



THANG LONG METAL JOINT STOCK
COMPANY
Address: Phuc Loi Ward, Long Bien District,
Hanoi, Vietnam
Tel: +84 4 3875 9304
Number: 05 /KKTL-2025

About: Explanation of interest decrease, profit
margin decrease of over 10% and opinions
except for financial statements in 2024

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hanoi, March 29th 2025

**DEAR: - STATE SECURITIES COMMISSION OF VIETNAM
- HANOI STOCK EXCHANGE**

Thang Long Metal Joint Stock Company (“the Company”) would like to sincerely thank you for your support and cooperation in the past time.

- Based on Circular No. 96/2020/TT-BTC in November 16, 2020, by the Ministry of Finance leading the information publicity on the securities market.

- Based on the financial report 2023 reviewed.

- Based on the financial report 2024 reviewed.

According to the 2024 financial statements, the results of production and business activities decreased by more than 10% compared to the results of production and business activities in the 2023 financial statements as follows:

Number	Items	Year 2024	Year 2023	Difference
1	Net revenue from sales of goods and rendering of services	963,510,808,574	862,014,023,596	101,496,784,978
2	Revenue from financial activities	51,308,903,301	51,611,031,255	(302,127,954)
3	Other income	6,763,069,786	33,659,506,856	(26,896,437,070)
4	Other expenses	3,113,183,122	1,457,920,048	1,655,263,074
5	Selling expenses	1,867,798,784	1,887,979,710	(20,180,926)
6	Business management expenses	76,878,934,979	70,288,638,669	6,590,296,310
7	Total net profit before tax	41,505,309,306	61,516,325,109	(20,011,015,803)
8	Profit after corporate income tax	41,505,309,306	55,324,682,061	(13,819,372,755)

Reason for difference: Profit in 2024 decreased compared to profit in 2023 over 10%, because in 2023 the Company can transfer real estate at factory branch No5, address Lot J16 to J19, Street 5C, Binh Chanh District, Ho Chi Minh City, the profit after of this real estate transfer is 24.76 billion, this is the Company's profit only once.

Regarding the exclusion of opinions in the 2024 financial statements, our company would like to explain as follows:

The company is currently organizing production in 04 factories with over 1500 employees. The company's annual revenue is from 900 billion to more than 1000 billion, the average revenue per month is from 70 billion to 100 billion, the company's customers are mainly large enterprises at home and abroad, the production and delivery plan is stable, and the requirements for delivery guarantee are very high. Concrete:

In the domestic market, the company specializes in providing motorcycle parts for 2 major customers, HONDA Vietnam Company and GOSHI Thang Long Company, with a monthly revenue of over 50 billion, orders are determined to be delivered according to specific time zones in each day and the delivery guarantee rate in PPM (Parts Per Million), If it is not guaranteed, it will have to compensate for all damage to stop production at all factories in the system.

For exports, the Company is exporting to IKEA customers to distribute throughout the European market; OLYMPIA customers distribute in the US market and some other customers... monthly revenue of over 20 billion. The export group is determined by the delivery time of the week and in case of non-guarantee, it will also have to compensate all related costs for the sales system throughout the market area.

With the characteristics of a stable production plan and such a high requirement to ensure delivery, the Company actively accepts the inventory of raw materials, semi-finished products, finished products, tools and tools and at the same time establishes an optimal production organization plan, ensuring absolute on-time delivery to customers.

In particular, the inventory of semi-finished products due to the continuous production process, so at the time of inventory, the inventory is scattered in the production workshops and on the production line.

Every year, the audit team has carried out inventory inventory and evaluated unfinished products on the production line. However, when the audit team went into inventory on 30/06 and 31/12 every year due to the semi-finished inventory scattered in many production lines, the time was limited, so the audit team could not count all of them by themselves, but only checked the probabilities and collected evidence of inventory at the workshops. production teams of factories...

With the above facts, the evidence directly collected by the audit team on inventory and evaluation of unfinished products on the production line is incomplete, so the auditor gives an opinion except: “ *Due to the inability to collect sufficient appropriate audit evidence on the existence and value of losses, if any, of this unfinished production expense. Therefore, we have not determined whether it is necessary to adjust the balance of unfinished production and business expenses, provisions for inventory price reduction and related items on January 1, 2024 and December 31, 2024*”.

For the opinion except in the audit report dated 31/12/2024, our Company would like to affirm: In order to determine the unfinished value as of 31/12/2024, we have recorded and presented in a suitable manner the actual unfinished production and business expenses of the Company on the Balance Sheet dated 31/12/2024. We are committed to the existence as well as the future realizable value of this expense as the basis for not making provisions for inventory price reduction as of December 31, 2024.

The above is our company's explanation and we would like to take full responsibility for the content presented.

Best regards!

CHAIRMAN OF THE BOARD
OF DIRECTORS



PHAM HONG THANH

