



No: 2904/19/CV-HAGL  
(Re: Explanation for  
the separate financial  
statements  
for Quarter I of 2019)

Gia Lai, April 29, 2019

To:                   -   **The State Securities Commission**  
                          -   **Ho Chi Minh Stock Exchange**

Hoang Anh Gia Lai Joint Stock Company (“the Company”) (stock code: HAG) would like to give the explanation for the losses and fluctuations in business results in the separate financial statements for Quarter I of 2019 as follows:

**I. Explanation for the loss in Quarter I of 2019**

The total losses after tax in Quarter I of 2019 of the Company was VND 241.4 billion, including VND 10.0 billion of the loss in business operations and VND 231.4 billion of other losses.

**1. Loss of business operations**

Financial income	: VND 295.6 billion
Financial expenses	: VND (285.3) billion
Corporate administrative expenses	: VND (19.5) billion
Net loss from business operations	: VND (10.0) billion

**2. Other losses**

The losses were incurred by the Company’s provision for the receivables.

**II. Explanation for the fluctuations in business results**

**1. Business operations**

As the main function of the parent company was management, it did not generate a considerable amount of revenue and gross profit. The gross profit of Quarter I of 2019 was VND 43 million (compared with VND 1.58 billion in Quarter I of 2018).

**2. Financial operations**

- Financial income in the period decreased VND 19 billion year-over-year (Quarter I of 2018: VND 314 billion; Quarter I of 2019: VND 295 billion) mainly due to the Company’s lower dividend from its subsidiaries.
- Financial expenses in the period increased by VND 7 billion year-over-year (Quarter I of 2018: VND 278 billion; Quarter I of 2019: VND 285 billion) because the Company made an additional provision for investment in the Subsidiaries in the period.

The Company’s other operations have been going on normally with no considerable fluctuations

Above is the Company’s explanation for the losses and fluctuations in business results in the separate financial statements for Quarter I of 2019.

Yours faithfully,

To:

- As above;
- Filed at Filing and Planning and Investment Department



**GENERAL DIRECTOR**

**VO TRUONG SON**

