**KSF: Explanation on the Financial Statements 2023**

On March 25, 2024, REAL TECH GROUP JOINT STOCK COMPANY announced Official Dispatch No. 21/2024/CV-RTG on Explanation of Financial Statements Information for 2023 as follows:

Unit VND

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | 2023 | 2022 | Difference | |
| Value | % |
| 1 | Profit after tax on the Separate Financial Statements | 12,506,580,206 | 82,771,826,675 | -70,265,246,469 | -84.89% |
| 2 | Profit after tax on the Consolidated Financial Statements | 204,156,563,202 | 619,768,174,476 | -415,611,611,274 | -67.06% |

Reasons:

1. Profit after corporate income tax in 2023 on the Separate Statements of the Holding Company decreased by more than VND 70.26 billion, a decrease of 84.89% compared to that in 2022, mainly due to the following reasons:

Gross profit from sales and service provision decreased by VND 24.03 billion, equivalent to a decrease of 35.71% over the same period last year, mainly due to the decline in revenue from real estate transfer activities in the context of general difficulties in the real estate market.

* Profit from financial activities decreased by VND 77.3 billion, equivalent to a decrease of 76.07% compared to the previous year because in June 2023, the Company transferred the deposit to buy shares of Sunshine Sky Villa Joint Stock Company (with deposit interest) to receive the transfer of 48% of shares in Sunshine Sky Villa Joint Stock Company with the transfer price of VND 960,000,000,000, so financial income decreased while the Company's financial expenses in the year also increased.
* However, total selling expenses and general and administrative expenses also decreased by VND 17.3 billion, equivalent to a decrease of 28.46% as the enterprise made efforts to cut costs and improve operational efficiency.
* . Profit after corporate income tax on the consolidated financial statements in 2023 of the Company decreased by VND 415.6 billion, equivalent to a decrease of 67.06% compared to 2022, mainly due to the following reasons:
* Gross profit from sales and service provision in 2023 compared to that in 2022 decreased by VND 464.63 billion, equivalent to a decrease of 61.19%, due to a decrease in revenue from real estate transfer activities, securities trading activities, securities depository, and construction contractor activities;
* Financial expenses in the year increased at a higher rate than financial income, leading to a decrease in profit from financial activities by VND 106.8 billion, equivalent to a decrease of 39.76% compared to the same period; mainly due to the consolidation of financial expenses of subsidiaries that are in the process of investing in projects.
* Total selling expenses and general and administrative expenses decreased by VND 44.16 billion, equivalent to a decrease of 18.41% as the enterprise cut costs and improved operational efficiency.

On March 25, 2024, REAL TECH GROUP JOINT STOCK COMPANY announced Official Dispatch No. 22/2024/CV-RTG on Explanation of Financial Statements Information after audit and self-prepared in 2023 as follows:

With this document, the Company would like to explain the case where the Profit after tax differs by 5% or more on the audited Financial Statements and the self-prepared financial statements for 2023 as follows:

Table comparing Profit after tax figures between the self-prepared separate Financial Statements for 2023 and the audited separate Financial Statements for 2023 is as follows:

Unit: VND

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Target | Audited report in 2023 | Self-made Financial Statements 2023 | Difference | |
| Value | % |
| 1 | Profit after tax  Separate Financial Statements | 12,506,580,206 | 13,707,095,122 | -1,200,514,916 | -8.76% |

Reasons:

Profit after corporate income tax in 2023 of the audited separate Financial Statements for 2023 decreased by VND 1.20 billion, equivalent to a decrease of 8.76% compared to the self-prepared financial statements due to: financial expenses and general and administrative expenses after the audit increased by VND 1.07 billion and VND 0.325 billion respectively, equivalent to an increase of 2.69% and 0.77% compared to the self-prepared figures.