



HAGL Agrico



**NEW
OPPORTUNITY**

ANNUAL REPORT 2017

BUSINESS PHILOSOPHY

A business under high evaluation must create safety and stability in its operation, generate sustainable profit, and its market share is constantly expanding and growing.

MISSION

Application of state-of-the-art technology in agribusiness to exploit land potentiality in order to produce useful agricultural products for 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

To become the leading agribusiness company 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 and Cambodia. Compliance with the Company's regulations and policies.

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

TABLE OF CONTENTS

04

General information	04
Financial highlights	06
Message from Chairman	08
Key milestones	10

12

Business sectors and location	12
Typical products	14

20

Organization apparatus	20
Subsidiaries and associates	22
Development orientation	24
Risk factors	26

28

Profile of Directors and Key Management	28
+ The Board of Directors	
+ The Board of Management	
+ The Board of Supervisors	

38

Business performance in 2017	38
+ Business operations	
+ Personnel structure	
+ Labour policies	
+ Investment activities, project implementation	42
+ Financial position	44
+ Structure of shareholders, changes in charter capital	45

46

Sustainable development report	46
--------------------------------	----

52

Report of the Board of Management	52
+ Assessment of the business performance	
+ Financial position	
+ Improvements in organizational structure, policies and management	
+ Development plan in the future	

59

Report of the Board of Directors	59
+ Assessment on the business performance	
+ Assessment on the Board of Management's performance	
+ Plan and orientation of the Board of Directors	

Report of the Board of Supervisors	62
------------------------------------	----

65

Corporate governance	65
+ Transactions, remunerations and interests of the Board of Directors, the Board of Management and the Board of Supervisors	
+ Members of the Board of Directors	
+ Meetings of the Board of Directors	

68

Financial Statements	68
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In the near future,
HAGL Agrico will become
the leading agribusiness company
in Asia and Vietnam!



AT A GLANCE

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) 222 2283

Fax: (84.269) 222 2218

Website: www.haagrigo.com.vn

Business registration certificate:

5900712753 first issued by
the Department of Planning
and Investment of Gia Lai Province
on 26/5/2010 and 16th amendment
on 30/3/2018.

Head office:

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



Charter capital:
VND 8,868,438,950,000



Securities code:
HNG



Par value:
VND 10,000



Total number of shares:
886,843,895

KEY FINANCIAL HIGHLIGHTS

\$32,282
TOTAL OWNER'S EQUITY
(VND BILLION)

Unit: VND Billion

As at 31/12	2017	2016	2015	2014	2013	2012
INCOME STATEMENT						
Total revenue	3,321	4,785	4,731	2,212	1,630	134
Net revenue	3,321	4,784	4,731	2,212	1,630	134
Gross profit	1,215	160	1,237	1,028	915	40
Net operating profit	668	(839)	823	670	681	2
Other profit (loss)	(227)	(807)	(108)	78	(2)	1
Profit sharing receivable from associates	(28)	15				
Profit before tax	441	(1,647)	715	747	679	2
Profit after tax	530	(1,778)	744	736	685	3
Profit after tax/ net revenue	16%					
Earnings per share (VND)	688	(2,297)	1,176	1,233	1,574	(20)
BALANCE SHEET						
Current assets	4,417	6,475	7,221	4,732	3,342	3,577
Non-current assets	27,866	28,520	19,515	12,392	9,899	6,994
Total assets	32,282	34,995	26,736	17,124	13,241	10,571
Shor-term loans	1,725	2,658	3,127	3,728	690	165
Other short-term loans and liabilities	4,876	3,664	3,903	2,554	1,425	724
Long-term loans	12,436	17,433	9,109	3,621	4,779	4,371
Other long-term loans and liabilities	3,092	1,516	848	366	143	0
Total liabilities	22,129	25,272	16,987	10,269	7,037	5,260
Owner's equity	10,152	9,663	9,654	6,833	6,182	5,225
Non-controlling interests	51	60	95	22	22	86
Total owner's equity	32,282	34,995	26,736	17,124	13,241	10,571

KEY FINANCIAL HIGHLIGHTS (conti.)

Unit: VND Billion

As at 31/12 (cont.)	2017	2016	2015	2014	2013	2012
CASH FLOW STATEMENT						
Profit before tax	441	(1,647)	715	747	679	2
Depreciation and amortisation	971	727	333	208	143	37
Operating profit before changes in working capital	917	(280)	1,366	1,134	981	40
Net cash flows from (used in) operating activities	1,236	(2)	1,378	(559)	547	320
Net cash flows from (used in) investing activities	1,033	(6,489)	(6,458)	(1,802)	(3,803)	(2,922)
Net cash flows (used in) from financing activities	(2,527)	6,472	5,365	2,258	1,883	3,747
Cash and cash equivalents at the end of the year	53	311	332	47	150	1,524



MR. DOAN NGUYEN DUC
BOD CHAIRMAN

MESSAGE FROM CHAIRMAN

Dear distinguished shareholders and investors!

Since 2016, Hoang Anh Gia Lai Agricultural Joint Stock Company (HAGL Agrico, the Company) has transformed its business strategy specifying farming as the core business area which is aimed at production of fruits with large-scale consumption market, strong growth rate, fast reaching maturity, and high economic efficiency on exploitation area to join in the global value chain. Also, HAGL Agrico continues maintaining rubber plantations for long-term future and beef cattle husbandry for supplying fertilizer source for plantations.

With the advantages of the huge land bank and massively invested infrastructures, HAGL Agrico has selectively expanded redundant land areas to grow fruit trees since 2016. Some typical plants such as passion fruit, banana, chilli and dragon fruit were harvested in 2017, bringing in revenue of 1,618 billion VND, contributing 48.71% of the Company's total revenue. HAGL Agrico's fruit markets include China, Thailand and part of domestic market.

In 2017, HAGL Agrico persistently kept working out the strategy by transforming plant areas, diversifying its products and actively making use of the most potential fruit market in the world - China. Besides, the rebound in international rubber price enables the Company to use it as a lever for latex harvest. Thereby, the initial results from the year were encouraging: after-tax profit was VND 530 billion in comparison to the loss in 2016.

In 2018, the third year in the process of implementing the restructuring for the period 2016-2026, the Company continues to develop the proposed strategy. The key strategic goals of 2018 are:

- Most importantly, to expand fruit tree areas to increase revenue, ensuring the profitable fruit operations.
- To harvest rubber latex to secure rubber operations' ability to cover the full operating cost and interest payment by itself.

We hope that in the near future we can reap sweet fruits - the achievements that we deserve from our long-term investments, which we have been pursuing for the past years!

- To initiate the implementation of the programs that applies the best practices in management and administration in order to have control over the productivity and quality of fruit products.

- To complete the basic restructuring of the debts, liquidate non-core operations, negotiate to transform and convert some debts into share capital and reduce interest rate on loans so that resources can be focused on business and production operations; and HAGL Agrico's advantages in agribusiness can be made maximum use of.

- To conduct programs of corporate social responsibility as committed.

With the vision of leading HAGL Agrico to become one of the top agribusiness companies in Asia and Vietnam, we will keep expanding fruit tree areas, selecting efficient products, strengthening professionalism and specialization in governance mechanism and management system for optimal use of the Company's human resources and assets.

HAGL Agrico is aimed to promote investment in applying mechanization and high technology, and international standards in order that HAGL Agrico products can be exported to various markets; so the consumption market can be diversified. Hence, we gradually work towards strategic goals and complete the transformation of the business strategy to offer the best values to the shareholders, high income and good working environment to employees, and

contribute to pursue the targets of the socio-economic development of the three countries: Vietnam - Laos - Cambodia.

On behalf of the Board of Directors (BOD) and Board of Management (BOM), we would like to express our gratitude to the shareholder and investors who have accompanied us and shared our strategic goals; our acknowledgement to the banks and partners; and our appreciation for the staff that have been supporting the Company to survive hardship and challenges over the last transforming years.

We hope that in the near future we can together reap sweet fruits - the achievements that we deserve from our long-term investments, which we have been pursuing for the past years.

Regards,
BOD Chairman



DOAN NGUYEN DUC

HISTORY OF THE COMPANY

Key milestones

2010

Establishment of Hoang Anh Gia Lai Rubber Joint Stock Company.



2011

Entering into the land lease agreements with Laos and Cambodia Governments, expanding overseas investment activities.



2012

- Commencing construction of a sugarcane industrial cluster in Attapeu province.
- Commencing construction of rubber latex processing plant with a capacity of 25,000 tons/year in Attapeu.



2013

- The sugarcane industrial complex and rubber latex processing plant were inaugurated.
- Ground breaking of Nong Khang International Airport in Hua Phan, Laos on 14/03/2013.



2014

- Cultivation of 38,428 ha of rubber trees in Vietnam, Laos and Cambodia completed.
- Joining in beef cattle husbandry.
- Commencing construction of palm oil processing mill with a capacity of 45 tons of bunches/hour in Cambodia.



2016

- Implementing the restructuring plan of Hoang Anh Gia Lai Agricultural Joint Stock Company
- Developing of passion fruit cultivation project, participating in export value chain with fruits originating from Laos and Vietnam.
- Planting dragon fruit, banana and ten other fruit trees.



2015

- April 2015, changing name from Hoang Anh Gia Lai Rubber Joint Stock Company to Hoang Anh Gia Lai Agricultural Joint Stock Company.
- May 2015, Hoang Anh Attapeu International Airport was inaugurated and handed over.
- Listed on HOSE dated 10/07/2015.



2017

- First harvesting of dragon fruits and banana.
- HAGL Agrico and Mobile World Investment Group (MWG) signed a MOU in which HAGL Agrico provides the fresh fruits to MWG's Bach Hoa Xanh chain in Vietnam.



BUSINESS SECTORS AND LOCATION

a. Business sectors



Fruits:

Redundant land bank in Vietnam, Laos and Cambodia is utilized to grow fruit and spice plants. The Company has cultivated 18 types of fruits since 2016, of which the main crops including passion fruit, dragon fruit and banana have been harvested. Those fruits are suitable to tropical weather, short-term cultivation and bringing high value. In the next years, fruits sector is our main focus in business operational structure.

Beef cattle:

The Company has started beef cattle husbandry since mid-2014 with Australian Brahman breed as the main product. This sector provides large amount of organic fertilizer for fruit plantations.



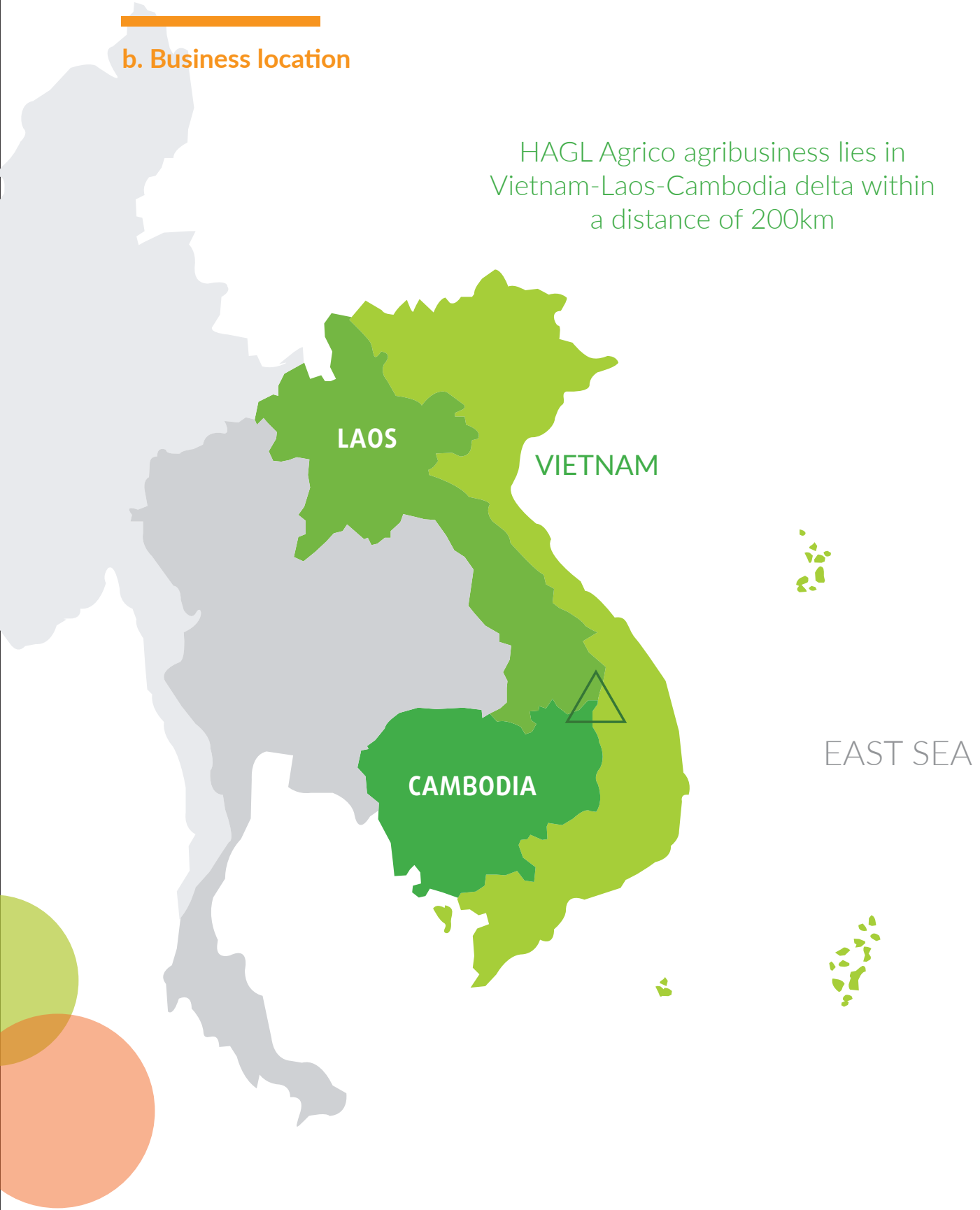
Rubber:

The Company has invested in planting and producing rubber latex since 2008. The total area as at 31/12/2017 is 46,916 ha.



b. Business location

HAGL Agrico agribusiness lies in Vietnam-Laos-Cambodia delta within a distance of 200km



TYPICAL PRODUCTS



RUBBER

As at 31/12/2017, the Company's total area of rubber was 46,916 ha which comprised 20,049 ha in Laos, 5,078 ha in Vietnam and 21,789 ha in Cambodia. In 2017, the Company harvested 10,279 ha with the latex output of 14,456 tons.

PASSION FRUIT

This type of plant generated remarkable revenue and profit for the Company in 2017. As at 31/12/2017, the total area of passion fruit plantations was 100 ha planted in Laos. Fresh passion fruit is now exporting to China, Europe and Thailand.



TYPICAL PRODUCTS

(CONT.)



DRAGON FRUIT

HAGL Agrico has cultivated 1,375 ha of dragon fruit in Vietnam, Laos and Cambodia. Thanks to the rich source of organic fertilizer, Israel drip irrigation technology and the production process in compliance with GlobalGAP standards, all dragon fruit plantations have grown up to our initial expectation.

BANANA

HAGL Agrico's total area of banana plantations is 2,061 ha. The first shipments were exported and sold at major supermarkets in China. The Company is now negotiating with many banana importers in big markets such as China, Japan, and South Korea etc. that consume large quantities of HAGL Agrico's banana products in the long run.



TYPICAL PRODUCTS

(CONT.)

CHILLI

HAGL Agrico planted chillies on an area of 927 ha and started harvesting in the fourth quarter of 2017.



JACKFRUIT

The Company is planting Thailand jackfruit variety with a total area of 771 ha. The Company plans to harvest the first crop in 2018.

MANGO

The Company selects high yielding mango varieties such as Hoa Loc mangos, Taiwan and Thailand mangos to plant in Vietnam, Laos and Cambodia with a total cultivated area of 2,610 ha. In the first quarter of 2018, the Company began harvesting the first crop.

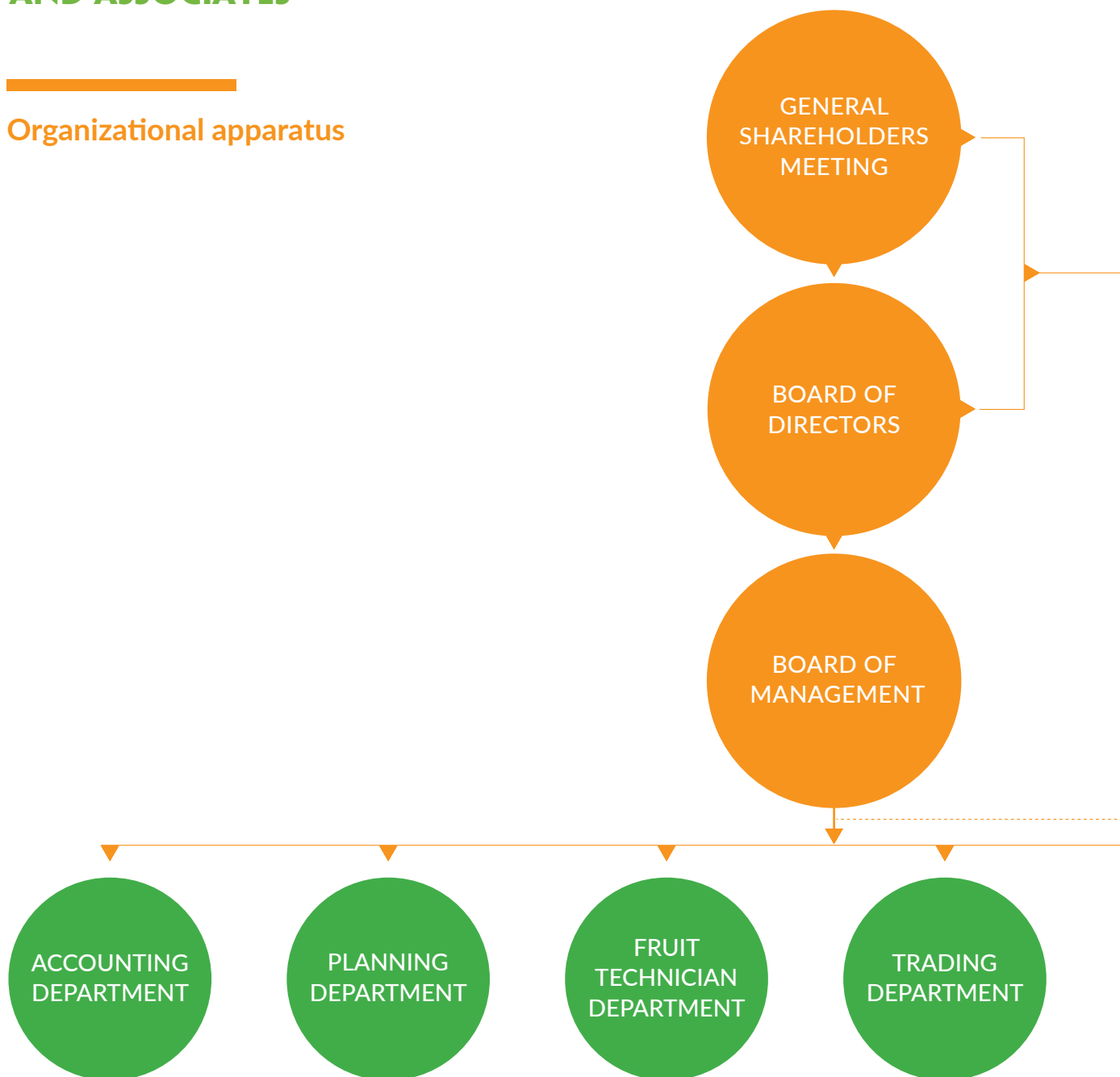
BEEF CATTLE

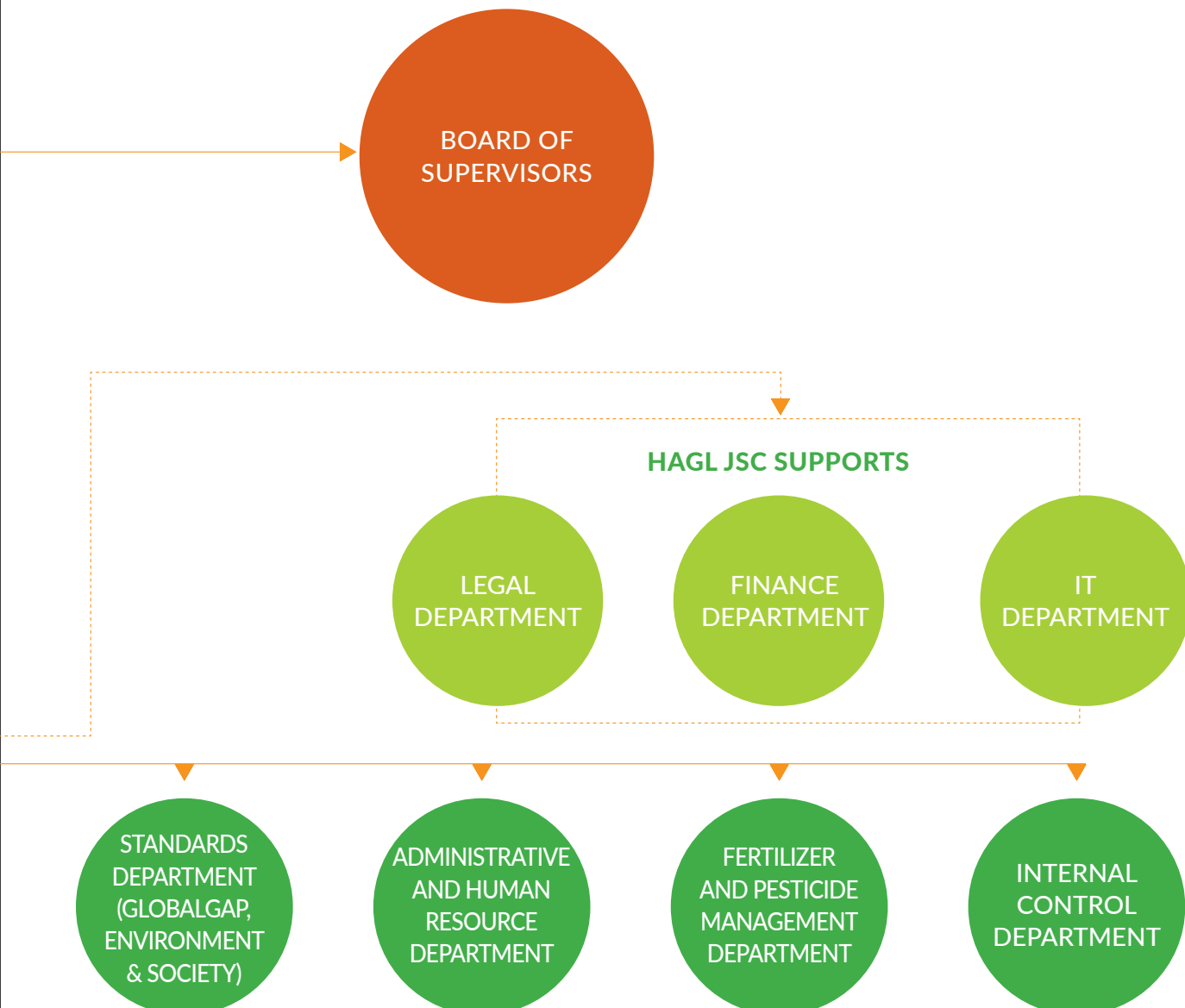
Regarding beef husbandry, HAGL Agrico currently only maintains about 13,000 heads. Although the profit margin of this sector is not high at present, it is an important advantage to integrate the self-contained agricultural chain of the Company in providing a large amount of organic fertilizer for fruit plantations in order to achieve high efficiency and sustain GlobalGAP standards.



