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No: 24.01/2025/CVGT-VHE

Hanoi, 24th January 2025

(About: Explaining fluctuations in profit after tax
In 4th quarter of 2024)

Dear: - STATE SECURITIES COMMISSION OF VIETNAM
- 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 the announcement information 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.	Target	4th quarter 2024 VND	4th quarter 2023 VND	Difference	
				Absolute number	Proportion (%)
1	Net revenue	47,621,007,784	83,935,354,293	- 36,314,346,509	- 43.26
2	Profit after corporate income tax	9,788,127	271,055,823	- 261,267,696	- 96.39

- Profit after corporate income tax in the 4th quarter of 2024 decreased by 96.39% compared to the 4th quarter of 2023 due to:

+ Net revenue dropped significantly by 43.26% compared to the same period last year, of which agricultural product business revenue decreased by 36.58 billion VND, equivalent to 43.26%. This was due to the decline in agricultural product market prices at the end of the year. Herbal beverage revenue slightly increased by 0.1 billion VND, equivalent to 20.35%, as domestic and international economies gradually reopened, and consumers began getting familiar with and consuming health-beneficial beverage products.

+ Selling expenses in 4th quarter of 2024 decreased by 40.81% compared to 4th quarter of 2023, corresponding to the decline in revenue. However, administrative expenses increased by 48.67% year-over-year due to additional investments in management personnel costs to align with the company's scale.

Thus, the decline in revenue is attributed to the continued global economic uncertainty, unpredictable fluctuations, persistent inflation risks, the reality of global economic recession, and political conflicts, which have led to reduced consumer demand. Revenue decreased at a higher rate than cost of goods sold, while selling expenses declined and administrative



expenses increased. This combination resulted in a 261.27 million VND reduction in profit after corporate income tax, equivalent to a 96.39% decline compared to the same period last year.

Best regards,

Place of sending:

- *As above;*

- *save: VT*

**VIETNAM HERBS AND FOODS JOINT
STOCK COMPANY**



CHỦ TỊCH HĐQT

Bùi Tiến Vinh

