



ANNUAL REPORT VHE 2024

Vietnam Herbs and Foods
Joint Stock Company

01 INTRODUCTION

1. Message from the Chairman of the Board of Directors	3
2. Some key indicators	5
3. Awards, Outstanding events in 2024	7
4. Vision - Mission - Core values	8

02 GENERAL INFORMATION

1. General information	11
2. Business lines and locations	15
3. Information on governance model, business organization and management apparatus	19
4. Introduction of the Board of Directors	21
5. Development orientation	25
6. Risks	27

B PERFORMANCE IN THE YEAR

1. Production and business situation	37
2. Organization and personnel	39
3. Investment and project implementation situation	41
4. Financial situation	41
5. Shareholder structure, changes in owner's investment capital	45

C REPORT OF THE BOARD OF DIRECTORS

1. General assessment of production and business situation	49
2. Financial situation	51
3. Future development plan	53
4. Explanation of the Board of Directors on the auditor's vopinion (if any)	53



D REPORT OF THE BOARD OF DIRECTORS

1. Evaluation of the Board of Directors on all aspects of the company's operations	57
2. Evaluation of the Board of Directors on the operations of the Board of Directors	57
3. Strategy and direction for 2025	58

E CORPORATE GOVERNANCE

1. Board of Directors	61
2. Audit Committee	63
3. Salary, bonus and benefits of members of the Board of Directors, Audit Committee and Board of Directors	65
4. Transactions of insiders and related persons on the company's shares	65
5. Transactions and contracts of the company with related persons	66
6. Evaluation of the implementation of regulations on corporate governance	66

F SUSTAINABLE DEVELOPMENT

1. Environmental Responsibility	69
2. Employee Policy	70

G FINANCIAL REPORT 2024 71





1. Message from the Chairman of the Board of Directors

Introduction



Chủ tịch HĐQT

Bùi Tiến Vinh

Dear Shareholders, Customers, Partners and all employees of Vietnam Herbs and Foods Joint Stock Company.

On behalf of the Board of Directors, I would like to send my best wishes to you - those who have devoted much love and enthusiasm and accompanied VHE during the past time.

In 2024, Vietnam's socio-economic situation will take place in a volatile world context, with many unpredictable challenges and risks. The global economy will be negatively impacted by the prolonged Covid-19 pandemic, the Russia-Ukraine conflict, high global inflation, tight monetary policies of developed countries, along with extreme weather events and widespread epidemics. Despite this context, Vietnam is still a bright spot on the regional and world economic map, continuing to affirm its position in integration and development.

According to the General Statistics Office, GDP growth in 2024 will reach 7.09%, exceeding the set target (6-6.5%). Inflation is effectively controlled with the CPI increasing by 3.63%, while total import-export turnover reached 786.29 billion USD, a record trade surplus for the 9th consecutive year with a surplus of 24.77 billion USD.

In that economic picture, the Vietnamese food and beverage industry continues to recover strongly after the pandemic. This is an industry that is assessed to have great potential with a rapidly growing market size, significantly improved consumer demand - especially products that are good for health, increase resistance, have natural origins and clear origin. The new consumer trend towards "green - clean - healthy" food is opening up many great opportunities for businesses in the industry.

The Company's production and business

activities in the past year also encountered many difficulties. However, thanks to the strong leadership of the Board of Directors and the spirit of solidarity and efforts to overcome difficulties of all officers and employees, the Company has recorded positive results:

- Net revenue in 2024 reached more than 436 billion VND, an increase of 38.7% compared to 2023.

- Profit after tax reached more than 1.9 billion VND, an increase of 16.58% compared to the previous year.

(According to the audited consolidated financial statements in 2024)

Entering 2025, although the world economic context is still forecast to be uncertain, the Vietnamese economy is forecasted by international organizations such as the World Bank to continue to recover, with an expected growth rate of 6.6%. In that context, the Company has identified its strategic goal as sustainable, stable and flexible development.

Specifically, the Company will focus on:

- Exploiting and purchasing raw materials at reasonable costs;
- Operate production at designed capacity;
- Provide high-quality products, suitable for many segments;
- Expand product portfolio according to consumer trends;
- Innovate business strategies suitable for each market region;
- Develop reasonable remuneration policies, attract and retain high-quality personnel;
- Train and develop a team of successor leaders with sufficient capacity and qualities.

In the context of a young population, increasing income and increased health awareness, the food and beverage industry will continue to shift

towards high-value, healthy products, along with the explosion of online distribution channels. This is an opportunity for the Company to improve its competitiveness, expand the market and affirm its position.

On behalf of the Board of Directors, the Executive Board would like to express our deep gratitude to Shareholders, Customers and Partners who have always trusted and accompanied the Company's development. We would also like to acknowledge and thank all of our staff for their dedication and commitment over the past time. With their unity, determination and belief in sustainable values, we believe that VHE will continue to grow stronger in the coming years, bringing long-term added value to Shareholders, Customers, Partners and all employees. Sincerely thank you!

Hanoi, date month ... year 2025

On behalf of the Company's Board of Directors

Chairman of the Board of Directors



CHỦ TỊCH HỘI
Bùi Tiến Vinh



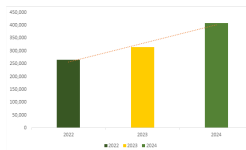
2. Some key indicators

Indicator	Unit	2022	2023	2024
Business performance				
Net revenue	VND million	265.324	314.415	408.752
Cost of goods sold	VND million	254.103	301.640	393.934
Profit before tax	VND million	1.857	2.042	1.545
Profit after tax	VND million	1.431	1.627	1.226
Balance sheet				
Total assets	VND million	380.618	412.444	462.034
Liabilities	VND million	48.163	78.361	126.823
Owner's equity	VND million	332.456	334.083	335.212
Key financial indicators				
Return on total assets (ROA)	%	0,38	0,39	0,27
Return on equity (ROE)	%	0,43	0,49	0,37
Return on net profit/net sales (ROS)	%	0,54	0,52	0,30
Indicators per share				
Number of outstanding shares at the end of the period	Share	33.139.996	33.139.996	33.139.996
Basic earnings per share	VND	44	49	37

Source: Separate audited financial statements for 2023 and 2024

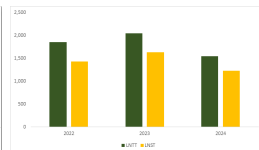
Net revenue chart

(Unit: million VND)



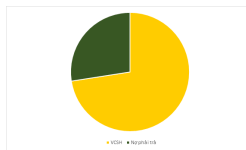
Profit before tax - Profit after tax

(Unit: million VND)



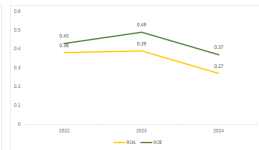
Liabilities and Equity 2024

(Unit: million VND)



ROA – ROE Chart

(Unit: million VND)





3.Outstanding events of the year

In 2024, WeWell participated in many other activities such as: ASEAN TRADE Fair 2024 held in Seoul, Korea, the 7th China International Import Expo (CIIE 2024) in Shanghai, China, Hanoi City Craft Village Products and Safe Agricultural Products Fair at Dan Phuong District Cultural Center, Vietnam Food Industry International Exhibition organized by the Trade Promotion Agency at Saigon Convention Center, China - Vietnam Border Economic Trade and Tourism Fair (Hong Ha) 2024 at Hekou International Exhibition Center, Hong Ha District, Yunnan Province, China...



ASEAN TRADE Fair 2024



the 7th China International
Import Expo (CIIE 2024)



Hanoi City Craft Village Products and
Safe Agricultural Products Fair



China - Vietnam Border Economic Trade
and Tourism Fair (Hong Ha) 2024

In addition, Wewell is pleased to sponsor free drinking water for monks, nuns, and Buddhists at Long Hung Pagoda on the occasion of the Vu Lan Festival 2024,...



Mission :

Bring the useful value of Vietnamese herbs to the health of the community in the best and most natural way.

Vision:

Become the leading symbol of trust in Vietnam for herbal consumer products serving the health of consumers

Business philosophy:

Give benefits to receive value. Everything is better with Wewell.
Social responsibility: Committed to contributing to community development.

Business strategy:

Develop according to the Eco herbal model. By 2025, complete from the stages of Growing raw materials - Exploitation - Processing - Finished products - Distribution - Environmental solutions.

Core values:

Pioneer: Leading in management, innovation and application of new technologies and knowledge.
Innovation: Creating perfect quality products and services bearing the Vinaherbfoods knowledge mark.

