

**DANANG RUBBER  
JOINT STOCK COMPANY**

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

No.: 292 /DRC-TK

*Danang city, April 10, 2025*

**PERIODIC INFORMATION DISCLOSURE**

**To:           The State Securities Commission of Vietnam  
Ho Chi Minh City Stock Exchange**

1. Name of organization: DANANG RUBBER JOINT STOCK COMPANY

- Stock code: DRC

- Address: Lot G, Ta Quang Buu Street, Hoa Hiep Bac Ward, Lien Chieu District, Danang City, Vietnam

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2. Content of information disclosure:

On April 10, 2025, Danang Rubber Joint Stock Company disclosed its 2024 Annual Report for the 2025 Annual General Meeting of Shareholders, which will be held on April 25, 2025

3. This information was published on the company's official website on April 10, 2025 at the following link: <http://drc.com.vn>

We hereby certify that the disclosed information above is true and accurate, and we take full responsibility before the law for the content of the disclosed information.

**Attached Document:**  
2024 Annual Report.

**ORGANIZATION REPRESENTATIVE  
PARTY AUTHORIZED TO DISCLOSE  
INFORMATION**

  
**Phạm Thi Quynh Nga**



## ANNUAL REPORT

# 2024





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## MESSAGE FROM THE CHAIRMAN



Dear Valuable Customers and partners

In 2024, both the global and Vietnamese economies have faced numerous opportunities interwoven with challenges. Military conflicts, political turmoil, and instability have escalated in several countries, while global economic and trade recovery remains slow and uncertain. Exchange rates and interest rates have fluctuated unpredictably. Supply chain disruptions and rising transportation costs have added further pressure. At the same time, natural disasters, droughts, storms, and climate change have become increasingly severe, significantly impacting socio-economic development.”

Despite of facing with a lot of difficulties, with the unstoppable efforts of all the leadership team as well as employees, DRC has successfully maintain its position as “Vietnam Leading Tire Manufacturer”, with revenue exceeding 4.852 billion VND. This is a milestone in DRC’s 49 years journey, as it is the fourth consecutive year that DRC has attended into a club of Vietnam enterprises with annual revenue over 4.500 billion VND per year – an achievement that past generations of DRC leadership have consistently strived for.

In addition to maintaining and developing its domestic market, DRC tires and tubes, particularly the hightech products like radial truck tires, have been making an appearance in more than 50 nations. DRC products has effectively conquered rigorous markets such as United State, Europe, Brazil, Japan, Korea,... providing clear evidence that DRC’s “Made in Vietnam” products can fairly compete with top tire brands in the world. This is a significant step forward, demonstrating the DRC’s growth and credibility in the international market.

This achievement once again highlights the accuracy of DRC’s continous business strategy, from the time when Vietnam’s economy transitioned to a market mechanism. This strategy, has been built up and continously complete by generations of DRC’s leader, has been affirmed and promoted strongly in recent years, it is: “DRC always identify the domestic market as the foundation for sustainable development, while export markets will guarantee for the continuous growth”. This reflects the company’s commitment to the balance and the diversification in its business strategy.

In 2024, DRC is proud to be honored in the prestigious TOP 10 of the Vietnam Gold Star Award 2024, alongside leading brands such as FPT, BIDV, PNJ, KIDO, and others. This also marks the first time a Central Vietnam-based enterprise has achieved this esteemed recognition. This award is a brilliant milestone in DRC’s nearly 50-year journey of affirming its position as Vietnam’s leading tire manufacturer. It serves as a driving force for DRC to continue delivering high-quality products and services, maintaining the trust of domestic customers, and expanding its presence in over 50 international markets

In 2025, the biggest challenge will be competition from foreign brands, especially low-cost products targeting consumers’ short-term interests. To overcome this challenge, DRC must maintain and enhance its competitive position while optimizing the potential it has built over time. By bringing high-quality products—already recognized by customers—to the market, DRC can create momentum for future growth.

Chairman

Nguyen Xuan Bac





# 01



## GENERAL INFORMATION

- Overview
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**Company name:** DANANG RUBBER JOINT STOCK COMPANY

**Transaction name:** DANANG RUBBER JOINT STOCK COMPANY

**Certificate of Business Registration No:** 0400101531 first issued on December 31, 2025,  
and most recently amended (15th time) on December 3, 2024

**Stock code:** DRC

**Charter capital:** VND 1,187,926,050,000

**Headquarter:** Lot G, Ta Quang Buu Street, Hoa Hiep Bac Ward, Lien Chieu District,  
Danang City, Vietnam

**Telephone number:** (0236) 3771 405

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### ● 1975

The Da Nang Rubber Factory was established, originating from a military tire retreading workshop of the Saigon Government before April 30, 1975.

### ● 1993

Changed to Danang Rubber Company under Decision No. 320/QĐ/TCNSĐT dated 26/5/1993, issued by The Ministry of Heavy Industry.

### ● 2005

Danang Rubber Company officially changed to Danang Rubber Joint Stock Company under the Decision No. 3241/QĐ-BCN, issued by The Ministry of Industry.

### ● 2006

Shares of Danang Rubber Joint Stock Company officially listed and traded on the Ho Chi Minh City Stock Exchange with the charter capital of VND 92,475,000,000.

### ● 2007

Additional shares were listed to pay dividend, raising the total charter capital to VND 130,385,520,000.

### ● 2008

Bonus shares were issued to shareholders, increasing the total charter capital to VND 153,846,240,000.

### ● 2010

Dividend-paying shares were issued, increasing the total charter capital to VND 307,692,480,000.

### ● 2011

Dividend-paying shares were issued, increasing the total charter capital to VND 461,538,650,000.

### ● 2012

Bonus shares and dividend-paying shares were issued, increasing the total charter capital to VND 692,289,450,000.

### ● 2013

Increased the charter capital to VND 830,738,490,000. The first Radial tire factory in Vietnam was put into the 1st stage operation, output capacity of 300,000 tires per year.

### ● 2014

The company was awarded the Government's Flag for Outstanding Unit in the Emulation Movement, the National Brand Cup, and the Vietnam Gold Star Award.

### ● 2015

Dividend-paying shares were issued, increasing the total charter capital to VND 913,800,030,000. The Company was reorganized; and functional departments were developed. The Planning Department was established by separating the Planning section from Materials-Planning Department; The Research and Development (R&D) Department was established by separating R&D section from The Rubber Engineering Department







## ● 2016

Shares were issued to increase the capital from the owner's equity, raising the total charter capital to VND 1,187,926,050,000.

## ● 2017

Actual producing output exceeded the designed capacity of Phase 1 of the Radial factory.

## ● 2018

Developed the new brand DPlus-tubeless motorcycle tires. Became a National Brand for the fourth time and was awarded the Comprehensive Emulation Flag by the Vietnam General Confederation of Labor in 2018.

## ● 2019

After 2 years of market research, from the second quarter of 2019, DRC started exporting to United State with the volume of 10,000 tires per month, which accounted for 20% of Radial tire production.

## ● 2020

The year 2020 marked a significant milestone as the Company celebrated its 45th anniversary since its establishment in 1975 (1975-2020). It was highlighted by the launch of the first radial Off-the-road (OTR) tire.

## ● 2021

DRC was honoured with the title of TOP 20 of Vietnam Gold Brands awarded by the Institute of Economics and Culture in collaboration with the Consumer Protection Center.

## ● 2022

DRC was honoured with the "Corporate Excellent Award 2022" at "Asia Pacific Enterprise Awards (APEA) 2022".

## ● 2023

Producing successfully OTR tire in sizes 24.00-35 and 27.00-49 by using new technology; Launching the new line of PCR (Passenger Car Radial) tires with a capacity of 1 million tires; Export turnover exceeded 130 million usd per year for the first time.

## ● 2024

DRC was proud to be named in TOP 10 of the Vietnam Gold Star Award 2024, alongside leading brands such as FPT, BIDV, PNJ, KIDO, and others. This was also the first time a company from the Central Vietnam has achieved this prestigious title. This milestone marked a significant achievement in DRC's nearly 50-year journey of affirming its position as Vietnam's leading tire manufacturer.



Business Lines

- Producing rubber tire and tube; retreading and recycling rubber tire;
- Doing business in real-estate, land use right of the owner, user or tenant;
- Producing other products from rubber;
- Leasing machinery, equipment and other tangible items
- Other specialized wholesale not yet classified. Details: Trading, importing and exporting rubber products and materials and equipment for the rubber industry; Commercial business and general services;
- Installing machinery and equipment. Details: manufacturing and installing equipment for the rubber industry
- Operation of hospitals and clinics. Details: Initial medical examination and treatment for Company employees.
- Technical inspection and analysis. Details: Mechanical and physical testing of raw materials in the rubber industry. Mechanical and physical inspection of products made from rubber. Check the durability of car and motorbike tires

Business Locations

**Domestic markets:** DRC is a large-scale enterprise with a strong and extensive distribution network across Vietnam, covering all 63 provinces and cities through a system of over 2,000 first- and second-tier distributors. Among these, the Central region is still the market that generates the highest revenue.

**International markets:** DRC has exported rubber products, tire, tube ...to over 50 countries world-wide, primarily focusing on markets in Asia, South America, Africa and Europe. The main export markets are Brazil, United State, Malaysia. Besides, DRC also has other stable export markets such as: Myanmar, Thailand. Egypt, Philppines





1. PCR Tire



3. Bias Tires



2. Radial Tire



4. Bicycle and Motorcycle Tires





## PRODUCT

### 5. Tubes and Flaps

#### 1. Automobile Tubes



#### 2. Agricultural Tubes and Flaps



#### 3. Motorcycle Tubes



#### 4. Bicycle Tubes



### 6. Technical Rubber, Remolded Tire







2024 with the message “DRC - New breakthrough - New achievement” has moved towards the end of the journey. Let’s join with DRC in reviewing the Top 10 DRC’s achievements in production and business in 2024.

# 01

The DRC Tire’s Distributor in the America meets with Prime Minister Pham Minh Chinh

On November 17, in Rio de Janeiro, Brazil, The Prime Minister Pham Minh Chinh met and worked with the leadership of Oceanside One Trading Group – DRC Tires’s Distributor in Brazil for the past 15 years. Mr. Le Hoang Khanh Nhut – General Director of DRC had an honour to participate in this special working session. This event serves as a powerful inspiration for DRC to continue investing in technology and innovation, further expanding its market share in the vast American market.

# 02

Investment Success Lays the Foundation for Future Growth

The Project “Expanding the Radial Tire Factory, increasing the production capacity to 1 million tires per year” was successfully completed and put into the operation 6 months ahead of schedule. In 2024, DRC successfully launched the PCR Tire Factory, enhancing its ability to meet the demand for passenger car tires in export markets. Additionally, DRC is set to officially introduce this product line to the domestic market starting in 2025. These breakthrough investments pave the way for sustained growth in the years ahead.

# 03

Signing of Contract to Increase Tire Exports to the North America and Brazil

On April 28, in the presence of the Ambassador Extraordinary and Plenipotentiary of Brazil to Vietnam, the Leadership of Danang People’s Committee and Brazilian football legends such as Dunga, Rivaldo, Giovanni, Edmilson, Paulo Sergi; DRC and Oceanside One Trading signed an export contract for DRC automotive tires to the North American and Brazilian markets. With this contract, both parties are committed to strive for the goal of increasing the annual export turnover of DRC and Driveforce tires to Brazil, United State from \$70 million to \$150 million.

# 04

Breakthrough strategic decisions lay the Foundation for Positive Growth in domestic market

In the context of fierce competition in Vietnam’s tire market, by its sensitivity and flexibility, DRC implemented a series of breakthrough policies. These include selling policies, distribution channel strategies and digital transformation solutions in sales management. This milestone has played an important role in driving positive growth in the domestic market throughout 2024.

# 05

Proudly shinning on the highest podium of the Top 10 Vietnam Gold Star Award

On the evening of December 24, 2024 in Hanoi, DRC proudly shone on the highest podium of the Top 10 Vietnam Gold Star Award 2024 alongside leading brands such as FPT, BIDV, PNJ,... Throughout the 21-years history of the precious Vietnam Gold Star Award, DRC became the first brand from the Central region and the only brand in the tire and tube industry to be honored in the highest category of the Vietnam Gold Star Award. With the pioneering spirit and a united corporate culture, DRC successfully completed 2024 with numerous outstanding achievements. DRC sincerely appreciates the companyship of our Valued distributors, partners, customers and over 2,000 employees in the remarkable journey of 2024. These achievements of 2024 will be the great source of motivation, empowering DRC to strongly step into 2025 and ready to create new milestones and reach greater heights.



06

A Highlight in the New Product  
Development Strategy

The newly improved specialty tires have been tested and highly rated by Vietnam National Coal and Mineral Industries Group for use in their mines, which operate under harsh terrain conditions.

In the truck tire segment, 2024 has been also a remarkable year with continuous development of numerous specifications, patterns to meet the requirements of major partners such as Thaco Truong Hai, Soosan, Chenyou, Isuzu, Tan Thanh...

Additionally, 2024 marked the successful production and deployment of technical rubber products—specifically, dock fenders—at Chan May Port. This achievement sets the stage for DRC’s accelerated development of technical rubber products starting in 2025.

07

Achieving the National Brand  
Recognition for the 9th Con-  
secutive Time

The National Brand Program is a special program initiative launched by the Government to honor outstanding Vietnamese brands that meet three rigorous criteria “Quality-Innovation- Pioneering Capability.”

DRC continues to affirm its position as Vietnam’s leading tire and tube manufacturer in Vietnam by achieving this prestigious recognition for the 9th consecutive time. In 2024, DRC is also proud to be the only company in the tire industry to receive the National Brand Certification.



08

DRC honoured to be voted as  
the Distinguished Enterprise for  
Employees

On June 25, 2024 in Hanoi, DRC was honored to be voted as a Distinguished Enterprise for Employees, this precious award is organized by the Vietnam General Confederation of Labor, in collaboration with the Ministry of Labour, Invalids and Social Affairs and the Vietnam Chamber of Commerce and Industry, to commend enterprises with outstanding policies in improving employees’ well-being and enhancing worker benefits.

09

Top 5 Units with The Highest  
Revenue and Profit in Vinachem

On the morning of January 06, 2025, in Hanoi, the Vietnam National Chemical Group organized a conference to review the work of 2024 and implement tasks for 2025.

At this conference, DRC was honored by the leadership of the State Capital Management Committee and the Vietnam National Chemical Group as one of the Top 5 units with the highest revenue and profit within the Group in 2024.

10

Accompanying with VinFast  
in the journey of “The Intense  
Spirit of Vietnam”

After the meeting between the leaders of Vietnam National Chemical Group and VinGroup, the commitment to “The Intense Spirit of Vietnam” was quickly realized by the urgent collaborations between VinFast and DRC. Both parties are actively implementing necessary steps to ensure that DriveForce passenger car tires will soon roll alongside millions of VinFast electric vehicles worldwide starting in 2025.





VISION

Corporate's Vision

- » DRC consistently affirms its position as the leading manufacturer of truck and bus tires in Vietnam and a top producer of Off-the road tire – specialty tires in Southest Asia. It continues to enter into global markets.
- » Expand and strengthen the production of traditional tires and tubes to meet the diverse needs of customer
- » DRC affirms with the customers that DRC is

the biggest and the most reputative brand in Vietnam. That means DRC's market share will be increased yearly

- » Apply the new advanced global technologies to produce high-quality products at competitive price to meet the customer's practical interest, contribute effectively in Vietnam's economic development

Brand's Vision

- » Demonstrate its position as the Vietnam's leading tire and tube manufacturer
- » Continue to reach toward the global market.
- » In the field of producing truck tires and large specialty tires. DRC remains the most reputable and leading brand in Vietnam , preserving its leading position in country tire's market.
- » Regular improve and adopt advanced global technologies. Enhancing product's quality with the competitive price is delivering the practical interest of the customer,

contributing positively to Vietnam's economic development, bringing value to the community, to DRC's employees and shareholders

- » DRC strives to be a well-known Vietnam brand in both domestic and export market. Step by step, it is building a sustainable and trusted customer network across multiple countries with a growing customer base, affirming its global vision on the world map.





MISSION

Reputation the most Company valueable asset. Therefore, DRC consisently enhance its creditbility and develop the DRC brand to reach the international level

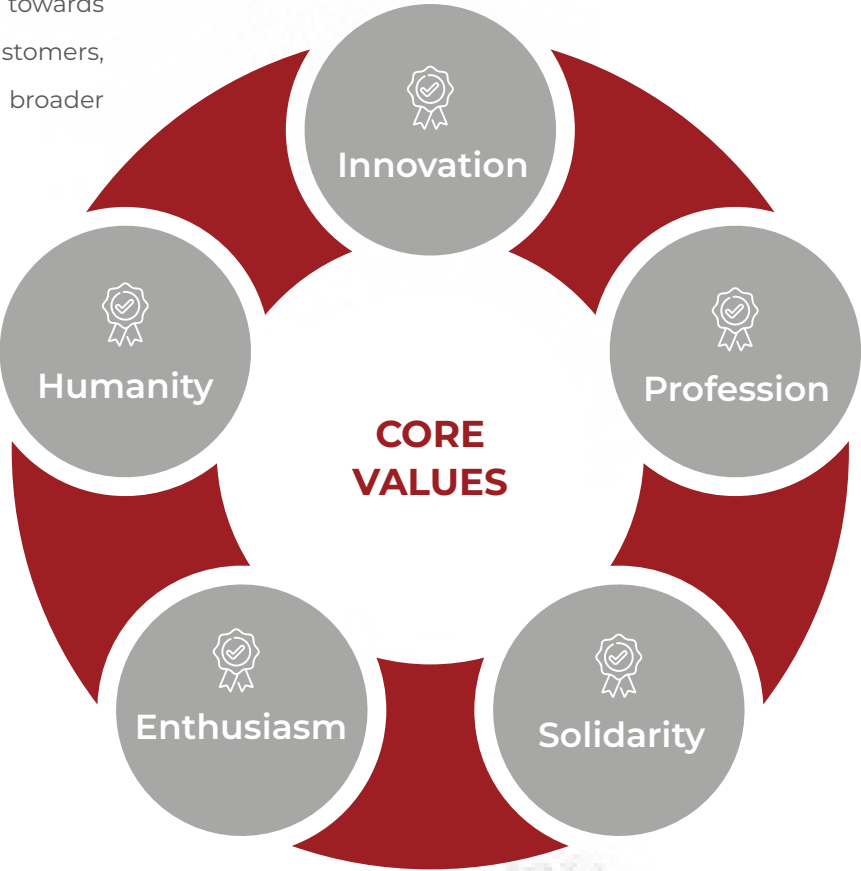
Pioneering contributions to the development of Vietnam's tire and tube manufacturing industry, proactively creating competitive advantages both domestically and internationally.

Always prioritizing and respecting the legitimate interests of consumers.

Sustainable development towards harmonizing the interests of customers, partners, investors, DRC, and the broader community.

STRATEGY

Always adapt to market changes. Promptly capturing global development trends, proactively creating competitive advantages to growth sustainably. Strengthen export of Ra-dial tires to potential markets.





# 2023

- » Recognition by the Vietnam National Chemical Group as one of the Top 5 Enterprises with the Highest Revenue and Profit in the Group.
- » The “Excellent Emulation Flag” by the Vietnam General Confederation of Labor.
- » Awards received:
  - Recognized as “Vietnam High-Quality Goods 2023” by the Association of Vietnamese High-Quality Goods Enterprises.
  - Acknowledged as a “Reputable Exporting Enterprise” by the Ministry of Industry and Trade.
  - Ranked among the “Top 10 Outstanding Asian Brands 2023” by the Economic Research Institute for Asian
  - DRC tire and tube products have continuously been recognized as a “National Brand” for many consecutive years.

# 2024

- With the achievements in 2024, the Company is honored to receive:
- » For the first time, recognition in Top 10 Vietnam Gold Star Awards
  - » - Official recognition by the Ministry of Natural Resources and Environment as a product and packaging recycling unit in compliance with the Environmental Protection Law.
  - » - Two research topics on optimizing DRC tire production efficiency were recognized at the 17th Danang City Technical Innovation Contest.
  - » - Recognition by Vietnam General Confederation of Labor as a “Distinguished Enterprise for Employees” in 2024.
  - » - Recognition by the Vietnam National Chemical Group as one of the Top 5 Enterprises with the Highest Revenue and Profit in the Group.
  - » - Recognition by the Vietnam National Chemical Group as one of the Top 10 Outstanding Units in the Emulation Movement.
  - » Awards received:

For the 9th consecutive time, DRC tires have been honored as a “National Brand”



## DEVELOPMENT ORIENTATION



### Main goals of the Company

Consolidate the current markets, continue to explore and expand distribution system for tires and tubes both domestically and internationally

Diversify products by introducing new product lines that meet increasing demands of customers.