ORGANIZATIONAL APPARATUS, SUBSIDIARIES AND ASSOCIATES

Organizational apparatus





SUBSIDIARIES AND ASSOCIATES

09 SUBSIDIARIES
IN VIETNAM

10 SUBSIDIARIES
IN CAMBODIA



a. Subsidiaries

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

Office: Attapeu, Laos
Ownership: 97.77%
Charter capital: USD 40 million
Business lines: planting, harvesting and processing rubber latex

02. HOANG ANH - QUANG MINH RUBBER JSC.

Office: Gia Lai, Vietnam
Ownership: 97.77 %
Charter capital: VND 200 billion
Business lines: planting and nursing forest; planting rubber tree, sugarcane; cattle husbandry

03. HOANG ANH DAK LAK JSC

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

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

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

05. HOANG ANH RATTANAKIRI CO., LTD.

Office: Ratanakiri, Cambodia
Ownership: 100.00%
Charter capital: USD 16 million
Business lines: planting, harvesting and processing rubber latex

06. HENG BROTHERS CO., LTD.

Office: Ratanakiri, Cambodia
Ownership: 100.00%
Charter capital: USD 17 million
Business lines: planting, harvesting and processing rubber latex

07. HOANG ANH OYADAV CO., LTD.

Office: Ratanakiri, Cambodia
Ownership: 100.00%
Charter capital: USD 67 million
Business lines: planting, harvesting and processing rubber latex

08. CRD CO., LTD.

Office: Ratanakiri, Cambodia
Ownership: 100.00 %
Charter capital: USD 57 million
Business lines: planting, harvesting and processing rubber latex

09. HOANG ANH ANDONG MEAS CO., LTD.

Office: Ratanakiri, Cambodia
Ownership: 97.77%
Charter capital: USD 42.5 million
Business lines: planting and processing palm oil

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

Office: Gia Lai, Vietnam
Ownership: 100.00%
Charter capital: VND 100 billion
Business lines: importing and exporting sugar, palm oil, rubber products; trading in fertilizer, construction materials, equipment, and other parts

11. HIGHLAND DAIRY CATTLE JSC

Office: Gia Lai, Vietnam
Ownership: 99.00%
Charter capital: VND 550 billion
Business lines: cattle husbandry, livestock services, planting services

02 SUBSIDIARIES IN LAOS

02 ASSOCIATES



12. DAUN PENH JSC

Office: Gia Lai, Vietnam

Ownership: 99.9%

Charter capital: VND 200 billion

Business lines: planting rubber tree, seeded trees, oil-bearing crops

13. AN DONG MIA JSC

Office: Gia Lai, Vietnam

Ownership: 70%

Charter capital: VND 200 billion

Business lines: planting rubber trees, seeded trees, oil-bearing crops

14. HOANG ANH LUMPHAT CO., LTD.

Office: Ratanakiri, Cambodia

Ownership: 70%

Charter capital: USD 44.24 million

Business lines: planting rubber trees, oil palm trees, and construction of palm oil processing mill

15. DAUN PENH AGRICO CO., LTD.

Office: Ratanakiri, Cambodia

Ownership: 99.9%

Charter capital: USD 1 million.

Business lines: planting rubber trees, oil palm trees, and construction of palm oil processing mill

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

Office: HCM city, Vietnam

Ownership: 100.00%

Charter capital: VND 1,465 billion

Business lines: 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

17. EASTERN EUROPE RUBBER INVESTMENT CO., LTD.

Office: TP.HCM, Vietnam

Ownership: 100.00%

Charter capital: VND 300 billion

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.

18. EASTERN RUBBER CO., LTD.

Office: Kratie, Cambodia

Ownership: 100.00%

Charter capital: USD 49 million

Business lines: planting rubber tree and building latex processing plant

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

Office: Kratie, Cambodia

Ownership: 100.00%

Charter capital: USD 49 million

Business lines: planting rubber tree and building latex processing latex processing plant

20. SOVANN VUTHY CO., LTD.

Office: Kratie, Cambodia

Ownership: 100.00%

Charter capital: USD 20 million

Business lines: planting, exploiting and processing latex

21. TRUNG NGUYEN RUBBER JSC

Office: Gia Lai, Vietnam

Ownership: 99.91%

Charter capital: VND 820.8 billion

Business lines: planting and exploiting latex; planting fruit tree

b. Investments in associates

BIDIPHAR RUBBER JSC

Ownership: 49.14 %

Carrying value: VND 297.14 billion

Business lines: planting rubber trees

GIA LAI LIVESTOCK JSC

Ownership: 23.46 %

Carrying value: VND 564.34 billion

Business lines: cattle husbandry

DEVELOPMENT ORIENTATION

01. Business strategy

To adopt advanced technology in agribusiness to economize the resources and to make the difference.

To become the leading agribusiness company in Vietnam and in the region.

Main products include rubber, banana, dragon fruit, mango, jackfruit, and grapefruit. Agricultural products are step by step developed.

The core benefit offered to customers is the reliability of agro products tagged with HAGL Agrico brand by its explicitness in tracing the origin of products.

02. Sustainable development goals

To achieve economic growth and environment protection hand in hand and to share the community and society the benefits that the Company gains from its investment and business activities.

To focus on the sustainable development in revenue and profit to guarantee the interest of shareholders and investors.

To create stable employment for local people.

RISK FACTORS

01. 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 is mobilized from banks and issuance of corporate bonds at a floating interest rate. If the interest rate gets increased, the interest expenses will be more burdensome and adversely affect the Company's business.

Risk management measure:

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

02. Exchange rate risks

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

The Company is currently trading with China so the risks of CNY depreciation may increase the operation cost and affect the profit of the Company.

Risk management measure: Thank to the diversified business majors, the exchange rate movements can be offset against each other to reduce the impacts on the Company's profit and cash flows

HAGL Agrico operates in many sectors and in different geographical areas. Therefore, there exist potential risks associated with each sector, geographical area, and economic condition. The Company has identified major risks and employed the following risk management measures.

03. Project implementation risks

Agriculture is a specific major with particular characteristics which are affected by the natural and seasonal conditions.

Cultivation: The Company's productivity, yield and farming practices can be affected by natural disasters such as storms, tornados, floods, droughts and pest disease. It is very difficult to control and mitigate these types of risks. Not only has that, the fruit plantations of the company has also seasonal characteristics.

Risk management measure: The Company has diversified the types of crops to mitigate the seasonal risks. To prevent the damage by bad weather, the Company has purchased insurance for the 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 that are deeply knowledgeable of common diseases in cattle as well as provides sanitation procedures for food, water and waste to minimize development and spread of pathogens.



04. Legal risks

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 Company's operations are primarily governed by the Enterprise Law, Securities Law and other regulations of the stock exchange. However, the sub-law documents and guidance are still under continuous improvement, so possible legal and policy changes will have certain impacts on the management and activities of the Company.

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. Environment risks

Air pollution is possibly caused by reclamation activities, gas emission and odor from effluent at processing plants. Irrigation causes the exhaustion of the water resources increasingly. Fertilization, plant protection activities and effluent from processing plants have negative impacts on water source.

Risk management measure: The Company's projects are far from residential areas. Vehicles transporting land are always covered with canvas. Workers working directly at the project sites are equipped with labor protection devices to minimize impacts on their health. 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 handled. Waste water from the processing plants is recycled after treatment to use for irrigation.

06. Other risks

In addition to the risks described above, there is some other force majeure such as earthquakes, storms, fires that is unlikely to occur but once it happens, it will also affect the business performance of the Company.

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

PROFILE OF DIRECTORS AND KEY MANAGEMENT

a. Board of Directors



01. MR. DOAN NGUYEN DUC

BOD Chairman

- Year of birth: 1963
- Working experience:
 - + 1992 – now: HAGL JSC
- Present position at HAGL Agrico: BOD Chairman
- Other major appointment: BOD Chairman of HAGL JSC

01. Mr. **Doan Nguyen Duc**
BOD Chairman

03. Mr. **Doan Nguyen Thu**
BOD Member

05. Ms. **Vo Thi Huyen Lan**
BOD Member

07. Mr. **Nguyen Quan Anh**
BOD Member

02. Mr. **Vo Trung Son**
BOD Member

04. Ms. **Vo Thi My Hanh**
BOD Member

06. Mr. **Nguyen Ngoc Anh**
BOD Member



02. MR. VO TRUONG SON
BOD Member

- Year of birth: 1973
- Qualifications:
Master of Finance, Bachelor of Laws,
Member of the Association of Chartered
Certified Accountants (ACCA),
The Vietnam Association of Certified
Public Accountants (VACPA), CFA
- Working experience:
 - + 8/1996-11/2003: A&C Auditing
and Consulting Co., Ltd.
 - + 11/2003 – 10/2008: Senior Audit
Manager at Ernst & Young Vietnam Limited
 - + 10/2008 – now: HAGL JSC
- Present position at HAGL Agrico:
BOD member
- Other major appointment:
BOD member cum General Director
of HAGL JSC

03. MR. DOAN NGUYEN THU
BOD Member

- Year of birth: 1977
- Qualifications:
Bachelor of Economics of HCMC
University of Economics, MBA of
Fullerton College, USA
- Working experience:
 - + 1999 – 2000: Hoang Anh Sai Gon Co., Ltd.
 - + 2003 – 2004: Viet May Co., Ltd.
 - + 2004 – 2006: Hoang Anh Enterprise
 - + 2006 – now: HAGL JSC
- Present position at HAGL Agrico:
BOD member
- Other major appointment:
BOD member cum Deputy General
Director of HAGL JSC

PROFILE OF DIRECTORS AND KEY MANAGEMENT (CONT.)

a. Board of Directors (cont.)



04. MS. VO THI MY HANH

BOD Member

- Year of birth: 1977
- Qualifications: Bachelor of Laws, MBA
- Working experience:
 - + 2001 – 2006: Sales Manager at Hoang Anh Enterprise
 - + 2006 – 2008: Deputy Director at HAGL Furniture Factory Branch
 - + 1 – 4/2009: Assistant Manager at Investment and Planning Department of HAGL JSC
 - + Since 4/2009: Deputy Director of HAGL Hydro Power JSC
 - + Since 12/2014 to 4/2017: Deputy Director of HAGL Agrico
 - + Since 2/2015 to 5/2017: CFO at HAGL Medical Pharmacy University Hospital
 - + Since 5/2017: General Director of HAGL Agrico
- Present position at HAGL Agrico: BOD member cum General Director
- Other major appointment: BOD Member of HAGL JSC



05. MS. VO THI HUYEN LAN

BOD Member

- Year of birth: 1971
- Qualifications: Bachelor of Economics of HCMC University; MBA of HEC Paris, France; Master of Finance of Paris Dauphine University, France
- Working experience:
 - + 1996 – 1998: Chief accountant at Prezioso Company
 - + 1998 – 2002: Chief accountant at Espace Bourbon An Lac Co., Ltd.
 - + 2002 – 2006: Deputy General Director cum CFO at Big C Vietnam
 - + 2007 – now: General Director of Jaccar Holdings
- Present position at HAGL Agrico: BOD member
- Other major appointment:
 - + General Director - Jaccar Holdings
 - + BOD member - Bourbon Ben Luc JSC
 - + BOD member - My Lan JSC
 - + BOD member - Agrex Saigon Foodstuffs JSC
 - + BOD member - HAGL JSC

01. Mr. **Doan Nguyen Duc**
BOD Chairman

03. Mr. **Doan Nguyen Thu**
BOD Member

05. Ms. **Vo Thi Huyen Lan**
BOD Member

07. Mr. **Nguyen Quan Anh**
BOD Member

02. Mr. **Vo Trung Son**
BOD Member

04. Ms. **Vo Thi My Hanh**
BOD Member

06. Mr. **Nguyen Ngoc Anh**
BOD Member



06. MR. NGUYEN NGOC ANH

BOD Member

- Year of birth: 1961
- Qualifications:
Bachelor of Economics,
Mechanic Engineer
- Working experience:
 - + 1984 – 1989: Dak Lak Mechanics Plant
 - + 1989 – 1993: 17-3 Mechanics Plant
 - + 1995 – 1997: Gia Lai Sugar Factory
 - + 1997 – 2002: Director of Gia Lai Bourbon Factory
 - + 2002 – 2007: Deputy General Director of Gia Lai Bourbon Co., Ltd.
 - + 2007 – 2009: General Director of Gia Lai Sugarcane - Thermal Power JSC
 - + 2009 – 2011: BOD Chairman of Gia Lai Sugarcane - Thermal Power JSC and Deputy General Director of Gia Lai Power JSC
 - + 2011 – 2016: Director of HAGL Sugar Cane JSC; Director of Hoang Anh Attapeu Sugarcane Co., Ltd.
 - + 12/2016 – now: Director of Trung Nguyen Rubber JSC; Director of HAGL Fruit Processing Plant under HAGL JSC
- Present position at HAGL Agrico:
BOD member cum Deputy General Director
- Other major appointment:
 - + Director of Trung Nguyen Rubber JSC
 - + Director of HAGL Fruit Processing Plant

07. MR. NGUYEN QUAN ANH

BOD Member

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

PROFILE OF DIRECTORS AND KEY MANAGEMENT (CONT.)

b. Board of Management



01. MS. VO THI MY HANH
General Director

(For information see BOD)

01. Ms. **Vo Thi My Hanh**
General Director

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

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

07. Mr. **Le Dinh Vu**
Deputy General Director

02. Mr. **Trinh Xuan Nhan**
Deputy General Director

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

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

08. Ms. **Nguyen Thi Thanh Thao**
Deputy General Director



02. MR. TRINH XUAN NHAN
Deputy General Director

- Year of birth: 1960
- Qualifications:
Bachelor of Economics
- Working experience:
 - + 2010 - 4/2015: HAGL Rubber JSC
 - + 4/2015 - now: HAGL Agrico
- Present position at HAGL Agrico:
Deputy General Director

03. MR. PHAN THANH THU
Deputy General Director

- Year of birth: 1963
- Qualifications:
Hue Academy of Music
- Working experience:
 - + 1984 - 1992: Dam San Theatre
 - + 1993 - 2003: Hoang Anh Enterprise
 - + 2003 - 5/2016: Director of Hoang Anh Attapeu Agriculture Development Co.,Ltd.
- Present position at HAGL Agrico:
Deputy General Director
- Other major appointment:
BOD member of HAGL JSC

PROFILE OF DIRECTORS AND KEY MANAGEMENT (CONT.)

b. Board of Management (cont.)



04. MR. HOANG DINH QUY
Deputy General Director

- Year of birth: 1963
- Qualifications: Bachelor of Laws
- Working experience:
 - + 1983 – 1987: Military service, Unit C6E546 - F473 - Corps 12
 - + 1988 – 2007: Chu Pah Rubber One Member Co., Ltd.
 - + 2008 – now: Director of Hoang Anh Quang Minh Rubber Industrial and Agricultural Co., Ltd.
- Present position at HAGL Agrico: Deputy General Director
- Other major appointment: Director of Hoang Anh Quang Minh Rubber Industrial and Agricultural Co., Ltd.



05. MR. NGUYEN NGOC ANH
Deputy General Director

(For information see BOD)



06. MR. NGUYEN QUAN ANH
Deputy General Director

(For information see BOD)

01. Ms. **Vo Thi My Hanh**
General Director

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

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

07. Mr. **Le Dinh Vu**
Deputy General Director

02. Mr. **Trinh Xuan Nhan**
Deputy General Director

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

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

08. Ms. **Nguyen Thi Thanh Thao**
Deputy General Director



07. MR. LE DINH VU
Deputy General Director

- Year of birth: 1982
- Qualifications: Bachelor of Economics
- Working experience:
 - + 2003 – 2004: Sai Gon Thuong Tin Real Estate JSC
 - + 2004 – 2010: Deputy Manager of Sales Department of HAGL House Development JSC.
 - + 2010 – 2011: Chief Manager of Highland Real Estate Department of HAGL JSC
 - + 2014 – 2016: Director of HAGL Livestock JSC
 - + 2017 – now: 05/2017 hold position of Deputy General Director of HAGL Agrico; 8/2017 hold position Director of Highland Dairy Cattle JSC
- Present position at HAGL Agrico: Deputy General Director
- Other major appointment: Director of Highland Dairy Cattle JSC

08. MS. NGUYEN THI THANH THAO
Deputy General Director

- Year of birth: 1982
- Qualifications: Master of Economics
- Working experience:
 - + 2005 – 2007: Prudential Vietnam Finance Co., Ltd.
 - + 2007 – 2009: ACE Life Insurance Co., Ltd.
 - + 2010 – 2014: Deputy General Director of HAGL Hydro Power JSC
 - + 2015 – 2016: Director of Highland Hydro Power Co., Ltd.
 - + 2017 – now: Deputy General Director of HAGL Agrico
- Present position at HAGL Agrico: Deputy General Director

BOARD OF SUPERVISORS



01. MS. NGUYEN THI HAI YEN

Chief of Board of Supervisors (BOS)

- Year of birth: 1982
- Qualifications: Bachelor of Accountancy
- Working experience:
 - + 2006 – 2010: Vietnam Flour Mill Co., Ltd.
 - + 2011 – 2016: Deputy Manager of Accounting Department of HAGL Agrico
 - + 2017 – now: Deputy Manager of Accounting Department of HAGL JSC
- Present position at HAGL Agrico:
Chief of BOS



02. MR. DUONG TRAN HUNG

BOS member

- Year of birth: 1987
- Qualifications: Bachelor of Economics
- Working experience:
 - + 2009 – 2013: Accounting specialist in Saigon Mekong Corp
 - + 2013 – 2014: Accounting specialist in HAGL JSC
 - + 2014 – 9/2016: Finance specialist in HAGL JSC
 - + 10/2016 – now: Finance specialist in HAGL Agrico
- Present position at HAGL Agrico: BOS Member



03. MR. PHAM NGOC CHAU

BOS member

- Year of birth: 1975
- Qualifications: Bachelor of Economics
- Working experience:
 - + 2001 – 2003: Saigon Trading & Packaging JSC
 - + 2004 – 2007: Europe Asia Co., Ltd.
 - + 2008 – 2012: HAGL Real Estate Management JSC
 - + 2012 – now: HAGL JSC
- Present position at HAGL Agrico: BOS Member

BUSINESS PERFORMANCE IN 2017

01. Business operation in 2017

In 2017, the agricultural sector in general underwent many difficulties and challenges: (1) the complexity of climate changes caused many forms of abnormal weather such as natural disasters, storms and floods that resulted in great damages to infrastructure, production and people's life; (2) the consumer market for agricultural products was still facing many trade barriers and fierce competition from many countries that have promoted agricultural exports and applied many protection policies; (3) outbreak of plant and pest diseases was always an underlying threat.

Not only facing the above general obstacles, HAGL Agrico also faced many particular difficulties that led to the fluctuations of business results in 2017. Our net revenue did not grow as expected, and sales of cattle decreased sharply while sales of sugar was negligible because of the project transfer to a Third Party. Even so, the fruit trading sector has significantly improved the Company's profit while the rebound of natural rubber prices in 2017 has also contributed to the losses offsetting.

At the end of 2017, the total net revenue of the Company reached VND 3,321 billion, decreasing by 30% compared to 2016 while the profit after tax reached VND 530 billion as compared to the loss of VND 1,778 billion in 2016.

Unit: VND billion

Item	2016	2017	Increase/Decrease 2017
Net revenue	4,784.15	3,321.02	(30.58%)
Cost of good sold	4,624.18	2,106.50	(54.45%)
Finance income	230.10	1,014.72	340.99%
Finance, selling and administration overhead expenses	1,245.12	1,532.90	23.11%
Operating profit (loss)	(839.47)	668.27	179.61%
Other profit (loss)	(807.58)	(227.02)	71.89%
Profit before tax	(1,647.04)	441.25	126.79%
Profit after tax	(1,777.85)	530.46	129.84%
EPS	(2,297)	688	129.95%



BUSINESS PERFORMANCE IN 2017 (CONT.)



02. Personnel structure

As at 31/12/17, the total number of employees in the Company was 10,289 with the following structure:

Location	Total personnel	Long-term workers			Seasonal workers		
		Male	Female	Total	Male	Female	Total
VIETNAM	908	358	131	489	280	139	419
LAOS	6,829	933	203	1,136	3,605	2,088	5,693
CAMBODIA	2,552	584	116	700	1,370	482	1,852
Total	10,289	1,875	450	2,325	5,255	2,709	7,964



03. Labour policy

HAGL Agrico determines that qualified human resources is fundamental to the development of the Company. Therefore, we always focus on creating a positive and comfortable working environment for employees. We abide by the applicable Labor Laws with a working regime of 6 days/week and 8 hours/day. Besides, HAGL Agrico allows employees to take annual leaves and holidays under the Laws of Vietnam and other countries where we conduct our businesses.

Other than the salary, the Company also provides the allowances, benefits and other incentive plans to support the employees, especially for employees working in Laos and Cambodia. We often examine the implementation of regulations on salaries, social insurance, health insurance, unemployment insurance and periodical salary raises. There is also the gift of shares in recognition of an employee's performance or long service for the Company.

The Company always places high importance on employee's health by offering discounts on medical treatment at Hoang Anh Gia Lai Medicine and Pharmacy University Hospital, especially for workers working in Laos and Cambodia.

Labor safety policies are rigorously observed to ensure a safe working environment for employees. Regular training courses on occupational safety, fire prevention and fire fighting are held for all staff. Labor safety equipment is provided timely and adequately to meet the work requirements. We issue and closely monitor the implementation of regulations on labor safety and environmental sanitation, and regularly examine and evaluate the safety at work.

At HAGL Agrico, the work is organized and assigned to the most suitable employees based on their professional qualification and competence. At the same time, healthy competition at the workplace is created to motivate employees to do their best. We always encourage and create optimal condition for employees to attend training courses to improve their professional qualification by self-training, on-the-job training and motivate young employees to enhance their professional qualifications. HAGL Agrico has a preferential policy for local people for its high stability and contribution to employment creation for local workers.

With the slogan of "Unity is Power," we try to build a working environment where each employee has an engaging and supportive interaction to each other for a sustainably developed HAGL Agrico.

INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION



2017

Fruit sector

Making use of the redundant land bank in Vietnam, Laos and Cambodia, the Company planted 13,524 ha with 18 types of fruits. Cultivation of passion fruits, bananas and dragon fruits is performed under GlobalGAP standards to increase the export value of fruits.

Rubber processing sector

The Company exploited 10,279 ha of rubber plantations in 2017 with the total latex output of 14,456 tones.



Livestock sector

Livestock featured a substantial working capital while the Company financial position in 2017 showed no noticeable signs of improvement. Therefore, the Company proactively reduced the scale.

Sugarcane sector

We completed the transfer of sugarcane project to a Third Party.

