

No.: 032024/CVGT/ITD

Ho Chi Minh City, January 23, 2025

(Subject: Explanation of discrepancies in business results between the separate financial statements and the consolidated financial statements for 3rd quarter of the 2024 fiscal year 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.
- The financial statements for 03rd quarter of the 2024 fiscal year of Innovative Technology Development Corporation (ITD).
- The consolidated financial statements for 03rd quarter of the 2024 fiscal year of Innovative Technology Development Corporation (ITD).

ITD company hereby explains the discrepancies in after-tax profit exceeding 10% in the 03rd of 2024 financial statements compared to the same period last year as follows:

1/ Discrepancy in profit in the financial statements:

Content	03rd quarter of 2024	03rd quarter of 2023	Discrepancy	Rate
Revenue from sales of goods and rendering of services	14,456,062,080	130,313,823,186	(115,857,761,106)	-88.9%
Cost of goods sold	9,639,306,878	124,690,645,395	(115,051,338,517)	-92.3%
Gross profit from sales of goods and rendering of services	4,816,755,202	5,623,177,791	(806,422,589)	-14.3%
Financial income	3,023,905,476	9,296,561,390	(6,272,655,914)	-67.5%
Financial expenses	242,112,141	1,763,381,706	(1,521,269,565)	-86.3%
Selling expenses	2,504,563,483	3,466,020,730	(961,457,247)	-27.7%
General administrative expenses	3,528,499,978	51,199,694,106	(47,671,194,128)	-93.1%
Total net profit before tax	2,523,630,729	(41,510,256,865)	44,033,887,594	106.1%
Profit after corporate income tax	2,523,630,729	(41,510,256,865)	44,033,887,594	106.1%

During the period, several contracts were in the execution phase and had not yet been accepted, leading to a significant drop in revenue compared to the same period last year. Despite the revenue decline, gross profit margin remained robust; revenue decreased by nearly 90%, but gross profit only dropped by 14%. Financial income decreased by VND 6 billion (approximately 67%) due to reduced dividends received from subsidiaries. Financial expenses fell by 86% equivalent to VND 1.5 billion due to reduced interest expenses and investment provisions.

In 03rd quarter of 2023 fiscal year, General administrative expenses surged due to provisions for doubtful debts. In 2024, the company has been restructuring its operations, optimizing resources, and reversing doubtful debt provisions, resulting in a sharp reduction in selling and administrative expenses by nearly VND 1 billion and VND 48 billion (approximately 28% and 93% decrease). These factors contributed to an after-tax profit of VND 2.5 billion, an increase of VND 44 billion compared to the same period.

2/ Discrepancy in profit in the consolidated financial statements:

Content	03rd quarter of 2024	03rd quarter of 2023	Discrepancy	Rate
Revenue from sales of goods and rendering of services	168,588,136,322	211,191,916,149	(42,603,779,827)	-20.2%
Cost of goods sold	123,996,688,722	176,507,161,876	(52,510,473,154)	-29.7%
Gross profit from sales of goods and rendering of services	44,591,447,600	34,684,754,273	9,906,693,327	28.6%
Financial income	1,123,597,299	2,034,929,652	(911,332,353)	-44.8%
Financial expenses	2,009,123,328	1,718,146,907	290,976,421	16.9%
Selling expenses	12,235,359,573	10,649,628,984	1,585,730,589	14.9%
General administrative expenses	15,496,941,555	64,539,210,801	(49,042,269,246)	-76.0%
Total net profit before tax	16,901,609,156	(40,715,545,489)	57,617,154,645	141.5%
Profit after corporate income tax	15,447,082,638	(42,981,072,312)	58,428,154,950	135.9%
Profit after tax attributable to owners of the Parent Company	6,639,586,235	(47,929,940,107)	54,569,526,342	113.9%

In this period, revenue dropped by VND 42.6 billion (20%), but gross profit rose by nearly VND 10 billion to reach VND 44.6 billion. Furthermore, the impact of provisions for doubtful debts in 2023 and cost optimization efforts in 2024 resulted in a sharp reduction in administrative expenses, down by VND 49 billion compared to the same period. These were the primary factors leading to consolidated after-tax profit of VND 15.4 billion, an increase of VND 58 billion compared to last year, and after-tax profit attributable to the parent company reached VND 6.6 billion, up by VND 54.6 billion compared to the same period.

Sincerely,

Innovative Technology Development Corporation
 Chairman of BOD



Mai Hoai An