Maximize profits and deliver practical benefits to shareholders, strengthen and maintain sustainable relationships with strategic partners and potential customers.

Continuously enhance production capacity by through scientific and technological improvements, aiming to improve product quality, expand communication networks and promote the brand. The goal is to build a strong and reputable DRC that makes a significant mark not only in the domestic market but also internationally.

Apply technical improvements into production to use lower-cost alternative materials while ensuring product quality.

Strengthen domestic sales efforts to maintain market share, especially by implementing suitable sales policies to boost the consumption of radial tires, agricultural tires, and specialty tires. Expand sales in the U.S. market while increasing exports of bias tires and bicycle/motorcycle inner tubes to developing countries to enhance export revenue and optimize the performance of each product line.

Improve cost and debt management, accelerate capital turnover to optimize financial resources. Leverage different financing opportunities to secure capital at competitive interest rates and utilize government support programs to reduce borrowing costs.



## DEVELOPMENT ORIENTATION

### Mid- and Long-Term Development Strategy

The demand for rubber and tires is continuously increasing, with the usage of radial tires as well as inner tubes for automobiles and motorcycles growing rapidly. At the same time, competition within the industry, both domestically and internationally, is becoming increasingly fierce. Therefore, DRC consistently prioritizes technological innovation, enhancing production, expanding markets, improving productivity, and perfecting its product portfolio. The company's primary focus remains on its two key products: Radial tires (steel-belted) and Bias tires (nylon-belted).

**Bias tires (nylon-belted):** DRC aims to maintain stable production levels while actively investing in science and technology to enhance product quality and reduce costs through improved management. The company will focus on its strengths in OTR (Off-the-Road) tires and light truck tires, continuing to expand production capacity and market reach while catering to all segments of Vietnam's automotive tire market.

**All-steel radial tires (steel-belted):** DRC has completed most of the key components of Phase 3 of the Radial Tire Plant Project, with several parts already in operation. Moving forward, the company will focus on

finalizing construction, settlement, and acceptance of the entire project. Additionally, DRC has invested in new equipment to increase PCR (Passenger Car Radial) tire production capacity to 1 million tires per year. The company aims to develop the PCR tire segment for both domestic and international markets while continuously improving product quality to enhance customer satisfaction.

**Tubeless Dplus tire:** DRC consistently improves and enhances product quality; focus on expanding distribution channels, strengthening promotion efforts and implementing new strategies to attract more potential customers.

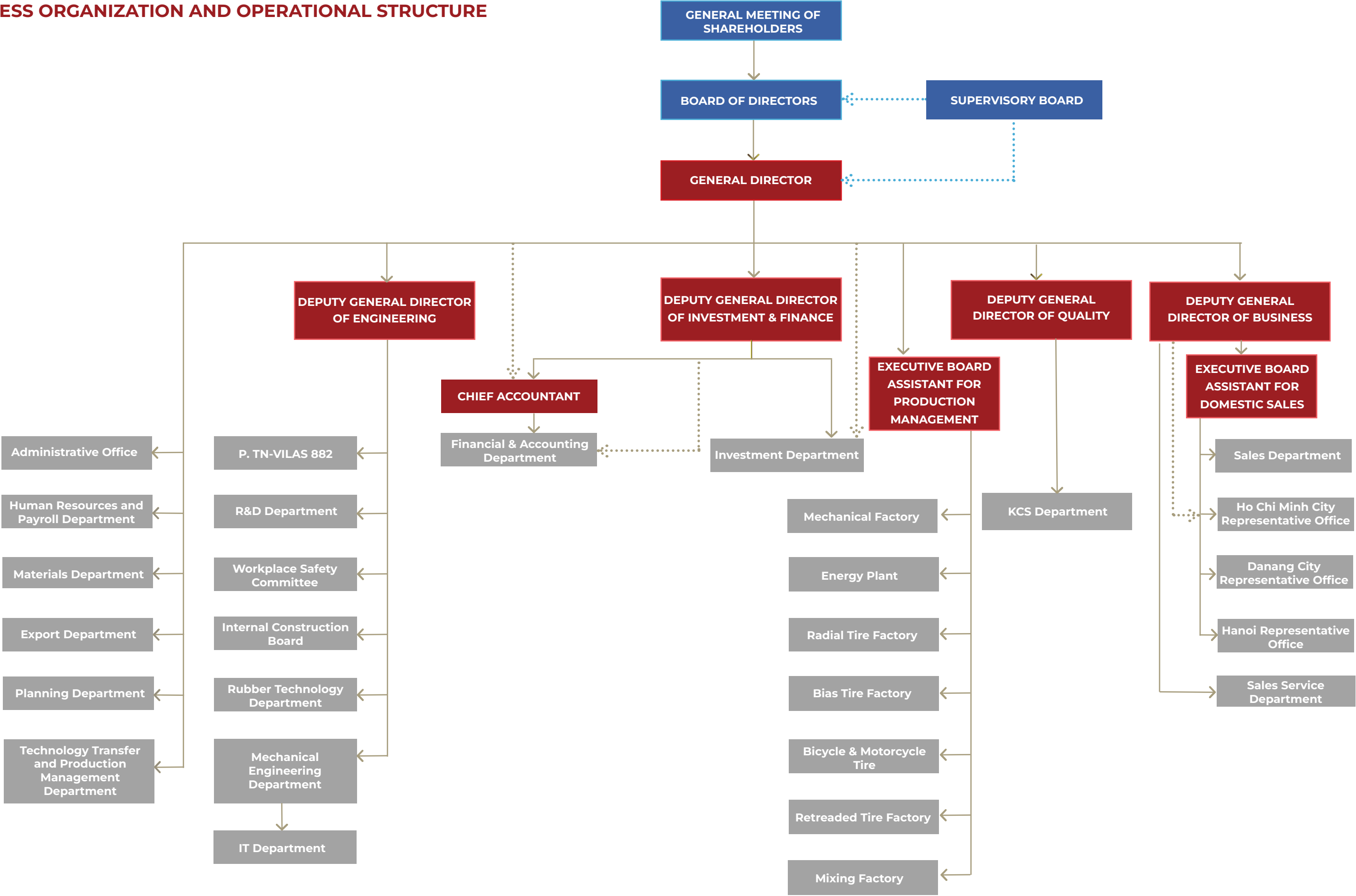
In long term: Develop product marketing strategies, distribution systems and policies; consider the collaboration with automobile manufacturers in Vietnam in favourable conditions to establish a tire and rubber technical manufacturing plant to ensure stable product supply.

- Enhance product quality and diversify product range.
- Develop and expand DRC brand in both domestic and international market.
- Achieve sustainable growth of revenue and profit.
- Invest in recruiting and retaining high-quality human resources.

DRC not only improve product capabilities, but also focus on environment protection and efficient resource management, including water, electricity to align with sustainable development practices.



INFORMATION ON THE GOVERNANCE MODEL,  
BUSINESS ORGANIZATION AND OPERATIONAL STRUCTURE





RISK FACTORS

INTEREST RATE RISKS

In 2024, as the Government aimed to maintain a low-interest policy to stimulate the economic growth, the State Bank of Vietnam kept its operational interest rates unchanged, creating opportunities for the banking sector to lower lending rates. According to the General Statistics Office of Vietnam, as of November 30, 2024, the average lending rate continued to decline by 0.44 percentage points per year compared to the end of 2023. The average lending rate in Vietnam dong at commercial banks for new and outstanding loans ranged from 6.7% to 9.0% per year.

Since September 2024, the U.S. Federal Reserve (FED) has initiated a cycle of interest rate cuts as U.S. inflation gradually declines toward the 2% target. However, the return of

U.S. President Donald Trump, along with his policy of significantly increasing import taxes, could drive inflation back up, forcing the FED to adjust its monetary easing cycle. This, in turn, would impact interest rates in other economies, including Vietnam. As a result, the State Bank of Vietnam (SBV) may reconsider its current monetary easing stance, potentially creating pressure on lending rates for businesses.

As of December 31, 2024, DRC's borrowings and financial lease liabilities amounted to over VND 959 billion, accounting for 23% of the company's total capital. This results in a significant interest expense. Therefore, the company actively manages and maintains loans at an appropriate level while seeking the most favorable interest rates to reduce costs for the business.



ECONOMIC RISKS

Entering 2024, inflation situation has cooled down and the global economy still maintains stable growth. According to the Organization for Economic Co-operation and Development (OECD), the world's GDP growth rate in 2024 reached approximately 3.2%, slightly higher than the 3.1% increase recorded in 2023. However, several of challenges are interwoven with this growth, including the prolonged and unresolved conflict between Russia and Ukraine, the alarming increase in the U.S. public debt, the sluggish consumer spending in China and the slowdown in Europe's economic growth.

In this context, Vietnam's economy has grown impressively in 2024. Total GDP is expected to increase by 7.09% compared to the previous year, exceeding the initial target of 6-6.5%. Total trade turnover reached USD 786.29 billion, rising by 15.4% compared to the previous year, with export increasing by 14.3% and import rising by 16.7%

Overall, the global economy has been in recovery, but some uncertainties still persist. In its December 2024 Economic Outlook report, the OECD forecasted that the world's GDP growth rate would reach 3.3%, while Fitch Ratings (FR) predicted a growth rate of 2.6% in 2025. Regardless of the scenario, Vietnam's economic growth will undoubtedly be significantly impacted.

Additionally, according to information from the Transport Construction Investment Management Authority (Ministry of Transport), 2025 will mark a crucial milestone in the infrastructure and transportation sector with the commencement of 12 major projects. These plans will not only contribute to the completion of the country's transport network but also play a crucial role in boosting socio-economic development various regions across Vietnam. This, to some extent, creates an opportunity for DRC to increase domestic revenue from its flagship product, Radial tires, due to their optimal performance on flat terrain, and reduces dependence on revenue from exports to major and developed countries..



EXCHANGE RATE RISKS

As a company with a relatively large export volume, approximately 60% of DRC's revenue structure primarily comes from exports to markets such as Asia, Europe, and South America. Therefore, dependence on exchange rates is inevitable.

In addition to being DRC's primary export market, as the world's largest economy, any fluctuation in the USD has a significant impact on the company's business profits. In 2024, the VND/USD exchange rate experienced strong fluctuations with unusual increases and decreases throughout the year. In the final months, the exchange rate suddenly surged due to the sharp rebound of the USD Index, which measures the strength of the USD, and the State Treasury's increased USD purchases to repay foreign debt. However, amid the FED's interest rate-cutting trend, the strengthening of the USD may cool down to some extent, leading to exchange rate adjustments between the USD and VND, which could negatively affect DRC's revenue and profit derived from the USD.

On the input side, raw materials such as carbon black, chemicals, and tire molds still need to be imported. Therefore, fluctuations in the USD exchange rate will impact DRC's production costs. To mitigate exchange rate risks, the company prioritizes domestic suppliers to minimize the use of foreign currency for imports and reduce exposure to exchange rate volatility. Additionally, DRC closely monitors exchange rate movements to implement appropriate strategies in response to these risks.



COMPETITIVE RISKS

Vietnam is undergoing a period of global economic integration, and the government has continuously introduced policies to encourage and facilitate the entry of both domestic and foreign enterprises into the industry. This aims to enhance competition while simultaneously fostering national economic growth. In this context, competition between domestic and foreign enterprises is inevitable, particularly as both product pricing and quality continue to improve.

DRC not only competes with domestic companies but also faces strong competition from well-known imported brands such as Bridgestone, Michelin, Continental, Maxxis, and Cheng Shin. Additionally, the company must contend with fierce competition from Chinese manufacturers, as low-cost tires from China continue to flood the Vietnamese market.

To maintain and strengthen its industry position, DRC consistently enhances production capacity, innovates technology, and develops increasingly refined products.

As Brazil is a key export market for DRC, the country's decision to increase import tariffs on truck tires from 0% to 16% starting in Q2 2023 has significantly impacted the company's export volume and revenue. With its expertise in producing Radial tires, which are well-suited for flat terrains, DRC has established a strong competitive edge in export markets, especially in countries with well-developed transportation infrastructure. As a result, the company's export revenue has consistently exceeded its domestic revenue.

Given the shift in domestic demand from Bias tires to Radial tires and the ongoing improvements in Vietnam's transportation infrastructure through public investment, DRC has the opportunity to increase its domestic revenue share to offset losses from the Brazilian market while expanding exports to new markets to sustain overall revenue.

LEGAL RISKS

The political system, legal framework, and national policies significantly impact the stability and development potential of the entire economy. The business and production activities of Danang Rubber Joint Stock Company (DRC) are subject to various legal regulations, including the Law on Enterprises, the Law on Securities, the Law on Environmental Protection, and other relevant legislation. Additionally, the company must comply with policies, circulars, and decrees related to customs taxation and import-export activities. Throughout the year, Vietnam's legal system and sub-law regulations undergo numerous amendments, updates, and revisions to align with the evolving economy. To prevent errors and violations in legal compliance, DRC continuously monitors, updates, and adjusts its operations to ensure both regulatory compliance and sustainable business performance.





ENVIRONMENT RISKS

As part of its sustainable development goals, DRC is committed to strictly complying with the Environmental Protection Law and prioritizing environmental protection in its business operations. The company places great emphasis on managing and treating waste and by-products generated during the production process. In alignment with the global trend towards green production and consumption, DRC aims to ensure that all its activities adhere to environmentally friendly standards and pose no harm to human health. The transition towards sustainable business practices is not only a requirement but also a crucial trend that DRC is actively pursuing. This necessitates continuous efforts to meet environmental protection standards, create a safe and healthy working environment for employees, and maintain green production while ensuring that products meet strict quality standards.

OTHER RISKS

In addition to existing economic challenges, DRC has implemented policies and measures to prevent and mitigate force majeure risks beyond its control, such as fire hazards and natural disasters. To address these risks, the company continuously monitors and gathers timely information to develop appropriate risk management strategies, ensuring smooth business operations. Workplace safety is a top priority at DRC. The company has established strict occupational safety standards and regularly conducts fire prevention training sessions for employees to enhance their awareness and preparedness.

RAW MATERIAL RISKS

Fluctuations in the cost of raw materials significantly impact DRC's revenue and profitability, as raw material expenses account for over 70% of the company's total production and business operating costs, with natural rubber being the highest-cost component.

In 2024, global natural rubber prices increased by approximately 27%, while synthetic rubber prices rose by around 19% compared to the beginning of the year. According to data from the General Statistics Office, the price index for dry latex rubber-based products surged by 20.27%. The primary reasons behind this price hike stem from both supply and demand factors, as production in major rubber-producing countries has been shrinking while global consumption demand continues to rise.

Most of the world's rubber is cultivated in Southeast Asia. However, the increasing effects of global warming are expected to significantly alter the climate in these regions, raising concerns about potential supply shortages and further driving up global rubber prices.

To mitigate this risk, DRC will strategically manage its procurement of raw materials in alignment with production needs and market fluctuations. This serves as a short-term solution in the event of prolonged price hikes. Additionally, the company maintains strong relationships with its suppliers to secure lower-cost sources and ensure an uninterrupted supply chain, thereby minimizing disruptions to business operations.





# 02



## BUSINESS OPERATION IN 2024

- Production and Business
- Performance in 2024
- Investment Status, Project Implementation Status
- Financial Situation
- Shareholder Structure and Changes in Owner's Investment Capital
- Organization and Personnel



PRODUCTION AND BUSINESS PERFORMANCE IN 2024

Product Consumption in 2024

No.	Product	Unit	Actual 2023	Plan 2024	Actual 2024	Actual/Plan 2024	Actual 2024/ Actual 2023
1	Bicycle tires	1,000 pcs	4,845	5,500	4,182	0.76	0.86
2	Bicycle tubes	1,000 pcs	4,284	4,500	4,594	1.02	1.07
3	Motorcycle tires	1,000 pcs	1,657	2,200	1,830	0.83	1.10
4	Motorcycle tubes	1,000 pcs	3,686	3,500	3,612	1.03	0.98
5	Automobile, tractor tires	1,000 pcs	1,286	1,620	1,535	0.95	1.19
	+ Bias tires	1,000 pcs	430	360	441	1.23	1.03
	+ Semi-steel Radial tires	1,000 pcs	95	360	355	0.99	3.74
	+ Radial tires	1,000 pcs	761	900	738	0.82	0.97
6	A u t o m o b i l e tubes	1,000 pcs	331	350	351	1.00	1.06
7	Automobile flaps	1,000 pcs	243	250	270	1.08	1.11
8	Retread tires	1,000 pcs	30	45	35	0.79	1.18
9	Technical rubber	Billion VND	3,321		9,416		2.84

Revenue Structure

Items	Year 2023		Year 2024	
	Value	Proportion (%)	Value	Proportion (%)
Export	3,035,466,642,406	65.17%	3,034,181,508,488	62.53%
- AMERICA	2,337,916,407,981	50.20%	2,321,462,175,532	47.84%
- ASIA	504,798,102,632	10.84%	475,360,845,227	9.80%
- AFRICA	165,736,478,675	3.56%	148,829,037,244	3.07%
- EUROPE	26,408,559,789	0.57%	86,392,891,349	1.78%
- OCEANIA	607,093,328	0.01%	2,136,559,136	0.04%
- Others		0.00%		0.00%
Domestic	1,622,176,544,953	34.83%	1,818,242,841,616	37.47%
- North region	346,062,888,821	7.43%	420,965,505,118	8.68%
- Central region	769,448,817,961	16.52%	792,776,031,908	16.34%
- South region	503,025,464,235	10.80%	599,064,188,456	12.35%
- Others	3,639,373,936	0.08%	5,437,116,134	0.11%
Total	4.657.643.187.359	100.00%	4.852.424.350.104	100.00%

Unit: VND



PRODUCTION AND BUSINESS PERFORMANCE IN 2024

Revenue Structure

Unit: VND

Items	Year 2023		Year 2024	
	Value	Proportion	Value	Proportion
Revenue from bicycle tire and tube sales	292,914,224,052	6.29%	261,215,005,392	5.38%
Revenue from motorcycle tire and tube sales	364,490,843,838	7.83%	390,825,697,887	8.05%
Revenue from automobile tire, tube and flap sales	3,990,364,416,251	85.67%	4,185,198,260,817	86.25%
Revenue from technical rubber sales	6,234,329,271	0.13%	9,416,369,874	0.19%
Revenue from materials and scrap sales	2,710,746,739	0.06%	3,632,701,596	0.07%
Other revenue	928,627,197	0.02%	2,136,314,538	0.04%
Total	4,657,643,187,348	100.00%	4,852,424,350,104	100.00%

Gross Profit Structure

Unit: VND

Items	Year 2023		Year 2024	
	Value	Proportion	Value	Proportion
Bicycle tires and tubes	39,355,959,905	6.16%	44,557,522,775	6.11%
Motorcyle tires and tubes	23,399,437,734	3.66%	58,396,580,954	8.01%
Automobile tires, tubes and flaps	570,665,129,859	89.29%	620,684,609,963	85.09%
Technical rubber	2,905,105,585	0.45%	3,078,176,800	0.42%
Others	2,794,148,842	0.44%	2,742,438,022	0.38%
Total	639,119,781,925	100%	729,459,328,514	100.00%



“The company’s revenue and profit primarily come from automobile tires, tubes and flaps, accounting for 86.25% and 85.09%, respectively. In particular, Radial tire sales reached 738,000 pcs (decreased by 3% year-over-year, achieving 82% of the annual plan), Bias tire sales reaached 441,000 pcs (increased by 3% year-over-year, achieving 123% of the annual plan), and automobile flaps sales reached 270,000 pcs (increased by 11% year-over-year, achieving 108% of the annual plan). The revenue structure by geographical location also shows a slight increase in domestic revenue, with 70% of Bias tire sales consumed in the domestic market This reflects DRC’s efforts to foster sustainable development from domestic market and its ability to adapt flexibly to the slow recovery of export markets.

