

**VietDuc Welding Electrode Joint
Stock Company**
No.: 423.. / CV-TCKT
(Re: Explanation of Profit
for the Third Quarter of 2026)

SOCIALIST REPUBLIC OF VIETNAM
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Hanoi, October 19, 2026

To:

- The State Securities Commission of Vietnam.
- Hanoi Stock Exchange.

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Minister of Finance, providing guidance on information disclosure in the securities market.

Viet Duc Welding Electrode Joint Stock Company hereby provides an explanation of its business and production results for the third quarter of 2026 compared to those of the third quarter of 2025, as follows:

In 2026, total production and sales volumes increased significantly compared to 2025. Specifically, welding electrode production increased by 21%, welding electrode sales increased by 36%, and welding wire sales increased by 53%. The growth in sales volume was primarily driven by a substantial increase in welding wire sales, particularly flux-cored welding wire, which increased by 2.06 times.

Regarding product mix, the output of product groups with higher profit margins increased slightly and remained relatively stable, while product groups with lower profit margins recorded more significant growth.

Compared with the third quarter of 2025, fuel, supplies, and raw material prices increased. To maintain business stability, the Company adjusted its selling prices starting in the second quarter of 2026 to offset the rising costs of raw materials.

To minimize the impact of increasing input material prices, the Company focused on measures to improve labor productivity, optimize raw material consumption, and enhance product quality in order to reduce costs. As a result, manufacturing costs and cost of goods sold were not significantly affected. Although these costs increased, the rate of increase was lower than that of raw material prices, resulting in a lower growth rate in the cost of goods sold compared to selling prices. In particular, the increase in production and sales volumes helped reduce general overhead costs per unit of product.

As a result of the above factors, the Company's profit for the third quarter of 2026 increased significantly compared to the same period in 2025. Specifically, profit after tax in the third quarter of 2026 reached VND 11.2 billion, an increase of 96% compared to VND 5.7 billion in the third quarter of 2025.

The Company hereby submits this report for the information of the State Securities Commission of Vietnam, the Hanoi Stock Exchange, and investors.

Thank you for your attention!

VIET DUC WELDING ELECTRODE JOINT STOCK COMPANY

Director of the Company

Recipients:

- As addressed
- Filed

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CỔ PHẦN
QUE HÀN
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