

*(Subject: Explanation of discrepancies in business results between the separate financial statements and the consolidated financial statements for fiscal year 2024 compared to the same period of the previous year)*

**To:**

- **THE STATE SECURITIES COMMISSION**
- **HO CHI MINH CITY STOCK EXCHANGE**
- **SHAREHOLDERS AND INVESTORS**

**Based on:**

- Clause 4, Article 11, Chapter III, Circular 96/2020/TT-BTC issued on January 1, 2021, by the Ministry of Finance guiding information disclosure in the securities market.
- Based on the audited separate and consolidated financial statements for the fiscal year 2024 of Innovative Technology Development Corporation (ITD).

**1/ Discrepancy in profit in the financial statements:**

Content	Fiscal year 2024 (VND)	Fiscal year 2023 (VND)	Discrepancy (VND)	Rate
Net revenue from sales of goods and rendering of services	149,495,758,810	325,693,156,654	(176,197,397,844)	-54.10%
Cost of goods sold	109,533,673,011	287,838,671,689	(178,304,998,678)	-61.95%
Gross profit from sales of goods and rendering of services	39,962,085,799	37,854,484,965	2,107,600,834	5.57%
Financial income	17,597,286,136	17,233,008,262	364,277,874	2.11%
Financial expenses	4,357,346,682	9,068,420,029	(4,711,073,347)	-51.95%
Selling expenses	8,030,452,232	20,604,438,718	(12,573,986,486)	-61.03%
General administrative expenses	8,715,042,515	69,170,879,001	(60,455,836,486)	-87.40%
Other income	2,399,091,705	1,176,948,096	1,222,143,609	103.84%
Other expense	431,065,984	420,145,987	10,919,997	2.60%
Other profit	1,968,025,721	756,802,109	1,211,223,612	160.04%
Total net profit before tax	38,424,556,227	(42,999,442,412)	81,423,998,639	189.36%

In the fiscal year 2024, due to the Company's restructuring of its operating model and the transfer of its core business activities to its subsidiary – Tien Phong Investment Technology Solution Corporation – in accordance with the Board of Directors' Resolution, net revenue from sales of goods and provision of services decreased by VND 176.2 billion (equivalent to 54.10%). The decline in revenue correspondingly led to a decrease in cost of goods sold by VND 178.3 billion (equivalent to 61.95%).

During the year, the Company implemented a personnel restructuring plan in line with the transfer of staff to its subsidiary – Tien Phong Investment Technology Solution Corporation – as approved by the Board of Directors. This initiative also aimed to optimize resources and control operating expenses. As a result, selling expenses decreased by VND 12.6 billion (equivalent to 61.03%) compared to the same period last year.

In addition, in the previous year, the Company made a significant provision for doubtful debts based on the Management Board's assessment of receivables with a high risk of non-recovery. Consequently, no corresponding provision was required in the current year, contributing to a decrease in general and administrative expenses by VND 60.5 billion (equivalent to 87.40%). The combination of the above factors led to a substantial increase in the Company's profit before tax, which rose by VND 81.4 billion, representing a growth of 189.36% compared to the same period last year.

**2/ Discrepancy in profit in the consolidated financial statements:**

Content	Fiscal year 2024 (VND)	Fiscal year 2023 (VND)	Discrepancy (VND)	Rate
Net revenue from sales of goods and rendering of services	751,853,957,610	591,059,010,109	160,794,947,501	27.20%
Cost of goods sold	557,298,532,597	444,434,755,004	112,863,777,593	25.39%
Gross profit from sales of goods and rendering of services	194,555,425,013	146,624,255,105	47,931,169,908	32.69%
Financial income	4,954,681,178	8,673,397,569	(3,718,716,391)	-42.87%
Financial expenses	7,369,107,572	6,965,344,625	403,762,947	5.80%
Share of joint ventures and associates' profit or loss	(578,555,394)	(2,883,252,959)	2,304,697,565	79.93%
Selling expenses	46,753,040,383	50,218,473,173	(3,465,432,790)	-6.90%
General administrative expenses	62,198,024,984	129,966,207,289	(67,768,182,305)	-52.14%
Net profit from operating activities	82,611,377,858	(34,735,625,372)	117,347,003,230	337.83%
Other income	7,978,885,087	2,339,069,127	5,639,815,960	241.11%
Other expenses	735,482,508	676,431,972	59,050,536	8.73%
Other profit	7,243,402,579	1,662,637,155	5,580,765,424	335.66%
Total net profit before tax	89,854,780,437	(33,072,988,217)	122,927,768,654	371.69%
Current corporate income tax expense	13,789,233,250	6,661,487,915	7,127,745,335	107.00%
Deferred corporate income tax expense	533,522,987	169,587,988	363,934,999	214.60%
Profit after corporate income tax	75,532,024,200	(39,904,064,120)	115,436,088,320	289.28%
Profit after tax attributable to owners of the	46,979,656,109	(58,517,614,163)	105,497,270,272	180.28%
Profit after tax attributable to non-controlling interest	28,552,368,091	18,613,550,043	9,938,818,048	53.40%

This year, Global Electrical Engineering Corporation – a subsidiary of the Company – was awarded several high-value contracts and executed agreements for the supply of materials and equipment, as well as the installation of systems for projects invested by Viettel Group (Military Industry and Telecoms Group). As a result of these contracts, net revenue and cost of goods sold increased by VND 160.8 billion (equivalent to a 27.20% increase) and VND 112.9 billion (equivalent to a 25.39% increase), respectively, compared to the previous year.

Furthermore, in 2024, the Company did not continue to make provisions for doubtful receivables that had already been fully provided for in the previous year, primarily consisting of large-value receivables assessed by the Board of Management as having low recoverability. As a result, general and administrative expenses decreased by VND 67.8 billion (a reduction of 52.14%). Additionally, the write-off of payables led to an increase in other income by VND 5.6 billion (equivalent to a 335.66% increase).

These factors collectively led to an increase in profit before tax of VND 122.9 billion compared to the previous year.

The above is the explanation provided by the Company.

Sincerely,

**Innovative Technology Development Corporation**  
General Director

