

**BAF VIETNAM AGRICULTURE
JOINT STOCK COMPANY**

No: 30.07/BAF-CV

SOCIALIST REPUBLIC OF VIETNAM

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Ho Chi Minh City, 30 July 2026

Re: Explanation of the difference in profit
after tax on the combined financial
statements for Quarter II/2026 compared
to the same period in 2025

To:

- State Securities Commission
- Ho Chi Minh City Stock Exchange
- Hanoi Stock Exchange

**CÔNG TY CỔ
PHẦN NÔNG
NGHIỆP BAF
VIỆT NAM**

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BAF Vietnam Agriculture Joint Stock Company would like to provide an explanation regarding the difference in Profit After Tax in the Combined Financial Statements for Q2.2026 compared to the same period in 2025 as follows:

In the Combined Financial Statements for Q1.2026 of the Company:

Indicator	2026 (VND)	2025 (VND)	Increase (Decrease) Difference	
			VND	%
Profit After Tax Quarter II	48,113,236,352	74,990,101,059	(26,876,864,707)	-36%
Accumulated Net Profit After Tax for 6 Months	120,604,147,183	103,617,143,169	16,987,004,014	16%

Although the Company's profit after tax for Q2 2026 decreased by 36% compared to the same period in 2025, the overall picture for the first six months of the year still recorded many positive highlights, reflecting that the Company's core business foundation continued to grow and its expansion strategy remained on the right track. Specifically:

- Cumulative profit for the first six months of the year improved as a result of the increase in sales volume during the first six months compared to the same period last year, demonstrating that the Company's operating scale and market capability continued to be significantly strengthened.
- During the period, the Company continued to commence new high-tech farming projects, reaffirming its commitment to pursuing its expansion strategy in order to realize its growth targets through 2030.
- The proportion of carcass pork and processed meat continued to improve within the Company's revenue structure, reflecting its strategic direction of shifting toward higher value-added downstream products. The expansion and optimization of the Feed – Farm – Food value chain enables BAF to gradually reduce its dependence on fluctuations in live hog prices, thereby stabilizing its gross profit margin and mitigating business cyclicity risks.

The factors affecting the Company's performance in Q2 2026 were primarily temporary in nature and associated with the investment phase, and did not reflect any deterioration in its core business operations. Specifically:

- The average selling price in Q2 2026 (approximately VND 63,000 - 65,000/kg) was lower than the same period last year (approximately VND 65,000 - 70,000/kg).



- Interest expenses increased significantly due to changes in market interest rates compared to the same period last year. This was an external factor beyond the Company's direct control.
- The rapid expansion and commencement of operations at new farms during the first six months of the year resulted in higher fixed costs (personnel, utilities, depreciation, and initial operating costs) compared to the same period last year, while operating efficiency had not yet reached its optimal level during the initial stage.
- As the African Swine Fever (ASF) situation remained complicated during the period, the Company continued to strengthen its biosecurity measures, disease prevention efforts, and restocking costs in order to proactively protect its livestock herd and maintain the stability of its production operations in the long term.

Above is the additional explanation from BAF Vietnam Agriculture Joint Stock Company.

Thank you sincerely./.

Recipients:

- As above
- Archived at Accounting Department,
Administrative Department.



General Director

Bui Huong Giang

