VIET DUC WELDING ELECTROD JOINT STOCK COMPANY
No.: 210 /CV-TCKT
*(Re: Explanation of Profit for the First Six Months of 2026)*

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

*Hanoi, August 22, 2026*

**To:**

- State Securities Commission of Vietnam
- Hanoi Stock Exchange

***(Corrected version attached to Official Letter No. 209 dated August 22, 2026)***

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

Viet Duc Welding Electrode Joint Stock Company hereby provides an explanation of its production and business results for the first six months of 2026 compared with the first six months of 2025, as follows:

In 2026, total production and sales volume increased significantly compared with 2025. Production increased by **19%**, while sales increased by **30%**, of which welding electrode sales increased by **26%** and welding wire sales increased by **37%**, particularly flux-cored welding wire, which increased **twofold**.

Regarding the product structure, products with high profit margins recorded a slight increase in volume and remained relatively stable, while products with lower profit margins experienced stronger growth.

Compared with 2025, due to increases in fuel, materials and raw material prices, the Company adjusted its selling prices to offset the increase in raw material costs and maintain stable business operations.

To minimize the impact of rising input material costs, the Company focused on implementing measures to improve labor productivity, save raw materials and enhance product quality in order to reduce costs. Therefore, production costs and cost of goods sold were not significantly affected; although they increased, the rate of increase was lower than the increase in raw material prices. Consequently, the increase in the cost of goods sold was lower than the increase in selling prices. In particular, the increase in production volume resulted in a reduction in overhead costs per unit of product.

As a result of the above factors, profit for the first six months of 2026 increased significantly compared with the same period in 2025. **Profit after tax for the first six months of 2026 reached VND 24.489 billion, an increase of 84% compared with 2025 (VND 13.321 billion).**

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

**Sincerely yours!**

**VIET DUC WELDING ELECTRODE JOINT STOCK COMPANY**
**GENERAL DIRECTOR**

M.S.D.N: 0500445085
CÔNG TY CỔ PHẦN QUE HÀN ĐIỆN VIỆT ĐỨC
X. THƯỜNG TÍN - TP. HÀ NỘI

TỔNG GIÁM ĐỐC
Nguyễn Huy Tiến

**Recipients:**

- As above
- Filed

CÔNG TY CỔ PHẦN QUE HÀN ĐIỆN VIỆT ĐỨC

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