

**INDUSTRIAL GAS AND
WELDING ELECTRODE JOINT**

**THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom – Happiness**

No: 412/S-TCKT

Ho Chi Minh City, July 18, 2026

Regarding the explanation for the Q2
2026 financial statements: incurring a loss
and/or experiencing a change in profit after
corporate income tax of 10% or more compared
to the same period last year.

To:

- The State Securities Commission;
- The Stock Exchange.

- Name of listed company: **INDUSTRIAL GAS AND WELDING
ELECTRODE JOINT STOCK COMPANY**

- Stock code: **SVG**

- Head office address: 1–3 Nguyen Truong To, Xom Chieu Ward, Ho Chi Minh
City.

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

Pursuant to Clause 4, Article 14 of 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 hereby explains
the fluctuation in profit for the second quarter of 2026 compared to the same
period of the previous year, as well as the loss incurred in its production and
business activities, as follows:

Unit: Dong

TARGETS	No	Second Quarter		Ratio
		2026	2025	
1	2	4	5	6
1. Revenue from sales and rendering of services	01	75.136.562.173	67.435.198.754	
2. Revenue deductions	02	69.722.223	-	
3. Net revenue from sales and services (10 = 01-02)	10	75.066.839.950	67.435.198.754	11,3 2
4. Cost of goods sold	11	76.095.946.892	61.821.078.571	
5. Gross profit from sales and services (20 = 10 - 11)	20	(1.029.106.942)	5.614.120.183	
6. Gain/loss on the sale or disposal of investment property	21	-	-	
6. Financial income	22	6.946.030	5.930.808	
7. Financial costs	23	1.131.387.598	1.099.035.127	
<i>Of which: Interest expense</i>	24	<i>1.131.387.598</i>	<i>1.099.035.127</i>	
8. Selling expenses	25	2.943.840.357	2.292.993.688	
9. Enterprise management expenses	26	3.766.024.309	3.462.574.274	

10. Net profit from business operations {30 = 20 + 21 + 22 - (23 + 25 + 26)}	30	(8.863.413.176)	(1.234.552.098)	
11. Other income	31	391.035.383	512.117.452	
12. Other expenses	32	53.804.622	132.694.011	
13. Other profit (40 = 31 - 32)	40	337.230.761	379.423.441	
14. Total accounting profit before tax (50 = 30 + 40)	50	(8.526.182.415)	(855.128.657)	897, 06
15. Current corporate income tax expense	51	-	-	
16. Deferred corporate income tax expense	52		-	
17. Profit after corporate income tax (60 = 50 - 51 - 52)	60	(8.526.182.415)	(855.128.657)	897, 06
18. Basic earnings per share	70	- 290,50	- 29,14	
19. Diluted earnings per share	71			

Regarding the loss of VND 8,526,182,415 in profit after corporate income tax reported in the Q2 2026 financial statements, the Company provides the following explanation:

- The Company explains that its profit after corporate income tax for the second quarter of 2026 fluctuated by 10% or more compared to the second quarter of 2025 due to the following factors: the Company incurred significant expenses, with several costs rising—specifically, electricity costs, which account for a large proportion of production expenses, increased because the State raised electricity prices by 4.5% effective May 10, 2025; fuel prices (gasoline and oil) surged compared to the same period in the previous year, rising from 17,000 VND/liter to a peak of 40,000 VND/liter, thereby driving up transportation costs; in 2026, the Company was no longer eligible for State-granted reductions in land lease fees; and the Company was required to halt operations at the HKN Bien Hoa Factory to hand over the land at Bien Hoa I Industrial Park to the Dong Nai Provincial People's Committee, resulting in relocation costs, employee redundancy allowances, and losses exceeding 2.5 billion VND due to the production stoppage. Amidst fierce market competition and stagnant selling prices, these rising costs caused profits to decline by more than 10% compared to the same period in the previous year.

The Company provides an explanation for the loss of VND 8,526,182,415 in its Q2 2026 financial statements: rising costs—coupled with selling prices that did not increase as previously described—resulted in the loss.

Sincerely./.

Recipients:

- As above;
- Board of Directors
(Replacement report);
- Save: VT, FAD.

LEGAL REPRESENTATIVE

Trinh Anh Phong