The entire management team and employees of the company are fully aware of the importance of enhancing production and business efficiency. The company is committed to continuously striving to increase shareholder value while maintaining DRC’s position as one of the leading tire manufacturers in Vietnam.

”



INVESTMENT STATUS, PROJECT IMPLEMENTATION STATUS

According to the investment plan, in 2024 Danang Rubber Joint Stock Company continues implementing the project “ Expanding the Radial Truck Tire Manufacturing Plant to increase capacity to 1 million tires per year”

- Project Name: Investment in Expanding the Radial Truck Tire Manufacturing Plant to increase capacity to 1 million tires per year
- Investor: Danang Rubber Joint Stock Company
- Investment Form: Project Implementation
- Investment Objection: Expand production, Increase revenue and profit for the company

- Project Sacle: Achieve a capacity of 1 million tires per year
  - Project Location: Lien Chieu Industrial Park, Da Nang
  - Total Project Investment: 916,082 million VND
  - Disbursed Amount as of February 2025: 506,162 million VND
  - Project Timeline and Implementation Progress: Q1 2022 – Q2 2025
- Total number of bidding packages. 23 packages in total. So far, 15 packages have been fully settled, while the remaining 8 are in the process of finalization.

Overall, the project “Investment in Expanding the Radial Truck Tire Manufacturing Plant to Increase Capacity to 1 Million Tires per Year” is progressing as planned. However, the final acceptance of construction works has been slightly delayed due to the introduction of new fire safety regulations for buildings and structures during the project's implementation. The content of these new regulations has not yet been fully reviewed and applied by all parties involved. The company is actively working with relevant authorities to assess and finalize compliance. The project is expected to be completed by the end of Q2/2025.



FINANCIAL SITUATION

Unit: Billion VND

No.	Indicator	2023	2024	%2024/ 2023	%Increase, Decrease
1	Total asset value	3,384	4,200	124.10%	24.10%
2	Net revenue	4,495	4,673	103.96%	3.96%
3	Profit from business activities	307	291	94.65%	-5.35%
4	Other profit	0.10	-2	-1,494.98%	-1,594.98%
5	Profit before tax	307	289	94.12%	-5.88%
6	Profit after tax	246	232	94.03%	-5.97%

In 2024, despite significant fluctuations in the global commodity market, the company recorded a slight increase in revenue, achieving a growth rate of 3.96%, equivalent to an increase of 177.85 billion VND compared to the previous year. This revenue growth was mainly driven by the Company's efforts to strengthen sales in the domestic market, pursue a breakthrough in the local market, and continue accelerating and expanding in export markets.

Total asset value  
4,200 billion VND  
↑ 24.10% compared to 2023



Net revenue  
4,673 billion VND  
↑ 3.96% compared to 2023

Profit after tax  
232 billion VND  
↓ 5.97% compared to 2023



FINANCIAL SITUATION

Financial Indicators

No.	Indicator	Unit	Year 2023	Year2024
1	Liquidity Indicators			
-	Current Ratio	times	1.52	1.31
-	Quick Ratio	times	0.73	0.61
2	Captital Structure Indicators			
-	Debt-to-Asset Ratio	%	45.30%	54.39%
-	Debt-to-Equity Ratio	%	82.80%	119.07%
3	Activity Indicators			
-	Inventory Turnover	times	2.66	2.95
-	Total Asset Turnover	times	1.33	1.23
4	Profitability Indicators			
-	Net Profit Margin (Net Profit / Net Revenue)	%	5.48%	4.96%
-	Return on Equity (Net Profit / Average Equity)	%	13.10%	12.30%
-	Return on Assets (Net Profit / Average Total Assets)	%	9.07%	6.11%
-	Operating Profit Margin (Operating Profit / Net Revenue)	%	6.83%	6.22%

According to the General Department of Customs, the average export price of rubber in 2024 reached 1,701 USD/ton, an increase by 26% compared to 2023. In domestic market, price of natural rubber increased in the same direction as global natural rubber prices. This

fluctuation had a negative impact by driving up input costs, as natural rubber accounts for over 30% the compant's raw material cost structure. The cost of good sole for the year recorded an increase of 2.52% year-over-year.

In 2024, the logistics situation for export goods remained challenging, with rising costs. As a result, the company had to negotiate with shipping lines and encourage customers to switch to CIF export terms to secure better shipping rates. Consequently, selling expenses increased significantly by 29.96%, equivalent to over 80 billion VND, partly due to the company covering export transportation costs (which corresponded to the increase in revenue). To further accelerate export market expansion, the company also made substantial investments in international sales and marketing activities.

Financial and administrative expenses also recorded double-digit growth, rising by 15.87% and 31.46%, respectively. As a result, net profit after tax declined slightly by 5.97% compared to the previous year.

Overall, DRC's financial position remains stable despite facing multiple economic challenges. As of December 31, 2024, the company's total assets increased by 24.10% year-over-year, from 3,384 billion VND to 4,200 billion VND. Net revenue grew by 3.96%, reaching 4,673 billion VND, while net profit after tax decreased by 5.97%, from 246 billion VND to 232 billion VND





FINANCIAL SITUATION

Liquidity Indicators

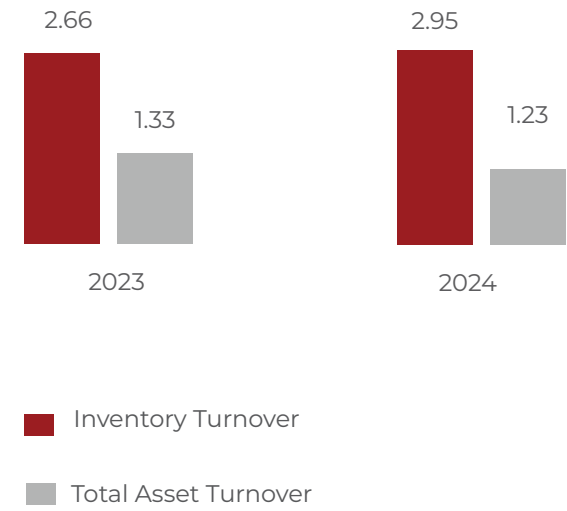
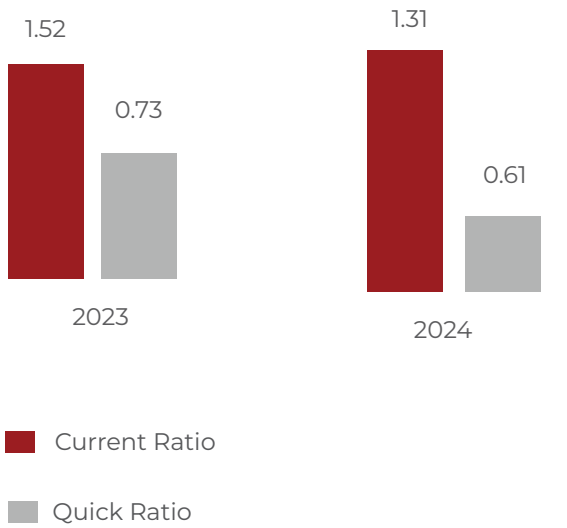
The company's liquidity indicators declined compared to the previous year. Specifically, the current ratio decreased by 0.21 times, and reached 1.31 times, while the quick ratio dropped by 0.12 times and reached 0.61 times. During the period, short-term liabilities grew nearly twice as fast as short-term assets, with short-term liabilities increasing by 41.83%, whereas short-term assets rose by only 21.91%.

The surge in short-term liabilities was primarily driven by a significant 76.30% increase in payables to suppliers compared to the previous year. Meanwhile, the rise in short-term assets mainly came from a 25.89% increase in inventory value. As a result, after excluding inventory, the company's quick ratio continued to decline significantly. The rise in inventory was largely due to higher costs of key raw materials such as natural rubber, synthetic rubber, and logistics expenses, all of which saw substantial increases compared to the previous year.

Activity Indicators

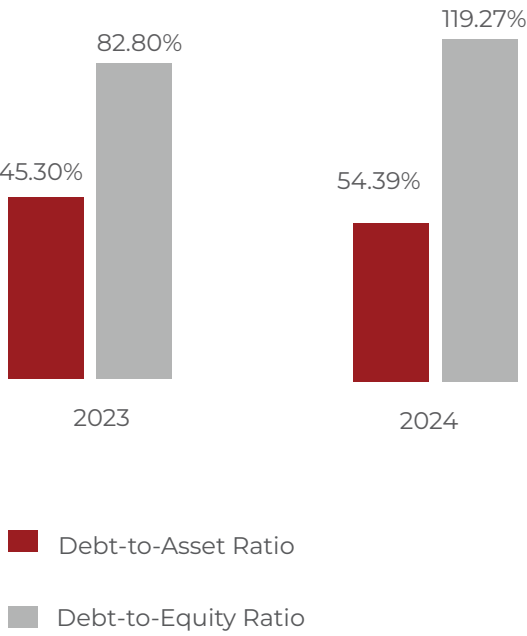
The inventory turnover ratio increased from 2.66 to 2.95, mainly due to a slight decrease of 7.50% in average inventory. Meanwhile, the total asset turnover ratio declined from 1.32 times to 1.23 times, as net revenue for the year grew by only 3.96%, whereas average total assets increased by 11.50% due to the company's continued investment in additional assets.

Although the company faced challenges in utilizing assets to generate profit, its overall operational efficiency remained stable.



Capital Structure Indicators

In 2024, the company's capital structure indicators showed an upward trend compared to 2023. Specifically, the Debt-to-Total Assets ratio increased from 45.30% to 54.39%, while the Debt-to-Equity ratio rose from 82.80% to 119.27%. In addition to short-term payables to suppliers rising significantly by VND 409.38 billion (equivalent to a 76.30% increase) year-on-year, total liabilities also grew rapidly as the company took on additional long-term loans to invest in machinery and equipment. This indicates that DRC is effectively utilizing external financing to expand its production and business operations, contributing to the company's value creation and supporting its future growth.



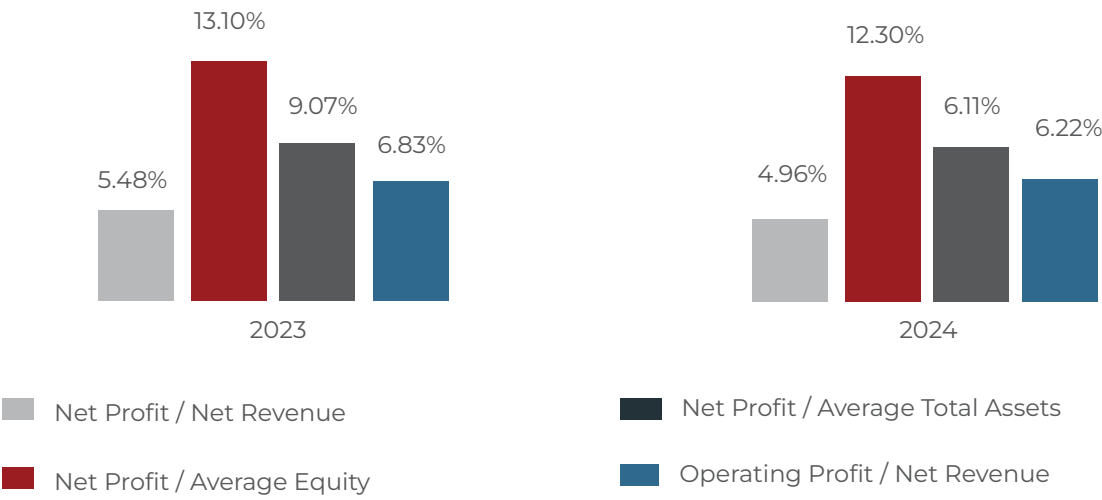
Profitability Indicators

The company's profitability indicators slightly declined compared to the same period last year, primarily due to the sharp increase in input material costs, which has not been fully offset by the corresponding price adjustments. While net revenue increased slightly by 3.96%, net profit after tax decreased by 5.97%. The Net Profit Margin (Net Profit After Tax/Net Revenue) dropped by 0.52 percentage points to 4.96%.

Return on Average Equity and Return on Average Assets declined by 0.8 and 1.13 percentage points, respectively, reaching 12.30% and 6.11%. The slight increase in both average equity and average total assets, combined with the decline in net profit after tax, prevented these ratios from improving compared to the previous year.

The Operating Profit Margin (Operating Profit/Net Revenue) declined by 0.61 percentage points to 6.22%, as operating profit decreased slightly by 5.35%.

Although DRC's business operations remained stable, the company's profitability was not as effective given the economic challenges impacting its performance. Additionally, while the company expanded its scale with new projects, revenue and production volume have not yet grown correspondingly.





Charter Capital: 1,187,926,050,000 VND

Share Capital

Charter Capital: 1,187,926,050,000 VND

Total Issued Shares: 118,792,605 shares

Par Value: 10,000 VND per share

Common Shares: 118,792,605 shares

Preferred Shares: 0 shares

Outstanding Shares: 118,792,605 shares

Treasury Shares: 0 shares

Changes in Owner's Investment Capital

No changes

Treasury Stock Transactions

In 2024, the Company did not repurchase any treasury shares

Other Securities

None



Shareholder Structure (Based on Shareholder list as of 20/02/2025)

No.	Category	Number of Shares	Ownership (%)	Number of Shareholders	Shareholder 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	6,481	91	6,390
	- Domestic	48,048,606	40.45	6,221	41	6,180
	- Foreign	10,744,641	9.04	260	50	210
	<b>TOTAL</b>	<b>118,792,605</b>	<b>100</b>	<b>6,482</b>	<b>92</b>	<b>6,390</b>
	Including: - Domestic	108,047,964	90.96	6,222	42	6,180
	- Foreign	10,744,641	9.04	260	50	210

List of Major Shareholders

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



ORGANIZATION AND PERSONNEL

No.	Member	Position	Note
1	Mr. Nguyen Xuan Bac	Chairman of the Board of Directors	
2	Mr. Le Hoang Khanh Nhut	BOD Member cum General Director	
3	Mr. Nguyen Van Hieu	Independent BOD Member	
4	Mr. Ha Phuoc Loc	BOD Member cum Deputy General Director	
5	Mr. Nguyen Huy Hieu	Non-Executive BOD Member	
6	Ms. Nguyen Thi Bich Thuy	BOD Member	
7	Mr. Tran Dinh Quyen	Independent BOD Member	(Dismissed from 24/04/2024)
8	Mr. Pham Ngoc Phu	BOD Member	(Appointed from 24/04/2024)
9	Mr. Pham Phong Thinh	Deputy General Director	
10	Ms. Nguyen Thi Minh Thu	Deputy General Director	
11	Ms. Tran Thi My Le	Chief Accountant	
12	Mr. Chu Quang Tuan	Head of the Supervisory Board (SB)	
13	Ms. Truong Thi Hong Hoa	SB Member	
14	Ms. Nguyen Thi Van Hoa	SB Member	



Position: Chairman of the Board of Directors

Year of Birth: 1972

Nationality: Vietnam

Professional Qualification: Master of Business Administration

Number of Shares Owned and Represented: 12,482,318 shares, accounting for 10.51% of charter capital



Position: BOD Member cum General Director.

Year of Birth: 1974

Nationality: Vietnam

Professional Qualification: Master of Engineering.

Number of Shares Owned and Represented: 12,417,826 shares, accounting for 10.45% of charter capital.





MR. HA PHUOC LOC

Position: BOD Member cum Deputy General Director.

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Year of Birth: 1968

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Nationality: Vietnam

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Professional Qualification: Bachelor of Economics.

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Number of Shares Owned and Represented: 11,964,238 shares, accounting for 10.07% of charter capital



MR. NGUYEN HUY HIEU

Position: BOD Member

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Year of Birth: 1978

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Nationality: Vietnam

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Professional Qualification: Bachelor of Law; Master of Business Administration (MBA).

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Number of Shares Owned and Represented: 11,879,260 shares, accounting for 10.00% of charter capital



MS. NGUYEN THI BICH THUY

Position: BOD Member.

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Year of Birth: 1984

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Nationality: Vietnam

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Professional Qualification: Master of Materials Science

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Number of Shares Owned and Represented: 11,889,260 shares, accounting for 10.01% of charter capital



MR. NGUYEN VAN HIEU

Position: BOD Member

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Year of Birth: 1963

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Nationality: Vietnam

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Professional Qualification: Bachelor of Economics.

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Number of Shares Owned: 9,591 shares, accounting for 0.01% of charter capital.



ORGANIZATION AND PERSONNEL



MR. PHAM NGOC PHU

Position: BOD Member

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Year of Birth: 1957

Nationality: Vietnam

Professional Qualification: Doctor of Economics

Number of Shares Owned: 140,211 shares, accounting for 0.12%



MS. NGUYEN THI MINH THU

Position: Deputy General Director

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Year of Birth: 1976

Nationality: Vietnam

Professional Qualification: Bachelor of Economics

Number of Shares Owned: 10,075 shares, accounting for 0.01% of charter capital.



MR. PHAM PHONG THINH

Position: Deputy General Director

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Year of Birth: 1973

Nationality: Vietnam

Professional Qualification: Chemical Engineer, Bachelor of Economics

Number of Shares Owned: 5,000 shares, accounting for 0.00% of charter capital



MS. TRAN THI MY LE

Position: Chief Accountant

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Year of Birth: 1980

Nationality: Vietnam

Professional Qualification: Bachelor of Economics In Accounting.

Number of Shares Owned: 592 shares, accounting for 0.00% of charter capital.



ORGANIZATION AND PERSONNEL



MR. CHU QUANG TUAN

Position: Head of the Supervisory Board (SB)

Year of Birth: 1975

Nationality: Vietnam

Professional Qualification: Bachelor of Economics

Number of Shares Owned: 6,005 shares, accounting for 0.01% of charter capital.



MS. NGUYEN THI VAN HOA

Position: SB Member

Year of Birth: 1975

Nationality: Vietnam

Professional Qualification: Master's degree in Finance, Financial Markets and Credit.

Number of Shares Owned: 27,819 shares, accounting for 0.02% of charter capital.



MS. TRUONG THI HONG HOA

Position: SB Member

Year of Birth: 1975

Nationality: Vietnam

Professional Qualification: Bachelor of Economics

Number of Shares Owned: 70 shares, accounting for 0.00% of charter capital.

Number of Employees

Total number of DRC's employees as of 31/12/2024 was 1,987

No.	Classification Criteria	Quantity	Percentage (%)
I	Classification by Gender		
1	Male	1,739	88%
2	Female	248	12%
II	Classification by Education Level		
1	University/College Degree	616	31%
2	Intermediate Level	266	13%
3	Unskilled Labor Level	1,105	56%
III	Classification by Nature of Work		
1	Direct Production	1,568	80%
2	Indirect Production	419	20%

Average Income of Laborers

Indicator	Unit	Year 2021	Year 2022	Year 2023	Year 2024
Average Income	VND/person/month	15,550,000	17,055,000	14,805,000	15,300,000

The implementation of an appropriate salary policy and the encouragement employee's dedication is an important part of DRC's human resources and management strategy. Over the past year, DRC has maintained stable business operation thanks to reasonable policies that ensure employees' income security.



## ORGANIZATION AND PERSONNEL

### 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.

### Policy Orientation

The Company continuously improves its salary and bonus policies to motivate employees 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..

### 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.



### 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 provides assistance to employees in difficult situations, ensuring that every team member can focus on their work and strive for success.



# 03



## BOARD OF MANAGEMENT REPORT

- Assessment the Business Production and Operation Result
- Financial Situation
- Improvements in Organizational Structure, Policies, Management
- Future Development Plan



Nowadays, both the global and Vietnamese automotive industries are experiencing rapid growth, creating numerous opportunities for the tire manufacturing sector to expand. Vietnamese tires are exported to approximately 140 countries worldwide, with the United States being is the largest market, followed by Brazil and Germany.

Currently, the domestic tire market in Vietnam is highly competitive, with two major groups vying for market share: domestic tire manufacturers such as DRC, CSM, and SRC, and foreign direct investment (FDI) tire companies such as Sailun, Kumho, and Jinyu. FDI companies

like Sailun, Kumho, and Jinyu have advantages in both production scale and long-established brand reputation, allowing them to offer more competitive pricing compared to DRC. The competition is not limited to the domestic market but extends to exports as well. The intensity of competition in the export market is further heightened by international trade policies and tariff reductions under global trade agreements such as WTO, AFTA, ATIGA, CPTPP, and EVFTA. This has led to increased competition from imported products, particularly from Chinese manufacturers offering low-cost tires, putting significant pressure on domestic tire producers.