2017

FINANCIAL SITUATION

Financial items

Item	Unit	2016	2017
Liquidity ratio			
Current ratio	time	1.02	0.67
Quick ratio	time	0.79	0.52
Capital structure ratio			
Total debts/Total assets	%	72.22	68.55
Total debts/Owner's equity	%	259.92	217.96
Operation capability ratio			
Inventory turnover:	round	2.07	1.68
Net revenue/ Total assets	round	0.14	0.14
Profitability			
Profit after tax/Net revenue	%	(37.16)	15.97
Profit after tax/Owner's equity	%	(18.28)	5.22
Profit after tax/Total assets	%	(5.08)	1.64
Operating profit/Net revenue	%	(17.55)	20.12

Liquidity ratio: the liquidity ratio of the Company has been decreased in recent years due to the fact that we are still undergoing the restructure plan for 2016-2026; resulting in the unsatisfactory financial position. However, the Company has also gradually adjusted the business strategy in which the long-term plants are replaced by short-term plants in order to improve the payment items.

Capital structure ratio: total debts/total assets ratio in 2017 reached 68.55%, decreased by 3.67% as compared to that in 2016. It was because we had completed the transfer of sugarcane project to a Third Party. This ratio, however, is still high. It is expected that this ratio is significantly decreased after the finish of our restructuring plan for 2016-2026.

Profitability ratio: this ratio slightly increased due to the restructuring of business sectors. Although the net revenue in 2017 did not grow as in 2016, profit after tax still increased over the same period. The profitability indicators showed the growth of the Company.

SHAREHOLDER STRUCTURE, CHANGE IN CHARTER CAPITAL

a. Share structure: (as at 31/3/18)

Number of shares	: 886,843,895 shares
Par value	: VND 10,000
Preferred shares	: 0
Common shares	: 886,843,895 shares
Outstanding shares	: 886,843,895 shares
Treasury shares	: 0 share
Share with free transferability	: 767,143,895 shares
Share with restricted transferability	: 119,700,000 shares
Reason for restriction	: Due to private placement. The restricted time is 01 year from 5/3/18 to 5/3/19

b. Shareholder structure: (as at 31/3/18)

No.	Subject	Number of shares	Percentage (%)	Number of shareholders	Shareholder structure (*)	
					Institution	Individual
1	Government shareholders					
2	Founding shareholders/ FDI shareholders	488,665,840	55.1	1	1	0
	- Domestic	488,665,840	55.1	1	1	0
	- Foreign					
3	Major shareholders	50,000,000	5.6	1	1	0
	- Domestic	50,000,000	5.6	1	1	0
	- Foreign					
4	Trade union					
	- Domestic					
	- Foreign					
5	Treasury shares					
6	Preferred shareholders					
7	Other shareholders	348,178,055	39.3	4,936	43	4,893
	- Domestic	336,726,535	38.0	4,885	28	4,857
	- Foreign	11,451,520	1.3	51	15	36
TOTAL		886,843,895	100.0	4,938	45	4,893
<i>In which:</i>						
	- Domestic	875,392,375	98.7	4,887	30	4,857
	- Foreign	11,451,20	1.3	51	15	36

c. Change in charter capital

In March 2018, the private placement of the Company was completed. Thereby, the charter capital was increased to VND 8,868,438,950,000.

Treasury share transactions: in 2017, the transaction of treasury shares was not conducted

Other share: None

SUSTAINABLE DEVELOPMENT REPORT

01. Management of material, energy and water



a. Material management

In order to ensure the wastes and solid wastes are not harmful to the environment, HAGL Agrico commits to frequently propagate the material saving and recycling, and waste mitigating. Materials currently used by the Company in production and packaging products include:

- Manure is packaged in nylon fiber bags, 50% of which is reused to collect green waste in the plantations such as rotten fruits, fronds, leaves, etc.
- Cartons are used in packaging fruits for export. Carton is easily biodegradable, so it is an eco-friendly material.
- Irrigation pipes (such as PVC, HDPE, LDPE pipes) are used for irrigation in the plantations. Broken pipes after using 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



b. Energy consumption

During the operation, HAGL Agrico understands that the balance of energy is a priority when it changes the business activities because the environment may be directly or indirectly affected by the imbalance of energy. Therefore, the Company always attaches special importance to the supervision of the energy use to mitigate the greenhouse gas emissions and environmental impact. HAGL Agrico has applied a number of measures to save the energy such as:

- Applying drip irrigation in the plantations to save water, electric power and costs.
- Applying fertilizer through drip irrigation by dissolving the fertilizer in the tanks and then the fertilizer solute goes through the drip irrigation pipe to distribute to each plant. This method saves considerable manual labor, time, but still maintains the regular distribution of fertilizers to crops.
- Gradually replacing old appliances and equipment such as incandescent bulbs, fluorescent bulbs, etc. by LED bulbs.
- Utilizing solar water heaters.
- Constructing irrigation canals to bring water to the reservoir to irrigate the plantations.
- Disseminating and exercising regulations on the economical and effective use of electricity.

c. Water

Nowadays, the water conservation is getting more and more necessary under the risk of water pollution and exhaustion getting worse. Using a large amount of water may affect the living of local people.

HAGL Agrico has been aware of this effect so that the Company has set the target in which water is used economically and controlled in activities using the large amount of water such as cultivation, husbandry, and production, as follows:

- Company still applies Israeli drip irrigation system – correcting water level per milliliter – to optimize the amount of water used.
- Furthermore, all effluent from processing plants is treated and reused to irrigate crops. Effluent from livestock farms is partially treated to produce biogas and the rest is treated to irrigate crops.

SUSTAINABLE DEVELOPMENT REPORT (CONT.)

02. Environment protection

The Company's operations are in compliance with the environmental laws and regulations released by the Governments of Vietnam, Laos, and Cambodia. Before developing any project, HAGL Agrico always hires an independent third party to assess the environmental impacts, to introduce measures to mitigate the socio-environmental impacts by investment projects, then to submit the documents related to the project's environmental impact assessment to competent authorities for approval.

HAGL Agrico established an Environment Section to ensure the compliance of all production activities with the regulations of competent authorities. The Company released its own Regulations on the utilization of chemicals in which the Company committed to use chemicals in accordance with the laws, to minimize the use of pesticides and chemical products.

HAGL Agrico issued the mechanism for handling complaints and feedback, petition and providing information to individuals and organizations in terms of the Company's rubber development projects in Laos and Cambodia.

HAGL Agrico has cooperated with Bureau Veritas – an international organization in testing, evaluating and certifying in order to implement commitments on sustainable planning, production, and development towards community protection and natural preservation.



SUSTAINABLE DEVELOPMENT REPORT (CONT.)

03. Labour policies

It can be seen that the issue of sticking employees for long-term working in the enterprise is a matter which HAGL Agrico in detail and other enterprises in general are facing.

By some objective and subjective reasons from employees and enterprises, in accompany with the economic situation and education level, the change of human resource will be happening for the next time. Thereby, HAGL Agrico and its subsidiaries not only focus on business operations but also create the good working place for employees by offering them the good salary, securities and social welfare.

HAGL Agrico always acknowledges and considers the exertion of each individual during the development of the Company.

The Company pays the salary to employees in a clear and transparent manner corresponding to the capacity of each person.

In addition, employees are entitled to full benefits of social insurance, health insurance, and unemployment insurance in accordance with the Laws.

In terms of spiritual life, the Company expresses its interest in employees by organizing the collective events on holidays, periodical health examinations, as well as the company trips annually for the purpose of enhancing the spirit of solidarity between the employees and the Company.

In addition, the Company also has the policy to distribute bonus shares to employees who have a long time working and making a great contribution to the Company.

The Company always focuses on improving the facilities and the working conditions, ensuring the safety and health of employees by providing all the necessary equipment, PPE. The safety training and firefighting programs are often organized for employees. The employees regularly attend the training courses in accordance with specific professional such as planting techniques, food hygiene and safety, fire prevention and firefighting.





04. Responsibility for local community.

Not only economic development, HAGL Agrico is also aiming to accompany and share its business results to its employees as well as implementing its responsibility for social welfare and local community development.

The Company has made many practical actions to show its responsibility to the local community where the Company has business activities such as building new residential areas, schools, Xe Su bridge (in Laos), donating clothes, food and generators to the surrounding communities (in Cambodia)

Annually, the Company cooperates with MPU-HAGL Hospital to offer free medical examination and treatment, medicines and food for the local people.





**REPORT OF THE BOARD
OF MANAGEMENT**

REPORT OF THE BOARD OF MANAGEMENT

01. Assessment of the business performance

Confronting many challenges and difficulties from natural disasters and the business environment, HAGL Agrico failed to achieve its net revenue targets as planned. Nevertheless, the financial items, especially profitability have been significantly improved. This is a good sign for the restructuring of revenue sources.

Some items for business operations in 2017:

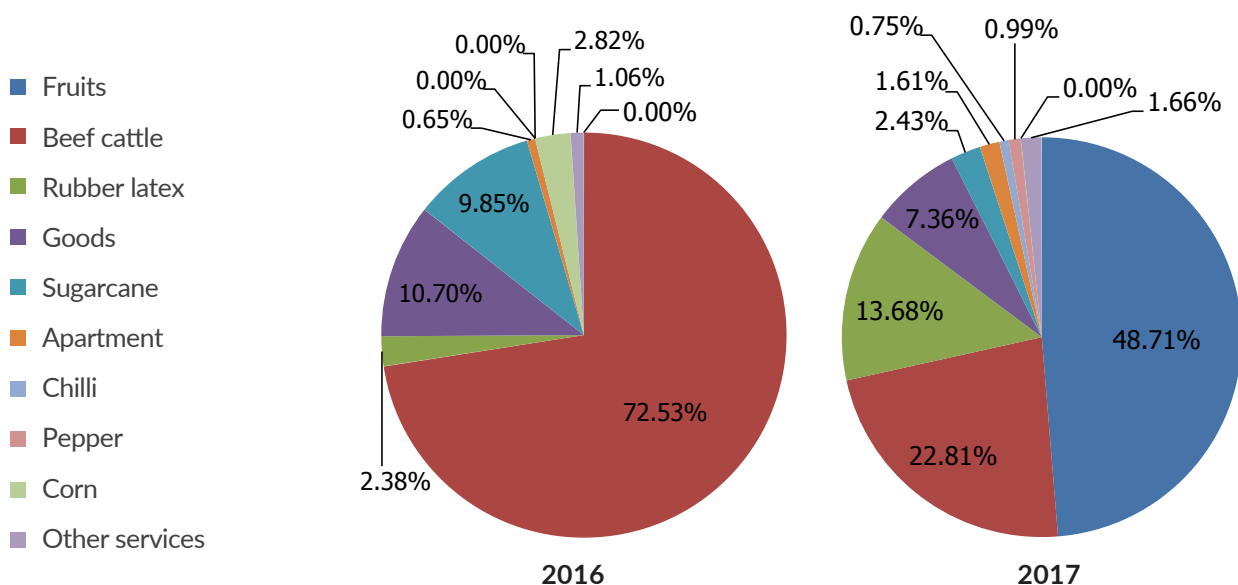
Unit: VND billion

Items	2016	2017	increase/ decrease 2017
Total assets	34,995.22	32,282.18	(7.75)%
Current assets	6,474.76	4,416.62	(31.79)%
Inventories	1,495.41	1,008.56	(32.56)%
Liabilities	25,272.15	22,129.41	(12.44)%
Current liabilities	6,322.75	6,601.21	4.40%
Owner's equity	9,723.07	10,152.77	4.42%
Net revenue	4,785.40	3,321.02	(30.60)%
Profit before tax	(1,647.04)	441.25	
Profit after tax	(1,777.85)	530.46	

a. Revenue

Revenue structure has markedly changed over the past two years. In 2016, the cattle sector played the key role accounting for 72.53%, followed by sales of goods and sugar for 10.70% and 9.85% respectively. In 2017, the largest contributor to the revenue came from fruit plantations accounting for 48.71%, and the cattle sector ranked second in the revenue structure accounting for 22.81%. Ranked third in revenue was from sales of rubber latex which increased 398% as compared to 2016, showing a visible improvement in rubber sector. Ranked fourth in revenue was from sales of goods and products.

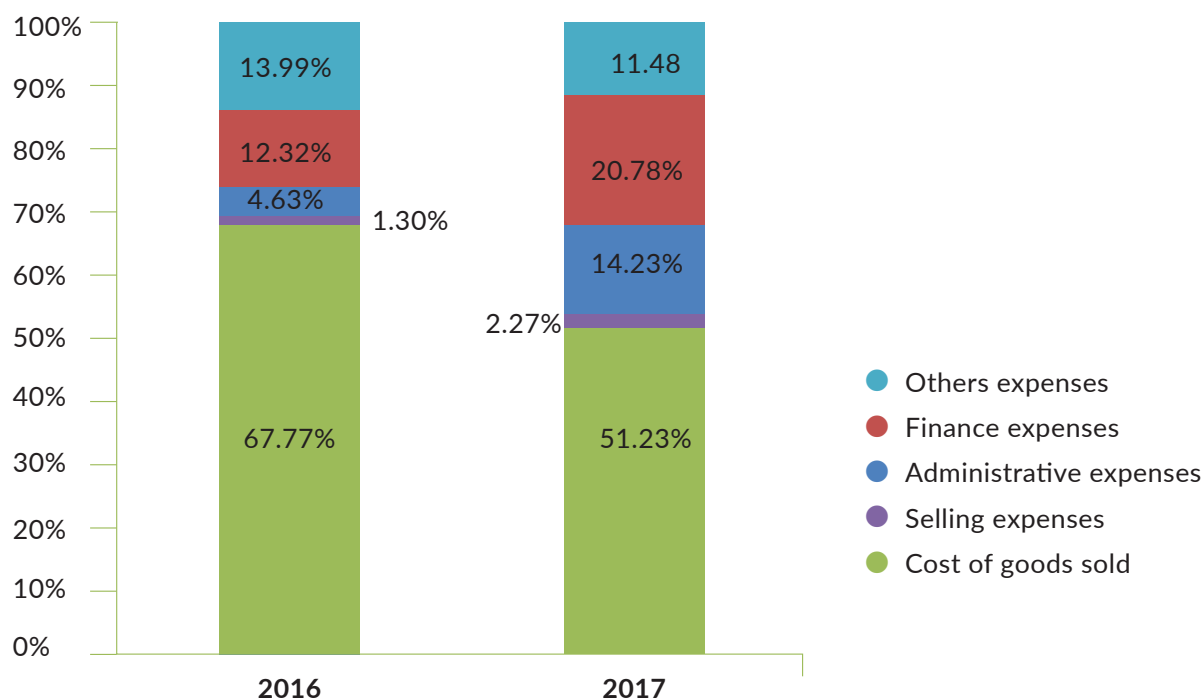
Revenue by sector in 2017



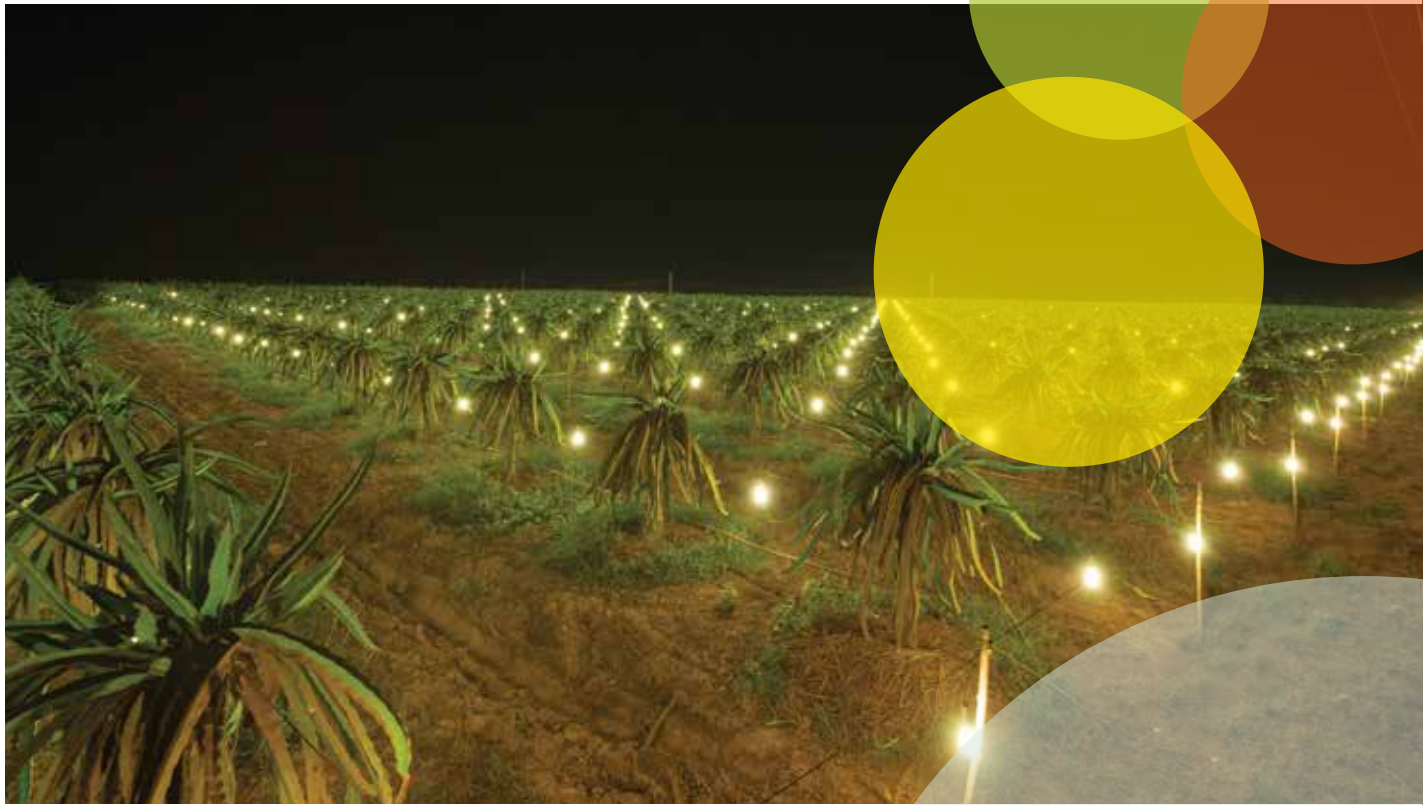
b. Expenses

In terms of operating expense structure, 2017 did not witness major change in the order of proportion of the Company's total operating expense. Thanks to the business restructuring, the operating expenses in 2017 decreased to VND 4,112 billion, accounting for only 60% as compared to the same period last year. The largest decrease came from cost of goods sold, accounting for 51.23%. It occupied the highest proportion in the operating expense structure in 2017. Finance expenses ranked second, accounting for 20.78%; the general and administrative expenses ranked third, accounting for 14.23%; and other expenses ranked fourth, accounting for 11.48%.

Expense structures



REPORT OF THE BOARD OF MANAGEMENT (CONT.)



01. Assessment of the business performance (cont.)

c. Comments on the business performance in 2017

Advantage

The Company operates mainly in agriculture with diversified commodities, allowing the Company to flexibly respond to the complex movements of the market.

The Company has taken out long-term land lease granted by the Governments of Vietnam, Laos and Cambodia. With a huge and continuous land bank adjacent to the river, the Company can be engaged in agro-industrial cultivation and cattle-breeding projects. At the same time, the Company can easily apply advanced technology to land preparation, maintenance, harvest and production, which result in high productivity and competitive price.

The Company employs a team of dynamic managers and employees with a sense of unity and long-term commitment, who are willing to learn and quickly adapt themselves to new business sectors.

Difficulties

Beef cattle: due to shortage of investment capital, the size of cattle herd remains just enough to make use of manure for planting and maintaining the industrial-agricultural crops.

Finance: although the Company has successfully restructured debts, the financial position has not recovered yet due to the fact that we are still in the restructuring period.

REPORT OF THE BOARD OF MANAGEMENT (CONT.)

02. Financial position

a. Assets

Unit: VND billion

Item	2016	2017	% Increase/ Decrease
Current assets	6,474.76	4,416.62	(31.79)
Long-term assets	28,520.46	27,865.56	(2.30)
Total assets	34,995.22	32,282.18	(7.75)

The Company's total assets shrank by 7.75% in 2017, down to VND 32,282 billion, due to the decrease in current assets caused by short-term receivables and inventories.

b. Liabilities

Unit: VND billion

Item	2016	2017	% Increase/ Decrease
Current liabilities	6,322.75	6,601.21	4.40
Long-term liabilities	18,949.40	15,528.21	(18.05)
Total liabilities	25,272.15	22,079.71	(12.63)
Owner's equity	9,723.07	10,152.77	4.42
Total liabilities and owner's equity	34,995.22	32,282.18	(7.75)

The total liabilities in 2017 fell by 12.63% compared to 2016, of which the current liabilities increased by 4.4%, and long-term liabilities declined by 18.05%. This caused the ratio of total loans and debts over total assets decreased from 0.72 in 2016 to 0.68 in 2017. The Company has gradually improved its financial position.

c. Finance expenses

Unit: VND billion

Item	2016	2017
Short-term loans	2,658.33	1,725.06
Long-term loans	17,432.57	12,436.18
Interest expenses	750.17	813.22
Interest expenses /net revenue	15.68%	24.49%

The ratio of interest expenses /net revenue of the Company is at a high rate of 24.49%. The profit of the Company may be impacted in case of interest adjustment. The Company is making debt reduction under restructuring plan.

REPORT OF THE BOARD OF MANAGEMENT (CONT.)

03. The improvement on organizational structure, policies and management

In 2017, HAGL Agrico underwent significant organizational changes corresponding to the existing business position:

- Completing the transfer of sugarcane project to a Third Party on 22/5/2017.
- Appointing Ms. Vo Thi My Hanh as General Director, replacing Mr. Nguyen Xuan Thang on 30/6/2017.
- Appointing Ms. Nguyen Thi Hai Yen as Head of BOS, replacing Mr. Le Hong Phong on 30/6/2017.

04. Development plan in the future

- In 2018, the Company continues overall restructuring plan emphasizing safety in investment and business.
- The Company will still focus on core business sectors such as fruit plantation development and rubber latex exploitation.
- The Company continues joining the supply chain of fruit originated from Vietnam, Laos and Cambodia for oversea export, mainly to Chinese market. We will also coordinate with some partners to develop a fruit distribution system in Vietnam.
- In 2018, the Company is expected to earn good revenue from rubber latex, passion fruit, banana, dragon fruit, chilli, mango and jackfruit.



REPORT OF THE BOARD OF DIRECTORS

01. Assessment of the BOD on the business performance



Rubber: the rubber plantations of the Company have not been fully exploited due to a sharp decrease in rubber prices over the years; therefore, revenue did not offset costs. 2017 witnessed a rebound in international rubber prices enabling the Company to use it as a lever for latex harvest. Revenue from rubber in 2017 reached VND 454 billion, 4 times as much as 2016, accounting for 13.67% in the revenue structure.

Beef cattle: the herd was reduced to 13,000 heads in 2017. Livestock features a substantial working capital while the Company financial position in 2017 showed no noticeable signs of improvement. Lacking working capital for the livestock, the Company proactively reduced the herd size.

Fruits: redundant land bank in Vietnam, Laos and Cambodia is made use of to grow fruit and spice plants. 18 types of fruits are planted on over 13,524 ha of which the main crops including passion fruit, dragon fruit and banana are cultivated in line with the GlobalGAP for export, thus raising the value of Company fruit. Such advantage of scale enables HAGL Agrico to directly deal with foreign partners, make profit from both cultivation and the whole value chain, and fully eliminate middlemen as in the case of most farmers.

