

**CÔNG TY CỔ PHẦN
CAO SU ĐÀ NẴNG
DANANG RUBBER JOINT
STOCK COMPANY**

Số: 335/DRC-TK
No.: 335 /DRC-TK

**CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc
THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness**

Đà Nẵng, ngày 10 tháng 4 năm 2026
Danang, April 10, 2026

**CÔNG BỐ THÔNG TIN ĐỊNH KỲ
PERIODIC INFORMATION DISCLOSURE**

**Kính gửi: Ủy ban chứng khoán Nhà nước
Sở Giao dịch Chứng khoán thành phố Hồ Chí Minh
To: The State Securities Commission of Vietnam
Ho Chi Minh City Stock Exchange**

1. Tên tổ chức/ *Name of organization*: CÔNG TY CỔ PHẦN CAO SU ĐÀ NẴNG/
DANANG RUBBER JOINT STOCK COMPANY

- Mã chứng khoán/ *Stock code*: DRC

- Địa chỉ/ *Address*: Lô G, Đường Tạ Quang Bửu, P. Hải Vân, TP Đà Nẵng/ *Lot G, Ta Quang Bui Street, Hai Van Ward, Da Nang City.*

- Điện thoại liên hệ/ *Telephone*: 0236 3771405

- E-mail: quynhnga@drc.com.vn

2. Nội dung thông tin công bố/ *Content of information disclosure*:

Công ty cổ phần Cao su Đà Nẵng công bố Báo cáo thường niên 2025./ *Danang Rubber Joint Stock Company disclosed its 2025 Annual Report.*

3. Thông tin này đã được công bố trên trang thông tin điện tử của Công ty vào ngày 10/4/2026 tại đường dẫn: [http://drc.com.vn./](http://drc.com.vn/) *This information was published on the Company's official website on April 10, 2026 at the following link: http://drc.com.vn*

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố./ *We hereby certify that the above-disclosed information is true and accurate, and we take full responsibility before the law for the content of the disclosed information.*



Tài liệu đính kèm/ *Attached Document:*
Báo cáo thường niên 2025
2025 Annual Report

ĐẠI DIỆN TỔ CHỨC
ORGANIZATION REPRESENTATIVE
NGƯỜI ĐƯỢC UỶ QUYỀN CÔNG BỐ THÔNG TIN
PARTY AUTHORIZED TO DISCLOSE
INFORMATION



Phạm Thị Quỳnh Nga



2025



ANNUAL REPORT



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“ Message from the Chairman

In this context, DRC has upheld its 50-year tradition of building and development, proactively adapting to market fluctuations, operating with flexibility, and remaining steadfast in its long-term strategy.

Despite facing intertwined difficulties, thanks to the relentless efforts of the leadership team and all employees, DRC succeeded in maintaining its position as “Vietnam’s leading tire and tube manufacturer,” achieving revenues of over VND 5,174 billion.

Alongside consolidating and solidly developing the domestic market, DRC’s tire and tube products, especially its high-tech all-steel truck tires, have continuously expanded their presence in the international market, now available in over 50 countries and territories. Notably, DRC tires have gradually gained a foothold in demanding markets, including the United States, Europe, Brazil, Japan, and South Korea. This affirms that “Made in Vietnam” products can compete directly with the world’s leading tire brands, even in their home markets. This is a significant milestone, demonstrating DRC’s steady progress and growing reputation in the global market.

Dear esteemed shareholders, valued partners, and all employees and staff members!

2025 was a year marked by challenges, yet it also presented numerous opportunities for companies with strong foundations and clear development strategies. The global economy continued to operate with caution; global competition intensified; and demands for product quality, environmental standards, and sustainability became increasingly stringent. Domestically, the macroeconomy remained fundamentally stable, creating favorable conditions for the business community to maintain operations and gradually strengthen internal resources.

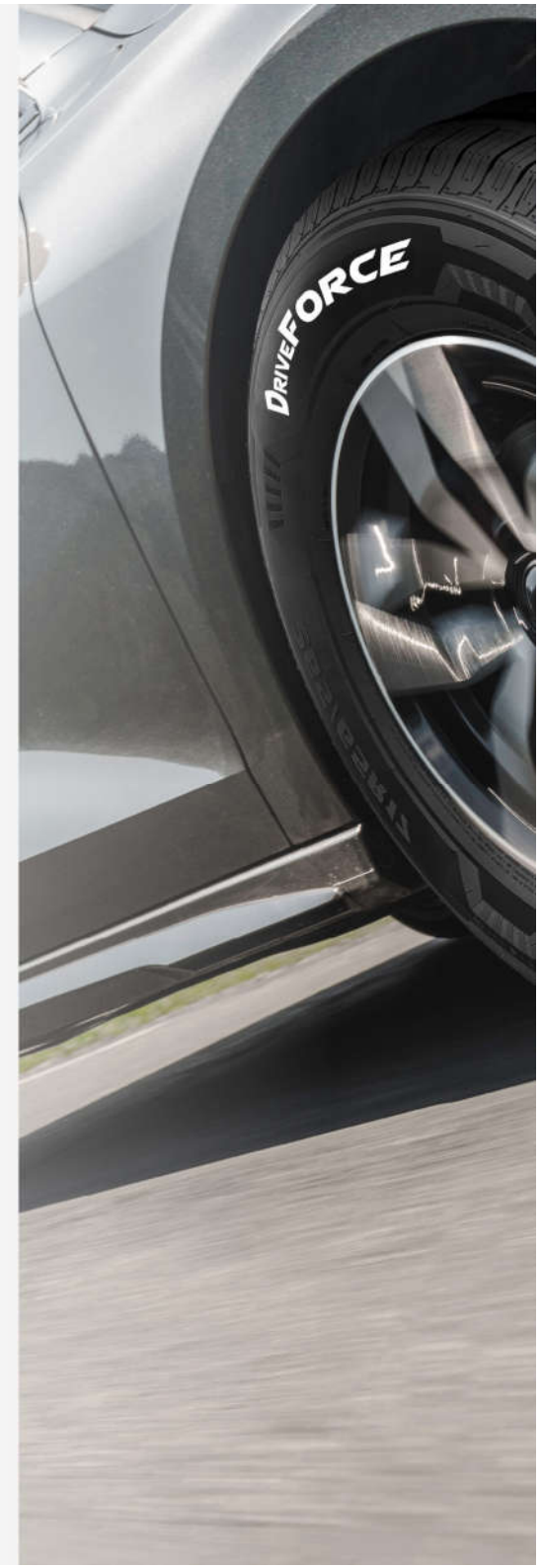
These results further confirm the soundness of the consistent development strategy that DRC has steadfastly pursued since Vietnam transitioned to a market economy. This strategy, inherited and continuously refined by generations of leaders, emphasizes the orientation of using the domestic market as a foundation for sustainable development while aggressively expanding exports to drive long-term growth. This is the Company’s clear commitment to a balanced development strategy, market diversification, and enhanced competitiveness amid deepening integration.

Stepping into a new phase of development, DRC has identified key priorities as enhancing operational efficiency, optimizing costs, improving profit margins, and accelerating the transition toward green and sustainable manufacturing. The Company will continue to invest in advanced technology, enhance product quality, strategically expand its markets, and create greater value for shareholders through transparent and professional management.

With resilience forged through multiple market cycles and with the invaluable support of our shareholders, customers, and partners, I firmly believe that DRC will continue to strengthen its internal capabilities, seize opportunities, and achieve stronger breakthroughs in the years ahead.

Sincerely,

Chairman
Nguyen Xuan Bac



01 GENERAL INFORMATION

Company Overview

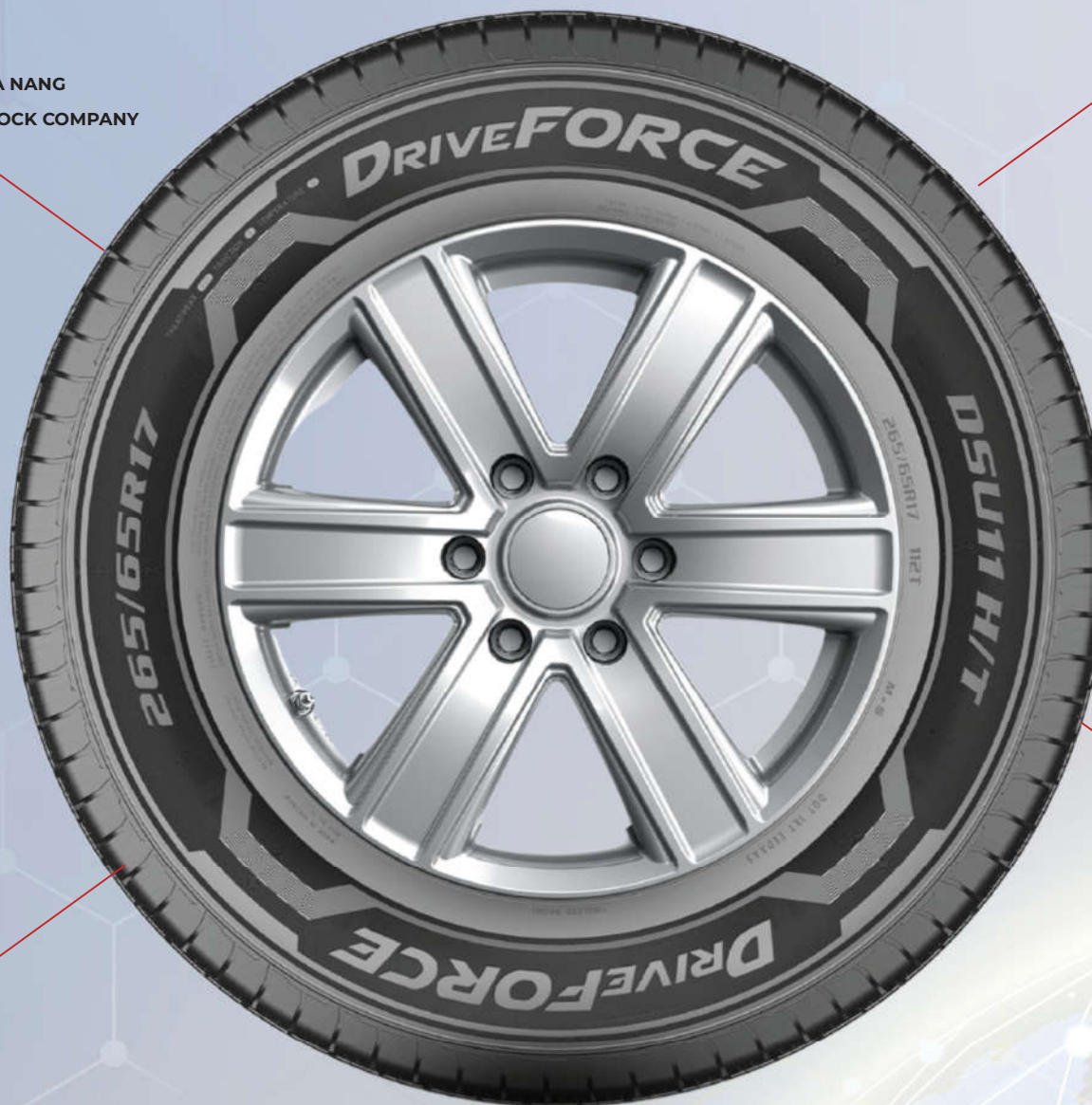
Company name: CONG TY CO PHAN CAO SU DA NANG
Transaction name: DANANG RUBBER JOINT STOCK COMPANY

Charter capital: VND 1,544,292,830,000
Headquarters: Lot G, Ta Quang Buu Street, Hai Van Ward, Danang City, Vietnam

Telephone number: (0236) 3771 405
Fax: (0236) 3771 400

Website: www.drc.com.vn
Email: vanphong@drc.com.vn

Certificate of Business Registration (No.):
0400101531, first issued on December 31, 2005, and most recently amended (16th time) on September 17, 2025
Stock code: DRC



01 GENERAL INFORMATION

Development History

1975

Da Nang Rubber Factory was established, originating from a truck tire retreading workshop previously operated by the military of the former Saigon regime before April 30, 1975.

1993-2006

- 1993** Transformed into Da Nang Rubber Company pursuant to Decision No. 320/QĐ/TCNSĐT dated May 26, 1993, issued by the Ministry of Heavy Industry.
- 2005** Converted into Da Nang Rubber Joint Stock Company under Decision No. 3241/QĐ-BCN issued by the Ministry of Industry.
- 2006** Shares of Da Nang Rubber Joint Stock Company were officially listed and commenced trading on the Ho Chi Minh City Stock Exchange, with a charter capital of VND 92,475,000,000.

2007-2013

- 2007** Additional listing of shares issued for dividend payment, increasing charter capital to VND 130,385,520,000.
- 2008** Issuance of bonus shares to existing shareholders, raising charter capital to VND 153,846,240,000.
- 2010** Issuance of shares for dividend payment, increasing charter capital to VND 307,692,480,000.
- 2011** Issuance of shares for dividend payment, increasing charter capital to VND 461,538,650,000.
- 2012** Issuance of bonus shares and dividend shares, increasing charter capital to VND 692,289,450,000.
- 2013** Charter capital increased to VND 830,738,490,000. Commissioning of the first all-steel radial tire factory in Vietnam, Phase 1, with a designed capacity of 300,000 tires per year.

2014-2019

- 2014** Awarded the Government's Emulation Flag for outstanding performance; received the Vietnam Value Award and the Vietnam Golden Star Award.
- 2015** Issuance of shares for dividend payment, increasing charter capital to VND 913,800,030,000. Organizational restructuring was implemented, including the establishment of the Planning Department (separated from the Planning and Materials Department) and the Research and Development (R&D) Department (separated from the Rubber Technical Department).
- 2016** Issuance of shares to increase charter capital from equity, raising charter capital to VND 1,187,926,050,000.
- 2017** Actual production output exceeded the designed capacity of Phase 1 of the radial tire factory.
- 2018** Launch of the DPLUS brand – tubeless motorcycle tires. Recognized for the fourth time as a Vietnam Value Brand and awarded the Comprehensive Emulation Flag by the Vietnam General Confederation of Labour.
- 2019** Following two years of market research, from Q2/2019, DRC significantly expanded exports to the United States, reaching 10,000 tires per month, accounting for 20% of total radial tire output.

2020-2023

- 2020** Marked the Company's 45th anniversary (1975–2020), highlighted by the introduction of its first specialized Off-the-Road (OTR) radial tire.
- 2021** Honored among the Top 20 Vietnam Golden Brands by the Institute of Economics and Culture in collaboration with the Consumer Protection Center.
- 2022** Received the "Asia's Outstanding Enterprise 2022" award at the Asia Pacific Enterprise Awards (APEA) 2022.
- 2023** Successfully manufactured OTR tires in sizes 24.00-35 and 27.00-49 using new technology; launched Passenger Car Radial (PCR) tires with an annual capacity of 1 million units; export turnover exceeded USD 130 million for the first time.



01 GENERAL INFORMATION

Development History

2024

Honored among the Top 10 Vietnam Golden Star Awards 2024, alongside leading brands such as FPT, BIDV, PNJ, and KIDO. This marked the first time in 21 editions of the award that a Central Vietnam-based enterprise achieved this distinction, representing a significant milestone in DRC's nearly 50-year journey, affirming its position as a leading tire manufacturer in Vietnam.

2025

Issuance of shares increases charter capital from equity, raising charter capital to VND 1,544,292,830,000. Besides, Da Nang Rubber Joint Stock Company completed the project titled "Expansion of the Radial Truck tire manufacturing plant to increase capacity to 1 million tires per year."

Markets

International Market: DRC exports rubber products, including tires and tubes, to over 50 countries and territories worldwide, with a primary focus on Asia, South America, Africa, and Europe. Key export destinations include Brazil, the United States, and Malaysia, while the Company also maintains stable markets in Myanmar, Thailand, Egypt, and the Philippines.

Domestic Market: DRC is a major enterprise with a comprehensive and well-established distribution network spanning all 34 provinces and centrally governed cities in Vietnam, supported by more than 2,000 Tier-1 and Tier-2 dealers. The Central region remains the Company's core market, generating the highest share of revenue.

HEADQUARTERS

Lot G, Ta Quang Buu Street, Hai Van Ward, Danang City

HO CHI MINH CITY REPRESENTATIVE OFFICE

90 Nguyen Hoang Street, Binh Trung Ward, Ho Chi Minh City

NORTHERN REGIONAL SALES OFFICE

2nd Floor, 46/25 Bui Huy Ich, Hoang Mai Ward, Hanoi City

CENTRAL REGION SALES OFFICE

354 Dien Bien Phu, Thanh Khe Ward, Da Nang City

Business Lines

- 1 Manufacture of rubber tires and tubes; retreading and recycling of rubber tires;
- 2 Real estate business and land use rights owned, used, or leased in accordance with applicable laws;
- 3 Manufacture of other rubber products;
- 4 Leasing of machinery, equipment, and other tangible movable assets
- 5 Wholesale of other specialized goods not elsewhere classified, including trading and import-export of rubber products and materials and equipment for the rubber industry; provision of general trading and service activities;
- 6 Installation of machinery and industrial equipment, including fabrication and installation of equipment for the rubber industry;
- 7 Healthcare activities, including the operation of medical clinics and healthcare units providing primary healthcare services to employees.
- 8 Technical testing and analysis, including physical and mechanical testing of raw materials and rubber products; durability testing of automobile and motorcycle tires.



01 GENERAL INFORMATION

Product Portfolio

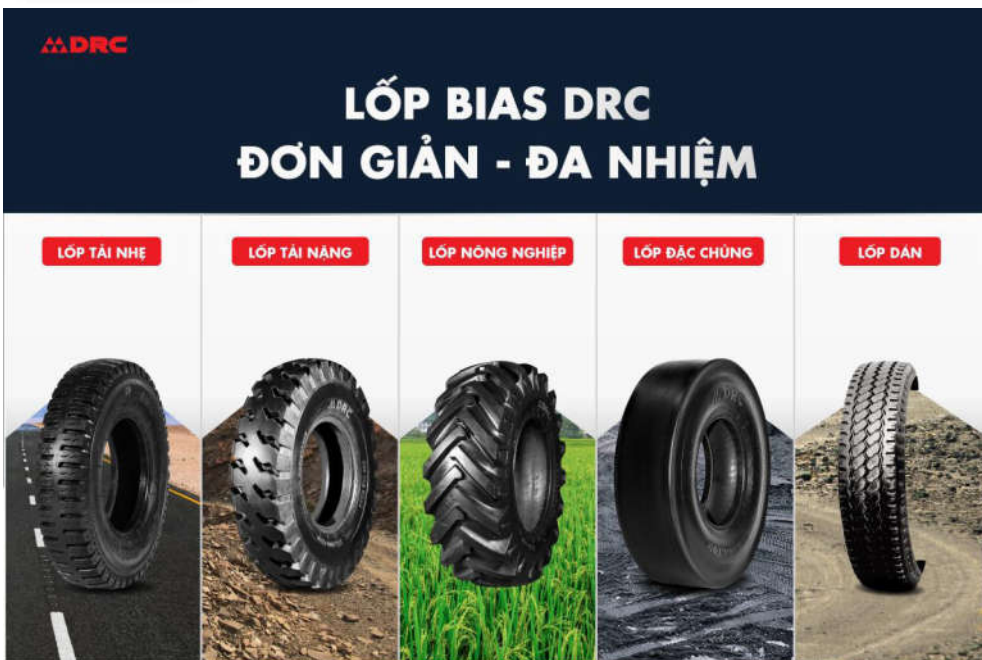
PCR TIRE



RADIAL TIRE



BIAS TIRE



KIỀM CƯỜNG NẸO ĐƯỜNG NHỜ LỐP TOÀN THÉP

Chọn LỐP RADIAL theo loại đường

drc.com.vn



BICYCLE AND MOTORCYCLE TIRES



01 GENERAL INFORMATION

Product Portfolio

TUBES AND FLAPS

AUTOMOBILE INNER TUBES



FLAPS FOR AUTOMOBILE TIRES



MOTOR **CGE** INNER TUBES

BI **CGE** INNER TUBES



TECHNICAL RUBBER PRODUCTS AND RETREADED TIRES



CHINH PHỤC MỌI NẸO ĐƯỜNG



01 GENERAL INFORMATION

DRC's 2025 Top 10 Business and Operational Milestones

Strong Implementation of Organizational Streamlining Initiatives

In 2025, in line with Resolution No. 18-NQ/TW of the Party Central Committee and directives from the leadership of Vietnam National Chemical Group (Vinachem), DRC decisively implemented the restructuring and consolidation of its organizational system towards a leaner structure, enhancing effectiveness and operational efficiency. Accordingly, the Company restructured its organizational system, reducing the number of units from 26 to 17, including 11 functional departments and 6 affiliated production units. This significantly reduced intermediate layers, enhanced specialization, and improved management efficiency.

This restructuring effort not only streamlined the organizational structure but also reflected a strong transformation in governance mindset, moving towards a flexible and modern operating model aligned with development requirements in the new phase. This serves as a critical foundation for enhancing governance capacity, optimizing resources, and promoting sustainable development in the years ahead.



DRC Brand and Products Showcased at Major National Events

In 2025, DRC's tire and tube products continued to affirm their position through participation in major national and Vinachem events, becoming a highlight in the Company's development journey.

At the series of events commemorating the 135th anniversary of President Ho Chi Minh's birth (May 10, 2025) in Hanoi, DRC products were honored to participate in the launch ceremony of the green transformation and digitalization campaign for the chemical industry, as well as the launch of the VinachemMart e-commerce platform, officially bringing the Company's products onto the Group's digital platform and expanding promotion and customer access channels.



Subsequently, at the exhibition "80 Years of the Journey of Independence – Freedom – Happiness," the DRC brand was prominently featured in the exhibition space showcasing achievements of the Industry and Trade sector and Vinachem, attracting significant attention from domestic and international partners and customers, and receiving the recognition and encouragement of the Prime Minister Pham Minh Chinh and leaders of central ministries and agencies.



Successful Organization of Key Congresses for the New Term

In 2025 – a pivotal year marking the beginning of a new term with high expectations and responsibilities – DRC successfully organized the 20th Party Congress, the 19th Trade Union Congress, and the 14th Youth Union Congress. These congresses were conducted in a formal, democratic, united, and innovative manner, not only reviewing past achievements but also setting directions, objectives, and solutions for the next phase. They reaffirmed the comprehensive leadership role of the Party, the Trade Union's role in safeguarding employee rights and interests, and the pioneering spirit and aspirations of DRC's youth.

The successful organization of these congresses strengthened internal unity and created a solid political and organizational foundation for DRC to confidently enter a new stage of development with greater determination and ambition.



Top 5 Revenue Contributor – Affirming a Key Role within Vinachem

Contributing significantly to the overall success of Vietnam National Chemical Group in 2025, DRC was honored to be among the Top 5 revenue-generating entities within the Group. This recognition reflects the collective efforts, innovation, and strong commitment of DRC's management and employees throughout the year.

