**FGL: Explanation for the financial statements of 2019**

On 01 Apr 2020, Gia lai Coffee Joint Stock Company explained the financial statements of 2019 as follows:

Gia Lai Coffee Joint Stock Company explained the profit after tax of the financial statement of Quarter 4/2019 announced compared to the audited financial statement of 2019 with the difference of VND - 5,378,448,949 due to shortage of cost of goods sold recorded in the Q4/2019 financial statement

The main reason for the negative profit after tax in 2019 financial statements:

1. The price of coffee plummeted in the fourth quarter of 2019 (fluctuating from VND 29,200 to VND 32,700/kg of green coffee), resulting in insufficient income to cover the costs

2. Loss from other activities: Most of the coffee area received from the equitized enterprise Gia Lai Coffee One Member Limited Liability Company was old, no products to collect. In order to bring about business efficiency in the future, in 2019, the Company conducted demolition of some aging coffee gardens, failing to ensure the required output to plant lemon and banana trees, which caused the big demolition cost, making increase in losses in 2019

3. Some other influencing factors: At present, the handover between equitized enterprise of Gia Lai Coffee One Member Company Limited and Gia Lai Coffee Joint Stock Company has not been approved by the competent authorities, which directly affects the production and business plan, management and administration of the Company

Management Board of the Company is currently actively working with relevant agencies to quickly handover between state-owned enterprise and Joint Stock Company. At the same time, the Management Board is also actively seeking buyers for coffee products as well as improving selling prices to remove initial difficulties for the Company