Sugarcane: in the year, the Company completely transferred the sugarcane sector to a Third Party.

Finance: though the credit organizations have restructured the Company's debts, the Company is still in its restructuring stage. Consequently, the Company financial position showed no sign of visible improvement.

REPORT OF THE BOARD OF DIRECTORS (CONT.)

02. Assessment of the BOD on the operation of the BOM



The BOD supervised the operations of the BOM as required by the Charter and Regulation on Company Governance. Under the BOD direction, the BOM devised production and business plan and carried out the tasks worked out. In 2017, the BOD highly assessed the BOM's running operations. The BOM abided by and properly implemented all the resolutions and decisions by the BOD without delay, consequently advancing the Company production and business operations as oriented by the BOD. The BOM also regularly made detailed and updated report on the progress of implementation as well as hindrance or difficulty arising in the course of realizing the business plan for the BOD's steering.

The BOD and the BOM retained regular communication, closely coordinated in orienting, steering and implementing business affairs through the periodic and extraordinary meetings. Thereby, the BOD and the BOM could keep track of the Company's position and movements and sort out the problems of raising capital for maintaining plantations, negotiating with creditors to reschedule the principal and interest payments, and other problems arising in the course of realizing the business plan. For that reason, most of the major problems occurring in the Company were promptly and efficiently settled.

According to the assessment by the BOD, the BOM did not achieve the targets of profit and revenue in 2017. However, in the year the BOM successfully fulfilled their assignments, specifically:

- Successful transfer of sugarcane project to the third party;
- Initial exploitation of fruit plantations yielding positive results;
- Satisfactory completion of debt restructure, disposal of inefficient business sectors; and
- Successful negotiation to exchange a number of debts for Company share capital.

REPORT OF THE BOARD OF DIRECTORS (CONT.)

03. Plan and orientation of the BOD



In 2018, the Company continues to plant, nurse and make concentrated exploitation of fruit plantations, and accelerates latex harvest.

The advantage of fruit trees grown by HAGL Agrico have an advantage of quick maturing crops, making early cost recovery possible, providing quick cash inflow the Company. That exhibits a distinct difference with the planting of rubber trees which requires long-term investment capital and results in slow capital return; this obstructs the Company's investment cash flow when rubber prices slump.

So far, nearly 1,500 ha of HAGL Agrico fruit area get GlobalGAP certification. The Company finds that application of GlobalGAP provides effective organization and control at the plantations currently. GlobalGAP set of standards offers the Company a competitive advantage in exports to big and challenging markets like Japan, the US, and EU.

REPORT OF THE BOARD OF SUPERVISORS

01. Members of the BOS

Name	Position	Number of share holding	Holding percentage/ charter capital	Remark
Ms. Nguyen Thi Hai Yen	Head	1,000	0.0001%	Resigned on 30/06/2017
Mr. Le Hong Phong	Head			Appointed on 30/06/2017
Mr. Pham Ngoc Chau	Member			
Mr. Duong Tran Hung	Member	2,000	0.0003%	

02. Activities of the BOS

In 2017, the BOS supervised the BOD and the BOM in terms of rationality, legality, honesty and prudence in managing and operating business activities as follows:

- Attending the BOD's meetings in order to timely keep track of practical business position and to consider the appropriateness of the Resolutions and decisions of the BOD and the BOM in the management activities.
- Assessing the management and implementation of the BOM on the business and production activities according to the business strategy and policy of the BOD.
- Supervising the information announcement of the Company in accordance with the regulations of Laws and ensuring that the information provided to shareholders is accurate, completed and timely.
- Checking the compliance with the Laws and Charter of the Company; monitoring the implementation results of the resolutions of the General Meeting of Shareholders (GMS) and the BOD.
- Assessing and verifying the information in the quarterly, interim and annual financial statements of the Company as true, fair, and consistent in full compliance with legal requirements.
- Discussing with the external auditors the audit results of financial statements for 2016 and the results of reviewed interim financial statements of 2017.

REPORT OF THE BOARD OF SUPERVISORS (CONT.)

03. Performance of the BOS

a. Supervising the implementation of Resolution of the 2017 GMS

During the year, the Company has implemented the Resolution approved by the 2017 GMS as follows:

Revenue:

The revenue in 2017 was VND 3,321 billion, equivalent to 69.29% against VND 4,793 billion set in Resolution of the 2017 GMS.

Profit:

Profit before tax in 2017 was VND 441 billion, equivalent to 95.72% against VND 461 billion set in Resolution of the 2017 GMS. The Company did not implement the appropriation of 5% to the investment and development fund and 3% to the welfare fund as well as there were no dividends and remuneration payment to the BOD, the BOM, and the BOS.

b. Reviewing the financial statements

The BOS discussed with the external auditor on the nature and scope of the audit. The BOS established the working procedures with the Company's external auditor, Ernst & Young Vietnam, Ltd. ("EY"). Accordingly, the BOS actively involved in the process of issuing quarterly, interim and annual financial statements of the Company. The BOS reviewed and analyzed the fluctuations of material items in the financial statements and reported the results to the BOD before the Company's issuance of financial statements.

The BOS assessed the quarterly, interim and annual financial statements as true, fair, and consistent in full compliance with legal requirements. The BOM carefully evaluated and estimated the accounting and financial statements, and agreed with the audited financial statements for 2017.

REPORT OF THE BOARD OF SUPERVISORS (CONT.)

04. Supervising the activities of the BOD and the BOM

- Evaluating the management and implementation of the business operations of the BOM upon the business strategy and policy set up by the BOD.
- Supervising the implementation of information announcement of the Company in accordance with the Laws.
- Supervising the compliance with the Laws and the Company's Charters, monitoring the implementation of Resolutions of the GMS and Resolutions of the BOD.
- Attending the meetings of the BOD and considering the appropriateness of the Resolutions and decisions of the BOD and the BOM in the management activities.
- Verifying the quarterly, interim and annual financial statements.
- Discussing with the external auditors the audit results of financial statements in 2017.

05. The coordination among the BOS, the BOD and the BOM

The BOD and BOM always create the favorable conditions for the BOS in the course of performing the BOS's functions and duties. The BOS has a close cooperation with the BOD and the BOM to keep track of practical business position so that the BOS can give the opinions based on the shareholder's benefit.

06. Operation plan of the BOS in 2018

In order to perform responsibilities of the BOS in compliance with the Law on Enterprises and the Company Charter, the BOS set out its plan as follows:

- Supervising the observance of the Company's Charter and Resolutions of the GMS.
- Supervising the management and operation of the BOD and the BOM;
- Checking, assessing the quarterly, interim and annual financial statements and other financial issues;
- Checking and supervising the implementation of the Company's business plan for 2018 and the investment in the fruit plantations of the Company; and
- Other issues.

CORPORATE GOVERNANCE

01. Transactions, remunerations and interests of the BOD, BOM and BOS

a. Transactions of the internal shareholders and related persons to the Company's share

No.	Transaction executor	Relationship with internal person	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increase/decrease
			Number of shares	Percentage	Number of shares	Percentage	
1.	Hoang Anh Gia Lai Joint Stock Company	Holding company	540,458,340	60.94%	488,665,840	55.1%	Bond converted to shares; as secured assets for loan restructuring
2.	Vo Truong Son	Member of the BOD	500,000	0.056%	1,000,000	0.11%	Purchase
3.	Vo Thi My Hanh	Member of the BOD cum General Director	5,000	0.006%	505,000	0.057%	Purchase
4.	Hoang Dinh Quy	Deputy General Director	1,000	0.0001%	0	0%	Sell
Total			540,964,340		490,170,840		

b. Implementation of regulations on corporate governance

The Company always maintains up-to-date regulations promulgated by the State Securities Commission and strictly adheres to the internal management of the Company.

02. The Board of Directors

Member of the BOD

Name	Position	Number of share holding	Holding percentage/charter capital	Remarks
Mr. Doan Nguyen Duc	Chairman			
Mr. Vo Truong Son	Member			
- Capital representative of HAGLJSC		488,665,840	55.10%	
- Owning individuals		1,000,000	0.11%	
Mr. Doan Nguyen Thu	Member			
Ms. Vo Thi Huyen Lan	Member			
Mr. Nguyen Xuan Thang	Member			Appointed on 30/06/2017
Mr. Nguyen Ngoc Anh	Member			
Mr. Nguyen Quang Anh	Member	5,000	0.006%	
Ms. Vo Thi My Hanh	Member	505,000	0.057%	Resigned on 30/06/2017

CORPORATE GOVERNANCE

(CONT.)

03. Activities of the BOD

In 2017, the BOD instructed and supervised the activities of the BOM on following issues:

- Asking shareholder's opinion in writing on the private placement;
- Directing and supervising the production and business activities of the Company to ensure good maintenance of rubber plantations and latex exploitations;
- Expanding the business activities in fruit production sector through fruit planting on redundant land bank;
- Successfully convening the General Meeting of Shareholders in 2017;
- Supervising the implementation on the Resolutions issued by the GMS and the BOD;
- Instructing and supervising the cash flow management, maintaining the liquidity of the Company; and
- Other issues within the power of the BOD.

a. Meetings of the BOD

During the year, the BOD has organized the following meetings:

Member of the BOD	Position	Date of election as/ dismissal from BOD member	Number of attendance	Attendance rate	Reason for non- attendance
Mr. Doan Nguyen Duc	Chairman		11/11	100%	
Mr. Vo Truong Son	Member		11/11	100%	
Mr. Doan Nguyen Thu	Member		11/11	100%	
Ms. Vo Thi Huyen Lan	Member		11/11	100%	
Mr. Nguyen Xuan Thang	Member	30/06/2017	6/6	100%	Appointed on 30/06/2017
Mr. Nguyen Ngoc Anh	Member		11/11	100%	
Mr. Nguyen Quan Anh	Member		11/11	100%	
Ms. Vo Thi My Hanh	Member	30/06/2017	5/5	100%	Resigned on 30/06/2017

CORPORATE GOVERNANCE

(CONT.)

03. Activities of the BOD (cont.)

b. The resolutions of the BOD in 2017

No	Resolution/Decision	Date	Agenda
1	2002/17/NQHĐQT-HAGL Agrico	20/02/2017	Approval on the record date for collecting shareholders' opinion in writing about private placement
2	2403/17/NQHĐQT-HAGL Agrico	24/03/2017	Approval on the postponement of asking shareholders' approval in writing
3	0505/17/NQHĐQT-HAGL Agrico	05/05/2017	Approval on the personnel change in the BOM
4	0905/17/NQHĐQT-HAGL Agrico	09/05/2017	Approval on the record date for the 2017 GMS
5	1505/17/NQHĐQT-HAGL Agrico	15/05/2017	Approval on asking shareholders' opinions in writing for the private placement to swap debts
6	2006/17/NQHĐQT-HAGL Agrico	20/06/2017	Approval on the issues reported and submitted to the 2017 GMS
7	0407/17/NQHĐQT-HAGL Agrico	04/07/2017	Approval on suspending the private placement for debt swap under the Resolution No. 0706/17/NQHĐQT-HAGL Agrico date 07/06/2017
8	1807/17/NQHĐQT-HAGL Agrico	18/07/2017	Approval on the record date for asking shareholder's opinions in writing about private placement
9	0208/17/NQHĐQT-HAGL Agrico	02/08/2017	Approval on adjusting time to ask shareholder's opinions in writing
10	2209/17/NQHĐQT-HAGL Agrico	22/09/2017	Approval on implementing the plans for private placements in 2017
11	1011/17/NQHĐQT-HAGL Agrico	10/11/2017	Approval on assigning the Finance and Accounting Department to strengthen the review of accounting data and focusing on the preparation of financial statements in Q4/2017

c. List of members of the BOD, the BOS and the BOM possessing certificates on corporate governance.

The Company always facilitates for the members of the BOD, the BOS, the BOM, and the Secretary of the Company to take part in the training courses on corporate governance.





FINANCIAL STATEMENTS

CONTENTS

01. General information	70
02. Report of management	72
03. Independent auditors' report	73
04. Consolidated balance sheet	75
05. Consolidated income statement	77
06. Consolidated cash flow statement	78
07. Notes to the consolidated financial statements	80

GENERAL INFORMATION

THE COMPANY

Hoang Anh Gia Lai Agricultural Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate (“BRC”) No. 5900712753 issued by the Department of Planning and Investment (“DPI”) of Gia Lai Province on 26 May 2010 and fifteen (15) amended BRCs.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange (stock code “HNG”) in accordance with Decision No. 278/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 10 July 2015.

As at 31 December 2017, the Company had eleven (11) direct subsidiaries, ten (10) indirect subsidiaries and two (2) associates.

The registered principal activities of the Company are breeding and trading dairy cows and cows for meat; planting and trading rubber latex; palm oil; fruits; generating and trading seeding; afforesting and related materials; constructing houses; constructing industrial and civil projects.

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

BOARD OF DIRECTORS

Members of the Board of Directors during the 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	
Mrs Vo Thi My Hanh	Member	appointed on 30 June 2017
Mr Nguyen Xuan Thang	Member	resigned on 30 June 2017
Mrs Vo Thi Huyen Lan	Member	
Mr Nguyen Ngoc Anh	Member	
Mr Nguyen Quan Anh	Member	

BOARD OF SUPERVISORS

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

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

GENERAL INFORMATION (CONTINUED)

MANAGEMENT

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

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

LEGAL REPRESENTATIVES

The legal representative of the Company during the year and at the date of this report are

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

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

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 2017.

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 2017 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 the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



Vo Thi My Hanh
General Director

Gia Lai Province, Vietnam
30 March 2018

INDEPENDENT AUDITORS' REPORT

Reference: 61280353/19355528-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 30 March 2018 and set out on pages 6 to 78, which comprise the consolidated balance sheet as at 31 December 2017, 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 the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the 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's consider 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)

Opinion

In our opinion, 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 2017, 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 the preparation and presentation of the consolidated financial statements.

Emphasis of matter

We draw attention to Note 2.2 of the consolidated financial statements. The accompanying consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern. As at 31 December 2017, the Group's current liabilities exceeded its current assets by VND'000 2,184,583,362. In addition, as at that date, the Group is in violation of certain terms and conditions as mentioned in Note 24.2, 24.4 and 24.5 of the consolidated financial statements. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Doan Thi Thu Thuy
Deputy General Director
Audit Practicing Registration Certificate
No. 1070-2018-004-1



Pham Thi Cam Tu
Auditor
Audit Practicing Registration Certificate
No. 2266-2018-004-1

Ho Chi Minh City, Vietnam
30 March 2018

CONSOLIDATED BALANCE SHEET

as at 31 December 2017

B01-DN/HN

VND'000

Code	ASSETS	Notes	Ending balance	Beginning balance (As restated - Note 39)
100	A. CURRENT ASSETS		4,416,622,838	6,474,756,155
110	I. Cash and cash equivalents	5	53,262,986	311,458,305
111	1. Cash		50,262,986	296,458,305
112	2. Cash equivalents		3,000,000	15,000,000
130	II. Current accounts receivable		3,315,582,027	4,647,938,185
131	1. Short-term trade receivables	6	2,008,940,531	1,679,695,030
132	2. Short-term advances to suppliers	7	735,872,145	1,733,579,210
135	3. Short-term loan receivables	8	357,633,041	399,490,706
136	4. Other short-term receivables	9	226,179,121	841,151,541
137	5. Provision for short-term doubtful receivables	6	(13,042,811)	(5,978,302)
140	III. Inventories	10	1,008,560,404	1,495,406,566
141	1. Inventories		1,015,931,766	1,680,531,509
149	2. Provision for obsolete inventories		(7,371,362)	(185,124,943)
150	IV. Other current assets		39,217,421	19,953,099
151	1. Short-term prepaid expenses	16	28,460,482	8,008,788
152	2. Value-added tax deductible		10,428,256	6,633,439
153	3. Tax and other receivables from the State	20	328,683	5,310,872
200	B. NON-CURRENT ASSETS		27,865,557,407	28,520,463,355
210	I. Long-term receivables		2,651,637,754	2,525,035,814
215	1. Long-term loan receivables	8	2,005,714,973	1,897,793,366
216	2. Other long-term receivables	9	645,922,781	627,242,448
220	II. Fixed assets		6,900,466,447	6,848,887,310
221	1. Tangible fixed assets	11	6,870,301,911	6,812,407,374
222	Cost		7,989,910,734	8,015,686,610
223	Accumulated depreciation		(1,119,608,823)	(1,203,279,236)
227	2. Intangible assets	12	30,164,536	36,479,936
228	Cost		54,845,260	54,845,260
229	Accumulated amortisation		(24,680,724)	(18,365,324)
240	III. Long-term asset in progress		13,347,574,348	13,360,385,870
242	1. Construction in progress	13	13,347,574,348	13,360,385,870
250	IV. Long-term investment	15	861,491,710	889,561,285
252	1. Investment in associates		861,491,710	889,561,285
260	V. Other long-term assets		4,104,387,148	4,896,593,076
261	1. Long-term prepaid expenses	16	552,520,160	951,653,416
262	2. Deferred tax assets	33.2	54,262,577	38,764,262
269	3. Goodwill	17	3,497,604,411	3,906,175,398
270	TOTAL ASSETS		32,282,180,245	34,995,219,510

CONSOLIDATED
BALANCE SHEET (continued)
as at 31 December 2017

B01-DN/HN

VND'000

Code	RESOURCES	Notes	Ending balance	Beginning balance (As restated - Note 39)
300	C. LIABILITIES		22,129,411,861	25,272,150,147
310	I. Current liabilities		6,601,206,200	6,322,752,789
311	1. Short-term trade payables	18	684,133,747	747,126,722
312	2. Short-term advances from customers	19	368,099,058	255,486,294
313	3. Statutory obligations	20	71,013,027	120,154,736
314	4. Payables to employees		60,471,407	50,924,302
315	5. Short-term accrued expenses	21	983,750,298	419,873,647
318	6. Short-term unearned revenues	22	24,010,127	9,101,752
319	7. Other short-term payables	23	2,684,669,944	2,061,755,834
320	8. Short-term loans	24	1,725,058,592	2,658,329,502
330	II. Non-current liabilities		15,528,205,661	18,949,397,358
337	1. Other long-term liabilities	23	3,080,107,726	1,407,316,059
338	2. Long-term loans	24	12,436,181,455	17,432,565,186
341	3. Deferred tax liabilities	33.2	11,916,480	109,516,113
400	D. OWNERS' EQUITY		10,152,768,384	9,723,069,363
410	I. Capital		10,152,768,384	9,723,069,363
411	1. Share capital	25.1	7,671,438,950	7,671,438,950
411a	- Shares with voting rights		7,671,438,950	7,671,438,950
412	2. Share premium	25.1	1,064,550,810	1,064,550,810
417	3. Foreign exchange differences reserve	25.1	454,592,390	543,342,876
421	4. Undistributed earnings	25.1	911,299,891	383,861,675
421a	- Undistributed earnings by the end of prior years		383,861,675	2,126,574,755
421b	- Undistributed earnings (losses) of current year		527,438,216	(1,742,713,080)
429	5. Non-controlling interests	26	50,886,343	59,875,052
440	TOTAL LIABILITIES AND OWNERS' EQUITY		32,282,180,245	34,995,219,510



Phạm Thị Lưu Ly
Preparer



Ho Thị Tuyết Loan
Chief Accountant



Võ Thị Mỹ Hạnh
General Director

30 March 2018

CONSOLIDATED INCOME STATEMENT

B02-DN/HN

as at and for the year ended 31 December 2017

VND'000

Code	ITEMS	Notes	Current year	Previous year (As restated - Note 39)
01	1. Revenue from sale of goods and rendering of services	28.1	3,321,021,229	4,785,399,649
02	2. Deductions	28.1	-	(1,249,713)
10	3. Net revenue from sale of goods and rendering of services	28.1	3,321,021,229	4,784,149,936
11	4. Cost of goods sold and services rendered	29	(2,106,498,608)	(4,624,177,419)
20	5. Gross profit from sale of goods and rendering of services		1,214,522,621	159,972,517
21	6. Finance income	28.2	1,014,721,130	230,097,487
22	7. Finance expenses	30	(854,439,086)	(840,423,931)
23	<i>In which: Interest expense</i>		(813,216,302)	(750,166,442)
24	8. Shares of (loss) profit of an associate	15	(28,069,575)	15,581,670
25	9. Selling expenses	31	(93,271,543)	(88,821,909)
26	10. General and administrative expenses	31	(585,188,578)	(315,875,117)
30	11. Operating profit (loss)		668,274,969	(839,469,283)
31	12. Other income	32	245,097,700	146,947,925
32	13. Other expenses	32	(472,117,888)	(954,522,953)
40	14. Other loss	32	(227,020,188)	(807,575,028)
50	15. Accounting profit (loss) before tax		441,254,781	(1,647,044,311)
51	16. Current corporate income tax expense	33.1	(23,890,080)	(2,769,781)
52	17. Deferred tax income (expense)	33.2	113,097,948	(128,038,244)
60	18. Net profit (loss) after tax		530,462,649	(1,777,852,336)
61	19. Net profit (loss) after tax attributable to shareholders of the parent		527,438,216	(1,742,713,080)
62	20. Net profit (loss) after tax attributable to non-controlling interests	26	3,024,433	(35,139,256)
70	21. Basic earnings (loss) per share (VND)	27	688	(2,297)
71	22. Diluted earnings (loss) per share (VND)	27	581	(2,297)



Phạm Thị Lưu Ly
Preparer



Hồ Thị Tuyết Loan
Chief Accountant



Võ Thị Mỹ Hạnh
General Director

30 March 2018

CONSOLIDATED CASH FLOW STATEMENT

as at and for the year ended 31 December 2017

B03-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Previous year (As restated - Note 39)
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting profit (loss) before tax		441,254,781	(1,647,044,311)
	Adjustments for:			
02	Depreciation and amortisation (include amortisation of goodwill)	11, 12, 17	970,643,111	727,028,741
03	(Reversal of provisions) provisions		(170,689,072)	183,550,649
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currencies		31,328	52,683,376
05	Profits from investing activities		(1,137,148,598)	(346,012,602)
06	Interest expenses	30	813,216,302	750,166,442
08	Operating profit (loss) before changes in working capital		917,307,852	(279,627,705)
09	Decrease in receivables		1,288,679,730	880,114,164
10	Decrease in inventories		438,256,606	962,148,873
11	Decrease in payables		(327,440,018)	(1,084,229,374)
12	Increase in prepaid expenses		(811,767,701)	(127,007,397)
14	Interest paid		(268,076,880)	(353,482,489)
15	Corporate income tax paid	33.1	(1,000,064)	(239,528)
20	Net cash flows from (used in) operating activities		1,235,959,525	(2,323,456)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(1,009,565,068)	(2,185,529,954)
22	Proceeds from disposals of fixed assets		463,410,814	547,530,515
23	Loans to other entities		(914,350,263)	(715,111,278)
24	Collections from borrowers		988,740,053	389,552,552
25	Payments for investments in other entities		-	(4,619,176,184)
26	Proceeds from disposal of investments in subsidiaries		1,450,356,816	-
27	Interest received		54,094,406	93,016,993
30	Net cash flows from (used in) investing activities		1,032,686,758	(6,489,717,356)

CONSOLIDATED
CASH FLOW STATEMENT (continued)
as at and for the year ended 31 December 2017

B03-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Previous year (As restated - Note 39)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Proceeds from share issuance	25.1	-	1,652,000,000
33	Drawdown of loans and borrowings		2,465,240,508	10,323,177,911
34	Repayment of loans and borrowings		(4,992,082,110)	(5,503,639,814)
40	Net cash flows (used in) from financing activities		(2,526,841,602)	6,471,538,097
50	Net decrease in cash and cash equivalent for the year		(258,195,319)	(20,502,715)
60	Cash and cash equivalent at beginning of the year		311,458,305	331,961,020
70	Cash and cash equivalents at the end of the year	5	53,262,986	311,458,305



Phạm Thị Lưu Ly
Preparer



Ho Thi Tuyet Loan
Chief Accountant



Võ Thị Mỹ Hạnh
General Director

30 March 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B09-DN/HN

as at 31 December 2017 and for the year then ended

1. CORPORATE INFORMATION

Hoang Anh Gia Lai Agricultural Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate (“BRC”) No. 5900712753 issued by the Department of Planning and Investment (“DPI”) of Gia Lai Province on 26 May 2010 and fifteen (15) amended BRCs.

