

CÔNG TY CỔ PHẦN CAO SU SAO VÀNG
SAO VANG RUBBER JOINT - STOCK COMPANY



Thách thức mọi con đường

**ANNUAL
REPORT
2025**



TABLE OF CONTENTS

Chapter 01 INTRODUCTION

- 1.1. Message from the Chairman of the Board of Directors
- 1.2. Summary of financial information for 2021-2025 period
- 1.3. Vision and Mission

Chapter 02 COMPANY INTRODUCTION

- 2.1. General information about the Company
- 2.2. Business lines and locations of the business
- 2.3. Governance model, business organization and managerial apparatus
- 2.4. Introduction of the Management Board
- 2.5. Development orientation
- 2.6. Risks

Chapter 05 ASSESSMENTS OF THE BOD ON THE COMPANY'S OPERATION

- 5.1. Assessments of the BOD on Various Aspects of the Company's operation
- 5.2. Assessment of the BOD on Board of Management's performance
- 5.3. Plans and orientations of the BOD

Chapter 06 CORPORATE GOVERNANCE

- 6.1. Board of Directors
- 6.2. Board of Supervisors
- 6.3. Transactions, remunerations and benefits of the BOD, BOM, and BOS
- 6.4. Improving corporate governance

Chapter 03 OPERATIONS IN THE YEAR

- 3.1. Situation of production and business operations
- 3.2. Organization and human resource
- 3.3. Investment activities, project implementation
- 3.4. Financial situation
- 3.5. Shareholder structure, changes in owner's equity

Chapter 04 REPORTS OF THE BOARD OF MANAGEMENT

- 4.1. Assessment of operating results in 2025
- 4.2. Financial situation
- 4.3. Development orientation for 2026
- 4.4. Explanation of the Board of Management for auditor's opinions (if any)
- 4.5. Assessment of environmental and social responsibilities of the Company

Chapter 07 SUSTAINABLE DEVELOPMENT REPORT

- 7.1. Report Introduction
- 7.2. Sustainable Development Goals
- 7.3. Board of Directors' Assessment
- 7.4. Sustainable Development Criteria

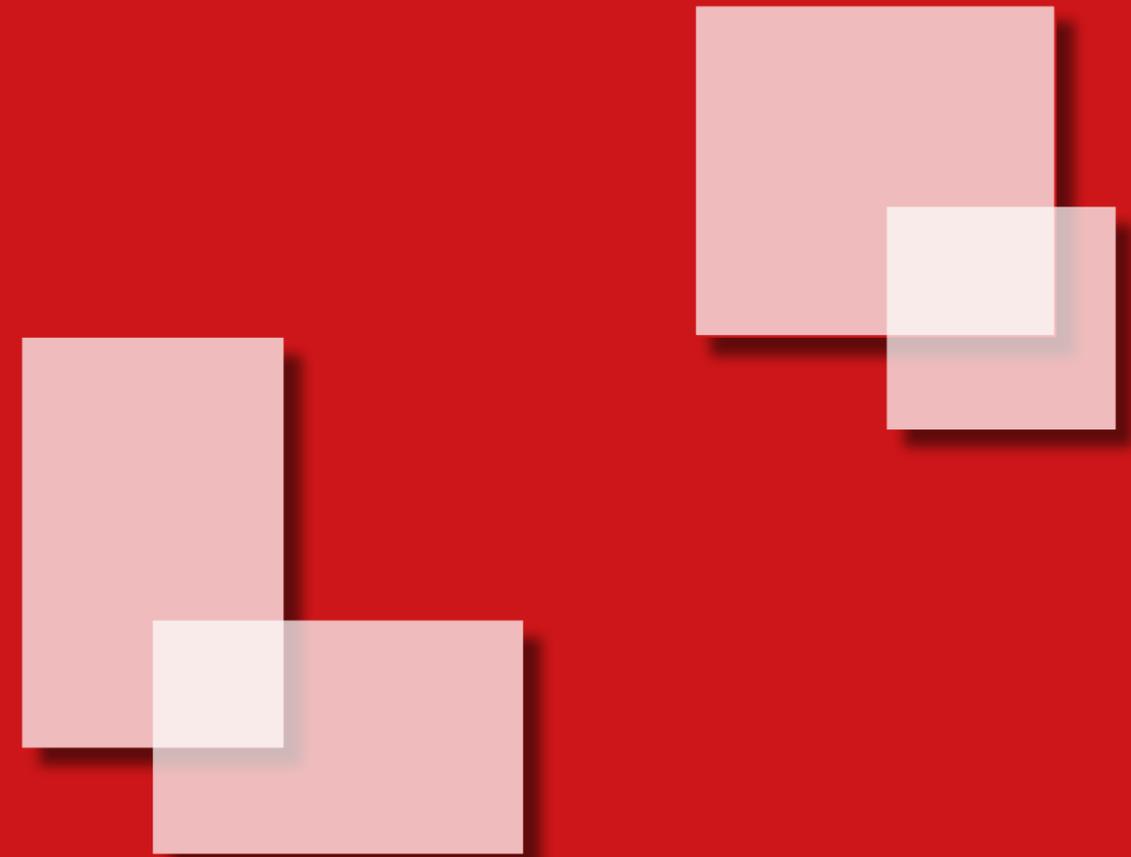
Chapter 08 FINANCIAL STATEMENT

LIST OF CONCEPTS AND ABBREVIATIONS:

Company/ SRC	Sao Vang Rubber Joint Stock Company
SSC	State Securities Commission
HOSE/HSX	Ho Chi Minh Stock Exchange
JSC	Joint Stock Company
GMS	General Meeting of Shareholders
BOD	Board of Directors
Chairman of the BOD	Chairman of the Board of Directors
BOS	Board of Supervisors
BOM	Board of Management
GD	General Director
Deputy GD	Deputy General Director
Employees	Officers and employees
GSO	General Statistics Office of Vietnam



CHAPTER I INTRODUCTION



- 1.1. Message from the Chairman of the Board of Directors
- 1.2. Summary of financial information for the 2021-2025 period
- 1.3. Vision and Mission

Message from the Chairman of the Board of Directors



Dear valued Shareholders, Customers, Partners and all Employees of Sao Vang Rubber Joint Stock Company!

On behalf of the company's Board of Directors, I would like to send you my warmest greetings and best wishes for health, happiness, and success.

Closing out 2025, Vietnam's tire industry went through a highly challenging period amid unpredictable fluctuations in the global economy. Particularly in the first half of the year, rising input material costs combined with instability in global markets directly pressured profit margins, resulting in significantly lower business performance across industry players compared to the same period in 2024.

On the one hand, Vietnam's socio-economic conditions in 2025 maintained a positive trajectory, with macroeconomic stability, well-controlled inflation, and sustained social security serving as key drivers supporting industrial production. According to the General Statistics Office, GDP in 2025 was estimated to grow by 8.02%, meeting the growth target set by the National Assembly. Inflation was kept under control, with the average Consumer Price Index (CPI) in 2025 increasing by 3.31% compared to the previous year, exceeding the National Assembly's target and positively supporting economic growth. Industrial production also achieved strong results, with the Index of Industrial Production (IIP) increasing by 9.2% year-on-year, marking the highest growth rate since 2019. Several key industrial sectors continued to expand rapidly and made significant contributions to overall industrial growth, including motor vehicle manufacturing, which increased by 22.0%, and the production of rubber and plastic products, which grew by 15.7%. Nevertheless, rising input costs,

intensified market competition, ongoing pressure from U.S. reciprocal tariff policies, and geopolitical tensions in several regions continued to pose major challenges for domestic tire manufacturers.

Globally, the economic landscape continued to evolve under a state of "recovery amid challenges," as geopolitical conflicts and political instability in major economies remained complex, exerting direct pressure on supply chains and input costs across manufacturing sectors. In 2025, international organizations revised their global growth forecasts upward: the IMF projected growth at 3.2%, the EU at 3.1%, and France at 2.5%, each increasing by 0.1–0.2 percentage points, while the OECD maintained its global GDP growth forecast at 3.2%. Reports from international organizations such as the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) noted that global trade in 2025 grew steadily, largely supported by temporary factors and a surge in technology-related demand, although growth was expected to moderate in the second half of the year due to policy constraints and rising costs. Meanwhile, the IMF identified five key economic risks in 2025, including rising protectionism and trade fragmentation; risks of an AI bubble; public debt pressures and financial instability; labor supply shortages; and geopolitical and climate-related shocks. These factors pose significant threats to supply chain stability and may contribute to sustained global inflationary pressures.

Dear valued shareholders,

To implement the 2025 business plan, the Management Board and the staff of the Company continue to demonstrate solidarity, promote qualities, capacity and intelligence at the highest level, strive to come up with many solutions to adapt to market fluctuations, determined to stabilize production and business activities, determined to develop new products, strengthen brand promotion, develop sales policies tailored to each product category and region to maintain and expand the consumption of products with competitive advantages in the domestic market. However, amid volatile market conditions, the Company did not fully achieve the targets set for the financial year. Specifically, net revenue reached 1,490.3 billion VND, equivalent to 74.5% of the planned target. Similarly, profit before tax was recorded at 32.3 billion VND, achieving 32.3% of the plan. Profit after tax amounted to 24.6 billion VND, corresponding to 31.5% of the target set for 2025.

On behalf of the Management Board of Sao Vang Rubber Joint Stock Company, I would like to express my sincere thanks to our valued Customers and Shareholders for actively contributing, supporting, and trusting the Company in 2025. The company hopes to continue receiving your contributions and support not only in 2026 but also as a long-term companion throughout our journey toward sustainable development. Therefore, the Management Board will always maintain a proactive position, closely following the market economic situation to make accurate business decisions, ready to face upcoming difficulties. The Management Board will strive to respond to the trust and support of our shareholders.

**Best regards,
Chairman of the Board of Directors
Pham Hoanh Son**

SUMMARY OF FINANCIAL INFORMATION FOR THE 2021 - 2025 PERIOD

Indicators	Unit	2021	2022	2023	2024	2025
Business Performance						
Net Revenue	Billion VND	955.7	915.3	1,197.8	1,027.8	1,455.8
Gross Profit	Billion VND	175.7	162.3	165.3	146.1	143.9
Profit Before Tax	Billion VND	52.4	38.2	39.1	190.7	32.3
Profit After Tax	Billion VND	40	27.7	29.4	151.6	24.6
Balance Sheet						
Total Assets	Billion VND	1,235.4	1,245.0	1,346.8	1,208.9	1,341.4
Owner's Equity	Billion VND	432.6	439.3	443.3	575.1	567.4
Liabilities	Billion VND	802.8	805.7	903.5	633.9	774.0
Key Financial Indicators						
Return on Average Assets (ROAA)	%	3.03	2.23	2.27	11.86	1.93
Return on Average Equity (ROAE)	%	9.29	6.35	6.66	29.77	4.31

NET REVENUE

1,455.8
Billion VND

41,6% 

TOTAL ASSETS

1,341.4
Billion VND

11,0% 

BASIC EARNINGS PER SHARE

877
VND per share

PROFIT BEFORE TAX

32.3
Billion VND

83,0% 

PROFIT AFTER TAX

24.6
Billion VND

83,8% 

TOTAL EQUITY

567.4
Billion VND

1,3% 



VISION AND MISSION

- Affirming our position as the leading tire and inner tube manufacturer in Vietnam.
- Constantly developing to become a world-famous brand.

