

**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 the disclosure of information in the securities market,

Royal International Corporation (Stock Code: RIC) Explanation of Profit Discrepancy Between 2023 and 2022, Explanation of loss 2023 as follows:

I. Comparison of key indicators in the income statements for 2023 and 2022:

No	Indicator	Year 2023	Year 2022	Increase/(Decrease) Difference	Increase/(Decrease) Rate (%)
I	Revenue				
1	Net revenue from sales of goods and services	111,574,631,316	117,763,629,441	(6,188,998,125)	(5)
2	Financial income	7,543,125,908	6,554,616,721	988,509,187	15
3	Other income	96,476,368	230,737,590	(134,261,222)	(58)
	Total revenue	119,214,233,592	124,548,983,752	(5,334,750,160)	(4)
II	Expenses				
1	Cost of goods sold and services provided	152,612,257,388	125,033,249,511	27,579,007,877	22
2	Financial expenses	24,705,109,062	11,755,950,886	12,949,158,176	110
	- Including: Interest expenses	22,343,215,748	9,936,522,737	12,406,693,011	125
3	Selling expenses	13,966,347,602	13,501,801,934	464,545,668	3
4	General and administrative expenses	29,223,426,971	33,622,006,240	(4,398,579,269)	(13)
5	Other expenses	488,771,958	1,104,126,777	(615,354,819)	(56)
	Total expenses	220,995,912,981	185,017,135,348	35,978,777,633	19
III	Loss after corporate income tax	(101,781,679,389)	(60,468,151,596)	(41,313,527,793)	68

Explanation of Key Discrepancies:**1. Decrease in Net Revenue from Sales and Services:**

- In 2023, the Board of Director actively sought various methods to stabilize existing customers, exploit new customers, and enhance sales channels. However,

due to fierce competition in the hospitality and tourism sector, revenue did not improve compared to 2022.

2. Increase in Financial Income:

- Primarily due to foreign exchange gains.

3. Decrease in Other Income:

- In 2022, the Company recorded unspent service fees under other income.

4. Increase in Cost of Goods Sold (COGS):

- In 2023, the Company accounted for the additional cost difference in land lease fees from 2021-2023 based on the new rental rates.

5. Increase in Financial Expenses:

- Due to an increase in debt, leading to higher interest expenses, and an increase in foreign exchange losses at the end of the period.

6. Decrease in Administrative Expenses:

- The Company implemented cost-saving measures, especially in salaries, leading to a reduction in administrative expenses.

7. Decrease in Other Expenses:

- The Company reduced expenditures on donations, did not liquidate assets, and did not incur late tax payment penalties.

8. Increase in Net Loss after Income Tax:

The Revenue decreased, costs increased due to the difference in land rental costs from 2021-2023 which caused loss after tax in 2023 higher compared with 2022.

II. Explanation of Loss in 2023:

- In 2023, the Board of Director actively implemented various strategies to retain existing customers and exploit new ones to boost revenue. However, this was not sufficient to offset costs, especially the additional cost adjustment for land lease fees from 2021-2023, resulting in a net loss.

This explanation is submitted to the State Securities Commission of Vietnam and the Hanoi Stock Exchange for consideration. *Ty*

Sincerely,

ROYAL INTERNATIONAL CORPORATION

Vice General Director



Trần Thị Hồng Liễu