



THANG LONG METAL JOINT STOCK  
COMPANY  
Address: Phuc Loi Ward, Long Bien District,  
Hanoi, Vietnam  
Tel: +84 4 3875 9304  
Number: 04 /KKTL-2026  
**About** Explain the reasons and propose  
solutions to address the auditor's qualified  
opinion.

SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

Hanoi, April 22<sup>th</sup> 2026

**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.

*On April 21, 2026, Thang Long Metalworking Joint Stock Company received Decision No. 370/QD-SGDHN dated April 6, 2026, from the Hanoi Stock Exchange regarding the maintenance of the warning status for KTL shares (reason for maintaining the warning status: the annual financial statements have received qualified audit opinions from the auditing firm for three consecutive years or more)*

**The company would like to provide the following explanation:**

Thang Long Metalworking Joint Stock Company was transformed from Thang Long Metalworking State-owned Limited Liability Company according to Decision No. 760/QD-UBND dated September 16, 2008 of the Hanoi People's Committee and officially commenced operations on November 28, 2008. The company's charter capital is VND 192,000,000,000, of which state investment in the enterprise is VND 126,805,000,000, accounting for 66.04% of the charter capital.

The company's main business is the production and trading of household metal products and components for other industries made from thin sheet metal. This includes: manufacturing and trading household metal products and components for other industries from thin sheet metal; manufacturing and trading household goods such as: oil stoves, various types of pots and pans, electric kettles, electric stoves, gas stoves, decorative lamps, public lighting fixtures, other household appliances, and mechanical processing; manufacturing and trading motorcycle parts; manufacturing and trading assembly of: automobiles, motorcycles, refrigeration equipment, household electrical appliances, sanitary equipment, and other consumer goods; manufacturing and trading various types of molds and specialized equipment; importing equipment, machinery, technical materials, and chemicals to serve the production needs of the company and other units in the industry; and exporting the goods the company trades in.

The company is currently organizing production in 04 factories with over 1.000-1.100 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 December 31, 2025”.

For the opinion except in the audit report dated 31/12/2025, our Company would like to affirm: In order to determine the unfinished value as of 31/12/2025, we have recorded and presented in a suitable manner the actual unfinished production and business expenses of the Company on the Balance Sheet dated 31/12/2025. 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 December 31, 2025.

From 2026 onwards, our company is committed to gathering clear and specific evidence and complete spreadsheets to explain to the audit team that the work-in-progress inventory is accurate in terms of its existence and value, so that there will be no more qualified opinions on the annual financial statements.

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**



**PHẠM HỒNG THANH**

