

THE SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness



No. 2982020-4/CV-HAGL
(Re: Interpretation of qualified opinion
and emphasis of matter in the
reviewed interim Separate FS for
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 qualified opinion and emphasis of matter in the reviewed interim Separate FS as follows

I. Ý kiến ngoại trừ:

In the interim review report, auditors issued a qualified opinion on assessing the recoverability of the total outstanding short-term and long-term receivables with the amount of VND 7.037.188.093 thousand. Details are as follows:

a. Short-term and long-term receivables:

Outstanding short-term and long-term receivables:

COMPANY	ĐVT: VND thousand AMOUNT
Gia Lai Livestock JSC	5,859,065,442
Le Me JSC	4,419,384,516
Công ty Cổ phần Gỗ Hoàng Anh Gia Lai	227,642,845
HAGL Wooden Furniture JSC	27,595,944
Thanh Binh Investment & Construction Consultant Co., Ltd	5,501,714
Total	10,539,190,461

b. Assessment of recoverability of the receivables above depends on auditors' judgment based on information and data of assets assessment we have been able to collect:

Khoản mục	ĐVT: Thousand VND EY valuation
A. Total outstanding receivables	10,539,190,461
Assessment of the receivables from:	
<i>Net assets of Gia Lai Livestock JSC</i>	768,517,470
<i>Net assets of Le Me</i>	826,932,000
<i>Reducing payables to related parties</i>	207,554,126
<i>Guarantee of Mr. Doan Nguyen Duc – BOD chairman</i>	1,698,998,772
Value of receivables of which recoverability not determined	7,037,188,093

According to the assessment of the Group, although the value of the gardens has not been highly valued due to the fact that the tree is in the stage of construction, the potential to generate cash flows to repay the Group's debt is large, so we believe that the assets of these companies are capable to to

create value and cash flows ensuring recoverability of receivables. The above valuation figures are only provisional, just for reference purpose rather than transaction value

II. Emphasis of matter:

In the reviewed interim separate FS for 2020, auditors emphasizes the accumulated loss of the Group of VND 715,888,067 thousand.

In 2020, fruit sales represents a major proportion of the revenue structure. Revenue from banana generates major short-term cash flow due to short-time construction, high productivity, stable selling prices. The Group has been pursuing a policy of expanding the banana planting area; besides, trees of high economic value like jack fruit, avocado, durian, etc. will bring in considerable revenue when harvest come. And the Group continues financial restructure and negotiate with lenders for debt rescheduling, interest reduction. Therefore, the Group judge that it will be able to continue as a going concern and it is reasonable to prepare the financial statements on going concern basis.

Above is the Company's explanation for the qualified opinion auditors issued in the reviewed interim sparate financial statements for 2020.

Yours faithfully,

HOANG ANH GIA LAI JOINT STOCK COMPANY
GENERAL DIRECTOR

Recipients:

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

VÕ TRƯỜNG SƠN