VISION

- Produce products with the best quality - safety.
- Pioneer in contributing to the development of Vietnam's tire and inner tube manufacturing industry.
- Always respect the legitimate interests of consumers.

MISSION

- High-quality products, sustainable value
- Diverse products
- Customer-oriented products

CORE VALUES



CHAPTER II COMPANY INTRODUCTION



- 2.1. General information about the company
- 2.2. Business lines and locations of the business
- 2.3. Governance model, business organization and managerial apparatus
- 2.4. Introduction of the Management Board
- 2.5. Development orientation
- 2.6. Risks

GENERAL INFORMATION ABOUT THE COMPANY

Vietnam is a tropical country with vast red soil areas in Tay Nguyen, making it highly favorable for growing rubber trees for latex extraction and natural rubber processing. Due to the importance of the rubber industry in the national economy, shortly after the liberation of the North (October 1954), on October 7, 1956, a tire retreading and inner tube workshop was established at 2 Dang Thai Than Street. It began operations in November 1956 and, by early 1960, was merged into Sao Vang Rubber Factory—the predecessor of what later became Sao Vang Rubber Joint Stock Company.

Sao Vang Rubber Joint Stock Company specializes in manufacturing all kinds of tires and inner tubes: for airplanes, cars, special vehicles, motorbikes, bicycles and technical rubber products. As the earliest-established company in Vietnam’s rubber industry, Sao Vang Rubber Joint Stock Company serves as a technical center in the following fields:

- Design and analyze the structure of rubber products.
- Establish formulations and develop rubber processing methods.
- Apply advanced techniques in survey, analysis, and experimentation to refine production technology.
- Design, test, and manufacture technological equipment, including molds, tools, spare parts, machinery, and devices for rubber product manufacturing.

Trading Name	SAO VANG RUBBER JOINT STOCK COMPANY
Headquarters address	No. 231, Nguyen Trai Street, Khuong Dinh Ward, Hanoi City
Charter capital	280,657,650,000 VND
Owner's capital	280,657,650,000 VND
Telephone	0243 858 3656
Fax	0243 858 3644
Website	http://src.com.vn/
Business Registration Certificate No.	No. 0100100625, initially issued by the Hanoi Department of Finance on April 3, 2006, and amended for the 14th time on July 22, 2025.
Securities code	SRC
Securities exchange	HOSE

Logo



ESTABLISHMENT AND DEVELOPMENT PROCESS

1960
1966
1991

1960

Sao Vang Rubber Factory was established.

1992

Sao Vang Rubber Factory was officially renamed Sao Vang Rubber Joint Stock Company.

2005

Sao Vang Rubber Company was equitized under Decision No. 3500/QĐ-BCN of the Ministry of Industry.

2006

The company was granted its initial Certificate of Business Registration by the Hanoi Department of Planning and Investment, with a charter capital of 49,048,000,000 VND.

2023

Hoanh Son Group Joint Stock Company officially owns over 50% of the shares in SRC.

2020

Vietnam National Chemical Group successfully divested 15% of its shares in SRC, reducing its ownership to 36%.

2016

The company amended its Certificate of Business Registration for the 8th time, with charter capital of 280,657,650,000 VND.

2013

The company amended its Certificate of Business Registration for the 6th time, with charter capital of 182,249,940,000 VND.

2009

The company's shares were listed on the Ho Chi Minh Stock Exchange.



BUSINESS LINES AND LOCATIONS OF THE BUSINESS

MAJOR LINES OF BUSINESS

Operating in the business of rubber products and manufacturing machinery and equipment for the rubber industry and various types of tires.

Major business products and services:



Operating in the business of rubber products



Manufacturing and trading of machinery and equipment for the rubber industry



Leasing shops, offices, factories, and warehouses



Various types of tires (motorcycles, bicycles, automobiles, airplanes)



Operating in the business of importing and exporting materials, machinery, equipment, and chemicals for the rubber manufacturing industry



Technical rubber products



Various types of inner tubes (motorcycles, bicycles, automobiles, airplanes)

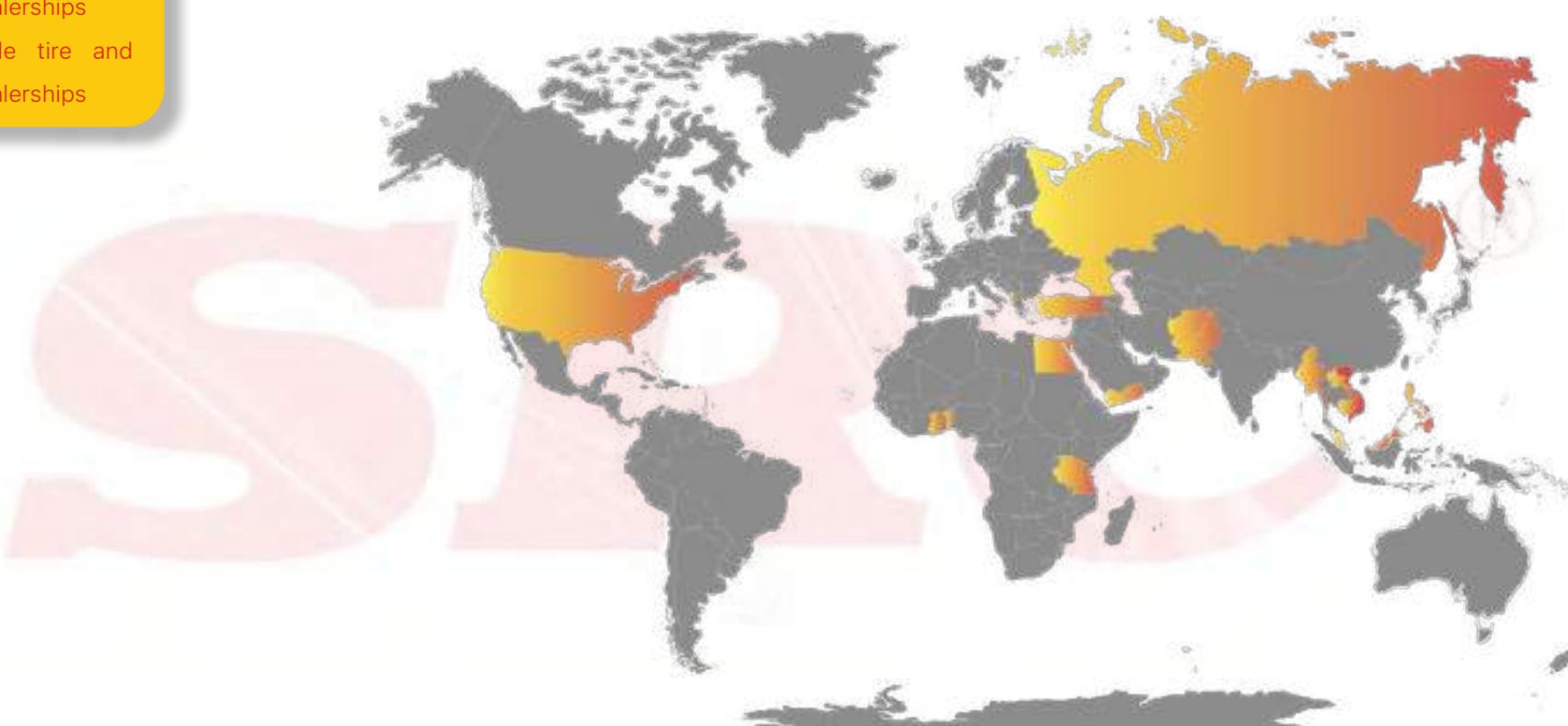
LOCATION OF BUSINESS

Along with the Hanoi Headquarters, the Company currently has 03 branches located in Hung Yen, Da Nang and Ho Chi Minh City and 03 manufacturing facilities (including 02 rubber factories in Hanoi, 01 rubber processing factory in Xuan Hoa Ward – Phu Tho Province and 01 rubber factory in Hung Yen branch). SRC's products are currently present in 34 provinces and more than 19 countries in the world.



EXPORT MARKET

Having undergone more than 65 years of establishment and development, Sao Vang Rubber Joint Stock Company has not only established itself as one of the top three tire and inner tube manufacturers in Vietnam but has also gradually built its reputation in the international market. The company's products are currently exported to 19 countries. In 2025, the Company expanded into two additional markets, Cambodia and the UAE. However, the markets contributing the largest proportion remained Afghanistan, with bicycle tires as the primary export product, and Malaysia, with automobile tires as the key product.

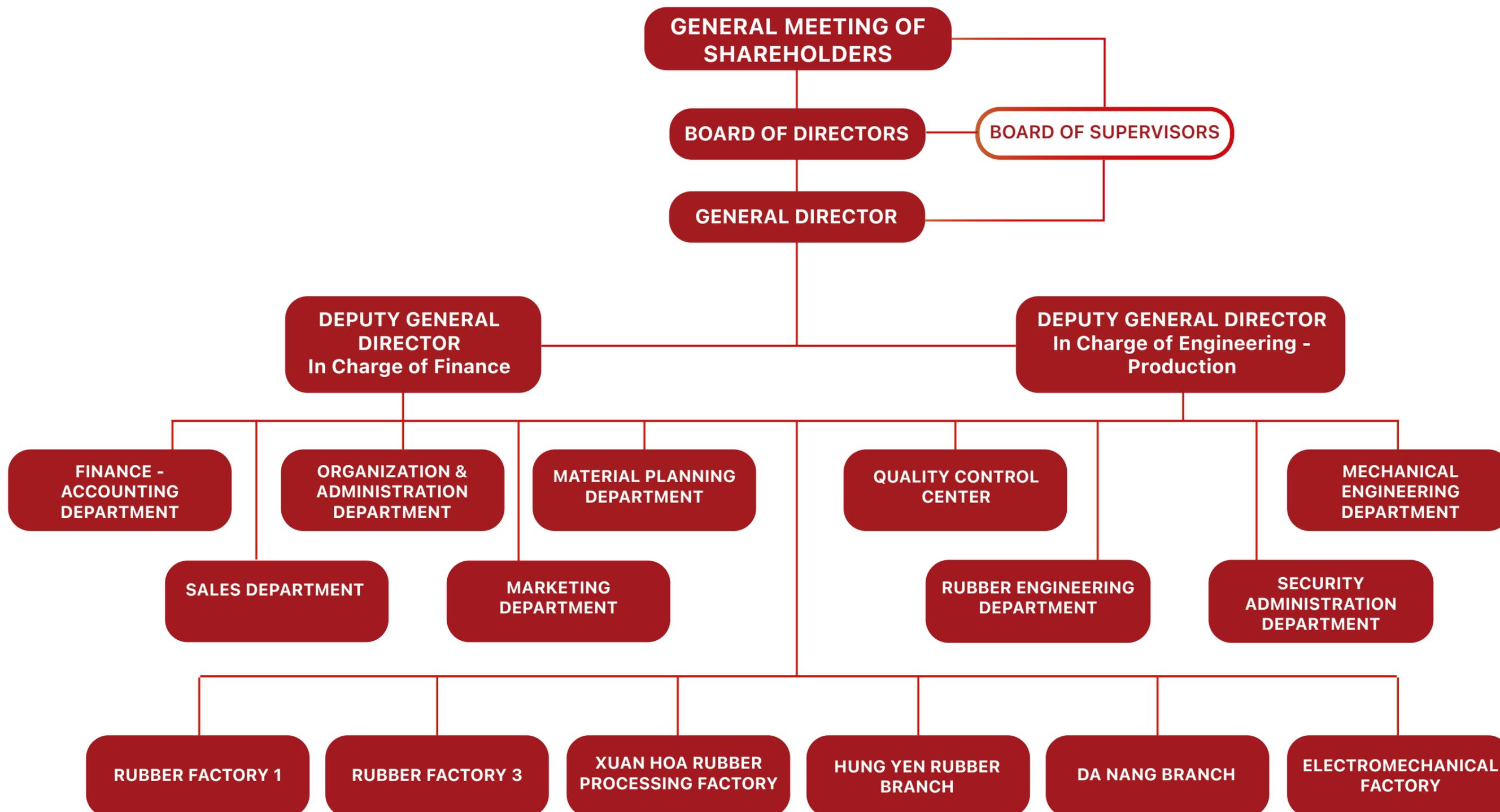


GOVERNANCE MODEL, BUSINESS ORGANIZATION AND MANAGERIAL APPARATUS

GOVERNANCE MODEL

Currently, SRC is applying a governance model in accordance with Point a, Clause 1, Article 137 of the Law on Enterprises No. 59/2020/QH14, issued on June 17, 2020, by the National Assembly of the Socialist Republic of Vietnam. This model includes the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the General Director.

