

Ha Long, March 31th, 2025

“Re: Explanation of profit difference in 2024 and 2023, explanation of loss in 2024”

**To: STATE SECURITIES COMMISSION OF VIETNAM  
HANOI STOCK EXCHANGE**

Pursuant to Circular 155/2015/TT-BTC issued on October 6, 2015 by the Ministry of Finance guiding information disclosure on the stock market.

Royal International Corporation (stock code RIC) would like to explain the difference of profit in 2023 and 2024, explanation of loss in 2024 as follows:

**I. Comparison of some indicators in the business results report for 2024 and 2023:**

No	Content	Year 2024	Year 2023	Difference	The rate (percentage) %
<b>I</b>	<b>Revenue</b>				
1	Sales and Services revenue	133,354,210,704	111,574,631,316	21,779,579,388	
2	Financial revenue	12,207,983,040	7,543,125,908	4,664,857,132	
3	Other Income	98,469,888	96,476,368	1,993,520	
	<b>Total</b>	<b>145,660,663,632</b>	<b>119,214,233,592</b>	<b>26,446,430,040</b>	<b>22</b>
<b>II</b>	<b>Expenses</b>				
1	Costs of goods	112,822,916,448	152,612,257,388	(39,789,340,940)	(26)
2	Financial expenses	24,217,289,184	24,705,109,062	(487,819,878)	(2)
	Interest expense	22,962,765,936	22,343,215,748	619,550,188	3
3	Sales expenses	12,154,132,320	13,966,347,602	(1,812,215,282)	(13)
4	Costs of management	23,144,890,560	29,223,426,971	(6,078,536,411)	(21)
5	Other expenses	521,011,920	488,771,958	32,239,962	7
	<b>Total</b>	<b>172,860,240,432</b>	<b>220,995,912,981</b>	<b>(48,135,672,549)</b>	<b>(22)</b>
<b>III</b>	<b>Profit after tax</b>	<b>(27,199,576,800)</b>	<b>(101,781,679,389)</b>	<b>74,582,102,589</b>	<b>(73)</b>

**Explanation of the difference:**

**1. Net revenue from sales and service provision increased:**

In 2024, revenue improved compared to 2023 due to the Company's Board of Directors actively sought every measure to stabilize existing customer

sources, exploit new customer sources, promote sales channels, and improve customer service quality.

2. **Financial revenue increased:** Mainly due to exchange rate difference profit..
3. **Cost of goods sold decreased:** Because in 2023, the Company will additionally account for the difference in land rental costs from 2021-2023 due to the new rental price.
4. **Selling expenses and administrative expenses decreased:** In 2023 the company took measures to reduce costs, especially salary expenses.
5. **Loss after corporate income tax decreases:** Due to the additional difference in land rental costs from 2021-2023, the loss after corporate income tax in 2023 increases compared to 2024.

## **II - Explanation of the loss in 2024:**

Although in 2024, the Company's Board of Directors actively sought every measure to stabilize existing customer sources, exploit new customer sources to increase revenue, it was still not enough to offset costs, so the Company's business results in 2024 were still loss.

The above is the explanation of Royal International Corporation; We respectfully submit to the State Securities Commission of Vietnam and Hanoi Stock Exchange for consideration.

Sincerely,

**Royal International Corporation**

**Deputy General Director**



**Trần Thị Hồng Liễu**