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

As at 31 December 2017, the Company had eleven (11) direct subsidiaries, ten (10) indirect subsidiaries and two (2) associates, 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 Ratanakiri Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	100.00
(6) Heng Brothers Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	100.00
(7) Hoang Anh Oyadav Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	100.00
(8) CRD Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	100.00
(9) Hoang Anh Andong Meas Co., Ltd.	Ratanakiri, Cambodia	Operating	97.77
(10) Hoang Anh Gia Lai Import - Export Trading One Member Co., Ltd.	Gia Lai, Vietnam	Operating	100.00
(11) Highland Dairy Cattle Joint Stock Company	Gia Lai, Vietnam	Operating	99.00
(12) Dong Penh Joint Stock Company	Gia Lai, Vietnam	Operating	99.90

NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

B09-DN/HN

1. CORPORATE INFORMATION (continued)

Name of subsidiaries	Location	Status of operation	Holding interest (%)
(13) Daun Penh Agrico Co., Ltd.	Ratanakiri, Cambodia	Operating	99.90
(14) An Dong Mia Joint Stock Company	Gia Lai, Vietnam	Operating	69.50
(15) Hoang Anh Lum Phat Co., Ltd.	Ratanakiri, Cambodia	Pre-operating	69.50
(16) Indochina Rubber Investment and Development Co., Ltd.	Ho Chi Minh, Vietnam	Operating	100.00
(17) Binh Phuoc Kratie Rubber 2 Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(18) Sovann Vuthy Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(19) Eastern Europe Rubber Investment Co., Ltd.	Ho Chi Minh, Vietnam	Pre-operating	100.00
(20) Eastern Rubber (Cambodia) Co., Ltd.	Kratie, Cambodia	Pre-operating	100.00
(21) Trung Nguyen Rubber Joint Stock Company	Gia Lai, Vietnam	Operating	99.91

Pre-operating status means the subsidiaries are still under investments stage and have not yet started their commercial operations as at 31 December 2017.

The registered principal activities of the Company and its subsidiaries ("the Group") are breeding and trading dairy cows and cows for meat; planting and trading rubber latex; palm oil; fruits; generating and trading seedlings; afforesting and related materials; constructing houses; constructing industrial and civil projects.

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

The number of the Group's employees as at 31 December 2017 is 2,129 (31 December 2016: 3,249).

2. BASIS OF PREPARATION

2.1 Applied 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 Going concern assumption

The consolidated financial statements have been prepared on a going concern basis, which presumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of operations for the foreseeable future.

As at 31 December 2017, the Group’s current liabilities exceeded its current assets by VND’000 2,184,583,362. In addition, as at that date, the Group is in violation of bank and bond terms and conditions as mentioned in Note 24.2, 24.4 and 24.5 of the consolidated financial statements. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern.

As at the date of these consolidated financial statements, the Group is still in progress to develop their projects in order to ensure operating cash flows of the Group, restructure debts and is in progress to negotiate with lenders to amend some breached terms and conditions relating to loan and bond contracts. Accordingly, management still prepare the consolidated financial statements on a going concern basis.

The accompanying consolidated financial statements of the Group do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PREPARATION (continued)

2.3 Applied accounting documentation system

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

2.4 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.

2.5 Accounting currency

The Group's accounting currency are ("VND").

The Group's consolidated financial statements are prepared in thousands of Vietnam dong ("VND'000").

2.6 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 2017.

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.

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 debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as 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 - Cost on a weighted average basis.

Finished goods and work-in-process - Cost of direct materials and labour plus attributable overheads based on the normal level of activities.

Inventory properties

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

Cost includes:

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortisation

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

Buildings & 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

Rubber and pepper plantations

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

Dragon fruit plantations

Management estimated to start harvesting the dragon fruit plantation after 8 to 9 months of cultivation. Accordingly, the Group would be transferred from construction in progress to tangible fixed assets after such mentioned years and depreciation will be started accordingly.

Palm oil plantations

According to the research of the Group's palm oil plantations carried out by Vietnamese Academy of Forest Science of South Central Coast and Central Highlands on August 2017, the management estimated to start harvesting the palm oil plantation after 6 years, which were suitable to development features of the Group's oil palm plantations in Cambodia and Laos. Accordingly, the Group would be transferred from construction in progress to tangible fixed assets after such mentioned years and depreciation will be started accordingly.

Depreciation of plantations

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.

Depreciation of dragon fruits and pepper trees plantations is calculated in accordance with Decision No. 115/17/QD-HAGL Agrico dated 8 August 2017 of Management providing guidance on depreciation of dragon fruits and pepper plantations over its exploitation cycle.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Depreciation and amortisation (continued)

The details are as follows:

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

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, 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, fruits 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, and fruit plantations 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 offset 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

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 offset 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.

3.20 Segment information

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

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

4. SIGNIFICANT EVENTS

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

On 22 May 2017, the Company transferred 99.99% shares in Hoang Anh Gia Lai Sugar Cane Joint Stock Company and Hoang Anh Attapeu Sugar Cane Co., Ltd. (the "Group of Sugarcane companies") with a total consideration of VND'000 1,330,000,000 to third parties. Accordingly, gain resulting from this transfer of VND'000 608,961,607 was recognised in finance income in the consolidated income statement (Note 28.2).

The Group restated the consolidated financial statements for the year ended 31 December 2016 due to the impact of the mentioned transactions as presented in Note 39.

Transferring all shares in Ban Me Rubber Joint Stock Company

On 1 June 2017, the Company transferred 99.92% shares in Ban Me Rubber Joint Stock Company with total consideration of VND'000 130,000,000 to an individual, a related party (Note 34). Accordingly, gain resulting from this transfer of VND'000 107,418,184 was recognised in finance income in the consolidated income statement (Note 28.2).

5. CASH AND CASH EQUIVALENTS

	VND'000	
	Ending balance	Beginning balance (As restated - Note 39)
Cash at banks	46,452,899	289,622,311
Cash on hand	3,810,087	6,835,994
Cash equivalents (*)	3,000,000	15,000,000
TOTAL	53,262,986	311,458,305

(*) 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 4.3% per year.

6. SHORT-TERM TRADE RECEIVABLES

VND'000

	Ending balance	Beginning balance (As restated - Note 39)
Receivables from sales of goods and rendering of services	1,138,718,726	861,834,420
- <i>Nuth Ton Co., Ltd.</i>	64,738,746	-
- <i>Trinh Thi Than</i>	60,076,852	-
- <i>Thanh An One Member Co., Ltd.</i>	34,400,372	8,512,668
- <i>Others</i>	979,502,756	853,321,752
Receivables from the Laos Government for construction of airports	737,569,190	727,713,177
Receivable from disposal of project	132,652,615	90,147,433
TOTAL	2,008,940,531	1,679,695,030
<i>In which:</i>		
<i>Due from third parties</i>	1,373,049,166	1,100,403,717
<i>Due from related parties (Note 34)</i>	635,891,365	579,291,313
Provision for short-term doubtful receivables	(13,042,811)	(5,978,302)
NET	1,995,897,720	1,673,716,728

7. SHORT-TERM ADVANCES TO SUPPLIERS

VND'000

	Ending balance	Beginning balance (As restated - Note 39)
Advances to suppliers of goods and services	698,980,458	1,537,124,896
- <i>Cat Tuong Agricultural Processing and Production Co., Ltd.</i>	20,218,907	16,251,870
- <i>Hoang Phat Pleiku Transportation Co., Ltd.</i>	16,423,630	6,965,814
- <i>Other suppliers</i>	662,337,921	1,513,907,212
Advances to contractors of construction and suppliers of machineries	33,608,709	193,133,363
Advances to subcontractors of airport projects in Laos	3,282,978	3,320,951
TOTAL	735,872,145	1,733,579,210
<i>In which:</i>		
<i>Due from related parties (Note 34)</i>	632,732,553	1,613,397,390
<i>Due from third parties</i>	103,139,592	120,181,820

8. LOAN RECEIVABLES

	VND'000	
	Ending balance	Beginning balance
Short-term	357,633,041	399,490,706
Loans to related parties (Note 34) (i)	280,606,633	346,140,125
Loans to third parties	77,026,408	53,350,581
Long-term	2,005,714,973	1,897,793,366
Loans to related parties (Note 34) (i)	1,836,056,482	1,815,702,624
Loans to third parties	169,658,491	82,090,742
- Samaki Agricultural Development Co., Ltd. (ii)	141,465,392	82,090,742
- Others	28,193,099	-
TOTAL	2,363,348,014	2,297,284,072

- (i) These loans are unsecured loans to related parties with maturity date from 2018 to 2022 and earn interest rate from 8%/year to 15%/year.
- (ii) These loans are unsecured loans with maturity date from 2021 to 2023

9. OTHER RECEIVABLES

	VND'000	
	Ending balance	Beginning balance (As restated - Note 39)
Short-term	226,179,121	841,151,541
Temporary lending	17,589,684	663,774,612
Advances to employees	72,631,171	42,086,601
Interest from loans to companies	61,470,348	119,212,551
Others	74,487,918	16,077,777
<i>In which:</i>		
<i>Due from related parties (Note 34)</i>	127,811,783	507,112,005
<i>Due from third parties</i>	98,367,338	334,039,536
Long-term	645,922,781	627,242,448
Interest from loans to companies	266,086,939	81,356,191
Temporary lending	248,004,788	397,983,108
Receivable from business co-operation contract (*)	125,750,981	132,347,166
Deposits	6,080,073	14,973,481
Others	-	582,502
<i>In which:</i>		
<i>Due from related parties (Note 34)</i>	639,842,708	588,990,280
<i>Due from third parties</i>	6,080,073	38,252,168
TOTAL	872,101,902	1,468,393,989

9. OTHER RECEIVABLES (continued)

(*) This includes the followings:

An Amount of VND'000 101,100,000 received from Trung Nguyen Rubber Joint Stock Company ("CSTN"), a subsidiary of the Group in accordance to Business Co-operation Contract ("BCC") between CSTN and Gia Lai LiveStock Joint Stock Company, an associate to invest on breeding cattle project with total amount of VND'000 1,499,451,326 for the period of 5 years (from 20 May 2016 to 20 May 2021). The profit from project will be shared on the proportion of of capital contribution; and

An amount of VND'000 24,650,981 received from Gia Lai LiveStock Joint Stock Company, in accordance to BCC with Highland Dairy Cattle Joint Stock Company ("BSTN") regarding to sector of growing passion fruits, dragon fruits, grass and cattle breeding projects at Gia Lai Province, following to contract No. 01/HTKD/BSTN-CNGL dated 11 November 2016 and related appendixes.

10. INVENTORIES

	VND'000	
	Ending balance	Beginning balance (As restated - Note 39)
Work in process	828,112,025	1,243,993,130
<i>In which:</i>		
Construction contract (i)	586,619,642	571,123,747
Cows for meat (ii)	127,025,619	437,115,594
Manufacturing activities	114,466,764	235,753,789
Raw materials	119,053,882	201,992,811
Apartments available for sales (iii)	30,259,823	85,207,487
Finished goods	12,120,220	130,646,482
Tools and supplies	6,380,301	9,379,152
Merchandise goods	20,005,515	9,312,447
TOTAL	1,015,931,766	1,680,531,509
Provision for obsolete inventories	(7,371,362)	(185,124,943)
NET	1,008,560,404	1,495,406,566

(i) This represented the work in process of Nongkhang Airport Construction Project at Hua Phan Province, Lao People's Democratic Republic ("PDR") under contract number LAO - NKP01, dated 15 June 2013 with total inspected amount up to 31 December 2017 of 25,584,644 USD (31 December 2016: 25,584,644 USD). According to Meeting minute No. 27610/GTVT dated 12 December 2017 between representatives of the Investor - the Department of Civil Aviation, the representative of the project Supervisor, and the Group, the project's deadline was extended to June 2019.

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

(iii) Apartments available for sale have been mortgaged to secure the Group's outstanding borrowings (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2017 and for the year then ended

11. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation transmit instrument	Office equipment	Livestock and perennial trees	Other assets	Total
Cost							
Beginning balance (As restated - Note 39)	1,940,690,850	1,944,154,454	1,708,746,497	1,310,465	2,392,058,181	28,726,163	8,015,686,610
Transfer from construction in progress	117,590,648	12,074,696	250,388,417	-	2,041,102,932	665,191	2,421,821,884
New purchases	35,100,945	64,178,653	42,202,420	33,110	138,718,100	200,000	280,433,228
Decrease due to acquisition of subsidiaries	(835,493,560)	(1,158,899,588)	(194,728,489)	(205,802)	-	(5,581,418)	(2,194,908,857)
Disposals	(45,410,081)	(817,600)	(4,872,134)	(126,082)	(458,516,504)	-	(509,742,401)
Reclassify	132,557,296	(448,445,181)	320,018,299	570,296	-	(4,700,710)	-
Foreign exchange differences	(1,412,955)	(32,098,166)	5,618,348	(455)	8,085,038	(3,571,540)	(23,379,730)
Ending balance	1,343,623,143	380,147,268	2,127,373,358	1,581,532	4,121,447,747	15,737,686	7,989,910,734
In which:							
Fully depreciated	10,689,986	27,413,558	23,470,389	750,642	-	1,463,943	63,788,518
Accumulated depreciation							
Beginning balance (As restated - Note 39)	297,022,470	408,840,618	263,749,361	1,083,995	226,993,994	5,588,798	1,203,279,236
Depreciation for the year	126,651,293	79,763,969	163,179,299	131,602	183,914,075	2,116,486	555,756,724
Decrease due to acquisition of subsidiaries	(142,383,071)	(304,808,157)	(55,689,831)	(178,284)	-	(1,433,654)	(504,492,997)
Disposals	(11,085,040)	(36,425)	(1,338,611)	(11,950)	(119,426,052)	-	(131,898,078)
Reclassify	3,538,913	(7,335,831)	2,092,764	293,787	-	1,410,367	-
Foreign exchange differences	7,505,382	(3,784,893)	(5,223,179)	(976)	2,015,121	(3,547,517)	(3,036,062)
Ending balance	281,249,947	172,639,281	366,769,803	1,318,174	293,497,138	4,134,480	1,119,608,823
Net carrying amount							
Beginning balance (As restated - Note 39)	1,643,668,380	1,535,313,836	1,444,997,136	226,470	2,165,064,187	23,137,365	6,812,407,374
Ending balance	1,062,373,196	207,507,987	1,760,603,555	263,358	3,827,950,609	11,603,206	6,870,301,911
In which:							
Pledged as loans security (Note 24)	1,010,184,096	206,802,547	1,760,603,555	263,358	3,827,950,609	9,532,317	6,815,336,482

VND'000

11. TANGIBLE FIXED ASSETS (continued)

As at 31 December 2017, Hoang Anh Attapeu Hotel belongs to Hoang Anh Attapeu Agriculture Development Co., Ltd., a subsidiary of the Group, were mortgaged to secure outstanding loans of Thanh Thanh Cong Attapeu Sugar Cane Co., Ltd., a third party. Detail are as follows:

	VND'000			
	Buildings & structures	Machinery & equipment	Other assets	Total
Ending balance	52,189,100	705,440	2,070,889	54,965,429

12. INTANGIBLE FIXED ASSETS

	Ngàn VND		
	Land use right	Software system	Total
Cost			
Beginning balance and ending balance	6,648,075	48,197,185	54,845,260
Accumulated amortisation			
Beginning balance	581,707	17,783,617	18,365,324
Amortisation for the year	332,403	5,982,997	6,315,400
Ending balance	914,110	23,766,614	24,680,724
Net carrying amount			
Beginning balance	6,066,368	30,413,568	36,479,936
Ending balance	5,733,965	24,430,571	30,164,536

13. CONSTRUCTION IN PROGRESS

	VND'000	
	Ending balance	Beginning balance (As restated - Note 39)
Rubber and oil palm plantations (*)	10,769,372,185	11,830,017,268
Fruits plantations (*)	1,680,929,811	621,401,558
Palm oil manufacturing factory	417,589,499	379,158,960
Buildings and structures (*)	265,425,840	318,657,348
Pepper plantations	114,959,517	118,707,592
Expenses of cow projects (*)	6,617,792	6,637,816
Others	92,679,704	85,805,328
TOTAL	13,347,574,348	13,360,385,870

(*) Rubber, palm oil, fruits, 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'000 696,738,105 into construction in progress (for the year ended 31 December 2016: VND'000 775,004,446). 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.

15. LONG-TERM INVESTMENTS

	Ending balance	Beginning balance (As restated - Note 39)
Investment in associates	861,491,710	889,561,285

VND'000

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 and fruit	23.46	564,341,889	23.46	602,417,978
Bidiphar Rubber Joint Stock Company (**)	Rubber plantations	49.14	297,149,821	49.14	287,143,307
TOTAL			861,491,710		889,561,285

(*) 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 fruits.

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

15. LONG-TERM INVESTMENTS (continued)

Details of carrying value of the investment in an associate on 31 December 2017 were as follows:

	VND'000
	Total amount
Cost of investment	
Beginning balance and ending balance	881,804,636
Accumulated share profit (loss) in post-acquisition gain	
Beginning balance (<i>As restated - Note 39</i>)	7,756,649
Unrealised profit eliminated for the year	(3,184,362)
Share of loss from associates for the year	(24,885,213)
Ending balance	(20,312,926)
Carrying amount	
Beginning balance (<i>As restated - Note 39</i>)	889,561,285
Ending balance	861,491,710

16. PREPAID EXPENSES

	VND'000	
	Ending balance	Beginning balance (<i>As restated - Note 39</i>)
Short term	28,460,482	8,008,788
Fruit plantations	24,650,486	-
Tools and supplies	2,678,440	6,712,301
Others	1,131,556	1,296,487
Long term	552,520,160	951,653,416
Fruit plantations	338,295,134	180,391,266
Land clearance costs	119,745,845	109,720,596
Land rental fees	67,902,411	64,100,399
Tools and supplies	11,690,885	17,872,686
Office rental	5,303,877	5,510,308
Sugarcane plantations	-	568,937,694
Others	9,582,008	5,120,467
TOTAL	580,980,642	959,662,204

17. GOODWILL

	VND'000
	Total amount
Cost	
Beginning balance and ending balance	4,085,709,858
Accumulated amortisation	
Beginning balance	(179,534,460)
Amortisation for the year (Note 31)	(408,570,987)
Ending balance	(588,105,447)
Net carrying amount	
Beginning balance	3,906,175,398
Ending balance	3,497,604,411

18. SHORT-TERM TRADE PAYABLES

	Ending balance	Beginning balance (As restated - Note 39)
Payables to suppliers of goods and services	677,867,839	712,903,477
- Mr. Pramoul Kaokitwilai.	28,086,149	27,039,907
- Hoang Tam Co., Ltd.	7,791,939	2,983,674
- Others	641,989,751	682,879,896
Payables to suppliers of machinery and equipment	45,530	12,654,466
Payables to constructors	4,873,670	4,368,714
Others	1,346,708	17,200,065
TOTAL	684,133,747	747,126,722
<i>In which:</i>		
Due to related parties (Note 34)	449,392,654	377,425,999
Due to third parties	234,741,093	369,700,723

19. SHORT-TERM ADVANCES FROM CUSTOMERS

	Ending balance	Beginning balance (As restated - Note 39)
Advances from third parties	222,218,380	209,076,470
- Binh Ha Breeding Joint Stock Company	103,163,300	103,163,300
- Canh Dong Vang Communication JSC	76,610,536	-
- Mr.Lim Yau Hewy	23,370,000	22,796,000
- Others	19,074,544	83,117,170
Advances from related parties (Note 34)	145,880,678	46,409,824
TOTAL	368,099,058	255,486,294

20. STATUTORY OBLIGATIONS

VND'000

	Beginning (As restated - Note 39)	Increase in year	Decrease in year	Ending balance
Receivables				
Corporate income tax (Note 33.1)	5,276,104	-	(4,990,273)	285,831
Others	34,768	8,084	-	42,852
TOTAL	5,310,872	8,084	(4,990,273)	328,683
Payables				
Corporate income tax (Note 33.1)	15,531,200	23,992,459	(1,000,064)	38,523,595
Value-added tax	97,875,840	27,668,481	(104,450,639)	21,093,682
Personal income tax	3,404,963	3,320,890	(1,638,286)	5,087,567
Others	3,342,733	5,060,845	(2,095,395)	6,308,183
TOTAL	120,154,736	60,042,675	(109,184,384)	71,013,027

21. ACCRUED EXPENSES

VND'000

	Ending balance	Beginning balance (As restated - Note 39)
Operational costs	705,108,055	278,039,955
Interest expenses	256,642,243	118,205,543
Others	22,000,000	23,628,149
TOTAL	983,750,298	419,873,647

22. SHORT-TERM UNEARNED REVENUES

Short-term unearned revenues presented unrealised profits generated from sale transactions between the Group and associates which were eliminated on consolidated financial statements.

23. OTHER PAYABLES

VND'000

	Ending balance	Beginning balance (As restated - Note 39)
Short-term	2,684,669,944	2,061,755,834
Capital contributed (*)	1,197,000,000	-
- Hung Thang Loi Gia Lai JSC	500,000,000	-
- Mr. Nguyen Thanh Quang	232,335,000	-
- Mr. Nguyen Manh Hung	232,330,000	-
- Mrs. Vu Thi Thuy Huong	232,335,000	-
Loan interest payables	653,334,830	762,023,950
Borrowings payables	465,529,914	1,127,484,715
Land lease payables	51,528,927	83,353,623
Business co-operation contract payables (**)	150,000,000	-
Other payables	167,276,273	88,893,546
<i>In which:</i>		
<i>Due to related parties (Note 34)</i>	1,397,515,078	1,453,246,700
<i>Due to third parties</i>	1,287,154,866	608,509,134
Long-term	3,080,107,726	1,407,316,059
Business co-operation contract payables (***)	1,064,788,888	1,043,211,100
Loan interest payables	1,225,680,542	206,170,426
Land lease payables	135,665,953	148,216,941
Borrowings payables	653,972,343	9,717,592
<i>In which:</i>		
<i>Due to related parties (Note 34)</i>	2,595,522,604	1,179,448,777
<i>Due to third parties</i>	484,585,122	227,867,282
TOTAL	5,764,777,670	3,469,071,893

(*) In accordance to the unusual Shareholders' Resolution No. 1909/17/NQDHD CD-HAGL Agrico dated 19 September 2017, the Company issued additional 119,700,000 new shares to convert outstanding loans to share capital, with the issued price at par value of VND 10,000/share. As at 31 December 2017, such transaction was still not completed (Note 40).

