

THE SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness



No. 2982020-1/CV-HAGL
(Interpretation of the reviewed
interim Consolidated financial
statements 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 reviewed interim Consolidated financial statements of 2020 as follows:

I. Interpretation of the interim losses of 2020:

The Group’s loss before tax was VND 132,112,043 thousand, including operating loss of VND 62,730,230 thousand and others VND 69,381,813 thousand. The major figures are as follows:

1. Operating loss

- Gross profit : VND 415,937,039 thousand
- Financial income : VND 350,135,380 thousand
- Financial expenses : VND (446,347,717) thousand
- Selling expenses : VND (216,136,693) thousand
- General and administrative expenses : VND (167,912,379) thousand
- Profits from associates : VND 1,594,140 thousand
- Loss from operating activities : VND (62,730,230) thousand

It was mainly due to high loan interest expense and transport.

2. Others

It was mainly due to the Group’s assessment of non-performing assets

II. Explanation for fluctuations in income statement in the reviewed interim consolidated financial statements of 2020 compared with that of 2019:

Unit: VND thousand

Item	Interim consolidated FS 2020	Interim consolidated FS 2019	Difference
Profit after CIT	(133.829.530)	(706.096.558)	572.267.028

The main reason for the difference is presented as follows:

- Gross profit increased by VND 179,322,088 thousand VND, mainly due to increased revenue from fruit sales.
- Financial income increased by VND 268,248,595 thousand, mainly due to decreased loan interest expense.
- Selling expense increased by VND 74,902,363 thousand, mainly due to increased transport cost.

- Administrative expenses decreased by VND 192,898,083 thousand, due to decreased allocation of goodwill.
- Other losses decreased by VND 19,820,898 thousand, mainly due to a decrease in the expenses of assessing non-performing assets and in the cost of converting oil palm and rubber plantation into fruits.

No significant fluctuations in other sectors are recorded.

Above is the Company's interpretation of reviewed interim Consolidated financial statements for 2020.

Yours faithfully,

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

Recipients:

- *As above;*
- *Archived at Filing and Planning and Investment Department.*

VO TRUONG SON