Entering 2026, building on these achievements and with the continued support and trust of Vinachem, DRC remains confident in setting higher development targets, further improving business efficiency, reinforcing its position as a leading tire manufacturer, and contributing to the sustainable development of Vinachem and Vietnam's chemical industry.



Digital Transformation and Innovation Recognized by Major Awards

In 2025, digital transformation and innovation continued to be key highlights of DRC. The Company proactively implemented digital solutions in management and production to enhance operational efficiency and competitiveness.

Notably, the "Management and Productivity Enhancement for VILAS 882 Laboratory" solution earned DRC the Vietnam Digital Awards (VDA) 2025, affirming its pioneering position in digital transformation.

In the same year, DRC was also recognized by Vinachem for outstanding achievements in science and technology, innovation, and digital transformation during the 2021-2025 period.

01 GENERAL INFORMATION

DRC's 2025 Top 10 Business and Operational Milestones

DriveFORCE Tire Line Marks Initial Success in the Domestic Market

The year 2025 marked a significant milestone as DRC officially launched the premium DriveFORCE passenger car tire line in the Vietnamese market. This strategic product reflects the Company's R&D capabilities and technological mastery.

Before entering the domestic market, DriveFORCE had been successfully exported to the Americas, including the United States and Brazil, meeting stringent international standards. This success laid a solid foundation for the product to gain rapid trust from domestic partners, distributors, and consumers.

The launch and gradual market establishment of DriveFORCE not only expanded DRC's high-value product portfolio but also created a significant highlight in 2025.

Breakthrough Growth in the Domestic Market

In 2025, DRC recorded impressive growth in the domestic market, becoming a key highlight in its development journey. Domestic revenue maintained a high proportion of total revenue, exceeding planned targets and achieving strong year-on-year growth.

Amid intense competition from FDI enterprises and imported products, these results reaffirm DRC's competitiveness, brand strength, and the growing trust of consumers in its tire and tube products.

Recognizing the domestic market as a strategic pillar, DRC aims to sustain high growth, expand market share, and build a solid foundation for long-term sustainable development.



50th Anniversary Celebration – “Conquering Every Road & Century Aspiration”

The year 2025 concluded with a significant milestone – the 50th Anniversary of the establishment of Da Nang Rubber Joint Stock Company (December 25, 1975 – December 25, 2025).

At the ceremony, DRC was honored to receive a congratulatory flag from the People's Committee of Da Nang City in recognition of its 50-year development journey, along with a commemorative banner from Vinachem.

Fifty years represent not only the passage of time but also the dedication, intellect, and resilience of generations of leaders and employees. Building on this solid foundation, DRC proudly affirms its position as a leading tire manufacturer in Vietnam and the region.

Entering a new journey with a “Century Aspiration”, DRC will continue to uphold its core values, promote unity and innovation, and move forward with confidence to write the next chapter of sustainable and strong development.



Inauguration of the Radial Truck Tire Plant Expansion Project

In December 2025, DRC inaugurated Phase 3 of the radial truck tire manufacturing plant expansion project, increasing total capacity to 1 million tires per year, marking a significant step forward in the Company's development strategy.

The project was honored as one of 79 key projects nationwide inaugurated to celebrate the 14th National Party Congress, highlighting its economic, political, and social significance. This expansion not only enhances production capacity and competitiveness but also reflects DRC's long-term investment vision, with technology and quality as the foundation for sustainable development.

Technical Rubber Products – A Key Growth Driver

In addition to tire products, the technical rubber segment continued to accelerate in 2025. DRC focused on developing specialized rubber products for port and transportation applications.

With strong support from Vinachem leadership, the Company effectively expanded its customer network and significantly increased market share during the year.

Deep investment, quality enhancement, and product diversification will continue to drive the increasing contribution of this segment to overall revenue.



01 GENERAL INFORMATION

Vision – Mission – Strategy

VISION

CORPORATE VISION

Consistently affirm DRC's position as a leading manufacturer of truck and bus tires in Vietnam and a leading producer of specialty tires in Southeast Asia, while continuously strengthening its reputation for quality and reliability in the global tire industry.

Expand and strengthen the development of traditional tire and tube products to meet the diverse needs of customers.

DRC is recognized by consumers as the most prominent and reputable brand in Vietnam, which ensures the Company's market share continues to grow year after year.

Apply advanced global technologies to produce high-quality products at competitive prices, delivering practical benefits to consumers and making a positive contribution to Vietnam's economic development.

BRAND VISION

Affirm DRC's position as a leading tire and tube manufacturer in Vietnam. Continually expand its global reach.

In the truck and large specialty tire segment, DRC consistently remains the most reputable and leading brand in Vietnam, maintaining its market leadership in the country's tire industry.

Continuously innovate and adopt advanced global technologies. By enhancing product quality and offering competitive prices, DRC delivers practical benefits to consumers, contributes positively to Vietnam's economic development, and creates value for the community, employees, and shareholders.

DRC strives to be a prominent Vietnamese brand in both domestic and export markets. The company is steadily building a reliable and sustainable customer network across numerous countries, further affirming its long-term global vision.

MISSION

Reputation is the Company's most valuable asset. Therefore, DRC continuously enhances its reputation and develops the DRC brand towards international standing.

DRC pioneers contributions to the growth of Vietnam's tire and tube industry, proactively creating competitive advantages both domestically and internationally.

The Company always prioritizes the legitimate interests of consumers.

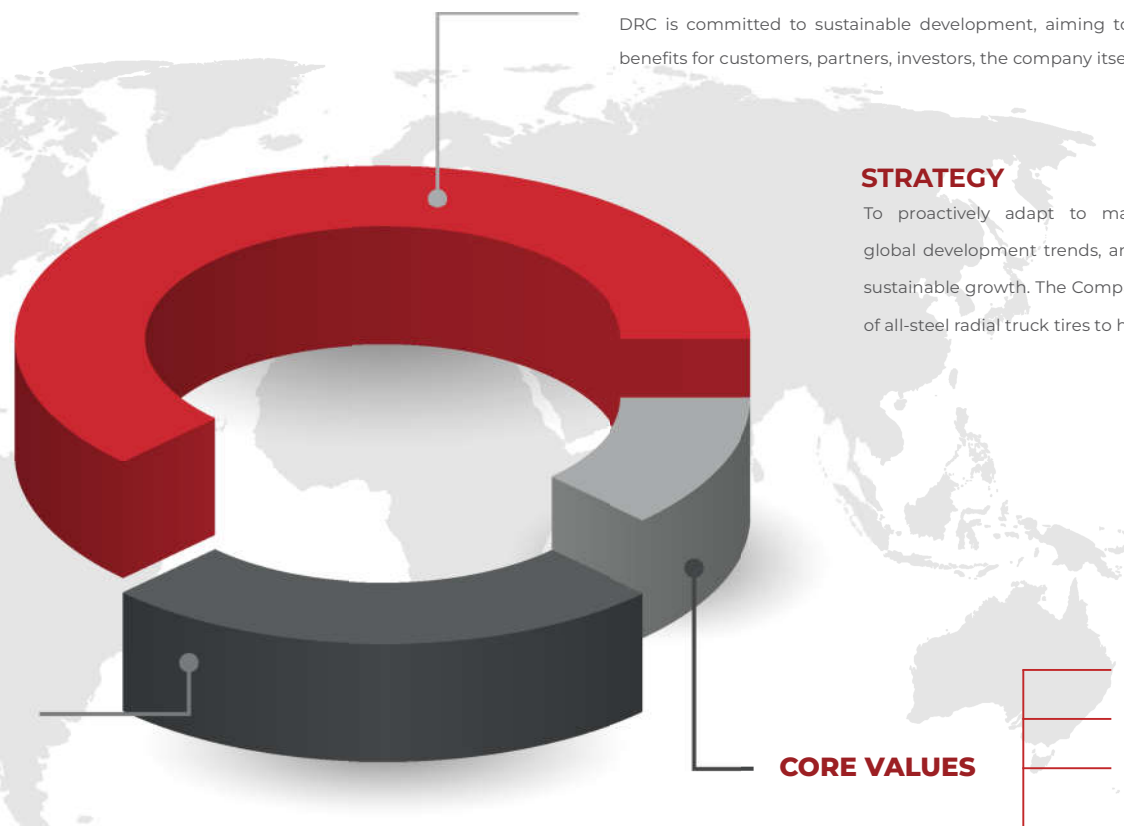
DRC is committed to sustainable development, aiming to achieve a harmonious balance of benefits for customers, partners, investors, the company itself, and the broader community.

STRATEGY

To proactively adapt to market changes, effectively capture global development trends, and build competitive advantages for sustainable growth. The Company is focused on expanding exports of all-steel radial truck tires to high-potential markets.

CORE VALUES

- INNOVATION
- PROFESSIONALISM
- UNITY
- DEDICATION
- HUMANITY



01 GENERAL INFORMATION

Development Orientation

“

Main Objectives of the Company

Consolidating existing markets while continuing to expand the distribution network for tires and tubes across both domestic and international markets.

Diversifying the product portfolio by introducing new product lines that meet the increasingly sophisticated demands of customers.

Maximizing profits and delivering sustainable benefits to shareholders, while strengthening and maintaining sustainable relationships with strategic partners and potential customers.

Continuously enhancing production capacity through technological advancements, aiming to improve product quality, expand communication channels, and promote the brand. The goal is to build a strong, reputable DRC with a significant presence in both domestic and international markets.

Applying advanced technical innovations in production to use cost-effective alternative materials without compromising product quality.

Strengthening domestic sales efforts to maintain and grow the local market, especially by applying suitable sales policies to boost the sales of radial, agricultural, industrial, and specialty tires. Increase sales volume in the US market and expand exports of bias tires and bicycle/motorcycle tire and tube products to developing countries, thereby increasing export turnover and efficiency for each product line.

Enhancing cost and debt management, accelerating capital turnover, and optimizing financial resources. Leverage all available conditions to secure competitively priced funding and utilize government support programs to reduce interest expenses.

“

Medium and Long-term Development Strategy

Demand for rubber, tires, and tubes continues to rise, with increasing use of steel-belted (radial) and nylon-belted (bias) tires for automobiles and motorcycles. As competition in the industry intensifies both domestically and internationally, DRC consistently prioritizes technological innovation, production expansion, market development, and continuous product improvement, with a particular focus on its two core products: radial (steel-belted) and bias (nylon-belted) tires.

For Bias Tires (nylon-belted): Continue to maintain stable production levels, intensify investment in science and technology, enhance product quality, and reduce production costs through improved management and innovative materials. Specifically, focusing on DRC's strengths in specialty off-road tires (OTR) and light truck tires (LTR), enhancing production capacity and market reach while fully meeting the needs of all automotive tire market segments in Vietnam.

For All-Steel Radial Tires (steel-belted): The Company has completed the third phase of the Radial factory project and invested in additional equipment to raise PCR tire production capacity to 1 million units per year. The Company is developing the PCR tire line for both domestic and international markets, and continuously improving product quality to achieve customer satisfaction.

For Dplus Tubeless Tires: Continually innovate and enhance product quality; focus on expanding distribution channels and promoting the product; intensify marketing efforts; and implement new strategies to attract more potential customers.

Long-term development : Develop effective product promotion strategies, systems, and distribution policies. Consider forming partnerships with automobile manufacturers in Vietnam under favorable conditions to establish tire and technical rubber plants for a stable supply.

- To improve product quality and diversify product offerings.
- To develop and strengthen the DRC brand in both domestic and international markets.
- To achieve revenue and profit growth.
- To invest in recruiting and maintaining a high-quality workforce.

Besides boosting production capacity, the Company also prioritizes environmental protection and the efficient use of resources such as water and electricity, aiming to integrate sustainable development practices more deeply into its operations.



01 GENERAL INFORMATION

Awards and Achievements in 2025

1



Vietnam Digital Awards 2025 (VDA): Recognized as an Outstanding Digital Transformation Enterprise for the solution “Management and Productivity Enhancement for VILAS 882 Laboratory,” affirming the Company’s advancement in digitalization and operational efficiency

The Vietnam Digital Awards are a prestigious national award that recognizes and honors organizations and individuals with outstanding contributions to digital transformation. The program has been organized by the Ministry of Information and Communications (now the Ministry of Science and Technology) since 2018



2



Vinachem Recognition (2021–2025): Commended by Vietnam National Chemical Group (Vinachem) for outstanding achievements in science and technology, innovation, and digital transformation

4



Top 5 Revenue Contributor (2025): Ranked among the top five revenue-generating entities within Vinachem, underscoring the Company’s scale and financial performance

3



50th Anniversary Milestone (1975–2025): Awarded a congratulatory flag by the People’s Committee of Da Nang City in recognition of the Company’s 50-year development journey and contributions to the local economy

5

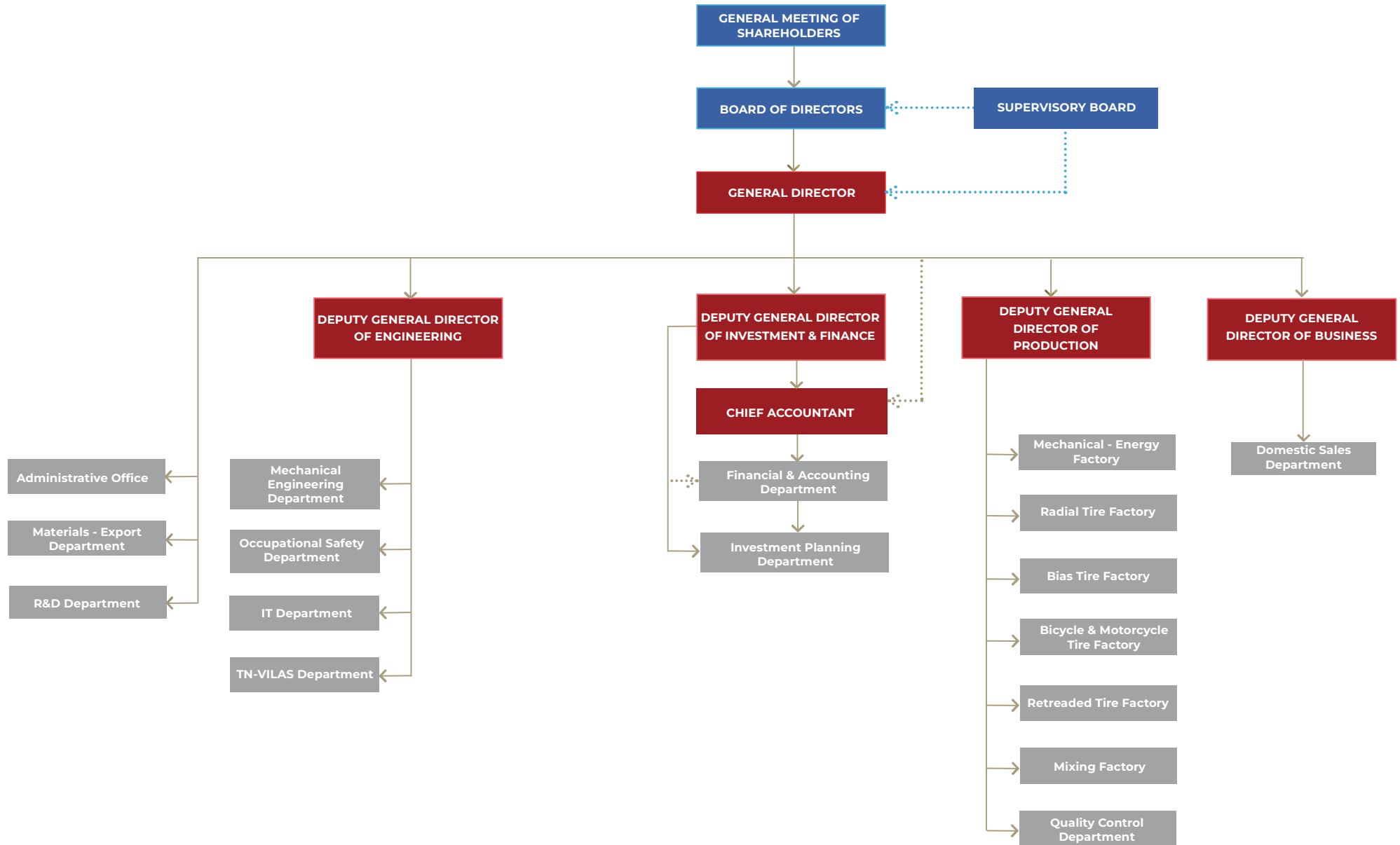


Customs Authority Recognition (2025): Awarded a Certificate of Merit by the Da Nang Industrial Zones Customs Sub-Department for significant contributions to import-export activities and the State budget



01 GENERAL INFORMATION

Corporate Governance Structure



01 GENERAL INFORMATION

Risk Factors

ECONOMIC RISKS

In 2025, the global economy continued its recovery trend but remained uneven and subject to many unpredictable factors. Global growth was not truly sustainable, as major economies continued to face inflationary pressures, prolonged cautious monetary policies, geopolitical conflicts, and a rising trend of trade protectionism.

Against this backdrop, Vietnam's economy in 2025 recorded positive growth, with GDP reaching 8.02%, meeting the targets set by the National Assembly and the Government. This growth rate was only slightly lower than the 8.54% achieved in 2022 for the 2011–2025 period. Total import-export turnover in 2025 was estimated at USD 930.05 billion, up 18.2% year-on-year, with exports at USD 475.04 billion (up 17.0%) and imports at USD 455.01 billion (up 19.4%). The trade surplus was USD 20.03 billion, making an important contribution to macroeconomic stability, generating foreign exchange reserves, and strengthening national foreign currency holdings.

Entering 2026, according to the OECD Economic Outlook 2025, global GDP growth is projected to slow to around 2.9%, reflecting increased vulnerabilities and potential risks in the world economy. The Organisation for Economic Co-operation and Development (OECD) notes that factors such as rising trade barriers, policy uncertainty, continued tight financial conditions, and capital market volatility could continue to put pressure on international investment and trade. Meanwhile, recent growth outlook reports from international financial institutions such as the Asian Development Bank (ADB), World Bank (WB), International Monetary Fund (IMF), as well as the OECD and a range of major international banks, all forecast a relatively positive growth outlook for Vietnam in 2026, at around 6–7%. However, this remains significantly below the double-digit growth targets previously set by Vietnam. Given DRC's significant proportion of export revenue, a slowdown in global growth and weakening consumer demand in major markets may impact the Company's sales volume, selling prices, and profit margins.

LEGAL AND REGULATORY RISK

The political, legal, and policy framework significantly influences the stability and development of the overall economy. The production and business activities of Da Nang Rubber Joint Stock Company are governed by applicable laws, including the Law on Enterprises, the Law on Securities, the Law on Environmental Protection, and other relevant regulations. In addition, the Company is required to comply with policies, circulars, and decrees relating to taxation, customs, and

import-export activities. Vietnam's legal and regulatory framework is subject to ongoing amendments and updates to align with evolving economic conditions. Accordingly, to mitigate the risk of non-compliance, the Company continuously monitors regulatory developments and proactively adjusts its operations to ensure full compliance with applicable laws and regulations

INTEREST RATE RISKS

In 2025, interest rates in Vietnam experienced notable changes, driven by increased liquidity pressures as credit growth outpaced capital mobilization. This situation compelled many commercial banks to raise deposit rates to attract funds and balance their capital sources. As a result, average deposit rates rose significantly across various tenors by the end of 2025, reflecting the pressure from the credit–deposit growth gap within the banking system. According to data from the Vietnam Interbank Market Research Association (VBA), as of December 31, 2025, the average overnight interbank offered rate surged to 8.7% per annum, the one-week rate reached 9.1% per annum, the two-week rate was 9.2% per annum, and the one-month rate stood at 8.1% per annum.

Entering 2026, interest rate risk remains a key concern for the market. Forecasts indicate that both deposit and lending rates may remain at relatively

elevated levels compared to previous periods, driven by continued demand for medium- and long-term capital and localized adjustments within the banking system, particularly amid sustained competition for deposit mobilization.

For DRC, this risk may have a direct impact on the cost of capital and overall financial expenses, especially in the context of ongoing funding requirements for production, business operations, and expansion investments. As of December 31, 2025, the Company's total borrowings and finance lease liabilities amounted to approximately VND 968 billion, accounting for around 23% of total capital. This results in a significant level of interest expenses. Accordingly, the Company must continue to closely manage cash flows, optimize its debt structure, and enhance capital efficiency in order to mitigate financial pressure during periods of elevated interest rates.

ENVIRONMENTAL RISK

As part of its sustainable development objectives, DRC is committed to strict compliance with environmental protection regulations and places environmental responsibility at the forefront of its production and business operations. The management and treatment of waste and by-products generated during production are given particular attention. In line with global trends toward green production and consumption, the Company sets high standards to ensure that all operations comply with environmentally friendly

practices and do not adversely affect human health. The transition toward a sustainable production model is not only a compliance requirement but also a long-term strategic direction of the Company. Accordingly, DRC continuously improves its technologies, enhances working conditions, and develops a safe and healthy working environment, while ensuring that its products meet quality standards and increasingly stringent environmental requirements.

01 GENERAL INFORMATION

Risk Factors

FOREIGN EXCHANGE RISK

As an enterprise with a relatively high export volume, approximately 60% of DRC's revenue structure is derived from exports to key markets such as Asia, Europe, and South America. Accordingly, the Company is inherently exposed to foreign exchange risk.

In particular, given that the United States is both a major export market for DRC and the world's largest economy, fluctuations in the U.S. dollar have a significant impact on the Company's business performance. As of the end of 2025, the USD/VND exchange rate at commercial banks closed at VND 26,377 per USD, representing a slight decrease of 0.04% compared to the previous month, but an increase of more than 3.2% compared to the beginning of the year. In the unofficial market, according to estimates by certain analytical institutions, the Vietnamese Dong depreciated by approximately 4.2% against the U.S. dollar over the course of 2025, with even higher levels observed at certain points during the year.

Exchange rate pressures only began to ease in the final quarter of 2025, when the State Bank of Vietnam intensified foreign currency interventions and increased interest rates via open market operations (OMO) to stabilize liquidity and market expectations. In this context, export-oriented

enterprises with substantial foreign currency revenues benefited to some extent, as a stronger U.S. dollar enhanced export competitiveness and increased the converted value of foreign currency revenues into Vietnamese Dong.

In 2026, the exchange rate is expected to be more stable compared to the previous two years. This outlook is supported by a potential improvement in foreign currency supply, driven by a narrowing interest rate differential between the United States and Vietnam, tighter management of the gold market, and expectations of returning foreign capital inflows alongside stock market upgrading prospects and stable FDI and export performance.

On the input side, certain raw materials used in production, such as carbon black, chemicals, and tire molds, are still imported. As a result, fluctuations in the USD/VND exchange rate may increase input costs for DRC. To mitigate this risk, the Company prioritizes expanding and increasing cooperation with domestic suppliers in order to reduce reliance on foreign currency for imports. At the same time, the Company closely monitors exchange rate movements to proactively adjust procurement plans, payment structures, and financial policies, thereby minimizing the adverse impacts of exchange rate volatility.