(**) BCC between Highland Dairy Cattle Joint Stock Company, a subsidiary of the Group, with Tay Nguyen Agriculture Co., Ltd. ("NNTN") (a related party) for investment in beef cattle project in Gia Lai Province with the total amount of VND 150 billion for the period of 1 year in accordance with BCC No. 2010/2017/HTKD/BSTN - DVNN dated on 20 October 2017. As at 31 December 2017, NNTN contributed VND 150 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.

(***) BCC between Highland Dairy Cattle Joint Stock Company, a subsidiary of the Group, 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'000 700,000,000 in the project. As at 31 December 2017, An Tien contributed VND'000 550,000,000. 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.

Moreover, the Group's other payables include BBC between An Dong Mia Joint Stock Company, a subsidiary of the Group, with Hoang Anh Gia Lai Joint Stock Company, parent company ("HAG"), agreed to investing on 9,173 ha rubber plantation project and rubber latex production factory at Koun Mom District, Ratanakiri Province, Cambodia in accordance with BBC No. 0103/2014/HAGL-ADM/HDHTDT dated on 1 March 2014. As at 31 December 2017, HAG contributed VND'000 514,788,888.

as at 31 December 2017 and for the year then ended

24. LOANS

	Beginning balance (As restated - Note 39)	Increase	Decrease	Ending balance
Short-term	2,658,329,502	2,866,099,427	(3,799,370,337)	1,725,058,592
Current portion of long-term bank loans (Note 24.4)	187,922,531	85,303,301	(174,184,102)	99,041,730
Short-term bank loans (Note 24.1)	1,071,367,450	1,404,846,431	(1,794,685,819)	681,528,062
Current portion of long-term loans from related parties (Note 24.6)	333,097,953	776,500,000	(333,097,953)	776,500,000
Current portion of long-term bonds (Note 24.5)	297,091,268	87,358,395	(297,732,463)	86,717,200
Short-term loans from companies and individuals (Note 24.2)	761,027,300	-	(699,670,000)	61,357,300
Short-term loans from related parties (Note 24.3)	7,823,000	512,091,300	(500,000,000)	19,914,300
Long-term	17,432,565,186	1,053,397,460	(6,049,781,191)	12,436,181,455
Long-term loans from related parties (Note 24.6)	9,651,141,757	479,399,748	(5,105,943,947)	5,024,597,558
Long-term bank loans (Note 24.4)	5,964,217,510	263,067,954	(851,120,044)	5,376,165,420
Long-term bonds (Note 24.5)	1,817,205,919	305,929,758	(92,717,200)	2,030,418,477
Long-term loans from individual (Note 24.7)	-	5,000,000	-	5,000,000
TOTAL	20,090,894,688	3,919,496,887	(9,849,151,528)	14,161,240,047

VND'000

VND'000

24.1 Short-term loans from banks

	Ending balance	Beginning balance (As restated - Note 39)
Tien Phong Commercial Joint Stock Bank ("TPbank")	321,597,754	-
Bank for Investment Development of Vietnam ("BIDV")	124,692,721	504,124,600
Laos - Vietnam Joint Venture Bank ("Laos - Viet Bank")	119,898,087	349,778,076
Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank")	80,737,650	24,157,000
Bank for Investment Development of Cambodia ("BIDC")	34,601,850	193,307,774
Ho Chi Minh City Development Joint Stock Bank ("HID Bank")	-	-
TOTAL	681,528,062	1,071,367,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

B09-DN/HIN

as at 31 December 2017 and for the year then ended

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. 01/20155331375/HDTD dated on 19 June 2015	124,692,721	-	From 2 January 2018 to 16 April 2018	USD 7.70 -7.90 VND 9.30 - 11.60	2 floors of shopping centres located in land lot No. 478, corresponding to map No. 9 in Bau Thac Gian Commercial and Residential Building on Ham Nghi Street, Thac Gian Ward, Thanh Khe District, Da Nang City, Viet Nam owned by HAG; 7 cars owned by HAG; 3,310,000 shares of HNG held by HAG; Land use right of 1,194.74 ha rubber plantation at Po To Commune, Gia Lai Province owned by Trung Nguyen Rubber Joint Stock Company
BIDC Loan contract No. 01/2017/115529/ADM-BIDC dated on 6 October 2017	34,601,850	1,500,000	From 19 October 2018 to 27 October 2018	9.00	Land use right and assets attached with constructions and projects in accordance to land plots Civ 0030-0182; Civ0031-0183; Civ0032-0184; Civ 0036-0188; Civ 0037-0189; Civ 0038-0190; Civ 0039-0191; Civ 0040- 0192 owned by Eastern Rubber (Cambodia) Co., Ltd.
TOTAL	159,294,571				

as at 31 December 2017 and for the year then ended

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)
TP bank, Ho Chi Minh Branch Loan contract No. 457/2017/HDTD/DLK/01 dated on 12 December 2017	22,000,000	-	On 12 September 2018	10.50	2,000 cows for meat owned by Highland Dairy Cattle Joint Stock Company, according to Collateral Contract No. 1611/2017/CNGL-BSTN dated on 16 November 2017 and Appendix Contract No. 2311/2017/PLHD dated on 23 November 2017
TP bank, Ha Noi Branch Loan contract No. 2104/HDTD/ TPBANK dated on 21 April 2017	299,597,754	-	From 25 January 2018 to 29 September 2018	10.00	Land use right and related assets of 180.4 ha at Kon Thup Commune, Mang Yang District, Gia Lai Province owned by Gia Lai Livestock Joint Stock Company; Land use right of 925 ha owned by Eastern Rubber (Cambodia) Co., Ltd.
TỔNG CỘNG	321,597,754				
Laos - Viet Bank, Attapeu Branch Loan contract No. 083/HD-LVB.ATP/2015 dated on 9 July 2015	119,898,087	5,282,501	On 7 September 2018	8.00 - 10.00	Land use right of 3 land plots of 1,001.78 ha at Laman District, Sekong Province, Laos and all related assets aligned with cow project and imported cows for meat owned by Hoang Anh - Quang Minh Rubber Industrial and Agricultural Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

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)
Sacombank, Cambodia Branch Loan contract No. LD1716600008 dated on 15 June 2017	23,067,900	1,000,000	On 15 June 2018	9.00	Land use right at Talao Commune, Ouchum District, Ratanakiri Province and land use right at Nhang Commune, An Dong Meas District, Ratanakiri Province, Cambodia owned by Hoang Anh Oyadav Co., Ltd.
Loan contract No. LD1717200001 dated on 21 June 2017	23,067,900	1,000,000	On 21 June 2018	9.00	
Loan contract No. LD1717200004 dated on 11 April 2017	23,067,900	1,000,000	On 11 April 2018	9.00	Land and rubber plantation of Land Contract Kr.0193 dated on 16 August 2016 at Sre Thmay Hamlet, Khsum Commune, Snol District, Kro Ches Province, Cambodia owned by Eastern Rubber (Cambodia) Co., Ltd.
Loan contract No. LD1717200002 dated on 20 June 2017	11,533,950	500,000	On 20 June 2018	9.00	
TOTAL	80,737,650				

24. LOANS (continued)

24.2 Short-term loans from companies and individuals

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

Lenders	Ending balance VND'000	Maturity	Interest %/year
<i>Mrs. Tran Thi Huu Duyen</i>			
Loan No. 1	24,581,000	On 27 August 2018	7.00
Loan No. 2 (*)	8,948,000	On 30 January 2018	10.00
<i>Canh Hung Hai Thanh Joint Stock Company</i>			
Loan No. 3 (*)	18,000,000	On 27 October 2017	9.00
<i>Mr. Vu Duy Khuong</i>			
Loan No. 4	9,200,000	On 24 August 2018	10.00
<i>Mr. Che Duc Toan</i>			
Loan No. 5 (*)	628,300	On 3 March 2018	10.00
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 2017 and at the date of the consolidated financial statements, the Group has not paid for loans which were on due as mentioned above.

24. LOANS (continued)

24.3 Short-term loans from related parties:

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

Lenders	Ending balance VND'000	Maturity	Interest %/year
<i>Hung Thang Loi Gia Lai Joint Stock Company (Note 34)</i>			
Loan No. 1	12,091,300	On 20 June 2018	4.20
<i>Mr Duong Hoang Bac (Note 34)</i>			
Loan contract No. 0511/2016/HDVT/DHB-CSDD dated on 11 May 2016	1,115,000	On 12 May 2018	10.00
Loan contract No. 0606/2016/HDVT/DHB-CSDD dated on 6 June 2016	1,119,500	On 7 June 2018	10.00
Loan contract No. 0608/2016/HDVT/DHB-CSDD dated on 8 June 2016	2,238,000	On 9 June 2018	10.00
Loan contract No. 0722/2016/HDVT/DHB-CSDD dated on 22 July 2016	1,116,000	On 23 July 2018	10.00
Loan contract No. 0812/2016/HDVT/DHB-CSDD dated on 12 August 2016	1,115,500	On 12 August 2018	10.00
Loan contract No. 1104/2016/HDVT/DHB-CSDD dated on 4 November 2016	1,119,000	On 4 November 2018	10.00
TOTAL	19,914,300		

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.

24.4 Long-term loans from banks

	VND'000	
	Ending balance	Beginning Balance
Bank for Investment Development of Vietnam ("BIDV")	2,295,153,685	3,093,845,164
Ho Chi Minh City Development Joint Stock Bank ("HD Bank")	1,101,803,662	1,042,206,160
Laos - Vietnam Joint Venture Bank ("Laos - Viet Bank")	1,049,688,598	1,022,006,112
Saigon Thuong Tin Commercial Joint Stock Bank ("Sacombank")	1,028,561,205	994,082,605
TOTAL	5,475,207,150	6,152,140,041
<i>In which:</i>		
<i>Non-current portion</i>	5,376,165,420	5,964,217,510
<i>Current portion</i>	99,041,730	187,922,531

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

as at 31 December 2017 and for the year then ended

24. LOANS (continued)

24.4 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 contract No. 01/2013/BIDV - Attapeu dated on 18 February 2013 (*)	620,317,736	27,455,396	From 25 December 2018 to 25 December 2026	12-month savings deposit in USD interest of BIDV paid in arrears + 5.00% (2017: 7.50)	Land use right of 85 luxury apartments in block A, B and C at No. 40 Hung Vuong Street, Buon Ma Thuot City, Dak Lak Province owned by Hoang Anh Dak Lak Joint Stock Company; 119 apartments in HAGL office high-rise and luxury apartment building at No. 6 Hoang Van Thu Street, Pleiku City, Gia Lai Province; Vietnam owned by HAG; HAGL Granite Stone factory located alongside of the highway No. 14, La Bang Commune, Dak Doa District, Gia Lai Province; Vietnam owned by HAG; land use right of 2,332 m ² in Dong Da Ecological Lake, Quy Nhon City, Binh Dinh Province; Land use right of 6,993.2 m ² at Phu Dong Ward, Pleiku City, Gia Lai Province; Land use right of 4,733.01 ha rubber and 3,155.79 ha palm oil in Attapeu Province, Laos owned by Hoang Anh Attapeu Agriculture Development Co., Ltd.

(*) As at 31 December 2017 and at the date of the consolidated financial statements, the actual rubber plantation area of the Group was not enough to 17,950 ha as mentioned in this Loan contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

24. LOANS (continued)

24.4 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	Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
BIDV, Gia Lai Branch Loan contract No. 01/2015/6261950/HDTD dated on 4 May 2015 (*)	217,959,830	-	On 31 August 2019	Fund transfer pricing rate more than 12 months of BIDV + 3.20% (2017: 12.00)	Assets arising from loans, project of cow for meat in Gia Lai Province, Vietnam owned by Highland Diary Cattle Joint Stock Company
Loan contract No. 02/2015/6261950/HDTD dated on 4 May 2015	71,776,522	-	On 31 August 2019	Fund transfer pricing rate more than 12 months of BIDV + 3.20% (2017: 9.90 - 12.3)	Future assets arising from project of cow for meat in Iapenh Commune, IaGrai, Gia Lai Province, Vietnam owned by Highland Diary Cattle Joint Stock Company
Loan contract No. 05/2015/6261950/HDTD dated on 1 December 2015	65,968,271	-	On 31 August 2019	12 month savings deposit interest rate +3.00%, no lower than first interest rate, adjust for every 3 months (2017: 9.90)	Assets arising from loans, project of cow for meat in Gia Lai Province, Vietnam owned by Highland Diary Cattle Joint Stock Company

24. LOANS (continued)

24.4 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		Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
		VND'000	USD			
BIDV, Gia Lai Branch (continued) Loan contract No. 01/2015331375/HDTD dated 19 June 2015	595,006,682	313,978,211	12,361,050	From 13 March 2019 to 28 December 2019	USD 7.70 - 7.82; VND 9.30 - 11.60	2 floors of shopping centres located in land lot No. 478, corresponding to map No. 9 in Bau Thac Gian Commercial and Residential Building on Ham Nghi Street, Thanh Khe Ward, Da Nang City, Viet Nam owned by HAG; 7 cars owned by HAG; 3,310,000 shares of HNG held by HAG; Land use right of 1,194.74 ha rubber plantation at Po To Commune, Gia Lai Province owned by Trung Nguyen Rubber Joint Stock Company
Loan contract No. 01/2010/HDTD dated on 1 April 2010 (*)	724,124,644	-	31,850,655	From 31 December 2018 to 31 December 2026	12-month savings deposit interest rate at BIDV + 4.70% (2017: 7.05 - 7.20	Land use right and rubber plantation of 9,996.9 ha at Saysetha Commune, San Xay and Phu Vong, Attapeu Province, Laos owned by Hoang Anh Attapeu Agriculture Development Co., Ltd.
TOTAL	2,295,153,685					
In which:						
Non-current portion	2,286,014,618					
Current portion	9,139,067					

TOTAL

In which:

Non-current portion

Current portion

(*) As at 31 December 2017 and at the date of the consolidated financial statements, the Group did not purchase insurance for collateral assets as commitments at Part 10.6 as mentioned in this Loan contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

24. LOANS (continued)

24.4 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		Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
		VND'000	USD			
HD Bank, Dong Nai Branch Loan Contract No. 0044/2014/HDTDTDH-DN dated on 25 April 2014 (*)	878,127,640	450,000,000	18,827,073	From 25 June 2020 to 31 December 2023	Adjusted twice per year. (2017: USD 7.00 - 7.50 and VND 10.00 - 11.00)	42,880,000 shares of HAG held by Mr. Doan Nguyen Duc - Chairman and Mrs. Hoang Thi Ngoc Bich - wife of Chairman; Land use right of 7,924 ha in Ratanakiri Province, Cambodia owned by Hoang Anh Lumphat Co., Ltd.; 13.9 million shares of An Dong Mia Joint Stock Company held by HNG; 6 million shares of An Dong Mia Joint Stock Company held by Highland Dairy Cattle Joint Stock Company; 100,000 shares of An Dong Mia Joint Stock Compa- ny held by Gia Lai Livestock Joint Stock Company
HD Bank, Dak Lak Branch Loan contract No. 1762/2015/HDTDTDH - DN dated on 2 December 2015	58,568,022	58,568,022	-	From 26 March 2018 to 2 Decem- ber 2020	Floating rate (2017: 10.50 - 11.25)	Assets arising from loans, cows and calves owned by Hoang Anh Dak Lak Joint Stock Company

(*) As at 31 December 2017 and at the date of the consolidated financial statements, the actual rubber plantation area of the Group was not enough to 8,940.5 ha as mentioned in this Loan contract.

24. LOANS (continued)

24.4 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 Loan contract No. 0588/16/HDLTDH - DN/170/DNGN- KUNN/DN/01 dated on 30 September 2016 (*)	99,800,000	99,800,000	On 30 September 2021	12.50	All of fruit plantations and harvesting rights in the future of fruit plantation project including income, output and profits arising from project owned by Trung Nguyen Rubber Joint Stock Company
Loan contract No. 9451/17/HDTTDH-PN/170 dated on 1 July 2017 (**)	55,308,000	55,308,000	From 30 June 2018 to 30 June 2020	13.00	All of fruits plantations and harvesting rights in the future of fruit plantation project; All of cows (at least 4,000 cows) and rights to collect profits derived from selling cows owned by Trung Nguyen Rubber Joint Stock Company
Loan contract No. 21087/17MN/HDTD dated on 29 December 2017	10,000,000	10,000,000	From 31 March 2018 to 30 June 2020	12.50	All of fruits plantations and harvesting rights in the future of fruit plantation project (including all income, output and profits derived from fruit plantation project); 15 tractors and 15 semi-trailer cars owned by Trung Nguyen Rubber Joint Stock Company
TỔNG CỘNG	1,101,803,662				
<i>Trong đó:</i>					
<i>Vay dài hạn</i>	1,077,890,535				
<i>Vay dài hạn đến hạn trả</i>	23,913,127				

(*) As at 31 December 2017 and at the date of the consolidated financial statements, the Group did not purchase insurance for collateral assets as commitments mentioned in this Loan contract.

(**) Number of cows did not satisfy requirements (4,000 cows) mentioned in this Loan contract as at disbursement date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

24. LOANS (continued)

24.4 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		Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
		LAK'000	USD			
Laos- Viet Bank, Attapeu Branch Loan Contract No. 098/HDLVB.ATP/2015 dated 5 Aug 2015	318,153,427	-	14,005,246	From 25 November 2018 to 25 August 2022	10.00	
Loan Agreement No. 010/2013/LVB-ATTAPEU dated 15 March 2013 (*)	281,180,615	39,355,143	7,649,850	From 21 June 2018 to 14 March 2023	Adjust for twice per year. (2017: USD 9.50 -11.00), LAK: 13-month savings deposit interest paid in arrears plus 3.00%, adjust for twice per year (2017: LAK 12.75 - 13.75)	Office building of Hoang Anh Attapeu Agriculture Development Co., Ltd, a subsidiary of the Group, at Km No.31; Hatxan Ward, Xaysettha District, Attapeu Province, Laos corresponding to the map No. 17 001 0008 with land area of 0.3 ha, rubber latex production factory in Xaysettha District, Attapeu Province, Laos and all imported cows of Hoang Anh Attapeu Agriculture Development Co., Ltd
Loan contract No. 083/HID-LVB.ATP/2015 dated 9 July 2015	115,278,714	-	4,986,500	From 25 November 2018 to 25 August 2022	8.75	

(*) As at 31 December 2017 and at the date of the consolidated financial statements, the Group did not purchase insurance for collateral assets as commitments mentioned at Part 8.03 in this Loan contract.

as at 31 December 2017 and for the year then ended

24. LOANS (continued)

24.4 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		Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
		LAK'000	USD			
Laos - Viet Bank, Attapeu Branch (continued) Loan contract No. 083/HD -LVB.ATP/2015 dated on 9 July 2015 (*)	227,596,374	-	10,027,500	From 25 January 2019 to 25 October 2022	9.50 - 10.00	Land use right of 3 land plots 1,001.78 ha at Laman District, Sekong Province, Laos and all related assets belonged to breeding cows and import cows projects owned by Hoang Anh - Quang Minh Rubber Industri- al and Agricultural Co., Ltd.
Loan contract No. 124/HD-LVB/2015 dated on 25 November 2015	107,479,468	-	4,728,096	From 25 February 2018 to 25 Novem- ber 2020	Floating interest (2017: 9.50 - 10.50)	All equipment, materials and machin- eries for project of construction of palm oil processing factory owned by Hoang Anh Attapeu Agriculture Development Co., Ltd.
TOTAL	1,049,688,598					
In which:						
Current portion	983,699,062					
Non-current portion	65,989,536					

(*) As at 31 December 2017 and at the date of the consolidated financial statements, the Group did not maintain the cows value of 24,460,000 USD as mentioned in this Loan contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

24. LOANS (continued)

24.4 Long-term loans from banks (continued)

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

Banks	Ending balance		Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
	VND'000	USD			
Sacombank, Sai Gon Branch Loan Agreement No. LD1636300050 dated 28 December 2016 (*)	300,000,000	-	From 28 June 2020 to 28 December 2021	10.00	15,000,000 shares of HING held by HAG; Land use right of 687.9 ha at EaH'leo District, Dak Lak Province owned by Hoang Anh Dak Lak Joint Stock Compa- ny; 18,570,000 shares of HAG held by Mr Doan Nguyen Duc - Chairman; Incomes from Rubber plantations project; 4,999,000 shares of Hoang Anh - Quang Minh Rubber Joint Stock Company held by HING
Loan Agreement No. LD1400300153 dated 3 January 2014	262,454,605	-	December 2021 to December 2026	9.50	23.2 million shares of HAG held by Mr. Doan Nguyen Duc - Chairman; 14.5 million shares of Hoang Anh - Quang Minh Rubber Joint Stock Company held by HING

(*) As at 31 December 2017 and at the date of the consolidated financial statements, the actual rubber plantation area of the Group was not enough to 3,476.58 ha as mentioned in this Loan contract.

24. LOANS (continued)

24.4 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		Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
		VND'000	USD			
Sacombank, Thu Duc Branch Loan contract No. LD1333200419 dated on 29 November 2013 (*)	250,000,000	-	-	From 25 December 2021 to 26 December 2026	Floating interest (2017: 10.00 - 11.85)	Land use right of 1,328.1 ha of rubber plantations and attached assets in Chuprong District, Gia Lai Province, Vietnam and 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, Dak Lak Province, Vietnam
Loan contract No. LD1623900077 dated on 11 October 2016 (**)	85,000,000	85,000,000	-	From 25 April 2020 to 11 October 2021	9.50% for first year and saving interest of 13 months of SCB + margin of 2.50%/year for subsequent years (2017: 9.50%)	Land use right and attached assets of 1,382 ha of rubber plantation in Ia Puch Commune, Chuprong District, Gia Lai Province, Vietnam
Loan contract No. LD1719100049 dated on 18 July 2017	16,100,000	16,100,000	-	From 21 July 2020 to 21 July 2022	9.50% for first year, and following year interest will be announced by the bank	All of rubber plantations, attached constructions, harvesting rights and other assets 13,281,000 m2 owned by Trung Nguyen Rubber Joint Stock Company

(*) As at 31 December 2017 and at the date of the consolidated financial statements, the actual rubber plantation area of the Group was not enough to 9,470 ha as mentioned in this Loan contract.

(**) As at 31 December 2017 and at the date of the consolidated financial statements, the actual rubber plantation area of the Group was not enough to 3,476.58 ha as mentioned in this Loan contract.

