

**VIETNAM HERBS AND FOODS
JOINT STOCK COMPANY**

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

Số: 2910/2025/CVGTR-VHE

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(about: Explanation of changes in net profit after
tax 2025 in Q3 seperated 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	Percent (%)
1	Net revenue	46.688.572.781	140.710.305.637	-94.021.732.856	-66,82
2	Profit after corporate income tax	2.580.198.814	374.213.371	2.205.985.443	589,5

- Net profit after corporate income tax in Q3 2025 increased by 589.5% compared to Q3 2024 due to:

+ Net revenue decreased significantly by 66.82% compared to the same period last year. Specifically, revenue from agricultural products dropped by 94.99 billion, equivalent to 68.03%. 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, increasing demand for refreshments, combined with the Mid-Autumn Festival boosting consumer spending.

+ The cost of goods sold for agricultural products decreased significantly by 73.59% compared to the same period last year, declining faster than the revenue drop. The reason is that the company has a large storage facility and proactive processing capabilities, allowing it to utilize low-cost 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 and increasing profits.

+ Selling expenses in Q3 2025 decreased by 39.88% compared to Q3 2024 due to high logistics costs, leading the company to reduce direct export activities. Corporate management expenses



slightly decreased by 15.75% due to the appropriate arrangement of the personnel structure, saving operational costs while fully depreciating office machinery. Financial costs increased by 139.87% but remain manageable to supplement working capital for business operations; borrowed funds are used effectively to maintain production during challenging market conditions. This increase in financial costs is not significant enough to reduce overall profits, especially when the gross profit margin has improved significantly.

Although net revenue has significantly decreased due to a challenging market and changes in value-added tax policies for agricultural products, the company still achieved a substantial increase in after-tax profit thanks to a sharp reduction in cost of goods sold, effective cost control, leveraging low inventory prices, and improving production management efficiency. This indicates that the business has made a reasonable strategic shift, 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

