original amount VND'000	Original amount USD	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
BIDV, Gia Lai Branch Loan contract No. 01/20155331375/HDTD dated 19 June 2015	761,457,207	473,876,601	12,618,719	From 01 May 2017 to 15 June 2020	USD 6.8 - 7.64; VND 9.10 - 11.60	Assets arising in the future of 1,194.74 ha rubber plantation at la Pa District, Gia Lai Province; current deposits as amount of VND'000 10,700,000 of HAG at BIDV and a part of apartments and shopping centre in Bau Thac Giac, Da Nang City of HAG
Loan Agreement No. 01/2010/HD-TD dated on 1 April 2010	731,055,979	-	32,077,928	From 31 December 2017 to 31 December 2026	12 months savings deposit in USD interest rate of BIDV paid in arrears + 4.70% (2016: 7.00)	Land use right of 9,996.9 ha rubber in Saysetha, San Xay and Phu Vong Districts, Attapeu Province, Laos

24. LOANS (continued)

24.2 Long-term loans from banks (continued)

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

Banks	Ending balance VND'000	Original amount USD	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
BIDV, Gia Lai Branch (continued) Loan No. 01/2015/6261950/HDTD dated 4 May 2015	225,859,830	-	From 4 May 2017 to 4 May 2022	Fund transfer pricing rate more than 12 months of BIDV + 3.20% (2016: 9.50 - 11.20)	Assets arising from the loans, project of meat cow in Gia Lai Province
Loan contract No. 02/2015/6261950/HDTD dated 4 May 2015	79,544,318	-	From 4 May 2017 to 4 May 2022	Fund transfer pricing rate more than 12 months of BIDV plus 3.20% (2016: 10.65 - 11.65)	Assets arising from the loans, project of meat cow in Gia Lai Province
Loan Contract No. 05/2015/6261950/HDTD dated 1 December 2015	65,968,272	-	From 12 May 2017 to 5 September 2022	12 month savings deposit interest rate +3.00%, no lower than first interest rate, adjust for every 3 months (2016: 9.65)	Assets arising from the loans, project of meat cow in Gia Lai Province
TOTAL	3,097,922,762				
In which:					
Current portion	313,652,495				
Non-current portion	2,784,270,267				

As at 31 December 2016 and the date of the consolidated financial statements, the Group has not yet made payment of VND'000 43,302,759 for due loans.

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24. LOANS (continued)

24.2 Long-term loans from banks (continued)

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

Banks	Ending balance VND'000	Original amount VND'000	USD	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
HD Bank, Dong Nai Branch Loan Contract No 0044/2014/HDTTDDH-DN dated 25 April 2014	879,445,535	450,000,000	18,827,073	From 25 June 2020 to 31 December 2023	Adjusted twice per year. (2016: 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 lease rights of 7,924 ha in Rattanakiri Province, Cambodia and attached assets.

24. LOANS (continued)

24.2 Long-term loans from banks (continued)

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

Banks	Ending balance VND'000	Original amount USD	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
HD Bank, Gia Lai Branch Contract No. 0588/16/ HDLTDH-DN/170/ DNGN-KUNN/DN/01 dated 30 September 2016	99,800,000	99,800,000	30 September 2021	12.50	Assets, harvesting rights in the future of fruit plantation project including profits arising from project
HD Bank, Dak Lak Branch Loan Contract No.1762/2015/HDTDT- DH-DN dated 2 December 2015	62,960,625	62,960,625	From 26 December 2017 to 2 December 2020	Floating rate (2016: 10.50-11.25)	Assets arising from the loan - cows and calves of cattle breeding project
TOTAL	1,042,206,160				
In which :					
Current-portion	4,392,601				
Non-current portion	1,037,813,559				

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24. LOANS (continued)

24.2 Long-term loans from banks (continued)

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

Banks	Ending balance VND'000	Original amount LAK'000	Original amount USD	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
Laos- Viet Bank, Attapeu Branch Loan Contract No. 098/HDLVB.ATP/2015 dated 5 Aug 2015	312,525,377	-	14,005,246	21 March 2023	Adjust for twice per year. (2016: 8.00 - 9.75)	Office building of Hoang Anh Attapeu Agriculture Development Co Ltd at Km No.31; Habxan commune, Xaysettha District, Attapeu Province, Laos corresponding to the map No. 17 001 0008, 0.3 ha, rubber latex production factory at Habxan commune, Xaysettha District, Attapeu Province, Laos and imported cows of Hoang Anh Attapeu ; Land use right of 5,588 ha of rubber and 2.093.6 ha of palm oil in Attapeu Province, Laos and attached assets
Loan Agreement No. 010/2013/LVB-ATTAPEU dated 15 March 2013	277,751,463	39,355,143	7,649,850	From 21 June 2018 to 21 March 2023	Adjust for twice per year. (2016: USD 9.50 -11.00), 13-month savings deposit interest paid in arrears plus 3%, adjust for twice per year (2016: LAK 12.75 - 13.75)	Land use right and attached assets of 5,588 ha of rubber and 2,093.6 ha of palm oil in Attapeu Province, Laos
Loan contract No. 083/HD-LVB.ATP/2015 dated 9 July 2015	223,844,284	-	10,027,500	From 25 January 2019 to 25 October 2022	9.50	Land use rights of 1,001.78 ha at Laman District, Sekong Province, Laos, and attached assets of cows project.