A2. GENERAL INFORMATION

1. General information
2. Business lines and locations
- 3..Information on governance model, business organization and management apparatus
4. Introduction of the Board of Directors .
5. Development orientation
6. Rissks





THẢO DƯỢC CHO CUỘC SỐNG

Trading name Vietnam Herbs and Foods Joint Stock Company
 English name Vietnam Herbs and Foods Joint Stock Company
 Abbreviation VINAHERBFOODS,JSC
 Stock code VHE
 Business registration certificate number 0107409148 first issued by Hanoi Department of Planning and Investment on April 25, 2016
 VND 331,400,000,000
 Charter capital VND 331,400,000,000
 Owner's investment No. 277 Van Xuan Street, Ha Mo Commune, Dan Phuong District, Hanoi City, Vietnam (84.24) 3381 6999
 Address
 Telephone number
 Fax number
 Website <http://www.vinaherbfoods.com/>
 Logo

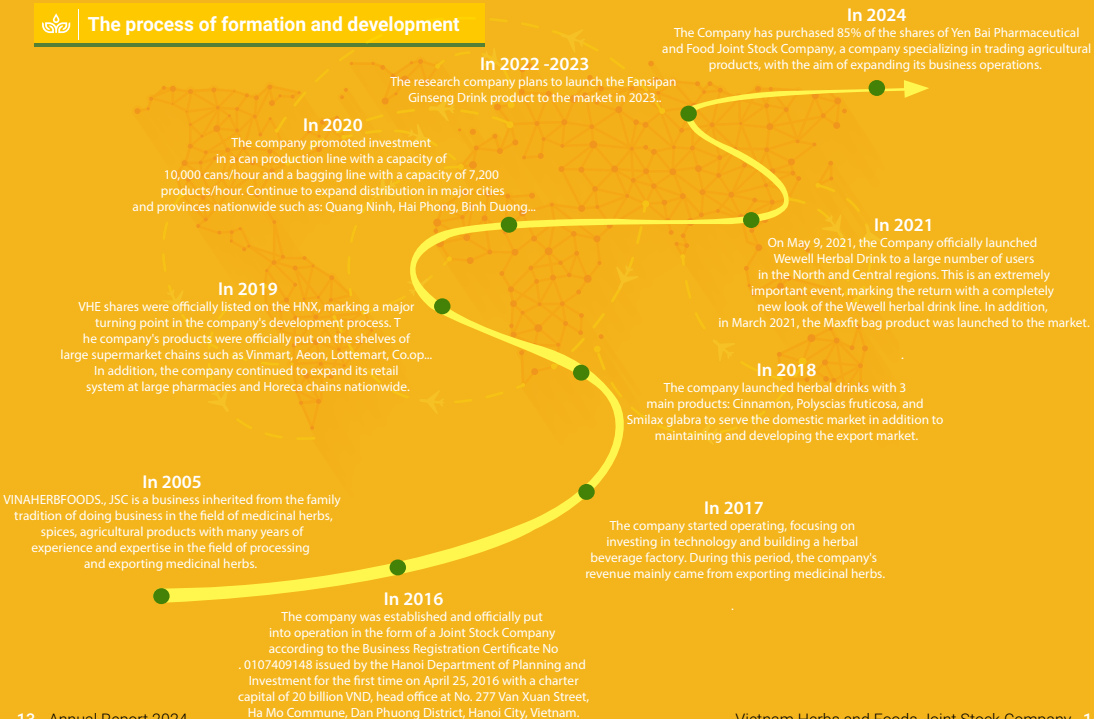


Slogan WEWELL – we are all wewell





The process of formation and development





Export of agricultural and forestry products and medicinal herbs

((Traditional and key fields))

The company specializes in purchasing and exporting processed agricultural and forestry raw materials and medicinal herbs such as star anise, cardamom, cinnamon, pepper, etc. to international markets including: Korea, Taiwan, China, India, Bangladesh, Pakistan, Myanmar, etc. Raw materials are purchased directly from people in key raw material areas such as: Yen Bai, Lao Cai, Quang Ninh, Quang Ngai, Lang Son, Ha Giang, then pre-processed at the warehouse according to the process: Washing - Drying - Cutting/Split - Sorting - Packing - Exporting. Goods are exported directly from the supplier's warehouse according to the signed quality standards.

Production and trading of herbal drinks

In 2018, the Company officially operated the herbal drink production line and recorded revenue from this field from the third quarter of the same year.

Main product lines include:

Herbal drinks: Thổ phục linh, Đinh Lăng, Hương Quế

Canned drinks (launched in 2020): Wewell Kool, Wewell Yongchi, Wewell NoniQ

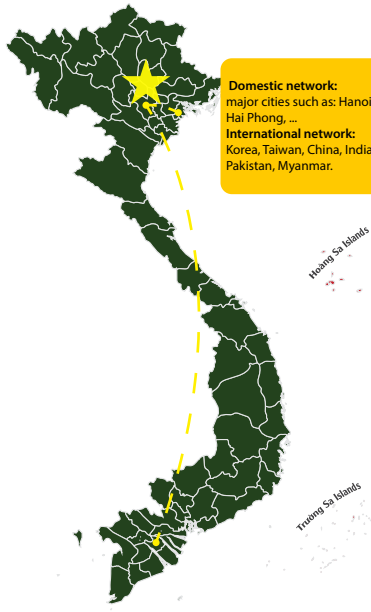
Health protection foods (2021): Wewell Maxfit in packets

Products with regional elements (2023): Fansipan Ginseng Drink

Orientation 2025: Promote commercialization, expand domestic and foreign markets.

Modern production process:

Qualified raw materials are put into the essence extraction system - homogeneous mixing - homogenization - bottling - sterilization at 121°C - labeling, printing expiry date - quality inspection - canning - warehousing.



Domestic network:

major cities such as: Hanoi, Ho Chi Minh, Hai Phong, ...

International network:

Korea, Taiwan, China, India, Bangladesh, Pakistan, Myanmar.



Main business products and services

Medicinal herbs



Cinnamon



Star anise



Cardamom



Pepper

Health protection foods and herbal drinks

bottles



Smilax glabra



Cinnamon



Polyscias fruticosa



NoniQ



Yongchi



Kool

Packaged health protection foods:



Maxfit.

Supplements in liquid form



Sâm Fansipan..



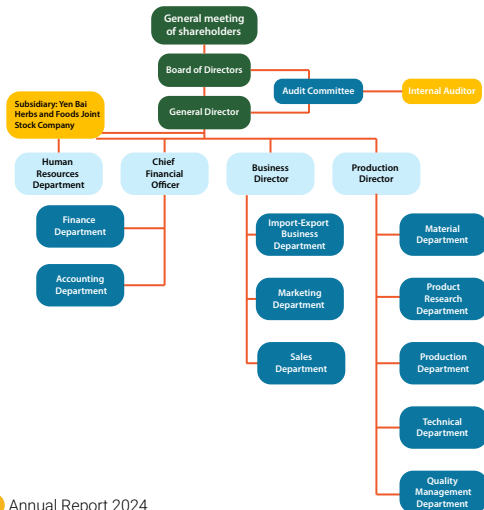


3.Information on governance model, business organization and management apparatus

Governance model:

Currently, the Company is operating under a governance model including: General Meeting of Shareholders, Board of Directors, Audit Committee under the Board of Directors, Board of General Directors as prescribed in Point b, Clause 1, Article 137 of the Law on Enterprises 2020.

Management structure diagram :



Subsidiaries, affiliates:

Company Name	Address	Owenship ratio	Main business lines
Yen Bai Herbs and Foods Joint Stock Company	Quyet Hung village, Xuan Ai commune, Van Yen district, Yen Bai province	85,00%	Production, export, trading of agricultural and forestry raw materials

Operational situation at the subsidiary

Financial indicators of Yen Bai Herbs and Foods Joint Stock Company

Unit: VNĐ

STT	Indicators	Year 2024
1	Total assets	159.576.201.286
2	Net revenue	33.632.561.478
3	Cost of goods sold	32.388.219.899
4	Financial revenue	112.422.798
5	Selling, administrative and financial expenses	945.258.999
6	Profit from business activities	411.505.378
7	Other profits	(4.639.199)
8	Profit before tax	406.866.179
9	Profit after tax	324.515.993



4. Introduction of the Board of Directors

Mr. Bui Tien Vinh – Chairman of the Board of Directors

Year of birth	07/03/1977
Professional qualification	University
Number of shares owned	2,420,000 shares, equivalent to 7.3% of charter capital
Work history	<p>- 04/2009 - 03/2016: Deputy Director of Tien Thanh Production and Trading Company Limited</p> <p>- 04/2009 - 03/2016: Deputy Director of Tien Thanh Production and Trading Company Limited</p> <p>- 04/2016 - 06/2020: Deputy Director - Tien Thanh Production and Trading Company Limited.</p> <p>Chairman of the Board of Directors and General Director - Vietnam Herbs and Foods Joint Stock Company</p> <p>- 06/2020 - present: Deputy Director - Tien Thanh Production and Trading Company Limited.</p> <p>Chairman of the Board of Directors - Vietnam Herbs and Foods Joint Stock Company</p>
Position held at other organizations	None