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

24. LOANS (continued)

24.4 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		Maturity date	Interest rate %/year	Collateral (Note 10, 11 and 13)
		VND'000	USD			
Sacombank, Cambodia Branch Loan contract No. LD1616800002 dated on 16 June 2016	92,271,600	-	4,000,000	On 21 June 2021	9.00	Land use rights: Land project No. 1 in Talao Commune, Ouchum District, Ratanakiri Province with land lots No. I0012, I0015, I0016, I0017; and land papers No. 0188, 0189, 0190, 0191; Land project No. 2 in Nhang Commune, An Dong Meas District, Ratanakiri Province, Cambodia with land lots No. I0007, I008, I0009; and land papers No. 0192, 0193, 0194 owned by Eastern Rubber (Cambodia) Co., Ltd.
Loan contract No. LD1720100002 dated on 20 July 2017	22,735,000	-	1,000,000	From 24 January 2019 to 24 July 2022	9.00	Land use right of 728.24 ha economic land concessions in accordance to land lots Civ 0034, land paper No. 0186 in Sre Thmay Ward, Khsum Commune, Snol District, Kro Ches Province, Cambodia owned by Eastern Rubber (Cambodia) Co., Ltd.
TOTAL	1,028,561,205					
In which:						
Non-current portion	1,028,561,205					
Current portion	-					

as at 31 December 2017 and for the year then ended

24. LOANS (continued)

24.5 Bonds

Straight bonds

Details of the outstanding domestic straight bonds as at 31 December 2017 as follows:

Issuance agent	Bond holder	Ending balance VND'000	Interest rate %/year	Maturity date	Purpose	Collateral
Euro Capital Securities Joint Stock Company (*)	Vietnam Prosperity Joint Stock Commercial Bank ("VPB")	1,394,000,000	10.50% for the first quarter and apply 12-month saving interest rate of deposit in VND of VPB plus 4.50%/year (2017: 10.80 - 11.60)	From 17 August 2019 to 17 December 2021	Restructuring of part of the bonds with total par value of VND 2.000 billion (**) which was issued in December 2012, to finance investment projects of the Group, including the project of planting rubber trees, palm oil and sugar cane trees in Cambodia and Laos	181,717,250 shares of HNG held by HAG, parent company; of which, 31,000,000 shares of HNG were used to secure for the bonds with par value of VND 600 billion - HAGL 600 Bonds issued by HAG
	National Citizen Bank (**)	300,000,000		From 17 February 2019 to 17 December 2021		
				From 27 March 2018 to 27 December 2020		
IB Securities Joint Stock Company	VPB	431,000,000	10.50% 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 4.00% for subsequent periods. (2017: 10.50 - 11.50)	From 27 March 2018 to 27 December 2020	Restructuring of bonds interest payable of VND 1,400 billion-bond	195,345,440 shares of HNG held by HAG, land use right of 7,376 ha in Lumphat District, Ratanakiri Province, Cambodia and attached assets owned by Daun Penh Agrico Co., Ltd. and 4,700,000 shares of HAG held by Mr Doan Nguyen Duc - Chairman
Bond issuance costs		(7,864,323)				
TOTAL		2,117,135,677				
In which:						
Current portion		2,030,418,477				
Non-current portion		86,717,200				

24. LOANS (continued)

24.5 Bonds (continued)

(*) According to agreements dated on 10 February 2017, VPB Bank, bonder of 1,400 billion VND, agreed on maturity date extension and new maturity date is expected on 17 December 2021 (as the maximum date).

According to agreements dated on 10 March 2017, NCB, bonder of 300 billion VND, agreed on maturity date extension and new maturity date is expected 17 February 2019 (as the maximum date).

As at 31 December 2017 and as at the date of the consolidated financial statements, total value of collateral assets did not equal to at least 200% the total par value of bonds as required in the bonds contracts, and total areas of rubber plantation of 44,479 ha, in actuality, is smaller than commitments of 70,643 ha mentioned in bond contracts.

(**) Bonds 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

24.6 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
<i>Hoang Anh Gia Lai Joint Stock Company ("HAG"), parent company (Note 34)</i>			
Loan contract No. 10/HDVHAGL-NNQT dated on 7 December 2016	1,957,824,736	On 7 December 2021	4.20
Loan contract No. 09.2016/HDVHAGL-HATTAPEU dated on 1 September 2016	1,351,897,818	On 1 September 2021	8.00
Loan contract No. 01-01/2016/HDV-HAGL dated on 1 January 2016	289,612,200	On 1 January 2019	4.20
Loan contract No. 36 months - HAGL dated on 28 August 2015	478,500,000	On 28 August 2018	10.77
Loan contract No. 04/2014/HDV-HAGL dated on 1 April 2014	500,000,000	On 3 April 2019	10.00

24. LOANS (continued)

24.6 Long-term loans from related parties (continued)

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) (continue)</i>			
Loan contract No. 08-2017/CV-HAATP dated on 10 August 2017	35,010,968	On 25 July 2020	9.30-9.75
Loan contract No. 03/2014/HDV-HAGL dated on 6 January 2014	300,000,000	On 6 January 2020	9.75
Loan contract No. 0507/HTKD/HAGL-CSHAQM dated on 5 July 2015	300,000,000	On 7 July 2020	9.75
Loan contract No. 07/2013/HDV-HAGL dated on 8 July 2013	58,001,920	On 30 December 2027	9.75
Loan contract No. 07-2017/CV-BSTN dated on 12 July 2017	31,376,192	On 12 July 2022	12.00
Loan contract No. 08-2017/CV-HADL dated on 15 August 2017	30,560,000	On 31 March 2022	12.00
Loan contract No. 12/HDVHAGL-ADM dated on 30 December 2016	34,007,539	On 30 December 2023	10.00
Loan contract No. 11-2017/CV-HAATP dated on 24 November 2017	6,155,689	On 1 January 2019	12.50
Loan contract No. 12-2017/CV-HAATP dated on 25 December 2017	3,982,496	On 24 February 2019	10.50
<i>Gia Lai Livestock Joint Stock Company (Note 34)</i>			
Loan Agreement No. 28/09/16-HDV dated 28 September 2016	298,000,000	On 28 September 2018	6.00
<i>Hoang Anh Gia Lai Hydropower Joint Stock Company (Note 34)</i>			
Loan contract No. 02/17/TDHAGL-NNQT dated on 7 December 2017	126,168,000	On 17 February 2020	5.00
TOTAL	5,801,097,558		
<i>In which:</i>			
<i>Non-current portion</i>	5,024,597,558		
<i>Current portion:</i>	776,500,000		

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

24.7 Long-term loans from individuals and companies

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

Lender	Ending balance VND'000	Maturity date	Interest rate %/year
<i>Huynh Tran Thanh Phuong</i>			
Loan contract No. 01/2017HDV/CSTN-HHTTP dated on 28 June 2017	5,000,000	On 29 June 2019	6.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

25. OWNERS' EQUITY

25.1 Increase and decrease in owners' equity

	Share capital	Share premium	Foreign exchange differences	Undistributed earnings	Total
					VND'000
Previous year (As restated - Note 39)					
Beginning balance	7,081,438,950	2,550,810	443,148,354	2,126,574,755	9,653,712,869
Net loss for the year	-	-	-	(1,742,713,080)	(1,742,713,080)
Issuance of shares in cash	590,000,000	1,062,000,000	-	-	1,652,000,000
Foreign exchange differences	-	-	100,194,522	-	100,194,522
Ending balance	<u>7,671,438,950</u>	<u>1,064,550,810</u>	<u>543,342,876</u>	<u>383,861,675</u>	<u>9,663,194,311</u>
Current year					
Beginning balance	7,671,438,950	1,064,550,810	543,342,876	383,861,675	9,663,194,311
Net profit for the year	-	-	-	527,438,216	527,438,216
Disposal of a subsidiary	-	-	(36,974,621)	-	(36,974,621)
Foreign exchange differences	-	-	(51,775,865)	-	(51,775,865)
Ending balance	<u>7,671,438,950</u>	<u>1,064,550,810</u>	<u>454,592,390</u>	<u>911,299,891</u>	<u>10,101,882,041</u>

25. OWNERS' EQUITY (continued)

25.2 Shares

	Ending balance Shares	Beginning balance Shares
Shares authorised to be issued	767,143,895	767,143,895
Shares issued and fully paid	767,143,895	767,143,895
<i>Ordinary shares</i>	767,143,895	767,143,895
Shares in circulation	767,143,895	767,143,895
<i>Ordinary shares</i>	767,143,895	767,143,895

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

26. NON-CONTROLLING INTERESTS

	VND'000	
	Current year	Previous year (As restated - Note 39)
Beginning balance (As restated - Note 39)	59,875,052	95,307,748
Share of profit (loss) during the year	3,024,433	(35,139,256)
Acquisition of new subsidiaries	-	531,560
Dividends to non-controlling shareholders	-	(825,000)
Disposal of a subsidiary	(12,013,142)	-
Ending balance	50,886,343	59,875,052

27. PROFIT (LOSS) EARNINGS PER SHARE

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

	Current year	Previous year (As restated - Note 39)
Net profit (loss) after tax attributable to ordinary shareholders (VND'000)	527,438,216	(1,742,713,080)
Weighted average number of ordinary shares for basic earnings per share (share)	767,143,895	758,738,416
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	907,862,598	899,457,119
Basic earnings (loss) per share (VND)	688	(2,297)
Diluted earnings (loss) per share (VND)	581	(2,297)

27. PROFIT (LOSS) EARNINGS PER SHARE (continued)

(i) As disclosed in Note 24.5 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 2017, the earning per share was undiluted.

28. REVENUES

28.1 Net revenues from sale of goods and rendering of services

	VND'000	
	Current year	Previous year (As restated - Note 39)
Gross revenue	3,321,021,229	4,785,399,649
<i>In which:</i>		
<i>Sale of fruit</i>	1,617,509,655	-
<i>Sale of cows</i>	757,655,995	3,469,931,141
<i>Sale of rubber latex</i>	454,358,577	114,025,799
<i>Sale of goods</i>	244,417,863	513,254,738
<i>Sale of sugar and related products</i>	80,764,242	471,259,273
<i>Sale of apartments</i>	53,403,446	31,269,126
<i>Sale of chilli</i>	24,931,966	-
<i>Sale of pepper</i>	32,720,964	-
<i>Revenue from rendering of services</i>	55,258,521	50,856,559
<i>Sale of corns</i>	-	134,803,013
Less - Sales returns	-	(1,249,713)
Net revenue	3,321,021,229	4,784,149,936
<i>In which:</i>		
<i>Sale of fruit</i>	1,617,509,655	-
<i>Sale of cows</i>	757,655,995	3,469,931,141
<i>Sale of rubber latex</i>	454,358,577	114,025,799
<i>Sale of goods</i>	244,417,863	512,005,025
<i>Sale of sugar and related products</i>	80,764,242	471,259,273
<i>Sale of apartments</i>	53,403,446	31,269,126
<i>Sale of chilli</i>	24,931,966	-
<i>Sale of pepper</i>	32,720,964	-
<i>Revenue from rendering of services</i>	55,258,521	50,856,559
<i>Sale of corns</i>	-	134,803,013
<i>In which:</i>		
<i>Net revenue from related parties (Note 34)</i>	319,587,489	510,720,976

28. REVENUES (continued)

28.2 Finance income

	VND'000	
	Current year	Previous year (As restated - Note 39)
Income from disposal of investments	716,379,791	-
Interest income from loans to other companies	292,343,366	182,762,010
Foreign exchange difference gains	3,585,695	40,748,252
Interest income from bank deposits	353,768	5,931,791
Others	2,058,510	655,434
TOTAL	1,014,721,130	230,097,487
<i>In which:</i>		
<i>Interest income from loans to related parties (Note 34)</i>	285,962,314	131,542,327

29. COST OF GOODS SOLD AND SERVICES RENDERED

	VND'000	
	Current year	Previous year (As restated - Note 39)
Cost of fruit sold	748,210,484	-
Cost of cows sold	691,466,666	3,048,276,086
Cost of rubber latex sold	341,100,975	131,997,480
Cost of goods sold	108,164,576	486,135,628
Cost of sugar and related products sold	120,937,447	688,756,526
Cost of apartments sold	55,918,445	31,509,854
Cost of chilli sold	7,673,011	-
Cost of pepper sold	16,793,630	-
Cost of services rendered	16,233,374	46,238,998
Cost of corns sold	-	65,695,455
Cost of construction contracts	-	125,567,392
TOTAL	2,106,498,608	4,624,177,419

30. FINANCE EXPENSES

	VND'000	
	Current year	Previous year (As restated - Note 39)
Interest expenses	813,216,302	750,166,442
Foreign exchange difference losses	16,358,041	82,394,265
Others	24,864,743	7,863,224
TOTAL	854,439,086	840,423,931

31. SELLING AND ADMINISTRATIVE EXPENSES

	VND'000	
	Current year	Previous year (As restated - Note 39)
Selling expenses	93,271,543	88,821,909
Transportation expenses	59,002,160	59,088,687
External services	18,612,095	17,024,928
Salary expenses	9,510,999	5,448,382
Depreciation expenses	1,956,253	1,674,658
Others	4,190,036	5,585,254
General and administration expenses	585,188,578	315,875,117
Allocation of goodwill	408,570,987	174,719,236
Salary expenses	63,523,379	66,128,408
External services	21,521,250	12,269,808
Depreciation and amortisation expenses	14,854,390	19,810,644
Provision expenses	7,862,806	-
Others	68,855,766	42,947,021
TOTAL	678,460,121	404,697,026

32. OTHER INCOME AND EXPENSES

	VND'000	
	Current year	Previous year (As restated - Note 39)
Other income	245,097,700	146,947,925
Proceeds from disposals of fixed assets	128,071,673	141,737,131
Tax exemption	97,015,393	-
Others	20,010,634	5,210,794
Other expenses	(472,117,888)	(954,522,953)
Cost of converting other business purposes	(281,526,530)	(216,186,694)
Cost of developing plantation	(95,009,476)	-
Depreciation of idle assets	(17,839,722)	(7,655,041)
Penalty fees	(10,616,826)	(3,168,992)
Loss from assessment of non-performing assets	-	(712,667,916)
Others	(67,125,334)	(14,844,310)
OTHER LOSSES	(227,020,188)	(807,575,028)

33 CORPORATE INCOME TAX

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

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.

	VND'000	
	Current year	Previous year (As restated - Note 39)
Current tax expense	23,890,080	2,769,781
Deferred tax income (expense)	(113,097,948)	128,038,244
TOTAL	(89,207,868)	130,808,025

33 CORPORATE INCOME TAX (continued)

33.1 Current CIT (continued)

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

	VND'000	
	Current year	Previous year (As restated - Note 39)
Accounting profit (loss) before tax	441,254,781	(1,647,044,311)
<i>Adjustments to increase (decrease)</i>		
Losses of subsidiaries	416,740,574	2,136,580,888
Amortisation of goodwill	408,570,987	174,719,236
Change in intra-group unrealised profits	204,955,853	92,037,655
Profits of activities which are exempted	(146,013,144)	(183,100,697)
Accrued expenses	49,702,240	37,978,090
Provision for investment into subsidiaries	(59,582,399)	(554,180,569)
Loss (gain) from associates shared	24,885,213	(22,408,392)
Foreign exchange difference	(73,893,319)	32,712,010
Non-deductible expenses	16,621,411	9,324,241
Gain from disposal subsidiaries	(716,379,791)	-
Net-off previously loss	(559,282,330)	-
Others	98,251,787	42,741,588
Estimated current taxable profit for the year	105,831,863	119,359,739
Estimated current CIT expense	22,297,875	4,063,514
Adjustment for under (over) accrual of CIT in previous year	1,592,205	(1,293,733)
Estimated current CIT for the year	23,890,080	2,769,781
CIT payable at beginning of the year	10,255,096	(3,046,244)
Others increases	3,866,911	10,771,087
CIT exempted during the year	1,225,741	-
CIT paid during the year	(1,000,064)	(239,528)
CIT payable at end of the year	38,237,764	10,255,096
<i>In which:</i>		
CIT payable (Note 20)	38,523,595	15,531,200
CIT receivable (Note 20)	(285,831)	(5,276,104)

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 (As restated - Note 39)	Current year	Previous year (As restated - Note 39)
	VND'000			
Deferred tax assets				
Unrealised intra-group profits	54,262,577	38,764,262	15,498,315	6,205,911
Foreign exchange difference	-	-	-	(24,728,042)
	<u>54,262,577</u>	<u>38,764,262</u>	<u>15,498,315</u>	<u>(18,522,131)</u>
Deferred tax liabilities				
Provision for investments	(11,916,480)	(109,516,113)	97,599,633	(109,516,113)
Deferred tax income (loss)			<u>113,097,948</u>	<u>(128,038,244)</u>

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	Interest expense	535,817,953	614,885,108
		Lending	471,750,857	-
		Purchase of goods, services and materials	400,635,181	209,151,193
		Loan and borrowing	93,800,000	5,734,871,154
		Selling of assets	11,467,723	-
		Interest income	11,386,457	-
		Purchase of assets	6,210,897	7,307,567
		Rendering of services	3,461,658	4,545,153
		Sales of goods	3,099,740	5,905,223
		Sales of fruits	15,555	-
	Purchase of investment	-	12,828,645	
Hung Thang Loi Gia Lai Joint Stock Company	Related company	Receiving capital contribution	500,000,000	-
		Loans	12,091,300	-
		Interest expense	10,170,174	-
An Phu Real Estate Investment Joint Stock Company	Related company	Interest income	171,605,996	56,764,111
		Loan and borrowing	-	587,000,000

34. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	VND'000	
			Current year	Previous year
Dai Thang Agricultural Development Co., Ltd.	Related company	Lending cash and materials	328,530,951	-
		Purchases of goods and services	161,930,104	34,977,483
		Sales of goods and services	76,011,925	47,019,228
		Transfer project	-	173,143,070
Gia Lai Livestock Joint Stock Company	Associate	Purchases of materials	288,494,927	259,815,547
		Sales of goods	103,307,232	226,706,126
		Sales of cows	65,885,094	273,564,474
		Interest income	57,527,599	66,362,897
		Interest expenses	35,611,000	-
		Business co-operation contract disbursement	16,100,000	-
		Sales of services	6,739,075	-
		Investment to associate	-	550,000,000
Nam Kong 3 Electric Co., Ltd.	Related company	Borrowing	179,926,262	-
Tay Nguyen Agricultural Co., Ltd.	Related company	Business co-operation contract received	150,000,000	-
		Sales of fruits	61,067,210	-
		Borrowing	7,606,000	-
		Lending	7,159,830	-

34. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	VND'000	
			Current year	Previous year
Mr. Nguyen Quoc Huy	Related party	Disposal of investment	130,000,000	-
Hoang Anh Gia Lai Hydropower JSC	Related company	Loan	126,168,000	-
		Borrowing	67,800,000	-
		Interest expense	5,260,420	-
Hoang Anh Gia Lai Wooden Furniture JSC	Related company	Warehouse rental	22,997,784	-
Thang Long Agricultural Development Co., Ltd.	Related company	Interest income	17,019,244	-
		Lending cash and materials	1,098,650	61,397,807
Mrs. Nguyen Thi Nga	Related party	Interest income	11,483,333	3,100,087
		Lending	-	150,000,000
Mrs. Nguyen Thi Kim Loan	Related party	Interest income	9,595,547	3,232,192
		Lending	-	150,000,000
Mrs. Truong Thi Truc Thien Trang	Related party	Interest income	7,344,138	2,083,040
		Lending	-	96,670,000
Mrs. Nguyen Thi Ngoc Trang	Related party	Purchasing shares of Cao su Trung Nguyen JSC	-	3,277,487,120

34. TRANSACTIONS WITH RELATED PARTIES (continued)

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

				VND'000	
Related parties	Relationship	Transactions	Ending balance	Beginning balance	
Short-term trade receivables (Note 6)					
Gia Lai Livestock Joint Stock Company	Associate	Sales of goods	432,326,587	320,117,214	
Hoang Anh Gia Lai Joint Stock Company	Parent company	Sales of goods	142,130,700	143,484,740	
Tay Nguyen Agricultural Co., Ltd.	Related company	Sales of fruits	39,609,909	-	
Dai Thang Agricultural Development Co., Ltd.	Related company	Sales of goods Disposal of project	11,323,460 -	23,731,185 90,147,433	
Heygo Food Joint Stock Company	Related company	Sales of goods	4,653,973	-	
Power Construction Installation Co., Ltd.	Related company	Sales of goods	3,245,851	-	
Hoang Anh Gia Lai Sport JSC	Related company	Sales of goods	485,126	413,196	
Others	Related parties	Sales of goods	2,115,759	1,397,545	
			635,891,365	579,291,313	
Short-term advances to suppliers (Note 7)					
Gia Lai Livestock Joint Stock Company	Associate	Advances for purchase of goods	397,012,295	702,918,510	
Hoang Anh Gia Lai Joint Stock Company	Parent company	Advances for purchase of materials	219,936,349	897,478,880	
Hoang Tho Materials Co., Ltd.	Related company	Advances for purchase of goods	13,000,000	13,000,000	
Power Construction Installation Co., Ltd.	Related company	Advances for purchase of goods	2,569,366	-	
Hoang Anh Gia Lai Bridge & Road Joint Stock Company	Related company	Advances for construction contract	214,543	-	
			632,732,553	1,613,397,390	

34. TRANSACTIONS WITH RELATED PARTIES (continued)

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

				VND'000	
Related parties	Relationship	Transactions	Ending balance	Beginning balance	
Short-term loan receivables (Note 8) (*)					
Dai Thang Agricultural Development Co., Ltd.	Related company	0.00%	225,109,500	-	
Thang Long Agricultural Development Co., Ltd.	Related company	0.00%	49,900,701	61,397,808	
V&H Corporation (Laos) Co., Ltd.	Related company	0.00%	5,596,432	4,742,317	
An Phu Real Estate Investment Joint Stock Company	Related company		-	280,000,000	
			280,606,633	346,140,125	
Long-term loan receivables (Note 8) (*)					
An Phu Real Estate Investment Joint Stock Company	Related company (i)	879,354,876	870,000,000		
Gia Lai Livestock Joint Stock Company	Associate	9.75 - 12.00%	452,417,403	573,691,667	
Hoang Anh Gia Lai Joint Stock Company	Parent company	8.00%	450,231,350	-	
Dai Thang Agricultural Development Co., Ltd.	Related party	0.00%	54,052,853	-	
Mrs Truong Thi Truc Thien Trang	Related party		-	96,670,000	
Mrs Nguyen Thi Kim Loan	Related party		-	125,340,957	
Mrs Nguyen Thi Nga	Related party		-	150,000,000	
			1,836,056,482	1,815,702,624	

34. TRANSACTIONS WITH RELATED PARTIES (continued)

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

(*) Short-term and long-term loans to related parties were approved by the General Shareholders Meeting dated 30 June 2017, compliance with terms and conditions regarding lending or granting guarantee to shareholders and related individuals pursuant to Decree 71/2017/ND-CP issued by the Government on 6 June 2017 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	287,000,000	30 December 2021	15.00
Loan receivable No. 2	283,000,000	30 August 2020	15.00
Loan receivable No. 3	300,000,000	27 May 2023	14.00
Loan receivable No. 4	9,354,876	8 August 2019	12.00
TOTAL	879,354,876		

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 and individuals.