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24. LOANS (continued)

24.2 Long-term loans from banks (continued)

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

Banks	Ending balance VND'000	Original amount USD	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
Sacombank, Thu Duc Branch Loan contract No. LD133200419 dated 29 November 2013	250,000,000	250,000,000	From 29 May 2017 to 29 May 2019	Floating rate (2016: 10.00 - 11.00)	Land use rights of 1,328.1 ha of rubber plantation in Chuprong District, Gia Lai and attached assets; Land use rights 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
Loan Agreement No. LD1623900077 dated 10 November 2016	85,000,000	85,000,000	11 October 2021	9.50	Land use rights of 1,382 ha of rubber plantation in IA Puch, Chuprong District, Gia Lai Province, Vietnam and attached assets
Sacombank, Cambodia Branch Loan contract No LD1616880002 dated 16 June 2016	96,628,000	4,000,000	23 June 2021	9.00	Land use rights at TaLao commune, Ouchum District, Rattanakiri Province and at Nhang commune, Andong Meas District, Rattanakiri Province, Cambodia
TOTAL	994,082,604				
In which:					
Current portion	25,000,000				
Non-current portion	969,082,604				

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24. LOANS (continued)

24.3 Bonds

Straight bonds

Details of the outstanding domestic straight bonds as follows:

Issuance agent	Bond holder	Ending balance VND'000	Interest rate %/year	Maturity date	Purpose	Collateral
Euro Capital Securities Joint Stock Company	Vietnam Pro- perity Joint Stock Commercial Bank ("VPB") (*) National Citizen Bank	1,400,000,000 300,000,000	10.50% for the first quarter and apply 12-month saving interest rate of deposit in VND of VPB plus 4.5% (2016: 11.00)	From 17 August 2019 to 17 August 2021	Restructuring of part of the bonds with total par value of VND 2,000 billion which was issued in Decem- ber 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 subse- quent periods. (2016: 10.5 - 11.3)	From 17 December 2017 to 17 December 2018 From 23 March 2018 to 27 December 2020	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 in Lumphat District, Rattanakiri 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		(16,702,812)				
TOTAL		2,114,297,188				
In which:						
Current portion		297,091,268				
Non-current portion		1,817,205,920				

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24. LOANS (continued)

24.3 Bonds (continued)

(*) As at 31 December 2016 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 bonds contracts. However, regarding extendable bond contracts made on 10 February 2017, VP Bank, bold 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.

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24. LOANS (continued)

24.4 Long-term loans from related parties

Details of the loans from related parties are as follows:

Lender	Ending balance VND'000	Maturity date	Interest rate %/year
Hoang Anh Gia Lai Joint Stock Company ("HAG"), Parent company (Note 34)			
Loan Agreement No. 10/HDVHAGL-NNQT dated 7 December 2016	3,218,877,000	1 September 2021	4.20
Loan Agreement No. 09.2016/HDVHAGL-HATTAPEU dated 01 September 2016	1,348,777,109	1 September 2021	13.00
Loan Agreement No. 01-01/2016/HDV-HAGL dated 1 January 2016	1,324,410,532	1 January 2019	8.00 - 11.50
Business Corporation Contract - 36 months - HAGL dated 28 August 2015	600,000,000	1 January 2019	10.50
Loan Agreement No. 04/2014/HDV-HAGL dated on 1 April 2014	500,000,000	3 April 2019	12.87
Loan Agreement No. 25-07/2015/HDV-HAGL dated 25 July 2015	350,000,000	25 July 2020	9.75 - 10.35
Loan Agreement No. 07/2013/HDV-HAGL dated on 8 July 2013	350,000,000	30 December 2027	10.00
Loan Agreement No. 03/2014/HDV-HAGL dated on 6 November 2014	300,000,000	8 January 2018	10.87
Loan Agreement No. 0507/HTKD/HAGL-CSHAQM date on 5 July 2015	300,000,000	7 July 2018	10.35
Loan Agreement No. 01-01/2016/HDV-HAGL dated on 1 January 2016	273,443,000	24 March 2019	12.50
Loan Agreement No. 05-01/2014/HDV-HAGL dated on 28 March 2014	200,000,000	28 March 2017	9.75 - 12.00
Loan Agreement 2402/HDV-HAGL dated 24 February 2016	157,030,698	24 February 2019	11.90
Loan Agreement No. 20082012/HDV-HAGL dated 20 August 2012 - Appendix No. 20082012/HDV-HAGL-PL1 dated 20 August 2015	150,000,000	20 August 2018	11.50 - 16.00
Loan Agreement No. 05/2012/HDV-HAGL dated 28 April 2012	120,872,953	28 April 2017	14.00 - 17.00
Loan Agreement No. 02/2015/HDV-HAGL dated on 6 January 2015	100,000,000	6 January 2018	9.75 - 10.87
Loan Agreement No. 02/2011/HDV-HAGL dated on 28 December 2011 - Appendix No. 02/2011/HDV - HAGL_PL3 dated 28 December 2014	99,278,400	30 December 2027	9.75 - 11.93
Loan Agreement No. 04/2015/HDV-HAGL dated on 6 January 2015	80,000,000	28 March 2018	10.87