Mr. Nguyen The Hung - Member of Board of Directors and General Director

Year of birth	27/04/1985
Professional qualification	University
Number of shares owned	515,000 shares, equivalent to 1.55% of charter capital
Work history	<p>- 07/2009 - 03/2017:</p> <p>Officer - Dan Phuong District Land Use Rights Registration Office (now Hanoi Land Registration Office - Dan Phuong District Branch)</p> <p>- 04/2017 - present: Member of the Board of Directors and General Director - Vietnam Herbs and Foods Joint Stock Company</p>
Current position at other organizations	None

Mr. Nguyen Dinh Cong - Independent Member of the Board of Directors and Chairman of the Audit Committee

Year of birth	02/11/1988
Professional qualification	University
Number of shares owned	3,600 shares, equivalent to 0.01% of charter capital
Work history	<p>- 04/2019 - 06/2020: Independent member of the Board of Directors - Vietnam Pharmaceutical and Food Joint Stock Company</p> <p>- 06/2020 - 04/2021: Independent member of the Board of Directors and Member of the Internal Audit Subcommittee under the Board of Directors - Vietnam Herbs and Foods Joint Stock Company</p> <p>- 04/2021 to present: Independent member of the Board of Directors and Chairman of the Audit Committee of Vietnam Herbs and Foods Joint Stock Company</p>
Current position at other organizations	General Director of Kaizen Investment and Trading Joint Stock Company

Mr. Nguyen Tai Duc - Independent Member of the Board of Directors and Member of the Audit Committee

Year of birth	10/05/1975
Professional qualification	12/12
Number of shares owned	0 shares, equivalent to 0% of charter capital
Work history	<p>- 04/2019 - 06/2020: Independent Board Member - Vietnam Herbs and Foods Joint Stock Company</p> <p>- 06/2020 - 04/2021: Independent Board Member and Head of Internal Audit Subcommittee under the Board of Directors - Vietnam Herbs and Foods Joint Stock Company</p> <p>- 04/2021 to present: Independent Board Member and Audit Committee Member - Vietnam Herbs and Foods Joint Stock Company</p>
Current position at other organizations	Director of Tan Gia Furniture Joint Stock Company



4. Introduction of the Board of Directors

Mr. Tran Nhat Thanh - Member of Board of Directors

Year of birth	11/05/1997
Professional qualification	Master
Number of shares owned	1,150,000 shares, equivalent to 3.47% of charter capital
Work history	<p>06/2019 - 06/2020: Working at VFS Global Visa Application Centre</p> <p>- 07/2020 - 04/2021: Working at USCOM Logistics Transportation Services Company</p> <p>- 05/2021 - 07/2021: Working at CJ Logistic Transportation Services Company Limited</p> <p>- 08/2021 - 04/2022: Working at Vietnam Herbs and Foods Joint Stock Company</p> <p>- 04/2022 to present: Member of the Board of Directors - Vietnam Herbs and Foods Joint Stock Company</p>
Current position at other organizations	None

Audit Committee (Information introduced in the Board of Directors section)

Mr. Nguyen Dinh Cong **Chairman**

Mr. Nguyen Tai Duc **Member**

Board of Directors (Information introduced in the Board of Directors section)

Mr. Nguyen The Hung **General Director**

Mrs. Pham Thi Anh **Chief Accountant**





Strategic orientation:

Vietnam Herbs And Foods Joint Stock Company was established with the desire to develop the quintessence of precious Vietnamese herbs, aiming to bring the best, safest and highest quality products to the health of Vietnamese people. This development strategy is completely consistent with the development trend of the food and beverage industry in the coming years, when consumers are increasingly concerned about their health and pay more attention to choosing products that are good for their health, improve their resistance and immune system.

Plan to implement the goal:

Focus on researching and developing herbal drinks to diversify types and improve product quality.

- Apply advanced technology in production and management activities.
- Continue to promote the export of herbal raw materials to foreign markets, find more opportunities to export bottled water to Southeast Asian countries.



Strategic goals 2021 – 2025:

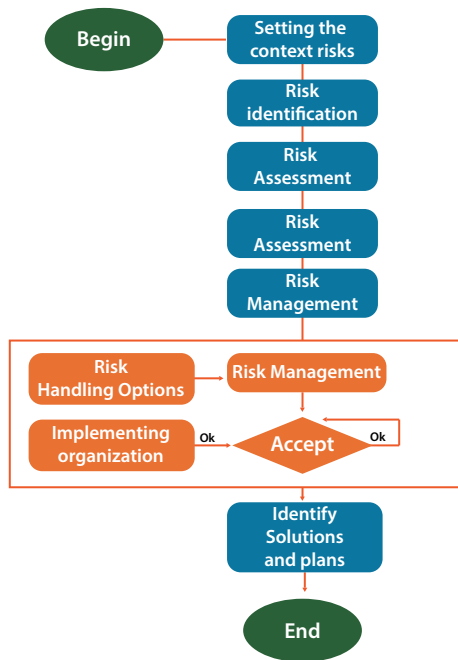
- 2021: In the context of the prolonged Covid-19 epidemic causing people to pay more attention to their health, VHE's Board of Directors set the direction that the Company needs to promote communication activities to increase product presence to everyone, taking "Wewell - we are all wewell - we are healthy together" as the central slogan. In addition, the Company is gradually shifting its business orientation to make online business activities take the leading position.
- 2023: The Company continues to expand its production scale, putting into operation an additional herbal water extraction line in cans with a capacity of 32,000 cans/hour.
- 2025: Focus on strengthening and increasing core values, maintaining and building the position of the enterprise in the field of green products, clean production from herbs. Developing domestic market share for pharmaceutical active ingredients, functional foods, and health foods.





Risk management principles:

1. Risk management is a continuous process, an indispensable part of all Company processes. In particular, risk management must be closely linked to the Company's goals and strategies, and is an important part of issuing any decision related to the Company's operations.
2. Risk management must be based on reliable existing information. Inputs to the risk management process must be based on reliable sources of information in terms of quantity and quality, from various sources, including stored data, experience, feedback from stakeholders, observations, forecasts, and judgments.
3. The risk management system includes departments and personnel serving risk management, integrated into the Company's management and operation structure, operating in parallel, in accordance with the Company's scale and scope of operations.
4. Risk management policies and procedures are implemented continuously, regularly updated, adjusted, and supplemented in accordance with the scope, scale of operations, conditions of the Company and market context.





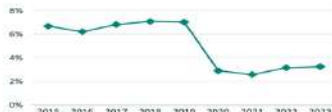
Economic risks

In 2024, our country's socio-economic development will take place in a context where the world economy is facing a series of challenges, from declining gross domestic product (GDP) growth, increasing bad debt, gloomy trade and investment turnover, natural disasters, climate change, prolonged consequences of Covid-19, the Russia-Ukraine war and a number of conflicts in the world continue to weigh on economic activities. However, Vietnam's GDP growth in 2024 will reach 7.09% (in the first quarter it will increase by 5.98%, in the second quarter it will increase by 7.25%, in the third quarter it will increase by 7.43%, in the fourth quarter it will increase by 7.55%); in which, the agriculture, forestry and fishery sector will increase by 2.99%; Industry and construction increased by 8.35% (industry alone increased by 3.02%) and services increased the most with 8.21% and product tax minus product subsidy increased by 3.33%. As a food and beverage manufacturing and trading company that chooses a niche market of herbal products that are quite picky about buyers, in general, the consumption market and operating results of the

Company depend largely on people's spending ability as well as being easily affected by economic fluctuations at home and abroad.

In addition, due to participating in export activities, the Company also faces risks of economic instability in major export markets. Existing bottlenecks in the supply chain that are difficult to resolve soon will also adversely affect the Company's operations by disrupting the transportation process, prolonging delivery times and increasing management costs for the Enterprise. Entering 2025, it is forecasted that potential risks from the global economic environment will still exist and continue to negatively impact the prospects for economic recovery in Vietnam. The recovery of the global economy is unclear. Domestically, the National Assembly has set a growth target of 8% or more in 2025 to create momentum for economic development. However, to avoid negative risks affecting business operations, the Company always has a specialized department to research and closely follow the macroeconomic environment to advise the Board of Directors on future trends and impacts on key business areas, thereby making appropriate decisions and strategies.

Tăng trưởng GDP năm 2015-2023



Credit and cash flow risks

Credit risks arise from the payment obligations of the partners. If the partners fail to meet their contractual debt obligations, it will cause financial losses for the Company. Therefore, receivables are one of the major risks that the Company must regularly face. Receivables that are difficult to collect will put the Company at risk of capital appropriation, causing loss of the Company's capital.

