

Viet Duc Welding Electrode Joint
Stock Company
No: 164/ CV-TCKT
(Re: Explanation of Profit in Q1 2025)

SOCIALIST REPUBLIC OF VIETNAM
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Hanoi, January 19, 2025.

To:

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

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

Viet Duc Electric Welding Electrode Joint Stock Company would like to provide an explanation regarding the business performance in Q1 2025 compared to Q1 2024 as follows:

In 2025, the total output, including both production and consumption, increased significantly compared to 2024. Specifically, production rose by 15% and consumption increased by 21%, mainly driven by a sharp rise in welding wire. Regarding the product structure, the output of high-margin product groups remained stable without increase, while the output of lower-margin product groups increased significantly.

In general, raw material prices did not fluctuate significantly but remained at a high level, causing the cost of goods sold to stay elevated compared to the same period in 2024. Due to market competition, selling prices were continuously adjusted downward compared to 2024 (the average selling price of welding rods decreased by 4% and welding wire by 6%), resulting in a sharp decline in profit.

In terms of production organization, the Company has focused on implementing measures to improve labor productivity, save raw materials, and enhance product quality to reduce costs. However, the cost savings achieved were not sufficient to offset the impacts of the aforementioned factors, leading to a significant decline in profit in Q1 2025 compared to Q1 2024. Specifically, after-tax profit in Q1 2025 reached only VND 4.929 billion, equivalent to 86% of the profit in Q1 2024 (which was VND 5.749 billion).

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