**KLM: Explanation on and remedy for KLM stock under trading restriction**

On April 15, 2024, Nghe Tinh Non - Ferous Metal Joint Stock Company announced Official Dispatch No. 56/KLM-KTe on explaining negative owner’s equity in 2023, as follows:

Nghe Tinh Non - Ferous Metal Joint Stock Company was granted Business Registration Certificate No. 2900324603 by Nghe An Authority for Planning and Investment, changed for the first time on May 24, 2018, with a charter capital of VND 38.85 billion. As a unit active in the field of metal mineral exploitation and processing, the Company mainly provides finished tin products and other services.

In 2023 and previous years, the Company encountered many difficulties such as a sharp decrease in tin prices, increased costs of raw materials for exploitation and processing, which resulted in low production efficiency. In addition, frequent facility damage caused by natural disasters like storms and floods required large investment costs for repair and restoration as the mining terrain is steep hills and mountains, which are difficult to navigate and prone to landslides after heavy rains. Poor resources, high soil and rock removal coefficient also reduced production efficiency. As of December 31, 2023, the Company had a loss from production and business of VND 25.40 billion.

Besides tin production, in 2020, the Company invested long-term finance in Dak Lak Tourist Joint Stock Company with 800,000 shares at par value of VND 37,500 per share. During this period, the spread of the COVID-19 pandemic had an impact on all aspects of society, especially the tourism industry in general and Dak Lak Tourist Joint Stock Company in particular. Meanwhile, Dak Lak Tourist Joint Stock Company suffered huge losses, rendering its share price decreased gradually each year. Based on the share transactions and Financial Statements from 2021 to 2023 announced by Dak Lak Tourist Joint Stock Company, the Company made financial investment provisions according to regulations. The accumulated provision as of December 31, 2023 was VND 28.61 billion. This caused the entire Company a production and business loss until December 31, 2023 of VND 54.02 billion and negative owner’s equity of VND 13.59 billion.

Remedy plan:

For production and business: focus on increasing productivity, reducing costs, and remedying shortcomings to increase efficiency; monitor consumer markets to sell at optimal prices.

For financial investment: The end of the COVID-19 pandemic led to the resurgence of the tourism industry, which in turn caused the share price of Dak Lak Tourist Joint Stock Company to increase again. Hence, the Company's reversal of its provisions will gradually offset losses in 2024 and following years.