Cash flow risks occur when the Company has difficulty in fulfilling its financial obligations, failing to seize important investment opportunities when it does not have enough necessary capital. This is an issue related to asset management and working capital. Bad debts arising from long-term customer debts and inability to pay require the Company to make provisions, reducing profits and losing cash flow

Exchange rate risk

Risk factors for exchange rates still exist due to the downward fluctuation of US government bond yields that have not shown clear signs of cooling down in the context of the high supply of US government bonds due to the US government increasing issuance to offset the budget deficit and the Fed gradually narrowing the quantitative easing (QE) program. In addition, the domestic context is not really favorable for exchange rates. The VND - USD interest rate gap is still deeply negative, with the 1-week term expected to average around -3.5% due to the divergence in monetary policy between the two central banks. In 2024, the challenge is forecast to continue to come from the USD - VND interest rate gap in the interbank market, domestic and foreign USD mobilization interest rates. However, the State Bank of Vietnam has always shown great determination to stabilize the exchange rate, serving the foreign currency needs of the people and the import-export activities of businesses.





Market risks

Risk of counterfeit goods: Currently, the phenomenon of counterfeit goods and goods violating intellectual property rights in the pharmaceutical and food sectors is becoming a worrying reality for pharmaceutical enterprises with production and business activities and healthy competition in the market. Although the Government has applied many measures to protect the trademarks of domestically produced goods, counterfeit goods, fake goods, and smuggled goods are increasingly common and sophisticated in the market. The problem of counterfeit goods, fake goods, and smuggled goods causes great damage to the interests and reputation of enterprises, especially for enterprises in the pharmaceutical industry because counterfeit and smuggled pharmaceutical products of poor quality directly threaten the health and lives of users.

Industry-specific risks

For exported agricultural and forestry products and medicinal materials: For agricultural and forestry products and medicinal materials, these raw materials are particularly susceptible to natural loss during storage. Long-term storage carries the risk of high natural loss, leading to poor quality goods.

For bottled and canned herbal drinks: Bottled and canned herbal drinks are a special type of goods related to human health and safety. Investment costs, time and effort for product research and development as well as market penetration of the industry are quite high compared to other industries in the world, while the success rate of new product trials is very low. The company always tries to grasp sustainable development trends as well as customer tastes and needs to develop appropriate business strategies and activities. In addition, the company also builds reasonable consumption and product rotation plans to limit inventory risks.

Legal risks

The food and beverage industry is one of the industries that is heavily affected by State management. The Government has issued many legal documents to manage food safety and hygiene, quality standards. Only businesses that meet these standards can survive, do business and develop. These regulations will cause small food companies in Vietnam to merge or acquire, promoting domestic enterprises to improve and focus on in-depth development to be able to compete with multinational companies. In addition, as a joint stock company, the Company's shares are listed on the Hanoi Stock Exchange, so the Company must ensure compliance with the provisions of the Enterprise Law, Securities Law and other regulations

related to corporate governance. The newly issued laws and implementing documents with many changing regulations will affect the Company's production and business activities.

Other risks

Other risks such as natural disasters, enemy attacks, etc. caused by nature are unavoidable risks, which, if they occur, will cause great damage to property, people and the general operation of the Company. To minimize possible damage, the Company has implemented measures to help minimize damage such as purchasing insurance for assets and goods, installing fire alarm systems, Fire prevention training and other security and safety measures.



B. PERFORMANCE SITUATION IN THE YEAR

1. Production and business situation
2. Organization and personnel.
3. Investment and project implementation situation
4. Financial situation
5. Shareholder structure, changes in owner's investment capital





1.PERFORMANCE SITUATION IN THE YEAR

Overview of Vietnam's economy

2024 is a year of great turmoil for the world economy in general and the Vietnamese economy in particular, as economies face high inflation, interest rates, and debt levels... as a result of the pandemic and political tensions. In that context, the Board of Directors as well as all staff of VHE have made great efforts to maintain and develop production and business activities, and achieved the following results:

- Sales revenue and service provision in 2024 reached 408.76 billion VND, an increase of more than 94.3 billion, equivalent to 30% compared to 2023.
- Profit after tax in 2024 reached more than 1,226 billion VND, a decrease of more than 401 million VND, equivalent to a decrease of 24.67% compared to 2023.
- According to the 2024 Separate Audited Financial Statement, the company has acquired 85% of shares and officially owned a subsidiary during the year. The consolidation of the subsidiary has significantly contributed to the increase in sales revenue and service provision during the period. However, to carry out this transaction, the company used a significant portion of financial resources, including increased bank loans. As a result, financial expenses increased sharply, especially interest expenses, thereby negatively affecting after-tax profit. Therefore, despite revenue growth, the company's after-tax profit recorded a decrease compared to the same period



In 2024, although the Company's net revenue from sales and service provision has completed and exceeded the company's target. However, the company's after-tax profit has only achieved more than 54% of the specific target:

Results compared to plan

Target	Unit	2024 Plan	2024 results	2024 results /2024 Plan (%)
Static revenue from sales and service provision	Billion VND	340	408,76	120,22
Profit after tax	Billion VND	2,2	1,19	54

Table 1. Business results in 2024 compared to plan (based on separate financial statements of the parent company)

NET REVENUE FROM SALES AND PROVISION OF SERVICES

340

Net revenue in 2024 reached 408.76 billion, an increase of more than 20% compared to 2024 and completed 120.22% of the 2024 plan

PROFIT AFTER TAX

2,2

After-tax profit only reached 1.19, down more than 26.39% compared to 2023, only reaching more than 54% of the 2024 plan



Net revenue in 2024 reached 408.76 billion, an increase of more than 20% compared to 2024 and completed 120.22% of the 2024 plan, after-tax profit only reached 1.19, down more than 26.39% compared to 2023, only reaching more than 54% of the 2024 plan, but the total after-tax profit of the consolidated report reached more than 1,905 billion, an increase of 16.59% compared to 2023.



1.PERFORMANCE SITUATION IN THE YEAR(NEXT)

Business results

(Unit: million VND)

Indicators	2022	2023	2024
Net revenue from sales and service provision	265.324	314.415	408.752
Cost of goods sold	254.103	301.640	393.934
Gross profit	11.222	12.775	14.818
Financial revenue	74	176	272
Financial expenses	4.319	4.937	6.645
Selling expenses	1.350	2.327	2.482
Business administration expenses	3.556	3.575	4.264
Net profit from business activities	2.072	2.112	1.699
Other income	73	0,03	10
Other expenses	288	69	164
Profit before tax	1.857	2.042	1.545
Profit after tax	1.431	1.627	1.226

Table 2. Some production and business indicators for the period 2022 - 2024 of the parent company

**Net revenue from sales of goods
and rendering of services**

↑ 408.752 million dong
(equivalent to 30%)

In 2024, Sales and Service Revenue reached VND 408,752 million, up 30% over the previous year, of which revenue from Agricultural Products increased by VND 99,884 billion, equivalent to 32.76% due to increased demand for agricultural products. Beverage revenue decreased by VND 5,859 billion, equivalent to 63,04% due to economic difficulties, consumers prioritized using essential goods.

The company's cost of goods sold in 2024 compared to 2023 increased by 30.60%, equivalent to VND 92,295 billion. Thus, the increase rate of Revenue is approximately the same as the increase rate of cost of goods sold.

Financial expenses increased by VND 1,708 billion, equivalent to 36.60% of the company's increased bank debt to offset resources from the acquisition of 85% of subsidiaries. Selling expenses increased slightly by VND 155 million, equivalent to 6.67%, corresponding to the increase in revenue.

Management expenses increased by VND 688 million, equivalent to 19.26% due to the Company investing in additional management personnel in line with the Company's scale. Thus, although revenue increased, the increase was equivalent to the increase in cost of goods sold, but selling expenses and administrative expenses increased slightly, financial expenses increased sharply, leading to a decrease in after-tax profit of 401 million, equivalent to 24.67%.

Profit after tax

↓ 401 million dong
(equivalent to 24,67 %)



2. Organization and personnel

Changes in management apparatus: None

Personnel and personnel policy :

• Personnel structure

No.	Criteria	31/12/2021		31/12/2022		31/12/2023		31/12/2024	
		Quantity (người)	Percentage (%)	Quantity (người)	Percentage (%)	Quantity (người)	Percentage (%)	Quantity (người)	Percentage (%)
I	By labor level								
1	University level	15	56	27	56	27	56	17	52%
2	College level, intermediate vocational level	2	7	10	21	10	21	9	27%
3	Elementary and technical workers	2	7						
4	General labor	8	30	11	23	11	23	7	21%
III	By gender								
1	Male	14	52	23	48	23	48	15	45%
2	Female	13	48	25	52	25	52	18	55%
Total		45	100	48	100	48	100	66	100



66

Employee
Personnel changes compared to 2023

Employee policies

The Company always focuses on building a fair, effective and cohesive working environment.

