INDUSTRIAL GAS AND WELDING ELECTRODE JOINT STOCK COMPANY

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom – Happiness

No: 487/CBTT-TCKT
Regarding the explanation of the reviewed financial statements for the first six months of 2026

Ho Chi Minh City, August 13, 2026

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, Xom Chieu Ward, Ho Chi Minh City.**

The Company has disclosed its reviewed financial statements for the first six months of 2026. Pursuant to Circular 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, regarding "Guidelines on information disclosure on the securities market," the Company provides the following explanation:

1. Regarding profit after corporate income tax.

- Profit after corporate income tax in the financial statements for the first six months of 2026 changed by 10% or more compared to the same period in 2025; the profit after corporate income tax in the financial statements for the first six months of 2026 showed a loss of VND 13,002,877,962.

- Sales revenue for the first six months of 2026 increased by 7.4% compared to the same period last year; however, profits declined by over 10% due to rising costs amidst fierce market competition and stagnant selling prices. Key cost increases included: electricity expenses—a major component of production costs—which rose following the State's 4.5% price hike on May 10, 2025; fuel prices in the second quarter of 2026, which surged from 17,000 VND/liter to a peak of 40,000 VND/liter, driving up transportation costs; the loss of State-granted land rental reductions; and the cessation of operations at the HKN Bien Hoa facility to hand over the site at Bien Hoa I Industrial Park to the Dong Nai Provincial People's Committee, resulting in relocation expenses, employee severance allowances, and losses exceeding 2.5 billion VND due to the production stoppage.

2. Auditor's qualified opinion:

- Basis for qualified audit opinion: The Company has recorded receivables from employees regarding amounts paid in excess of salary and Tet bonus expenses, amounting to VND 15,694 million and VND 17,868 million as of January 1, 2026, and June 30, 2026, respectively (details in Note 07). Based on the review procedures performed, we were unable to assess the appropriateness and recoverability of these receivables, nor the impact of this matter on other related items in the financial statements for the accounting period from January 1, 2026, to June 30, 2026.

- Company explanation:

+ Industrial Gas and Welding Electrode Joint Stock Company - in which the State holds a 98.16% stake - is a joint-stock company subject to State-controlled capital; therefore, it is required to implement wage policies in accordance with State regulations.

+ The amount receivable from employees, totaling VND 15,694 million as of January 1, 2026, represents expenditures that exceeded the wage fund during the years 2023, 2024, and 2025.

+ During the first six months of 2026, the Company faced significant operational challenges, resulting in a loss of VND 13,002.9 million; additionally, the need to pay Tet bonuses to employees early in the year caused a deficit of VND 2,174 million in the payroll fund.

We hereby commit that the information disclosed above is accurate and accept full legal responsibility for the content of the disclosed information./.

Recipients:
As above;
Save VT.

DEPUTY GENERAL MANAGER

CÔNG TY CỔ PHẦN HƠI KỸ NGHỆ QUE HÀN

KIEU PHUONG