BUSINESS ORGANIZATION CHART AND MANAGERIAL APPARATUS



SUBSIDIARIES, ASSOCIATED COMPANIES

Organizational structure of the company	Subsidiaries 0	Associated companies 2	Investing in other entities 1
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Associated companies

No.	Associated Company	Address	Major lines of business	Charter Capital (billion VND)	SRC's Ownership Percentage
1	Sao Vang Hoanh Son Limited Company	231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi, Vietnam	Real estate investment and business	500	26%
2	Sao Vang Hoanh Son Joint Stock Company	Administrative Service Area, Vung Ang Seaport Industrial Park, Vung Ang Ward, Ha Tinh, Vietnam	Manufacturing rubber tires and inner tubes	1,225	30.6%

Investing in other entities

No.	Company	Address	Main Business Sector	Charter Capital (billion VND)	SRC's Ownership Percentage
1	Philips Carbon Black Joint Stock Company	Lot No. 4, My Xuan A Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau	Carbon black production	120.16	7%



INTRODUCTION OF THE MANAGEMENT BOARD

BOARD OF DIRECTORS



MR. PHAM HOANH SON

Chairman of the Board of Directors

Year of birth: 1972

Professional qualification: Economic management

Number of individually owned shares :
0 shares

Management positions at other organizations:

- Chairman of the BOD, General Director - Hoanh Son Group Joint Stock Company
- Chairman of the BOD, General Director - Vung Ang Investment and Development Joint Stock Company
- Chairman of the Members' Council, General Director - Sao Vang - Hoanh Son Company Limited
- Chairman of the BOD, General Director - Sao Vang - Hoanh Son Joint Stock Company



MR. NGUYEN VIET HUNG

Member of BOD and General Director

Year of birth: 1967

Professional qualifications: Master of Business Administration, Electrical Engineer, IT Engineer

Number of individually owned shares :
12 shares

Management positions at other organizations: None



MR. NGUYEN THANH TUNG

Member of BOD and Deputy General Director

Year of birth: 1973

Qualification: Bachelor of Economics

Number of individually owned shares:
7 shares

Management positions at other organizations: None



MR. NGUYEN DINH SON

Independent Board Member

- Year of birth: 1977
- Professional qualification: Civil engineer
- Number of individually owned shares: 0 shares



MR. LUONG XUAN HOANG

Independent Board Member

- Year of birth: 1981
- Qualification: Civil Engineer, Bachelor of Economics
- Number of individually owned shares: 0 shares

Management positions at other organizations:

- Deputy Director - Phu Xuan Consulting and Design Company Limited

Management positions at other organizations: None

BOARD OF SUPERVISORS



MR. NGUYEN TRUNG HOA

Head of Board of Supervisors

- Year of birth: 1977
- Qualification: Bachelor of Economics
- Number of individually owned shares: 0 shares



MR. HOANG VAN HOA

Member of BOS

- Year of birth: 1989
- Qualification: Bachelor of Business Administration
- Number of individually owned shares: 0 shares

Management positions at other organizations: None

Management positions at other organizations: None



MR. NGUYEN QUANG HUY
 Member of BOS-Appointed effective April 21, 2025
 Year of birth: 1985
 Qualification: Bachelor of Economics
 Number of individually owned shares: **0** shares

Management positions at other organizations:

- Specialist, Organization and Human Resources Department – Vietnam National Chemical Group



MRS. VU THI MAI NHUNG
 Member of BOS-Removed from position effective April 21, 2025
 Year of birth: 1968
 Qualification: Bachelor of Economics
 Number of individually owned shares: **1** shares

Management positions at other organizations:

- Business Planning Department Specialist - Vietnam Chemical Group
- Member of Board of Supervisors - Dry cell and Storage battery Jointstock Company

BOARD OF MANAGEMENT



MR. NGUYEN VIET HUNG
 Member of BOD and General Director
 (Introduced in the BOD section)



MR. NGUYEN QUANG HAO
 Deputy General Director
 Year of birth: 1961
 Qualification: Polymer Chemical Engineer
 Number of individually owned shares: **8** shares



MR. NGUYEN THANH TUNG
 Member of BOD and Deputy General Director
 (Introduced in the BOD section)

Management positions at other organizations: None

DEVELOPMENT ORIENTATION

Development strategies in long term

- Affirming our position as the leading supplier of tires and technical rubber products in Vietnam.
- Enhancing exports and gradually integrating into the global supply chain.
- Improving production technology and expand product segments.

Development strategies in medium term:

- Product strategy orientation: Maximizing the potential of high-revenue product lines while focusing on investing in manufacturing technology for new products such as: radial car tires, tubeless tires, special tires, large trucks tires, etc.
- Market development orientation: Maintaining domestic market share for key products while increasing export value through expanding cooperation in key markets and taking advantage of free trade agreements (FTA).
- Quality orientation: Actively searching, exploiting, researching, testing and applying new materials into production, changing formulations, rationalizing raw materials and product structure to improve quality, reduce product costs, increase product competitiveness to bring economic efficiency to the Company.
- Business strategy orientation: Continuing to increase the number of dealers and distributors in provinces where presence is limited. At the same time, regularly evaluating the performance of each dealer, screening out weak dealers, and replacing them with stronger partners.
- Sustainable development orientation: Focus on implementing business and production objectives in parallel with sustainable development goals (ESG), ensuring a balance between economic benefits and environmental and social responsibilities.
- Digital transformation: Accelerate the digitalization of management and business operations through the deployment of smart technology solutions and the application of digital platforms to optimize operational processes, management, and sales.



Specific objectives for 2025:

- Production objectives: Ensuring branches and manufacturing factories operate safely, stably and effectively; promoting investment in R&D activities and develop radial tire and inner tube products.
- Market development objectives:
 - Domestic market: Maintaining the position of Sao Vang Rubber brand as a national brand, a trusted choice of Vietnamese consumers. Maintain and expand the nationwide dealer network.
 - Export markets:
 - + Strengthening trade relations with traditional markets, including continuing to consolidate and expand market share in Asian markets such as Afghanistan and Malaysia.
 - + Monitoring, researching and taking advantage of opportunities from signed free trade agreements (including EVFTA, CPTPP, RCEP) to increase export value.
- Revenue - profit objectives: Completing revenue goal of 2.000 billion VND and profit before tax of 100 billion VND.
- Restructuring objective: Implement restructuring and streamline the management structure of departments and member units toward greater professionalism in order to enhance operational efficiency; at the same time, focus resources on implementing the relocation plan of the Sao Vang Rubber factory at No. 231 Nguyen Trai, Khuong Dinh, Hanoi, to the Xuan Hoa Rubber Processing Enterprise.
- Key investment and project development objective: Accelerate the installation and commissioning progress of the tubeless motorcycle tire production line at Xuan Hoa Enterprise, with the determination to complete the process and officially launch the product to the market within 2026.
- Sustainable Development objectives:
 - Investing in modernizing production lines, applying advanced technology, and increasing the application of green standards according to international standards and trends.
 - Ensuring stable employment and increase income for employees.
 - Focusing on developing the capabilities of management team, highly skilled workers and support departments to build a successor force with professional expertise and ethical standards.
 - Continue to contribute to the economic development of localities with production facilities, accompany and share social responsibility with the community.

RISKS

01 ECONOMIC RISKS

In 2025, the global situation continued to evolve in a complex and unpredictable manner, characterized by an interplay between short-term recovery and long-term risks. Escalating strategic competition and conflicts have created significant risks for highly open economies such as Vietnam. The manufacturing sector faced a range of persistent challenges, including protectionism and trade fragmentation, rising input costs, intensifying competitive pressures, and risks associated with energy security instability.

Domestically, the Government set priorities to maintain macroeconomic stability and keep inflation under control. As a result, Vietnam continued to achieve an impressive growth performance, with GDP growth in 2025 estimated at 8.02%, exceeding the target set by the National Assembly, while inflation remained well contained, with the average

CPI increasing by 3.31%, lower than the 3.63% recorded in 2024. In addition, production and export activities achieved notable progress during the year, laying a solid foundation for growth in the following year.

Entering 2026, the manufacturing sector in general, and Vietnam's tire manufacturing industry in particular, is expected to continue facing numerous challenges arising from global developments as well as domestic economic constraints, requiring flexible and proactive policy measures from the Government to support businesses.

To minimize risks from economic instability, the Company's management must regularly update information, quickly grasp new developments in the market, thereby making appropriate decisions, business orientations and risk mitigation measures.

02 FINANCIAL RISKS

Exchange rate risk: Sao Vang Rubber Joint Stock Company (SRC) is exposed to exchange rate risk as a portion of its revenue is derived from exports to foreign markets, while the Company also imports raw materials from overseas. Exchange rate fluctuations may affect import costs, thereby impacting the cost of goods sold and export values, ultimately affecting the Company's revenue and profitability. To mitigate this risk, the Company's management regularly monitors exchange rate developments and assigns relevant departments, such as the Export Department and the Finance and Accounting Department, to strengthen market forecasting and raw material demand forecasting, ensuring a proper balance between raw material requirements for production and foreign currency needs, thereby minimizing exposure to exchange rate adjustments and volatility in the global raw material market.

Interest rate risk: Sao Vang Rubber Joint Stock Company (SRC) faces interest rate risk due to the debt structure in its financial activities. Fluctuations in market interest rates can

affect interest expenses, thereby affecting the company's profits and cash flows.

As of December 31, 2025, SRC's total assets reached 1,341.4 billion VND, while total liabilities amounted to approximately 774.0 billion VND, equivalent to about 1.36 times the Company's equity. The Company's total borrowings and finance lease liabilities stood at 473.7 billion VND, accounting for 35.3% of its total capital. This indicates that the Company is utilizing financial leverage at a significant level; therefore, interest rate fluctuations may have a considerable impact on its finance costs.