Currently, DRC and CSM are the only domestic tire manufacturers that produce both types of automobile tires: Radial and Bias, while SRC only produces Bias tires. DRC primarily produces all-steel Radial tires for heavy trucks (TBR-Truck Bus Radial), and has now expanded to produce semi-steel Radial tires for passenger cars and light trucks (PCR – Passenger Car Radial, LTR – Light Truck Radial). FDI enterprises focus on manufacturing Radial tires for export as Radial tires are becoming more popular due to their superior characteristics compared to Bias tires

**As the leading tire and tube manufacturer in Vietnam, DRC operates with the objective of developing heavy truck tire production and expanding exports. DRC aims to increase its market share in Europe and boost exports to the United States with an annual growth rate of 25%, driven by the trust and preference for its Radial tire.**



4,673 billion

NET REVENUE

232 billion

PROFIT AFTER TAX

Despite the challenging economic conditions and the increasingly fierce competition in the tire industry, thanks to the efforts of the Board of Directors and all employees, the Company has achieved notable results, even though it has not fully met its set targets. Specifically:



MARKET ASSESSMENT FOR 2024

➤ Advantages:

Global trade remains stable, according to the World Trade Organization (WTO), global trade volume growth in 2024 is projected to reach approximately 2.7%. Vietnam's merchandise export turnover in 2024 increased by 14.3% compared to the previous year.

Global inflation is cooling down. Vietnam's Consumer Price Index (CPI) in 2024 rose by 3.63% year-over-year, the highest in the past 10 years but still within the government's 4.0% target. Additionally, with the monetary policy expanding, domestic interest rates decreased slightly to enhance the economic growth and reduce borrowing costs for enterprises.

Free trade agreements such as EVFTA and CPTPP are opening up significant opportunities for Vietnam's tire manufacturing industry. The benefits of reducing export tariffs to 0% as scheduled have facilitated Vietnamese tire enterprises in expanding and enhancing access to international markets. This presents a great opportunity for DRC to strengthen its export capabilities and increase its market share globally.

In the coming period, Brazil is expected to contribute significantly to the consumption of Radial tires, as Brazil has imposed anti-dumping duties on Chinese tires for 5 years since 2021. This is expected to help DRC maintain its market share in Brazil and enhance its long-term competitiveness.

Moreover, DRC, with its long-established presence in the tire industry, has built a stable market share in the domestic market. The company boasts an extensive nationwide distribution network and strong cooperative relationships with partners. Furthermore, DRC consistently receives support from the Vietnam National Chemical Group, the People's Committee of Da Nang City, and various central and local government agencies.



➤ Disadvantages:

The price of natural rubber has surged due to the global imbalance between supply and demand, climate change, and natural disasters. Storms and heavy rains have significantly impacted the domestic rubber supply. The aftermath of Typhoon Yagi has notably affected rubber-producing regions in Vietnam, disrupting production activities.

Escalating conflicts between Central and Eastern Europe, along with heightened political tensions, have led to increased transportation costs and extended shipping times. This has posed challenges for export-driven businesses like DRC.

Competition in the domestic market has become increasingly fierce, especially with the diverse participation of both local and international tire manufacturers. Chinese-origin tires, particularly those with lower prices, have created significant competitive pressure on DRC's products.

Additionally, some Chinese tire manufacturers have relocated their production to countries such as Thailand, Malaysia, Myanmar, Pakistan, and Vietnam to circumvent Chinese-origin regulations and export their products to the U.S. and Brazil. This shift has further intensified competition for DRC.



EVALUATION OF MANAGEMENT PERFORMANCE



Despite facing numerous challenges and difficulties, the solidarity of employees, combined with the dynamism, creativity and decisiveness of the Board of Management has help the Company overcome obstacles and find appropriate solutions for production and business. In 2024, although business performance did not achieved outstanding results as expected but the Company has still ensured benefits for its shareholders.

The Board of Directors, Board of Management and management team of the Company were fully aware of these challenges and proposed a series of solutions to address issues such as competitiveness, product quality, price, product diversification, domestic and export market strategies.

In 2024, input material prices, transportation costs, sales expenses, and corporate management costs all showed an increasing trend. The sales department proposed price adjustments while simultaneously strengthening research and development efforts to produce new products tailored to the specific needs and preferences of different customer segments and market regions, both domestically and internationally.



Production Management Operations

Develop a production plan and organize manufacturing in accordance with technological conditions, equipment, machinery, and human resources. Optimize the utilization of equipment and workforce to ensure productivity, output, and product quality. Continuously strengthen management measures to reduce costs and enhance efficiency in production and business activities, aiming to lower product costs and optimize production. Conduct regular reviews and updates of existing regulations and policies to strictly control the procurement, import, and export of spare parts, materials, and raw materials. The approval process for material procurement must strictly comply with established regulations

and policies. Specialized departments are also directed to actively seek additional suppliers, including domestic suppliers, to ensure quality and competitive pricing of production materials.. Enhance formulation improvements by introducing new formulations that replace high-cost raw materials with more cost-effective alternatives while maintaining product quality. Set a goal to boost production and sales of key product lines, including DSTAR all-steel radial tires for trucks and long-distance buses, cost-reduced AG tires, OTR radial and bias tires, and electric motorcycle tires. This strategy aims to expand DRC product coverage, increase revenue, and enhance the Company's profitability.



Management of Receivables and Cash Flow

The Company focuses on strengthening the management of receivables and cash flow, prioritizing efforts to accelerate capital turnover. To achieve this goal, the Company is leveraging all available resources to secure funding at competitive interest rates, thereby reducing borrowing costs and optimizing capital utilization.

The Company strictly adheres to regulations in managing receivables and customer debts, ensuring no financial losses occur while minimizing overdue and doubtful debts. With an expanding market presence both domestically and internationally, the Company maintains a diverse customer portfolio and stable revenue growth. This contributes to the effective management of customer receivables, ensuring timely payments and keeping the ratio of bad debts at a minimal level.

Investment Activities

The market demand for Radial tires is expected to increase significantly in the future. In response, the Company has made great efforts to implement the project “Expanding the Radial Truck Tire Manufacturing Plant to Increase Capacity to 1,000,000 Tires per Year.” This project is invested by Da Nang Rubber Joint Stock Company (DRC), with an estimated total investment of approximately VND 600 billion. This is a Group B chemical construction investment project, part of the Vietnam National Chemical Group’s (Vinachem) five-year investment plan (2021-2025), which is managed by the State Capital Management Committee at Enterprises..

Goods Circulation Management

Over the past year, DRC’s goods circulation management has attracted significant attention and recognition. The sales division is responsible for managing deliveries to the warehouses of distributors and customers, both domestically and internationally. Domestic transportation and export logistics are organized through competitive bidding processes, in accordance with the Company’s financial regulations. DRC ensures that inventory management is strictly controlled, preventing any incidents of damage, loss, or wastage. The Company has allocated substantial resources to sales operations, implementing new solutions and strategic shifts in both mindset and sales methods. The flexibility in sales policies has played a key role in stimulating demand, especially during challenging market conditions.

Labor, Wages, and Employee Welfare

Wage Management

The Company continuously focuses on developing a fair and sustainable wage distribution policy, ensuring stable and improving incomes for employees. This serves as a foundation for workers to feel secure in their jobs, enhance productivity, and maintain high product quality.

The Company is committed to fully complying with all labor-related regulations and policies, ensuring stable employment and income for all employees.

Employee Welfare

The Company prioritizes employee well-being, creating conditions that allow them to work with peace of mind while meeting basic living standards. Special support is provided for employees facing financial difficulties, alongside a strong emphasis on healthcare and welfare programs.

The Company’s labor union remains highly engaged, promptly addressing issues related to illness, maternity leave, and paid leave, ensuring that all necessary benefits and allowances are provided in the best possible way. Additionally, cultural, sports, and recreational activities are regularly organized in various engaging formats, contributing to improved mental and physical well-being for employees.

Inventory Management

As a manufacturing enterprise, DRC places inventory in a crucial position within its asset structure, making the management of finished goods inventory highly important. Given the rising raw material costs in 2024, the Company has adopted a strategy of increasing inventory levels throughout the year. Inventory management at DRC has been carried out flexibly and efficiently. With inventory valued in the trillions of VND, including thousands of product types and specifications, the management team has successfully fulfilled its responsibilities. This includes ensuring no damage, loss, or wastage occurs during the storage and handling process.

Union and Collective Activities

The Company has actively launched widespread emulation movements among all employees, encouraging participation with innovation and creativity in both production and management. These initiatives aim to optimize resource usage, reduce costs, and enhance overall efficiency across all operations.

The Company’s Trade Union was honored with the “Flag for Outstanding Overall Performance” by the Vietnam General Confederation of Labour.



Financial and Material Management

Financial Management

The company effectively mobilizes and utilizes capital resources, including investments from shareholders, while selecting optimal investment strategies and banking partners with favorable mechanisms and interest rates. The primary goal is to safeguard and develop the company's capital.

Efforts are continuously made to enhance cost and cash flow management, flexibly leverage preferential loan packages from banks, and collaborate with the Sales and Export Departments to develop flexible sales policies. These initiatives aim to boost sales, accelerate capital turnover, maintain financial balance, and complete economic activity analyses, thereby providing timely recommendations to the the Board of Managment for strategic business and investment decisions.

Material Management

The Company continously maintains an appropriate balance in material reserves to ensure a stable supply, sustain high-quality production processes an keep raw material costs at an optimal level, thereby minimizing input expenses and reducing production costs.

The Company aims to strenghen the testing of new material resources, expand supply resources, replace imported material locally sourced alternatives at more competitive prices to lower production costs.

Commendation and Reward Activities

Achievements in 2024:

- For the first time, the Company was honoured in the Top 10 Vietnam Gold Star Awards
- Officially recognized by the Ministry of Natural Resources and Environment as a compliant product and packaging recycling unit under the Environmental Protection Law.
- Two research projects on optimizing DRC tire production efficiency were honored at the 17th Da Nang City Technical Innovation Contest.
- Recognized by the Vietnam General Confederation of Labor as a "Distinguished Enterprise for Employees" in 2024.
- Recognized by the Vietnam National Chemical Group as one of the Top 5 Enterprises with the Highest Revenue and Profit in the group.
- Recognized by the Vietnam National Chemical Group in the Top 10 Outstanding Units in the emulation movement.
- Received the National Brand Award for DRC tire products for the 9th consecutive time.

EVALUATION OF SCIENTIFIC, TECHNICAL, 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:

- ▶ National Technical Regulation on Pneumatic Tyres for Automobiles : QCVN 34/BGTVT
- ▶ U.S. Department of Transportation Safety Standard: DOT
- ▶ European Union REACH Regulations (on restricted chemical usage).
- ▶ Indonesia National Standard: SNI
- ▶ Japanese Industrial Standard: JIS
- ▶ Brazilian Industrial Standard: INMETRO
- ▶ Indian National Standard: BIS
- ▶ Gulf Cooperation Council (Arab) Standard: GSO
- ▶ European Quality Standard: EMARK



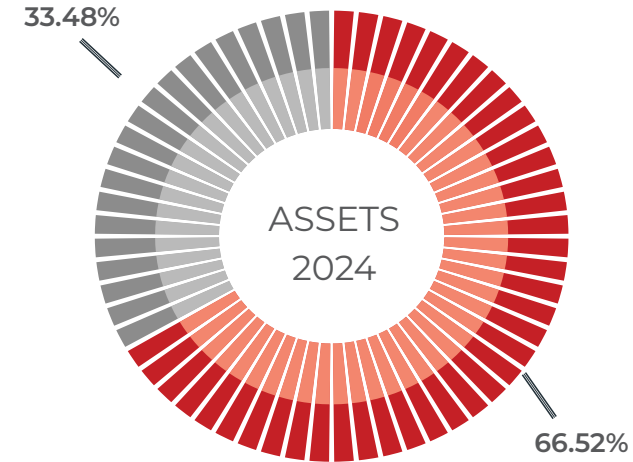
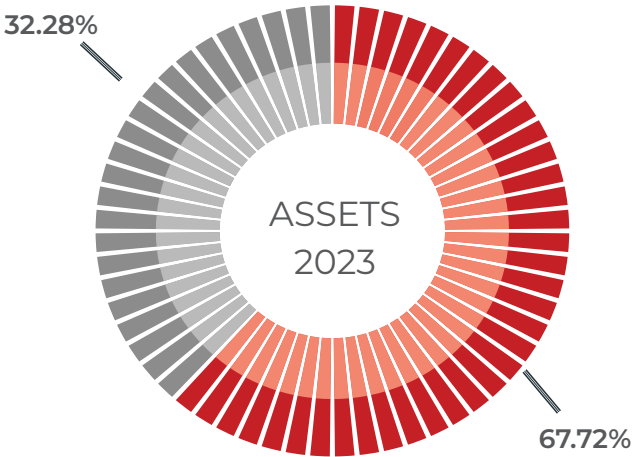


FINANCIAL SITUATION

ASSETS SITUATION

Unit: Billion VND

Indicator	2023	2024	Actual 2024/ Actual 2023	Proportion 2023	Proportion 2024
Short-term Assets	2,292	2,794	121.91%	67.72%	66.52%
Long-term Assets	1,092	1,406	128.71%	32.28%	33.48%
Total	3,384	4,200	124.10%	100%	100%



The company's total assets increased by 24.10% compared to the same period last year, reaching 4,200 billion VND. This growth came from both short-term and long-term assets, which grew by 21.91% and 28.71%, respectively, compared to the beginning of the year.

Short-term assets increased mainly due to a significant rise in inventory value, which grew by over 306 billion VND, equivalent to a 25.89% increase. Additionally, accounts receivable rose by nearly 288 billion VND, reflecting a 70.87% increase compared to the same period last year.

The increase in long-term assets during the year

was primarily driven by additional investments in tangible fixed assets, with an increase of nearly 389 billion VND, equivalent to an 11.61% rise compared to the beginning of the year.

Over the past year, the company has streamlined its total asset structure by reducing the proportion of short-term assets by 1.2% while increasing the share of long-term assets. This adjustment has strengthened the company's operational capacity, supporting the completion of the Radial tire plant expansion project, which will boost production capacity from 600,000 tires per year to 1 million tires per year.





FINANCIAL SITUATION

In 2024, DRC’s total liabilities surged by 49.03% compared to the same period last year, rising from 1,533 billion VND to 2,285 billion VND. Short-term debt continued to dominate the company’s debt structure, accounting for 93.63% of total liabilities. Over the past year, the company actively increased both short-term and long-term liabilities. The rise in short-term debt was mainly driven by a 76.30% increase in accounts payable, adding over 409 billion VND compared to 2023. Additionally, short-term borrowings grew by more than 261 billion VND, marking a 46.27% increase year-over-year.

Regarding long-term debt, a sharp 486.73% increase was recorded, primarily due to new borrowings during the year. Specifically, long-term borrowings surged by 435.16%, adding approximately 108 billion VND compared to the beginning of the year. This additional borrowing was mainly used to finance the project “Investment in Expanding the Radial Tire Manufacturing Plant, Increasing Production Capacity to 1 Million Tires per Year”, while short-term borrowings were raised to supplement working capital for business operations.

LỐP BÁN THÉP (LTR) 

Xe du lịch

>>> Dưới 12 chỗ



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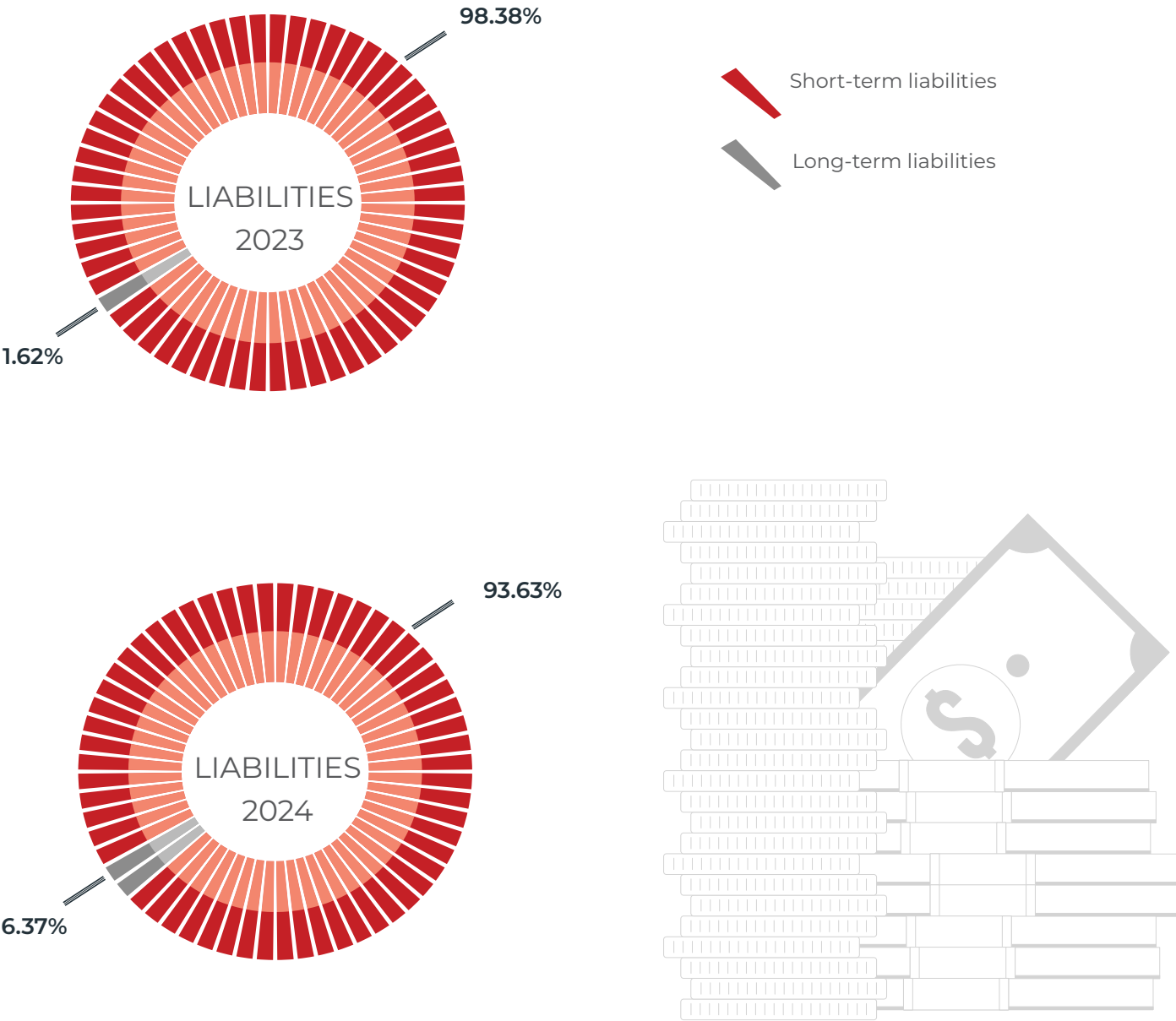
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LIABILITIES SITUATION

Unit: Billion VND

Indicator	2023	2024	Actual 2024/ Actual 2023	Proportion 2023	Proportion 2024
Short-term liabilities	1,508	2,139	141.83%	98.38%	93.63%
Long-term liabilities	25	146	586.73%	1.62%	6.37%
Total Liabilities	1,533	2,285	149.03%	100%	100%





IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, MANAGEMENT

The company continues to refine its governance regulations, internal management system, and corporate charter, ensuring stable and efficient business operations.

HUMAN RESOURCE MANAGEMENT

The company has implemented HR management software, bringing several benefits, such as: optimizing employee information management, enabling easy access to and control over personnel records, payroll, and benefits, minimizing errors in payroll calculations and HR processes, enhancing data accuracy, ensuring compliance with labor laws and regulations while improving the overall employee experience.

DRC fosters a safe, green, and clean workplace to encourage active employee participation. The company

is committed to ensuring stable employment and implementing a competitive salary and benefits policy to attract and retain talent. A clear and fair career progression path is established, promoting employee contributions and innovation. Additionally, the company offers various employee support programs, including meal allowances, regular health check-ups, and other social benefits, to enhance employees' well-being and morale.