COMPETITIVE RISK

In 2025, as Vietnam continued to deepen international economic integration and expand its network of free trade agreements, the competitive landscape in the tire industry intensified in both scale and complexity. Domestic demand for automotive tires remained positive, supported by the increasing number of vehicles in operation and the trend of periodic tire replacement. However, this growth has also attracted strong participation from both domestic and international players. DRC faces competition not only from local manufacturers but also from global brands such as Bridgestone, Michelin, Continental, Maxxis, and Cheng Shin, which possess advantages in technology, brand recognition, and distribution networks. In addition, low-cost tire products from China and certain FDI enterprises leveraging cost advantages continue to expand market share, placing significant pressure on the mid-range and mass segments. At the same time, consumers are increasingly focused on quality, durability, and performance, leading to more stringent product and technological requirements.

In export markets, competitive risk is further heightened by the increasing use of trade barriers and trade defense measures in certain importing countries. Changes in tariff policies, technical regulations, or higher standards may affect DRC's sales volumes and profit margins. Meanwhile, global competition continues to intensify as major manufacturers expand capacity and restructure supply chains, increasing pressure on pricing and market share.

In response, DRC continues to enhance production capacity, optimize costs, invest in science and technology, and adapt its product portfolio to meet the requirements of diverse markets, such as Brazil, Russia, South Africa, and other Asian countries. At the same time, the Company actively strengthens its domestic market position to reduce dependence on certain traditional export markets and maintain a sustainable competitive position in the industry.



01 GENERAL INFORMATION

Risk Factors

RAW MATERIAL RISK

Fluctuations in input material prices have a significant impact on DRC's revenue and profitability, as raw material costs account for more than 70% of the Company's total production and operating expenses, with natural rubber representing the largest proportion.

In 2025, the global natural rubber market showed a clear recovery following a prolonged period of volatility. According to the November 2025 report by the Association of Natural Rubber Producing Countries (ANRPC), global natural rubber production is estimated to reach approximately 14.89 million tons in 2025, representing a 1.3% increase compared to 2024. Although modest, this growth reflects a stable recovery trend, primarily driven by Southeast Asian producers such as Thailand, Indonesia, and Vietnam.

In terms of pricing, natural rubber prices fluctuated within the range of USD 1,700–1,900 per ton in 2025, supported by demand from the tire manufacturing industry and the recovery of the medical glove market. According to Expert Market Research, the global natural rubber market size reached

approximately USD 32.79 billion in 2025, with the automotive sector accounting for the largest share. However, the market continues to face challenges from lower-cost synthetic rubber, macroeconomic volatility, and the increasing impact of climate change.

In 2026, geopolitical instability in certain regions has driven a sharp increase in crude oil prices due to supply constraints. As many raw materials used in tire manufacturing are derived from petroleum, rising input costs and potential supply shortages may significantly impact production stability and profit margins.

For DRC, fluctuations in raw material prices and supply constraints pose significant risks to input costs, potentially increasing production expenses and affecting profit margins. To mitigate these risks, the Company employs a balanced procurement strategy that aligns with production needs and market conditions. In addition, DRC maintains strong relationships with suppliers to secure competitive pricing and ensure supply chain continuity, thereby minimizing disruptions to its operations.



OTHER RISKS

In addition to general economic challenges, DRC proactively develops contingency plans to prevent and respond to force majeure events such as fire, natural disasters, and unforeseen incidents. The Company regularly monitors and updates relevant information to implement timely and appropriate response measures, thereby minimizing potential losses and ensuring the continuity and stability of its operations.

Furthermore, DRC places strong emphasis on occupational health and safety, considering it a top priority in operational management. The Company strictly enforces safety standards, conducts regular training programs, and organizes fire prevention and firefighting drills for employees, thereby enhancing risk awareness and fostering a safe and sustainable working environment.





02 BUSINESS OPERATION

- ▶ Production and Business Performance in 2025
- ▶ Status of Investment for Project Implementation
- ▶ Financial Positio
- ▶ Shareholding Structure and Changes in Owners' Equity
- ▶ Organization and Personnel

02 BUSINESS OPERATION

Production and Business Performance in 2025

Product consumption in 2025

No.	Product	Unit	Implemented by 2024	Plan 2025	Implemented by 2025	Implemented/ Plan 2025	Implemented by 2025/2024
1	Bicycle tires	1,000 pcs	4,182	4,360	4,795	1.10	1.15
2	Bicycle inner tubes	1,000 pcs	4,594	4,516	3,794	0.84	0.83
3	Motorcycle tires	1,000 pcs	1,830	1,800	1,333	0.74	0.73
4	Motorcycle inner tubes	1,000 pcs	3,612	3,700	3,117	0.84	0.86
5	Automobile, tractor tires	1,000 pcs	1,535	1,944	1,726	0.89	1.12
	+ Bias tires	1,000 pcs	441	444	484	1.09	1.10
	+ Semi-steel Radial tires	1,000 pcs	355	700	432	0.62	1.22
	+ Radial tires	1,000 pcs	738	800	811	1.01	1.10
6	Automobile inner tubes	1,000 pcs	351	350	390	1.11	1.11
7	Automobile flaps	1,000 pcs	270	255	317	1.24	1.18
8	Retread tires	1,000 pcs	35	40	44	1.11	1.25
9	Technical rubber	Million VND	9,416	8	8,594	1074.23	0.91

Revenue Structure

Unit: VND

Market	2024		2025	
	Value	Proportion (%)	Value	Proportion (%)
Export	3,034,181,508,488	62.53%	3,099,857,015,495	59.91%
AMERICA	2,321,462,175,532	47.84%	2,429,085,823,750	46.95%
ASIA	475,360,845,227	9.80%	429,363,737,847	8.30%
AFRICA	148,829,037,244	3.07%	178,346,377,044	3.45%
EUROPE	86,392,891,349	1.78%	62,355,367,642	1.21%
OCEANIA	2,136,559,136	0.04%	705,709,213	0.01%
- Others				
Domestic	1,818,242,841,616	37.47%	2,074,437,164,240	40.09%
- North region	420,965,505,118	8.68%	397,614,815,425	7.68%
- Central region	792,776,031,908	16.34%	867,579,005,075	16.77%
- South region	599,064,188,456	12.35%	800,361,779,747	15.47%
- Others	5,437,116,134	0.11%	8,881,563,993	0.17%
Total	4,852,424,350,104	100%	5,174,294,179,735	100%



02 BUSINESS OPERATION

Production and Business Performance in 2025

Revenue Structure

Unit: VND

Revenue Line Item	2024		2025	
	Value	Proportion (%)	Value	Proportion (%)
Revenue from bicycle tire and tube sales	261,215,005,392	5.38%	283,296,073,663	5.48%
Revenue from motorcycle tire and tube sales	390,843,244,071	8.05%	316,079,383,875	6.11%
Revenue from automobile tire, tube and flap sales	4,185,149,473,033	86.25%	4,559,534,652,303	88.12%
Revenue from technical rubber sales	9,416,369,874	0.19%	8,593,828,491	0.17%
Revenue from materials and scrap sales	3,272,281,596	0.07%	3,279,701,336	0.06%
Other revenue	2,527,976,138	0.05%	3,510,540,067	0.07%
Total	4,852,424,350,104	100%	5,174,294,179,735	100%

Gross Profit Structure

Line Item	2024		2025	
	Value	Proportion (%)	Value	Proportion (%)
Bicycle tires and tubes	45,086,253,784	6.09%	43,907,453,319	6.48%
Motorcycle tires and tubes	59,215,463,152	8.00%	44,753,998,001	6.61%
Automobile tires, inner tubes and flaps	629,784,675,245	85.11%	581,560,048,126	85.84%
Technical rubber	3,094,384,455	0.42%	4,774,127,598	0.70%
Others	2,760,511,496	0.37%	2,484,959,591	0.37%
Total	739,941,288,132	100%	677,480,586,635	100%



02 BUSINESS OPERATION

Production and Business Performance in 2025

In 2025, DRC recorded total revenue of **VND 5,174 billion**, representing an increase of approximately 6.6% compared to VND 4,852 billion in 2024, reflecting the continued positive growth momentum of its business operations. The revenue structure remained predominantly concentrated in the automotive tire segment, which reached VND 4,560 billion and accounted for 88.12% of total revenue, increasing in both absolute value and proportion compared to 86.25% in the previous year. This demonstrates that the Company's strategic focus on its core product lines, particularly radial tires, continues to be effective and serves as the primary driver of growth.

In addition to the positive shift in revenue structure, the gross profit structure in 2025 also showed notable changes in profitability across product segments. Total gross profit amounted to approximately **VND 677 billion**, a decrease compared to VND 740 billion in 2024, reflecting increased pressure from input costs and market competition. Of this, the automotive tire segment continued to play a leading role, generating approximately VND 582 billion and accounting for 85.84% of total gross profit, with an increased proportion compared to the previous year. This further confirms that the segment remains the principal contributor to the Company's overall business performance.

The Board of Management and all employees of the Company remain fully aware of the critical importance of improving operational efficiency in the context of intensifying competition. DRC is committed to continuous improvement, operational optimization, and enhancing shareholder value, while strengthening and maintaining its position as one of the leading tire manufacturers in Vietnam.

STATUS OF INVESTMENT FOR PROJECT IMPLEMENTATION

In accordance with the approved investment plan, in 2025, Da Nang Rubber Joint Stock Company continued the implementation of the project titled **"Expansion of the Radial Truck tire manufacturing plant to increase capacity to 1 million tires per year"**

Project Name: Expansion of the Radial Truck tire manufacturing plant to increase capacity to 1 million tires per year

Investor: Da Nang Rubber Joint Stock Company

Form of Investment: Project implementation

Investment Objective: To expand production capacity and increase the Company's revenue and profitability

Project Scale: Designed capacity of 1,000,000 tires per year upon completion

Project Location: Within the Company's premises at Lot G, Ta Quang Buu Street, Hai Van Ward, Da Nang

Total Project Investment: VND 549,848,783,230

Implementation Timeline: From Q1/2022 to Q2/2025. The project has been finalized and approved in accordance with Decision No. 19/QĐ-DRC-HĐQT dated December 16, 2025.

FINANCIAL POSITION

Unit: Billion VND

No.	Item	2024	2025	% 2025/2024	% Change
1	Total Assets	4,210	4,183	99.35%	-0.65%
2	Net Revenue	4,673	5,004	107.07%	7.07%
3	Profit from Operating Activities	302	150	49.79%	-50.21%
4	Other Profit	-2	-0	23.83%	-76.17%
5	Profit before Tax	301	150	49.92%	-50.08%
6	Profit after Tax	241	118	49.20%	-50.80%

In 2025, despite continued market volatility, the Company maintained positive revenue growth momentum. Net revenue reached VND 5,004 billion, representing a 7.07% increase compared to 2024, equivalent to an increase of approximately VND 330 billion. This result was primarily driven by strong growth in the automotive tire segment, the Company's core business line, supported by efforts to expand domestic sales and pursue accelerated growth in both the domestic market and export markets.

However, rising input cost pressures had a significant impact on overall business performance. The cost of goods sold increased by 9.99% year by year, exceeding the revenue growth rate, resulting in a decline in gross profit from VND 740 billion to VND 677 billion, equivalent to 8.44% decrease. Consequently, the gross profit margin narrowed, reflecting the impact of fluctuations in raw material prices and production costs.

According to data from the General Department of Vietnam Customs, Vietnam's rubber exports in 2025 reached 1.91 million tons, generating export revenue of USD 3.33 billion. For the full year, the average export price of rubber increased by 2.6% compared to 2024, reaching USD 1,745 per ton. In the domestic market, natural rubber prices also increased in line with global trends. This development exerted upward pressure on input costs, given that natural rubber accounts for more than 30% of the Company's raw material cost structure.

Financial expenses increased by 18.74% during the year, with interest expenses rising sharply to VND 40 billion, up more than 94% compared to 2024, reflecting the impact of higher interest rates and increased funding requirements for business operations. In addition, selling expenses increased by 5.29% as the Company continued to expand market activities and maintain its distribution network. Notably, administrative expenses rose by 44.16%, reflecting higher management and operating costs in the context of business expansion.

As a result of the combined impact of higher cost of goods sold and operating expenses, net operating profit in 2025 amounted to VND 150 billion, representing a decrease of 50.21% compared to the previous year. Profit before tax reached VND 150 billion, down 50.08%, while profit after tax amounted to VND 118 billion, a decrease of 50.80% year-on-year.

As of December 31, 2025, total assets stood at VND 4,183 billion, slightly decreasing by 0.65% compared to the beginning of the year, indicating a relatively stable asset scale. Overall, while revenue growth was sustained in 2025, profitability declined significantly due to increased input costs, financial expenses, and administrative expenses. Going forward, cost control, operational efficiency, and margin improvement will be key priorities to enhance the Company's financial performance.

02 FINANCIAL POSITION

Financial Indicators

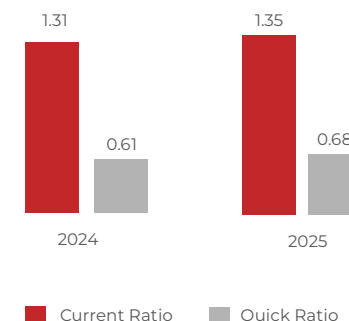
Financial Indicators

No.	Indicator	Unit	2024	2025
1	Liquidity Indicators			
-	Current Ratio	times	1.31	1.35
-	Quick Ratio	times	0.61	0.68
2	Capital Structure Indicators			
-	Debt-to-Asset Ratio	%	54.29%	53.42%
-	Debt-to-Equity Ratio	%	118.75%	114.69%
3	Activity Indicators			
-	Inventory Turnover	times	2.94	2.99
-	Total Asset Turnover	times	1.23	1.19
4	Profitability Indicators			
-	Net Profit Margin (Net Profit / Net Revenue)	%	5.15%	2.37%
-	Return on Equity (Net Profit / Average Equity)	%	12.76%	6.12%
-	Return on Assets (Net Profit / Average Total Assets)	%	6.34%	2.82%
-	Operating Profit Margin (Operating Profit / Net Revenue)	%	6.46%	3.01%

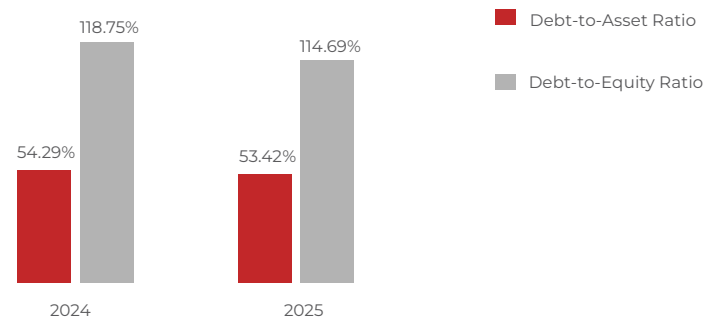
LIQUIDITY RATIOS

The Company's liquidity ratios recorded a slight decline in 2024 but improved in 2025. Meanwhile, the current ratio reached 1.35 times, while the quick ratio increased to 0.68 times. During the year, current assets rose by 0.86%, primarily driven by a significant increase of 49.43% in trade receivables in line with revenue growth, while current liabilities decreased by 2.38%.

The current ratio remained above 1.0 throughout the periods, indicating that the Company maintained its ability to meet short-term obligations. However, the quick ratio remained below 1.0, suggesting continued reliance on inventory conversion to fulfill short-term liabilities. The improvement observed in 2025 reflects enhanced cash flow management and more effective control of current assets.



level, the downward trend reflects the Company's ongoing efforts to rebalance its financial structure toward a safer and more sustainable position. Gradual reduction in leverage is expected to strengthen financial autonomy and improve resilience to interest rate and market fluctuations in the future.



CAPITAL STRUCTURE INDICATORS

In 2025, the debt-to-assets ratio decreased slightly from 54.29% to 53.42%, indicating improved control over the Company's leverage level. This was primarily attributable to a reduction in short-term liabilities, which declined by over VND 58 billion, equivalent to more than 92% compared to 2024.

Maintaining a reasonable level of leverage allows the Company to benefit from financial leverage in supporting its production and business activities, while preserving a relatively balanced capital structure between debt and equity.

The debt-to-equity ratio also improved from 118.75% to 114.69%. Although still at a relatively high

02 FINANCIAL POSITION

Financial Indicators

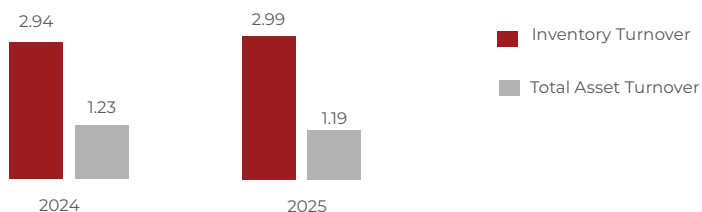


OPERATING EFFICIENCY RATIOS

Inventory turnover increased from 2.94 times in 2024 to 2.99 times in 2025, reflecting improved inventory management, faster inventory circulation, and reduced holding pressure.

In contrast, total asset turnover declined from 1.23 times to 1.19 times, as net revenue increased by 7.07% while average total assets rose by 10.51%, mainly due to extended credit terms granted to customers in line with revenue growth.

Although the efficiency of asset utilization to generate returns declined, the Company's overall operating efficiency remained relatively stable.



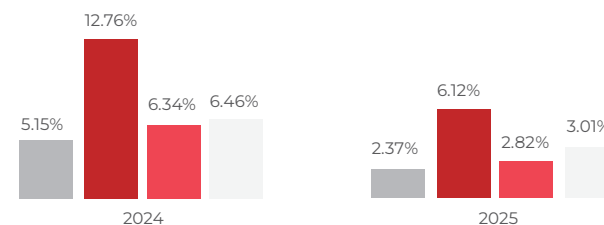
PROFITABILITY RATIOS

Profitability ratios in 2025 declined significantly compared to 2024, primarily due to the sharp increase in input material prices, which was not fully offset by corresponding increases in selling prices.

The net profit margin decreased from 5.15% to 2.37%, indicating a substantial contraction in net profitability. Return on equity (ROE) declined from 12.76% to 6.12%, while return on assets (ROA) decreased from 6.34% to 2.82%. In addition, the operating profit margin decreased from 6.46% to 3.01%.

These developments reflect the impact of rising cost of goods sold, increased financial expenses, and higher administrative costs during 2025, which significantly reduced the Company's profitability despite continued revenue growth.

While the Company's production and business operations remained stable, profitability was adversely affected by the challenging economic environment. Going forward, improving profit margins and optimizing cost structures will be key priorities to enhance the Company's financial performance.



■ Net Profit / Net Revenue ■ Net Profit / Average Total Assets
 ■ Net Profit / Average Equity ■ Operating Profit / Net Revenue

VỮNG VÀNG TAY LÁI
THỎA SỨC VỊ VU



02 SHAREHOLDING STRUCTURE AND CHANGES IN OWNERS' EQUITY

Charter capital:
VND 1,544,292,830,000

Total Issued Shares: 154,429,283 shares

Par value: VND 10,000 per share

Ordinary shares: 154,429,283 shares

Preference shares: 0 shares

Outstanding shares: 154,429,283 shares

Treasury shares: 0 shares



CHANGES IN OWNERS' EQUITY

In 2025, the Company increased its charter capital as follows:

- Timing: September 2025
- Increase in Charter capital: VND 356,366,780,000
- Charter capital after increase: VND 1,544,292,830,000
- Issuance method: Share issuance to increase charter capital from equity sources
- Approving authorities: State Securities Commission of Vietnam and Da Nang Department of Finance

TREASURY SHARE TRANSACTIONS

In 2025, the Company did not conduct any treasury share transactions.

