

No: 30102021-1/CV-HAGL
(Re: Interpretation of income statement in the
Consolidated financial statements for the
Quarter III/2021)

THE SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness



Gia Lai, 30 October 2021

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 the Consolidated financial statements for Quarter III/2021 as follows:

VND billion

Item	Consolidated FS Quarter III/2021	Consolidated FS Quarter III/2020	Difference
Profit (loss) after corporate income tax	22	(568)	590

The main reason for the movements was that in the quarter III/2021, gross profit from the sale of goods and service provision improved as compared to that of the same period in 2020 due to the business activities in the pig, fruit business and reduced interest expenses are also among the reasons for profit in the quarter III/2021 consolidated financial statements.

The major movements are presented as follows:

1. Business operation

- Revenues from sales of commodities and of services in the period decreased by VND 147 billion as compared with that of 2020 (Quarter III/2020: 701 billion VND; Quarter III/2021: VND 554 billion). Major movements are as follows:
 - + Revenue from fruits decreased by VND 307 billion as compared with that of 2020 (Quarter III/2020: VND 527 billion; Quarter III/2021: VND 220 billion). It is mainly because the Group no longer consolidate the revenue of HNG Company group.
 - + Revenue from sales of pigs increased by VND 183 billion as compared with that of 2020 (Quarter III/2020: not generated; Quarter III/2021: VND 183 billion).
 - + Revenue from sales of goods and commodities increased by VND 64 billion as compared with that of 2020 (Quarter III/2020: VND 21 billion; Quarter III/2021: VND 85 billion).
 - + Revenue from sales of bò increased by VND 27 billion as compared with that of 2020 (Quarter III/2020: not generated; Quarter III/2021: VND 27 billion)
 - + Revenue from sales of rubber latex decreased by 54 billion VND as compared with that of 2020 (Quarter III/2020: 54 billion VND; Quarter III/2021: not generated).
 - + Revenue from provision of other services decreased by VND 59 billion as compared with that of 2020 (Quarter III/2020: VND 99 billion; Quarter III/2021: VND 40 billion).
- Costs of goods sold in the period decreased by 379 billion VND as compared with that of 2020 (Quarter III/2020: 757 billion VND; Quarter III/2021: 378 billion VND). Major movements are as follows:
 - + Cost of fruits decreased by VND 439 billion as compared with that of 2020 (Quarter III/2020: VND 575 billion; Quarter III/2021: VND 136 billion).
 - + Cost of pig sales increased by VND 129 billion as compared with that of 2020 (Quarter III/2020: not generated; Quarter III/2021: VND 129 billion).
 - + Cost of goods and commodities increased by VND 32 billion as compared with that of 2020 (Quarter III/2020: 15 billion VND; Quarter III/2021: VND 47 billion).

- + Cost of bán bò increased by VND 26 billion as compared with that of 2020 (Quarter III/2020: not generated; Quarter III/2021 : VND 26 billion).
- Cost of rubber latex sales decreased by 92 billion VND as compared with that of 2020 (Quarter III/2020: 92 billion VND; Quarter III/2021: not generated).
 - + Cost of other services decreased by 36 billion VND as compared with that of 2020 (Quarter III/2020: 76 billion VND; Quarter III/2021: 40 billion VND).
- Administration expense decreased by 612 billion VND as compared with that of 2020 (Quarter III/2020: 155 billion VND; Quarter III/2021: (457) billion VND). It is mainly because the reduced provision balance relating to past outstanding liabilities decreased as compared with that of 2020.

2. Financial activities

- Financial income in the period decreased by VND 7 billion as compared with that of 2020 (Quarter III/2020: 139 billion VND; Quarter III/2021: VND 132 billion).
- Financial expenses in the period increased by VND 428 billion as compared with that of 2020 (Quarter III/2020: VND 264 billion; Quarter III/2021: VND 692 billion). It is mainly because provision was made for any diminution in value of the investments in HNG company group.

3. Other activities

- Other losses decreased by VND 148 billion as compared with that of 2020 (Quarter III/2020: VND 163 billion; Quarter III/2021: VND 15 billion). Major movements are due to the cost of converting the fruit plantations decreased as compared with that of previous year.

Above is the Company's interpretation of differences in profit and movements in income statement in the consolidated financial statements of Quarter III/2021.

Trân trọng !

Recipients:

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

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

VO TRUONG SON