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24. LOANS (continued)

24.4 Long-term loans from related parties

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

Lender	Ending balance VND'000	Maturity date	Interest rate %/year
<i>Hoang Anh Gia Lai Joint Stock Company ("HAG"), Parent company (Note 34) (continued)</i>			
Loan Agreement No. 02-06/HDV-HAGL dated on 01 June 2016	73,076,978	1 June 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	11.50 - 15.00
Loan Agreement No. 12/HDVHAGL-ADM dated 30 December 2016	34,007,538	30 December 2023	10.00
Loan Agreement 01/HDVHAGL dated 14 January 2016	28,167,500	14 January 2019	6.00
Loan Agreement No. 09/12/2014/HDV-HAGL dated on 9 December 2014	10,225,000	9 December 2017	9.75 - 12.00
Loan Agreement No. 05-02/2014/HDV-HAGL dated on 28 March 2014	2,000,000	23 March 2017	12.00
<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
TOTAL	9,984,239,708		
<i>In which:</i>			
Non-current portion	9,651,141,755		
Current portion:	333,097,953		

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.

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24. LOANS (continued)

24.5 Short-term loans from related parties

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

Lender	Ending balance VND'000	Maturity date	Interest rate %/year
<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	7,823,000		

Short-term loans from related parties represented unsecured loans which were used to finance the Group's working capital requirements and to finance projects of the Group.

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24. LOANS (continued)

24.6 Short-term loans from individuals and company

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

Lender	Ending balance VND'000	Maturity date	Interest rate %/ year
Ms Tran Thi Huu Duyen Loan No. 1	24,581,000	27 August 2017	7.00
Loan No. 2	8,948,000	29 January 2017	10.00
Canh Hung Dai Thanh Joint Stock Company Loan No. 3	18,000,000	27 October 2016	9.00
Mr Vu Duy Khuong Loan No. 4	9,200,000	24 December 201	10.87
Mr Che Duc Toan Loan No. 5	628,300	3 March 2016	8.00
TOTAL	61,357,300		

Short-term loans from individual and company represent unsecured loans which were used to finance the Group's working capital requirements and to finance projects of the Group. As at 31 December 2016 and as at the date of these consolidated financial statements, the Group has not paid the overdue loans as mentioned above.

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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
Previous year					
Beginning balance	3,990,670,000	1,295,347,000	143,518,473	1,404,012,572	6,833,548,045
Net profit for the year	-	-	-	724,591,678	724,591,678
Issuance of shares in cash	798,723,950	999,248,810	-	-	1,797,972,760
Issuance of shares from share premium	2,292,045,000	(2,292,045,000)	-	-	-
Foreign exchange differences	-	-	299,629,881	-	299,629,881
Equity transactions inside Group with non-controlling interests in subsidiaries without changing	-	-	-	(2,029,495)	(2,029,495)
Ending balance	7,081,438,950	2,550,810	443,148,354	2,126,574,755	9,653,712,869
Current year					
Beginning balance	7,081,438,950	2,550,810	443,148,354	2,126,574,755	9,653,712,869
Net profit for the year	-	-	-	(984,862,782)	(984,862,782)
Issuance of shares in cash (*)	590,000,000	1,062,000,000	-	-	1,652,000,000
Foreign exchange differences	-	-	103,371,286	-	103,371,286
Ending balance	7,671,438,950	1,064,550,810	546,519,640	1,141,711,973	10,424,221,373

(*) In accordance with the Resolution of the Board of Directors No. 3010/15/NQHDQT-HAGL Agrico dated 30 October 2015 agreements for share issuance No. 7406/UBCK-QLPH dated 26 November 2015, and other bid and ask contracts, the Company issued ordinary shares to Cuong Think Rubber Investment Co., Ltd. and An Think Rubber Investment Co., Ltd. with the numbers of shares of 27,500,000 and 31,500,000, respectively and at issuance price of VND 28,000 per share. As at 9 March 2016, according to 14th amended Business Registration Certificate No. 5900712753 issued by the Department of Planning and Investment of Gia Lai Province on 8 March 2016, the Company increased chartered capital from VND'000 7,081,438,950 to VND'000 7,671,438,950.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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25. OWNERS' EQUITY (continued)

25.2 Shares

	Ending balance Shares	Beginning balance Shares
Shares authorised to be issued	767,143,895	708,143,895
Shares issued and fully paid	767,143,895	708,143,895
Ordinary shares	767,143,895	708,143,895
Shares in circulation	767,143,895	708,143,895
Ordinary shares	767,143,895	708,143,895