- The salary and bonus system is built flexibly, based on a scoring mechanism based on work efficiency and the level of responsibility of each position.
 - The salary policy is linked to productivity - quality - efficiency, overcoming the situation of egalitarianism, encouraging employees to maximize their professional capacity.
 - In addition to cash rewards, the Company also organizes domestic and foreign tours to motivate and create solidarity in the group.
 - Employees are given gifts on holidays, Tet, anniversaries (March 8, October 20, ...), and are honored at the end of the year if they achieve outstanding achievements.
- Although the economic context is still volatile after the pandemic and geopolitical conflicts, the Company still maintains stable employment, ensuring income for employees. During the period 2018-2023, the average income of employees increased steadily every year. In 2024, the Company expanded its operations by establishing a subsidiary, leading to some personnel changes but still ensuring the rights of employees



Employee training and development policy:

- The Company supports vocational training for new or unskilled workers.
- For employees who are working, the Company pays 100% of tuition and salary during the time participating in training courses to improve professional qualifications and skills.
- This policy aims to build a quality workforce, meeting the Company's long-term sustainable development needs.

Other welfare policies: In addition to the above policies, the Company regularly organizes activities to care for spiritual life such as: Periodic health check-ups, Annual travel, Support for illness, funerals, birthday parties, internal teambuilding, etc.

Year	2019	2020	2021	2022	2023	2024
Average income of workers	6.000.000	6.571.429	10.000.000	10.930.872	11.397.852	10.553.887

Table 3. Average income of employees over the years (unit: VND/month)



3. Investment and project implementation status

The company is continuing to cooperate in investing, developing growing areas, and processing agricultural raw materials in a number of localities, including Lao Cai province.



4. Financial status

SOME FINANCIAL INDICATORS

Indicators	DVT	2023	2024	Difference (%)
Total Assets	Milion VND	412.444	462.034	12,02
Net Revenue	Milion VND	314.415	408.752	30,00
Operating Profit	Milion VND	2.112	1.699	-19,55
Other Profit	Milion VND	-69	-154	121,71
Profit Before Tax	Milion VND	2.042	1.545	-24,35
Profit After Tax	Milion VND	1.627	1.226	-24,67

MAIN FINANCIAL INDICATORS

Indicators	Unit	2022	2023	2024
1. Liquidity ratio				
Current ratio (current assets/current liabilities)	Time	7,18	4,74	2,26
Quick ratio	Time	0,38	1,95	0,66
2. Capital structure ratio				
Debt/total assets ratio	%	12,65	19	27,45
Debt/equity ratio	%	14,49	23,46	37,83
3. Operating capacity ratio				
Inventory turnover	Turn	1,30	1,18	1,91
Net revenue/Total assets	Turn	0,70	0,76	0,88
4. Profitability ratio				
Gross profit margin	%	4,23	4,06	3,63
Operating profit ratio/Net revenue	%	0,78	0,67	0,42
Profit after tax ratio/Net revenue (ROS)	%	0,54	0,52	0,30
Profit after tax ratio/Equity (ROE)	%	0,43	0,49	0,37
Profit after tax ratio/Total assets (ROA)	%	0,38	0,39	0,27

SOLVENCY INDICATORS:

Payment processing system

<1

Quick ratio

2,263

The solvency indicators in 2024 have decreased. The current solvency ratio is regularly maintained above the standard threshold of 1 and reaches 2.26 times. Although this ratio has decreased compared to 2023, the Company is fully capable of paying short-term debts with assets that can be converted into cash within the next 12 months. The reason for the decrease in the current solvency ratio is that the current assets index has increased and short-term debts have also increased, but the growth rate of short-term debts is faster than the growth rate of short-term assets. In addition, it should be noted that the Company's short-term assets are largely composed of inventories (usually accounting for 80% - over 90% of short-term assets) - the group of assets with the lowest liquidity among current assets, so it will take a lot of time and cost to convert into cash. Because short-term solvency depends largely on inventory turnover, the Company's quick ratio is often significantly lower than the current ratio. And the Company's quick ratio is below 1.

CAPITAL STRUCTURE INDICATORS

The two coefficients showing the capital structure indicators are Debt/Total Assets and Debt/Equity, both increasing in 2024, reaching 27.5% and 37.8% respectively due to the increase in the Company's liabilities, mainly short-term loans. In the past year, the amount of short-term prepayments from Buyers decreased sharply to VND 105.5 million, down more than VND 6 billion compared to last year. In addition, short-term loans and financial leasing debt reached VND 124,261 million, up 90.45% compared to 2023, showing that the Company is in the stage of expanding production and business activities, so the Company needs to use financial leverage to supplement working capital.

Debt/Total Assets Ratio

27,5

Debt/Equity Ratio

37,8



4. Financial status (next)

OPERATING CAPACITY INDICATORS

In 2024, VHE's inventory turnover index is 1.91 rounds, equivalent to 191 days in an inventory turnover period, a decrease of about 118 days compared to the same period in 2023, showing that the Company sells faster and inventory is less stagnant. The average inventory value decreases by about 19.47%, reaching VND 49,941 million while the cost of goods sold increases by 30%. The asset utilization efficiency index remains the same, reaching 0.67 in 2024, showing the efficiency of the machinery chain is stable.

Inventory Turnover

1,91

Net Revenue/Total Assets

19,47

PROFITABILITY INDICATORS

In 2024, the Company's gross profit margin will reach **3.63%**, a slight decrease compared to **4.06%** in 2023. The operating profit margin on net revenue and the after-tax profit margin on net revenue will reach **0.42%** and **0.30%**, respectively, recording a sharp decrease compared to the corresponding indicators in 2023 of 38.12% and 42.05%.

The decrease in profit ratios is mainly due to the cost of goods sold increasing faster than the growth rate of revenue. The main reason is the impact of global inflation, along with geopolitical instability and supply chain disruptions, leading to a sharp increase in raw material prices in the pharmaceutical and food industries in Vietnam during the year.

In addition, operating expenses also contributed to narrowing profit margins:

- Selling expenses increased by 6.67%
- Administrative expenses increased by 19.26%
- Financial expenses increased sharply by 34.60%, mainly due to increased interest rates after expansion investments.

ROE and ROA ratios also recorded a decrease compared to the previous year, reaching

0.37% and **0.27%** respectively, reflecting that the efficiency of capital and asset use has not really improved. This shows that the Company is facing pressure to increase costs, affecting overall profitability





5.Shareholder structure, change in owner's investment capita

SHARES:

Stock Name	Cổ phiếu CTCP Dược liệu và Thực phẩm Việt Nam
Stock Type	Common Stock
Stock Code	VHE
Stock Par Value	VND10.000/share
Total Number of Shares	33.140.000 shares
Total Number of Outstanding Shares	33.139.996 shares
Total Number of Treasury Shares	4 shares
Number of Shares Freely Transferred	33.140.000 shares
Number of Shares Restricted from Transfer	0 shares

SHAREHOLDER STRUCTURE:

STT	OBJECT	NUMBER OF SHARES	OWNERSHIP RATIO /CHARTERED CAPITAL (%)
1	State Shareholders	0	0,00
2	Major Shareholders (owning 5% or more of equity)	2.420.000	7,30
3	Company Trade Union	-	0,00
4	Treasury Shares	4	0,00
5	Other Shareholders	30.719.996	92,70
TỔNG CỘNG		33.140.000	100,00
Including: - Organizations		21.504	0,0649
- Individuals		33.118.496	99,935
- Domestic		33.140.000	100,00
- Foreign		0	0,00

SOURCE: LIST OF SHAREHOLDERS AS OF DECEMBER 31, 2024 OF VIETNAM HERBS ANDFOODS JOINT STOCK COMPANY

LIST OF MAJOR SHAREHOLDERS:

STT	NAME	ADDRESS	NUMBER OF SHARES	OWNERSHIP RATIO/CHARTERED CAPITAL (%) (%)
1	Bùi Tiến Vinh	Cluster 3, Ha Mo Commune, Dan Phuong District, Hanoi City	2.420.000	7,30%

CHANGE IN OWNER'S INVESTMENT CAPITAL

TIME	CHARTER CAPITAL BEFORE CHANGE	CHARTER CAPITAL AFTER CHANGE	FORM OF CAPITAL INCREASE
15/09/2022	316.400.000.000	331.400.000.000	Issuance of shares under ESOP
06/12/2021	158.400.000.000	316.400.000.000	Private Placement
23/12/2020	105.600.000.000	158.400.000.000	Private Placement
05/11/2020	88.000.000.000	105.600.000.000	Issuing shares to pay dividends
18/12/2017	22.000.000.000	88.000.000.000	Private Placement
2016		22.000.000.000	Initial capital when becoming a JSC

TREASURY STOCK TRANSACTIONS:

In 2024, the Company did not buy or sell treasury stocks.

