

**Viet Duc Welding Electrode Joint
Stock Company**

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

No.: 153/ CV-TCKT

(Regarding: Annual Profit Explanation for 2024)

Hanoi, March 26, 2025

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 the disclosure of information on the securities market.

Viet Duc Electrodes Welding Joint Stock Company would like to provide an explanation regarding the business performance in 2024 compared to 2023 as follows:

In 2024, the total production and consumption volume increased significantly compared to 2023, with production rising by 12% and consumption increasing by 18%, mainly driven by a strong growth in welding wire. In terms of product structure, the product group with high-profit margins remained stable without an increase, while the product groups with lower profit margins saw a significant rise.

Overall, the prices of raw materials did not fluctuate much but remained at a high level, particularly the price of 70S-6 steel, which increased by 10%, causing the cost of goods sold to remain high compared to the same period in 2023. As for the selling prices, due to market competition, prices were continuously adjusted downward compared to 2023 (the average selling price of welding rods decreased by 5.1% and welding wire decreased by 6%), leading to a significant reduction in profits.

Regarding production organization, the company focuses on promoting measures to improve labor productivity, save raw materials, and enhance product quality to reduce costs. However, the cost savings achieved could not offset the impact of the factors mentioned above, leading to a significant decrease in profits in 2024 compared to 2023. In fact, the net profit after tax in 2024 only reached 13.48 billion VND, which is 57% of the profit in 2023 (in 2023, it was 23.7 billion VND).

The company would like to report to the Committee, the Department, and investors for their information.

Best regards !

VIET DUC WELDING ELECTRODE JOINT STOCK COMPANY

Director of Company

Recipients:

Save as above.

Save.



GIÁM ĐỐC

Nguyễn Huy Tiên