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

	Current year	VND'000 Previous year (Restated - Note 38)
Beginning balance (Previously presented - Note 38)	225,915,036	21,540,191
Beginning balance (Restated - Note 38)	95,307,748	21,540,191
Share of (loss) profit during the year	(35,245,535)	19,416,700
Acquisition of new subsidiaries	531,560	60,116,156
Disposal of a subsidiary	(825,000)	(602,954)
Acquisition of shares from non-controlling shareholders in subsidiaries	-	(3,790,480)
Declaration of dividends to non-controlling shareholders	-	(1,371,865)
Ending balance	59,768,773	95,307,748

27. (LOSS) EARNINGS PER SHARE

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

	Current year	Previous year
(Loss) net profit after tax attributable to ordinary shareholders (VND'000)	(984,862,782)	724,591,678
Weighted average number of ordinary shares for basic earnings per share (share)	758,738,416	616,408,608
Effect of dilution due to warrants (i)	140,718,703	140,718,703
Weighted average number of ordinary shares adjusted for the effect of dilution (share)	899,457,119	757,127,311
Basic (loss) earnings per share (VND)	(1,298)	1,176
Diluted (loss) earnings per share (VND)	(1,298)	957

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27. (LOSS) EARNINGS PER SHARE (continued)

(i) As disclosed in Note 24.3 to the 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. However, for the year ended 31 December 2016, the earning per share was undiluted.

28. REVENUES

28.1 Net revenues from sale of goods and rendering of services

	Current year	VND'000 Previous year
Gross revenue	4,777,217,797	4,730,680,433
<i>In which:</i>		
Sale of cows	3,469,931,141	2,541,497,018
Sale of goods	513,254,738	352,436,994
Sale of sugar and related products	463,077,421	957,503,311
Sale of corns	134,803,013	295,939,624
Sale of rubber latex	114,025,799	197,055,040
Revenue from rendering of services	50,856,559	45,416,997
Sale of apartments	31,269,126	56,972,736
Sale of construction contracts	-	283,858,713
Less - Sales returns	(1,249,713)	-
Net revenue	4,775,968,084	4,730,680,433
<i>In which:</i>		
Sale of cows	3,468,681,428	2,541,497,018
Sale of goods	513,254,738	352,436,994
Sale of sugar and related products	463,077,421	957,503,311
Sale of corns	134,803,013	295,939,624
Sale of rubber latex	114,025,799	197,055,040
Revenue from rendering of services	50,856,559	45,416,997
Sale of apartments	31,269,126	56,972,736
Sale of construction contracts	-	283,858,713
<i>In which:</i>		
Net revenue from related party	641,557,909	846,957,526

28.2 Finance income

	Current year	VND'000 Previous year
Interest income from loans to other companies	182,762,010	64,891,633
Foreign exchange difference gains	40,748,252	51,665,188
Interest income from bank deposits	5,930,603	2,325,965
Income from disposal of investments	-	45,997,846
Others	6,622,800	-
TOTAL	236,063,665	164,880,632
<i>In which:</i>		
Interest income from loans to related party	159,534,036	74,361,907

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29. COST OF GOODS SOLD AND SERVICES RENDERED

	Current year	VND'000 Previous year
Cost of cows sold	3,048,276,086	1,803,513,299
Cost of goods sold	486,135,628	323,091,122
Cost of sugar and related products sold	330,447,196	576,122,070
Cost of corns sold	65,695,455	109,668,097
Cost of rubber latex sold	131,997,480	175,834,362
Cost of services rendered	46,238,998	44,590,172
Cost of apartments sold	31,509,854	54,180,462
Cost of construction contracts	125,567,392	406,580,409
TOTAL	4,265,868,089	3,493,579,993

30. FINANCE EXPENSES

	Current year	VND'000 Previous year
Interest expenses	701,146,747	364,676,504
Foreign exchange difference losses	70,108,894	13,039,447
Others	7,863,225	5,744,268
TOTAL	779,118,866	383,460,219

31. SELLING AND ADMINISTRATIVE EXPENSES

	Current year	VND'000 Previous year
Selling expenses	88,270,096	72,904,454
Transportation expenses	58,930,917	55,891,637
External services	17,024,928	2,015,813
Salary expenses	5,448,382	4,281,427
Depreciation expenses	1,674,658	1,119,391
Others	5,191,211	9,596,186
General and administration expenses	306,168,650	120,958,460
Allocation of goodwill	174,719,236	6,365,806
Salary expenses	66,128,408	52,657,453
Depreciation and amortisation expenses	19,810,644	8,475,312
External services	11,464,244	14,924,533
Others	34,046,118	38,535,356
TOTAL	394,438,746	193,862,914

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32. OTHER INCOME AND EXPENSES

	Current year	VND'000 Previous year
Other income	146,890,520	2,233,328
Proceeds from disposals of fixed assets	141,737,131	-
Others	5,153,389	2,233,328
Other expenses	(712,608,755)	(110,612,760)
Loss from assessment of non-performing assets	(473,559,413)	(59,062,258)
Cost of converting other business purposes	(216,186,694)	-
Depreciation of idle assets	(7,655,041)	(3,521,561)
Penalty fees	(3,168,992)	(3,266,826)
Others	(12,038,615)	(44,762,115)
OTHER LOSSES	(565,718,235)	(108,379,432)

33. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profit (2015:22%).