In order to minimize the impact of interest rate risk, the Company assigns the Chief Accountant and the Finance - Accounting Department to regularly monitor interest rate fluctuations, consider measures such as debt restructuring, and thereby develop a reasonable debt plan to ensure working capital needs for production activities and effectively managing interest rate risks.

03 RAW MATERIAL RISKS

The main raw materials for the Company's production include: natural rubber, synthetic rubber, fabric cord, carbon black, steel wire, various chemicals, and fillers, accounting for approximately 70-75% of the product cost. Therefore, the cost of input materials greatly affects the company's profits. In addition to natural rubber purchased from domestic partners with a fairly abundant supply, most other raw materials must be imported, so the cost of raw materials depends greatly on fluctuations in world raw material prices. In 2025, rubber prices remained at a high level and fluctuated with a slight upward trend

compared to 2024, mainly due to continued tightening in global supply. This led to increased input material costs for Vietnam's tire manufacturing industry, putting pressure on profit margins.

To cope with the risk of fluctuating input material prices, SRC has a reserve of inventory to maintain stable cost of goods sold. Along with that, the company has maintained traditional relationships with domestic and foreign suppliers to ensure a stable supply of input materials, guaranteed quality, and competitive prices. Invest in research on forecasting and competitor information to build a flexible and reasonable selling price strategy.

04 COMPETITIVE RISKS

Domestic market:

In addition to domestic enterprises such as The Southern Rubber Industry Joint Stock Company (CSM) and Danang Rubber Joint Stock Company (DRC), the Company also faces fierce competition from famous imported brands such as: Bridgestone, Goodyear, Michellin, Maxxis, Chengshin, Hankook... especially from China for the TBR tire product group with cheap prices flooding into Vietnam, creating strong pressure on the Company. Since the end of 2024, global tire manufacturers such as Kumho Tire Vietnam Co., Ltd. (a subsidiary of Kumho Tire Group, South Korea), HAOHUA Group (China), Sailun Vietnam Co., Ltd. (China), and Advance Tire Vietnam Co., Ltd. have continued to expand their investments in Vietnam to build and increase tire production capacity, further intensifying competitive pressures in the domestic market. The diversity of similar product lines among tire and inner tube enterprises,

especially in the low-cost segment, has pushed enterprises to compete on selling prices. In addition, the consumption market faces many difficulties due to weak market demand, while consumer preferences are shifting towards product lines requiring higher technical technology such as Radial tires, tubeless tires,..., putting SRC products in fierce competition between companies producing similar products and imported goods.

For export market:

For the European market, the Vietnam - EU Free Trade Agreement (EVFTA) that Vietnam has signed with preferential import tax reduction to 0% within 7 years for auto parts, creating favorable conditions for the development of the Company's auto tires and inner tubes in this market. However, imported tires must meet Emark standards and Reach certification, which will be a big challenge for businesses looking for opportunities in this demanding market.

05 LEGAL RISKS

The business operations of Sao Vang Rubber Joint Stock Company are governed by the Law on Enterprises, the Law on Securities, and other relevant legal regulations. Entering 2025, the legal framework for public companies underwent significant changes with the promulgation and implementation of the Law amending and supplementing a number of articles of the Law on Enterprises No. 76/2025/QH15, together with Decree No. 245/2025/ND-CP and related amendments and supplements concerning tax policies, accounting regimes, and financial reporting. These changes

focus on enhancing corporate governance standards, strengthening information transparency, tightening the accountability of management, and standardizing accounting systems in alignment with international practices. Accordingly, public companies are required to proactively review their charters, internal regulations, financial and accounting systems, and disclosure practices to ensure full and timely compliance with the new regulations, thereby minimizing legal risks and improving governance capacity in an increasingly stringent regulatory environment.

06 ENVIRONMENTAL RISKS

Developing sustainable production and business activities along with environmental protection is always a top concern for businesses. Waste products, emissions, and wastewater from the product manufacturing process are always treated by businesses in

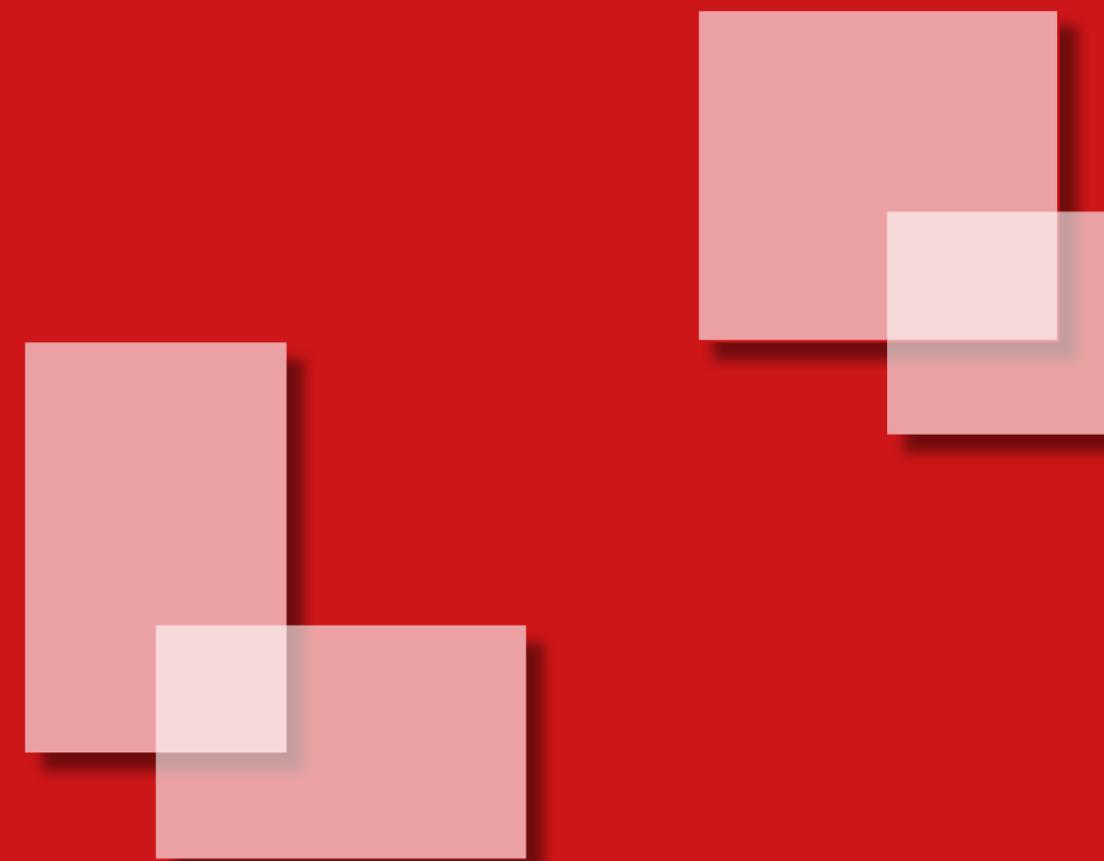
accordance with state regulations, so that the impact on the surrounding environment is minimal. In addition, the company also has policies to recycle and reuse some input materials to both protect the environment and save input costs.

07 OTHER FORCE MAJEURE RISKS

Some risks of force majeure beyond the Company's control such as natural disasters, fires,... are risks that can cause damage to the Company's production and business activities and operating efficiency. These are risks of force majeure, which, if they occur, will cause great damage to

assets, people and the general operation of the enterprise. The Company can only limit these risks by purchasing insurance for assets as well as strengthening forecasting and prediction to somewhat limit the consequences if risks occur.

CHAPTER III OPERATIONS IN THE YEAR



- 3.1. Situation of production and business operations
- 3.2. Organization and human resource
- 3.3. Investment activities, project implementation
- 3.4. Financial situation
- 3.5. Shareholder structure, changes in owner's equity

SITUATION OF PRODUCTION AND BUSINESS OPERATIONS

RESULTS OF BUSINESS OPERATIONS IN 2025

Unit: Million VND

Business results	Year 2024	Year 2025	Growth Rate (%)
Net Revenue	1,027,780	1,455,796	41.6%
Cost of Goods Sold	881,653	1,311,903	48.8%
Gross Profit	146,127	143,893	-1.5%
Financial Income	5,260	3,068	-41.7%
Financial Expenses	24,274	25,627	5.6%
- Of which: Interest Expenses	15,350	20,545	33.8%
Selling Expenses	35,471	30,612	-13.7%
General and Administrative Expenses	63,612	66,062	3.9%
Net Profit from Operating Activities	28,030	24,660	-12.0%
Other Profit	162,635	7,666	-95.3%
Total Accounting Profit Before Tax	190,665	32,326	-83.0%
Profit After Corporate Income Tax	151,640	24,619	-83.8%

About revenue structure:

Net revenue

1.455,8 Billion VND  **41,6%**

Net revenue in 2025 reached over 1,455.8 billion VND, an increase of 41.6% compared to 2024. In particular, the revenue structure recorded a significant shift, as domestic revenue increased strongly in both value and contribution ratio, reaching 1,354.2 billion VND and accounting for over 93.0% of total revenue (a sharp increase compared to 78.9% in 2024). In contrast, export revenue amounted to 101.6 billion VND, representing a significant decrease

of 53.2% compared to 216.9 billion VND in 2024. This result reflects the market landscape in 2025, where domestic tire demand recovered significantly, driven by the rebound in automobile and motorcycle consumption, more active transportation and logistics activities, and continued expansion in infrastructure investment, thereby increasing replacement tire demand. Overall, in 2025, the Index of Industrial Production increased by 9.2% year-on-year, marking the highest growth since 2019, with the manufacturing and processing sector rising by 10.5%. Several key manufacturing industries also recorded strong growth compared to 2024, including motor vehicle manufacturing, which increased by 22.0%, and the production of rubber and plastic products, which rose by 15.7%. In addition, the trend toward prioritizing domestically manufactured products, along with the Company's distribution network advantages, supported the expansion of its domestic market share. Despite positive performance in the domestic market, the Company continued to face challenges due to intense competition from both domestic and foreign tire manufacturers, the ongoing transition from bias to radial tires in the automobile segment, and the gradual replacement of tube tires with tubeless tires in the motorcycle segment. Meanwhile, the Company has not yet produced radial automobile tires, and its tire product portfolio remains less competitive and less diversified compared to industry peers, while production capacity has yet to fully meet market demand.

On the other hand, the export market faced pressure from slower global economic growth. Accordingly, OECD, IMF, EU, and France forecast global growth in 2025 at 3.2%, 3.2%, 3.1%, and 2.5%, respectively,

all lower than in 2024. In addition, intense price competition and volatile logistics costs led to reduced order volumes and narrower profit margins. The shift in revenue structure therefore reflects the Company's strategic focus on the domestic market, which offers more stable growth potential and lower risks amid ongoing uncertainties in international trade.

Conversely, financial income and other income were factors contributing to the narrowing of the Company's net profit margin, amounting to 3.1 billion VND (compared to 5.3 billion VND in 2024) and 7.7 billion VND (a sharp decrease from 162.6 billion VND in 2024), respectively, accounting for a combined 0.7% of total income, compared to 14.0% in 2024. The sharp decline in other income was primarily due to a significant one-off gain recognized in 2024 from the transfer of land sublease rights together with infrastructure and assets attached to land, which did not recur in 2025.

