

No: 13/2025/CV-FGL

Gia Lai, March... 18..., 2025

“Re: Explaining the difference in consolidated profit after tax of 10% or more compared to the same period last year”

To: HANOI STOCK EXCHANGE

Pursuant to Point a, Clause 4, Article 14, Chapter III of Circular 96/2020/TT-BTC, issued on November 16, 2020, and effective from January 1, 2021, by the Ministry of Finance, providing guidelines on information disclosure in the securities market, Gia Lai Coffee Joint Stock Company would like to provide an explanation regarding the variance of 10% or more in the consolidated profit after corporate income tax for the reviewed financial statements for the fiscal ended as of December 31, 2024, compared to the same period in 2023.

				Unit: VND
Item	31/12/2024	31/12/2023	Variance	% Increase/ (Decrease)
Profit after corporate income tax	(20,475,052,795)	(12,441,876,599)	-8,033,176,196	-65.57%

The consolidated profit after corporate income tax of Gia Lai Coffee Joint Stock Company for the reviewed financial statements for the fiscal ended as of December 31, 2024, decreased by 65.57% compared to the same period in 2023 due to the following factors:

+ The coffee costs for the 2024-2025 crop year in 2024 were VND 1,615,739,746 higher than in 2023 due to the exemption and reduction of land rent in 2022 and 2023 under Decision 01/2023/QĐ-TTg dated January 31, 2023, by the Prime Minister, which granted a 30% reduction in land rent for 2022, and Decision 25/2023/QĐ-TTg by the Prime Minister, which granted a 30% reduction in land rent for 2023 for entities affected by the COVID-19 pandemic. As of 2024, no decree on land rent reduction has been issued.

+ In the 2024 financial statement period, the company dismantled aging coffee plantations for replanting, reducing the remaining value of the plantations by VND 8,752,039,708, a significant increase compared to only VND 185,574,832 in the same period of 2023. This entire reduction was recorded as a loss in 2024

+ Moreover, during the period, the company conducted acceptance testing and terminated ineffective coffee replanting and windbreak planting projects, reducing work-in-progress costs and recording a loss of VND 2,043,157,576.

By this official letter, Gia Lai Coffee Joint Stock Company respectfully submits an explanation to the State Securities Commission regarding the increase in net profit after tax in the reviewed financial statements for the fiscal year ended as of December 31, 2024, which has changed by 10% or more compared to the same period in 2023.

Recipient

- Board of Directors,
Supervisory Board;
- Finance and Accounting
Department;
- Filed in the Office.

GIA LAI COFFEE JOINT STOCK COMPANY



TỔNG GIÁM ĐỐC
Nguyễn Công Tiến