The Company's subsidiaries located in Lao People's Democratic Republic have the obligations to pay CIT at the rates of 24% of their taxable profits and 2% of taxable profit of disposal of project and Kingdom of Cambodia have the obligations to pay CIT at the rates 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 to many types of transactions is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

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.

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33. CORPORATE INCOME TAX (continued)

33.1 Current CIT (continued)

	Current year	VND'000 Previous year
Current tax expense	2,769,781	3,048,663
Deferred tax expense (income)	39,808,019	(32,003,555)
TOTAL	42,577,800	(28,954,892)

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

	Current year	VND'000 Previous year
Accounting (loss) profit before tax	(977,530,517)	715,053,486
Adjustments to increase		
Losses of subsidiaries	1,235,055,651	42,767,708
Amortisation of goodwill	174,719,236	6,365,806
Change in intra-group unrealised profits	74,231,279	44,450,642
Provision for inventory and receivable	37,417,295	-
Profits of activities which are exempted	(166,006,469)	(1,086,533,478)
Accrued expenses	(150,734,194)	149,512,019
Provision for investment into subsidiaries	(106,429,442)	-
(Gain) loss from associates shared	(22,408,392)	1,225,021
Foreign exchange difference	9,220,144	123,640,211
Non-deductible expenses	7,223,061	47,750,201
Gain from disposal subsidiaries	-	(45,960,202)
Others	4,602,087	2,460,784
Estimated current taxable profit for the year	119,359,739	732,198
Estimated current CIT expense	4,063,514	161,084
Adjustment for (over) under accrual of CIT in previous year	(1,293,733)	2,887,579
Estimated current CIT for the year	2,769,781	3,048,663
CIT payable at beginning of the year	717,988	699,945
Others increases	10,689,961	3,764,232
CIT paid during the year	(239,528)	(6,794,852)
CIT payable at end of the year	13,938,202	717,988
In which:		
CIT payable (Note 20)	15,450,074	2,229,860
CIT receivable (Note 20)	(1,511,872)	(1,511,872)

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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 year:

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Unrealised intra-group profits	38,764,262	32,558,351	6,205,911	7,275,513
Foreign exchange difference	-	24,728,042	(24,728,042)	24,728,042
	38,764,262	57,286,393	(18,522,131)	32,003,555
Deferred tax liabilities				
Provision for investment	(21,285,888)	-	(21,285,888)	-
Deferred tax (loss) income			(39,808,019)	32,003,555

34. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the year ended were as follows:

Related parties	Relationship	Transactions	VND'000	
			Current year	Previous year
Hoang Anh Gia Lai Joint Stock Company	Parent company	Loans and borrowings	5,734,871,154	3,056,390,738
		Interest expenses	614,885,108	135,653,129
		Purchase of goods, services and material	209,151,193	889,411,032
		Purchase of investment	12,828,645	485,731,688
		Purchase of assets	7,307,567	94,824,025
		Sales of goods	5,905,223	134,831,238
		Rendering of services	4,545,153	-
		Dividend paid	-	83,091,160
An Phu Real Estate Investment Joint Stock Company	Related company	Loan and borrowing	587,000,000	-
		Interest income	56,764,111	34,071,666
Gia Lai Livestock Joint Stock Company	Associate	Purchase raw materials	259,815,547	1,031,200,105
		Sales of cows	273,564,474	-
		Sales of goods	226,706,126	360,660,622
		Interest income	66,362,897	23,349,092
		Purchase fixed assets	-	306,271,359
		Investment in associate	550,000,000	-
Trung Nguyen Rubber Joint Stock Company	Related company	Lending	396,670,011	-
		Sales of goods and rendering services	83,817,705	351,465,666
		Interest income	27,991,709	16,941,149
		Purchases of goods and rendering services	17,990,175	1,444,260

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34. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the year ended were as follows: (continued)

Related parties	Relationship	Transactions	Current year	VND'000 Previous year
Dai Thang Agricultural Development Co., Ltd	Related company	Disposal of project	173,143,070	-
		Purchases of goods and services	34,977,483	-
		Sales of goods and services	47,019,228	-
Thang Long Agricultural Development Co., Ltd	Related company	Lending	61,397,807	-
Mrs Nguyen Thi Kim Loan	Related party	Lending	150,000,000	-
		Interest income	3,232,192	-
Mrs Nguyen Thi Nga	Related party	Lending	150,000,000	-
		Interest income	3,100,087	-
Mrs Truong Thi Truc Thien Trang	Related party	Lending	96,670,000	-
		Interest income	2,083,040	-
Mrs. Nguyen Thi Ngoc Trang	Related party	Purchasing shares of Trung Nguyen Rubber	3,277,487,120	-