About cost structure:

Cost of goods sold and some important operating expense indicators of the company have shown notable developments as follows:

Cost of goods sold

1.311,9 Billion VND  **48,8%**

- Cost of goods sold in 2025 amounted to 1,311.9 billion VND, an increase of 48.8% compared to 2024, accounting for 90.1% of net revenue (compared to 85.8% in 2024).

General and administrative expenses

66,1 Billion VND  **3,9%**

- General and administrative expenses reached 66.1 billion VND, up 3.9% compared to 2024, representing 4.5% of net revenue (down from approximately 6.2% in 2024).

Selling expenses

30,6 Billion VND  **13,7%**

- Selling expenses totaled 30.6 billion VND, decreasing by 13.7% compared to 2024, accounting for approximately 2.1% of net revenue (compared to approximately 3.5% in 2024).

Financial expenses

25,6 Billion VND  **5,6%**

- Financial expenses amounted to VND 25.6 billion, up 5.6% compared to 2024, accounting for approximately 1.8% of net revenue (slightly down from around 2.4% in 2024).

Profitability indicators:

Gross profit

143,9
Billion
VND

1,5%



- By the end of 2025, the Company recorded gross profit of 143.9 billion VND, a decrease of 1.5% compared to 2024. Despite a strong increase of 41.6% in net revenue, the faster growth in cost of goods sold (48.8%) significantly narrowed the gross profit margin from 14.2% in 2024 to approximately 9.9% in 2025, reflecting rising input cost pressures and reduced production efficiency.

Profit after tax

24,6
Billion
VND

83,8%



- Profit after tax amounted to 24.6 billion VND, representing a decrease of 83.8% compared to 2024. The corresponding net profit margin was approximately 1.7% of net revenue, significantly lower than 14.8% in the previous year. This was primarily due to the sharp decline in gross profit margin. In addition, in 2024, the Company recognized a substantial one-off gain from the transfer of land sublease rights, whereas no such extraordinary income was recorded in 2025



RESULTS OF BUSINESS OPERATIONS AGAINST THE PLAN

Indicator	Unit	Target for 2025	Actual for 2025	% Actual for 2025 / Target for 2025
Revenue	Billion VND	2,000	1,490.3	74.5%
- Industrial production revenue	Billion VND	970	769.3	79.3%
- Commercial revenue and other revenues	Billion VND	1,030	686.5	66.7%
Profit Before Tax	Billion VND	100	32.3	32.3%
Profit After Tax	Billion VND	78.8	24.6	31.5%

By the end of 2025, Sao Vang Rubber Joint Stock Company made significant efforts to implement the business and production plan approved by the Annual General Meeting of Shareholders; however, the results fell short of expectations. Specifically, the Company's sales revenue reached 1,490.3 billion VND, equivalent to 74.5% of the annual plan for 2025. Of this, industrial production revenue amounted to 769.3 billion VND, achieving 79.3% of the plan, while trading and other revenue reached 686.5 billion VND, completing 66.7% of the planned target.

In terms of profitability, profit before tax reached 32.3 billion VND, equivalent to 32.3% of the annual plan, while profit after tax amounted to 24.6 billion VND, achieving 31.5% of the planned profit after tax target. These results indicate that the Company maintained stable operations; however, it was significantly affected by market conditions and cost pressures, resulting in a relatively low level of plan fulfillment.



ORGANIZATION AND HUMAN RESOURCE

HUMAN RESOURCE STRUCTURE

As of December 31, 2025, the Company's total number of employees is 715 people. Specifically as follows:

No.	Criteria	year 2024		year 2025	
		Quantity (people)	Percentage (%)	Quantity (people)	Percentage (%)
I By Labor Level					
1	University and Postgraduate Degree	151	20.27%	145	20.28%
2	College and professional intermediate level	118	15.84%	126	17.62%
3	General workers	476	63.89%	444	62.10%
II By labor type					
1	Full-time labor	745	100%	715	100%
2	Part-time labor				
III By gender					
1	Male	514	68.99%	490	68.53%
2	Female	231	31.01%	225	31.47%
Total		745	100%	715	100%

In 2025, the Company's workforce decreased by 30 employees compared to 2024, all of whom were full-time employees, bringing the total number of employees to 715. The qualification structure continued to be maintained in the direction of improving human resource quality, with employees holding college degrees or higher accounting for approximately 37.9% of the total workforce (a slight increase compared to the previous year), demonstrating the Company's continued focus on developing a technically qualified workforce to meet its production and business requirements. In terms of gender structure, male employees accounted for 68.53% and female employees accounted for 31.47% of the total workforce, with no significant changes compared to 2024, ensuring stability and alignment with the Company's gender equality orientation in its human resources policy.

CHANGES IN THE BOARD OF MANAGEMENT

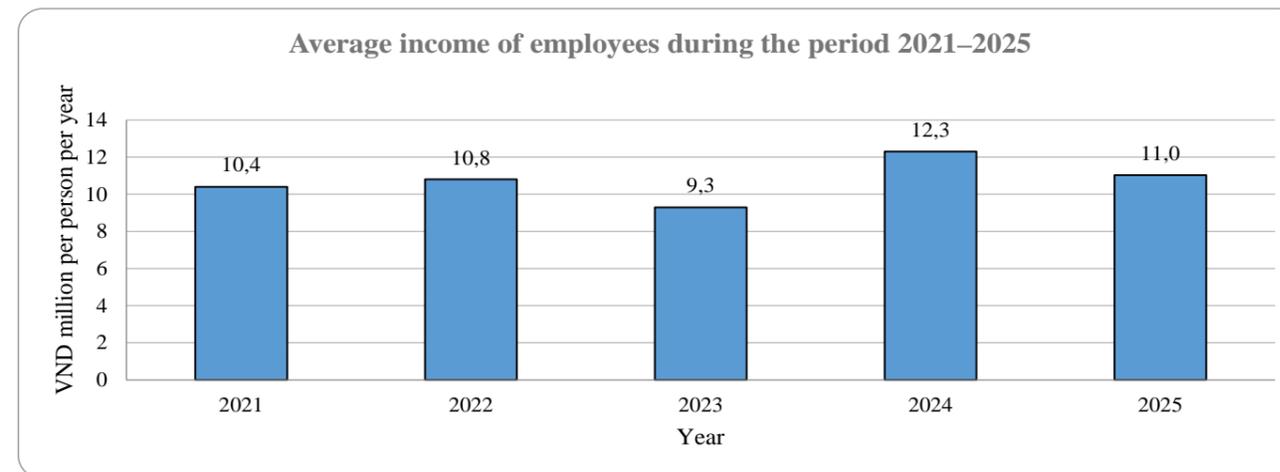
In 2025, there were no change in the Company's Board of Management structure.

BRIEF INFORMATION ON THE EMPLOYEE'S POLICIES

Regarding employee policies, SRC always fully implements employee policies in accordance with the Labor Law and State regulations.

Salary and bonus policy

Employees receive salary and bonus benefits based on their job position, work performance and the Company's business results, ensuring market competitiveness, while motivating them to enhance productivity and efficiency, ensuring compliance with current State regulations.



Training policy

The company has an annual training plan for employees, specifically tailored to each job title and position, ensuring that employees regularly update and enhance their knowledge, skills, and professional expertise.

Insurance policy

Fully implement social insurance, health insurance, unemployment insurance according to State regulations.

Welfare policy

Labors are subsidized when their family or themselves are sick, have a funeral or happy event; receive gifts in kind on holidays, New Year, anniversaries, ...

Healthcare policy

Workers receive annual health check-ups.

Other policy

The Company always creates favorable conditions for employees to improve the working environment and ensure occupational safety and hygiene....

INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION

PROJECT IMPLEMENTATION

Investing in the construction of Sao Vang Rubber Tire and Inner Tube Factory in Ha Tinh

As of December 31, 2025, Sao Vang Rubber Joint Stock Company has contributed 30,6% of the capital equivalent to 375,000,000,000 VND to Sao Vang Hoanh Son Joint Stock Company - the investor of the Sao Vang Rubber Tire and Inner Tube Factory construction project in Ha Tinh. The Company is still in the process of preparing an investment project to submit to the People's Committee of Ha Tinh province for approval. As of December 31, 2025, the Company has made a provision for impairment on this capital contribution amounting to 1.6 billion VND.

Investment Project to expand tubeless motorcycle tire production at Xuan Hoa Processing Factory

The Feasibility Report has been completed, and the Construction Permit has been issued. The Company is currently carrying out procedures to select a contractor for project implementation.



OPERATIONS OF THE SUBSIDIARIES, ASSOCIATED COMPANIES

- Subsidiaries: None
- Associated companies:

In 2025, the Company's affiliated companies, Sao Vang Hoanh Son Company Limited and Sao Vang Hoanh Son Joint Stock Company, continued to maintain their production and business operations in accordance with their registered business lines. The operations of these entities were generally stable, ensuring the fulfillment of financial obligations in accordance with regulations and maintaining business activities in line with market conditions.

The Company regularly monitors the operational situation of the affiliated companies, coordinates the exchange of information and provides support within its capacity in order to improve operational efficiency. In general, the operations of the affiliated companies did not give rise to any material issues affecting the overall operations of the Company

FINANCIAL SITUATION

SUMMARY OF FINANCIAL SITUATION

Indicator	Unit	2024	2025	Growth Rate (%)
Total assets	Billion VND	1,208.9	1,341.4	11.0%
Net revenue	Billion VND	1,027.8	1,455.8	41.6%
Profit from business activities	Billion VND	28.0	24.7	-12.0%
Other profit	Billion VND	162.6	7.7	-95.3%
Profit before tax	Billion VND	190.7	32.3	-83.0%
Profit after tax	Billion VND	151.6	24.6	-83.8%
Profit distributed as dividends (cash/stock)	Billion VND	16.8	16.8	0.0%
Payout ratio	%	6	4	

MAJOR FINANCIAL INDICATORS

Financial Indicator	Unit	2024	2025
Liquidity Ratio			
Current ratio	Time	1.14	1.25
Quick ratio	Time	0.62	0.81
Cash ratio	Time	0.06	0.05
Leverage Ratio			
Debt/Total assets ratio	%	52.43	57.71
Debt/Owner's Equity ratio	%	110.23	136.45
Debt and financial lease liabilities/Total assets	%	21.32	35.31
Operational Efficiency Ratio			
Average inventory turnover ratio	Time	3.68	5.04
Average days inventory outstanding	Day	99.11	72.43
Average receivables turnover ratio	Time	3.39	4.10
Average collection period	Day	107.63	89.03
Average payables turnover ratio	Time	7.29	10.92
Average payment period	Day	50.04	33.43
Cash conversion cycle	Day	156.70	128.03
Net Revenue/Average total assets	Time	0.80	1.14
Profitability Ratio			
Gross profit margin	%	14.22	9.88
Operating profit margin	%	2.73	1.69
Profit after tax margin	%	14.75	1.69
ROAA	%	11.87	1.93
ROEA	%	29.78	4.31

Liquidity Ratio

As of December 31, 2025, the Company's current ratio reached 1.25 times, a slight increase compared to 1.14 times as of December 31, 2024, and exceeding the standard threshold of 1. This indicates that the Company's ability to use short-term assets to settle its liabilities due within one year is well maintained. The quick ratio reached

0.81 times, an increase compared to the end of 2024, indicating that approximately 81% of the Company's short-term liabilities could be settled almost immediately using short-term assets without the need to liquidate inventories. The cash ratio remained relatively stable, fluctuating around 0.05–0.06 times.

