

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

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No: 145/S-TCKT
Regarding the explanation for
stocks under warning status.

Ho Chi Minh City, March 25, 2026

To: Hanoi Stock Exchange

- Listed company name: **INDUSTRIAL GAS AND WELDING ELECTRODE JOINT STOCK COMPANY**
- Stock code: **SVG**
- Head office address: 1-3 Nguyen Truong To Street, Xom Chieu Ward, Ho Chi Minh City.
- Phone: (028) 38267269 - Fax: (028) 39400942

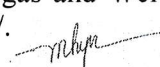
In accordance with Decision No. 163/QD-SGDHN dated March 13, 2026, of the Hanoi Stock Exchange "On placing SVG shares of Que Han Industrial Gas Joint Stock Company under warning status," due to the audited financial statements receiving qualified audit opinions from the auditing firm for three consecutive years, the Company reports as follows:

The audited annual financial statements, which received qualified opinions for three consecutive years, all contained the same provision: "The company is recording receivables from employees for expenses exceeding the cost of salaries and Tet bonuses." The amount receivable from employees due to excess salary and bonus payments recorded in the annual financial statements as of December 31, 2023, was VND 8,734 million; as of December 31, 2024, it was VND 12,326 million; and as of December 31, 2025, it was VND 14,844 million.

From 2023 to the present, the company's production and business activities have faced numerous difficulties, and production and business results have not met the plan. The Welding Rod Industrial Gas Joint Stock Company, with 98.16% state ownership, is a joint stock company with controlling state capital, therefore the company must implement salary payments according to state regulations. Production and business efficiency is low, and the salary fund is accounted for as a low expense. Meanwhile, to maintain production and business, the company still has to pay salaries to employees, leading to overspending. In 2023 alone, the company's planned salary fund was approved at 39,221 million VND, but the actual approved salary fund was only 17,500 million VND. Although the company significantly reduced employee salary payments, it still overspent by 8,734 million VND.

To address the issue of excessive salary expenses, the company is striving to find solutions, aiming to increase production and business efficiency to boost the salary fund. Simultaneously, the company is reorganizing its production and business operations to reduce costs, increase efficiency, and streamline its structure, reducing labor and salary expenses. Specifically, at the beginning of 2026, the company merged the Bien Hoa Industrial Gas Enterprise into the Binh Duong Welding Rod Industrial Gas Enterprise, relocated the company office to the Binh Duong Welding Rod Industrial Gas Enterprise, and merged several departments to reduce the workforce.

Industrial gas and Welding electrode joint stock company report to the Hanoi Stock Exchange./.



Receiving place:

- As above;
- Board of Directors
(Replacing the report);
- Save VT, TCKT.