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

Related parties	Relationship	Transactions	Ending balance	VND'000 Beginning balance
Short-term trade receivables (Note 6)				
Gia Lai Livestock Joint Stock Company	Associate	Sales of goods	320,117,214	251,301,873
Hoang Anh Gia Lai Joint Stock Company	Parent company	Sales of goods	143,484,740	14,272,963
Dai Thang Agricultural Development Co., Ltd	Related company	Disposal of project	90,147,433	-
		Sales of goods	23,731,185	-
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Sales of goods	1,117,123	-
Hoang Anh Gia Lai Sport Joint Stock Company	Related company	Sales of goods	413,196	-
Hoang Anh Attapeu HydroPower JSC	Related company	Sales of goods	25,005	19,661
Hoang Nguyen Housing Development Co.,Ltd	Related company	Sales of goods	153,649	-
Hoang Anh Gia Lai Bridge & Road Joint Stock Company	Related company	Sales of fixed assets	-	3,870,645
Others	Related party	Sales of goods	101,768	72,339
			579,291,313	269,537,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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(continued)

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	Ending balance	VND'000 Beginning balance
Short-term advances to suppliers (Note 7)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Advances for purchase of materials	897,478,880	938,403,361
Gia Lai Livestock Joint Stock Company	Associate	Advances for purchase of goods	702,918,510	467,936,006
Hoang Tho Co., Ltd	Related company	Advances for purchase of goods	13,000,000	-
Hoang Anh Gia Lai (Bangkok) Co., Ltd.	Related company	Advances for purchase of seeds	-	11,398,000
Hoang Anh Gia Lai Bridge & Road Joint Stock Company	Related company	Advances for construction contract	-	10,068,983
			1,613,397,390	1,427,806,350

Related parties	Relationship	Interest rate % per year	Ending balance	Beginning balance
Short-term loan receivables (Note 8) (*)				
An Phu Real Estate Investment Joint Stock Company	Related company	(i)	280,000,000	-
Thang Long Agricultural Development Co., Ltd.	Related company	12.5	61,397,808	-
V&H Corporation (Laos) Co., Ltd.	Related company		4,742,317	3,905,051
Trung Nguyen Rubber Joint Stock Company	Related company	11.0 - 13.0	-	123,358,579
Mr Do Thai Co	Related party	11.0	-	16,157,837
Hoang Anh Gia Lai Joint Stock Company	Parent company		-	30,434,400
			346,140,125	173,855,867

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(continued)

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	
			Ending balance	Beginning balance
Long-term loan receivables (Note 8) (*)				
An Phu Investment Real Estate	Related company	(i)	870,000,000	280,000,000
Joint Stock Company Gia Lai Livestock Joint Stock Company	Associate	6 - 9.75	573,691,667	608,275,000
Mrs Nguyen Thi Kim Loan	Related party	6.5	125,340,957	-
Mrs Nguyen Thi Nga	Related party	6.5	150,000,000	-
Mrs Truong Thi Truc Thien Trang	Related party	6.5	96,670,000	-
Mr Huynh Huu Vu	Related party	11	-	294,936,000
Trung Nguyen Rubber Joint Stock Company	Related company	11 - 13	-	62,142,038
			1,815,702,624	1,245,353,038

(*) Short-term and long-term loans to related parties were approved by the General Shareholders Meeting dated 15 September 2016, 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 was as follows:

Loan receivables	Ending balance VND'000	Maturity date	Interest rate %/year
Loan receivable No. 1	280,000,000	8 August 2017	12
Loan receivable No. 2	287,000,000	30 December 2021	10
Loan receivable No. 3	283,000,000	30 August 2020	6
Loan receivable No. 4	300,000,000	27 May 2018	11.5
TOTAL	1,150,000,000		

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 CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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	
			Ending balance	Beginning balance
Other short-term receivable (Note 9)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Temporary lending Others	252,120,865 5,092,869	6,710,392 -
An Phu Investment Real Estate Joint Stock Company	Related company	Interest income	84,116,944	45,321,667
Gia Lai Livestock Joint Stock Company	Associate	Interest income Payment on behalf	20,317,649 4,418,868	- -
Dai Thang Agricultural Development Co., Ltd	Related company	Lending material and fixed assets	132,565,743	-
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	-
Trung Nguyen Rubber Joint Stock Company	Related company	Interest income	-	29,765,040
Mr Doan Nguyen Duc	Chairman	Payment on behalf	-	7,779,191
Others	Related party	Payment on behalf	63,748	35,273
			507,112,005	89,611,563

Other long-term receivable (Note 9)

Thang Long Agricultural Development Co., Ltd	Related company	Lending material and fixed assets	295,543,906	-
Gia Lai Livestock Joint Stock Company	Associate	Interest income Business corporation	60,368,691 109,650,981	23,349,092 -
Dai Thang Agricultural Development Co., Ltd	Related company	Lending material and fixed assets	102,439,202	-
An Phu Investment Real Estate Joint Stock Company	Related company	Interest income	20,987,500	-
			588,990,280	23,349,092

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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(continued)

