

No. 30720-1/CV-HAGL  
(Re: Interpretation of income statement in the  
Consolidated financial statements for the  
Quarter II/2020)

**THE SOCIALIST REPUBLIC OF VIETNAM**

Independence – Freedom – Happiness



Gia Lai, 30 July, 2020

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

Hoang Anh Gia Lai Joint Stock Company (“the Company”) and its subsidiaries (“the Group”) (stock code: VND HAG) would like to interpret the losses and fluctuation in the income statement in in the Consolidated financial statements for Quarter II/2020 as follows:

**I. Interpretation of the losses in Quarter II/2020:**

Loss before tax in II/2020 was VND 62 billion, including operating loss of VND 94 billion and others 32 VND billion. The major elements are as follows:

**1. Lỗ từ hoạt động kinh doanh**

- Gross profit	:	VND 125 billion
- Financial income	:	VND 267 billion
- Financial expenses	:	VND (286) billion
- Selling expenses	:	VND (132) billion
- General and administrative expenses	:	VND (67) billion
- Profits from associates	:	VND (1) billion
- Loss from operating activities	:	VND (94) billion

It was mainly due to loan interest expense and cost of transport.

**2. Other profits**

It was mainly due to the Group’s reversal of some provision appropriated 2016 to 2019.

**II. Interpretation of fluctuations in the income statement:**

**III. Operating activities**

- Revenue from sale of goods and commodity and provision of services in the period increased by VND 135 billion as compared with that of the same period in 2019 (Quarter II/2019: 512 VND billion; Quarter II/2020: VND 647 billion). Biến động chủ yếu như sau:
  - + Revenue from fruits increased by VND 117 billion as compared with that of the same period in 2019 (Quarter II/2019: VND 408 billion; Quarter II/2020: VND 525 billion) mainly due to an increase in the fruit harvest area.
  - + Revenue from sale of rubber latex increased by 22 VND billion as compared with that of the same period in 2019 (Quarter II/2019: 17 VND billion; Quarter II/2020: 39 VND billion).
- Cost of goods sold increased by 151 VND billion as compared with that of the same period in 2019 (Quarter II/2019: 361 VND billion; Quarter II/2020: 512 VND billion)Major fluctuations are as follows:
  - + Cost of fruits increased by 121 VND billion as compared with that of the same period in 2019 (Quarter II/2019: 255 VND billion; Quarter II/2020: 376 VND billion).
  - + Cost of rubber latex increased by 32 VND billion as compared with that of the same period in 2019 (Quarter II/2019: 31 VND billion; Quarter II/2020: 63 VND billion).

## 1. Financing activities

- Financial income increased by 69 VND billion as compared with that of the same period in 2019 (Quarter II/2019: VND 198 billion; Quarter II/2020: VND 267 billion). Major fluctuations were as follows:
  - + Interest income decreased by VND 25 billion as compared with that of the same period in 2019 (Quarter II/2019: VND 192 billion; Quarter II/2020: 167 VND billion).
  - + Other financial income decreased by VND 95 billion as compared with that of the same period in 2019 (Quarter II/2019: not generating; Quarter II/2020: VND 95 billion) mainly due to the Group's reversal of accrued expenses.
- Financial expenses decreased by VND 115 billion as compared with that of the same period in 2019 (Quarter II/2019: 401 VND billion; Quarter II/2020: VND 286 billion). Major fluctuations were as follows:
  - + Interest expenses decreased by VND 67 billion as compared with that of the same period in 2019 (Quarter II/2019: 356 VND billion; Quarter II/2020: 289 VND billion). It was mainly due to a decrease in the loan balance.
  - + Loss on exchange rate difference increased by VND 38 billion as compared with that of the same period in 2019 (Quarter II/2019: 27 VND billion; Quarter II/2020: (11) VND billion).
  - + Loss on disposal of investments decreased by VND 8 billion as compared with that of the same period in 2019 (Quarter II/2019: 8 VND billion; Quarter II/2020: not generating).

## 2. Other activities

- Other incomes increased by VND 58 billion as compared with that of the same period in 2019 (Quarter II/2019: VND 21 billion; Quarter II/2020: VND 79 billion). It was mainly due to reversal of accrued expenses .
- Other expenses decreased by VND 336 billion as compared with that of the same period in 2019 (Quarter II/2019: VND 383 billion; Quarter II/2020: VND 47 billion). It was mainly because in Quarter II/2019 the Group assessed non-performing assets and adjusted investments in rubber, oil palm plantations to expenses of fruit planting conversion. This expense did not generate in Quarter II/2020.

No significant fluctuations in other sectors are recorded.

Above is the Company's interpretation of income statement in the Consolidated financial statements for QuarterII/2020.

Yours faithfully,

**Recipients:**

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

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

**VO TRUONG SON**