FINANCIAL & ACCOUNTING MANAGEMENT

The company maintains strict financial and accounting oversight, integrating all business and accounting activities into a centralized software system. This system not only links data across different operations but also enhances control,

accuracy, and transparency in financial management. By unifying financial processes, the system plays a crucial role in corporate governance, improving efficiency and streamlining financial monitoring and business operations..

IMPROVEMENT PLAN

DRC is implementating the IATF 16949:2016 standard (a Quality Management System for Automobile Industry) during 2022 and 2023. This initiative represents an enhancement and upgrade of the ISO 9001:2015 standard, aiming to further improve quality management in the automotive industry.

RAW MATERIAL MANAGEMENT

The company continuously ensures the quality of raw materials through strict inspection processes, guaranteeing that all product lines meet Europe's stringent standards. DRC actively promotes cost-saving and waste reduction initiatives, while also reinforcing its anti-corruption commitment. These efforts are considered a

core, ongoing responsibility for all individuals, departments, and organizational units within the company's operations. The company is dedicated to product innovation, efficient material utilization, and proper material storage, ensuring a stable supply for uninterrupted production.

QUALITY MANAGEMENT

DRC implements various quality control standards to ensure the excellence of its products and services, including:

- ISO 9001:2015 (A Quality Management System for products and services).
- Other product standards: JIS (Japan), SNI (Indonesia), SIRIM

(Malaysia), INMETRO (Brasil)...  
- Quality processes: Quality Planning Assurance, Control, and Improvement procedures.  
Achieved Results: Company has successfully integrated the ISO 9001:2015 standard into 75% - 85% of its production and business activities.





FUTURE DEVELOPMENT PLAN

Based on the growth rate of the domestic and export markets, the company's production capacity and economic forecasts for both domestic and international markets, the Board of Management has set the following business indicators for 2025:

Indicators	Unit	Actual 2024	Plan 2025	%Plan 2025/ Actual 2024
Actual Industrial Production Value	Billion VND	4,767	5,150	108%
Total Consumption Revenue	Billion VND	4,852	5,040.10	103.88%
Net Revenue	Billion VND	4,673	4,880.30	104.44%
Profit Before Tax	Billion VND	289	285	98.62%
Profit After Tax	Billion VND	232	228	98.28%
Basic Earning Per Share*	VND/Share	1,950	1,920	98.46%
Consumed Products				
Bicycle Tires	PCS	4,182,000	4,350,000	104.02%
Bicycle Tubes	PCS	4,594,000	4,400,000	95.78%
Motorcycle Tires	PCS	1,830,000	1,700,000	92.90%
Motorcucule Tubes	PCS	3,612,000	3,600,000	99.67%
Automobile and Tractor Tires	PCS	1,535,000	1,945,000	126.71%
+ Semi-steel Tires	PCS	355,000	700,000	197.18%
+ Bias Tires	PCS	441,000	445,000	100.91%
+ Radial Tires	PCS	738,000	800,000	108.40%
Automobile and Tractor Tubes	PCS	351,000	350,000	99.72%
Automobile Flaps	PCS	270,000	255,000	94.44%
Retreaded Tires	PCS	35,000	40,000	114.29%
Technical Rubber	Billion VND	9		

Management  
and Operational  
Solutions

Continue enhancing corporate governance by focusing on cost management, workforce optimization, and equipment efficiency to maximize business performance.

Gradually restructure the organizational system, ensuring rationality and flexibility in practical operations to improve management efficiency.

Regularly revise, supplement, and refine internal governance regulations, aligning them with Board-approved corporate policies and relevant legal requirements.

Ensure strict compliance with the company's delegation of authority, internal governance policies, and management regulations.

Production and  
Quality Solutions

Optimize production planning to maximize the efficiency of existing equipment and production lines, enhancing operational capacity, maintenance, and upkeep to ensure stable production and maximize output..

Improve production systems and process control to guarantee timely supply of products that meet the specifications, quality, and market demands for both domestic and international customers.

Apply advanced technology to enhance and stabilize product quality, with a strong focus on production management, minimizing waste, and improving overall efficiency. Quality remains the top priority for DRC's brand development.

Strengthen collaboration with leading automotive technology experts worldwide to continuously innovate and improve product quality.

Encourage employee-driven innovation, fostering creative solutions in production to boost efficiency, increase labor productivity, enhance quality, and reduce costs.

Digital  
Transformation  
Solutions

Completed digital transformation for the sales operations by Q4/2022.

2022–2025: Implementing comprehensive digital transformation across all operational areas through a strategic partnership with Viettel. This initiative aims to enhance efficiency, optimize management processes, and strengthen DRC's competitive position in the Industry 4.0 era.



FUTURE DEVELOPMENT PLAN

Market and Sales Solutions

Strengthen and continuously improve the domestic and export distribution network.

Develop a highly competitive sales team capable of meeting global integration challenges and aligning with the company's investment and growth strategies.

Enhance customer care programs, integrating on-site warranty services to provide professional support. This is a key strategy to differentiate DRC's brand from competitors both locally and internationally.

Expand market reach and increase product sales for key product lines, including: DPLUS motorcycle tires; DSTAR radial truck tires; semi-steel automobil tires; retread tires; Radial tires for Thaco's SMRM vehicles; AG-SD tires and OTR (Off-The-Road) radial tires; Electric bicycle and electric motorcycle tires.

Leverage opportunities from next-generation Free Trade Agreements (FTAs) and anti-dumping tax policies to further boost export activities and expand international market presence.

Human Resource Solutions

Restructuring and optimizing the workforce across functional departments and indirect labor at production units to enhance efficiency. This may involve reducing ineffective positions, reorganizing workflows, and focusing on strategic and high-priority areas.

Advising on human resource planning to ensure succession while fostering dynamism, creativity, accountability, and a proactive mindset, aligning with the demands of a new business environment and global integration.

Maximizing existing human resources through regular reviews, reallocation, and efficient personnel deployment, particularly within production units.



Financial Solutions

Proactively collaborate with banks to secure preferential financing options, reduce borrowing costs, and optimize financial expenses.

Enhance asset and capital management to maximize operational efficiency and improve overall business performance

Strategically allocate and balance capital sources to ensure effective funding for production and business operations.

Strengthen compliance monitoring, ensuring that the company and its subsidiaries adhere to government regulations and policies

Secure adequate capital resources for the project "Expanding Radial Tire Manufacturing Plant, Increasing Production Capacity to 1 Million Tires per Year".



FUTURE DEVELOPMENT PLAN

Technological and Engineering Solutions

Research and develop new products to promptly meet market demands, cover all domestic market segments, and expand export opportunities.

Enhance R&D efforts for large-sized bias and all-steel specialty tires, ensuring they meet quality standards and reclaim DRC's market share in this segment.

Expand raw material testing to diversify supply sources, improve price competitiveness, and secure cost-effective materials. The company

is transitioning toward eco-friendly materials that lower costs while maintaining technical, safety, and performance standards.

Invest in deep-processing technology to continuously improve product quality, reduce material consumption, and increase DRC's competitiveness in the global market.

Boost mechanization and automation in production to minimize manual labor and enhance efficiency across all manufacturing processes.



Investment Solutions

Ongoing projects

- Equipment Investment Projects: Completion of the “Bead Wire Production Line – 06 Positions” investment.
- Project: “Expanding the Radial Tire Manufacturing Plant to Increase Capacity to 1 million tires per year”

Planned Investments for 2025

The company's investment focus in 2025 will be on individual equipment investment projects.

In Q1/2025, the Company will prepare the Technical-Economic report, assess and ask for approval of the Group before proceeding with the investment phase. In early Q2/2025, The General Director will present the investment plan to the Board of Directors for approval before moving

forward in compliance with investment and construction regulations. With these specific and practical solutions, under the leadership of the Board of Directors, the commitment of the Board of Management, and the unity of employees, Da Nang Rubber Joint Stock Company will continue to uphold its tradition of “Solidarity, Innovation, Creativity, and Sustainable Development”, striving to fulfill the 2025 General Meeting of Shareholders’ Resolutions.







## BOARD OF DIRECTORS REPORT

- Overall Assessment of the Economy and Industry by the Board of Directors
- Assessment of the Company's Activities by the Board of Directors
- Assessment of the Board of Management's Activities by the Board of Directors
- Assessment of the Board of Directors on Environmental and Social Activities
- General Comments and Assessment of the Board of Directors on the Company's Operation in 2024
- Plans and Directions of the Board of Directors for 2025, in mid-term and long-term





## OVERALL ASSESSMENT OF THE ECONOMY AND INDUSTRY BY THE BOARD OF DIRECTORS

In 2024, the Company's production and business operation continued to face numerous difficulties due to the impact of the global economic and political situation, a sharp increase in material prices (with rubber prices in Q3 2024 rising by nearly 50%), fluctuations in the USD exchange rate, difficulties in transportation and soaring logistics costs, all of which affected the Company's business performance.

In this context, the Board of Management flexibly implemented effective solutions and made well-informed decisions, achieving the efficiency and meeting the initial targets:

- » **Total revenue from sales achieved:** VND 4,852 billion, increasing by 4% compared to the same period and reaching 90% of the 2024 annual plan. Specifically:
  - Domestic revenue: VND 1,824 billion, increasing by 12% year-over-year and exceeding the 2024 plan by 4%
  - Export revenue: VND 3,028 billion, reaching 97% year-over-year and 89% of the plan
- » **Profit before tax achieved:** VND 289 billion, reaching 94% compared to the same period and exceeding the 2024 plan by 1%.

- The Company continued to be recognized by the Group as one of the **Top 5** Units with the highest revenue and profit in the Group
- Recognized among the **Top 10** outstanding units in the Group's emulation movement.
- DRC has maintained its National Brand recognition for **9 consecutive years**.
- For the first time, awarded a place in the **Top 10 of the Vietnam Gold Star Award**.
- Recognized by the Vietnam General Confederation of Labor as **an outstanding enterprise for employee**.
- **Successfully implemented key projects:** "Investment in Expanding the Radial Tire Manufacturing Plan to Increase the Capacity to 1 Million Tires per Year". "LTR, PCR Tire Projects"





In 2024, the achievements made amid challenging conditions reflect the relentless efforts of the Board of Management. Various strategic solutions were implemented to boost sales, enhance product quality, and increase consumption in both domestic and international markets. As a result, key business performance indicators showed positive outcomes.

The specific results achieved are as follows:

No.	Item	Unit	Actual 2024	Plan 2025	
				Plan	Compared to Actual 2024
1	Revenue	Million VND	4.852	5.040	104%
2	Profit Before Tax	Million VND	289	285	99%
3	Profit After Tax	Million VND	231	228	99%

Advantages

In 2024, global consumption recovered, and Vietnam's economy recorded a growth of 7.09%, surpassing the government's annual target of 6.5%–7.0%. Inflation and interest rates were also effectively controlled by the government, creating favorable conditions to support economic growth.

The establishment of free trade agreements such as EVFTA and CPTPP has opened up significant opportunities for Vietnam's tire manufacturing industry. The gradual reduction of export taxes to 0% has facilitated

domestic tire companies in expanding and accessing international markets. This presents a particular opportunity for DRC, enabling the company to enhance its export capacity and expand its market share globally.

Although the U.S. Department of Commerce (DOC) has imposed anti-subsidy and anti-dumping duties on passenger and light truck tires from Vietnam, DRC remains unaffected as its exported products primarily consist of heavy-duty truck tires, which are not subject to these tariffs.

Challenges

Rubber prices surged throughout the year, and transportation costs continued to rise due to ongoing political uncertainties. Exchange rate fluctuations remain unpredictable, leading to significant foreign exchange gains/losses affecting both input costs and cash flow from export sales.

The widespread presence of Chinese products with highly competitive pricing is putting substantial pressure on the market, posing a serious competitive challenge for DRC.



## OPPORTUNITIES

Key indicators such as stable growth in U.S. retail sales which is one of the main contributors to GDP growth in 2024, the continued recovery of the U.S. Consumer Confidence Index since 2022, improving inflation, and tax cuts for American consumers suggest a positive consumption outlook in the U.S. This favorable environment is expected to create numerous opportunities for Vietnamese exports, including the automotive tire industry.

Recently, the U.S. Department of Commerce (DOC) announced its final decision on the anti-dumping investigation into truck and bus radial (TBR) tires imported from Thailand. The final anti-dumping duties imposed are 48.39% for Bridgestone Group's products and 12.33% for products from Prinx Chengshan Tire and other Thai TBR manufacturers. Currently, Thailand holds a 28% market share in the U.S. TBR segment and is the largest exporter to this market, while Vietnam accounts for only about 12%. With TBR tires as its key product, DRC is expected to benefit from this decision, leading to strong growth in production volume in the near future.

The Phase 3 Radial Project, which aims to increase the plant's capacity to 1,000,000 tires per year, is currently underway and is expected to help DRC improve its gross profit margin. The expansion of production capacity, combined with strong domestic and export market demand, will enable the company to sustain long-term growth.

Given the current situation, global oil supply is expected to exceed demand due to factors such as U.S. President Donald Trump's policies, declining demand from China—the world's largest oil importer—the global shift toward renewable energy, and a significant increase in supply from non-OPEC+ producers (a coalition of OPEC and non-member countries like Russia). As a result, oil prices are projected to decline, which could, in turn, lead to a decrease in rubber prices in the near future.

The European market is considered a promising opportunity, especially with the EU-Vietnam Free Trade Agreement (EVFTA), which took effect in August 2020, gradually reducing import tariffs on auto parts to 0% within seven years. However, the EU imposes strict requirements, mandating that exported tires meet Emark standards and Reach certification. This presents a significant challenge for tire manufacturers in general and DRC in particular when seeking opportunities in this highly demanding market.

## DIFFICULTIES

China is aggressively expanding its production and business activities, leveraging its competitive pricing advantage. This poses a significant challenge for DRC in both domestic and export markets, where competition from Chinese manufacturers is intensifying.

Additionally, input material costs remain a pressure for DRC due to forecasts of a natural rubber supply shortage caused by climate change. Inflation risks are also resurfacing, driven by U.S. policy decisions, which could further impact raw material prices.

From January 1, 2024, manufacturers and importers of tires, batteries, lubricants, and certain packaging materials are required to fulfill mandatory recycling responsibilities based on specified rates and standards. According to Decree No. 08/2022/NĐ-CP, which details the implementation of the 2020 Environmental Protection Law, the mandatory

recycling rate for tires is set at 5% for the first three years, with adjustments every three years to gradually increase the requirement.

This regulation applies to manufacturers and importers with total revenue from sales and services exceeding VND 30 billion and import value exceeding VND 20 billion in the previous year. As a result, DRC falls within the scope of enterprises required to comply with this regulation.

Currently, DRC operates a tire retreading plant specializing in recycling used tires. To meet the new regulatory requirements, DRC needs to enhance the production capacity of this facility. Additionally, expanding market outlets for recycled products will not only improve the plant's operational efficiency but also align with DRC's commitment to sustainable and green production practices.





INVESTMENT ACTIVITIES IN 2024

A) INVESTMENT IN INDIVIDUAL EQUIPMENT  
PROJECTS:

In 2024, the company is implementing five projects, including four ongoing projects and one new investment project.

Estimated project execution value in 2024: VND **63,373 million**

Estimated disbursement value in 2024: VND **71,281 million**.

B) PROJECT: “INVESTMENT IN EXPANDING  
THE RADIAL TIRE MANUFACTURING PLANT TO  
INCREASE CAPACITY TO 1 MILLION TIRES PER  
YEAR”:

The project consists of a total of 23 contract packages, of which 15 have been completed, while 8 are in the finalization stage.

The project is progressing on schedule according to the signed contracts.

Estimated project execution value in 2024: VND **286,246 million**

Estimated disbursement value in 2024: VND **276,335 million**

Expected project completion and final settlement: Q2/2025.





ASSESSMENT OF THE COMPANY'S ACTIVITIES  
BY THE BOARD OF DIRECTORS

EVALUATION OF PROJECT  
IMPLEMENTATION:

All projects have been executed in compliance with the current regulations on investment and construction set by the government.

Project: “Investment in Expanding the Radial Tire Manufacturing Plant to Incease Capacity to 1 Million Tires Per Year”:

**Project progress:** The company has actively implemented various measures to accelerate the execution of contract packages and ensure timely investment progress. However, the prolonged approval process for the fire prevention and fighting (PCCC) design (delayed by approximately three months compared to the initial plan) has affected the overall project timeline. As of now, all construction, installation, and equipment acceptance stages have been completed, and the facilities are now operational. The project's final settlement is expected to completed in Q2/2025.

**- Work Volume Execution:** The contractors have carried out their tasks in accordance with the contract volume and schedule. However, since the contract timeline for the main equipment package - the 370-liter internal mixer for the expanded Mixing Facility - is closely linked to other construction packages within the project, the company has worked with the contractors to extend the contract duration until the project's completion and final settlement.

**- Execution value in 2024:** The value of executed work includes consulting, construction, supervision, and equipment procurement, in accordance with the progress specified in the signed contracts.

**- Disbursement value:** All projects have been disbursed according to schedule, based on the completed work volume and payment terms stipulated in the contracts.

The Board of Directors has carefully studied and evaluated all construction investment projects before making investment decisions. This ensures project efficiency while strictly adhering to legal regulations and the company's Charter.

1. ACHIEVEMENTS

Business Performance Results

The company’s estimated business performance in 2024 has achieved the following key indicators:

**+ Industrial production value (at actual prices):** Estimated at VND 4,766 billion, reaching 93.01% of the target and increasing by over 12% compared to 2023.

**+ Total revenue:** Estimated at VND 4,852 billion, achieving 90% of the target and 104% compared to 2023.

**+ Pre-tax profit:** Expected to reach VND 289 billion, achieving 101% of the target and 94% of 2023's figure.

**+ Average monthly income per employee:** Estimated at VND 15.3 million, reaching 103% compared to 2023.





ASSESSMENT OF THE COMPANY’S ACTIVITIES  
BY THE BOARD OF DIRECTORS

Implementation of Construction Investment Activities

a) Investment in Individual Equipment Projects:

In 2024, the company is implementing five projects, including four ongoing projects and one new investment project.

- Estimated project execution value in 2024: VND 63,373 million
- Estimated disbursement value in 2024: VND 71,281 million.

b) Project: “Investment in Expanding the Radial Tire Manufacturing Plant to Incease Capacity to 1 Million Tires Per Year”:

- The project consists of a total of 23 contract packages
- Estimated project execution value in 2024: VND 286,246 million
- Estimated disbursement value in 2024: VND 276,335 million
- Expected project completion and final settlement: Q2/2025.



c) Evaluation of Project Implementation:

All projects have been executed in compliance with the current regulations on investment and construction set by the government.

Project: “Investment in Expanding the Radial Tire Manufacturing Plant to Incease Capacity to 1 Million Tires Per Year”:

- **Project progress:** The company has actively implemented various measures to accelerate the execution of contract packages and ensure timely investment progress. However, the prolonged approval process for the fire prevention and fighting (PCCC) design (delayed by approximately three months compared to the initial plan) has affected the overall project timeline. As of now, all construction, installation, and equipment acceptance stages have been completed, and the facilities are now operational. The project’s final settlement is expected to completed in Q2/2025.

- **Work Volume Execution:** The contractors have carried out their tasks in accordance with the agreed-upon volume and schedule outlined in the signed contracts. However, since the contract timeline for the main equipment package the 370-liter internal mixer for the expanded Mixing Facility - is closely linked to other construction packages within the project, the company has worked with the contractors to extend the contract duration until the project’s completion and final settlement.

- **Execution value in 2024:** The value of executed work includes consulting, construction, supervision, and equipment procurement, in accordance with the progress specified in the signed contracts.

- **Disbursement value:** All projects have been disbursed according to schedule, based on the completed work volume and payment terms stipulated in the contracts.



ASSESSMENT OF THE COMPANY'S ACTIVITIES  
BY THE BOARD OF DIRECTORS

1. ACHIEVEMENTS

Sales and Market Development

The Board of Directors has directed the Board of Management to effectively implement domestic and export sales strategies. Key initiatives include: transitioning from traditional sales methods to digital sales under Industry 4.0, enhancing digital marketing efforts, and developing multiple management software solutions for sales operations; introducing flexible sales policies to adapt to market demands; improving warranty services and customer care with a professional approach, tailored to each market, customer segment, and distributor.