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	Ending balance	VND'000 Beginning balance
Short-term trade payables (Note 18)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Purchase of materials	(294,126,649)	(149,236,381)
		Purchase of investment	(12,828,645)	-
		Purchase of fix assets	(6,718,545)	(259,900,187)
		Others	(24,707)	(22,180,171)
Gia Lai Livestock Joint Stock Company	Associate	Purchase of goods and services	(38,299,440)	-
		Purchase of fixed assets	(19,290,278)	(6,945,437)
Dai Thang Agricultural Development Co., Ltd	Related company	Purchase of goods and services	(3,195,941)	-
Hoang Anh Gia Lai Mineral Joint Stock Company	Related company	Purchase of materials	(1,319,002)	(2,677,446)
Hoang Anh Gia Lai Hospital Joint Stock Company	Related company	Health medical services	(179,022)	(254,786)
Hoang Anh Gia Lai Bridge & Road Joint Stock Company	Related company	Construction service	-	(9,660,688)
Others	Related party	Purchase of materials	(1,443,770)	(348,799)
			(377,425,999)	(451,203,895)
Short-term advance from customers (Note 19)				
Dai Thang Agricultural Development Co., Ltd	Related company	Purchase of goods	(24,395,000)	-
Hoang Anh Gia Lai Joint Stock Company	Parent company	Purchase of goods	(21,993,920)	(101,375,786)
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related company	Purchase of goods	(20,904)	(716,520)
Hoang Tho Co., Ltd.	Related company	Purchase of goods	(23,560)	-
			(46,433,384)	(102,092,306)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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(continued)

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	Ending balance	VND'000 Beginning balance
Other short-term payables (Note 22)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Borrowings and interest expenses	(1,007,581,103)	(1,364,104,229)
		Receipt on behalf	-	(1,993,113)
Nam Kong 3 Electricity Co., Ltd.	Related company	Borrowings	(499,290,919)	(405,141,333)
Gia Lai Livestock Joint Stock Company	Associate	Borrowings	(404,622,013)	-
Mrs Vo Thi My Hanh	Related party	Borrowings	(22,000,000)	-
Hoang Anh Gia Lai (Bangkok) Co., Ltd	Related company	Interest expenses	(7,369,738)	-
An Tien Co., Ltd	Related company	Others	(2,034,000)	(2,034,000)
Hoang Anh Gia Lai Mineral Joint Stock Company	Related company	Others	(1,943,782)	-
Hoang Anh Sekong Mineral Co., Ltd.	Related company	Borrowings	(1,457,363)	(1,478,796)
Hoang Anh Gia Lai Hospital Joint Stock Company	Related company	Others	(158,882)	-
Hoang Anh Attapeu Hydropower Joint Stock Company	Related company	Borrowings	-	(3,196,958)
Others	Related party	Receipt on behalf	-	(555,587)
			(1,946,457,800)	(1,778,504,016)
Other long-term payable (Note 22)				
An Tien Co., Ltd	Related company	Business coporation	(550,000,000)	-
Hoang Anh Gia Lai Joint Stock Company	Parent company	Interest expenses	(136,237,677)	(659,411,049)
			(686,237,677)	(659,411,049)
Short-term loans (Note 24.5)				
Mr Duong Hoang Bac	Related party	Short-term loans	(7,823,000)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

B09-DN/HN
(continued)

34. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 31 December 2016 and 31 December 2015 were as follows: (continued)

Related parties	Relationship	Transactions	VND'000	
			Ending balance	Beginning balance
Long-term loans (Note 24.4)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Long-term loans	(9,686,239,709)	(3,443,449,358)
Gia Lai Livestock Joint Stock Company	Associate	Long-term loans	(298,000,000)	-
			(9,984,239,709)	(3,443,449,358)

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

	VND'000	
	Current year	Previous year
Salary, remunerations and bonus	6,012,691	9,700,568

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	
	Current year	Previous year
Less than one year	37,971,585	34,610,371
From 1 to 5 years	183,123,566	175,511,188
More than 5 years	2,642,095,589	2,498,738,536
TOTAL	2,863,190,740	2,708,860,095

36. OFF BALANCE SHEET ITEMS

	Ending balance	Beginning balance
Foreign currencies:		
- LAK	9,035,600,152	18,497,052,361
- Cambodia Riels (KHR)	111,306,843	123,448,266
- USD	1,182,684	8,033,654
- EUR	1,259	1,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(continued)

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	VND'000 Total
For the year ended 31 December 2015						
Revenue						
External customers	1,448,703,768	2,541,497,017	397,853,991	342,625,657	-	4,730,680,433
Inter-segment elimination	355,587,553	465,646,010	402,620,680	-	(1,223,854,243)	-
Total	1,804,291,321	3,007,143,027	800,474,671	342,625,657	(1,223,854,243)	4,730,680,433
Results						
Segment results	341,635,847	737,983,718	30,172,697	127,308,178	-	1,237,100,440
Unallocated expenses						(302,242,346)
Profit before income tax, finance income and finance expense						934,858,094
Finance income						164,880,632
Finance expense						(383,460,219)
Share loss from associates						(1,225,021)
Profit before tax						715,053,486
Current corporate income tax						(3,048,663)
Deferred tax income						32,003,555
Net profit for the year						744,008,378
As at 31 December 2015						
Assets and liabilities						
Segment assets	19,744,299,165	2,982,789,885	1,989,678,742	775,446,934	-	25,492,214,726
Cash						331,961,020
Investments in an associate						271,950,970
Unallocated assets						639,503,891
Total assets						26,735,630,607
Segment liabilities	(8,113,796,933)	(2,178,198,133)	(5,959,482,241)	(500,386,808)	-	(16,751,864,115)
Unallocated liabilities						(234,745,875)
Total liabilities						(16,986,609,990)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