OTHER SECURITIES

None



02 SHAREHOLDING STRUCTURE AND CHANGES IN OWNERS' EQUITY

SHAREHOLDING STRUCTURE (BASED ON THE SHAREHOLDER REGISTER AS OF JULY 24, 2025)

No.	Category	Number of Shares	Ownership (%)	Number of shareholders	Shareholders Structure (*)	
					Organization	Individual
1	State-Owned Shareholders	59,999,358	50.51	1	1	
2	Founding Shareholders/ FDI Shareholders					
	- Domestic					
	- Foreign					
3	Major Shareholders (owning 5% or more of charter capital)					
	- Domestic					
	- Foreign					
4	Company Union					
	- Domestic					
	- Foreign					
5	Treasury Shares					
6	Shareholders with Preferred Shares (if any)					
7	Other Shareholders	58,793,247	49.49	7,916	67	7,849
	- Domestic	48,048,606	45.68	7,682	31	7,651
	- Foreign	10,744,641	3.81	234	36	198
	TOTAL	118,792,605	100	7,917	68	7,849
	Including: - Domestic	114,261,971	96.19	7,683	32	7,651
	- Foreign	4,530,574	3.81	234	36	198

LIST OF MAJOR SHAREHOLDERS

No.	Shareholder Type	Number of Shares Owned	Percentage
1	Vietnam National Chemical Group	59,999,358	50.51%

02 ORGANIZATION AND PERSONNEL

List of Board of Directors (BOD), Board of Management (BOM) and Supervisory Board (SB)

No.	Member	Position	Note
1	Mr. Nguyen Xuan Bac	Chairman of the Board of Directors	
2	Mr. Le Hoang Khanh Nhut	BOD Member and General Director	
3	Mr. Nguyen Van Hieu	BOD Member	
4	Mr. Ha Phuoc Loc	BOD Member and Deputy General Director	
5	Mr. Nguyen Huy Hieu	BOD Member	
6	Ms. Nguyen Thi Bich Thuy	BOD Member	
7	Mr. Pham Ngoc Phu	BOD Member	
8	Mr. Pham Phong Thinh	Deputy General Director	(Ceased to hold office effective September 1, 2025)
9	Ms. Nguyen Thi Minh Thu	Deputy General Director	
10	Ms. Tran Thi My Le	Chief Accountant	
11	Mr. Chu Quang Tuan	Head of the Supervisory Board (SB)	
12	Ms. Truong Thi Hong Hoa	SB Member	
13	Ms. Nguyen Thi Van Hoa	SB Member	(Ceased to hold office effective April 25, 2025)
14	Mr. Truong Tuan Nghia	SB Member	(appoint effective April 25, 2025)

02 ORGANIZATION AND PERSONNEL

List of Board of Directors (BOD), Board of Management (BOM) and Supervisory Board (SB)

01

MR. NGUYEN XUAN BAC



Position: Chairman of the Board of Directors

Year of Birth: 1972

Nationality: Vietnamese

Qualifications: Master of Business Administration

Shares Owned and Represented: 16,227,453 shares, equivalent to 10.51% of charter capital

02

MR. LE HOANG KHANH NHUT



Position: Member of the Board of Directors and Chief Executive Officer

Year of Birth: 1974

Nationality: Vietnamese

Qualifications: Master of Engineering

Shares Owned and Represented: 16,208,063 shares, equivalent to 10.50% of charter capital

03

MR. HA PHUOC LOC



Position: Member of the Board of Directors and Deputy Chief Executive Officer

Year of Birth: 1968

Nationality: Vietnamese

Qualifications: Bachelor of Economics

Shares Owned and Represented: 15,553,399 shares, equivalent to 10.07% of charter capital

04

MS. NGUYEN THI BICH THUY



Position: Member of the Board of Directors

Year of Birth: 1984

Nationality: Vietnamese

Qualifications: Master of Materials Science

Shares Owned and Represented: 15,456,038 shares, equivalent to 10.01% of charter capital

02 ORGANIZATION AND PERSONNEL

List of Board of Directors (BOD), Board of Management (BOM) and Supervisory Board (SB)

05

MR. NGUYEN VAN HIEU



Position: Member of the Board of Directors

Year of Birth: 1963

Nationality: Vietnamese

Qualifications: Bachelor of Economics

Shares Owned: 12,468 shares, equivalent to 0.01% of charter capital

06

MR. NGUYEN HUY HIEU



Position: Member of the Board of Directors

Year of Birth: 1978

Nationality: Vietnamese

Qualifications: Bachelor of Laws; Master of Business Administration

Shares Owned and Represented: 15,443,038 shares, equivalent to 10.00% of charter capital

07

MR. PHAM NGOC PHU



Position: Member of the Board of Directors

Year of Birth: 1957

Nationality: Vietnamese

Qualifications: PhD in Economics

Shares Owned: 182,274 shares, equivalent to 0.12% of charter capital

08

MR. PHAM PHONG THINH



Position: Deputy Chief Executive Officer

Year of Birth: 1973

Nationality: Vietnamese

Qualifications: Chemical Engineer; Bachelor of Economics

Shares Owned: 5,000 shares, equivalent to 0.00% of charter capital

02 ORGANIZATION AND PERSONNEL

List of Board of Directors (BOD), Board of Management (BOM) and Supervisory Board (SB)

09

MS. NGUYEN THI MINH THU

Position: Deputy Chief Executive Officer

Year of Birth: 1976

Nationality: Vietnamese

Qualifications: Bachelor of Economics

Shares Owned: 13,097 shares, equivalent to 0.01% of charter capital



10

MS. TRAN THI MY LE

Position: Chief Accountant

Year of Birth: 1980

Nationality: Vietnamese

Qualifications: Bachelor of Economics (Accounting)

Shares Owned: 769 shares, equivalent to 0.00% of charter capital



11

MR. CHU QUANG TUAN

Position: Head of the Supervisory Board

Year of Birth: 1975

Nationality: Vietnamese

Qualifications: Bachelor of Economics

Shares Owned: 1,306 shares, equivalent to 0.00% of charter capital



12

MS. NGUYEN THI VAN HOA

Position: Member of the Supervisory Board

Year of Birth: 1975

Nationality: Vietnamese

Qualifications: Master's Degree in Finance, Monetary and Credit

Shares Owned: 27,819 shares, equivalent to 0.02% of charter capital



02 ORGANIZATION AND PERSONNEL

List of Board of Directors (BOD), Board of Management (BOM) and Supervisory Board (SB)

13

MS. TRUONG THI HONG HOA



Position: Member of the Supervisory Board

Year of Birth: 1975

Nationality: Vietnamese

Qualifications: Bachelor of Economics

Shares Owned: 91 shares, equivalent to 0.00% of charter capital

14

MR. TRUONG TUAN NGHIA



Position: Member of the Supervisory Board

Year of Birth: 1993

Nationality: Vietnamese

Qualifications: Master of Business Administration; Bachelor's in International Business Administration and International Finance

Shares Owned: 0 shares, equivalent to 0.00% of charter capital

NUMBER OF EMPLOYEES

As of December 31, 2025, the Company had a total of 1,850 employees.

No.	Classification Criteria	Quantity	Proportion (%)
I Classification by Gender			
1	Male	1,607	93%
2	Female	243	14%
II Classification by Education Level			
1	University/College Degree	570	33%
2	Intermediate Level	256	15%
3	Unskilled Labor Level	1,027	59%
III Classification by Nature of Work			
1	Direct Production	1,458	84%
2	Indirect Production	392	23%

AVERAGE EMPLOYEE COMPENSATION

Item	Unit	2022	2023	2024	2025
Average Compensation	VND/person/month	17,055,000	16,018,000	16,401,000	14,365,000

“

The implementation of appropriate compensation policies and the promotion of employee commitment are key components of DRC's human resources and management strategy. During the year, the Company maintained stable production and business operations, supported by effective policies and a continued commitment to ensuring stable employee income.

”

02 ORGANIZATION AND PERSONNEL

Human resources policy

TRAINING POLICY

DRC continuously enhances the quality of its workforce by implementing flexible and innovative training policies. Each year, the Company develops and executes a diverse training program focusing on key areas to help employees stay updated with new knowledge and skills. DRC not only prioritizes deep expertise for its staff but also emphasizes the training and development of management levels. Specialized

courses are organized to improve knowledge and leadership skills, while the Company collaborates with reputable training organizations to ensure quality and variety in training methods. Notably, DRC places a strong emphasis on training high-quality employees with university-level education and above, aligning with the Company's sustainability and development goals.

SALARY AND BONUS POLICY

DRC not only focuses on developing a flexible compensation policy but also commits to creating a fair and motivating work environment where employees are rewarded based on their roles and performance. The Company ensures that salaries are paid fully and on time in accordance with legal regulations, allowing employees to maximize their potential while receiving competitive salary and bonus packages to enhance work efficiency. To encourage productivity and efficiency, DRC implements annual bonus schemes, including rewards for outstanding individuals and teams,

special bonuses for exceptional task completion, and bonuses for holidays and Tet celebrations. These policies are transparent and clearly communicated to all employees. DRC also prioritizes employee well-being, ensuring a secure and comfortable working environment that supports a stable standard of living. The Company assists employees in difficult situations, ensuring that every team member can focus on their work and strive for success.



CHINH PHỤC MỌI NẸO ĐƯỜNG

**LỐP XE MÁY & XE GA
(CÓ SẴM)**

02 ORGANIZATION AND PERSONNEL

Human resources policy

INSURANCE AND ALLOWANCE POLICY

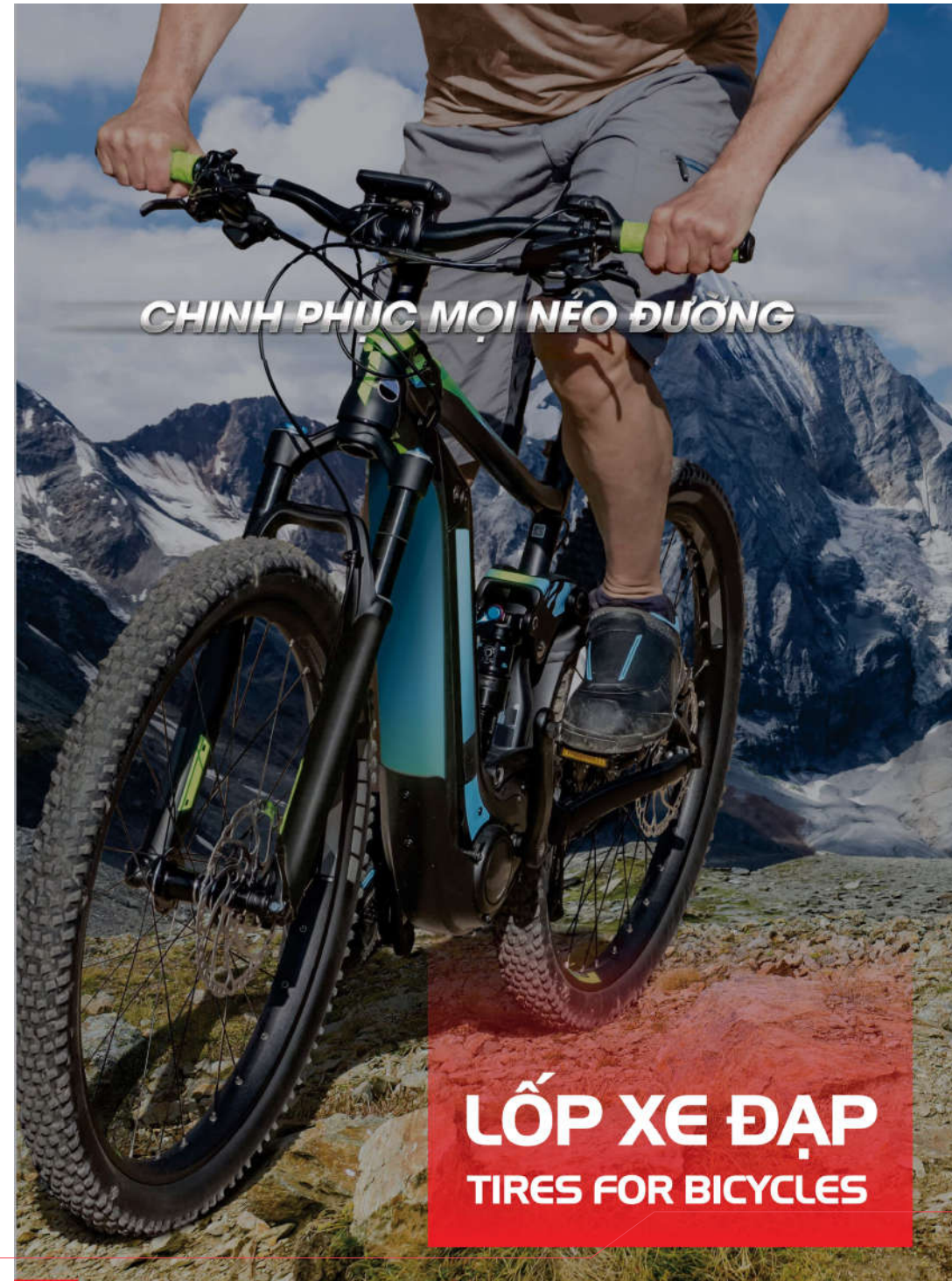
The Company is committed to fully implementing insurance policies, including health insurance, social insurance, unemployment insurance, and other benefits as required by law. Each year, the Company effectively manages and implements these insurance policies, earning recognition from the Da Nang Social Insurance Agency

with a Certificate of Merit. Additionally, the Company's labor union actively supports employees by promptly addressing issues related to illness, maternity leave, and paid leave. It ensures that employees receive proper allowances, meeting both their financial and mental well-being needs.

POLICY ORIENTATION

- The Company continuously improves its salary and bonus policies to motivate employees to maximize their capabilities.
- Annually, the Company organizes sightseeing and outdoor activities for employees, ensuring they feel secure in their living and working conditions while meeting their basic needs.

- The Company also hosts cultural, artistic, and sports events, as well as labor and production competitions, to foster a dynamic and vibrant working environment. These activities not only strengthen team spirit but also enhance creativity and work efficiency among employees.





03 REPORT OF THE BOARD OF MANAGEMENT

- ▶ Assessment of Business Performance
- ▶ Financial Position
- ▶ Improvements in Organizational Structure, Policies, and Management
- ▶ Future Development Plan

03 REPORT OF THE BOARD OF MANAGEMENT

Assessment of Business Performance

At present, the automotive industry globally and in Vietnam continues to maintain positive growth momentum, providing a favorable foundation for the development of the tire manufacturing industry. Vietnamese tire products have been exported to approximately 140 countries and territories, reflecting not only strong production capacity and product quality but also the ability of domestic manufacturers to meet international technical requirements and standards.

In the domestic market, competition in the tire industry has intensified due to deeper economic integration and the participation of both domestic and international enterprises. The implementation of free trade agreements such as the WTO, AFTA, ATIGA, CPTPP, and EVFTA has expanded market access opportunities while simultaneously increasing competitive pressure from imported products, particularly in the price-sensitive segment. In addition, competition has become more multidimensional as consumers increasingly prioritize product quality, safety, and durability.

Overall, radial tires continue to gain prominence due to their superior performance and suitability for both urban and long-distance operations, thereby shaping new consumption trends in the automotive tire industry. For DRC, this transition presents a favorable opportunity to strengthen its position in the radial tire segment, which remains the Company's core product line. The Company continues to focus on the in-depth development of radial tire products for heavy-duty trucks, light trucks, and passenger vehicles, meeting the growing demand in both domestic and international markets. This strategic direction not only demonstrates the Company's adaptability to market trends but also enables DRC to leverage its manufacturing capabilities, technological expertise,

and export experience, supporting sustainable growth in an increasingly competitive environment. As one of the leading tire manufacturers in Vietnam, DRC operates with a strategic orientation focused on heavy-duty truck tire products and export expansion. The Company aims to increase its market share in Europe and expand exports to the United States, targeting annual growth of approximately 25%, driven by the strong market acceptance of its radial tire products.

Despite ongoing economic volatility and intensifying competition within the tire industry, the Company, supported by the strong commitment of the board of management and employees, achieved the following notable results in 2025:



Net revenue reached
VND 5,174 billion

equivalent to **106.63%**

compared to 2024



Profit after tax reached
VND 118 billion

equivalent to **50.80%**

compared to 2024



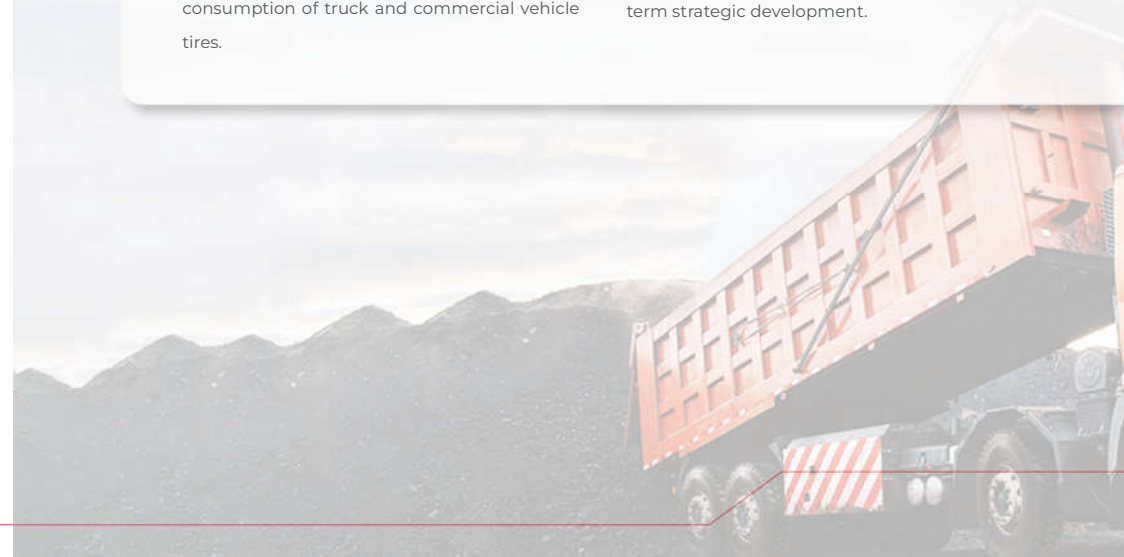
POSITIVE FACTORS

In 2025, the domestic economy maintained a positive growth trajectory, with production, business activities, and exports gradually recovering. This created a solid foundation for the supporting industries and the tire manufacturing sector to achieve stable development. Vietnam's deep integration into new-generation free trade agreements, such as CPTPP, EVFTA, and ATIGA, continued to expand export opportunities, enhance market access, and strengthen enterprises' competitive capacity.

The growth trend in the global automotive industry, particularly the strong shift toward demands for radial tires due to their superior performance, has created favorable conditions for companies that have invested in modern technologies and focused on developing this product segment. At the same time, increased public investment and the development of domestic transport infrastructure have contributed to higher demand for freight transportation, thereby driving the consumption of truck and commercial vehicle tires.

In the coming period, the Brazilian market is expected to continue contributing a significant proportion to the Company's radial tire sales structure. Brazil's imposition of anti-dumping duties on imported tires from China for five years starting in 2021 has created favorable conditions for manufacturers with strong production capabilities and consistent product quality, such as DRC, to consolidate their position in this market.

In addition to export markets, DRC, with its extensive experience in the tire industry, has established a stable market share in the domestic market. Its nationwide distribution network, combined with strong partnerships with strategic partners, represents a key advantage in maintaining brand presence and customer access. Furthermore, the Company continues to receive support and guidance from the Vietnam National Chemical Group, the Da Nang City People's Committee, and central and local regulatory authorities, which facilitates its business operations and long-term strategic development.



03 REPORT OF THE BOARD OF MANAGEMENT

Assessment of Business Performance



CHALLENGES

Alongside these opportunities, the business environment in 2025 continues to present various uncertainties. Global economic fluctuations, geopolitical risks, and rising protectionist trends in certain major markets may adversely affect export activities. Increasingly stringent trade defense measures and technical requirements pose significant challenges in maintaining and expanding market share in key markets.

Input material prices, including natural rubber, synthetic rubber, carbon black, and other production chemicals, remain volatile and

unpredictable, placing considerable pressure on production costs and profit margins.

Industry competition continues to intensify in both domestic and export markets, increasing pressure on pricing and overall business performance. In addition, several Chinese tire manufacturers have relocated their production facilities to countries such as Thailand, Malaysia, Myanmar, Pakistan, and Vietnam to circumvent Chinese origin labeling and export their products to markets such as the United States and Brazil. This trend has created substantial competitive pressure on DRC's products.



03 REPORT OF THE BOARD OF MANAGEMENT

Assessment of management activities

Despite facing numerous challenges, the strong unity of the workforce, combined with the dynamism, creativity, and decisiveness of the Executive Management, enabled the Company to overcome difficulties and implement appropriate solutions to support its production and business operations. In 2025, although business performance did not fully meet expectations, the Company continued to safeguard shareholders' interests. The Board of Directors, Executive Management, and managerial staff demonstrated a clear awareness of existing challenges, implementing a series of solutions to

address issues such as competitiveness, product quality, price, product diversification, as well as domestic and export market strategies.

During 2025, input material prices, logistics costs, selling expenses, and administrative expenses generally trended upward. In response, the sales division proposed price adjustments while intensifying research and development activities to introduce new products tailored to the specific needs and preferences of customers across different markets, both domestically and internationally.



PRODUCTION OPERATIONS MANAGEMENT

The Company developed and implemented production plans aligned with its technological capabilities, machinery, equipment, and human resources. Production capacity was optimized to ensure productivity, output, and product quality.

Continuous efforts were made to strengthen cost control and improve operational efficiency, thereby reducing production costs and optimizing manufacturing processes. Existing regulations and procedures were reviewed and supplemented to enhance oversight of procurement and inventory management for spare parts, materials, and raw materials. All procurement activities were conducted in strict compliance with internal policies.

In parallel, functional departments were actively encouraged to identify and develop additional suppliers, particularly domestic suppliers, to ensure stable supply sources with competitive pricing and quality standards.

The Company also intensified improvements in compound formulations, introducing new formulations to replace high-cost materials with more cost-effective alternatives while maintaining product quality.

Priority was given to expanding the production and sales of key product lines, including all-steel radial tires (DSTAR) for trucks and buses, agricultural (AC) tires, OTR radial and bias tires, and electric motorcycle tires, to increase market coverage and enhance revenue and profitability.



MANAGEMENT OF RECEIVABLES AND CASH FLOW

The Company focused on strengthening the management of receivables and cash flows, with particular emphasis on accelerating capital turnover. Efforts were made to secure funding sources at competitive interest rates to reduce financing costs and optimize capital utilization.

Export activities in 2025 faced significant challenges due to trade defense measures. In the first five months of the year, the U.S. tire market experienced considerable volatility, with intensified competition and the impact of reciprocal tariff policies adversely affecting demand. Importers in the U.S. encountered difficulties in product distribution, leading to delayed payments to the Company. Additionally, the imposition of a 16% protective tariff by Brazil significantly affected

demand in that market, intensifying competition and prompting shifts in manufacturing bases, particularly from China to other Asian countries, including Vietnam. Chinese competitors adopted aggressive commercial strategies, including extended payment terms of up to 120-180 days, further intensifying competition. Logistics costs also increased significantly, further impacting business performance. These challenges led to delayed payments and the emergence of doubtful receivables. Accordingly, the Company made a provision for doubtful debts amounting to over VND 56 billion in compliance with regulations. Measures are being implemented to recover overdue receivables and to revise credit policies to mitigate future risks.



INVENTORY MANAGEMENT

As a manufacturing enterprise, inventory represents a significant component of the Company's asset structure, making inventory management critically important. Inventory management was conducted effectively and flexibly, despite the large scale of inventory, which

amounts to several trillion VND and encompasses thousands of product specifications. The Company ensured strict control over inventory, with no incidents of damage, loss, or misappropriation recorded during the year.



LOGISTIC MANAGEMENT

Over the past year, distribution and logistics management continued to be a key focus area. The sales division was responsible for delivering products directly to warehouses of distributors and customers, both domestically and internationally. Domestic and export logistics were organized through competitive bidding processes in accordance with the Company's financial regulations. The Company maintained strict

control over inventory throughout the distribution process, ensuring no damage or loss occurred. Significant resources were allocated to sales activities, with the implementation of new approaches and changes in sales strategies. The flexibility in sales policies has played a key role in stimulating demand, especially during challenging market conditions.

03 REPORT OF THE BOARD OF MANAGEMENT

Assessment of management activities



INVESTMENT ACTIVITIES

Given the expected growth in demand for radial tires, the Company made significant efforts to complete the project titled "Expansion of the radial truck tire manufacturing plant to increase capacity to 1,000,000 tires per year", with an estimated investment value of

approximately VND 550 billion. This project is classified as a Group B chemical construction project under the five-year investment plan (2021–2025) of Vietnam National Chemical Group (Vinachem), operating under the authority of the Commission for the Management of State Capital at Enterprises.



LABOR, COMPENSATION AND EMPLOYEE WELFARE

COMPENSATION

The Company continuously focused on developing compensation policies aimed at ensuring stable and progressively improving employee income, thereby enabling employees to remain committed to their work, enhance productivity, and maintain product quality.

The Company fully complied with all statutory labor policies and consistently ensured stable employment and income for its workforce.

EMPLOYEE WELFARE

The Company placed strong emphasis on ensuring employee welfare, providing conditions that support stable living standards and enable employees to focus on their work. Support programs were implemented for employees facing difficult circumstances, alongside continuous attention to health and welfare matters.

The Company's Trade Union played an active role in addressing employee concerns, including sickness, maternity, and leave benefits, ensuring adequate and timely support. Cultural, sports, and recreational activities were regularly organized, contributing to improved employee well-being.



UNION ACTIVITIES

The Trade Union consistently upheld its role in protecting the legitimate rights and interests of employees. It represented employees in collective bargaining and the signing of collective labor agreements, ensuring rights related to wages, bonuses, working hours, rest periods, and occupational safety and hygiene. The Union also acted as a bridge in resolving conflicts

and disputes between employees and the Company, while promoting employee welfare. Mass organizations actively launched emulation movements across the Company, encouraging innovation and creativity in both production and management, contributing to cost savings and operational efficiency.



