



THANG LONG METAL JOINT STOCK
COMPANY

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Number: 10 /KKTL-2025

About: Explanation of difference in profit
after tax of over 10% and exception audit
opinion in semi-annual financial statements
of 2025

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Hanoi, August 14th 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 audited semi-annual financial report for 2024.
- Based on the audited semi-annual financial report for 2025.

According to the 2025 semi-annual financial report, the difference in after-tax profit from production and business activities is over 10% compared to the results of production and business activities in the 2024 semi-annual financial report as follows:

Number	Items	First 6 months of 2025	First 6 months of 2024	Difference
1	Net revenue from sales of goods and rendering of services	457,612,727,997	457,658,581,847	(45,853,850)
2	Financial income	56,627,890,318	48,960,603,348	7,667,286,970
3	Financial expenses	8,929,684,026	13,460,560,844	(4,530,876,818)
4	Selling expenses	623,122,176	1,018,211,360	(395,089,184)
5	General and administrative expenses	38,213,879,148	39,575,914,012	(1,362,034,864)
6	Total net profit before tax	56,736,240,421	36,462,918,424	20,273,321,997
7	Profit after corporate income tax	56,736,240,421	36,462,918,424	20,273,321,997

Reason for difference: In fact, the Company's production and business situation is much better than in the first 6 months of 2024 because the Company focuses on

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promoting labor productivity increase, financial revenue in the first 6 months of 2025 increased by 7.67 billion VND compared to the first 6 months of 2024. Furthermore, the Company's goals set for 2025 through the first 6 months of 2025 have all been achieved and exceeded. In the first 6 months of 2025, the Company has a stable source of revenue, so it reduces the interest paid by the bank to the seller. Banks have simultaneously reduced lending interest rates to low levels (in the first 6 months of 2025, lending interest rates decreased by 4.5 billion VND compared to the first 6 months of 2024). Due to the above reasons, the Company's business performance has a difference in after-tax profit of the first 6 months of 2025 of over 10% compared to the first 6 months of 2024.

Regarding the exception in the 2025 semi-annual financial statements, our Company would like to explain as follows:

The company is currently organizing production in 04 factories with over 1.000 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, 2025 and June 30, 2025*”.

For the opinion except in the audit report dated 30/06/2025, our Company would like to affirm: In order to determine the unfinished value as of 30/06/2025, we have recorded and presented in a suitable manner the actual unfinished production and business expenses of the Company on the Balance Sheet dated 30/06/2025. 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 June 30, 2025.

This is the explanation from our Company, and we take full responsibility for the content presented.

Best regards!



**CHAIRMAN OF THE BOARD
OF DIRECTORS**



PHAM HONG THANH