- Directed the Board of Management to regularly review, strengthen, and continuously improve the product distribution system in both domestic and export markets.
- Enhanced efforts to approach and develop new potential markets to increase product consumption volume.

Science and Technology, Research & Development, and Quality Management

Directed the Board of Management to implement new solutions, focusing on investing in machinery and equipment, adjusting the product structure to align with market demand, improving products, and modifying formulations to reduce costs while maintaining quality. Emphasized raw material cost reduction, increased productivity, and continuous technological collaboration and transfer.

Financial Management

Directed the Board of Management to actively engage with credit institutions and banks to secure preferential funding sources, minimize loan interest expenses, and reduce financial costs.

Calculated and reasonably balance capital sources to effectively serve business and production activities. Ensured thorough inspection and supervision of the company's and its units' compliance with state regulations and policies.

Adequately prepared financial resources for the "Radial Truck Tire Factory Expansion Project" (increasing capacity to 1 million tires per year) and other investment projects.

Directed units to complete financial settlement on schedule in accordance with regulations.

Enhanced cost management, improved debt collection processes, and ensured stable cash flow for the company's operations.

Procurement of Materials for Business and Production Activities

The Board of Directors has guided and directed the Board of Management to research and forecast market trends for purchasing and stocking materials at reasonable prices. Additionally, efforts have been made to source multiple suppliers offering the best prices to reduce costs and enhance the company's business efficiency.

Issuance of Internal Management Documents

In 2024, the Board of Directors directed the review, amendment, and supplementation of four regulations and the issuance of three new regulations to align with practical operations, legal requirements, and the Company's Charter. These efforts aimed to enhance the efficiency of corporate governance and business operations:

1. Internal expenditure regulation (revised and supplemented)
2. Domestic sales regulation (revised and supplemented)
3. Export sales regulation (revised and supplemented)
4. Regulation on appointment, reappointment, transfer, rotation, and dismissal of personnel (revised and supplemented)
5. Regulation on the expenditure and use of the science and technology development fund (new issued)
6. Regulation on innovation management (new issued)
7. Regulation on the management of scientific and technological tasks (new issued)

Human Resources and Succession Planning

The Board of Directors has carried out succession planning, reviewed and supplemented personnel in the succession plan: appointed, reappointed; dismissed; transferred, and rotated personnel in accordance with the company's procedures and regulations.

- Salary adjustments and promotions for leaders and managers under the Board of Directors authority have been implemented in compliance with regulations and principles to ensure the company's leadership and management workforce meets operational needs effectively.

Shareholder Relations

Directed the Board of Management to ensure timely, accurate, and transparent disclosure of information, safeguarding shareholders' rights.

Other Activities

Successfully organized the 2024 Annual General Meeting of Shareholders.

Directed the implementation of the 2023 dividend payment and the 2024 interim dividend distribution in accordance with regulations.



ASSESSMENT OF THE COMPANY’S ACTIVITIES  
BY THE BOARD OF DIRECTORS

2. SHORTCOMINGS AND REASONS

In 2024, certain key business performance indicators of the Company are estimated to fall short of the targets set by the 2024 Annual General Meeting of Shareholders’ Resolution.

REASONS

The Board of Directors has demonstrated a high sense of responsibility in directing, leading, and orienting the Company’s business operations. However, in 2024, the Company faced numerous challenges due to both objective and subjective factors, making it difficult to achieve the planned targets. Several key issues contributed to this situation:

- Global economic and political instability: Unpredictable developments in the global economy and politics, intensified geopolitical competition, and conflicts between nations have posed threats to global energy security, disrupted supply chains, and led to soaring logistics costs with sudden fluctuations.
- High inflation, natural disasters, and pandemics: These factors have significantly impacted people’s livelihoods.
- Fierce market competition: The Company faced intense competition in both domestic and export markets, especially from low-cost Chinese products, putting significant pressure on its sales performance.



ASSESSMENT OF  
THE BOARD OF  
DIRECTORS ON  
ENVIRONMENTAL  
AND SOCIAL  
ACTIVITIES

- » The Company has established a professional, dynamic, and innovative working environment.
- » Core corporate cultural values have been developed and placed at the center of all activities.
- » Special attention is given to employee welfare, ensuring a fair, safe, and positive working environment.
- » Environmental protection efforts have been effectively implemented, maintaining a clean, green, and pollution-free workplace.
- » Employee well-being is a priority, with

- strict measures in place to ensure proper healthcare, nutrition, and optimal working conditions, creating a comfortable and safe work environment.
- » Business development is closely aligned with shareholder interests and human resource development.
- » The Company actively engages in social initiatives, supporting disadvantaged families, orphans, and victims of Agent Orange, contributing to scholarship funds, building charity houses, and providing long-term care for heroic Vietnamese mothers



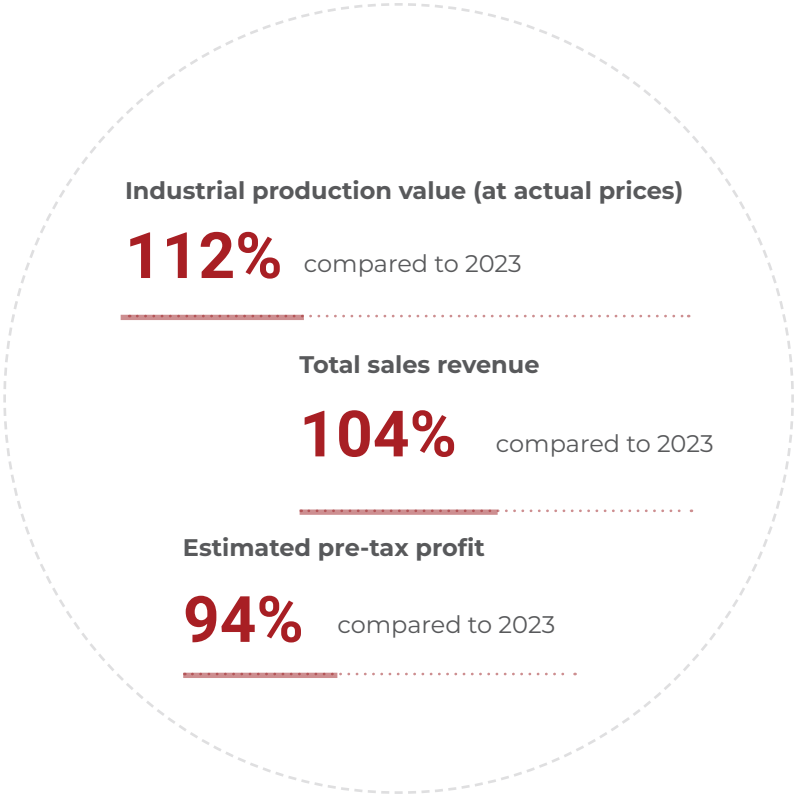
GENERAL COMMENTS AND ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY’S OPERATION IN 2024

In 2024, Vietnam’s economy continued its recoveryamidagloballyturbulentenvironment. Military conflicts and escalating political instability in some countries, sluggish global economic and trade recovery, unpredictable exchange rate and interest rate fluctuations, as well as severe natural disasters, droughts, storms, and climate change, have significantly impacted economic and social development and the livelihoods of citizens.

Although Vietnam’s economy maintained stable growth and was expected by many international organizations to sustain its positive momentum, uncertainties remained and could hinder its further development. Inflation showed a downward trend but continued to face strong pressures, making domestic monetary policy management more challenging amid unpredictable policies from the U.S., the EU, and other countries.

Against this backdrop, the Board of Directors closely monitored the situation and provided strategic guidance to the Board of Management, implementing flexible and effective solutions while swiftly adapting to market trends. As a result, the Company’s estimated business performance in 2024 achieved the following key indicators:

- ▶ Industrial production value (at actual prices): Estimated at 4,766 billion VND, reaching 93.01% of the target and increasing by over 12% compared to 2023;
- ▶ Total sales revenue: Estimated at 4,852 billion VND, reaching 90% of the target and 104% compared to 2023.
- ▶ Estimated pre-tax profit for 2024: 289 billion VND, achieving 101% of the target and 94% compared to 2023.



PLANS AND DIRECTIONS OF THE BOARD OF DIRECTORS

1. PLANS AND DIRECTIONS FOR 2025

- Successfully achieve the business and production targets set for 2025.
- Strengthen corporate governance, effectively implement the annual tasks assigned by the General Meeting of Shareholders, and focus on information disclosure, securities operations, and shareholder management.
- Continue directing the Board of Management to formulate and execute the business and production plan for 2025 and the following years. Enhance forecasting capabilities and risk identification to flexibly adjust strategies and business mechanisms, optimize costs, ensure safe operations, and align business activities with environmental protection by adopting modern, eco-friendly technologies.
- Maintain existing markets while expanding the domestic and international tire distribution network. Utilize the domestic market for sustainable development and the export market for continuous growth.
- Direct efforts towards the development of tire products (TBB, TBR, OTR) to meet the demands of mining operations.
- Regularly oversee technological improvements in the production of TBR, LTR, and PCR tires to align with global industry trends.
- Assess the feasibility and complete legal procedures to accelerate the progress of the “Tire Manufacturing Plant Project” with an annual capacity of 4 million PCR tires and 1 million TBR tires.





PLANS AND DIRECTIONS OF THE BOARD OF DIRECTORS

1. PLANS AND DIRECTIONS FOR 2025

- Continuously promote digital transformation, apply scientific and technological advancements, and foster innovation across all activities. Maximize internal resources, enhance modern management capabilities, and strengthen international cooperation and integration.
- Regularly review and update the leadership and management personnel plan to develop a competent successor workforce, ensuring both quantity and quality to meet evolving business needs. Guarantee job security, income stability, and improved living conditions for employees.
- Continue directing organizational restructuring efforts by optimizing labor allocation, streamlining management structures for efficiency, and ensuring cost-effective operations.
- Reinforce compliance with internal company regulations. Strictly implement policies on cost savings and waste reduction while ensuring fair income distribution to enhance employee motivation, improve workforce quality, and increase corporate profitability.

2. ORIENTATION TOWARDS 2030

- Strive to achieve the company's annual business and production targets, ensuring that each year surpasses the previous one.
- Focus on working with relevant units to assess the feasibility and implement the project: "Tire Manufacturing Plant with a Capacity of 4 Million PCR Tires per Year and 1 Million TBR Tires per Year."



KEY TARGETS FOR 2025

No.	Indicators	Unit	Targets for 2025
1	Industrial Production Value (At actual prices)	Billion VND	5,150
2	Total Sales Revenue	Billion VND	5,040.10
3	Net Revenue	Billion VND	4,880.30
4	Profit before tax	Billion VND	285
5	Production Volume		
	– Bicycle Tires	PCS	4,350,000
	– Bicycle Tubes	PCS	4,400,000
	– Motorcycle Tires	PCS	1,700,000
	– Motorcycle Tubes	PCS	3,600,000
	– Automobile and Tractore Tires	PCS	1,945,000
	+ Semi-steel Tires	PCS	700,000
	+ Bias Tires	PCS	445,000
	+ Radial Tires	PCS	800,000
	– Automobile Tubes	Chiếc	350,000
	– Automobile Flaps	Chiếc	255,000
	– Retreaded Tires	Chiếc	40,000
	– Technical Rubber	Billion VND	
6	Consumption volume		
	– Bicycle Tires	PCS	4,350,000
	– Bicycle Tubes	PCS	4,500,000
	– Motorcycle Tires	PCS	1,800,000
	– Motorcycle Tubes	PCS	3,700,000
	+ Semi-steel Tires	PCS	700,000
	+ Bias Tires	PCS	445,000
	+ Radial Tires	PCS	800,000
	– Automobile Tubes	PCS	350,000
	– Automobile Flaps	PCS	255,000
	– Retreaded Tires	PCS	40,000
	– Technical Rubber	Billion VND	



PLANS AND DIRECTIONS OF THE BOARD OF DIRECTORS

MEASURES TO ACHIEVE THE 2025 PLANS

CORPORATE GOVERNANCE

Improve regulations and policies to optimize corporate governance efficiency while ensuring strict compliance with national policies and laws.

Apply scientific and technological advancements in tire manufacturing, strengthen collaboration with leading global automotive technology experts to continuously improve and enhance DRC's product quality.

Encourage employee contributions by creating opportunities for them to propose and implement management and production solutions. This aims to increase labor productivity, maintain and improve product quality, and reduce costs to lower product prices.

Enhance the implementation of quality control systems based on statistical techniques and production process control to evaluate and display plan execution results on unit bulletin boards. Carefully calculate and balance financial resources to ensure efficient production and business operations. Monitor and oversee compliance with national policies and regulations across the Company and its subsidiaries. Continue promoting the movement to practice cost-saving and waste reduction in all business activities. This is identified as a key and ongoing task for all individuals, units, and organizations within the Company.



SALES & DISTRIBUTION STRATEGY

Develop customer service programs with a professional approach, combined with an on-site product warranty program to create a competitive advantage for the DRC brand over similar products both domestically and internationally. The Company is committed to making this a key priority, playing a decisive role in building its reputation and customer trust.

Focus resources on boosting sales volume and strengthening DRC's market position in the domestic market to enhance production and business efficiency. Key product lines include AG STD tires, OTR tires, construction site tires, Radial tires, and DPLUS tubeless motorcycle tires.

Expand export sales to high-value markets to maximize business efficiency, such as Radial tires for the U.S. market and green bicycle tires for Argentina.

The Company recognizes that product distribution is not solely the responsibility of the sales department but is a collective effort involving all divisions. Every activity within the Company is aligned with the goal: **“Product quality is the core factor determining the Company's development; every product must be sold and sold quickly.”**



# 05

## SUSTAINABLE DEVELOPMENT REPORT

- Sustainable Development Message
- Sustainable Development Goals
- Energy Consumption Situation
- Plan and Targets For Energy Saving and Efficient Use in 2025





## SUSTAINABLE DEVELOPMENT MESSAGE

Dear Shareholders and Stakeholders,

Sustainable development has become a global concern, especially as economic growth leads to increasing scarcity of raw materials and energy, coupled with severe environmental and ecological impacts. Recognizing the serious consequences of uncontrolled growth, DRC is committed to balancing economic development, social security, and environmental protection.

DRC's development journey goes beyond production and distribution—it also emphasizes waste treatment and environmental sanitation within its factories and operational areas. The company not only sets growth objectives but also strives to balance the interests of all stakeholders, including shareholders, investors, customers, regulatory authorities, and employees. Specifically:

- » **For Employees:** Building a strong and sustainable workforce.
- » **For Shareholders:** Efficiently utilizing assets and resources, providing timely and accurate information, and ensuring shareholder benefits.

- » **For Customers:** Honoring commitments by delivering high-quality, diverse products with excellent after-sales service.
- » **For the Community:** Contributing to a better society.
- » **For Business Partners:** Cooperating for sustainable growth.

With a vision to become one of Vietnam's leading tire manufacturers, Da Nang Rubber Joint Stock Company (DRC) aims not only for strong growth but also for long-term stability and sustainability. Our goal is to expand the DRC brand both domestically and internationally. We believe that all businesses—not just in our industry but across the global economy—should prioritize sustainable development. This is a corporate responsibility toward society, the nation, and future generations. We strongly support continuous efforts to spread and embrace the Sustainable Development message more widely.





**DRC** continuously recognizes the importance of integrating economic growth with social responsibility and environmental protection. This means ensuring, enhancing, and balancing the interests of all stakeholders, including shareholders and investors, customers, business partners, regulatory authorities, employees, and the broader community. Therefore, year after year, the company strives to improve its management and operational efficiency, ensuring stable and sustainable growth. Alongside these efforts, DRC has also set specific goals for itself.



DRC recognizes that sustainable growth must align with economic benefits through its core business activities:

- » Continuously improving production capacity, enhancing product quality, and prioritizing customer service to expand market share and attract potential customers.
- » Expanding market share, investing in governance and operations, and ensuring resources are ready for sustainable growth objectives.
- » Strengthening sales efforts, promoting products, and expanding the domestic market while deepening international market penetration.
- » Committing to ensuring shareholder benefits through consistent dividend payments over the years.
- » Providing transparent and timely disclosures to investors regarding the company's operations.





# SUSTAINABLE DEVELOPMENT GOALS



## RESPONSIBILITY TO CUSTOMERS

The success or failure of DRC is determined by its customers. Therefore, the company is committed to a mutually beneficial relationship and customer satisfaction:

- » Providing products with the highest quality standards to ensure customer trust and confidence.
- » Continuously listening and engaging with customers to understand their expectations,

thereby strengthening technical and technological capabilities to meet their needs.

- » Enhancing service quality by actively receiving and considering customer feedback.
- » Constantly improving product and service quality to adapt flexibly to increasing customer demands.
- » Continuing to invest in research and development, fostering innovation to deliver high-quality products efficiently..



## SOCIAL AND COMMUNITY RESPONSIBILITY

DRC recognizes that responsibility towards the community and society is not just an obligation but also a crucial factor contributing to our sustainable development. Therefore, we continuously strive to support community programs and actively assist those in need, demonstrating our commitment to social well-being.

- » Enhancing the sharing of material and spiritual achievements with the community and society, fostering unity and consensus across the entire corporation; focusing on improving workers' skills, educational levels, and legal awareness.
- » Setting goals for human resource development through policies that ensure a safe working environment and sustainable employee benefits, talent identification and

development programs, and the promotion of individual potential.

- » Continuously collaborating with local authorities and social organizations, implementing practical actions to support and provide opportunities for families and individuals to develop and improve their lives.
- » Regularly organizing volunteer programs and social welfare activities to improve living and working environments and extend support to those in need.
- » In 2024, the company contributed over VND 1.2 billion to support disaster recovery from Typhoon Yagi (VND 500 million donated to the Vietnam Fatherland Front Committee in Da Nang City and VND 704 million contributed in partnership with the Vietnam National Chemical Group).



## RESPONSIBILITY TO SHAREHOLDERS

The company is committed to disclosing information to shareholders transparently, accurately, and in a timely manner in accordance with legal regulations.

- » Effective management to maximize shareholder benefits, with a long-term commitment to creating added value across all business activities.
- » Proactively facilitating dialogue with investors, ensuring equal rights for all shareholders in monitoring the company's operations, making proposals, and providing feedback for continuous improvement.
- » Ensuring transparency in management and operations, addressing shareholder concerns honestly. Over the years, the company has consistently paid cash dividends, safeguarding shareholder interests when investing in DRC.





# SUSTAINABLE DEVELOPMENT GOALS



## ENVIRONMENTAL RESPONSIBILITY

The entire company continuously strives to transform environmental awareness into a conscious responsibility and concrete actions at every stage of production.

- » Maintain strict adherence to occupational safety, hygiene, and fire prevention regulations.
- » Focus on developing union membership and raising awareness among employees, encouraging continuous efforts to improve production processes to meet green, clean, and sustainable environmental standards.
- » Use natural resources such as clean water and energy efficiently, ensuring better control over consumption in production and business operations.
- » Conduct monthly monitoring of electricity, fuel, and water consumption. Ensure proper

waste collection, disposal, and regular cleaning of workspaces and surrounding environments.

- » Proactively implement requirements regarding plans, measures, and equipment for environmental incident prevention and response in accordance with legal regulations.
- » Actively conduct assessments of the potential environmental impact of production activities, demonstrating a clear responsibility for preparing environmental impact assessment reports when implementing investment projects.
- » Integrate environmental protection into company operations, aligning with sustainable development practices.
- » Utilize factory rooftops to collaborate with investors in installing solar energy systems, promoting clean energy while reducing costs.



## RESPONSIBILITY TO EMPLOYEES

People are the most valuable resource and the core factor in every business operation. DRC focuses on developing and managing human resources to ensure the company's long-term sustainability. Each individual at DRC is regarded as an essential building block, contributing to the creation of a strong and united organization. This philosophy is a guiding principle that the company's leadership consistently upholds, fostering a positive and harmonious work environment.

- » DRC complies with leave policies, public holidays, and other state regulations, ensuring employees have adequate rest and maintain good health.
- » The company is committed to providing a professional and dynamic work environment that encourages creativity and contributions

from all employees. Every individual is encouraged to explore their potential and bring innovation to help achieve the company's shared goals.

