

**INDUSTRIAL GAS AND
WELDING ELECTRODE JOINT
STOCK COMPANY**

No: 458/CBTT-TCKT

Regarding the explanation of the first 6
months 2025 financial statements after audit.

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom – Happiness

Ho Chi Minh City, August 14, 2025

To:

- The State Securities Commission;
- The Stock Exchange.

- Listed company name: **INDUSTRIAL GAS AND WELDING ELECTRODE
JOINT STOCK COMPANY**

- Stock symbol: **SVG**

- Head office address: **1 - 3 Nguyen Truong To, Ward 13, District 04, Ho Chi Minh
City.**

- Phone: (028) 38267269 - Fax: (028) 39400942

The Company has disclosed the audited financial statements for the first 6 months
of 2025. Pursuant to Circular 96/2020/TT-BTC dated November 16, 2020 of the
Ministry of Finance “Guidelines for information disclosure on the stock market”, the
Company explains:

1. On profit after corporate income tax.

- Profit after corporate income tax in the financial report for the first 6
months of 2025 changes by 10% or more compared to the same period in 2024;
Profit after corporate income tax in the financial report for the first 6 months of 2025 is
a loss of 1,037,376,679 dong.

- Sales revenue in the first 6 months of 2025 increased by 5.5% compared to the
same period last year. However, due to: Electricity costs account for a large proportion
of the Company's production costs, the State adjusted the electricity price up by 4.8%
from May 10, 2025, increasing costs; The State adjusted the land use rental price up in
2025 compared to the previous year, increasing costs in the first 6 months of 2025 by
790 million VND; The Company had to set aside an additional provision for bad debts
of 253 million VND; Costs increased in the context of fierce market competition, selling
prices did not increase, so the Company suffered a loss compared to the same period last
year.

**2. There is a difference in profit after tax in the reporting period before and
after auditing.**

- Profit after tax in the first 6 months of the year before audit was a loss of
784,229,871 dong, after audit was a loss of 1,037,376,679 dong, because after audit, the
provision for bad debt increased by 253,146,808 dong.

3. Auditor's exception opinion:

a. Qualified audit opinion on receivables from employees

- Basis for the audit opinion excepted: “The Company is recording receivables
from employees for the amount of excess salary and Tet bonus for employees at January
1, 2025 and June 30, 2025, respectively, of VND 12,326 million and VND 14,780



million (details in note 06). Through the audit procedures performed, we cannot assess the appropriateness and collectability of these receivables as well as the impact of this issue on other items related to the Financial Statements for the accounting period from January 1, 2025 to June 30, 2025".

- Company explanation:

+ Welding Electrode Industrial Gas Joint Stock Company, with 98.16% state capital, is a joint stock company with the State's dominant capital contribution, so the Company must implement wages in accordance with Decree 53/2016/ND-CP dated June 13, 2016 of the Government "On labor, wages, remuneration, bonuses for companies with shares and capital contributions dominated by the State" and Circular 28/2016/TT-BLDTBXH dated September 1, 2016 of the Ministry of Labor - Invalids and Social Affairs "Guiding the implementation of regulations on labor, wages, remuneration, bonuses for companies with shares and capital contributions dominated by the State".

+ The amount receivable from employees of VND 12,326 million as of January 1, 2025 is the amount of expenditure exceeding the salary fund in 2023 and 2024.

+ In the first 6 months of 2025, the Company's production and business still faced many difficulties. The Company suffered a loss of 1,037 million VND. The Company had to pay Tet bonuses to employees at the beginning of the year, so the salary fund was negative 2,454 million VND.

b. Exceptional opinion on raw materials inventory

- Basis for the audit opinion excepted: "The raw materials in stock at January 1, 2025 and June 30, 2025 are VND 1,161 million, which have not been assessed by the Company for inventory price reduction provision. With the records and documents collected and through audit procedures, we cannot assess the impact of this issue on the Financial Statements for the accounting period from January 1, 2025 to June 30, 2025".

- The Company explains this:

+ The Company has long-term unused inventory materials because the Company has stopped producing calcium carbide, so it no longer needs these materials for production, with a book value of VND 1,161 million. The Company is carrying out liquidation procedures to recover capital, expected to be completed in 2025. Currently, the Company has no basis to determine the actual value of these inventories. These materials will have an exact price when the Company completes the liquidation sale.

We hereby commit that the information published above is true and take full legal responsibility for the content of the published information./.

Recipients:

- As above;
- Save VT.



GENERAL DIRECTOR

Trinh Anh Phong