Leverage Ratio

As of December 31, 2025, SRC's debt-to-total assets ratio and debt-to-equity ratio were 57.7% and 136.5%, respectively, both increasing compared to December 31, 2024. The ratio of borrowings and finance lease liabilities to total assets stood at 35.3% at year-end 2025, a significant increase compared to 21.3% as of December 31, 2024, indicating that more than one-third

of the Company's total assets are currently financed by interest-bearing debt. Overall, the increase in leverage ratios in 2025 reflects the Company's greater use of financial leverage to support its production, business, and investment activities, highlighting the need for closer monitoring of liquidity risk management in the coming period.

Operational Efficiency Ratio

In 2025, SRC's inventory turnover ratio improved significantly, reaching 5.0 times, equivalent to 72.4 days per inventory cycle, a substantial reduction of approximately 27 days compared to 2024. The Company's average accounts receivable turnover reached 4.1 times, corresponding to an average collection period of 89.0 days, a decrease of more than 18 days compared to 107.6 days in the previous year. This indicates improved effectiveness in receivables management and cash collection from customers.

approximately 33.4 days, a decrease of about 17 days compared to 2024. As a result of these changes, SRC's cash conversion cycle was reduced to 128.0 days (compared to 156.7 days in 2024), contributing to faster working capital turnover.

The asset utilization ratio (Net revenue/Average total assets) also recorded positive growth, reaching 1.1 times in 2025, a significant increase compared to 0.8 times in 2024. This improvement demonstrates that the Company has enhanced the efficiency of its machinery and equipment utilization, reflecting a favorable recovery in its capacity to generate revenue from its asset base.

In addition, the Company's accounts payable turnover increased to 10.9 times. Accordingly, the average payable period shortened to

Profitability Ratio

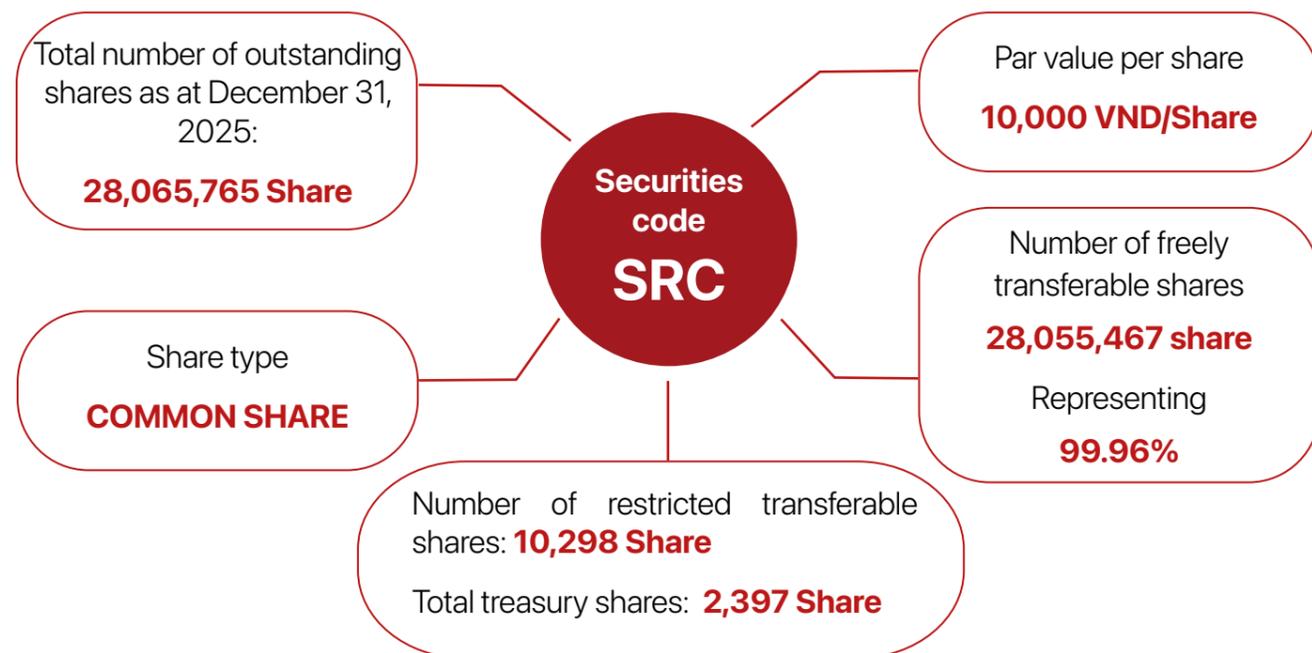
In 2025, SRC's gross profit margin was 9.9%, a significant decline compared to 14.2% in 2024, primarily due to cost of goods sold pressures and sales revenue achieving only 74.5% of the planned target. Similarly, the operating profit margin decreased to 1.7% (compared to 2.7% in the previous year), as the scale of net revenue was insufficient to fully optimize operating costs. By year-end, the Company recorded a net profit margin of 1.7%, a sharp decline compared to 14.8% in 2024. This substantial difference was mainly attributable to a one-off gain from the transfer of land sublease rights recognized in 2024, while no

similar extraordinary income was recorded in 2025.

The return on average assets (ROAA) and return on average equity (ROEA) were also negatively impacted, decreasing to 1.9% and 4.3%, respectively. Although these ratios were lower compared to the elevated base in 2024, the figures indicate that the Company is focusing on strengthening its internal stability. Achieving 31.5% of the planned profit after tax in a challenging year provides a basis for management to review the cost structure and optimize higher-margin product lines, with the aim of supporting sustainable growth in 2026.

SHAREHOLDER STRUCTURE, CHANGES IN OWNER'S EQUITY

SHARE INFORMATION



OTHER SECURITIES

In 2025, the Company did not issue other securities.

LIST OF MAJOR SHAREHOLDERS

In 2025, there were no change in the ownership ratio of major shareholders in the Company. Specifically as follows:

No.	Individual/Organization	Ownership registration number	Date of issuance	Number of shares held	Ownership percentage (%)	Ownership record date
1	Vietnam National Chemical Group	0100100061	19/11/2021	10,104,115	36.00	June 10, 2025
2	Hoanh Son Group Joint Stock Company	3000244065	11/5/2022	14,093,290	50.22	June 10, 2025

Source: According to SRC's shareholder list as of June 10, 2025

SHAREHOLDER STRUCTURE

No.	Number of share	Ownership percentages %	Number of shareholder	Shareholder structure (person)	
				Institution	Individual
Total number of shares	28,065,765	100%	1,771	29	1,742
State shareholders (*)	10,104,115	36.00%	1	1	0
Major shareholders (holding 5% or more of shares)	24,197,405	86.22%	2	2	0
- Domestic	24,197,405	86.22%	2	2	0
- Foreign	0	0	0	0	0
Other shareholders	3,842,189	13.69%	1,767	25	1,742
- Domestic	3,820,232	13.61%	1,748	16	1,732
- Foreign	21,957	0.08%	19	9	10
Company trade union	23,774	0.08%	1	1	0
Treasury shares	2,397	0.01%	1	1	0

(*) The state shareholder is concurrently a major shareholder.

Source: According to SRC's shareholder list as of June 10, 2025

Maximum Foreign Ownership: The Company has a maximum foreign ownership limit of 0%.

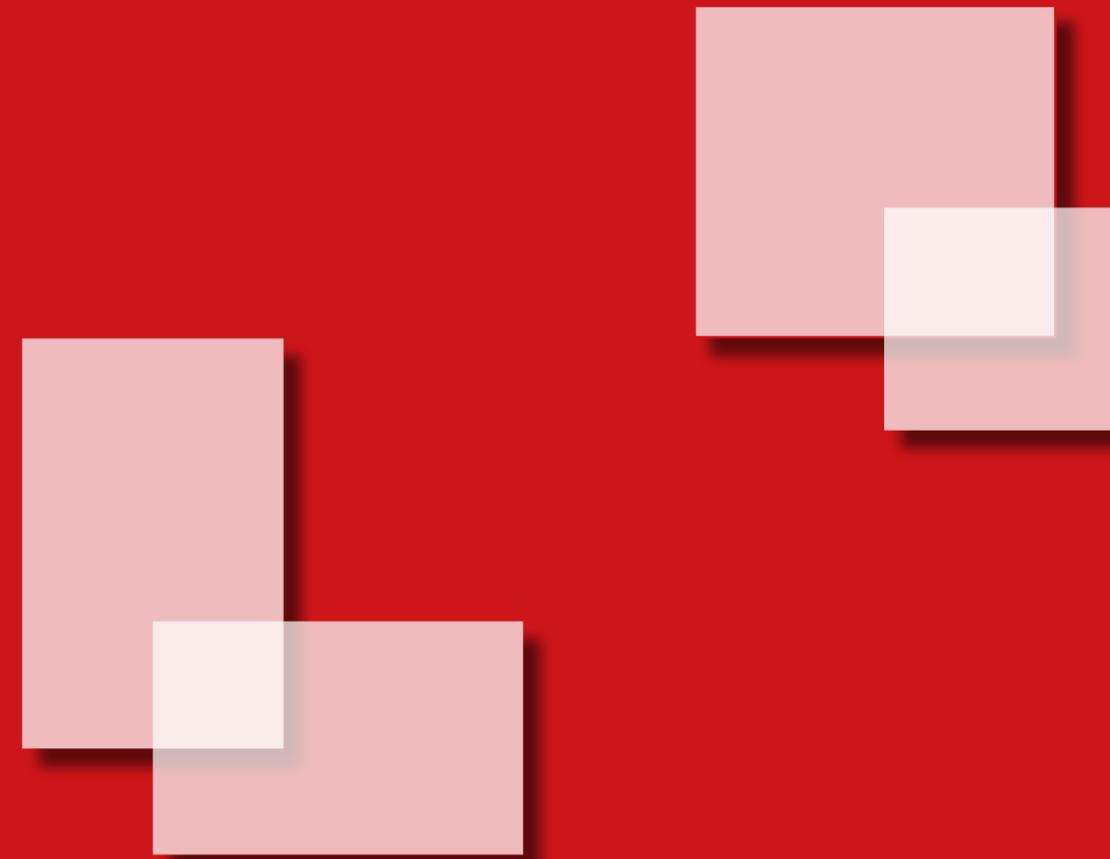
CHANGES IN OWNER'S EQUITY

In 2025, Sao Vang Rubber Joint Stock Company had no changes in owner's investment capital.