- » DRC ensures full participation in health insurance, social insurance, and unemployment insurance for employees in accordance with legal requirements.
- » The company prioritizes employee welfare, addressing issues such as sickness, maternity leave, and personal leave in a timely manner, ensuring financial and emotional support for all employees.
- » All necessary protective equipment and safety gear are provided in full compliance with safety standards and regulations to ensure a secure working environment



## RESPONSIBILITY TO BUSINESS PARTNERS AND SUPPLIERS

Business partners and suppliers play a crucial role in shaping and driving the company's growth and development.

- » Ensuring fair and transparent competition among suppliers based on advanced technology and high-quality products.
- » Collaborating closely to develop and manufacture the best quality products, contributing positively to societal progress.

- » Committing to maintaining a healthy, free, and open competitive environment, fostering strong, equal partnerships that strive toward a prosperous future together.
- » Selecting suppliers fairly based on their capabilities, reputation in collaboration, and past experience...



ENERGY CONSUMPTION SITUATION

Energy Consumption Situation

No.	Total Energy Consumption Categorized by Each Source	Total Utilization Value in 2024	Unit
1	Energy Type - Electricity	67,913,377	Kwh
2	Energy Type - Steam	199,200	Ton
3	Energy Type - Gasoline	3,372	Liter
4	Energy Type - DO Oil	174,468	Liter

Energy Saving

No.	Initiative for Efficient Energy Use	Operating Location	Energy Saved
1	Tag warnings and rectify various types of steam and heat energy leaks.	Bicycle & Motorcycle Tire Factory and Retread Tire Factory.	133 tons/year
2	Tag warnings and rectify various types of compressed air energy leaks.	Bicycle & Motorcycle Tire Factory and Retread Tire Factory.	118,195 kwh/year
3	Replace 211 T8 fluorescent bulbs (36W) with LED bulbs (18W).	Mixing Factory Area and Radial Tire Factory Office Area.	24,919 kwh/year
4	Replace 74 high-pressure lamp sets with 250W ballasts with high-efficiency TKD HOE 140W lamps.	Bias Tire Factory	49,846 kwh/year
5	Replace two 2×75 kW compressors with two 2×15 kW compressors.	Bicycle & Motorcycle Tire Factory	979,200 kwh/year
6	Install a 100kW inverter cabinet for power station	Bias Tire Factory	204,000 kwh/year

Water consumption situation

Water Supply Sources

No.	Water Sources	Total Water Collected/Achieved (Unit: m³/year)
1	From groundwater well sources	31,575
2	From municiple water sources	41,087
3	From Tin Thanh Company	38,208
Total		110,870

Water Consumption

No.	Water Sources	Total Water Collected/Achieved (Unit: liter/year)
1	From groundwater well sources	31,575,000
2	From municiple water sources	41,087,000
3	From Tin Thanh Company	38,208,000
Total		110,870,000

Amount of Recycled Water Used

No.	Water Sources	Total Water Collected/Achieved (Unit: liter/year)
1	From groundwater well + municiple water sources	52,435,000

No.	Initiative for Efficient Energy Use (Upgrading - Equipment Replacement)	Operating Location	Benefits
1	Overhaul of vulcanizing machines OII 2-04 and OII 2-06.	Bias Tire Factory	Increase productivity and product quality
2	Overhaul and upgrade the OTH 4-07 forming machine.	Bias Tire Factory	Increase productivity and product quality
3	Overhaul 02 bicycle tire forming machines XTĐ 04 and 05.	Bicycle & Motorcycle Tire Factory	Increase productivity and product quality
4	Upgrade of the cooling conveyor system of the closed mixing production line DC100-02	Mixing Factory	Increase productivity and product quality
5	Overhaul of the vulcanizing machine ORD-LH2-4	Radial Tire Factory	Increase productivity and product quality



ENERGY CONSUMPTION SITUATION

Wastewater Treatment

Total Wastewater Volume (tons)	Total Treated Waste- water (tons)	Treatment Method	
		Self- Treatment	Outsourced Treatment
			Contractor Name Contract Duration
14,956	14,956		Saigon - Da Nang Investment Joint Stock Company1 year

Solid Waste Treatment

Total Solid Waste Volume (tons)	Total Treated Solid Waste Volume (tons)	Treatment Method	
		Self- Treatment	Outsourced Treatment
			Contract Duration
580	580		Da Nang Urban Environment JSC1 year Khanh Hoa Environment JSC1 year

Report on the Percentage of Recycled Materials Used

No.	Type of Materials	Total Usage Volume (Unit:tons)	Recycled Usage Volume	Ratio of Recycled Volume/Total Usage (%)
			(Unit:tons)	
1	Recycled Tires	21,646.06	521.42	2.40%
2	Reclaimed Rubber	21,646.06	1,753.16	8.10%
Total				10.50%

Total Weight, Volume of Raw Materials Used

No.	Product/Service	Raw Materials Used in Product/ Service	Total Mass/ Weight (Unit:tons)	Supplier		Recyclability	
				External	Internal	Possible	Impossible
1	High-tech retreaded tires according to the manufacturer's standards	Rubber, chemicals, tire cords	521.42		x	x	
2	Tires and tubes of all types	Cut materials, recovered rubber powder, used as aggregate	1,753.16	x			x

GREENHOUSE GAS (GHG) EMISSIONS STATISTICS

DIRECT EMISSIONS

DO (DIESEL OIL) FUEL

DO FUEL	Consumption	Density	Heating	CO2	CH4	N2O	OUTPUT	RATIO
	(kg)	(tons/ m3)	(GJ/ton)	(t CO2-e)	(t CO2-e)	(t N2O-e)	(tons)	(Tons/ Ton of Product)
Fixed DO Fuel	126	0.84	43	0.40	0.00045	0.000887		
Mobile DO Fuel	175573.44	0.84	43	559.43	0.82148	8.038121		
Average	87,849.72			279.92	0.41	4.02		
Total	175,699.44			559.83	0.82193	8.04		



GREENHOUSE GAS (GHG) EMISSIONS STATISTICS

INDIRECT EMISSIONS

ELECTRICITY

MONTH	Consumption	CO2 Emissions	Output	Ratio
	(kWh)	(t CO2-eq)	(tons of product)	(tons/ton)
1	5,203,580	3,430.20		
2	2,871,824	1,893.11		
3	6,206,997	4,091.65		
4	5,265,534	3,471.04		
5	5,308,651	3,499.46		
6	5,469,721	3,605.64		
7	5,485,135	3,615.80		
8	6,126,418	4,038.53		
9	5,912,642	3,897.61		
10	6,057,534	3,993.13		
11	5,617,259	3,702.90		
12	4,955,946	3,266.96		
AVERAGE	5,373,437	3,542.17		
TOTAL	64,481,241	42,506.03		

WASTEWATER

MONTH	Volume of Treated Wastewater	CH4 Emissions	Output	Ratio
	(m3)	(t CO2-eq)	(tons of product)	(tons/ton)
1	815	0,22		
2	501	0,14		
3	1,389	0,38		
4	1,026	0,28		
5	1,376	0,37		
6	1,225	0,33		
7	1,388	0,37		
8	1,326	0,36		
9	1,614	0,44		
10	1,742	0,47		
11	1,492	0,40		
12	1,062	0,29		
AVERAGE	1,246.33	0,34		
TOTAL	14,956	4,04		

OVERALL

	CO2	CH4	N2O
	(t CO2-e)	(t CO2-e)	(t N2O-e)
TOTAL	43,065.87	4.86005	8.04



# PLAN AND TARGETS FOR ENERGY SAVING AND EFFICIENT USE IN 2025

## Solutions and Expected Outcomes

Anticipated Solutions to Be Applied	Fuel Type	The purpose of the solution	Description of the solution	Expected results to be achieved	Cost (Million VND)
Tag warnings for types of steam and heat energy leaks at the Bias Tire Factory	Purchased steam	Saving steam and heat energy.	Inspect and detect steam and heat leaks in the equipment and pipes supplying steam for vulcanization, then tag them with an immediate corrective action plan	Energy savings: 1,029 (Tons)	148
				Energy savings rate: 2 (%)	
				Cost savings: 782 (Million VND)	
				Other benefits: Reducing environmental temperature	
Tag warnings for compressed air energy at the Bias Tire Factory	Purchased electricity	Saving electricity energy	Inspectanddetectairleaksintheequipment and pipes supplying compressed air, then tag them and develop an immediate corrective action plan.	Energy savings: 183,125 (kwh)	124
				Energy savings rate: 4 (%)	
				Cost savings: (Million VND)	
				Other benefits:	
Replace 150 T8 fluorescent bulbs (36W) with 18W LED bulbs in the Mixing Factory Area and the Radial Tire Factory Office Area	Purchased electricity	Saving electricity energy	Replace 36W T8 fluorescent lamps with 18W LED lamps in the Mixing Factory area and the Radial Tire Factory office area.	Energy savings: 17,715 (kwh)	10
				Energy savings rate: 40 (%)	
				Cost savings: 35 (Million VND)	
				Other benefits:	
Replace 75 T8 fluorescent bulbs (36W) with 18W LED bulbs at the Bicycle and Motorcycle Tire Factory.	Purchased electricity	Saving electricity energy	Replace high-power fluorescent lamps with energy-saving LED lamps.	Energy savings: 8,857 (kWh)	5.9
				Energy savings rate: 40 (%)	
				Cost savings: 17 (Million VND)	
				Other benefits:	
Replace 65 high-pressure lamp sets with 250W ballasts with high-efficiency TKD HOE 140W lamps at the Mix-ing Factory.	Purchased electricity	Saving electricity energy	Replace high-power lamps with high-efficiency, lower-power lamps to ensure brightness while saving energy.	Energy savings: 44,000 (kWh)	212
				Energy savings rate: 25 (%)	
				Cost savings: 85 (Million VND)	
				Other benefits:	
Install a 200kW inverter for the overheat water pump at the Radial Power Station.	Purchased electricity	Saving electricity energy	Use inverter technology to control a 200kW motor for energy savings	Energy savings: 408,000 (kWh)	250
				Energy savings rate: 25 (%)	
				Cost savings: (Million VND)	
				Other benefits:	



PLAN AND TARGETS FOR ENERGY SAVING AND  
EFFICIENT USE IN 2025

Plan for replacing, upgrading, and adding technological equipment.

Equipment Name	Describe the features and usage location of the equipment.	Installation method	Reason for new installation, upgrading, or replacement.	Commitment level and feasibility.
Vulcanizing machine	Overhaul and repair parts of the machine - Radial Tire Factory.	Overhaul the machine	To increase productivity and product quality	Stable equipment, good feasibility
Mixing roll machine	Overhaul and repair parts of the machine – Bicycle and Motorcycle Tire Factory	Overhaul the machine	To increase productivity and product quality	Stable equipment, good feasibility
Vulcanizing machine	Overhaul and repair parts of the machine - BiasTire Factory.	Overhaul the machine	To increase productivity and product quality	Stable equipment, good feasibility
Forming machine	Overhaul and repair parts of the machine - BiasTire Factory.	Overhaul the machine	To increase productivity and product quality	Stable equipment, good feasibility
Forming machine	Overhaul and repair parts of the machine – Bicycle and Motorcycle Tire Factory	Overhaul the machine	To increase productivity and product quality	Stable equipment, good feasibility
Bicycle and Motorcycle Tire Vulca- nizing Machine	Overhaul and repair the machine for vulcanizing bicycle and motorcycle tires - Bicycle and Motorcycle Tire Factory	Overhaul the machine	To increase productivity and product quality	Stable equipment, good feasibility
Forming machine	Overhaul and repair the radial tire forming machine.	Overhaul the machine	To increase productivity and product quality	Stable equipment, good feasibility





# 06

## CORPORATE GOVERNANCE

- The Board Of Directors
- The Supervisory Board
- Transactions, Remuneration And Benefits of The Board Of Directors, Board Of Management and Supervisory Board





THE BOARD OF DIRECTORS

Activities of the Board of Directors

In 2024, DRC successfully followed the strategic direction set by the Board of Directors and ensured the implementation of decisions related to the Company's investment, financial, and business activities. The Board of Management and Project Management Board were guided to execute the plans entrusted by the 2024

Annual General Meeting of Shareholders in alignment with the Company's Charter and relevant laws. In all aspects, DRC has met and exceeded the targets set by the General Meeting of Shareholders for 2024. The achievements attained this year have not only driven the Company's growth but also reinforced its market position.

No.	Member of the Board of Directors	Position	Number of meetings attended	Attendance Rate	Reason of absence
1	Mr. Nguyen Xuan Bac	Chairman	22/22	100%	
2	Mr. Nguyen Van Hieu	Member	22/22	100%	
3	Mr. Nguyen Huy Hieu	Member	22/22	100%	
4	Mr. Tran Dinh Quyen	Member	5/7	71%	Unexpected business trip and dismissal of the member of BOD from 24 April 2024
5	Mr. Ha Phuoc Loc	Member	22/22	100%	
6	Mr. Le Hoang Khanh Nhut	Member	22/22	100%	
7	Ms. Nguyen Thi Bich Thuy	Member	22/22	100%	
8	Mr. Pham Ngoc Phu	Member	15/15	100%	Becoming the member of the BOD from 24 April 2024

Resolutions/Decisions of the Board of Directors

No.	Resolution No.	Date	Content	Approval Rate
1	01/NQ-DRC-HĐQT	02/01/2024	- Approved the General Director to re-sign the water supply contract for production purposes with Tin Thanh Group Joint Stock Company.	100%
2	02/NQ-DRC-HĐQT	18/01/2024	- Approved the production and business results for the fourth quarter and full year of 2023 - Approved the production and business plan for the first quarter of 2024	100%
3	03/NQ-DRC-HĐQT	18/01/2024	- Approved the internal audit plan for 2024	100%
4	04/NQ-DRC-HĐQT	02/02/2024	-Approved the implementation results of materials and fuel consumption norms for 2023; -Approved the periodic report on repair for fixed assets in 2023 and the repairing plan for 2024. -Acknowledged the report on inventory management in 2023; -Acknowledged the report on debt management in 2023; -Approved the report on the implementation of investment and construction activities in 2023 and the plan for 2024 -Approved the investment and construction plan for 2024; -Acknowledged the report on the divestment of the Philips Carbon Black Vietnam's project. -Approved the policy for the General Director to implement the process of reappointment the Head of Investment Department; -Approved the policy for the General Director to implement the process of appointment the Director of the Tire Retreading Factory.	100%
5	05/NQ-DRC-HĐQT	02/02/2024	- Approved the General Director to sign the Commercial Lease Contract with Tin Thanh Group Joint Stock Company for the warehouse and land on the campus of lot H and lot D at Lien Chieu Industrial Zone; - Approved the plan for organizing the 2024 Annual General Meeting of Shareholders	100%
6	06/NQ-DRC-HĐQT	12/3/2024	- Approved the finalization of the payroll fund in 2023.	100%



THE BOARD OF DIRECTORS

No.	Resolution No.	Date	Content	Approval Rate
7	07/NQ-DRC-HĐQT	01/4/2024	-Approved the documents presented at the 2024 Annual General Meeting of Shareholders	100%
			-Approved the transition of the investment phase from the preparation to the implementation for the “Bead Wire Production Line – 06 Positions”	
			-Approved the amendment to the Company's internal spending resolutions.	
			-Approved the General Director to appoint Mr. Van Trung Tam – Head of the KCS Department to the position of Head of the Representative Office at Danang.	
			-Approved the General Director to appoint Mr. Nguyen Thanh Dung – Head of the Representative Office at Danang, to the position of Head of the KCS Department.	
8	08/NQ-DRC-HĐQT	16/4/2024	-Approved the amendment of the Resolutions regarding appointments, reappointments, repositions, rotations, resignations, and dismissals of management staffs of the Company's subdivisions	100%
			-Approved the plan to review and update the Company's leadership for the period of 2021-2026 and 2026-2031	
			-Approved the production and business results of the first quarter of 2024 and the plan for the second quarter of 2024;	
9	09/NQ-DRC-HĐQT	16/4/2024	-Approved the unaudited Financial Report of the first quarter of 2024	100%
			-Salary increase for Ms. Nguyen Thi Minh Thu - Deputy General Director of the Company;	
			-Approved the General Director to appoint Mr. Nguyen Chi Cong to the position of Director of the Tire Retreading Factory for a specified term;	
			-Approved the General Director to appoint Mr. Nguyen Ngoc Binh to the position of Head of the Investment Department for a specified term.	
10	10/NQ-DRC-HĐQT	24/4/2024	-Approved the policy for the General Director to implement the appointment process Head of the Representative Office at Ho Chi Minh City	100%
			-Elected the Chairman of the Board of Directors for the 2024-2029 term	

No.	Resolution No.	Date	Content	Approval Rate
11	11/NQ-DRC-HĐQT	10/5/2024	-Approved the proposal of paying remaining dividends in cash from the profits of 2023.	100%
12	11.1/NQ-DRC-HĐQT	10/5/2024	Approval of the preparation, verification, evaluation, and approval of the supplementary estimate for the increased transportation volume in the bidding package “Transportation of Equipment for the Project to Expand the Radial Tire Manufacturing Plant to Increase Capacity to 1 million tires per year”	100%
13	12/NQ-DRC-HĐQT	20/5/2024	-Established the Company's Science and Technology Development Fund	100%
			-Approved the Regulations for Managing Scientific and Technological tasks;	
			-Approved the Regulation for Innovation Activities;	
14	13/NQ-DRC-HĐQT	01/6/2024	-Approved the Regulations for Expenditures and Use of the Science and Technology Development Fund;	100%
			-Assigned tasks to the members of the Board of Directors for the 2024-2029 term.	
15	14/NQ-DRC-HĐQT	24/6/2024	- Approved the list of the main material suppliers of the Company.	100%
			-Approved the General Director to appoint Mr. Ha Phuoc Vinh to the position of Head of the Representative Office at Ho Chi Minh City for a specified term;	
			-Approved the General Director to reappoint Mr. Huynh Ngoc Ngai to the position of Director of Mixing Factory for a specified term;	
			-Approved the General Director to reappoint Ms. Nguyen Thi Hoang Oanh to the position of Head of the Rubber Technical Department for a specified term	
16	15/NQ-DRC-HĐQT	17/7/2024	-Approved the Financial Report for the second quarter of 2024 (unaudited)	100%
17	16/NQ-DRC-HĐQT	23/7/2024	-Approved the production and business results of the second quarter of 2024 and the first 6 months of 2024;	100%
			-Approved the production and business plans for the third quarter of 2024.	