MATERIALS AND FINANCIAL MANAGEMENT

MATERIALS MANAGEMENT

The Company maintained a balanced level of inventory to ensure a stable supply for production while optimizing material costs. Efforts were made to test new material sources, diversify supply channels, and gradually substitute imported materials with domestic alternatives to reduce costs.

FINANCIAL MANAGEMENT

The Company effectively managed capital mobilization and utilized financial resources efficiently, including equity capital and bank financing, with a primary objective of preserving and developing capital.

Continuous improvements were made in cost control and cash flow management. The Company actively leveraged preferential loan packages and coordinated with sales and export departments to develop flexible sales policies, thereby accelerating sales, improving capital turnover, and maintaining financial balance.



AWARDS AND RECOGNITIONS

Awarded the title of Outstanding Digital Transformation Enterprise at the Vietnam Digital Awards (VDA) 2025 for the solution "Management and Productivity Enhancement for VILAS 882 Laboratory."

Commended by the Vietnam National Chemical Group for outstanding achievements in science and technology, innovation, and digital transformation during the 2021–2025 period.

At the 50th anniversary ceremony of Danang Rubber Joint Stock Company (December 25, 1975 – December 25, 2025), the Company was honored to receive a congratulatory flag from the People's Committee of Da Nang City in recognition of its 50 years of development (1975–2025).

Recognized as one of the Top 5 entities with the highest revenue within the Vietnam National Chemical Group (Vinachem) in 2025.

Presented with a commemorative medal by the Da Nang Industrial Zone Customs Sub-Department in recognition of its outstanding contributions to import-export activities and the State budget in 2025.

The Company's Trade Union was awarded a flag of merit by the Vietnam Industry and Trade Union for "Excellent Unit in Emulation Movement and Trade Union Activities in 2025."

In summary of the 2025 emulation and commendation activities, the Company recognized a total of 352 individuals as "Grassroots Emulation Fighters" (Chiến sĩ thi đua cơ sở), of which 58 individuals were proposed for commendation by the Company's General Director; 45 individuals were proposed for commendation by the Vietnam National Chemical Group (HCVN); and 03 individuals were proposed for commendation by the Ministry of Finance.

In addition, 02 departments were awarded the title of "Excellent Labor Collective," namely the Domestic Sales Department and the Radial Tire Factory.

03 REPORT OF THE BOARD OF MANAGEMENT

Assessment of science & technology and quality management activities

The company has proactively implemented new technological solutions to enhance product quality while reducing production costs, successfully overcoming fierce competition in the domestic and international tire industry. Technological innovation remains a key factor in ensuring the company's sustainable growth in an increasingly open economy.

The inspection, maintenance, and servicing of machinery and equipment have been strictly managed, minimizing the risk of production disruptions due to technical failures. This approach allows the company to maintain greater control over production planning while also reducing repair costs. The movement to promote innovation and apply scientific and technical advancements has been actively maintained and developed across all departments and factories.

DRC automotive tires, especially Radial tires, meet various national and international quality standards, including:

- 01.** National Technical Regulation on Pneumatic Tyres for Automobiles: QCVN 34/BGTVT
- 02.** U.S. Department of Transportation Safety Standard: DOT
- 03.** EU regulations on the restriction of hazardous substances: REACH
- 04.** Indonesian National Standard: SNI
- 05.** Japanese Industrial Standard: JIS
- 06.** Brazilian Industrial Standard: INMETRO
- 07.** Indian National Standard: BIS
- 08.** Gulf Cooperation Council (Arab) Standard: GSO
- 09.** European Quality Standard: EMARK
- 10.** U.S. Environmental Protection Agency's SmartWay program



FORCE

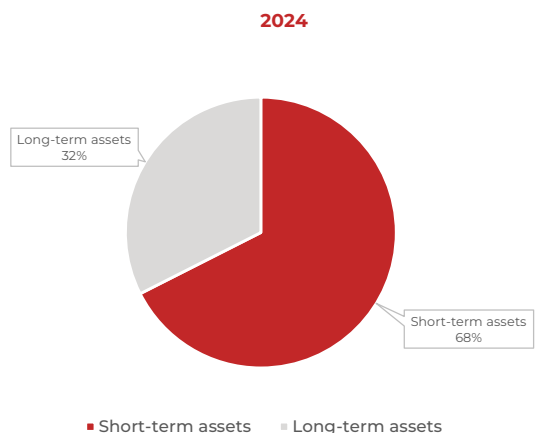
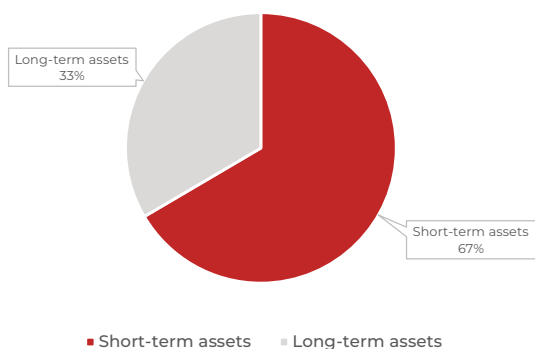
03 REPORT OF THE BOARD OF MANAGEMENT

Financial Position

ASSETS POSITION

Unit: VND Billion

Assets	2024	2025	Implemented 2025/ Implemented 2024	Proportion 2024	Proportion 2025
Short-term assets	2,800	2,824	100.86%	66.52%	67.53%
Long-term assets	1,410	1,358	96.35%	33.48%	32.47%
Total	4,210	4,183	99.35%	100%	100%



As of December 31, 2025, the Company's total assets amounted to VND 4,183 billion, representing a slight decrease of 0.65% compared to VND 4,210 billion as of the end of 2024. While the overall asset base remained relatively stable, the asset structure shifted toward a higher proportion of current assets and a lower proportion of non-current assets.

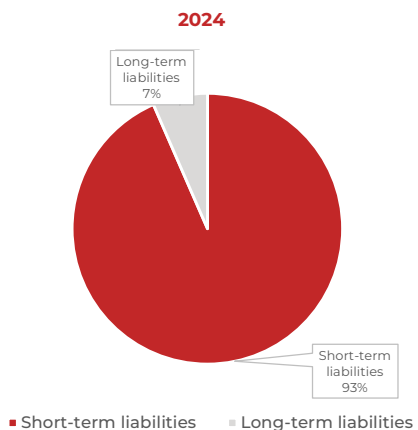
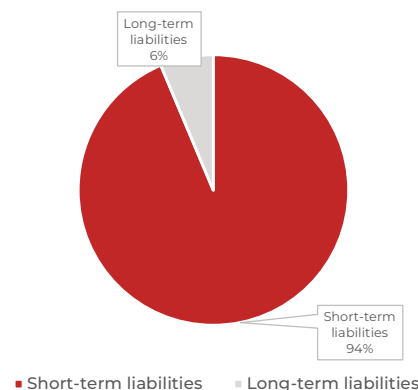
The increase in current assets during the year was primarily attributable to a significant rise in short-term trade receivables, which increased by over VND 343 billion, equivalent to 49.43% compared to the previous year.

The decrease in long-term assets during the year was mainly due to additional depreciation of property, plant and equipment recognized in the period, as well as the capitalization of the remaining cost of fixed assets following the completion of the project "Expansion of the Truck Radial Tire Manufacturing Plant to Increase Capacity to 1 Million Tires per Year."

LIABILITIES POSITION

Unit: VND Billion

Assets	2024	2025	Implemented 2025/ Implemented 2024	Proportion 2024	Proportion 2025
Short-term liabilities	2,140	2,089	97.62%	93.63%	93.48%
Long-term liabilities	146	146	99.97%	6.37%	6.52%
Total	2,285	2,234	97.77%	100%	100%



As of December 31, 2025, the Company's total liabilities amounted to VND 2,234 billion, representing a decrease of 2.23% compared to VND 2,285 billion as of the end of 2024. The slight decline in total liabilities, while total assets remained relatively stable, indicates that the Company has proactively managed its capital structure and controlled its debt obligations in alignment with operational requirements and the evolving business environment.

During the year, the increase in current liabilities was mainly attributable to higher trade payables, which rose by 9.85%, equivalent to an increase of over VND 93 billion compared to 2024. Meanwhile, non-current liabilities decreased by 0.03%, primarily due to a reduction in long-term borrowings and the full utilization of the Science and Technology Development Fund during the year.

In terms of capital structure, the relatively high proportion of current liabilities reflects the characteristics of a manufacturing enterprise, which typically requires significant working capital to finance inventories, receivables, and operating cycles. However, this also necessitates prudent liquidity management and close monitoring of cash flows to ensure financial stability.

03 REPORT OF THE BOARD OF MANAGEMENT

Improvements in Organizational Structure, Policies, and Management

The Company has continued to enhance its corporate governance framework, internal management regulations, and Charter, thereby supporting stable and efficient production and business operations.

HUMAN RESOURCE MANAGEMENT: The Company has implemented human resource management software in its operations, delivering multiple benefits, including optimization of personnel data management, improved accessibility to employee information (from personal records to payroll and benefits), and reduced errors in payroll processing and HR administration. This has enhanced data accuracy, supported compliance with labor regulations, and contributed to an improved employee experience. DRC fosters a safe, green, and clean working environment to encourage employee engagement. The Company remains committed to ensuring stable employment and implementing competitive compensation and benefits policies to attract and retain talent. Clear and transparent career development pathways are established to encourage employee contributions and initiatives. In addition, various support policies, including meal provisions, periodic health check-ups, and social welfare programs, are maintained to enhance employees' well-being and quality of life.

RAW MATERIAL MANAGEMENT: The Company continues to strictly control the quality of input materials through rigorous inspection processes, ensuring that products meet stringent international standards, particularly those of European markets. At the same time, the Company actively promotes cost-saving practices, anti-waste initiatives, and anti-corruption measures, identifying these as key and ongoing priorities across all departments and organizational units. Efforts are also made to improve product quality, optimize the use of raw materials, and ensure a stable supply to support uninterrupted production operations.

FINANCIAL AND ACCOUNTING MANAGEMENT: Financial and accounting activities are closely managed, with all production and business operations integrated into a unified software system. This integration enhances data connectivity across functions, strengthens internal control, and ensures the accuracy and consistency of financial information. The centralized system plays a critical role in improving governance efficiency and facilitating effective financial management and business monitoring.

QUALITY MANAGEMENT: The Company applies various standards to control the quality of its products and services, including:

- ISO 9001:2015 (Quality Management System for products and services)
- Other product standards: JIS (Japan), SNI (Indonesia), SIRIM (Malaysia), INMETRO (Brazil), etc.
- Quality processes, including quality planning, quality assurance, quality control, and continuous improvement

Achieved Results: The implementation of ISO 9001:2015 has been integrated into approximately 75%-85% of the Company's production and business activities.

IMPROVEMENT PLAN: DRC is in the process of developing and implementing IATF 16949:2016 (Quality Management System for the automotive industry), representing an upgrade and enhancement of the ISO 9001:2015 framework.



03 REPORT OF THE BOARD OF MANAGEMENT

Future Development Plan

Based on the growth trends of both domestic and export markets, the Company's production capacity, and forecasts of upcoming economic developments in Vietnam and globally, the Board of Management has formulated the following production and business targets for 2026:

Target	Unit	Implemented 2025	Plan 2026	%Plan/Implemented 2025
Industrial production value at current prices	Billion VND	5,012	5,107	101,90%
Total sales revenue	Billion VND	5,174	5,600	108,23%
Net revenue	Billion VND	5,004	5,421	108,33%
Profit before tax	Billion VND	150	155	103,33%
Profit after tax	Billion VND	118	124	105,08%
Earnings per share	VND/share	767		
Total sales				
Bicycle tires	Pcs	4,794,685	4,793,000	99,96%
Bicycle inner tubes	Pcs	3,794,215	3,906,000	102,95%
Motorcycle tires	Pcs	1,333,180	1,341,000	100,59%
Motorcycle inner tubes	Pcs	3,117,456	3,180,000	102,01%
Automobile, tractor tires				
+ Semi-steel tires	Pcs	431,765	508,000	117,66%
+ Bias tires	Pcs	483,768	485,000	100,25%
+ Radial tires	Pcs	810,919	896,000	110,49%
Automobile, tractor inner tubes				
Car flaps (tire flaps)	Pcs	317,307	327,000	103,05%
Retreaded car tires	Pcs	44,247	48,000	108,48%
Technical rubber	Million VND	8,594	9,000	104,72%

KEY SOLUTIONS AND IMPLEMENTATION MEASURES



MANAGEMENT AND OPERATIONAL SOLUTIONS

The Company will continue to enhance its management capacity by focusing on cost control, optimization of human resources, and efficient utilization of machinery and equipment to achieve optimal business performance. Organizational restructuring will be implemented in a phased and systematic manner, ensuring operational flexibility and improved governance efficiency.

Internal governance regulations will be continuously reviewed, amended, and refined in alignment with the Corporate Governance Regulations issued by the Board of Directors and applicable legal requirements. Compliance with internal delegation, authorization, and governance frameworks will be strictly maintained.



PRODUCTION AND QUALITY SOLUTIONS

Production planning will be optimized to ensure effective utilization of existing production lines and equipment. The Company will strengthen operational capacity, maintenance, and servicing of machinery to ensure stable production, maximize capacity utilization, and improve labor productivity. The production system and process control will continue to be enhanced to ensure the timely supply of products with appropriate specifications, categories, designs, and quality standards tailored to the requirements of each customer segment and market.

The Company will intensify the application of scientific and technological advancements to stabilize and improve product quality. Production management will be strengthened to minimize material loss and defects across all stages. Product quality remains a key factor determining the sustainable development of the DRC brand.

Collaboration with leading global automotive technology experts will be expanded to continuously improve product quality. Employees are encouraged to contribute innovative solutions to enhance productivity, optimize efficiency, and reduce production costs.



03 REPORT OF THE BOARD OF MANAGEMENT

Key solutions and implementation measures



MARKET AND SALES SOLUTIONS

The Company will continue to strengthen and further develop its distribution network in both domestic and export markets.

The sales workforce will be continuously improved to meet the requirements of global integration and the Company's development strategy. Customer care programs will be enhanced and integrated with on-site warranty services to deliver a more professional and competitive customer experience.

Sales efforts will focus on expanding market access and increasing product consumption, particularly for key product lines such as DPLUS motorcycle tires, DSTAR radial truck and bus tires, semi-steel tires, retreaded tires, radial tires for SMRM vehicles (Thaco), AG-SD tires, off-the-road (OTR) radial tires, and electric bicycle and motorcycle tires.

The Company will proactively leverage opportunities from new-generation Free Trade Agreements (FTAs) and anti-dumping tax policies in various countries to further promote export activities.



FINANCIAL SOLUTIONS

The Company will actively engage with banks to access diversified funding sources with competitive interest rates, thereby reducing borrowing costs and financial expenses.

Financial management will be strengthened to improve the efficiency of asset and capital utilization. Capital sources will be carefully planned and balanced to effectively support business operations. Compliance with State regulations and internal policies will be regularly monitored and supervised.



DIGITAL TRANSFORMATION SOLUTIONS

Continue the digital transformation in remaining areas to optimize production and business operations, while strengthening management and supervision through digital technologies.



TECHNOLOGY AND TECHNICAL SOLUTIONS

The Company will intensify research and development activities to introduce new products that meet evolving market demands, expand product coverage across segments, and enhance export opportunities.

Resources will be allocated to develop large-size bias and all-steel specialty tires to regain market segments that were previously the Company's strengths.

Efforts will be made to diversify raw material sources through testing and adoption of new materials, aiming to enhance competitiveness and secure cost-

effective inputs. Environmentally friendly materials will be prioritized to reduce production costs while ensuring technical, safety, and performance standards.

The Company will continue to invest in depth to improve product quality, reduce material consumption, and enhance the competitiveness of DRC products in the global market. Automation and mechanization in production processes will be further promoted to reduce manual labor.



HUMAN RESOURCE SOLUTIONS

The Company will continue to streamline and restructure its workforce across departments and indirect units in a lean and efficient manner. This includes optimizing workforce allocation, improving organizational structure, and focusing on strategic functions.

Human resource planning will ensure both continuity and renewal, encouraging dynamism, creativity, accountability, and adaptability to the evolving business environment and global integration.

Existing human resources will be optimized through regular review, reallocation, and effective deployment, particularly within production units.



INVESTMENT SOLUTIONS

The Company will continue implementing ongoing investment projects carried forward from 2025.

In parallel, procedures will be undertaken to implement investment plans for 2026, including:

- 01 automatic apex extrusion line
- 08 units of 48" curing presses and 05 units of 55" curing presses
- 01 inner liner production line for PCR tires
- 01 rolling resistance testing machine
- 01 power generator system with a capacity of 1,000 KVA



04 REPORT OF THE BOARD OF DIRECTORS

- ▶ Overall Assessment by the Board of Directors on the Economic and Industry Environment
- ▶ Assessment by the Board of Directors on the Company's Operations
- ▶ Assessment of the Board of Directors on the Performance of the Executive Board

- ▶ Assessment of Environmental and Social Performance by the Board of Directors
- ▶ Overall Assessment by the Board of Directors on the Company's Performance in 2025
- ▶ Plans and Strategic Orientations of the Board of Directors for 2026, Medium- and Long-term

04 REPORT OF THE BOARD OF DIRECTORS

Overall Assessment by the Board of Directors on the Economic and Industry Environment

In 2025, amid continued volatility in both the macroeconomic environment and the tire industry, the Company made sustained efforts to maintain stable production and business operations. However, rising cost pressures had a significant impact on financial performance. Input material prices, particularly natural rubber and production additives, remained highly volatile; financial expenses, logistics costs, and selling and administrative expenses continued to increase in an increasingly strictly competitive market environment. At the same time, the Company's ability to adjust selling prices was constrained by market pressures, resulting in a contraction in profit margins compared to the planned targets. In response to these challenges, the Executive Management implemented timely



and flexible solutions and appropriate strategic decisions to optimize operational efficiency. As a result, key performance indicators were achieved as follows:

- TOTAL REVENUE REACHED:**
VND 5,174 billion, representing an increase of over 7% compared to the same period and achieving 103.73% of the 2025 plan, including:
 - Domestic revenue reached:**
VND 2,074 billion, up 14% year-on-year.
 - Export revenue reached:**
VND 3,100 billion, up 2% year-on-year.
- PROFIT BEFORE TAX REACHED:**
VND 150 billion, equivalent to 50.08% of the same period and 52.64% of the 2025 plan.

Assessment by the Board of Directors on the Company's Operations in 2025

Production and Business Operations

In 2025, the achieved results reflect the continuous efforts of the Executive Management, which implemented various measures to promote sales activities, improve product quality, and increase sales volume in both domestic and international markets. As a result, the Company's production and business performance indicators recorded positive outcomes.



No.	Item	Unit	Implemented 2025	Plan 2025	
				Plan	Compared to 2024
1	Implemented revenue	Million VND	5,174	5,040	107%
2	Profit before tax	Million VND	150	285	50%
3	Profit after tax	Million VND	118	228	49%

ADVANTAGES:

DRC continues to affirm its position as one of the leading tire manufacturers in Vietnam, supported by a well-established brand reputation, extensive industry experience, a nationwide distribution network, and a stable domestic market share. The Company's well-planned investments in all-steel radial tire production in previous years have enabled it to proactively capture the ongoing transition from bias tires to radial tires in both domestic and international markets. The Company's total assets remained above VND 4,100 billion, coupled with a relatively stable capital structure, providing a solid financial foundation for its production and business operations. In addition, maintaining a presence in key export markets such as Brazil—where anti-dumping measures have been imposed on Chinese tires—has contributed to strengthening DRC's competitive position and supporting stable sales volumes in the medium to long term.

CHALLENGES:

In 2025, the Company faced significant pressure on profitability, as profit before tax declined compared to both the previous year and the planned targets, reflecting rising input costs and limited ability to pass on these costs to selling prices amid intense competition. The Company's debt structure remains heavily concentrated in short-term liabilities (accounting for over 93% of total liabilities), indicating a high reliance on working capital and potential liquidity pressure throughout the operating cycle. Trade receivables increased significantly compared to the prior year, thereby elevating credit risk and impacting operating cash flows. Furthermore, the widespread presence of competitively priced Chinese tire products continues to exert substantial pressure on the market, posing notable competitive challenges for DRC.



04 REPORT OF THE BOARD OF DIRECTORS

Assessment by the Board of Directors on the Company's Operations in 2025

OPPORTUNITIES

Vietnam currently ranks among the top three exporters of truck and bus radial (TBR) tires to the United States in terms of export value, following Thailand and Canada. In 2024, the U.S. Department of Commerce announced its final determination on anti-dumping investigations into TBR tires from Thailand, with dumping margins of 48.4% for Bridgestone and 12.3% for other exporters. This development presents favorable conditions for Vietnamese TBR tire exporters, as Thailand and Vietnam compete in the same lower price segment, while Canada and Japan operate in significantly higher price segments (approximately 60–70% higher than Thai TBR tires).

Leveraging these favorable conditions, DRC is expected to further expand export revenue to the U.S. market following the completion of Phase 3 of its all-steel radial tire plant, which increases capacity to 1 million tires per year.

The completion of the Radial Phase 3 project is anticipated to improve the Company's gross profit margin. Increasing production capacity to 1 million tires per year not only expands scale but also represents a significant shift in growth quality, enhancing competitiveness, expanding market reach,

and strengthening DRC's integration into the global tire value chain.

The European market is also considered a promising destination, particularly under the EU-Vietnam Free Trade Agreement, which provides for the gradual reduction of import tariffs on automotive components to 0% within seven years. However, stringent requirements such as EMARK standards and REACH certification present considerable challenges for tire manufacturers, including DRC, seeking to penetrate this demanding market.

In addition, domestic economic growth prospects, along with increased public investment and infrastructure development, continue to drive demand for transportation and truck tires—the Company's core product segment. Participation in multiple free trade agreements provides opportunities to access international markets with competitive tariff advantages. The global shift toward high-quality radial tires, particularly in markets implementing trade defense measures against low-cost products, further supports DRC's ability to strengthen and expand its export market share.

RISKS AND CONSTRAINTS

China continues to expand its manufacturing and export activities, leveraging significant cost advantages, thereby intensifying competitive pressure across the industry. This trend presents substantial challenges for DRC in both domestic and export markets, where Chinese products are increasingly present and competing directly on price. Input material costs remain a key risk factor, particularly as the natural rubber supply may be affected by climate change, potentially leading to supply shortages. Price volatility in raw materials not only directly impacts production costs but also places pressure on profit margins and cost planning.

Effective from January 1, 2024, under the provisions of Decree No. 08/2022/ND-CP guiding the Law on

Environmental Protection 2020, manufacturers and importers of tires, batteries, lubricants, and packaging meeting certain revenue and import thresholds are required to fulfill mandatory recycling obligations. For tire products, the mandatory recycling rate is set at 5% during the initial three years and will gradually increase in subsequent cycles.