Time	Charter capital	Capital increase details
04/2006	49,049,000,000	Equitization of the Company
10/2006	80,000,000,000	Issuance of additional shares to existing shareholders at a 63% ratio
02/2007	88,000,000,000	Distribution of 5,48 billion VND in stock dividends (at a ratio of 12,3% for 9 months of operations in 2006) Bonus issuance of 2,52 billion VND in shares at a 32:1 ratio to existing shareholders from corporate income tax exemptions in 2006
06/2007	108,000,000,000	Issuance of additional shares to existing shareholders at a 22,72% ratio
2010	162,000,000,000	Issuance of shares for dividend payment and bonus distribution to existing shareholders
2013	182,249,940,000	Issuance of shares for dividend payment
2015	200,474,150,000	Issuance of shares for dividend payment
2016	280,657,650,000	Issuance of shares to increase charter capital from owner's equity

CHAPTER IV

Reports of the Board of Management



4.1. Assessment of operating results in 2025

4.2. Financial situation

4.3. Development orientation for 2026

4.4. Explanation of the Board of Management for auditor's opinions (if any)

4.5. Assessment of environmental and social responsibilities of the Company

ASSESSMENT OF OPERATING RESULTS IN 2025

OPERATING SITUATION IN 2025

Entering 2025, the global landscape changed rapidly with many complex and unprecedented developments, creating intertwined impacts on the global economic recovery process. In the domestic market, although the economy maintained its recovery momentum with positive signals in industrial production and investment inflows, demand in the transportation parts and materials sector remained uneven, posing significant challenges for tire manufacturers.

For Sao Vang Rubber Joint Stock Company, its production and business operations faced several key challenges as follows:

- **Increasing competitive pressure:** The Vietnamese market continued to face significant pressure from the expansion of foreign tire brands, which possess advantages in scale and cost competitiveness, resulting in intense competition in the traditional tire segment.

- **Technological shift toward radial tires:** The transition from bias tires to radial tires among consumers has accelerated significantly. This represents a major technical barrier, as the Company's current product portfolio does not yet include radial tire products, limiting its ability to access more modern customer segments.

- **International trade barriers:** Demand in export markets showed signs of weakening due to slower global economic growth. At the same time, the tightening of technical standards and the introduction of new non-tariff barriers in various countries have directly impacted the Company's export activities.

These challenges have significantly affected the Company's competitiveness in the market, as well as its ability to increase revenue and sales volume. Nevertheless, under the close guidance of the Board of Directors and the strong efforts of the Management and all employees, the Company achieved several notable results during the year, as outlined below:

Indicator	Unit	Target for 2025	Actual for 2025	% of Target for 2025	% of Actual for 2024
I- Industrial production value (at 1994 constant prices)	Billion VND	350	269.6	77.0	94.5
II- Industrial production value (at current prices)	Billion VND	991.9	827.8	83.4	102.0
III- Revenue	Billion VND	2000	1490.2	53.1	86.1
Including: Industrial Production Revenue	Billion VND	970	803.7	82.8	94.1
Commercial Revenue, Other Revenue	Billion VND	1030	686.5	66.6	326.7
IV- Profit before tax	Billion VND	100	32.3	32.3	16.9
V- Main Manufactured Products					
1- Bicycle Tires	Unit	4,400,000	3,758,219	85.4	91.9
2- Bicycle Inner Tubes	Unit	4,800,000	3,845,525	80.1	92.2
3- Motorcycle Tires	Unit	1,600,000	1,243,166	77.7	104.0
4- Motorcycle Inner Tubes	Unit	5,600,000	3,997,961	71.3	83.9
5- Car Tires	Unit	200,800	165,575	82.7	93.8
6- Car Inner Tubes	Unit	220,000	168,985	76.8	107.0
7- Car Flaps	Unit	120,000	78,150	65.1	79.6
VI- Main Sales Products					
1- Bicycle Tires	Unit	4,452,309	3,287,251	73.8	79.4
2- Bicycle Inner Tubes	Unit	4,910,229	3,722,191	75.8	87.6
3- Motorcycle Tires	Unit	1,414,354	1,190,584	84.1	96.4
4- Motorcycle Inner Tubes	Unit	5,468,904	3,878,539	70.9	80.4
5- Car Tires	Unit	210,809	170,305	80.7	95.3
6- Car Inner Tubes	Unit	213,101	157,551	73.9	96.9
7- Car Flaps	Unit	117,975	88,973	75.4	103.5



ASSESSMENT OF THE BOARD OF MANAGEMENT ON THE RESULTS OF TASK IMPLEMENTATION IN 2025

Production management and operations

• Achievements:

- The leadership collective of the Company, the Board of Management, and the management staff in the Company are fully aware and have outlined step-by-step measures to address and overcome the weaknesses in the Company's management, such as: competitiveness, product quality, cost, product diversification, and domestic and export market operations.

- Continued to strengthen cost management measures and savings in production and business activities to adjust product prices in line with the market and streamline production. Organized and added regulations to control the purchase of raw materials, materials, and spare parts. Ensured that the approval process followed the regulations and purchasing guidelines in place. Directed specialized departments to actively find new suppliers, domestic suppliers of materials for production, ensuring quality and competitive prices.

- With the difficulties in sales, the Board of Management focused on directing the development of plans and goals for each month and quarter, striving to achieve them. Continued to review and reorganize the system of dealers both domestically and internationally. Implemented approaches to acquire new customers to achieve the highest possible objectives in line with the planned targets.

- Placed importance on implementing material consumption norms, consistently updating and improving the norm system, reviewing the norms monthly, and taking timely corrective measures for any discrepancies or weaknesses in the establishment

and management of material consumption norms at the units.

• Issues in management operations:

- The causes reducing tire quality (rapid wear, unattractive product appearance) have not been thoroughly addressed.

- The research and development of new products have not met market demands.



Human resources and labor wages

- The Company always focuses on building wage systems and wage rates, ensuring stable income that is progressively improved, creating a foundation for employees to feel secure in their work, enhance productivity, and ensure product quality.

- The Company ensures full implementation of policies as required by regulations for employees.

- Implements labor protection, safety, and environmental hygiene work in accordance with the regulations of the State and the Company.

- As of December 31, 2025, the total number of employees in the Company is 715.

- The average actual monthly income of employees in 2025 is 11.04 million VND/month.

Market

- According to the sales results, domestic revenue decreased by 1.92%, equivalent to 13 billion VND; most bicycle and motorcycle tires and tubes decreased, while automobile tubes and flaps all increased compared to the same period.

- Export revenue in 2025 decreased by 24% compared to 2024; most product lines decreased, with only the bicycle tube segment increasing compared to the same period.

- From the above results, total Company revenue decreased by 6.64%; most product lines declined compared to 2024.

- Assessment of the automobile tire market situation:

+ In 2025, the automobile tire consumption market was relatively difficult; assembly activities were almost paralyzed, and the private consumption market faced difficulties due to the difficult economic situation. However, through other solutions as well as improvements in the quality of automobile tire products, the automobile segment still increased in quantity compared to 2024. Although revenue from sales to Hoanh Son continued to decline, it basically did not affect the consumption situation of automobile tires in the domestic market.

+ Automobile tubes and flaps mostly increased; however, the quantity consumed was not yet commensurate with market demand because the quality of automobile tubes still had many defects, leading to the inability to increase the consumption volume.

+ Meanwhile, the export market for automobile tires continued to face difficulties because the selling price could not compete with DRC and Casumina. In particular, when standardizing export sales, many customers did not meet the standards and had to stop transactions, which greatly affected the export situation of automobile products.

- Assessment of the bicycle and motorcycle market:

+ The bicycle and motorcycle market in 2024 experienced good growth; however, in 2025 it declined significantly. The decline occurred in both the private and assembly sectors; market demand decreased, especially due to the heavy impact of tax policy changes and the tightening of management of goods without invoices for business households, leading to the situation where many shops and second-tier dealers operated cautiously or closed in large numbers due to fear of tax arrears and confiscation when most spare parts goods did not have input invoices. In addition, the difficult economic situation caused people's income to decrease, leading to a decline in consumption. With such a situation, it had a very large

impact on sales and no immediate solution could be implemented to increase consumption.

+ In the motorcycle market, the bright spot in 2025 was tubeless motorcycle tires and tubeless electric vehicle tires. In the context of difficult consumption, the consumption of motorcycle tires in general remained basically good; tubeless motorcycle tires increased by 60%, and tubeless electric vehicle tires increased by 205% compared to the same period. These results show that the Company's investments in developing the consumption of tubeless tires have achieved positive results and are the right direction in line with future trends.

+ The domestic bicycle market declined due to decreased demand rather than loss of market share to competitors; therefore, this is not too concerning. Basically, we still maintained assembly customers and the private system in the northern region, while bicycle tubes and tires in the Central and Southern regions are still far too few compared to market demand and the Company has not yet increased its market share.

+ The motorcycle tube market is worrying; although demand decreased, in some areas we lost market share to cheaper motorcycle tube brands whose quality is not inferior, which greatly affected the Company's decline.

+ The bicycle export market also faced difficulties due to high prices; moreover, when standardizing sales, many customers could not meet the requirements and therefore stopped cooperation, leading to a decline in exported bicycle tubes and tires. The accounting cost was not good, so basically it could not compete on price with competitors, while exports mostly depended on price and the number of existing customers, greatly limiting product consumption when prices were high and no new replacement markets could be found.



Finance

- Implement and check the accounting records to ensure the accurate, timely, and complete reflection of all assets and financial activities at the Company and its associated organizations and units under the Company's management through documents, accounting books, and financial reports.
- Effectively manage capital mobilization, utilizing various funding sources such as shareholder's equity, selecting investment options, and choosing banks with appropriate mechanisms and interest rates to ensure the Company's capital is always preserved and developed.
- Strictly comply with the full, timely calculation and payment of taxes to the state budget in accordance with the policies and regulations issued by the government, and ensure the proper implementation of policies towards employees.
- Monitor and supervise the collection and disbursement of financial funds, the use of assets, materials, and capital, as well as the fluctuations in the increase or decrease of assets, materials, and capital at the Company and its associated units under its management. Detect violations of financial management principles within the Company and its associated units. Report and propose corrective measures to the Company's leaders in accordance with current regulations.
- Prepare the Company's financial statements, taking responsibility for the accuracy and truthfulness of the financial statements, and submit them to the relevant government authorities as required by the regulations issued by the Ministry of Finance.
- Collaborate with professional departments across the Company to carry out the reconciliation and collection of outstanding debts, fully promoting autonomy in the Company's production, business, and financial activities.

Science and technology, quality

In 2025, the Company continued to strengthen its efforts in research and technical improvements, actively searching for, exploring, researching, testing, and applying new materials, adjusting formulations, rationalizing raw materials, and product structures to improve quality, reduce product costs, and enhance the competitiveness of products, bringing economic benefits to the Company. Specifically:

- **Surveyed, adjusted, and issued** material consumption norms for rubber products, calculated construction and norms as a basis for pricing export tire products, technical rubber products, agricultural tires, tubeless tires, etc.
- **Collaborated** with the production units within the Company to address and promptly rectify any production fluctuations, and supervised the production process to reduce the waste rate and the number of defective products reaching the market.

Basic construction investment and electrical engineering work

The management and use of materials, components, and electrical spare parts are closely supervised, from the receipt and distribution to the provision for equipment maintenance and repairs. The Company proactively prepares appropriate backup materials and spare parts to ensure efficient utilization.

Occupational Safety - Personal Hygiene - Fire Prevention and Environmental Work

In 2025, the Company fully implemented the occupational safety, personal hygiene, and fire prevention in accordance with legal regulations.