34. TRANSACTIONS WITH RELATED PARTIES (continued)

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

			VND'000	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Other short-term receivable (Note 9)				
Gia Lai Livestock Joint Stock Company	Associate	Payment on behalf Temporary lending Interest income	59,216,723 331,611 -	4,418,868 - 20,317,649
An Phu Real Estate Investment Joint Stock Company	Related company	Interest income	44,353,801	84,116,944
Dai Thang Agricultural Development Co., Ltd.	Related company	Lending materials and fixed assets	11,849,169	132,565,743
Thang Long Agricultural Development Co., Ltd.	Related company	Interest income	7,005,910	-
Hoang Anh Gia Lai Joint Stock Company	Parent company	Temporary lending Others	3,965,871 313,680	252,120,865 5,092,869
Others	Related parties	Interest income	775,018	8,479,067
			127,811,783	507,112,005
Other long-term receivable (Note 9)				
Gia Lai Livestock Joint Stock Company	Associate	Interest income Business co-operation contract	141,245,383 125,750,981	60,368,691 109,650,981
Thang Long Agricultural Development Co., Ltd.	Related company	Lending material and fixed assets	130,284,692	295,543,906
Dai Thang Agricultural Development Co., Ltd.	Related company	Lending material and fixed assets Interest Income	117,720,096 2,551,686	102,439,202 -
An Phu Real Estate Investment Joint Stock Company	Related company	Interest income	110,903,413	20,987,500
Hoang Anh Gia Lai Joint Stock Company	Parent company	Interest income	11,386,457	-
			639,842,708	588,990,280

34. TRANSACTIONS WITH RELATED PARTIES (continued)

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

				VND'000	
Related parties	Relationship	Transactions	Ending balance	Beginning balance	
Short-term trade payables (Note 18)					
Hoang Anh Gia Lai Joint Stock Company	Parent company	Purchase of materials	(236,543,574)	(294,126,649)	
		Purchase of investment	-	(12,828,645)	
		Purchase of fixed assets	-	(6,718,545)	
		Others	-	(24,707)	
Gia Lai Livestock Joint Stock Company	Associate	Purchase of goods and services	(101,950,898)	(38,299,440)	
		Purchase of fixed assets	-	(19,290,278)	
Dai Thang Agricultural Development Co., Ltd.	Related company	Purchase of goods and services	(83,166,966)	-	
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related company	Warehouse rental	(22,997,784)	-	
Hoang Anh Gia Lai Mineral One Member Co., Ltd.	Related company	Purchase of materials	(944,414)	(1,319,002)	
Hoang Anh Gia Lai Hospital Joint Stock Company	Related company	Health medical services	(837,038)	(179,022)	
Others	Related parties	Purchase of materials	(2,951,980)	(4,639,711)	
			(449,392,654)	(377,425,999)	
Short-term advance from customers (Note 19)					
Dai Thang Agricultural Development Co., Ltd.	Related company	Purchase of goods	(123,784,994)	(24,395,000)	
Hoang Anh Gia Lai Joint Stock Company	Parent company	Purchase of goods	(22,074,780)	(21,993,920)	
Hoang Anh Gia Lai Wooden Furniture Joint Stock Company	Related company	Purchase of goods	(20,904)	(20,904)	
			(145,880,678)	(46,409,824)	

34. TRANSACTIONS WITH RELATED PARTIES (continued)

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

			VND'000	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Other short-term payables (Note 23)				
Hung Thang Loi Gia Lai Join Stock Company	Related company	Receiving capital contribution Interest expense	(500,000,000) (10,120,174)	- -
Hoang Anh Gia Lai Joint Stock Company	Parent company	Interest expenses Borrowings	(256,888,296) (4,907,428)	(514,370,003) -
Gia Lai Livestock Joint Stock Company	Associate	Temporary borrowing Interest expense Others	(243,676,688) (40,329,333) (6,422,202)	(404,622,013) - -
Tay Nguyen Agricultural Co., Ltd.	Related company	Business co- operation contract Borrowing	(150,000,000) (4,100,000)	- -
Nam Kong 3 Electric Co., Ltd.	Related company	Borrowing	(90,788,879)	(499,290,919)
Hoang Anh Gia Lai Hydropower Joint Stock Company	Related company	Borrowing Interest expense	(67,800,000) (5,260,420)	- -
Hoang Anh Gia Lai (Bangkok) Co., Ltd.	Related company	Borrowing	(7,037,479)	(7,369,738)
Hoang Anh Gia Lai Mineral One Member Co., Ltd.	Related company	Borrowing	(5,950,000)	(1,943,782)
An Tien Co., Ltd.	Related company	Dividend	(2,034,000)	(2,034,000)
Hoang Anh Sekong Mineral Co., Ltd.	Related company	Borrowing	(1,081,374)	(1,457,363)
Mrs. Vo Thi My Hanh	Related party	Borrowing	(679,085)	(22,000,000)
Mr. Duong Hoang Bac	Related party	Borrowing	(247,500)	-
Hoang Anh Gia Lai Hospital Joint Stock Company	Related company	Other	(192,220)	(158,882)
			(1,397,515,078)	(1,453,246,700)
Other long-term payable (Note 23)				
Nam Kong 3 Electric Co., Ltd.	Related company	Borrowings	(616,381,679)	-
An Tien Co., Ltd.	Related company	Business co- operation contract	(550,000,000)	(550,000,000)
Hoang Anh Gia Lai Joint Stock Company	Parent company	Interest expenses Business co- operation contract Borrowing	(893,574,118) (514,788,889) (20,777,918)	(136,237,677) (493,211,100) -
			(2,595,522,604)	(1,179,448,777)

34. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at 31 December 2017 and 31 December 2016 were as follows: (continued)

			VND'000	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term loans (Note 24.6)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Current Portion	(478,500,000)	(333,097,953)
Gia Lai Livestock Joint Stock Company	Associate	Current Portion	(298,000,000)	-
Hung Thang Loi Gia Lai Join Stock Company	Related company	Short-term loans	(12,091,300)	-
Mr. Duong Hoang Bac	Related Party	Short-term loans	(7,823,000)	(7,823,000)
			(796,414,300)	(340,920,953)
Long-term loans (Note 24.6)				
Hoang Anh Gia Lai Joint Stock Company	Parent company	Long-term loans	(4,898,429,558)	(9,353,141,757)
Hoang Anh Gia Lai Company Hydropower Joint Stock	Related company	Long-term loans	(126,168,000)	-
Gia Lai Livestock Joint Stock Company	Associate	Long-term loans	-	(298,000,000)
			(5,024,597,558)	(9,651,141,757)

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	7,126,024	6,012,691

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	27,650,133	37,971,585
From 1 to 5 years	110,600,534	183,123,566
More than 5 years	1,035,411,507	2,642,095,589
TOTAL	1,173,662,174	2,863,190,740

36. OFF BALANCE SHEET ITEMS

	Ending balance	Beginning balance
Foreign currencies:		
- LAK	1,258,686,556	9,035,600,152
- Cambodia Riels (KHR)	241,523,551	111,306,843
- USD	830,508	1,182,684
- EUR	-	1,259

37. COMMITMENTS AND CONTINGENCIES

Important Commitments

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

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

Warranty provision for airport projects

As at 31 December 2017, the Group is in progress to construct and complete remaining works and sections of two airport projects namely The Attapeu Airport Construction Project at Attapeu Province and The Nongkhang Airport Construction Project at Huaphan Province, Lao People's Democratic Republic. The Group did not recognise provision for warranty for the two projects, because these projects have not been taken over and handed over to contractors.

As mentioned at section 13.2 of Contract of the Attapeu Airport Construction Project number LAO-AT-P(01) dated January 2013 and section 13.2 of Contract of the Nongkhang Airport Construction Project No. LAO-NKP(01) dated 15 June 2013, the guarantee period of one year after the of handover the project.

38. 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.

38.1 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.

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

38. SEGMENT INFORMATION (continued)

38.1 Business segment (continued)

VND'000

	Plantation	Breeding	Trading and services	Others	Eliminations	Total
For the year ended 31 December 2016						
Revenue						
Inter-segment elimination	720,088,085	3,468,681,428	564,111,297	31,269,126	-	4,784,149,936
External customers	202,221,947	213,661,892	299,103,961	-	(714,987,800)	-
Total	<u>922,310,032</u>	<u>3,682,343,320</u>	<u>863,215,258</u>	<u>31,269,126</u>	<u>(714,987,800)</u>	<u>4,784,149,936</u>
Results						
Segment results	(166,361,376)76)	420,405,342	(93,830,721)	(240,728)	-	159,972,517
Unallocated expenses						(1,212,272,054)
Loss before income tax, finance income and finance expense						(1,052,299,537)
Finance income						230,097,487
Finance expense						(840,423,931)
Share profit from associates						15,581,670
Loss before tax						(1,647,044,311)
Current corporate income tax						(2,769,781)
Deferred tax expense						(128,038,244)
Net loss for the year						(1,777,852,336)
As at 31 December 2016						
Assets and liabilities						
Segment assets	25,508,674,851	2,551,785,637	1,128,255,807	1,526,216,329	-	30,714,932,624
Cash				311,458,305		
Investments in an associate						889,561,285
Unallocated assets						3,079,267,296
Total assets						34,995,219,510
Segment liabilities	(23,150,275,272)	(2,545,288,799)	(10,239,876,051)	(558,145,007)	-	(36,493,585,129)
Unallocated liabilities						1,498,365,619
Total liabilities						(34,995,219,510)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

B09-DN/HN

as at 31 December 2017 and for the year then ended

38. SEGMENT INFORMATION (continued)**38.1 Business segment (continued)**

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

	Plantation	Breeding	Trading and services	Others	Eliminations	Total
For the year ended 31 December 2017						
<i>Revenue</i>						
External customers	2,210,285,404	757,655,995	299,676,384	53,403,446	-	3,321,021,229
Inter-segment elimination	559,863,484	55,487,184	331,220,635	-	(946,571,303)	-
Total	2,770,148,888	813,143,179	630,897,019	53,403,446	(946,571,303)	3,321,021,229
<i>Results</i>						
Segment results	975,569,857	66,189,329	175,278,434	(2,515,000)	-	1,214,522,620
Unallocated expenses						(905,480,308)
Profit before income tax, finance income and finance expense						309,042,312
Finance income						1,014,721,130
Finance expense						(854,439,086)
Share loss from associates						(28,069,575)
Profit before tax						441,254,781
Current income tax expense						(23,890,080)
Deferred tax income						113,097,948
Net profit for the year						530,462,649
As at 31 December 2017						
<i>Assets and liabilities</i>						
Segment assets	34,784,990,216	2,723,388,484	14,427,600,942	1,357,047,539	-	53,293,027,181
Cash and cash equivalents						53,262,986
Investments in associates						861,491,710
Unallocated assets						(21,925,601,632)
Total assets						32,282,180,245
Segment liabilities	(45,579,482,432)	(2,820,100,521)	(19,564,982,959)	(11,659,567)	-	(67,976,225,479)
Unallocated liabilities						35,694,045,234
Total liabilities						(32,282,180,245)

VND'000

38. SEGMENT INFORMATION (continued)

38.2 Geographical segment

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

	VND'000					
	Vietnam	Laos	Cambodia	China	Others	Total
For the year ended 31 December 2016						
Sales to external customers	2,238,488,615	2,481,047,985	64,613,336	-	-	4,784,149,936
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						
<i>Other segment information</i>						
Segment assets	8,806,043,239	13,254,971,611	8,653,917,774	-	-	30,714,932,624
Cash and cash equivalents						311,458,305
Investment in an associate						889,561,285
Unallocated assets						3,079,267,296
Total assets						34,995,219,510
For the year ended 31 December 2017						
Sales to external customers	1,712,495,133	1,310,131,636	177,864,693	120,529,767	-	3,321,021,229
Capital expenditure of tangible fixed assets	186,235,330	856,307,845	320,475,171	-	-	1,363,018,346
As at 31 December 2017						
<i>Other segment information</i>						
Segment assets	15,348,921,328	13,729,825,576	11,530,837,100	(12,794,025,443)		27,815,558,561
Cash and cash equivalents						53,262,986
Investment in associates						861,491,710
Unallocated assets						3,551,866,988
Total assets						32,282,180,245

39. RESTATEMENT OF CORRESPONDING FIGURES

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 Sugarcane 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 consolidated financial statements for the year ended 31 December 2016 of the Group, the involved parties are still in the legal and administrative process to finalise the transaction. As at 31 December 2016 the Group's management confirmed that it has ceased all control over the Group of Sugarcane companies after 31 August 2016 and included the balance sheet as at 31 August 2016, income statement and cash flow statement for the eight-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.

During the year, all legal documents relating to the Group's transfer of 100% ownership of the Group of Sugarcane companies to the third party was completed on 22 May 2017. Accordingly, the Management re-visited and concluded that the Group has ceased its control of the Group since that date and decided to make restatement to the consolidated financial statements for the year ended 31 December 2016 due to re-consolidating consolidated financial statements of the Group of Sugarcane companies for the year ended 31 December 2016 to the Group's consolidated financial statements.

After the transfer of key management positions along with the right of operation, management of sugar factory, sugar cane plantations and other related assets since 31 August 2016. The management of the Group of Sugarcane companies have conducted assets cycle counting and assessment the usefulness of assets in order to adapt the new plantation and operation of sugar cane. Accordingly, some lost and damaged assets have been reduced or written off as accounting guidanes.

In addition, certain corresponding figures on the consolidated balance sheet as at 31 December 2016 have been reclassified to reflect the presentation of the current year's consolidated financial statements. Details of certain corresponding figures have been restated and reclassified as follows:

	Beginning balance (Previously presented)	Restatement and reclassification	Beginning balance (As restated)
VND'000			
CONSOLIDATED BALANCE SHEET			
A. CURRENT ASSETS	6,643,444,600	(168,688,445)	6,474,756,155
I. Cash and cash equivalents	308,340,423	3,117,882	311,458,305
Cash	293,340,423	3,117,882	296,458,305
II. Current accounts receivable	4,648,948,580	(1,010,395)	4,647,938,185
Short-term trade receivables	1,680,875,463	(1,180,433)	1,679,695,030
Short-term advances to suppliers	1,732,975,730	603,480	1,733,579,210
Other short-term receivables	840,786,681	364,860	841,151,541
Provision for short-term doubtful receivables	(5,180,000)	(798,302)	(5,978,302)
III. Inventories	1,671,761,591	(176,355,025)	1,495,406,566
Inventories	1,704,449,696	(23,918,187)	1,680,531,509
Provision for obsolete inventories	(32,688,105)	(152,436,838)	(185,124,943)
IV. Other current assets	14,394,006	5,559,093	19,953,099
Short-term prepaid expenses	2,967,605	5,041,183	8,008,788
Value-added tax deductible	6,115,529	517,910	6,633,439

39. RESTATEMENT OF CORRESPONDING FIGURES (continued)

Details of certain corresponding figures have been restated and reclassified as follows: (continued)

	VND'000		
	Beginning balance (Previously presented)	Restatement and reclassification	Beginning balance (As restated)
CONSOLIDATED BALANCE SHEET			
B. NON-CURRENT ASSETS	28,824,808,449	(304,345,094)	28,520,463,355
I. Fixed assets	7,072,654,253	(223,766,943)	6,848,887,310
Tangible fixed assets	7,036,174,317	(223,766,943)	6,812,407,374
- Cost	8,209,060,771	(193,374,161)	8,015,686,610
- Accumulated depreciation	(1,172,886,454)	(30,392,782)	(1,203,279,236)
II. Long-term assets in progress	13,359,625,077	760,793	13,360,385,870
Construction in progress	13,359,625,077	760,793	13,360,385,870
III. Long-term investment	896,161,285	(6,600,000)	889,561,285
Investment in associate	896,161,285	(6,600,000)	889,561,285
IV. Other long-term assets	4,971,332,020	(74,738,944)	4,896,593,076
Long-term prepaid expenses	1,026,392,360	(74,738,944)	951,653,416
TOTAL ASSETS	35,468,253,049	(473,033,539)	34,995,219,510
A. LIABILITIES	24,984,262,903	287,887,244	25,272,150,147
I. Current liabilities	6,124,980,643	197,772,146	6,322,752,789
Short-term trade payables	644,831,970	102,294,752	747,126,722
Short-term advances from customers	180,807,868	74,678,426	255,486,294
Statutory obligations	120,251,709	(96,973)	120,154,736
Payables to employees	52,564,498	(1,640,196)	50,924,302
Short-term accrued expenses	144,091,844	275,781,803	419,873,647
Other short-term payables	2,834,677,638	(772,921,804)	2,061,755,834
Short-term loans	2,138,653,364	519,676,138	2,658,329,502
II. Non-current liabilities	18,859,282,260	90,115,098	18,949,397,358
Other long-term liabilities	1,309,428,416	97,887,643	1,407,316,059
Long-term loans	17,257,342,463	175,222,723	17,432,565,186
Deferred tax liabilities	21,285,888	88,230,225	109,516,113
Long-term provision	271,225,493	(271,225,493)	-
B. OWNERS' EQUITY	10,483,990,146	(760,920,783)	9,723,069,363
I. Capital	10,483,990,146	(760,920,783)	9,723,069,363
Foreign exchange differences reserve	546,519,640	(3,176,764)	543,342,876
Undistributed earnings	1,141,711,973	(757,850,298)	383,861,675
Non-controlling interest	59,768,773	106,279	59,875,052
TOTAL LIABILITIES AND OWNERS' EQUITY	35,468,253,049	(473,033,539)	34,995,219,510

39. RESTATEMENT OF CORRESPONDING FIGURES (continued)

Details of certain corresponding figures have been restated and reclassified as follows: (continued)

			VND'000
	Prior year (Previously presented)	Restatement and reclassification	Prior year (As restated)
CONSOLIDATED INCOME STATEMENT			
Revenue from sale of goods and rendering of services	4,777,217,797	8,181,852	4,785,399,649
Net revenue from sale of goods and rendering of services	4,775,968,084	8,181,852	4,784,149,936
Cost of goods sold and services rendered	(4,265,868,089)	(358,309,330)	(4,624,177,419)
Gross profit from sale of goods and rendering of services	510,099,995	(350,127,478)	159,972,517
Finance income	236,063,665	(5,966,178)	230,097,487
Finance expenses	(779,118,866)	(61,305,065)	(840,423,931)
<i>In which: Interest expense</i>	(701,146,747)	(49,019,695)	(750,166,442)
Selling expenses	(88,270,096)	(551,813)	(88,821,909)
General and administrative expenses	(306,168,650)	(9,706,467)	(315,875,117)
Operating loss	(411,812,282)	(427,657,001)	(839,469,283)
Other income	146,890,520	57,405	146,947,925
Other expenses	(712,608,755)	(241,914,198)	(954,522,953)
Other loss	(565,718,235)	(241,856,793)	(807,575,028)
Accounting loss before tax	(977,530,517)	(669,513,794)	(1,647,044,311)
Deferred tax expenses	(39,808,019)	(88,230,225)	(128,038,244)
Net profit loss after tax	(1,020,108,317)	(757,744,019)	(1,777,852,336)
Net loss after tax attributable to shareholders of the parent	(984,862,782)	(757,850,298)	(1,742,713,080)
Net loss after tax attributable to non-controlling interests	(35,245,535)	106,279	(35,139,256)
Basic loss per share (VND)	(1,298)	(999)	(2,297)
Diluted earnings loss per share (VND)	(1,298)	(999)	(2,297)

40. EVENTS AFTER THE BALANCE SHEET DATE

As mentioned at Note 23, on 9 March 2018, the Company completely issued additional 119,700,000 new shares to convert loan balances to share capital.

Accordingly, share capital of the Company increased from VND'000 7,671,438,950 to VND'000 8,868,438,950. As at 30 March 2018, the Department of Planning and Investment of Gia Lai Province approved and issued the new Business Registration Certificate for increasing share capital as mentioned above.

As at 20 March 2018, Highland Dairy Castle Joint Stock Company, a subsidiary of the Group, transferred all shares equivalent to 23.46% interest ownership in Gia Lai Livestock Joint Stock Company, an associate of the Group, to Heygo Food Joint Stock Company. Accordingly, Gia Lai Livestock Company has been no longer an associate of the Group since that date.

Except for the above events, there have been no other significant events or circumstances occurring after the balance sheet date which would require adjustments or disclosures to be made in the accompanying consolidated financial statements of the Group.



Pham Thi Luu Ly
Preparer



Ho Thi Tuyet Loan
Chief Accountant



Vô Thị Mỹ Hạnh
General Director

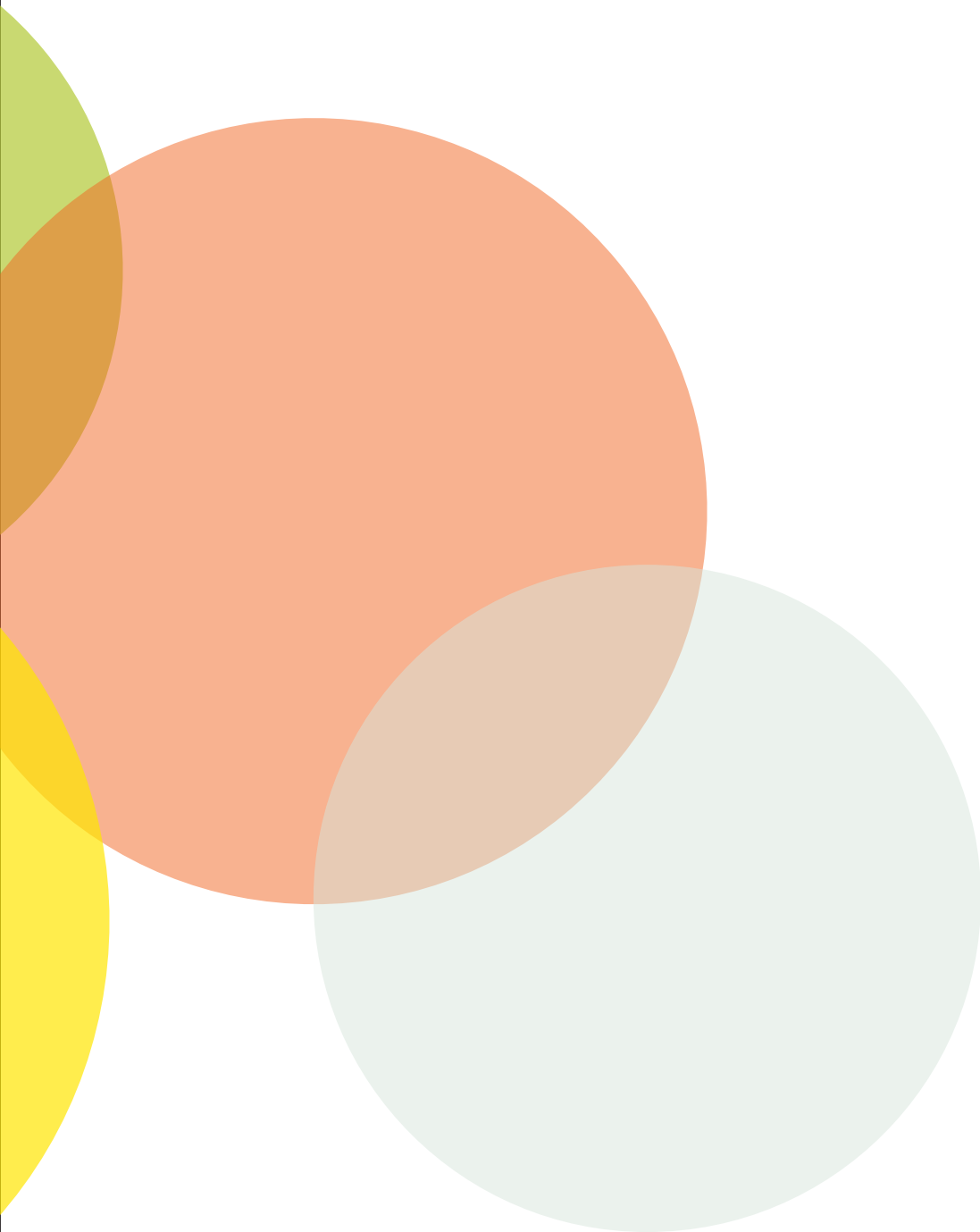
30 March 2018



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