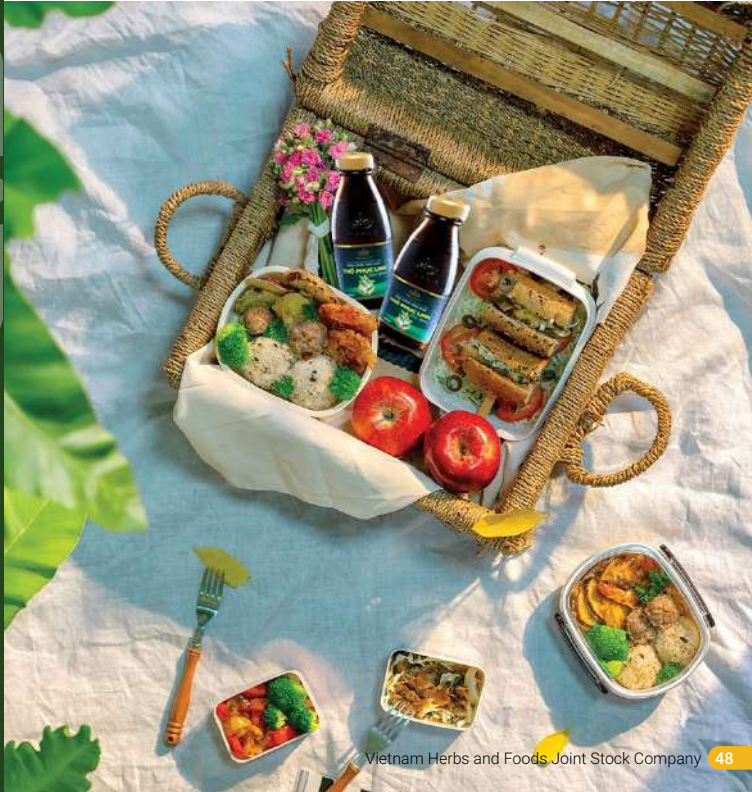
OTHER SECURITIES:

None



C.REPORT OF THE BOARD OF DIRECTORS

1. General assessment of production and business situation.
2. Financial situation
3. Future development plan
4. Explanation of the Board of Directors on V the auditor's vopinion (if any)

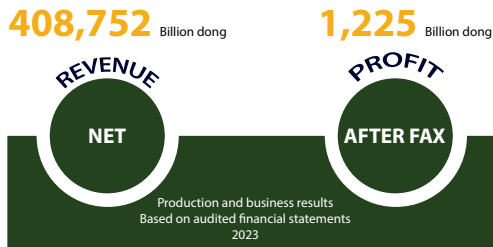




1.REPORT OF THE BOARD OF DIRECTORS

ADVANTAGES AND DIFFICULTIES AFFECTING BUSINESS ACTIVITIES IN 2024

ADVANTAGES	DIFFICULTIES
In 2024, according to the General Statistics Office, Vietnam's GDP growth reached 7.09%, exceeding the set target and higher than the 5.05% of 2023. Exports increased by 14.3% to 405.53 billion USD, while imports increased by 16.7% to 380.76 billion USD, creating a trade surplus of 24.77 billion USD. The consumer .	Despite many achievements, Vietnam's economy faces challenges from natural disasters such as Typhoon Yagi, causing economic losses of about 3.2 billion USD, mainly affecting agriculture, affecting people's livelihoods and increasing pressure on the national budget. The trade war is still fierce, especially recently the United States has imposed a 46% tax on imported goods from Vietnam, affecting about 2% of Vietnam's GDP. Causing many businesses to face a serious decline in revenue..



PRODUCTION AND BUSINESS RESULTS ACHIEVED IN 2024

In the context of an extremely difficult market, the Board of Directors determined to maintain the mission: Bringing the useful value of Vietnamese herbs to public health in the most natural way. At the same time, promoting the spirit of solidarity, focusing on actively directing the implementation of the resolutions of the Board of Directors, building a team of qualified officers and employees to find ways to overcome difficulties in 2024. Specifically:

STT	INDICATORS	2023	2024	% Increase/ decrease 2024/2023
1	Total Assets	412.444.006.102	462.034.390.360	12,02
2	Equity	334.083.051.139	335.211.698.356	0,34
3	Net Revenue	314.415.407.093	408.752.243.096	30,00
4	Net Operating Profit	2.111.815.688	1.698.962.253	-19,55
5	Other Profits	-69.452.285	-153.984.350	121,71
6	Profit Before Tax	2.042.363.403	1.544.977.903	-24,35
7	Profit After Tax	1.627.278.785	1.225.881.687	-24,67

(SOURCE: AUDITED FINANCIAL STATEMENTS FOR 2024)

- Profit after corporate income tax in 2024 decreased by 24.67% compared to 2023 due to:
+ Net revenue increased by 30% compared to the same period last year, of which revenue from agricultural products increased by 99.88 billion, equivalent to 32.76%. Due to increased demand in the agricultural market. Revenue from herbal drinks decreased by 5.85 billion, equivalent to 63%. Due to rapid inflation in the domestic and foreign economies, the tense trade war has caused consumers to tighten spending.
+ Selling expenses in 2024 increased slightly by 6.67% compared to 2023 due to a slight increase in direct export revenue. Business management expenses increased by 19.2% compared to the same period last year due to additional investment in management personnel costs to match the Company's scale. Financial expenses increased by 34.59% compared to 2023 due to the Company increased bank capital mobilization to compensate for resources after expanding investment in subsidiaries.
Thus, Revenue increased at a rate corresponding to the cost of capital, while other expenses such as sales expenses, management expenses, and financial expenses increased, leading to a decrease in profit after corporate income tax of VND 401,397 million, equivalent to 24.67% compared to the same period last year.
However, taking advantage of the opportunity to buy a subsidiary at a low price led 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.

Vietnam Herbs and Foods Joint Stock Company



2. Financial situation

ASSET SITUATION

STT	INDICATORS	2024		2023		CHANGE	
		Value (Million VND)	proportion (%)	Value (Million VND)	proportion (%)	Value (Million VND)	proportion (%)
I	CURRENT ASSETS	285.958	61,89	357.285	86,63	-71.327	-19,96
1	Cash and cash equivalents	664	0,23	188	0,05	476	253,28
2	Short-term financial investments	0	0	0	0,00	0	0
3	Short-term receivables	82.276	28,77	146.527	41,01	-64.251	-64,251
4	Inventories	202.667	70,87	210.418	58,89	-7.751	-3,68
5	Other short-term assets	351	0,12	151	0,04	200	132,73
II	LONG-TERM ASSETS	176.077	38,11	55.158	13,37	120.919	219,22
1	Long-term receivables	0	0	0	0	0	0
2	Fixed assets	48.298	27,43	54.944	99,61	-6,646	-12,1
3	Other long-term assets	279	0,16	214	0,39	65	30,20
III	TOTAL ASSETS	462.034	100	412.444	100	49.590	12,02

CAPITAL SITUATION

STT	INDICATORS	2024		2023		CHANGE	
		Value (Million VND)	proportion (%)	Value (Million VND)	proportion (%)	Value (Million VND)	proportion (%)
I	LIABILITIES	126.823	27,45	78.361	19,00	48.462	61,84
1	Short-term debt	126.261	99,56	75.370	96,18	50.891	67,52
1.1	Short-term borrowings and finance leases	124.262	98,43	65.244	86,56	59.017	90,46
2	Long-term debt	562	0,44	2.991	3,8	-2.429	-81,22
2.1	Long-term borrowings and finance leases	562	100	2.991	100	-2.429	-81,22
II	OWNER'S EQUITY	335.212	72,55	334.083	81,00	1.129	0,34
1	Owner's equity	335.212	100	334.083	100,00	1.129	0,34
1.1	Owner's capital	331.400	98,86	331.400	99,20	0	0
1.2	Retained earnings	4.230	1,26	3.101	0,93	1.129	36,4
	- Accumulated undistributed profit after tax to the end of the previous period	3.004	71,02	1.473	47,50	1.531	103,93
	- Undistributed profit after tax of the current period	1.226	28,98	1.627	52,47	-401	-24,65
II.1	TOTAL CAPITAL	462.034	100	412.444	100,00	49.590	12,02

ASSET SITUATION

The total assets of the parent company in 2024 reached VND 462,034 million, an increase of 12.02% compared to 2023. Of which:

- Short-term assets decreased by 19.96% to VND 285,958 million, accounting for 61.89% of the total assets structure. In the short-term assets structure, inventories accounted for the largest proportion, reaching VND 202,667 million, a decrease of 3.68% compared to the previous year, accounting for 70.87% of the short-term assets structure. Inventory with a large proportion is considered appropriate for the Company.
- The Company's long-term assets reached VND 176,077 million, an increase of 219.22% compared to a year ago, due to fixed assets decreasing from VND 54,944 million to VND 48,298 million and other long-term assets increasing from VND 214 million to VND 279 million.

