

Ha Long, March 31th, 2025

“Re: Explanation of profit difference in the first 6 months of 2024 and the first 6 months of 2023 after audit and the cause of loss in the first 6 months of 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 the first 6 months of 2024 and the first 6 months of 2023 after audit and the cause of loss in the first 6 months of 2024 as follows:

I. Compare some indicators in the business results report for the first 6 months of 2024 and the first 6 months of 2023:

No	Content	The first 6 months of 2024	The first 6 months of 2023	Difference	The rate (percent age) %
I	Revenue				
1	Sales and Services revenue	62,976,180,808	55,055,454,904	7,920,725,904	14
2	Financial revenue	9,341,172,136	1,576,985,532	7,764,186,604	49
3	Other Income	61,310,452	43,352,092	17,958,360	41
	Total	72,378,663,396	56,675,792,528	15,7002,870,868	28
II	Expenses				
1	Costs of goods	57,389,759,008	57,561,201,094	(171,442,086)	(0)
2	Financial expenses	11,448,852,288	12,881,859,032	(1,433,006,744)	(11)
	Interest expense	10,960,428,068	10,865,135,786	95,2925,282	1
3	Sales expenses	6,060,306,188	6,620,412,850	(560,106,662)	(8)
4	Costs of management	12,122,795,832	14,953,533,888	(2,470,738,056)	(17)
5	Other expenses	113,738,208	391,918,040	(278,719,832)	(71)
	Total	87,135,451,524	92,048,924,904	(4,913,473,380)	(5)
III	Profit after tax	(14,756,788,128)	(35,373,132,376)	20,616,344,248	(58)



I. Explanation of the difference:

1. Net revenue from sales and service provision increased:

In the first 6 months of 2024, revenue improved compared to the first 6 months of 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. Other income increased: Due to service fee for guests breaking items in the room.

4. Financial operating expenses increased: Mainly due to exchange rate difference losses.

5. Selling expenses and administrative expenses decreased: In the first 6 months of 2023 the company took measures to reduce costs, especially salary expenses.

6. Other expenses decreased: due to the first 6 months of 2023, the Company recorded interest on late tax payment.

7. Loss after corporate income tax decreased: In the first 6 months of 2024, the company's management stabilized existing customer sources, exploited new customer sources, and increased cost-saving measures, so the company's loss in the first 6 months of 2024 decreased compared to the first 6 months of 2023.

II - Explanation of the loss in 2024:

Although in the first 6 months of 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 the first 6 months 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.

Sincerely,

Royal International Corporation

Deputy General Director



Trần Thị Hồng Liễu