

**VIETNAM HERBS AND FOODS  
JOINT STOCK COMPANY**

**SOCIALIST REPUBLIC OF VIETNAM  
Independence – Liberty – Happiness**

Số: 2910/2025/CVGTHN-VHE

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(about: Explanation of changes in net profit after  
tax 2025 in Q3 consolidated report)

Hanoi, 29/10/ 2025

**Dear:     - 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, O Dien Commune, Hanoi City

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 on information disclosure on the stock market, Vietnam Herbs and Foods Joint Stock Company would like to explain as follows:

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

No.	Indicator	Q3/2025 VNĐ	Q3/2024 VNĐ	Difference	
				Absolute number	Absolute number
1	Net revenue	48.887.322.781	144.161.443.077	-95.274.120.296	-66,09
2	Profit after corporate income tax	2.580.469.825	752.029.084	1.828.440.741	243,13

- After-tax profit in Q3 2025 increased by 243.13% compared to Q3 2024 due to:

+ Net revenue decreased significantly by 66.09% compared to the same period last year. Specifically, revenue from agricultural products dropped by 96.24 billion, equivalent to 67.26%. The change in value-added tax policy for agricultural products has caused difficulties for businesses in the industry, leading to slower consumption. Companies proactively reduced direct export activities (due to high logistics costs), resulting in a decrease in sales volume. Revenue from herbal beverages increased by 801.04 million, equivalent to 83.54%, as Q3 is still a period of erratic hot weather, which has increased demand for refreshments, combined with the Mid-Autumn Festival season stimulating consumer spending.

+ The cost of agricultural products has decreased significantly by 72.79% compared to the same period last year, falling more sharply than the decline in revenue. The reason is that the company has a large storage facility and proactive processing capabilities, allowing it to take advantage of low-priced inventory from the period before market prices increased. This helps reduce the average cost of goods sold, increasing the gross profit margin. Additionally, controlling losses during the processing stage also contributes to reducing actual production costs, thereby increasing profits.

+ Selling expenses in Q3 2025 decreased by 47.17% compared to Q3 2024 due to high logistics costs, leading the company to reduce direct export activities. Corporate management expenses slightly decreased by 4.74% as the company saved on management personnel costs and office



machinery that had reached the end of its useful life. Financial costs increased by 123.2% but remain manageable to supplement working capital for production and business activities. Borrowed funds are being used effectively to maintain production during a challenging market period. This increase in financial costs is not significant enough to reduce overall profits, especially as the gross profit margin has improved significantly.

Thus, while net revenue has sharply decreased due to a difficult market and changes in value-added tax policies for agricultural products, the company still achieved a significant increase in after-tax profit thanks to a substantial reduction in cost of goods sold, effective cost control, leveraging low-cost inventory, and enhancing production management efficiency. This indicates that the business has shifted to a reasonable strategy, focusing on efficiency rather than expanding revenue scale.

*Thank you sincerely!*

***Place of sending:***

- As above;
- Archive: Office

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**CHỦ TỊCH HĐQT**

*Bùi Tiến Vinh*

