



No.: 30121-1/CV-HAGL

(Re: Interpretation of income statement in the
Separate financial statements for the Quarter
IV/2020)

Gia Lai, 30 January 2021

Kính gửi:

- Ủy ban Chứng khoán Nhà Nước
- Sở Giao dịch Chứng khoán Tp. Hồ Chí Minh

Hoang Anh Gia Lai Joint Stock Company (“the Company”) (stock code: VND HAG) would like to interpret the Separate financial statements for Quarter IV/2020 as follows:

I. Interpretation of the losses in Quarter IV/2020:

Loss before tax in Quarter IV/2020 was VND 879 billion, including operating loss of VND 286 billion and others VND 593 billion. The major elements are as follows:

1. Loss from operating activities

- Gross profit	:	9 billion
- Financial income	:	167 billion
- Financial expenses	:	(205) billion
- Selling expenses	:	(5) billion
- General and administrative expenses	:	(252) billion
- Loss from operating activities	:	(286) billion

It was mainly due to the provision that the company made appropriation to on the principle of prudence and loan interest expense remain high...

2. Other losses

The main reason was due to the Group's provision for an investment in Gia Lai Lives stock JSC.

II. Interpretation of fluctuations in the income statement:

1. Operating activities

- Revenue from sale of goods and commodity and provision of services increased by 49 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND 33 billion; Quarter IV/2020: VND 82 billion). It was mainly due to an increase in the fruit business.
- Cost of goods and commodity and provision of services increased by 42 billion as compared with that of the same period in 2019 (Quarter IV/2019: 32 billion; Quarter IV/2020: VND 74 billion).
- Selling expense increased by 4 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND 1 billion; Quarter IV/2020: VND 5 billion). It was mainly due to an increase in fruit sales.
- General and administrative expenses increased by VND 77 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND 175 billion; Quarter IV/2020: VND 252 billion). It was mainly due to an increase provision created.

2. Financing activities

- Financial income decreased by 581 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND 749 billion; Quarter IV/2020: VND 167 billion). Major fluctuations are as follows:

- + Loan interest decreased by 135 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND 273 billion; Quarter IV/2020: VND 138 billion).
- + Proceeds from disposal of investments decreased by VND 450 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND 476 billion; Quarter IV/2020: VND 26 billion).
- Financial expenses decreased by 533 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND 738 billion; Quarter IV/2020: VND 205 billion). Major fluctuations are as follows:
- + Provision for investments increased by VND 18 billion as compared with that of the same period in 2019 (Quarter IV/2019: not generating; Quarter IV/2020: VND 18 billion).
 - + Loan interest expenses decreased by 18 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND 200 billion; Quarter IV/2020: VND VND 182 billion).
 - + Loss on disposal of investments decreased by 520 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND VND 520 billion; Quarter IV/2020: not generating).

3. Other activities

- Other expenses increased by 550 billion as compared with that of the same period in 2019 (Quarter IV/2019: VND 43 billion; Quarter IV/2020: VND 593 billion). It was mainly due to the Group's provision for an investment in Gia Lai Lives stock JSC. More of this expense generated than that of the same period in /2019.

No significant fluctuations in other sectors are recorded.

III. Interpretation of retrospective adjustment the audited consolidated financial statements of 2019:

In the audited consolidated financial statements of 2018 and 2019, Ernst & Young gave qualified opinion regarding outstanding short-term and long-term receivables. So far, the group operating activities have been under the influence of Covid-19 pandemic, the Company management, on the principle of prudence, reviewed the past figures regarding estimation and provision for the value of the receivables and decided to retrospectively adjust the consolidated financial statements for the fiscal year ended December 31, 201 by making appropriation to provisions for outstanding receivables so that the Financial statements 2020 is not subject to qualified opinion.

In the future, as projects and assets serve as a basis for growth and increase in value, gradual reversal of these provisions is possible. The Management believes that appropriation to these provisions on the principle of prudence will help improve the transparency of the financial statements and, on that basis, better serve shareholders' access to information.

Above is the Company's interpretation of income statement in the Consolidated financial statements for Quarter IV/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