**KTL: Explanation for financial statements of 2019**

On 31 Mar 2020, ThangLong Metal Wares Joint Stock Company explained the financial statements of 2019 as follows:

1. Explanation for the difference of over 10% in financial statements of 2019 year on year

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| --- | --- | --- | --- | --- |
| No. | Indicators | Year 2018 | Year 2019 | Difference |
| 1 | Net sales of goods and services | 898,089,676,198 | 904,973,371,865 | 6,883,695,667 |
| 2 | Financial income | 144,462,460,241 | 158,033,058,433 | 13,570,598,192 |
| 3 | Profit before tax | 72,947,707,062 | 86,891,355,729 | 13,943,648,667 |
| 4 | Profit after tax  | 72,940,147,265 | 86,891,355,729 | 13,951,208,464 |

Reason for the difference: in the 2019 financial statements, the financial income in 2019 increased compared to the financial income in 2018: VND 13,570 billion, resulting in an increase of over 10% in revenue and profit after tax year on year

2. Explanation for the qualified opinion

Our company has two opinions about the qualified opinion as follows:

1. Regarding the determination of work in progress ​​on December 31, 2019, we recorded and presented appropriately the actual work in progress of the Company in the Balance Sheet for the fiscal year ended on 31 December 2019. We commit to the existence as well as the possible future value of these expenses as the basis for not making provision for devaluation of inventories on December 31, 2019

2. The project of a center for public trade and services, parking lots and high-rise apartment buildings at No.01 Luong Yen, Bach Dang Ward, Hai Ba Trung District, Hanoi City was completed and put into use in 2016. On December 31, 2019, the items of the fire protection system and ancillary works of the project had balances of VND 3.58 billion and VND 5.37 billion respectively. These items were originally designed in accordance with the regulations of the State, but up to now, due to the changes in the State's standards, these items need to be supplemented. Therefore the work has not been completed about the settlement of basic construction. We commit to completing this work soon in the near future and will make adjustments to the value of the work when the settlement is approved