With its current revenue scale, DRC falls within the scope of entities subject to these regulations. The Company has already operated a retreading facility for recycling used tires; however, to fully comply with regulatory requirements and align with sustainable development objectives, DRC will need to further enhance its recycling capacity while expanding output markets, thereby improving operational efficiency and advancing a circular and environmentally responsible production model.



04 REPORT OF THE BOARD OF DIRECTORS

Assessment by the Board of Directors on the Company's Operations in 2025

Investment Activities in 2025

In 2025, the Company completed the acceptance and final settlement of the project titled "Expansion of the Radial Truck Tire Manufacturing Plant to increase capacity to 1 million tires per year."

The Company also completed the installation, acceptance, and commissioning of one 6-position bead wire production line, serving the PCR tire manufacturing workshop.

In addition, the Company implemented new investments in several equipment items, including: one calendaring machine, two uniformity testing machines, one dual-compound extrusion line, one tire profile measurement machine, and one tensile strength testing machine. These investments are expected to enhance production capacity and stabilize product quality in the coming periods.

With respect to financial management, the Company maintained effective control over assets and ensured compliance with applicable State regulations, as well as internal policies and procedures. Relevant regulatory updates on accounting standards and tax management were promptly disseminated and implemented.

Procurement activities were closely monitored to ensure transparency, accuracy, and compliance, thereby supporting timely and well-informed decision-making by the Company's management. Capital sources were effectively balanced to ensure stable and efficient operations in both production and investment activities.

The Company also regularly reviewed, issued, and amended internal regulations and policies to align with operational requirements and macroeconomic conditions, thereby mitigating risks that may affect shareholders' capital.

Financial reporting was completed on schedule, with the timely provision of financial statements and analytical reports to the Executive Management and the Board of Directors. The Company also ensured full compliance with disclosure requirements on the Ho Chi Minh City Stock Exchange and to the State Securities Commission.

»» Assessment of Project Implementation

All investment projects were implemented in compliance with prevailing regulations on construction and investment.

For the project "Expansion of the Radial Truck Tire Manufacturing Plant to increase capacity to 1 million tires per year":

- Project progress: The project was completed in the fourth quarter of 2025.
- Work volume: Contractors executed works in accordance with the agreed scope and schedule under signed contracts.
- Execution value in 2025: The value of consulting, construction, supervision, and equipment procurement activities was carried out in line with contractual progress.
- Disbursement: Disbursements were made in accordance with the actual progress, completed work volume, and contractual payment terms.

All construction investment projects were carefully reviewed and evaluated by the Board of Directors before approval, ensuring investment efficiency and full compliance with applicable legal regulations and the Company's Charter.

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04 REPORT OF THE BOARD OF DIRECTORS

Assessment of the Board of Directors on the Performance of the Executive Board



I . ACHIEVEMENTS

Business Performance Results

In 2025, the Company's production and business activities achieved the following key results:

- + **Industrial production value (at actual prices) reached VND 5,012 billion, reaching 97% of the annual plan and increasing by 5% compared to 2024;**
- + **Total sales revenue reached VND 5,174 billion, achieving 103.73% of the annual plan and 107% compared to 2024;**
- + **Profit before tax reached VND 150 billion, achieving 52.64% of the annual plan and 50.08% compared to the previous year.**
- + **Average monthly income per employee reached VND 14.4 million, equivalent to 92% of the 2024 level.**

Investment and Construction Activities

In 2025, the Company had some particular activities:

- Completed acceptance and final settlement of the project "Expansion of the radial truck tire manufacturing plant with a capacity of 1 million tires per year."
- Completed installation, testing, and commissioning of a 6-position bead wire production line for the PCR tire workshop.
- Implemented new investments in multiple items, including: 01 calendering machine; 02 uniformity testing machines; 01 dual-component extrusion line; 01 tread profile measurement machine; 01 tensile strength testing machine. These investments are expected to enhance production capacity and stabilize product quality in the coming years.

In terms of financial management, the Company effectively managed assets in compliance with State regulations and internal policies, regularly updated and disseminated new regulations on accounting and tax management, closely monitored procurement activities to ensure transparency and support timely decision-making by management, as well as maintained a balanced capital structure to ensure stable and efficient operations and completed all required reports on schedule and disclosed information in compliance with regulations of the Ho Chi Minh Stock Exchange and the State Securities Commission.

Assessment of Project Implementation

All projects were implemented in compliance with current State regulations on construction investment.

For the project "Expansion of the radial truck tire manufacturing plant with a capacity of 1 million tires per year":

- Project progress: The project was completed in the fourth quarter of 2025.
- Work volume: Contractors carried out the work in accordance with the agreed scope and schedule under the signed contracts.
- Execution value in 2025: The value of consulting, construction, supervision, and equipment procurement activities was implemented in line with the progress specified in the contracts.
- Disbursement: Project disbursement was conducted in accordance with the implementation progress, completed work volume, and payment terms stipulated in the signed contracts.

04 REPORT OF THE BOARD OF DIRECTORS

Assessment of the Board of Directors on the Performance of the Executive Board

I. ACHIEVEMENTS

Sales and Market Development

The Board of Directors directed the Executive Board to effectively implement domestic and export sales activities, while transforming sales methods from traditional approaches to digitalized models aligned with Industry 4.0. The Company also strengthened digital marketing efforts and developed various sales management software systems. In addition, flexible sales policies were introduced, alongside enhanced warranty and customer service practices tailored to each market, customer segment, and distribution channel. The Board also instructed the Executive Board to continuously review, strengthen, and further develop the distribution network in both domestic and export markets. Efforts were intensified to explore and penetrate new and potential markets to increase product consumption volume.

Science, Technology, R&D and Quality Management

The Board of Directors directed the Executive Board to implement a range of innovative solutions, with a focus on investing in machinery and equipment, restructuring the product portfolio in line with market demand, and continuously improving products. Formulation adjustments were also carried out to reduce production costs while maintaining product quality and meeting market requirements. In addition, the Company strengthened cost efficiency by optimizing raw material consumption and enhancing labor productivity. Ongoing cooperation in technology transfer was also actively promoted.

Procurement and Raw Material Management

The Board of Directors directed the Executive Board to proactively analyze and forecast market trends to ensure the procurement and inventory of raw materials at competitive and reasonable prices. The Company also expanded and diversified its supplier base to secure optimal sourcing conditions, thereby reducing costs and enhancing overall operational efficiency.

Financial Management

The Board of Directors directed the Executive Board to proactively work with credit institutions and banks to secure preferential funding sources, thereby optimizing borrowing costs and reducing overall financial expenses.

- Capital resources were carefully planned and allocated to effectively support production and business activities, while ensuring strict monitoring and compliance with applicable State regulations and policies across the Company and its units.
- Adequate funding was arranged for the project "Expansion of the radial truck tire manufacturing plant with a capacity of 1 million tires per year", as well as other investment projects.
- The Board instructed relevant units to complete financial settlements in accordance with prescribed timelines and regulations.
- Effective cost management and receivables collection were maintained to ensure stable cash flow for the Company's operations.

Other Activities

Successfully organized the 2025 Annual General Meeting of Shareholders.
Directed the implementation of dividend payment for 2024 to shareholders in compliance with applicable regulations.

Issuance of Internal Governance Regulations

In 2025, the Board of Directors directed the review, amendment, and supplementation of two internal regulations, as well as the issuance of one new regulation, in line with operational requirements, applicable laws, and the Company's Charter, to enhance the effectiveness of corporate governance and business operations:

- Regulation on the management of outbound and inbound business delegations (newly issued)
- Inventory Management Regulation (amended and supplemented)
- Financial Regulation (amended and supplemented)

Human Resources and Succession Planning

The Board of Directors implemented personnel planning and succession planning activities, including the review and update of the talent pipeline. Appointments, reappointments, dismissals, transfers, and rotations of managerial personnel were carried out in full compliance with the Company's procedures, regulations, and governance framework.

Salary adjustments and grading for executives and managerial personnel under the authority of the Board of Directors were implemented in accordance with applicable regulations and principles, ensuring alignment with the Company's leadership and management workforce requirements.

Shareholder Relations

The Board of Directors directed the Executive Board to ensure effective information disclosure, with a focus on timeliness, accuracy, and transparency, thereby safeguarding shareholders' interests.



04 REPORT OF THE BOARD OF DIRECTORS

II. LIMITATIONS AND CAUSES



In 2025, several key business performance indicators were not achieved as planned in accordance with the Resolution of the Annual General Meeting of Shareholders.

The Board of Directors exercised a high level of responsibility in directing, managing, and orienting the Company's business operations. However, during the year, the Company faced numerous challenges arising from both objective and subjective factors. The global economic and political environment remained complex, unpredictable, and difficult to forecast. Although global growth showed signs of recovery, it was uneven across regions. Inflation, while partially contained, continued to exert pressure on

production costs, and monetary policies in major economies remained cautious. In addition, geopolitical tensions, trade conflicts, and intermittent supply chain disruptions continued to negatively impact global trade and investment flows. At the operational level, the Company encountered intense competition in both domestic and export markets, particularly from low-priced products originating from China. These factors significantly affected business performance, resulting in several targets not being met as planned

Assessment of Environmental and Social Performance by the Board of Directors

1. The Company has established a professional, dynamic, and innovative working environment.
2. Core corporate cultural values have been developed and embedded as a central foundation across all operations.
3. Strong emphasis has been placed on employee welfare, ensuring a fair, safe, and positive working environment.
4. Environmental protection has been effectively implemented, with a focus on maintaining a green, clean, and pollution-free workplace.
5. Employee well-being has been well taken care of, including healthcare, nutrition, and working conditions, ensuring a comfortable and safe working environment for all employees.
6. Business development has been closely aligned with safeguarding shareholders' interests and fostering human resource development.
7. The Company has actively engaged in social responsibility initiatives, including supporting disadvantaged families, underprivileged children, victims of Agent Orange, contributing to educational funds, building charitable houses, and providing care for Vietnamese Heroic Mothers.



04 REPORT OF THE BOARD OF DIRECTORS

Overall Assessment by the Board of Directors on the Company's Performance in 2025

In 2025, Vietnam's economy is expected to maintain its growth momentum amid a global environment that remains complex and uncertain. Military conflicts and geopolitical tensions in certain regions continue to persist; global economic and trade recovery is underway but not yet firmly established; interest rates and exchange rates in international markets remain subject to volatility; and risks related to natural disasters and climate change are increasing, exerting multifaceted impacts on business operations and social well-being. According to published data, the domestic macroeconomic environment remained broadly stable, with GDP growth maintaining a positive trajectory throughout the year. Inflation was kept under control, major economic balances were ensured, and import-export activities as well as investment attraction, continued to record encouraging results. However, the business environment still faces various external uncertainties, rising input costs, intensifying competition, and increasingly stringent requirements in terms of quality standards, environmental compliance, and sustainable development. These factors may affect

both the pace and quality of economic growth in general and the Company's operations in particular.

Against this backdrop, the Board of Directors closely monitored macroeconomic developments and market conditions, while directing the Executive Board to implement comprehensive and flexible management solutions, strengthen risk control, optimize costs, and improve operational efficiency. The Company proactively forecasts market trends and adjusts its business plans in line with actual conditions, thereby maintaining stable operations and gradually reinforcing a sustainable development foundation. The Company's estimated business performance for 2025 is as follows:

+ **Industrial production value (at actual prices)** reached approximately VND 5,012 billion, equivalent to 97% of the annual plan and an increase of 5% compared to 2024;

+ **Total sales revenue** reached VND 5,174 billion, achieving 103.73% of the annual plan and 107% compared to 2024;

+ **Profit before tax** was estimated at VND 150 billion, equivalent to 52.64% of the annual plan and 50.08% compared to 2024.

Plans and Strategic Orientations of the Board of Directors for 2026

PLANS AND ORIENTATIONS FOR 2026

To achieve the production and business targets set for 2026.

To strengthen corporate governance, effectively implement the tasks assigned by the General Meeting of Shareholders, and enhance information disclosure, securities compliance, and shareholder relations management.

To continue directing the Executive Board to develop and effectively implement the 2026 business plan and subsequent plans, with a strong focus on improving forecasting capabilities and identifying potential risks, thereby enabling flexible adjustments to business strategies and operating mechanisms; optimizing costs; ensuring safe and efficient operations; and aligning business activities with environmental protection and the adoption of modern, environmentally friendly technologies.

To maintain existing markets while expanding the distribution network for tire products both domestically and internationally, leveraging the domestic market as a foundation for sustainable development and export markets as a driver for continuous growth.

To focus on the development of key tire product lines (TBB, TBR, and OTR) to meet demand from mining and industrial sectors.

To continuously improve production technologies for TBR, LTR, and PCR tires in line with global industry trends.

To assess feasibility, complete legal procedures, and accelerate the implementation of the project: "Tire Manufacturing Plant with a capacity of 4 million PCR tires per year and 1 million TBR tires per year."

04 REPORT OF THE BOARD OF DIRECTORS

Plans and Strategic Orientations of the Board of Directors

PLANS AND ORIENTATIONS FOR 2026

To further promote digital transformation, apply advanced technologies, and foster innovation across all operations, maximizing internal strengths and modern governance capabilities while strengthening international cooperation and integration.

To continuously review and enhance leadership and management succession planning, ensuring an adequate and high-quality talent pipeline, while maintaining stable employment, income, and improving the material and spiritual well-being of employees.

To continue restructuring the organizational model, optimizing workforce allocation to ensure efficiency and cost-effectiveness, and streamlining the management structure to enhance operational performance.

To strengthen compliance with internal governance regulations; strictly implement cost-saving and anti-waste measures; and ensure fair income distribution to motivate employees, improve human resource quality, and enhance the Company's profitability.



PLANS AND ORIENTATIONS FOR 2026

No.	Product	Unit	Plan 2026
1	Industrial production value – At current prices	Billion VND	5,107
2	Total sales revenue	Billion VND	5,600
3	Net revenue	Billion VND	5,421
4	Profit before tax	Billion VND	155
5	Production Output		
	Bicycle tires	Pcs	4,431,000
	Bicycle inner tubes	Pcs	3,763,000
	Motorcycle tires	Pcs	1,285,000
	Motorcycle inner tubes	Pcs	3,560,000
	Automobile, tractor tires	Pcs	1,739,000
	+ Semi-steel tires	Pcs	450,000
	+ Bias tires	Pcs	401,000
	+ Radial tires	Pcs	888,000
	Automobile, tractor inner tubes	Pcs	385,000
	Car flaps (tire flaps)	Pcs	341,000
	Retreaded car tires	Pcs	46,000
	Technical rubber	Million VND	9,000
6	Sales Volume		
	Bicycle tires	Pcs	4,793,000
	Bicycle inner tubes	Pcs	3,906,000
	Motorcycle tires	Pcs	1,341,000
	Motorcycle inner tubes	Pcs	3,180,000
	Automobile, tractor tires	Pcs	508,000
	+ Semi-steel tires	Pcs	485,000
	+ Bias tires	Pcs	896,000
	+ Radial tires	Pcs	399,000
	Automobile, tractor inner tubes	Pcs	327,000
	Car flaps (tire flaps)	Pcs	48,000
	Retreaded car tires	Million VND	9,000

04 REPORT OF THE BOARD OF DIRECTORS Plans and Strategic Orientations of the Board of Directors

MEASURES TO ACHIEVE THE 2026 PLAN

Governance

To improve internal regulations and policies to optimize corporate governance efficiency, while ensuring strict compliance with applicable laws and regulations.

To apply science and technology in tire manufacturing operations, and strengthen cooperation with leading global automotive technology experts to continuously improve and enhance the quality of DRC's products.

To encourage employee contributions by creating favorable conditions for proposing and implementing management and production initiatives, thereby enhancing labor productivity, maintaining and improving product quality, and optimizing costs to reduce production costs.

To strengthen the establishment and application of quality control systems based on statistical techniques and process control, enabling effective monitoring and reporting of plan implementation results at the unit level.

To appropriately plan and balance financial resources to support efficient production and business operations, while strengthening inspection and supervision of compliance with State regulations and Company policies across all units.

To continue promoting emulation movements on cost-saving and anti-waste practices across all business activities, considering this a key and ongoing responsibility of all individuals, departments, and organizations within the Company.

Sales and Marketing

To develop professional customer service programs combined with on-site product warranty services, thereby creating a competitive advantage for the DRC brand compared to similar products in both domestic and international markets; this is identified as a critical factor in building reputation and customer trust.

To focus resources on increasing sales volume and leveraging DRC's strengths in the domestic market to enhance business efficiency, particularly for products such as AG tires, OTR tires, off-the-road tires, radial tires, and DPLUS tubeless motorcycle tires.

To accelerate export sales volume in markets with favorable pricing conditions to improve overall business performance, including radial tires for the U.S. market and bicycle tires for the Argentine market.

To recognize that product sales are not solely the responsibility of the sales division but involve all departments within the Company, with all activities oriented toward the principle: **"Product quality is the core factor determining the Company's development; products manufactured must be marketable and sold efficiently."**





05 SUSTAINABILITY REPORT

- ▶ Sustainability Message
- ▶ Sustainable Development Objectives
- ▶ Energy Consumption During the year
- ▶ Energy efficiency and conservation plan and targets for 2026

05 SUSTAINABILITY REPORT

Sustainability Message

Dear Shareholders and Stakeholders!

Sustainable development has become a global priority, particularly in the context of economic growth accompanied by increasing scarcity of raw materials and energy, as well as significant impacts on the natural environment and ecological balance. Recognizing the serious consequences of uncontrolled growth, DRC is committed to harmonizing economic development, social security, and environmental protection.

DRC's development journey focuses not only on production and distribution but also on waste treatment and maintaining environmental hygiene across its manufacturing facilities and operational areas. The Company aims not only for growth but also for balancing the interests of all stakeholders, including shareholders, investors, customers, regulatory authorities, and employees. Specifically:

For employees: To cultivate a sustainable and high-quality workforce

For shareholders: To ensure efficient use of assets and resources, provide timely and accurate information, and safeguard shareholders' interests

For customers: To honor commitments by delivering stable, high-quality, and diverse products, along with strong after-sales services

For the community: To contribute to building a better society

For partners: To foster long-term, sustainable cooperation

With the vision of becoming one of the leading tire manufacturers in Vietnam, Danang Rubber Joint Stock Company not only pursues strong growth but also aims for long-term stability and sustainability, contributing to the expansion of the DRC brand both domestically and internationally. We believe that all enterprises—not only within our industry but across the global economy—should prioritize sustainable development, as it reflects corporate responsibility toward society, the nation, and future generations. We strongly support ongoing efforts to promote and widely embrace the message of sustainable development.



05 SUSTAINABILITY REPORT

Sustainable Development Objectives



DRC continuously recognizes the importance of integrating economic growth objectives with the fulfillment of social responsibility and environmental protection. This entails ensuring, enhancing, and balancing the interests of all stakeholders, including shareholders and investors, customers, business partners, regulatory authorities, employees, and the wider community.

Accordingly, year by year, the Company strives to improve its governance and operational management to ensure stability and sustainable growth in its production and business activities. In addition, DRC has established specific objectives

ECONOMIC GROWTH

DRC acknowledges that sustainable growth must go hand in hand with economic benefits generated through its core business operations:

Continuously enhancing production capacity, improving product quality, and strengthening customer care services to expand market share and attract potential customers.

Expanding market presence and investment while strengthening and improving governance and operational quality, ensuring readiness of resources for sustainable growth objectives.

Focusing on sales activities, product promotion, and expanding the domestic market while further penetrating international markets.

Committing to safeguarding shareholders' interests through consistent dividend payments over the years.

Disclosing information transparently and promptly to investors regarding the Company's operations



SOCIAL AND COMMUNITY RESPONSIBILITY

The Company recognizes that its responsibility to the community and society is not only an obligation but also a key contributor to its sustainable development. Accordingly, DRC continuously contributes to community programs and supports disadvantaged groups.

Promoting the sharing of material and spiritual achievements with the community and society, fostering unity across the Group, and focusing on enhancing employees' skills, education, and legal awareness.

Developing human resources through policies that ensure a safe working environment and sustainable employee benefits, alongside talent identification and development programs to maximize individual capabilities.

Actively collaborating with local authorities and social organizations to implement practical initiatives that support individuals and families in improving their livelihoods.

Regularly organizing volunteer and social welfare programs to improve living and working environments and assist those in need.

In 2025, the Company contributed VND 300 million to the Vietnam Fatherland Front Committee in Da Nang to support recovery efforts following flooding caused by Storm No. 12, and VND 631 million in coordination with Vietnam National Chemical Group to address storm and flood damages.



05 SUSTAINABILITY REPORT

Sustainable Development Objectives

RESPONSIBILITY TO SHAREHOLDERS

The Company is committed to providing shareholders with transparent, accurate, and timely information in full compliance with applicable laws and regulations:

Ensuring effective management to maximize shareholder value, with a long-term commitment to creating added value across the Company's business areas.

Proactively facilitating dialogue with investors and ensuring equal rights for shareholders to monitor operations, provide recommendations, and contribute ideas for continuous improvement.

Maintaining transparency in governance and operations, and responding honestly to shareholders' inquiries. Over the years, the Company has consistently paid cash dividends, ensuring stable returns for shareholders.

RESPONSIBILITY TO CUSTOMERS

DRC's success is determined by its customers. Therefore, the Company always aims for mutual benefit and customer satisfaction:

Providing products of optimal quality to ensure customer trust and confidence.

Continuously listening to and engaging with customers to better understand their needs and expectations, thereby enhancing technical and technological capabilities.

Improving service quality and actively receiving and incorporating customer feedback.

Continuously improving product and service quality to flexibly meet increasingly demanding customer requirements.

Continuing investment in research and development to foster innovation and ensure high-quality, timely product delivery.

RESPONSIBILITY TO BUSINESS PARTNERS AND SUPPLIERS

Business partners and suppliers play a vital role in shaping and driving the Company's growth and development:

Ensuring fair and transparent competition among suppliers, based on advanced technology and product quality.

Strengthening cooperation to develop and manufacture high-quality products, contributing positively to societal development.

Committing to maintaining a healthy, open, and competitive environment while building close, equal partnerships toward shared prosperity.

Selecting suppliers fairly based on capability profiles, credibility, and past cooperation experience.



LỚP NÔNG NGHIỆP

05 SUSTAINABILITY REPORT

Sustainable Development Objectives

ENVIRONMENTAL RESPONSIBILITY

The Company continuously strives to translate environmental awareness into proactive actions at every level of production:

Maintaining effective occupational health and safety measures and fire prevention and control systems.

Promoting awareness and encouraging employees to continuously improve production processes in line with green and clean environmental standards.

Using resources such as clean water and energy efficiently, ensuring better control over consumption in production and business activities.

Monitoring electricity, fuel, and water consumption monthly; collecting and treating waste; and maintaining workplace and environmental hygiene.

