

THE SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness



No.: 2982020-2/CV-HAGL  
(Re: Interpretation of qualified opinion  
and emphasis of matter in the  
reviewed interim Consolidated FS of  
2020)

Gia Lai, 29 August, 2020

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 interpret the qualified opinion and emphasis of matter in the reviewed interim Consolidated as follows

**I. Qualified opinion:**

In the interim review report, auditors issued a qualified opinion on assessing the recoverability of the total outstanding short-term and long-term receivables with the amount of VND 7,298,275,688 thousand. Details are as follows:

a. Short-term and long-term receivables:

*Outstanding short-term and long-term receivables:*

<b>COMPANY</b>	<i>Unit: VND thousand</i> <b>AMOUNT</b>
Gia Lai Livestock JSC	6,081,404,378
Le Me JSC	4,428,386,517
Công ty Cổ phần Gỗ Hoàng Anh Gia Lai	228,221,070
HAGL Wooden Furniture JSC - HAGL Plastic Factory branch	29,168,433
Thanh Binh Investment & Construction Consultant Co., Ltd	27,595,944
Minh Tuan Trading and Services Co., Ltd.	5,501,714
<b>Total</b>	<b><u>10,800,278,056</u></b>

b. Assessment of recoverability of the receivables above depends on auditors' judgment based on information and data of assets assessment we have been able to collect:

<b>Item</b>	<i>Unit: VND thousand</i> <b>EY valuation</b>
<b>A. Total outstanding receivables</b>	<b>10,800,278,056</b>
Assessment of the receivables from:	
<i>Net assets of Gia Lai Livestock JSC</i>	768,517,470
<i>Net assets of Le Me</i>	826,932,000
<i>Reducing payables to related parties</i>	207,554,126
<i>Guarantee of Mr. Doan Nguyen Duc – BOD chairman</i>	1,698,998,772
<b>Value of receivables of which recoverability not determined</b>	<b><u>7,298,275,688</u></b>

According to the assessment of the Group, although the value of the gardens has not been highly valued due to the fact that the tree is in the stage of construction, the potential to generate cash flows to repay the Group's debt is large, so we believe that the assets of these companies are capable to create value and cash flows ensuring recoverability of receivables. The above valuation figures are only provisional, just for reference purpose rather than transaction value

**II. Emphasis of matter:**

In the reviewed interim consolidated FS for 2020, auditors emphasizes preparing the FS on the going concern basis as the Group's current liabilities exceeded its current assets by 1,372,377,031 thousand VND.

In 2020, fruit sales represents a major proportion of the revenue structure. Revenue from banana generates major short-term cash flow due to short-time construction, high productivity, stable selling prices. The Group has been pursuing a policy of expanding the banana planting area; besides, trees of high economic value like jack fruit, avocado, durian, etc. will bring in considerable revenue when harvest come. And the Group continues financial restructure and negotiate with lenders for debt rescheduling, interest reduction. Therefore, the Group judge that it will be able to continue as a going concern and it is reasonable to prepare the financial statements on going concern basis.

Above is the Company's explanation for the qualified opinion auditors issued in the reviewed interim consolidated financial statements for 2020.

Yours faithfully,

**HOANG ANH GIA LAI JOINT STOCK COMPANY**  
**GENERAL DIRECTOR**

**Recipients:**

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

**VÕ TRƯỜNG SƠN**