CAPITAL SITUATION

The Company's capital structure is mainly composed of equity capital. Specifically:

- As of December 31, 2024, equity capital reached VND 335,212 million, an increase of 0.34% compared to the end of 2023. Equity capital continues to account for a large proportion and increases in the capital structure (accounting for 72.55%).
- The Company's total financial debt reached VND 126,823 million, an increase of 61.84% compared to 2023, it can be seen that the company is trying to take advantage of financial leverage in its production and business activities. Specifically, the Company's short-term loans and financial lease liabilities increased from VND 75,370 million in 2023 to VND 126,261 million in 2024, an increase of more than 67.52% compared to 2023. The long-term loans and financial lease liabilities reached VND 562 million, down 81.22% compared to the end of 2023, accounting for the entire

TOTAL ASSETS
49,590
UP 12.02% FROM 2023

EQUITY

1,129

UP 0.34% FROM 2023



3.Future development plan

INDUSTRY DEVELOPMENT PROSPECTS AND GOALS FOR 2025

- Vietnam's politics remains stable and is having positive changes, reflected in the restructuring of the management apparatus, creating favorable conditions to attract domestic and foreign investors.
- Consumer awareness of health is increasingly enhanced, opening up great opportunities for herbal products and functional foods.
- Herbal drinks are not affected by the 46% tax rate of the United States applied to some products from Vietnam, which is an advantage for expanding the export market.

DEVELOPMENT PLAN IN 2025

Based on the production and business results in 2024 and forecasts of the domestic and international economic and political situation (especially the complicated trade war), the Company has set out the following plan for 2025:
Target revenue from production and business activities of the parent company: VND 448 billion
Profit before corporate income tax: VND 2 billion.

IMPLEMENTATION SOLUTIONS OF THE BOARD OF DIRECTORS

To ensure the completion of the set goals, the Board of Directors proposes to synchronously implement the following solutions:

- Streamline the operating apparatus of the entire system, including subsidiaries; strengthen the connection between work efficiency and workers' income.
- Develop high-quality human resources, improve the working environment, increase welfare policies and incentives to retain and attract talent.

Strengthen the distribution system and sales network, combined with a strategy to improve product and service quality.

Strengthen risk management, especially in inventory management; accelerate capital turnover to optimize capital efficiency.

4. EXPLANATION OF THE BOARD OF DIRECTORS REGARDING THE AUDIT OPINION (IF ANY): NONE



D. REPORT OF THE BOARD OF DIRECTORS

1. Evaluation of the Board of Directors on all aspects of the company's operations
2. Evaluation of the Board of Directors on the operations of the Board of Directors
3. Strategy and direction for 2025





1. Assessment of the Board of Directors on all aspects of the company's operations

2024 continues to be a year of storms, hardships and many challenges along with great opportunities. Continuing the results achieved in 2023, with the wise and decisive direction of the Board of Directors and the consensus and solidarity of the staff, with the support and trust of partners and shareholders, Vietnam Pharmaceutical and Food Joint Stock Company has completed the set business targets.

Regarding business results, the Board of Directors ("BOD") assessed that the Company and the Board of Directors have led very effectively and flexibly. Realizing that the demand for spices and agricultural products is improving, the export market is gradually stabilizing and recovering, the Company has promoted the export of agricultural products and medicinal materials. Revenue in 2024 reached 408.7 billion VND, profit after tax reached 1.22 billion VND.

The Board of Directors has made many decisions to adjust, plan and rearrange the apparatus in a streamlined and effective direction. The Board of Directors also resolutely implemented expansion and market adjustment in line with global trends, while at the same time proposing policies to strictly control input materials to ensure output export quality and seek to exploit the herbal beverage market.



2. Assessment of the Board of Directors on the operations of the Board of Directors

In 2024, the Board of Directors regularly monitored the operations of the Board of Directors and management staff in performing the tasks and objectives set out through meetings held. The Board of Directors assessed that the Board of Directors had seriously implemented and performed well the Decisions and tasks issued by the Board of Directors.

The members of the Board of Directors have full experience and knowledge related to the fields and industries they are in charge of, have a sense of responsibility and a good spirit of cooperation. Members continuously improve their professional skills, actively participate in training courses, update knowledge and management skills to ensure the necessary knowledge and skills to undertake the tasks assigned by the General Meeting of Shareholders and the Board of Directors.



3. Strategy and direction for 2025

PLAN FOR 2025:

In 2025, the Company must research and develop products with regional specialties and exploit specific customer segments; improve quality and diversify products and services.

Strengthen inspection, control and risk management, ensure financial safety ratio. The Company also needs to establish a standardized, professional operating apparatus that complies with legal regulations and is flexible in business operations.

The Company aims to continue to grow in the field of exporting pharmaceutical raw materials, while continuing to expand online sales to keep up with world trends.

KEY TASKS IN 2025:

- Increase net revenue to 448 billion VND, increase after-tax profit to about 2 billion VND.
- Prepare and successfully organize the 2025 shareholders' meeting.
- Focus on establishing an e-commerce network to effectively resolve problems arising in the production and business process.
- Continue to improve system management capacity through: Human resource quality; Apply advanced management software; Increase employee income and develop corporate culture, create motivation to work.
- Effectively control cash flow, create enough self-capital to meet investment and production and business activities. Do a good job of investor relations, maintain reasonable VHE stock price.
- Proactively establish an e-commerce network to effectively resolve problems arising in the production and business process.
- Regularly update information related to newly issued legal documents, market research, product marketing, regulations of the country importing goods of each enterprise. - Regularly participate in inspection and training activities on product quality, food hygiene and safety. Respect and commit to ensuring product quality and supporting programs, ensuring product quality. Develop quality indicators for each type of product of the enterprise.

E. CORPORATE GOVERNANCE

1. Board of Directors.
2. Audit Committee
3. Salary, bonus and benefits of members of the Board of Directors, Audit Committee and Board of Directors .
4. Transactions of insiders and related person on the company's shares
5. Transactions and contracts of the company with related persons
6. Evaluation of the implementation of regulations on corporate governance





1. Board of Directors

BOARD MEMBERS

STT	Full name	Position	Date of becoming a member of the Board of Directors
1	Mr. Bui Tien Vinh	Chairman	April 26, 2016 (reappointed for the term 2021-2026 from April 19, 2021)
2	Mr. Nguyen The Hung	Board Member & General Director	
3	Mr. Nguyen Dinh Cong	Board Member	
4	Mr. Nguyen Tai Duc	Board Member	
5	Mr. Tran Nhat Thanh	Board Member	April 26, 2022, start date of new term (2021-2026)

SUBCOMMITTEES OF THE BOARD OF DIRECTORS: NONE

BOARD OF DIRECTORS MEETINGS:

STT	Member of BOD	Number of BOD meetings attended	Meeting attendance rate
1	Mr. Bui Tien Vinh	4/4	100%
2	Mr. Nguyen The Hung	4/4	100%
3	Mr. Nguyen Dinh Cong	4/4	100%
4	Mr. Nguyen Tai Duc	4/4	100%
5	Mr. Tran Nhat Thanh	4/4	100%

RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS

STT	Resolution/Decision Number	Date	Content	
1	1503/2024-NQ/HDQT	15/03/2024	Resolution on extending the time to hold the 2024 Annual General Meeting of Shareholders	100%
2	0705/2024-NQ/HDQT	07/05/2024	Resolution on organizing the 2024 Annual General Meeting of Shareholders	100%
3	1006/2024-NQ/HDQT	10/06/2024	Resolution on supplementing the meeting agenda and documents for the 2024 Annual General Meeting of Shareholders	100%
4	1410/2024-NQ/HDQT	14/10/2024	Resolution on appointing the person in charge of internal audit and promulgating internal audit regulations	100%

SUPERVISORY ACTIVITIES OF THE BOARD OF DIRECTORS TOWARDS THE BOARD OF DIRECTORS:

Comply with the provisions of the Charter of Vietnam Herbs and Foods Joint Stock Company ("Vinaherbfoods"), Vinaherbfoods Governance Regulations, internal management regulations and current laws, specifically:

- Organize supervision of Vinaherbfoods' production and business activities.
- Prepare capital for Vinaherbfoods' production and business activities
- Chair, direct and successfully organize the 2024 Annual General Meeting of Shareholders on June 26, 2024;
- Supervise the implementation of the Resolutions of the Board of Directors and the General Meeting of Shareholders, inspect the management activities of the Board of Directors in business activities;
- Supervise and direct information disclosure with the goal of ensuring transparency and timeliness in accordance with regulations;
- Supervise the management activities of the Board of Directors to improve business performance and complete the set targets.

ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

During the year, the independent members of the Board of Directors have fulfilled their functions and duties well in providing objective assessments and contributions, providing good support to the Board of Directors in supervising the decision-making of the Board of Directors and supervising production and business activities.