Proactively implementing environmental incident prevention and response plans, measures, and equipment in compliance with legal requirements.

Conducting environmental impact assessments for production activities and fulfilling obligations related to environmental impact reporting for investment projects.

Effectively implementing environmental protection initiatives to further align the Company's operations with sustainable development practices.

Utilizing factory rooftop spaces in cooperation with investors to install solar energy systems, contributing to clean energy development and cost savings.

The Company focuses on recycling activities. Used tires are recovered and retreaded to extend their service life and reduce waste discharged into the environment. For semi-finished products that become waste during the production process, the Company conducts research to repurpose them for the production of other products.

These initiatives help optimize input costs in production and business operations while contributing to environmental protection.

RESPONSIBILITY TO EMPLOYEES

Human resources are a valuable asset and a core element of all business operations. DRC places strong emphasis on developing and managing its workforce to ensure overall sustainability. Each employee is regarded as an essential contributor to building a strong and unified organization:

Complying with statutory leave, public holidays, and Tet holidays in accordance with State regulations, ensuring employees have adequate rest and maintain their health.

Committing to a professional and dynamic working environment that promotes creativity and maximizes employee contributions, encouraging individuals to innovate and realize their full potential in achieving the Company's common goals. Fully participating in health insurance, social insurance, unemployment insurance, and other statutory benefits for employees in accordance with applicable laws.

Providing timely support for matters such as illness, maternity, and leave, ensuring adequate benefits that meet employees' material and spiritual needs.

Supplying adequate protective equipment and ensuring compliance with occupational safety standards in production and operations.



05 SUSTAINABILITY REPORT

Energy Consumption During the year

No.	Total energy consumption by source	Total consumption in 2025	Unit
1	Electricity	73,995,962	Kwh
2	Steam	200,281	Ton
3	Gasoline	3,380	Liter
4	Diesel Oil	206,440	Liter

Energy Efficiency and Conservation

No.	Energy Efficiency Initiatives	Location	Measured Energy Savings
1	Replacement of 145 T8 36W fluorescent lamps with 18W LED lamps.	Building Section of Radial Tire Factory	17,124 kWh/year
2	Replacement of 57 high-intensity discharge (HID) lighting fixtures with 250W ballasts with high-efficiency TKD HOE 140W lighting systems.	Bicycle & Motorcycle Tire and Tube Factory and Radial Compounding Section	38,395 kWh/year
3	Installation of a 200 kW inverter for control of the superheated water pump system (India origin)	Utilities Section of Bias Tire Factory	170,016 kWh/year
4	Implement tagging of compressed air energy leakage points, followed by immediate corrective action plans	Radial Tire Factory	25,500 kWh/year
5	Implement tagging of steam thermal energy leakage points, followed by immediate corrective action plans	Direct Production Units	785 tonnes/năm
6	Replacement of 9 industrial three-phase fans (760W) with single-phase fans (80W)	Building Section of Bias Tire Factory	40,154 kWh/year
7	Investing in the development of an energy monitoring system	Company	1,155,000 kWh/year

No.	Energy Efficiency Initiatives (Upgrading - Replacing outdated equipment)	Location	Purpose
1	Replacement of the 120 extruder head cylinder due to long-term operation and severe wear.	Extrusion machine – Bias Truck Tire Factory	Maintain consistent semi-finished product quality
2	Major overhaul of the vulcanizing machine, including upgrading of electrical cabinets, PCI control system, start/stop control system, hydraulic system, and reinforcement of the machine frame	Vulcanizing machines OLL6-01, OLL6-02 – Bias truck tire factory	Ensure stable and efficient equipment operation to maintain consistent product quality
3	Major overhaul of the truck tire building machine, including replacement and upgrading of electrical cabinets, building drum, fabric folding unit, and fabric feeding system.	Tire building machine OTH3-02 – Bias truck tire factory	Ensure stable and efficient equipment operation to maintain consistent product quality.
4	Major overhaul and upgrading of the calendaring machine, including maintenance and refurbishment of main and auxiliary shafts, electrical system, fabric feeding system, and fabric winding system	Tube cutting and splicing machine XCN-16 – bicycle and motorcycle tube workshop	Ensure stable and efficient equipment operation to maintain consistent product quality.
5	Major overhaul and upgrading of the tube cutting and splicing machine, including maintenance of the electrical system, tube head pressing cylinder, compressed air system, and tube head pressing unit.	Tube cutting and splicing machine XCN-16 – bicycle and motorcycle tube workshop	Ensure stable and efficient equipment operation to maintain consistent product quality.
6	Major overhaul of the motorcycle tire building machine, including replacement and upgrading of electrical cabinets, building drum, fabric folding unit, and fabric feeding system.	Tire building machine XTM-04 – Bicycle and motorcycle tire workshop	Ensure stable and efficient equipment operation to maintain consistent product quality.

Water consumption status

Source of water supply

No.	Source	Total Water Withdrawal (Unit: m ³ /year)
1	Groundwater	39,610
2	Municipal water supply	36,323
3	Tin Thanh Company	85,088
	Total	161,021

05 SUSTAINABILITY REPORT

Energy Consumption During the year

Water consumption

No.	Source	Total Water Withdrawal (Unit: m ³ /year)
1	Groundwater	39,610
2	Municipal water supply	36,323
3	Tin Thanh Company	85,088
	Total	161,021

Recycle water usage

No.	Source	Total Water Withdrawal (Unit: m ³ /year)
1	Groundwater and municipal water supply	72,550

Waste Treatment

Total Wastewater (m ³)	Total Wastewater Treated (m ³)	Treatment method			
		On-site treatment	Third-party treatment		
			Contractor name	Term	
76,046	76,046		Saigon – Da Nang Investment Joint Stock Company	3 years	

Solid Waste Treatment

Total Solid Waste	Total Volume of Solid Waste Treated	Treatment method			
		On-site treatment	Third-party treatment		
			Contractor name	Term	
1,816 m ³	1,816 m ³		Da Nang Urban Environment Joint Stock Company	1 year	

Report on the Percentage of Recycled Materials Usage

No.	Type of Materials	Total Quantity Used (Unit: Ton)	Quantity of Recycled Materials Used	Ratio of Quantity of Recycled Materials Used/ Total Quantity Used (%)
			(Unit: Ton)	
1	Retreaded tires	611,641	611,641	100%
2	60-mesh rubber powder	94,170	94,170	100%
3	HE reclaimed rubber	749,000	749,000	100%
4	Butyl reclaimed rubber	567,800	567,800	100%
Total		2,022,611	2,022,611	100%

Total Weight of Raw Materials Used

No.	Products/Services	Raw Materials Used in Products/Services	Total Quantity / Weight (Unit: Ton)	Supplier		Recyclability	
				External	Internal	Yes	No
1	Retreaded tires, retreaded tire casings	Tire carcass	611,641	x		x	
2	Automotive tires, motorcycles/ mopeds, technical rubber products....	60 Mesh rubber powder	94,170	x		x	
		HE reclaimed rubber	749,000	x		x	
		Butyl reclaimed rubber	567,800	x		x	

05 SUSTAINABILITY REPORT

Energy Consumption During the year

GREENHOUSE GAS (GHG) EMISSIONS INVENTORY

DIRECT EMISSIONS

DIESEL OIL (Mobile sources: passenger vehicles)

MONTH	CONSUMPTION	Unit Conversion	CALORIFIC VALUE	CO2	CH4	N2O
	(kg)	Gg	(TJ/Gg)	(t CO2-e)	(t CO2-e)	(t N2O-e)
1	14,495	0,014	43	46,186	0,002	0,002
2	8,419	0,008	43	26,826	0,001	0,001
3	16,104	0,016	43	51,311	0,003	0,003
4	14,583	0,015	43	46,467	0,002	0,002
5	15,239	0,015	43	48,557	0,003	0,003
6	14,901	0,015	43	47,478	0,002	0,002
7	15,765	0,016	43	50,232	0,003	0,003
8	16,250	0,016	43	51,777	0,003	0,003
9	16,243	0,016	43	51,755	0,003	0,003
10	15,734	0,016	43	50,133	0,003	0,003
11	15,271	0,015	43	48,659	0,003	0,003
12	12,695	0,013	43	40,450	0,002	0,002
AVERAGE	14,642	0,015	43	46,653	0,002	0,002
TOTAL	175,699	0,176	43	559,83	0,03	0,03

DIESEL OIL (Stationary – DO 0.055)

MONTH	CONSUMPTION	Unit Conversion	CALORIFIC VALUE	CO2	CH4	N2O
	(kg)	Gg	(TJ/Gg)	(t CO2-e)	(t CO2-e)	(t N2O-e)
AVERAGE	10,5	0,0000105	43	0,033	0,000001	0,000000
TOTAL	126	0,000126	43	0,401	0,000016	0,000003

INDIRECT EMISSIONS

ELECTRICITY

MONTH	Consumption	CO ₂ Emissions
	(kWh)	(t CO2-eq)
1	5,203,580	3430.20
2	2,871,825	1893.11
3	6,206,997	4091.65
4	5,265,534	3471.04
5	5,308,651	3499.46
6	5,469,721	3605.64
7	5,485,136	3615.80
8	6,126,418	4038.53
9	5,912,642	3897.61
10	6,057,534	3993.13
11	5,617,258	3702.90
12	4,955,946	3266.96
AVERAGE	5,373,436.83	3542.17
TOTAL	64,481,242	42506.03

WASTEWATER

The Company does not conduct on-site wastewater treatment. Domestic wastewater is collected and discharged to the centralized wastewater treatment system of the industrial park for treatment.

GENERAL

TOTAL	CO2	CH4	N2O
	(t CO2-e)	(t CO2-e)	(t N2O-e)
TOTAL	43,066,27	0,03	0,03

05 SUSTAINABILITY REPORT

Energy efficiency and conservation plan and targets for 2026

Solutions and Expected Outcomes

Proposed Solutions	Fuel Type	Objective of the Solution	Description of the Solution	Expected Outcomes	Cost (Million VND)
Installation of a 132 kW inverter control cabinet for the water pump at the utilities station of the Bias Truck Tire Production Unit	Purchased electricity	Electricity savings	Adjust motor speed in line with actual load demand to reduce electricity consumption, minimize voltage drops, and improve operational efficiency	Energy savings: 123,869 (kWh) Energy saving rate: 12 (%) Cost savings: 253 (Million VND) Other benefits: Reduced ambient temperature; reduced CO ₂ emissions	235
Implementation of tagging for steam energy leakage points across production workshops in the Company, followed by corrective action measures	Purchased steam	Steam energy savings	Inspect and identify steam leakage points at equipment such as joints, couplings, and supply pipelines; implement tagging and develop immediate corrective action plans	Energy savings: 992 (Ton) Energy savings rate: 2 (%) Cost savings: 739 (Million VND) Other benefits: Reduced ambient temperature; reduced CO ₂ emissions	80
Implementation of tagging for compressed air leakage points across the production workshops in the Company, followed by corrective action measures	Purchased electricity	Electricity savings	Inspect and identify compressed air leakage points at equipment such as joints, couplings, hose connectors, and supply pipelines; implement tagging and immediate corrective action plans, and repair or replace degraded and damaged compressed air systems	Energy savings: 444,000 (kWh) Energy savings rate: 5 (%) Cost savings: 950 (Million VND) Other benefits: Reduced CO ₂ emissions	720
Installation of a 55 kW inverter for control of the deep chilled water pump system	Purchased electricity	Electricity savings	Adjust motor speed in line with actual load demand to reduce electricity consumption, minimize voltage drops, and improve operational efficiency	Energy savings: 53,491 (kWh) Energy savings rate: 16 (%) Cost savings: 105.6 (Million VND) Other benefits: Reduced CO ₂ emissions	70
Replacement of 25 high-intensity discharge (HID) lighting fixtures with 250W ballasts with high-efficiency TKD HOE 140W lighting systems at the Tire Retreading Production Unit	Purchased electricity	Electricity savings	Replace high-wattage lighting with high-efficiency, lower-wattage lighting while maintaining required illumination levels and reducing energy consumption	Energy savings: 18,000 (kWh) Energy savings rate: 40 (%) Cost savings: 39 (Million VND) Other benefits: Reduced CO ₂ emissions	80
Replacement of 50 T8 36W fluorescent lamps with 18W energy-efficient LED lamps at the Radial Compounding Workshop	Purchased electricity	Electricity savings	Replace high-wattage lighting with lower-wattage lighting that ensures adequate illumination and energy savings	Energy savings: 6,000 (kWh) Energy savings rate: 40 (%) Cost savings: 11 (Million VND) Other benefits: Reduced CO ₂ emissions	4

05 SUSTAINABILITY REPORT

Energy efficiency and conservation plan and targets for 2026

Plan for Replacement, Upgrading and Addition of Technological Equipment

Equipment Name	Description of Features and Application Location	Installation Method	Rationale for Installation, Upgrade or Replacement	Commitment Level and Feasibility
Vulcanizing Machine	Repair and major overhaul of machine components – Bias Truck Tire Production Unit	Major Overhaul	To enhance productivity, operational efficiency, and product quality	Stable equipment operation; high feasibility of implementation
German Extrusion Machine	Repair and replacement of the 150 extruder head cylinder on the German extrusion line – Bias Truck Tire Production Unit	Equipment Replacement	To ensure consistent semi-finished product quality	Stable equipment operation; high feasibility of implementation
Open Mixing Mill	Design, fabrication and installation of an automatic rubber flipping system for the 660 open mixing mill – Mixing and Calendering Production Unit	New Fabrication	To increase productivity and reduce labor requirements	High feasibility of implementation
Tire Building Machine	Repair and major overhaul of fabric feeding systems of tire building machines – Bias Truck Tire Production Unit	Major Overhaul and Equipment Replacement	To enhance productivity, ensure consistent product quality, and improve operational safety	High feasibility of implementation
Tire Building Machine	Repair and major overhaul of drums and fabric folding units of machines – Bicycle & Motorcycle Tire and Tube Production Unit	Major Overhaul	To enhance productivity and product quality	Stable equipment operation; high feasibility of implementation
Cold Feed Extruder	Feasibility study for investment in a cold feed extruder to replace two open mixing mills in the hot extrusion line – Radial Tire Production Unit	New Investment	To enhance productivity and product quality	High feasibility of implementation
Material Feeding System	Design or investment in an automatic silica feeding and conveying system for internal mixers No. 01 and 02 – Mixing and Calendering Production Unit	New Investment or Fabrication	To enhance productivity and product quality	High feasibility of implementation
Flash Trimming Machine	Investment in an automatic tire flash trimming machine – Radial Tire Production Unit	New Investment	To enhance productivity and product quality	High feasibility of implementation



06

CORPORATE GOVERNANCE

- ▶ Board of Directors
- ▶ Supervisory Board
- ▶ Transactions, Remuneration and Other Benefits of the Board of Directors, Executive Board and Supervisory Board

06 CORPORATE GOVERNANCE

The Board of Directors

In 2025, DRC successfully implemented the strategic directions set forth by the Board of Directors and ensured the effective execution of decisions relating to the Company's investment, finance, and production and business activities. The Board provided direction and oversight to the Executive Board and the Project Management Board in carrying out the plan approved at the 2025 Annual General Meeting of Shareholders, in compliance with the Company's Charter and applicable laws and regulations. Across all aspects of its operations, DRC not only fulfilled but exceeded the targets assigned by the Annual General Meeting of Shareholders for 2025. The achievements attained during the year have not only driven the Company's growth but also reinforced DRC's position in the market.

No.	Members of the BOD	Position	Number of meetings attended	Attendance Rate	Reason of absence
1	Nguyen Xuan Bac	Chairman	28	28/28 (100%)	
2	Nguyen Van Hieu	Member	28	28/28 (100%)	
3	Nguyen Huy Hieu	Member	28	27/28 (96.4%)	Has reasons for absence
4	Ha Phuoc Loc	Member	28	28/28 (100%)	
5	Le Hoang Khanh Nhut	Member	28	28/28 (100%)	
6	Nguyen Thi Bich Thuy	Member	28	27/28 (96.4%)	Has reasons for absence
7	Pham Ngoc Phu	Member	28	28/28 (100%)	



Resolutions/Decisions of the Board of Directors in 2025

No.	Resolution/ Decision No.	Date	Content	Approval Rate
1	01/NQ-DRC-HĐQT	20/01/2025	Approval of the unaudited financial statements for Q4/2024	100%
2	02/NQ-DRC-HĐQT	20/01/2025	Approval of production and business results for Q4/2024, full year 2024, and the plan for Q1/2025 1. Approval of the 2025 internal audit plan 2. Approval of the 2025 capital construction and investment plan	100%
3	03/NQ-DRC-HĐQT	20/01/2025	3. Approval of the Regulation on the management of outbound and inbound business trips 4. Approval of amendments and supplements to the Company's Inventory	100%
4	04/NQ-DRC-HĐQT	27/02/2025	Approval of the plan for organizing the 2025 Annual General Meeting of Shareholders (AGM)	100%
5	05/NQ-DRC-HĐQT	05/3/2025	Approval of the finalization of the 2024 salary fund	100%
6	06/NQ-DRC-HĐQT	01/4/2025	1. Approval of documents to be submitted to the 2025 AGM 2. Approval in principle of financial leasing of company vehicles 3. Approval of the 2025 norms for material and raw material consumption	100%
7	07/NQ-DRC-HĐQT	18/4/2025	1. Approval of production and business results for Q1/2025 and plan for Q2/2025 2. Approval of the unaudited financial statements for Q1/2025	100%
8	08/NQ-DRC-HĐQT	24/4/2025	Approval in principle for the Chief Executive Officer to temporarily suspend the reappointment process for managerial positions of affiliated units during organizational restructuring	100%
9	10/NQ-DRC-HĐQT	23/5/2025	1. Approval of the 2025 major repair plan 2. Approval of the 2025 routine maintenance plan	100%
10	11/NQ-DRC-HĐQT	23/5/2025	Approval of the dividend payment plan in cash for the remaining 6% from 2024 profits	100%
11	12/NQ-DRC-HĐQT	23/5/2025	Approval to move from the investment preparation phase to the implementation phase for individual equipment investment projects in 2025	100%

06 CORPORATE GOVERNANCE

The Board of Directors

Resolutions/Decisions of the Board of Directors in 2025

No.	Resolution/ Decision No.	Date	Content	Approval Rate
12	14/NQ-DRC-HĐQT	13/6/2025	Approval of the implementation of the share issuance plan to increase charter capital from equity and the plan for handling fractional shares, as approved at the 2025 AGM	100%
13	15/NQ-DRC-HĐQT	09/7/2025	Approval of the Project on "Review and Restructuring of the Organizational Structure of Da Nang Rubber Joint Stock Company". Approval of the establishment, renaming, and restructuring of the Company's organizational structure	100%
14	16/NQ-DRC-HĐQT	16/7/2025	Approval of production and business results for Q2/2025 and the first six months of 2025; plan for Q3/2025 and projected results for the first nine months of 2025	100%
15	17/NQ-DRC-HĐQT	27/8/2025	Approval of the resignation of Mr. Pham Phong Thinh from the position of Deputy Chief Executive Officer	100%
16	18/NQ-DRC-HĐQT	27/8/2025	Approval of the Company's charter capital following the share issuance to increase equity capital	100%
17	19/NQ-DRC-HĐQT	09/9/2025	Approval in principle to carry out the reappointment process for a fixed term of Mr. Le Hoang Khanh Nhut as Chief Executive Office	100%
18	20/NQ-DRC-HĐQT	19/9/2025	Approval of amendments to Clause 1, Article 6 of the Company's Charter	100%
19	21/NQ-DRC-HĐQT	20/10/2025	Approval of the unaudited financial statements for Q3/2025	100%
20	22/NQ-DRC-HĐQT	22/10/2025	Approval of production and business results for Q3/2025 and the first nine months of 2025; plan for Q4/2025. Reappointment of Mr. Le Hoang Khanh Nhut as Chief Executive Officer for a fixed term	100%
21	23/NQ-DRC-HĐQT	22/10/2025	Approval of amendments and supplements to Article 17 of the Company's Financial Regulation	100%

No.	Resolution/ Decision No.	Date	Content	Approval Rate
22	24/NQ-DRC-HĐQT	19/11/2025	Approval to move from the "investment preparation" phase to the "implementation" phase for the 45-48" vulcanizing machine project Approval of the techno-economic report for the project: "45"-48" Vulcanizing Machine"	100%
23	25/NQ-DRC-HĐQT	02/12/2025	Agreement to seek the opinion of the Party Committee regarding the non-reappointment of Mr. Ha Phuoc Loc as Deputy Chief Executive Officer	100%
24	26/NQ-DRC-HĐQT	16/12/2025	Approval of the final settlement of the completed project: Expansion of the radial truck tire manufacturing plant to a capacity of 1 million tires/year	100%
25	27/NQ-DRC-HĐQT	16/12/2025	Approval in principle to carry out the reappointment process for the Chief Accountant for a fixed term	100%
26	28/NQ-DRC-HĐQT	19/12/2025	Approval of the list of key raw material suppliers of the Company	100%
27	29/NQ-DRC-HĐQT	19/12/2025	Approval of short-term credit borrowing limits at banks	100%



06 CORPORATE GOVERNANCE

Supervisory Board

Activities of the Supervisory Board

No.	Member	Number of Meetings Attended	Attendance Rate	Voting Rate	Reason for Absence
1	Chu Quang Tuan	6/6	100%	100%	
2	Nguyen Thi Van Hoa	1/1	100%	100%	Cessation as Supervisory Board Member from April 25, 2025
3	Truong Thi Hong Hoa	6/6	100%	100%	
4	Truong Tuan Nghia	5/5	100%	100%	Board Member from April 25, 2025

Contents of Supervisory Board Meetings

No.	Meeting	Date	Description	Outcome
1	Meeting 1	19/3/2025	Meeting to issue the Supervisory Board Report on the 2024 Financial Statements.	Pursuant to the meeting minutes
2	Meeting 2	13/6/2025	Review of production and business performance for the first five months of the year.	Pursuant to the meeting minutes
3	Meeting 3	11/7/2025	Review of accounts receivable for the first six months of 2025.	Pursuant to the meeting minutes
4	Meeting 4	23/7/2025	Review of the 2025 semi-annual financial statements.	Pursuant to the meeting minutes
5	Meeting 5	18/8/2025	Review of the financial statements for the first six months of 2025	Pursuant to the meeting minutes
6	Meeting 6	17/12/2025	Review of accounts receivable as at November 30, 2025	Pursuant to the meeting minutes



Supervisory Activities of the Supervisory Board over the Board of Directors, Executive Board and Shareholders

Supervisory results of the Supervisory Board over the activities of the Board of Directors, Executive Board and Management in 2025

In performing its functions and duties, in 2025 the Supervisory Board conducted supervision and oversight of the Board of Directors and the Executive Board in managing production and business activities, as well as the implementation of the resolutions of the Annual General Meeting of Shareholders regarding financial and business plans approved for 2025, specifically as follows:

- Supervising the implementation of the resolutions of the 2025 Annual General Meeting of Shareholders.
- Supervising information disclosure activities.
- Reviewing and supervising the content, legality, sequence and procedures for issuance of resolutions

Based on the above, the Supervisory Board noted that:

- The Board of Directors strictly implemented the resolutions of the Annual General Meeting of Shareholders, issued resolutions and decisions focusing on directing production and business activities, in accordance with its functions and authority, the Law on Enterprises, and the Company's Charter.
- The Executive Board effectively implemented the resolutions and decisions of the Board of Directors, developed and arranged production plans reasonably to improve product quality and operational efficiency.
- The Company prepared and submitted periodic financial statements in compliance with State regulations; accounting policies applied are consistent with the enterprise accounting regime, Vietnamese

and decisions of the Board of Directors and the Executive Board in the first six months of 2025.

