

# Debt-ridden Vietnamese Property Group to Sell Rubber Plantations in Laos

By **Jasmina Yap** - September 17, 2016



Hoang Anh Gia Lai is desperate to find a way to settle its \$1.44 billion debt.

Vietnamese real estate conglomerate Hoang Anh Gia Lai is planning to sell a large area of its rubber plantations in Laos to Chinese investors to deal with increasing debts and shrinking profits.

Doan Nguyen Duc, the company's chairman, said at a board meeting on Thursday that the company is still waiting for results from the government's plan to restructure its debts at local banks.

If that does not work out, the company is going to sell 20,000 hectares (49,400 acres) of rubber fields in Laos to a Chinese partner who has offered around VND8 trillion (\$360,000), Duc said.

That will leave the company, which now mainly operates in the real estate and agricultural sectors, with around 60,000 hectares of agriculture land left.

He said the company will continue selling less important assets to cut debts.

"There are no big companies in the world that do not owe money. Our company's debts are still under control," he said.

Hoang Anh Gia Lai reported nearly VND32.64 trillion (\$1.44 billion) in debts at the end of last year, up 54.5 percent from 2014 and equivalent to more than 67 percent of its total assets.

The group's post-tax profit fell 46.5 percent year-on-year to VND678.62 billion (\$29.94 million) in 2015.

**Source: VN Express**

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