LIST OF BOARD MEMBERS WITH CORPORATE GOVERNANCE TRAINING CERTIFICATES (NONE)





MEMBERS OF THE AUDIT COMMITTEE

STT	Full name	Position	Date of becoming a member of the Inspection Committee	Number of shares owned	Ownership ratio
1	Mr. Nguyen Dinh Cong	Chairman of the Inspection Committee	19/04/2021	3.600	0,01%
2	Mr. Nguyen Tai Duc	Member of the Inspection Committee		0	0,00%

AUDIT COMMITTEE MEETING

STT	Audit Committee Member	Number of meetings attended	Meeting attendance rate	Voting ratio
1	Mr. Nguyen Dinh Cong	4/4	100%	100%
2	Mr. Nguyen Tai Duc	4/4	100%	100%

STT	Content	Meeting date	Detailed content
1	Meeting 1	31/03/2024	Summary of results achieved in the first quarter of 2024, content of financial statements in the first quarter of 2024
2	Meeting 2	30/06/2024	Summary of results achieved in the second quarter of 2024, content of financial statements in the second quarter of 2024
3	Meeting 3	30/09/2024	Summary of results achieved in the third quarter of 2024, content of financial statements in the third quarter of 2024
4	Meeting 4	31/12/2024	Summary of results achieved in the fourth quarter of 2024, content of financial statements for the fourth quarter of 2024

AUDIT COMMITTEE'S SUPERVISION ACTIVITIES FOR THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SHAREHOLDERS:

Within the scope of responsibilities, functions and powers of the Audit Committee as prescribed in the Charter of Vinaherbfoods Company, in compliance with the provisions of the Enterprise Law, corporate governance regulations, the Audit Committee must perform the following tasks:

- Report and explain the issues requested for inspection to the Board of Directors, Shareholders, or Groups of Shareholders upon request.
- Develop a mechanism to receive feedback and complaints from employees in the company about violations and shortcomings in management, business operations, risk management, and internal control.
- When discovering that a member of the Board of Directors or the General Director violates the obligations of a company manager, the violator must be requested to immediately stop the violation. At the same time, send a notice to the Board of Directors so that the Board of Directors can make a decision on handling.
- Check the legality and honesty in the management and operation of business activities, in the organization of accounting, statistics and financial reporting.
- Review accounting books and other documents of the company according to the decision of the Board of Directors
- Propose to the Board of Directors measures to amend, supplement and improve the organizational structure of the Company.

COORDINATION OF ACTIVITIES BETWEEN THE AUDIT COMMITTEE AND THE ACTIVITIES OF THE BOARD OF DIRECTORS, THE EXECUTIVE BOARD AND OTHER MANAGEMENT STAFFS::

- The Audit Committee regularly receives coordination from the Board of Directors, the General Director Board and the departments under the Company. Timely provided with information, reports and documents on the production and business activities, the financial activities of the Company to serve the inspection and supervision work.
- Attend all meetings of the Board of Directors and the Board of Management, contribute ideas and contribute to the development of the organization, management, production and business operations, and the development plan of the Company to promptly adjust risks to ensure effective production and business operations, meeting the interests of Shareholders.
- Coordinate the implementation of control work to ensure transparency and honesty and make recommendations to the Board of Directors and the Board of Management to effectively and transparently manage to limit risks, comply with the provisions of law and the Company's Charter. During the inspection and supervision process, the Audit Committee notifies the Board of Directors and the Board of Management of any shortcomings for timely direction and implementation.



3. Salary, bonus, remuneration and benefits

BOARD OF DIRECTORS

STT	Name	Position	Income 2024
1	Mr. Bui Tien Vinh	Chairman	196.106.540
2	Mr. Nguyen The Hung	Board Member	239.477.371
3	Mr. Nguyen Dinh Cong	Independent Board Member	0
4	Mr. Nguyen Tai Duc	Independent Board Member	0
5	Mr. Tran Nhat Thanh	Board Member	170.403.216

EXECUTIVE BOARD

STT	Name	Position	Income 2024
1	Mr. Nguyen The Hung	General Director	239.477.371
2	Mrs. Pham Thi Anh	Chief Accountant	-

AUDIT COMMITTEE

STT	Name	Position	Income 2024
1	Mr. Nguyen Dinh Cong	Chairman of the Audit Committee	-
2	Mr. Nguyen Tai Duc	Member of the Audit Committee	-

TRANSACTIONS OF INSIDERS AND RELATED PERSONS ON COMPANY SHARES: NONE

STT	The person making the transaction	Position/ Relationship with insiders	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for increase, decrease (buy, sell, convert, reward...)
			Number of shares	Percentage%	Number of shares	Percentage%	

1. Insider

1

INSIDER'S RELATED PERSON: NONE

THE RATIO IS CALCULATED BASED ON THE NUMBER OF SHARES OUTSTANDING AFTER SEPTEMBER 15, 2022 (AFTER CAPITAL INCREASE) OF 33,140,000 SHARES

TRANSACTIONS AND CONTRACTS OF THE COMPANY WITH RELATED PARTIE

(Details are stated in the 2024 Audited Financial Statements)

ASSESSMENT OF IMPLEMENTATION OF CORPORATE GOVERNANCE REGULATIONS:

Compliance with corporate governance regulations: As a listed company, the Board of Directors is always proactive in updating, researching and ensuring compliance with relevant legal regulations and good corporate governance practices. In 2024, the Company fully implemented the regulations under the Enterprise Law 2020 and the Company Charter.

Strengthening the information disclosure activities of the enterprise: The Board of Directors issued the Information Disclosure Regulations to ensure that all information related to the company's operations is disclosed accurately, promptly and fully in accordance with current legal regulations. Information on the Resolutions of the Board of Directors as well as the operating situation is regularly updated on the enterprise's website. On the enterprise's website, there is a Comments and Contact section to help shareholders as well as investors in the market easily contact and exchange with the Company's Board of Directors.

Organizing the annual and extraordinary General Meeting of Shareholders

effectively and promptly: The Board of Directors has periodically convened the annual General Meeting of Shareholders in accordance with the provisions of law and fully implemented relevant regulations such as: disclosing information on the last registration date, meeting documents, information of candidates for members of the Board of Directors and Minutes, Resolutions of the General Meeting of Shareholders. The organization of the General Meeting of Shareholders is carried out in accordance with the prescribed procedures and creates favorable conditions for shareholders to participate, contribute opinions and vote at the meeting.

Ensuring equal and respectful treatment for all shareholders of the enterprise:

The Board of Directors as well as the Board of Management always strive to ensure that shareholders' rights are fully exercised. As soon as business results improved and business operations were profitable, the Company proceeded to pay dividends to shareholders. The Company has focused on improving fairness and transparency in the corporate governance process, ensuring compliance with current laws and the Company's Charter; at the same time, in accordance with the strategy and operational practices of the enterprise in order to successfully complete the business plan approved by the General Meeting of Shareholders.

F. SUSTAINABLE DEVELOPMENT

1. Environmental Responsibility
2. Employee Policy





1.Environmental responsibility

Recognizing the role of the environment in production activities and aiming for sustainable development, VHE strives to implement solutions to effectively use resources, comply with environmental protection regulations, research the potential of renewable energy sources for investment, and minimize negative impacts on the environment. The Company always strictly complies with and regularly updates environmental laws. Therefore, the Company has never been penalized for environmental issues. For a common goal of protecting the global environment, VHE continuously introduces policies to

maintain the assessment of water sources used, the impact of wastewater on the environment through controlling inputs (water) and outputs (emissions from office operations and especially industrial production. Types of waste and garbage that are potentially harmful to the environment are actively treated by VHE.

- Reuse water for other activities of the company and factory.
- Do not use toilet water for other purposes.
- Use water-saving toilet systems (automatic flush faucets, automatic flush tanks, ...)
- Regularly check for water leaks and take timely measures.



2. Regime for employees

Working hours: The company organizes work 8 hours/day, 5-6 days/week, 1 hour lunch break. When there is a request for business progress, the company's employees are responsible for overtime and the Company has regulations to ensure the rights of employees according to the State's regulations and to treat employees appropriately.

For new and inexperienced employees, the Company will support vocational training. For employees, the Company will support 100% of salary and training tuition for employees sent to study to improve their professional qualifications. Training human resources to improve the professional qualifications of the labor force, including managers and direct production workers, is a very important task for every enterprise. In addition, the management staff of the enterprise also needs to be

updated on knowledge about international economic integration through training courses. Regularly train the team of workers directly involved in production on the company's internal regulations, labor safety regulations, basic knowledge of product quality, production standards through on-site training, mentoring during the production process, advanced models, etc. or at technical worker schools. Develop a mechanism to allow the hiring of technical experts and external design experts to solve difficulties in the shortage of highly qualified human resources, knowledgeable about techniques, technology, markets, and tastes of foreign markets or in managing new projects. In addition to the basic salary, employees receive additional allowances for responsibility and diligence, so the average salary is increased.



G. FINANCIAL REPORT 2024

CONSOLIDATED FINANCIAL STATEMENTS FOR 2024:

The Company's separate financial statements
for 2024 are located at the following link:
[https://vinaherbfoods.com/quan-he-co-dong/
bao-cai-tai-chinh/](https://vinaherbfoods.com/quan-he-co-dong/bao-cai-tai-chinh/)

