

(Re: Explanation of changes in net profit after tax

2024 consolidated report)

Hanoi, 29th March 2025**To: - STATE SECURITIES COMMISSION****- HANOI STOCK EXCHANGE**Company name: **VIETNAM HERBS AND FOODS JOINT STOCK COMPANY**

Stock code: VHE

Head office address: No. 277 Van Xuan Street, Ha Mo Commune, Dan Phuong District, Hanoi

Pursuant to Clause 4, Article 14, Chapter III, Circular 96/2020/TT-BTC, issued on November 16, 2020 and effective from January 1, 2021 of the Ministry of Finance guiding information disclosure on the stock market, Vietnam Herbs and Foods Joint Stock Company would like to explain as follows:

Profit after corporate income tax changed by 10% or more compared to the same period last year.

No	Criteria	2024 (VND)	2023 (VND)	Difference	
				Absolute number (VND)	Percentage (%)
1	Net revenue	436,107,350,423	314,426,485,476	121,680,864,947	38.7
2	profit after corporate income tax	1,933,740,152	1,627,278,785	306,461,367	18.83

- Profit after corporate income tax in 2024 increased by 18.83% compared to 2023 due to:

+ Net revenue increased by 38.7% compared to the same period last year, of which revenue from agricultural products increased by 133.517 billion, equivalent to 43.79%. Due to increased demand for agricultural products and the company having a subsidiary, the scale of agricultural products business was expanded. Revenue from herbal drinks decreased by 5.85 billion, equivalent to 63%. Due to the difficult domestic and foreign economies, high inflation, and the tense trade war, consumers tightened spending.

+ Other income of 386.38 million was due to the Company seizing the opportunity to buy a subsidiary at a lower price than the valuation.

+ Selling expenses in 2024 increased slightly by 11.1% compared to 2023 due to increased direct export revenue. Business management costs increased by 22.1% compared to the same period last year due to additional investment in management personnel costs to match the Company's scale. Financial costs increased by 41.54% compared to 2023 due to the Company accessing additional capital sources from Banks.

Thus, Revenue increased due to the Company acquiring a subsidiary to expand the agricultural product trading market to meet the growing demand of consumers, but the increase in revenue was approximately equal to the increase in cost of goods sold, so although selling expenses increased slightly, financial expenses and management expenses also increased, the increase in expenses was smaller than the increase in Revenue, at the same time taking advantage of the



opportunity to acquire a subsidiary at a low price, leading to an increase in profit after corporate income tax of VND 306.46 million, equivalent to 18.83% compared to the same period last year.

Sincerely thank you!

Place of sending:

- As above;
- Save: VT

**VIETNAM HERBS AND FOODS JOINT STOCK
COMPANY**



CHỦ TỊCH HĐQT

Bùi Tiến Vinh