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(continued)

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: (continued)

	Plantation	Breeding	Trading and services	Others	Eliminations	VND'000 Total
For the year ended 31 December 2016						
Revenue						
External customers	711,906,233	3,468,681,428	563,345,966	32,034,457	-	4,775,968,084
Inter-segment elimination	202,221,947	213,661,892	299,103,961	-	(714,987,800)	-
Total	914,128,180	3,682,343,320	862,449,927	32,034,457	(714,987,800)	4,775,968,084
Results						
Segment results	183,766,102	420,405,342	31,410,877	(125,482,326)	-	510,099,995
Unallocated expenses						(960,156,981)
Profit before income tax, finance income and finance expense						(450,056,986)
Finance income						236,063,665
Finance expense						(779,118,866)
Share profit from associates						15,581,670
Profit before tax						(977,530,517)
Current income tax expense						(2,769,781)
Deferred tax expenses						(39,808,019)
Net profit for the year						(1,020,108,317)
As at 31 December 2016						
Assets and liabilities						
Segment assets	25,978,226,272	2,551,785,637	1,234,685,249	1,526,216,329	-	31,290,913,487
Cash and cash equivalents						308,340,423
Investments in associates						896,161,285
Unallocated assets						2,972,837,854
Total assets						35,468,253,049
Segment liabilities	(13,139,621,660)	(2,545,288,799)	(10,239,876,051)	(557,842,012)	-	(26,482,628,522)
Unallocated liabilities						1,498,365,619
Total liabilities						(24,984,262,903)

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 year ended 31 December 2015					
Sales to external customers	2,109,732,826	2,316,020,039	304,927,568	-	4,730,680,433
Capital expenditure of tangible fixed assets	715,848,330	2,483,005,561	589,213,313	-	3,788,067,204
As at 31 December 2015					
Other segment information					
Segment assets	3,944,178,249	14,141,251,807	7,406,784,670	-	25,492,214,726
Cash					331,961,020
Investment in an associate					271,950,970
Unallocated assets					639,503,891
Total assets					26,735,630,607
For the year ended 31 December 2016					
Sales to external customers	2,222,732,425	2,472,866,133	64,613,336	15,756,190	4,775,968,084
Capital expenditure of tangible fixed assets	46,169,172	1,014,048,859	498,371,847	-	1,558,589,878
As at 31 December 2016					
Other segment information					
Segment assets	8,905,872,681	13,731,123,032	8,653,917,774	-	31,290,913,487
Cash and cash equivalents					308,340,423
Investment in associates					896,161,285
Unallocated assets					2,972,837,854
Total assets					35,468,253,049

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(continued)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 December 2016

38. OF CORRESPONDING FIGURES

In accordance with Vietnamese Accounting Standard No 11, the management has revisited the fair value assessment of net assets from the acquisitions of subsidiaries in previous year. Accordingly, management decided to restate retrospectively the recognition of fair value of identifiable assets from the acquisition of 99.7% equity interest in Dong Penh JSC and its subsidiary - Daun Penh Agrico Co., Ltd. with a total consideration of VND'000 798,397,600 on 14 October 2015.

In addition, the management has also made retrospective adjustments to recognise the fair value of identifiable assets from the acquisition 69.7% equity interest in An Dong Mia Joint Stock Company and its subsidiary - Hoang Anh Lumphat Co., Ltd, with the total consideration of VND'000 700,695,000 on 15 October 2015.

Details of certain corresponding figures on the consolidated financial statements for the year ended as at 31 December 2015 have been restated as follows:

	Beginning balance (previously presented)	Impact of restate	VND'000 Beginning balance (restated)
CONSOLIDATED BALANCE SHEET			
Construction in progress	11,153,955,744	(1,176,771,204)	9,977,184,540
Goodwill	433,374,661	810,809,676	1,244,184,337
Deferred tax liabilities	235,354,240	(235,354,240)	-
Non-controlling interests	225,915,036	(130,607,288)	95,307,748

39. EVENTS AFTER THE BALANCE SHEET DATE

There has been no significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements of the Group.



Nguyen Thi Hai Yen
Preparer

27 April 2017



Ho Thi Tuyet Loan
Chief Accountant



Nguyen Xuan Thang
General Director

UP-TO-DATE INFORMATION

<http://haagrico.com.vn/en/investor-relations/financial-information/annual-reports/>

visit our website for the online version of our Annual Report
and the latest information on our cooperate governance practices and recent announcements.





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