- Reviewing internal regulations and policies issued in 2025; monitoring compliance with such regulations to support management and operational activities.
- Supervising financial and accounting activities; reviewing and appraising the 2024 financial statements and the financial statements for the first six months of 2025, and providing timely recommendations to relevant departments and the Executive Board to enhance financial and accounting performance.
- Inspecting capital construction and investment activities.

Accounting Standards, and relevant legal documents. Accounting and statistical records are complete, clear, and properly maintained in accordance with regulations. Inventory counts are conducted fully and in compliance with requirements. The Company has fulfilled all obligations to the State budget.

- Resolutions and decisions of the Board of Directors and the Executive Board safeguard the legitimate rights and interests of employees. Employee benefits, including stable employment, salary policies, and contributions to social, health and unemployment insurance, are fully implemented in accordance with applicable laws.

06 CORPORATE GOVERNANCE

Supervisory Board

Supervisory activities of the Supervisory Board with respect to shareholders

Shareholders' rights and obligations in accordance with applicable laws and the Company's Charter are ensured and respected. Periodic and ad-hoc disclosures (if any) relating to shareholder interests and corporate governance have been made in compliance with the Law on Securities, relevant circulars on information disclosure, and applicable regulations.

Coordination between the Supervisory Board, the Board of Directors, the Executive Board and other managers

With a spirit of responsibility, constructiveness and cooperation, the Supervisory Board has actively coordinated, exchanged information and provided candid opinions to the Board of Directors and the Executive Board during meetings. Resolutions and decisions of the Board of Directors and the Executive Board have been issued in alignment with strategic objectives and applicable policies and regulations. The Board of Directors and the Executive Board have provided timely and adequate resolutions and decisions to the Supervisory Board, facilitating access to information and documents related to production and business activities upon request.

Other Activities of the Supervisory Board

The Supervisory Board evaluated and proposed an independent auditing firm meeting regulatory requirements for submission to the Annual General Meeting of Shareholders for approval.

Recommendations and Orientation of the Supervisory Board for 2026

Recommend the Company continue implementing recommendations of the Supervisory Board arising from financial statement reviews and thematic inspections; continue reviewing, updating and improving internal regulations, policies and management processes in line with the Company's operating model and applicable laws.

- Review the legality and appropriateness of the Company's production and business activities in 2026.
- Examine and review financial statements, accounting books and records; appraise the Company's semi-annual and annual financial statements for 2026.
- Attend meetings of the Board of Directors and the Executive Board to monitor and accurately assess the Company's performance.
- Monitor compliance with information disclosure obligations to shareholders and investors.
- Perform other duties in accordance with applicable regulations.

DRC

LỐP TẢI NẶNG

**CHỐNG TRƯỢT
BẮM ĐƯỜNG TỐT**

CHỊU TẢI CAO

CHỐNG CẮT CHÉM, VA ĐẬP

34B, 36B, 52A, 52L, 53D, 54D...

06 CORPORATE GOVERNANCE

Transactions, Remuneration and Other Benefits of the Board of Directors, Executive Board and Supervisory Board

Remuneration and other benefits of the Board of Directors, Executive Board and Supervisory Board

No.	Full name	Remuneration	Salary	Bonus + Others	Total
I. Board of Directors (BOD)					
1	Mr Nguyen Xuan Bac	114,000,000	-	35,000,000	149,000,000
2	Mr Le Hoang Khanh Nhut	94,500,000	789,207,880	458,497,000	1,342,204,880
3	Mr Ha Phuoc Loc	94,500,000	676,167,972	411,312,000	1,181,979,972
4	Mr Tran Dinh Quyen	-	-	10,000,000	10,000,000
5	Mr Pham Ngoc Phu	94,500,000	-	20,000,000	114,500,000
6	Mr Nguyen Huy Hieu	94,500,000	-	30,000,000	124,500,000
7	Mr Nguyen Van Hieu	94,500,000	-	30,000,000	124,500,000
8	Ms Nguyen Thi Bich Thuy	94,500,000	-	30,000,000	124,500,000
II. Supervisory Board (SB)					
1	Mr Chu Quang Tuan	94,500,000	210,706,728	113,789,500	418,996,228
2	Mr Truong Tuan Nghia	52,000,000	-	-	52,000,000
3	Ms Nguyen Thi Van Hoa	23,000,000	-	15,000,000	38,000,000
4	Ms Truong Thi Hong Hoa	75,000,000	180,580,036	143,656,000	399,236,036
III. Executive Board					
1	Ms Nguyen Thi Minh Thu	-	669,413,972	418,650,000	1,088,063,972
2	Mr Pham Phong Thinh	-	447,025,338	198,648,000	645,673,338
3	Ms Tran Thi My Le	-	605,529,188	374,504,000	980,033,188
TOTAL		925,500,000	3,578,631,114	2,289,056,500	6,793,187,614

No.	Transaction Executor	Relationship with Internal Person	Number of Shares Held at Beginning of Period		Number of Shares Held at End of Period		Reason for Increase/Decrease (purchase, sale, conversion, bonus, etc.)
			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage	
1	Vietnam Chemicals Group (Vinachem)	-	59,999,358	50.51%	77,999,165	50.51%	Bonus share issuance
2	Le Hoang Khanh Nhut	Member of the Board of Directors, Chief Executive Officer	588,566	0.50%	765,135	0.50%	Bonus share issuance
3	Ha Phuoc Loc	Member of the Board of Directors, Deputy Chief Executive Officer	84,978	10.07%	110,471	10.07%	Bonus share issuance
4	Nguyen Thi Hong	Mother-in-law of a BOD Member, Deputy Chief Executive Officer	35,752	0.03%	46,477	0.03%	Bonus share issuance
5	Nguyen Thi Bich Thuy	Member of the Board of Directors	10,000	0.01%	13,000	0.01%	Bonus share issuance
6	Nguyen Van Hieu	Member of the Board of Directors	9,591	0.01%	12,468	0.01%	Bonus share issuance
7	Pham Thi Hong Hoi	Wife of a BOD Member	3,629,093	3.05%	4,717,820	3.05%	Bonus share issuance
8	Nguyen Manh Tuan	Son of a BOD Member	150,000	0.13%	195,000	0.13%	Bonus share issuance
9	Nguyen Duc Minh	Son of a BOD Member	10,000	0.01%	13,000	0.01%	Bonus share issuance
10	Pham Ngoc Phu	Member of the Board of Directors	140,211	0.12%	182,274	0.12%	Bonus share issuance
11	Nguyen Thi Minh Thu	Deputy Chief Executive Officer	10,075	0.01%	13,097	0.01%	Bonus share issuance
12	Nguyen Manh Hung	Husband of the Deputy CEO	28	0.00%	36	0.00%	Bonus share issuance
13	Chu Quang Tuan	Head of the Supervisory Board	6,005	0.01%	-	0.00%	Bonus share issuance, sale
14	Truong Thi Hong Hoa	Supervisory Board Member	70	0.00%	91	0.00%	Bonus share issuance
15	Tran Thi My Le	Chief Accountant	592	0.00%	769	0.00%	Bonus share issuance
16	Pham Thi Quynh Nga	Authorized Information Disclosure Officer	2,000	0.00%	6,500	0.00%	Bonus share issuance, purchase
17	Pham Thi Anh Thu	Person in charge of Corporate Governance / Company Secretary	1,000	0.08%	3,770	0.24%	Bonus share issuance



07 FINANCIAL STATEMENTS

- ▶ Independent Auditors Report
- ▶ Audited Financial Statements

Da Nang Rubber Joint Stock Company

Lot G, Ta Quang Buu Street, Hai Van Ward, Da Nang City

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Da Nang Rubber Joint Stock Company ("the Company") presents its report and the Company's Financial Statements for the fiscal year ended as at 31 December 2025.

THE COMPANY

The Da Nang Rubber Joint Stock Company is a joint-stock company that was converted from the Da Nang Rubber Company (a state-owned enterprise) according to Decision No.3241/QĐ-BCN dated October 10, 2005, issued by the Minister of the Ministry of Industry.

The company operates under the business registration certificate number 0400101531, issued by the Da Nang Department of Planning and Investment, first issued on December 31, 2005, and most recently amended (16th time) on September 17, 2025.

The company's headquarters is located at: Lot G, Ta Quang Buu Street, Hai Van Ward, Da Nang City, Viet Nam.

BOARD OF DIRECTORS

Members of the Board of Directors during the fiscal year and to the reporting date are:

Mr Nguyen Xuan Bac	Chairman
Mr Le Hoang Khanh Nhut	Member
Mrs Nguyen Thi Bich Thuy	Member
Mr Ha Phuoc Loc	Member
Mr Nguyen Huy Hieu	Member
Mr Nguyen Van Hieu	Member
Mr Pham Ngoc Phu	Member

BOARD OF MANAGEMENT

Members of the Board of Management during the fiscal year and to the reporting date are:

Mr Le Hoang Khanh Nhut	General Director
Mrs Nguyen Thi Minh Thua	Deputy General Director
Mr Ha Phuoc Loc	Deputy General Director (Resigned on February 01, 2026)
Mr Pham Phong Thinh	Deputy General Director (Resigned on September 01, 2025)

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and until the preparation of this Financial Statements is Mr Le Hoang Khanh Nhut - General Director.

SUPERVISORY BOARD

Members of the Supervisory Board during the fiscal year and to the reporting date are:

Mr Chu Quang Tuan	Head of board
Mrs Truong Thi Hong Hoa	Member
Mr Truong Tuan Nghia	Member (Appointed on April 25, 2025)
Mrs Nguyen Thi Van Hoa	Member (Resigned on April 25, 2025)

AUDITORS

The auditors of AASC Auditing Firm Company Limited have taken the audit of Financial Statements for the Company.

Da Nang Rubber Joint Stock Company

Lot G, Ta Quang Buu Street, Hai Van Ward, Da Nang City

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for the Financial Statements which give a true and fair view of the financial position of the Company, its operating results and its cash flows for the year. In preparing those Financial Statements, the Board of Management is required to:

- Establish and maintain an internal control system which is determined necessary by the Board of Directors and Board of Management to ensure the preparation and presentation of Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Financial Statements comply with the current State's regulations. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirms that the Financial Statements give a true and fair view of the financial position at 31 December 2025, its operation results and cash flows in the year 2025 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

Other commitments

The Board of Management pledges that the Company complies with Decree No. 155/2020/ND-CP dated 31 December 2020 on detailing and guiding the implementation of a number of articles of the Law on Securities and the Company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance guiding the disclosure of information on Securities Market and the Circular No. 68/2024/TT-BTC dated 18 September 2024 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 96/2020/TT-BTC.

On behalf of the Board of Management



Le Hoang Khanh Nhut
General Director
Da Nang, 12 March 2026



No : 120326.003/BCTC.KT5

INDEPENDENT AUDITOR'S REPORT

To: **Shareholders, Board of Directors and Board of Management
Da Nang Rubber Joint Stock Company**

We have audited the accompanying Financial statements of Da Nang Rubber Joint Stock Company ("The Company") prepared on 12 March 2026, as set out on page 05 to 42, including: Statement of Financial Position as at 31 December 2025, Statement of Income, Statement of Cash Flows and Notes to Financial Statements for the year ended as at 31 December 2025.

Board of Management's Responsibility

The Board of Management of Da Nang Rubber Joint Stock Company is responsible for the preparation and presentation of Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial statements and for such internal control as Board of Management determines is necessary to enable the preparation and presentation of Financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of Financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by General Director, as well as evaluating the overall presentation of the Financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Qualified audit opinion

In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position of Da Nang Rubber Joint Stock Company as at 31 December 2025, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.



Phạm Anh Tuấn
Deputy General Director
Registered Auditor No: 0777-2023-002-1
Hanoi, 12 March 2026

Nguyễn Trung Minh
Auditor
Registered Auditor No: 2290-2023-002-1

Da Nang Rubber Joint Stock Company
Lot G, Ta Quang Buu Street, Hai Van Ward,
Da Nang City

Financial Statement
For the fiscal year ended as at
31 December 2025

STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

Code	ASSETS	Note	31/12/2025	01/01/2025
			VND	(adjusted) VND
100	A. CURRENT ASSETS		2,824,428,345,048	2,800,377,048,134
110	I. Cash and cash equivalents	3	208,355,557,908	220,742,923,592
111	1. Cash		48,355,557,908	45,742,923,592
112	2. Cash equivalents		160,000,000,000	175,000,000,000
120	II. Short-term investments	4	-	45,000,000,000
123	1. Held-to-maturity investments		-	45,000,000,000
130	III. Short-term receivables		981,975,890,114	696,914,940,457
131	1. Short-term trade receivables	5	1,037,469,501,924	694,267,707,740
132	2. Short-term prepayments to suppliers	6	1,878,846,470	482,599,995
136	3. Other short-term receivables	7	2,738,271,145	4,830,442,216
137	4. Provision for short-term doubtful debts		(60,111,918,583)	(2,690,649,229)
139	5. Shortage of assets awaiting resolution	8	1,189,158	24,839,735
140	IV. Inventories	10	1,400,548,546,392	1,495,971,334,195
141	1. Inventories		1,403,563,469,203	1,523,966,015,197
149	2. Provision for devaluation of inventories		(3,014,922,811)	(27,994,681,002)
150	V. Other short-term assets		233,548,350,634	341,747,849,890
151	1. Short-term prepaid expenses	11	39,096,891,750	117,550,993,273
152	2. Deductible VAT		194,451,458,884	224,196,856,617
200	B. NON-CURRENT ASSETS		1,358,270,815,639	1,409,741,658,966
210	I. Long-term receivables		37,220,000	390,596,000
216	1. Other long-term receivables	7	37,220,000	390,596,000
220	II. Fixed assets		1,244,826,709,395	1,217,895,741,217
221	1. Tangible fixed assets	12	1,241,726,363,603	1,213,975,070,123
222	- Historical cost		3,887,286,149,368	3,742,460,182,408
223	- Accumulated depreciation		(2,645,559,785,765)	(2,528,485,112,285)
224	2. Finance lease fixed assets	13	1,228,949,972	1,578,975,274
225	- Historical cost		1,326,466,455	2,370,081,818
226	- Accumulated depreciation		(97,516,483)	(791,106,544)
227	3. Intangible fixed assets	14	1,871,395,820	2,341,695,820
228	- Historical cost		11,945,341,631	11,945,341,631
229	- Accumulated depreciation		(10,073,945,811)	(9,603,645,811)
240	III. Long-term assets in progress		126,385,303	131,633,794,700
242	1. Construction in progress	15	126,385,303	131,633,794,700
250	IV. Long-term investments	4	5,466,279,450	5,122,456,329
253	1. Equity investments in other entities		6,069,881,035	6,069,881,035
254	2. Provision for devaluation of long-term investments		(603,601,585)	(947,424,706)
260	V. Other long-term assets		107,814,221,491	54,699,070,720
261	1. Long-term prepaid expenses	11	107,814,221,491	54,699,070,720
270	TOTAL ASSETS		4,182,699,160,687	4,210,118,707,100

Da Nang Rubber Joint Stock Company
Lot G, Ta Quang Buu Street, Hai Van Ward,
Da Nang City

Financial Statement
For the fiscal year ended as at
31 December 2025

STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(Continued)

Code	CAPITAL	Note	31/12/2025	01/01/2025
			VND	(adjusted) VND
300	C. LIABILITIES		2,234,489,428,167	2,285,464,431,255
310	I. Current liabilities		2,088,909,313,430	2,139,842,570,841
311	1. Short-term trade payables	16	1,037,802,294,569	944,717,052,495
312	2. Short-term prepayments from customers	17	50,436,741,008	88,254,105,678
313	3. Taxes and other payables to State budget	18	17,152,247,912	16,429,578,951
314	4. Payables to employees		78,313,631,732	103,776,838,316
315	5. Short-term accrued expenses	19	21,627,632,284	26,944,453,723
318	6. Short-term unearned revenue		193,723,756	193,723,752
319	7. Other short-term payables	20	4,912,939,667	63,565,619,441
320	8. Short-term borrowings and finance lease liabilities	22	847,432,809,409	826,281,609,291
321	9. Provisions for short-term payables	21	1,188,586,261	577,647,785
322	10. Bonus and welfare fund		29,848,706,832	69,101,941,409
330	II. Non-current liabilities		145,580,114,737	145,621,860,414
337	1. Other long-term payables	20	24,812,694,699	-
338	2. Long-term borrowings and finance lease liabilities	22	120,767,420,038	132,821,860,414
343	3. Science and technology development fund		-	12,800,000,000
400	D. OWNER'S EQUITY		1,948,209,732,520	1,924,654,275,845
410	I. Owner's equity	23	1,948,050,208,680	1,924,399,037,725
411	1. Contributed capital		1,544,292,830,000	1,187,926,050,000
411a	- Ordinary shares with voting rights		1,544,292,830,000	1,187,926,050,000
418	2. Development and investment funds		251,149,220,836	517,279,685,454
420	3. Other reserves		-	20,750,746,677
421	4. Retained earnings		152,608,157,844	198,442,555,594
421a	- Retained earnings accumulated to previous year		34,118,192,654	17,021,811,576
421b	- Retained earnings of the current year		118,489,965,190	181,420,744,018
430	II. Non-business funds and other funds		159,523,840	255,238,120
432	1. Funds that form fixed assets		159,523,840	255,238,120
440	TOTAL CAPITAL		4,182,699,160,687	4,210,118,707,100

Le Thi Le Thu
Preparer

Tran Thi My Le
Chief Accountant

Le Hoang Khanh Nhut
General Director
Da Nang, 12 March 2026



Da Nang Rubber Joint Stock Company
Lot G, Ta Quang Buu Street, Hai Van Ward,
Da Nang City

Financial Statement
For the fiscal year ended as at
31 December 2025

STATEMENT OF INCOME
Year 2025

Code	ITEMS	Note	Year 2025	Year 2024
			VND	(adjusted) VND
01	1. Revenue from sales of goods and rendering of services	25	5,174,294,179,735	4,852,424,350,104
02	2. Revenue deductions	26	170,696,771,179	179,163,347,156
10	3. Net revenue from sales of goods and rendering of services		5,003,597,408,556	4,673,261,002,948
11	4. Cost of goods sold and services rendered	27	4,326,116,821,921	3,933,319,714,816
20	5. Gross profit from sales of goods and rendering of services		677,480,586,635	739,941,288,132
21	6. Financial income	28	53,140,946,538	69,949,317,232
22	7. Financial expense	29	77,671,990,523	65,414,281,766
23	In which: Interest expense		39,888,433,714	20,518,629,626
25	8. Selling expense	30	366,293,008,066	347,899,453,400
26	9. General and administrative expenses	31	136,260,886,450	94,522,930,660
30	10. Net profit from operating activities		150,395,648,134	302,053,939,538
31	11. Other income	32	449,234,913	259,669,637
32	12. Other expenses	33	814,483,173	1,792,387,865
40	13. Other profit		(365,248,260)	(1,532,718,228)
50	14. Total net profit before tax		150,030,399,874	300,521,221,310
51	15. Current corporate income tax expense	34	31,540,434,684	59,704,174,792
60	16. Profit after corporate income tax		118,489,965,190	240,817,046,518
70	17. Basic earnings per share	35	767	1,559

Le Thi Le Thu
Preparer

Tran Thi My Le
Chief Accountant

Le Hoang Khanh Nhut
General Director
Da Nang, 12 March 2026



Da Nang Rubber Joint Stock Company
Lot G, Ta Quang Buu Street, Hai Van Ward,
Da Nang City

Financial Statement
For the fiscal year ended as at
31 December 2025

STATEMENT OF CASH FLOWS
Year 2025
(Direct method)

Code	ITEMS	Note	Year 2025 VND	Year 2024 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Proceeds from sales of goods and rendering of services and other revenues		4,747,350,221,633	4,474,713,429,364
02	2. Cash paid to suppliers	(4,141,137,795,303)		(4,042,414,933,642)
03	3. Cash paid to employees	(379,750,821,985)		(351,782,082,638)
04	4. Interests paid	(39,874,732,518)		(21,102,108,325)
05	5. Corporate income tax paid	(30,817,765,723)		(70,574,415,947)
06	6. Other receipts from operating activities	183,104,392,974		132,502,856,860
07	7. Other payments on operating activities	(203,452,083,662)		(229,583,349,154)
20	Net cash flow from operating activities		135,421,415,416	(108,240,603,482)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets	(85,565,587,168)		(336,806,128,988)
22	2. Proceeds from disposals of fixed assets and other long-term assets	416,328,000		-
23	3. Loans and purchase of debt instruments from other entities	-		(145,350,000,000)
24	4. Collection of loans and resale of debt instrument of other entities	45,000,000,000		234,450,000,000
27	5. Interest and dividend received	2,817,726,042		9,958,419,357
30	Net cash flow from investing activities		(37,331,533,126)	(237,747,709,631)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	1. Proceeds from borrowings	4,389,999,523,252		3,939,539,610,224
34	2. Repayment of principal	(4,369,358,884,450)		(3,564,887,282,303)
35	3. Repayment of financial principal	(918,173,179)		(1,404,259,148)
36	4. Dividends and profits paid to owners	(130,671,800,710)		(142,551,055,320)
40	Net cash flow from financing activities		(110,949,335,087)	230,697,013,453
50	Net cash flows in the year		(12,859,452,797)	(115,291,299,660)
60	Cash and cash equivalents at the beginning of the year		220,742,923,592	320,742,090,585
61	Effect of exchange rate fluctuations	472,087,113		15,292,132,667
70	Cash and cash equivalents at the end of the year	3	208,355,557,908	220,742,923,592

NOTES TO THE 2025 FINANCIAL STATEMENTS

The detailed contents of **the 2025 audited financial statements** have been disclosed at the following address: <https://drc.com.vn/>

Le Thi Le Thu
Preparer

Tran Thi My Le
Chief Accountant

Le Hoang Khanh Nhut
General Director
Da Nang, 12 March 2026



ANNUAL REPORT

DANANG RUBBER JOINT STOCK COMPANY

Da Nang, April 09, 2026

CONFIRMATION OF THE LEGAL REPRESENTATIVE

Lot G, Ta Quang Buu Street, Hai Van Ward, Danang City

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