THE BOARD OF DIRECTORS

No.	Resolution No.	Date	Content	Approval Rate
18	17/NQ-DRC-HĐQT	23/7/2024	-Acknowledged the results of implementing the consumption norms of supplies and raw materials for the first half of 2024;	100%
			-Acknowledged the implementation status of the major repair plan for the first half of 2024;	
			-Acknowledged the results of the regular maintenance activities in the first half of 2024;	
			-Acknowledged the debt report in the first half of 2024;	
			-Acknowledged the report on the result of the investment construction in the first half of 2024.	
19	18/NQ-DRC-HĐQT	26/7/2024	-Agreed on the policy to allow the General Director to reassign the Director of Automobile Tire and Tube Factory. -Agreed on the policy to allow the General Director to reassign the Head of the Mechanical Engineering Department.	100%
20	18.1/NQ-DRC-HĐQT	29/8/2024	-Agreed on the policy to approve the list of Sciencific and Technological tasks.	85,71%
21	19/NQ-DRC-HĐQT	18/10/2024	-Approved the unaudited Financial Report for the third quarter of 2024.	100%
22	20/NQ-DRC-HĐQT	22/10/2024	-Approved the results of production and business activities for the third quarter of 2024 and the first 9 months of 2024;	100%
			-Approved the plan of production and business activities for the fourth quarter of 2024.	
23	21/NQ-DRC-HĐQT	22/10/2024	-Approved the amendments and supplements to the regulations for domestic sales;	100%
			-Approved the amendments and supplements to the regulations for export sales;	
			-Approved to review the list of leadership, management personnel planning for the Company for the 2021-2026 term and the 2026-2031 term.	
24	22/NQ-DRC-HĐQT	28/11/2024	Approved the proposal of the interim dividend payment for 2024.	100%
25	23/NQ-DRC-HĐQT	09/12/2024	Approved the list of main material suppliers of the Company	100%
26	24/NQ-DRC-HĐQT	23/12/2024	Approved the policy to allow the General Director to reassign the Head of the Company's Representative Office in Danang and the Head of the Company's Sales Department	

THE SUPERVISORY BOARD

Activities of the Supervisory Board

No.	Member of the Supervisory Board	Number of meetings attended	Attendance Rate	Voting Rate
1	Mr. Chu Quang Tuan	6/6	100%	100%
2	Ms. Nguyen Thi Van Hoa	6/6	100%	100%
3	Ms. Truong Thi Hong Hoa	6/6	100%	100%

Contents of the Supervisory Board Meetings

No.	Content	Meeting Date	Details	Result
1	Meeting 1	15/1/2024	Monitoring Q4/2023 activities	According to the meeting minutes
2	Meeting 2	27/1/2024	Reviewing 2023 Financial Statements	According to the meeting minutes
3	Meeting 3	06/03/2024	Issuing the 2023 Audit Report	According to the meeting minutes
4	Meeting 4	24/4/2024	Electing the Supervisory Board for the term 2024-2029	According to the meeting minutes
5	Meeting 5	23/7/2024	Reviewing the Semi-Annual 2024 Financial Statements	According to the meeting minutes
6	Meeting 6	15/8/2024	Issuing the Semi-Annual 2024 Audit Report	According to the meeting minutes





THE SUPERVISORY BOARD

Supervision of the Board of Directors, Board of Management and Shareholders by the Supervisory Board

Supervision of the Board of Directors, Board of Management by the Supervisory Board:

In fulfilling its function and duties, in 2024 the Supervisory Board conducted oversight and supervision of the activities of the Board of Directors and the Board of Management in managing the production and business, as well as the implementation of the Resolution of the General Meeting of Shareholders on the financial and the business plans approved by the 2024 General Meeting of Shareholder, details as follow:

- » Managed the implementation of the Resolutions of the 2024 Annual General Meeting of Shareholders.
- » Managed the information disclosure
- » Managed, considered the content, legality, order, procedures of issuing the resolutions, regulations of the Board of Directors and the Board of Management in 2024.

Through its supervision, the Supervisory Board has observed the following:

The Board of Directors has strictly adhered to the contents of the Resolutions of the Annual General Meeting of Shareholders, issued Resolutions and Decisions focusing on the direction of the production and business operations in accordance with the functions and authorities of the Board of Directors, while complying with the Corporate Law and the Company’s Charter.

The Board of Management has implemented the Resolutions and Decisions of the Board of Directors; organized and aligned the Company’s production plans appropriately to the objections of improving product quality and business efficiency.

The Company prepare and submit Financial Reports periodically as the regulations of the State; Accounting policies applied by the Company

- » Reviewed the regulations, provisions issued in 2024. Inspected the implementation of the Company’s regulations and policies to support the management and orientation of production and business activities.
- » Managed financial and accounting activities, conducted an appraisal of the 2023 annual financial statements and the 2024 semi-annual financial statements. The Supervisory Board promptly made recommendations to the relevant functional departments and the Board of Management to enhance financial and accounting operations.
- » Inspected basic construction investment activities

comply with the regulations under the corporate regime, Vietnam accounting standards and current government regulations. Accounting books and records are complete, clear and stored in accordance with the regulations of the statistics accounting regime. Inventory procedures are complete and in line with regulations. The company fulfills its obligations to the State Budget.

The Resolutions and Decisions of the Board of Directors and Board of Management protects legitimate rights of employees. Employee benefits, such as job stability, salaries, contribution to social, health and unemployment insurance are fully implemented in accordance with the law’s regulations.



Supervisory activities of the Supervisory Board with shareholders

The rights and obligations of shareholders in accordance with the regulations of Law and the Company’s Charter are guaranteed and respected; periodic and extraordinary information (if any) related to shareholder’s interests, corporate governance situation,... have been announced in accordance with the provisions of Securities Law and Circulars regulating the information disclosure and current guidance document.

The Coordination of activities between the Supervisory Board and the operations of the Board of Directors, the Board of Management and others management personnel.

With the spirit of responsibility, collaboration and constructive engagement in its operation, the Supervisory Board consistently work closely,

exchange views and contribute opinions to the Board of Directors, the Board of Management during meetings. Resolutions and Decisions of the Board of Directors, the Board of Management are issued in accordance with the objectives of the Board of Directors, policies and regulation regimes

The Board of Directors and the Company’s Board of Management has provided timely and completely Resolutions and Decisions of the Board of Directors to the Supervisory Board, create conditions for the Supervisory Board to collect information and documents related to the production and business operation as requested

Other activities of the Supervisory Board

The Supervisory Board evaluates and proposes an independent audit firm that meets the regulatory requirements to be submitted for approval at the General Meeting of Shareholders.



TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SUPERVISORY BOARD

No.	Full name	Remuneration	Salary	Bonus + Others	Total
I. Board of Directors (BOD)					
1	Mr. Nguyen Xuan Bac	108,000,000	-	35,000,000	143,000,000
2	Mr. Le Hoang Khanh Nhut	87,000,000	792,838,000	545,596,000	1,425,434,000
3	Mr. Ha Phuoc Loc	87,000,000	656,406,639	389,921,000	1,133,327,639
4	Mr. Tran Dinh Quyen	27,000,000	-	30,000,000	57,000,000
5	Mr. Pham Ngoc Phu	60,000,000	-	-	60,000,000
6	Mr. Nguyen Huy Hieu	87,000,000	-	30,000,000	117,000,000
7	Mr. Nguyen Van Hieu	87,000,000	-	30,000,000	117,000,000
8	Ms. Nguyen Thi Bich Thuy	87,000,000	-	30,000,000	117,000,000
II. Supervisory Board (SB)					
1	Mr. Chu Quang Tuan	87,000,000	318,118,000	144,295,549	549,413,549
2	Ms. Nguyen Thi Van Hoa	61,500,000	-	15,000,000	76,500,000
3	Ms. Truong Thi Hong Hoa	61,500,000	175,342,000	132,029,000	368,871,000
III. Board of Management (BOM)					
1	Ms. Nguyen Thi Minh Thu	-	634,833,000	425,766,000	1,060,599,000
2	Mr. Pham Phong Thinh	-	502,001,000	318,404,000	820,405,000
3	Ms. Tran Thi My Le	-	572,848,000	366,940,000	939,788,000
TOTAL		840,000,000	3,652,386,639	2,492,951,549	6,985,338,188

No.	Transaction Executor	Relationship with Insiders	Number of Shares Owned at Beginning of Period		Number of Shares Owned at End of Period		Reason for Increase, Decrease (Purchase, Sale, Conversion, Bonus, etc)
			Number of Shares	Percentage	Number of Shares	Percentage	
1	Mr. Le Hoang Khanh Nhut	Member of the Board of Directors	441,566	0.37%	538,566	0.45%	Purchase
2	Ms. Nguyen Thi Minh Thu	Deputy General Director	100,075	0.08%	10,075	0.01%	Sale
3	Mr. Chu Quang Tuan	Head of the Supervisory Board	20,005	0.02%	6,005	0.00%	Slae
4	Ms. Nguyen Thi Van Hoa	Member of the Supervisory Board	7,219	0.01%	65,019	0.05%	Purchase
5	Ms. Pham Thi Quynh Nga	Authorized Person for Information Disclosure	-	0%	2,000	0%	Purchase





# 07

## FINANCIAL STATEMENT

- Independent Auditors Report
- Audited Financial Statements





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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 2024.

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 (15<sup>th</sup> time) on December 3, 2024.

The company’s headquarters is located at: Lot G, Ta Quang Buu Street, Hiep Hoa Bac Ward, Lien Chieu District, 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	(Reappointed on April 24, 2024)
Mr Le Hoang Khanh Nhut	Member	(Reappointed on April 24, 2024)
Mrs Nguyen Thi Bich Thuy	Member	(Reappointed on April 24, 2024)
Mr Ha Phuoc Loc	Member	(Reappointed on April 24, 2024)
Mr Nguyen Huy Hieu	Member	(Reappointed on April 24, 2024)
Mr Nguyen Van Hieu	Member	(Reappointed on April 24, 2024)
Mr Pham Ngoc Phu	Member	(Appointed on April 24, 2024)
Mr Tran Dinh Quyen	Member	(Resigned on April 24, 2024)

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
Mr Ha Phuoc Loc	Deputy General Director
Mrs Nguyen Thi Minh Thu	Deputy General Director
Mr Pham Phong Thinh	Deputy General Director

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	(Reappointed on April 24, 2024)
Mrs Nguyen Thi Van Hoa	Member	(Reappointed on April 24, 2024)
Mrs Truong Thi Hong Hoa	Member	(Reappointed on April 24, 2024)

AUDITORS

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



**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 2024, its operation results and cash flows in the year 2024 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, 11 March 2025

No: 110325.003/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 11 March 2025, as set out on page 06 to 41, including: Statement of Financial Position as at 31 December 2024, Statement of Income, Statement of Cash Flows and Notes to Financial Statements for the year ended as at 31 December 2024.

**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 audit opinion.

**Auditor’s 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 2024, 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.



**Other Matter**

The Financial statements for the fiscal year ending December 31, 2023, of Da Nang Rubber Joint Stock Company have been audited by the auditors of Viet Nam Auditing and Valuation Company Limited. The auditors have issued an unqualified opinion on these Financial statements as of March 7, 2024.

**AASC Auditing Firm Company Limited**

**Pham Anh Tuan**  
Deputy General Director  
Registered Auditor No: 0777-2023-002-1  
Ha Noi, 11 March 2025

**Nguyen Truong Minh**  
Auditor  
Registered Auditor No: 2290-2023-002-1

**Da Nang Rubber Joint Stock Company**  
Lot G, Ta Quang Buu Street, Hiep Hoa Bac Ward,  
Lien Chieu District, Da Nang City

**Financial Statement**  
For the fiscal year ended as at 31 December 2024

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2024**

Code	ASSETS	Note	31/12/2024 VND	01/01/2024 VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,794,028,277,059</b>	<b>2,291,883,109,458</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>3</b>	<b>220,742,923,592</b>	<b>320,742,090,585</b>
111	1. Cash		45,742,923,592	62,242,090,585
112	2. Cash equivalents		175,000,000,000	258,500,000,000
<b>120</b>	<b>II. Short-term investments</b>	<b>4</b>	<b>45,000,000,000</b>	<b>134,100,000,000</b>
123	1. Held-to-maturity investments		45,000,000,000	134,100,000,000
<b>130</b>	<b>III. Short-term receivables</b>		<b>696,914,940,457</b>	<b>456,955,018,085</b>
131	1. Short-term trade receivables	5	694,267,707,740	406,305,016,532
132	2. Short-term prepayments to suppliers	6	482,599,995	47,133,183,506
136	3. Other short-term receivables	7	4,830,442,216	5,507,860,647
137	4. Provision for short-term doubtful debts		(2,690,649,229)	(2,026,984,933)
139	5. Shortage of assets awaiting resolution	8	24,839,735	35,942,333
<b>140</b>	<b>IV. Inventories</b>	<b>10</b>	<b>1,490,852,248,679</b>	<b>1,184,285,293,041</b>
141	1. Inventories		1,521,126,607,177	1,234,218,975,302
149	2. Provision for devaluation of inventories		(30,274,358,498)	(49,933,682,261)
<b>150</b>	<b>V. Other short-term assets</b>		<b>340,518,164,331</b>	<b>195,800,707,747</b>
151	1. Short-term prepaid expenses	11	116,271,375,450	50,207,614,856
152	2. Deductible VAT		224,246,788,881	145,593,092,891
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,406,049,225,787</b>	<b>1,092,453,922,229</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>390,596,000</b>	<b>474,846,000</b>
216	1. Other long-term receivables	7	390,596,000	474,846,000
<b>220</b>	<b>II. Fixed assets</b>		<b>1,212,844,160,341</b>	<b>938,838,926,911</b>
221	1. Tangible fixed assets	12	1,210,473,546,507	933,932,576,156
222	- Historical cost		3,738,658,215,972	3,349,764,387,831
223	- Accumulated depreciation		(2,528,184,669,465)	(2,415,831,811,675)
224	2. Finance lease fixed assets	13	1,578,975,274	3,584,011,112
225	- Historical cost		2,370,081,818	4,834,845,454
226	- Accumulated depreciation		(791,106,544)	(1,250,834,342)
227	3. Intangible fixed assets	14	791,638,560	1,322,339,643
228	- Historical cost		9,593,841,631	9,593,841,631
229	- Accumulated amortization		(8,802,203,071)	(8,271,501,988)
<b>240</b>	<b>III. Long-term assets in progress</b>	<b>15</b>	<b>132,014,121,535</b>	<b>106,088,793,762</b>
242	1. Construction in progress		132,014,121,535	106,088,793,762
<b>250</b>	<b>IV. Long-term investments</b>	<b>4</b>	<b>5,122,456,329</b>	<b>4,677,573,464</b>
253	1. Equity investments in other entities		6,069,881,035	6,069,881,035
254	2. Provision for devaluation of long-term investments		(947,424,706)	(1,392,307,571)
<b>260</b>	<b>V. Other long-term assets</b>		<b>55,677,891,582</b>	<b>42,373,782,092</b>
261	1. Long-term prepaid expenses	11	55,677,891,582	42,373,782,092
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,200,077,502,846</b>	<b>3,384,337,031,687</b>





STATEMENT OF FINANCIAL POSITION				
As at 31 December 2024				
(Continued)				
Code	CAPITAL	Note	31/12/2024 VND	01/01/2024 VND
300	C. LIABILITIES		2,284,621,711,170	1,532,959,434,804
310	I. Current liabilities		2,138,999,850,756	1,508,140,150,790
311	1. Short-term trade payables	16	945,941,807,626	536,559,660,786
312	2. Short-term prepayments from customers	17	88,254,105,678	112,122,638,345
313	3. Taxes and other payables to State budget	18	14,129,957,909	28,085,697,419
314	4. Payables to employees		103,776,838,316	129,439,721,787
315	5. Short-term accrued expenses	19	27,176,599,549	20,324,774,552
318	6. Short-term unearned revenue		193,723,752	-
319	7. Other short-term payables	20	63,565,619,441	61,408,913,062
320	8. Short-term borrowings and finance lease liabilities	21	826,281,609,291	564,904,028,734
321	9. Provisions for short-term payables	22	577,647,785	929,650,729
322	10. Bonus and welfare fund		69,101,941,409	54,365,065,376
330	II. Non-current liabilities		145,621,860,414	24,819,284,014
338	1. Long-term borrowings and finance lease liabilities	21	132,821,860,414	24,819,284,014
343	2. Science and technology development fund		12,800,000,000	-
400	D. OWNER'S EQUITY		1,915,455,791,676	1,851,377,596,883
410	I. Owner's equity	23	1,915,200,553,556	1,851,026,644,483
411	1. Contributed capital		1,187,926,050,000	1,187,926,050,000
411a	- Ordinary shares with voting rights		1,187,926,050,000	1,187,926,050,000
418	2. Development and investment funds		517,279,685,454	443,379,355,627
420	3. Other capital		20,750,746,677	20,750,746,677
421	4. Retained earnings		189,244,071,425	198,970,492,179
421a	- Retained earnings accumulated till the end of the previous year		17,021,811,576	12,032,361,921
421b	- Retained earnings of the current period		172,222,259,849	186,938,130,258
430	II. Non-business funds and other funds		255,238,120	350,952,400
432	1. Funds that form fixed assets		255,238,120	350,952,400
440	TOTAL CAPITAL		4,200,077,502,846	3,384,337,031,687

Le Thi Le Thu  
Preparer

Tran Thi My Le  
Chief Accountant

Le Hoang Khanh Nhut  
General Director  
Da Nang, 11 March 2025

STATEMENT OF INCOME				
Year 2024				
Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
01	1. Revenue from sales of goods and rendering of services	25	4,852,424,350,104	4,657,643,187,359
02	2. Revenue deductions	26	179,395,492,982	162,468,666,417
10	3. Net revenue from goods sold and services rendered		4,673,028,857,122	4,495,174,520,942
11	4. Cost of goods sold and services rendered	27	3,943,643,089,790	3,846,521,057,561
20	5. Gross profit from sales of goods and rendering of services		729,385,767,332	648,653,463,381
21	6. Financial income	28	69,949,317,232	55,173,602,640
22	7. Financial expense	29	66,258,710,062	57,184,539,532
23	In which: Interest expense		21,363,057,922	21,101,389,030
25	8. Selling expense	30	347,997,609,515	267,776,629,376
26	9. General and administrative expense	31	94,522,930,660	71,901,263,344
30	10. Net profit from operating activities		290,555,834,327	306,964,633,769
31	11. Other income	32	259,669,637	301,545,298
32	12. Other expense	33	1,792,387,865	199,021,286
40	13. Other profit		(1,532,718,228)	102,524,012
50	14. Total net profit before tax		289,023,116,099	307,067,157,781
51	15. Current corporate income tax expense	34	57,404,553,750	60,732,725,023
60	16. Profit after corporate income tax		231,618,562,349	246,334,432,758
70	17. Basic earnings per share	35	1,950	2,074

Le Thi Le Thu  
Preparer

Tran Thi My Le  
Chief Accountant

Le Hoang Khanh Nhut  
General Director  
Da Nang, 11 March 2025



STATEMENT OF CASH FLOWS				
Year 2024				
(Direct method )				
Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	1. Proceeds from sales of goods and rendering of services and other revenues		4,474,713,429,364	4,425,899,427,018
02	2. Cash paid to suppliers		(4,042,414,933,642)	(3,307,791,636,247)
03	3. Cash paid to employees		(351,782,082,638)	(335,114,067,493)
04	4. Interests paid		(21,102,108,325)	(22,109,936,875)
05	5. Corporate income tax paid		(70,574,415,947)	(56,834,760,153)
06	6. Other receipts from operating activities		132,502,856,860	66,587,344,702
07	7. Other payments on operating activities		(230,965,808,134)	(185,472,924,924)
20	<b>Net cash flow from operating activities</b>		<b>(109,623,062,462)</b>	<b>585,163,446,028</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	1. Purchase or construction of fixed assets and other long-term assets		(336,806,128,988)	(223,619,045,897)
23	2. Loans and purchase of debt instruments from other entities		(145,350,000,000)	(267,100,000,000)
24	3. Collection of loans and resale of debt instrument of other entities		234,450,000,000	343,000,000,000
27	4. Interest and dividend received		9,958,419,357	21,391,695,167
30	<b>Net cash flow from investing activities</b>		<b>(237,747,709,631)</b>	<b>(126,327,350,730)</b>
<b>III . CASH FLOWS FROM FINANCING ACTIVITIES</b>				
33	1. Proceeds from borrowings		3,939,539,610,224	3,280,275,715,235
34	2. Repayment of principal		(3,564,887,282,303)	(3,362,417,061,460)
35	3. Repayment of financial principal		(1,404,259,148)	(1,662,365,476)
36	4. Dividends and profits paid to owners		(141,168,596,340)	(213,826,582,980)
40	<b>Net cash flow from financing activities</b>		<b>232,079,472,433</b>	<b>(297,630,294,681)</b>
50	<b>Net cash flows in the year</b>		<b>(115,291,299,660)</b>	<b>161,205,800,617</b>
60	<b>Cash and cash equivalents at the beginning of the year</b>		<b>320,742,090,585</b>	<b>155,305,504,390</b>
61	Effect of exchange rate fluctuations		15,292,132,667	4,230,785,578
70	<b>Cash and cash equivalents at the end of the year</b>	3	<b>220,742,923,592</b>	<b>320,742,090,585</b>

Le Thi Le Thu  
Preparer

Tran Thi My Le  
Chief Accountant

Le Hoang Khanh Nhut  
General Director  
Da Nang, 11 March 2025

## NOTES TO THE 2024 FINANCIAL STATEMENTS


The detailed contents of the 2024 audited financial statements have been disclosed at the following address: <https://drc.com.vn/>




# ANNUAL REPORT


## DANANG RUBBER JOINT STOCK COMPANY

DA NANG, APRIL 10, 2025  
CONFIRMATION OF THE LEGAL REPRESENTATIVE

 Lot G, Ta Quang Buu Street, Hoa Hiep Bac Ward, Lien Chieu District, Danang City

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