

“Re: Explanation of the difference in business results between the fourth quarter of 2024 and the fourth quarter of 2023, the cause of loss in the fourth quarter of 2024”

To: STATE SECURITIES COMMISSION OF VIETNAM  
HANOI STOCK EXCHANGE

Royal International Corporation (stock code RIC) would like to explain the difference in business results between the fourth quarter of 2024 and the fourth quarter of 2023, the cause of the loss in the fourth quarter of 2024, specifically as follows:

I – Explanation of the difference between the business results of the fourth quarter of 2024 and the fourth quarter of 2023:

Compare the indicators on the business results table of the fourth quarter of 2024 and the fourth quarter of 2023 as follows:

No	Content	Fourth quarter of 2024	Fourth quarter of 2023	Difference	The rate (percentage) %
I	Sales and service revenue	37,693,047,216	24,793,994,162	12,899,053,054	52
II	Financial revenue	1,622,519,712	4,628,367,272	(3,005,847,560)	(65)
III	Other Income	10,819,776	18,401,618	(7,581,842)	(41)
IV	Expenses			-	
1	Financial operating expenses	8,702,847,120	5,540,688,743	3,162,158,377	57
2	Costs of goods	27,878,021,424	59,648,964,862	(31,770,943,438)	(53)
3	Sales expenses	3,299,510,544	3,841,974,367	(542,463,823)	(14)
4	Management expenses	5,773,889,088	7,665,643,208	(1,891,754,120)	(25)
5	Other expenses	370,006,560	31,686,337	338,320,223	1,068
	Total (1-5)	46,024,274,736	76,728,957,517	(30,704,682,781)	(40)
V	Profit after tax	(6,697,888,032)	(47,288,194,465)	40,590,306,433	(86)

**Explanation of the difference:**

1. Sales and service revenue in the fourth quarter of 2024 increased compared to the fourth quarter of 2023 because in the fourth quarter of 2024, the economy grew quickly again, especially the revenue from the service and tourism industries after a long period of "freezing". On the other hand, the Company's Board of Directors actively sought all measures to stabilize the source of customers. *gmr*

2. Financial operating revenue in the fourth quarter of 2024 decreased due to exchange rate difference assessment.
3. Financial operating expenses in the fourth quarter of 2024 increased due to exchange rate difference assessment.
4. Cost of goods sold in the fourth quarter of 2024 decreased because in the fourth quarter of 2023, the company recorded additional land rental fees.
5. Management and sales costs decreased compared to the fourth quarter of 2023. The costs on salaries, insurance, repairs, consumables and raw materials... also decreased.
6. Other expenses increased, due to the accounting of late payment interest on land rent in the fourth quarter of 2024.

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

Although in the fourth quarter of 2024, the Company's Board of Directors actively sought every measure to stabilize existing customer sources, exploit new customer sources to increase revenue, and minimize costs, it was still not enough to offset costs, so the Company's business results in the fourth quarter of 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. *[Signature]*

**Sincerely,**

**Royal International Corporation**

**Deputy General Director**



**Trần Thị Hồng Liễu**

