

No: 30120/CV-HAGL  
(Re: Explanation for the separate financial  
statements for Quarter IV/2019)

THE SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness



Gia Lai, 30 January, 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 give the explanation for the fluctuations in business results in the separate financial statements for Quarter IV/2019 as compared with those for Quarter IV/2018 as follows:

- Loss after tax in Quarter IV/2019: 11 billion dong
- Loss after tax in Quarter IV/2018: 151 billion dong.

**The fluctuations are as follows:**

**1. Business operations**

- Revenues from sales of commodities and service provision in the period increased by 13 billion dong as compared against the same period of 2018 (Quarter IV/2018: 20 billion dong; Quarter IV/2019: 33 billion dong) mainly because sales and purchase of products and machines supplied for the Agribusiness sector.
- Costs of goods sold and service provision increased by 13 billion dong as compared against the same period of 2018 (Quarter IV/2018 là 19 billion dong; Quarter IV/2019 là 32 billion dong).
- General and administrative expenses decreased by 44 billion dong as compared against the same period of 2018 (Quarter IV/2018: 63 billion dong; Quarter IV/2019: 19 billion dong) mainly because in Quarter IV/2018 a number of provisions related to business operation were appropriated, which was lower than that of Quarter IV/2019.

**2. Financing activities**

- Financial income in the period decreased by 54 billion dong as compared against the same period of 2018 (Quarter IV/2018: 321 billion dong; Quarter IV/2019: 267 billion dong). The fluctuations are as follows:
  - + Interest income decreased by 44 billion dong as compared against the same period of 2018 (Quarter IV/2018: 311 billion dong; Quarter IV/2019: 267 billion dong) mainly because the Company recovered loans from subsidiaries and other companies.
  - + Income from exchange rate difference decreased by 10 billion dong as compared against the same period of 2018 (Quarter IV/2018: 10 billion dong; Quarter IV/2019: 0 billion dong).
- Financial expenses in the period decreased by 180 billion dong as compared against the same period of 2018 (Quarter IV/2018: 425 billion dong; Quarter IV/2019: 245 billion dong). The fluctuations are as follows:
  - + Interest expenses decreased by 71 billion dong as compared against the same period of 2018 (Quarter IV/2018: 271 billion dong; Quarter IV/2019: 200 billion dong) mainly because the debt balance decreased.
  - + Loss on disposal of investments increased by 44 billion dong as compared against the same period of 2018 (Quarter IV/2018: not generated; Quarter IV/2019: 44 billion dong).
  - + Provision for investments in subsidiaries decreased by 133 billion dong as compared against the same period of 2018 (Quarter IV/2018: 133 billion dong; Quarter IV/2019: not generated).

- + Loss from foreign exchange difference decreased by 17 billion dong as compared against the same period of 2018 (Quarter IV/2018: 17 billion dong; Quarter IV/2019: 0 billion dong).

### **3. Other activities**

- Other incomes in the period decreased by 23 billion dong as compared against the same period of 2018 (Quarter IV/2018: 23 billion dong; Quarter IV/2019: 0 billion dong) mainly because of proceeds from disposal of fixed assets in Quarter IV/2018.
- Other expenses in the period increased by 10 billion dong as compared against the same period of 2018 (Quarter IV/2018: 3 billion dong; Quarter IV/2019: 13 billion dong).

The Group's other operations have been going on normally with no significant fluctuations.

Above is the Company's explanation on the business results in the Consolidated financial statements for Quarter IV/2019.

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**