- Through regular and new training sessions, the Company disseminated the government's policies and regulations on occupational safety and health to employees. The workers were made aware of potential hazards and risks in the production line, as well as the preventive measures to reduce workplace accidents during their work process.
- Fire prevention activities were regularly inspected to ensure compliance with processes and regulations. The Company organized professional training for its employees to enhance their sense of responsibility and improve their skills in practicing fire prevention plans as per the Fire and Rescue Police's schedule.
- Develop a plan and collaborate with the Company's Occupational Safety and Health Council to conduct quarterly inspections of occupational safety and health practices at the Company's units, evaluate the implementation of occupational safety and health practices, identify deficiencies, and propose corrective measures.



FINANCIAL SITUATION

ASSETS

Indicator	Unit	2024	2025	Growth Rate (%)
Total assets	Billion VND	1,208.9	1,341.4	11.0%
Short-term assets	Billion VND	549.1	775.2	41.2%
- Cash and cash equivalents	Billion VND	29.7	31.7	6.7%
- Short-term receivables	Billion VND	235.2	465.5	97.9%
Including: Short-term receivables from customers	Billion VND	238.2	471.8	98.1%
Including: Provision for doubtful short-term receivables	Billion VND	(9.6)	(13.2)	37.1%
- Inventories	Billion VND	250.3	270.4	8.0%
Including: Provision for decline in value of Inventories	Billion VND	1.0	0.8	-16.8%
- Other short-term assets	Billion VND	33.9	7.6	-77.5%
Long-term assets	Billion VND	659.8	566.2	-14.2%
- Long-term receivables	Billion VND	97.8	2.0	-98.0%
- Long-term financial investments	Billion VND	508.5	509.6	0.2%

As of December 31, 2025, the Company's total assets reached 1,341.4 billion VND, representing an increase of 11.0% compared to the end of 2024. This growth was primarily driven by a significant expansion in current assets, while non-current assets showed a declining trend. Specifically:

Current assets served as the main driver of growth, reaching 775.2 billion VND, a sharp increase of 41.2% compared to the same period. Notable changes within this category include:

- **Short-term receivables:** Increased sharply by 97.9%, reaching 465.5 billion VND and accounting for 34.7% of the Company's total assets. Of this, short-term trade receivables represented the largest portion at 471.8 billion VND, an increase of 98.1% compared to the end of 2024, primarily reflecting receivables from Vietnam Trading and Import-Export Joint Stock Company (387.2 billion VND). This reflects the expansion of trade credit, but was also accompanied by a 37.1% increase in the provision for doubtful receivables.
- **Inventories:** Maintained at 270.4 billion VND, up 8.0% compared to the end of 2024. Positively, the provision for inventory write-down decreased by 16.8%, indicating an improvement in inventory quality.
- **Cash and cash equivalents:** Increased steadily by 6.7%, reaching 31.7 billion VND, helping to ensure the Company's immediate liquidity.

Conversely, non-current assets decreased by 14.2% to 566.2 billion VND, mainly due to:

- **Long-term receivables:** Primarily consisting of deposits and escrow amounts, which declined significantly by 98.0%, from 97.8 billion VND to 2.0 billion VND.
- **Long-term financial investments:** Remained stable at 509.6 billion VND, with a slight increase of 0.2% compared to 2024.

DEBT PAYABLE

Indicator	Unit	2024	2025	Growth Rate (%)
Liabilities	Billion VND	633.9	774.0	22.1%
Short-term liabilities	Billion VND	482.0	620.8	28.8%
- Short-term trade payables	Billion VND	148.3	92.0	-37.9%
- Short-term borrowings and finance lease liabilities	Billion VND	255.7	471.0	84.2%
Long-term liabilities	Billion VND	151.9	153.2	0.9%
- Other long-term payables	Billion VND	143.5	143.5	0.0%
- Long-term borrowings and finance lease liabilities	Billion VND	2.1	2.7	26.4%

As of December 31, 2025, the Company's total liabilities amounted to 774.0 billion VND, representing an increase of 22.1% compared to the end of 2024. This increase was primarily concentrated in short-term liabilities to meet working capital needs and support production and business activities during the year.

Short-term liabilities accounted for the largest proportion of the debt structure (80.2% of total liabilities), amounting to 620.8 billion VND, up 28.8% year-on-year. Key movements included:

- **Short-term borrowings and finance lease liabilities:** Increased significantly by 84.2%, reaching 471.0 billion VND. This served as the primary funding source for the growth in current assets (particularly receivables) during the year. The greater reliance on short-term debt indicates increasing pressure on interest and principal repayments in the near term.
- **Short-term payables to suppliers:** Decreased substantially by 37.9%, to 92.0 billion VND. This development, together with the increase in accounts payable turnover (10.92 times), suggests that the Company accelerated payments to suppliers, thereby shortening the average payable period.

Meanwhile, long-term liabilities remained relatively stable, increasing slightly by 0.9% to 153.2 billion VND, mainly driven by:

- **Other long-term payables:** Maintained at 143.5 billion VND, unchanged compared to 2024.
- **Long-term borrowings and finance lease liabilities:** Increased by 26.4%, reaching 2.7 billion VND; however, in absolute terms, this amount still represents a very small proportion of the overall debt structure.



DEVELOPMENT ORIENTATION FOR 2026

KEY INDICATORS FOR 2026

Indicator	Unit	Target for 2026	% of Actual for 2025
I- Industrial production value (at 1994 constant prices)	Billion VND	350	129.8
II- Industrial production value (at current prices)	Billion VND	1019	123.1
III- Revenue		2000	134.2
Industrial Production Revenue	Billion VND	970	120.7
Commercial Revenue, Other Revenue		1030	150.0
IV- Profit before tax	Billion VND	100	309.6

Indicator	Unit	Target for 2026	% of Actual for 2025	
			Manufacture	Sale
V- Main Manufactured Products	-	-	-	-
1- Bicycle Tires	Unit	4,300,000	114.4	130.8
2- Bicycle Inner Tubes	Unit	5,000,000	130.0	134.3
3- Motorcycle Tires	Unit	1,600,000	128.7	134.3
4- Motorcycle Inner Tubes	Unit	5,600,000	140.1	144.3
5- Car Tires	Unit	200,000	120.8	117.4
6- Car Inner Tubes	Unit	220,000	130.2	139.6
7- Car Flaps	Unit	120,000	153.6	134.9



IMPLEMENTATION ACTIVITIES

Corporate governance

- Strictly implement the Resolutions of the BOD in managing and directing the Company's production and business activities to achieve the highest possible socio-economic efficiency.
- Direct and ensure effective coordination among departments within the Company to accelerate research and implementation of new and improved products, aiming to diversify the product portfolio, meet the demands of both domestic and export markets, and increase sales revenue.
- Maximize the rational arrangement of production lines and equipment capacity; maintain a stable workforce; ensure employment and income for employees based on production rationalization, labor productivity improvement, and product quality enhancement. Effectively implement cost-saving measures and prevent waste in production and business activities.

- Focus on ensuring stability and improving product quality in the management and operations of all units within the Company; address existing quality issues previously reported by customers to enhance the Company's brand reputation and increase product competitiveness.

- Strengthen management and supervision over units in complying with regulations on labor management, material, raw material, and energy norm control; actively seek and implement solutions to reduce costs and lower product prices. Strive to achieve the highest possible profit target as planned.

- Pay attention to human resource development by formulating and implementing training and retraining plans to improve professional qualifications and ensure sufficient capacity to effectively fulfill the Company's production and business tasks.

Sales

- Strengthen brand promotion activities and develop appropriate sales policies for each product category and market region in order to maintain and expand the consumption of key products in the domestic market, striving to achieve and exceed the planned revenue targets on a monthly, quarterly, and annual basis.

- Continue to improve the nationwide product distribution system; restructure the distribution network in certain provinces in the Northern and Southern regions.

- Continue to expand the automobile tire market in areas where dealerships have not yet been established, particularly in the Southern market: Thanh Hoa, Nghe An, Ha Tinh, Quang Tri, Dong Nai, Binh Phuoc, Ca Mau, Vinh Long, and Dong Thap.

- Implement effective solutions to recruit additional sales staff to better exploit the market; consolidate and enhance the professional qualifications of the sales team to improve operational capacity and work efficiency.

- Continue to invest in and promote export activities, proactively seek customers and expand markets to avoid price pressure; at the same time, strengthen after-sales services to maintain market share in existing markets and explore new ones.

- Coordinate with the Finance Department to develop competitive pricing strategies for each market.

- Promote online marketing channels to support sales, as this is considered a key driver for revenue growth in the digital era.

Finance

- Promote the roles and functions of the Finance function and the Accounting Law in internal control and operational cost control of the Company, in order to identify and propose risk prevention measures, prevent waste, and ensure reasonable and valid expenses to reduce product costs and enhance the competitiveness of SRC's products.

- Closely monitor cash inflows and outflows, receivables, and payments; coordinate with the Sales Support department to minimize the occurrence of bad debts in customer accounts.

- Prepare the Annual Financial Statements, the 2026 Profit Distribution Proposal, and other reports to be submitted to the General Meeting of Shareholders.

- Provide consultancy and recommendations to the Company's leaders on financial management measures, cost reduction, and product pricing.

Labor and salary

- Regularly review and improve staffing norms, labor norms, and salary standards. Based on that, develop or adjust wage cost allocations appropriately for each unit and product within the Company.
- Develop an effective recruitment, training, and human resource development plan for 2025. Coordinate with

relevant departments to find solutions to prevent workforce decline.

- Further improve employee healthcare services/ conduct periodic health check-ups, and ensure proper implementation of employee benefit policies in accordance with regulations.

Mechanical, electrical, and energy

- Review and improve the Mechanical and Electrical Operations Regulation; ensure effective management and use of equipment, and establish appropriate norms for the fabrication and repair of machinery, equipment, and spare parts.
- Ensure proper equipment management, regular maintenance and servicing to support stable

production by monitoring equipment conditions and promptly carrying out repairs to meet production needs.

- Identify and promptly address sources of energy waste (electricity, steam, compressed air), aiming to reduce energy consumption costs by approximately 2% compared to the previous year.

Science, technology, and quality assurance

- Research to improve the quality of automobile tires with the main focuses: Enhancing tire wear resistance, improving appearance quality, reducing tire repair rates, researching tire lines for agricultural use, and developing tubeless tire models for the market.

- Maintain the quality management system according to ISO 9001:2015; reasonably study and optimize compound formulas to rationalize material costs and reduce expenses.

Basic construction investment

- Complete the preparation of the technical-economic report, contractor selection plan, and organize the procurement of individual equipment in 2026 to timely serve production in Hanoi, Thai Binh, and Xuan Hoa.
- Implement the new factory construction project and relocate production from the old factory to the new site

- Research and implement preparatory steps for the new factory construction project and the relocation of production from the old factory to the new site.

Others

- Coordinate with mass organizations such as the Trade Union and Youth Union to develop specific and practical action programs; launch emulation movements for productive labor and creative work; gather ideas and rational improvement initiatives; apply advanced modern science and technology in production; practice thrift and cost reduction to lower product prices, increase competitiveness, and motivate officers and employees to actively work towards fulfilling the 2026 targets.

- Ensure effective occupational safety and health practices and fire prevention. Promptly commend and encourage departments and individuals with outstanding achievements in production activities to enhance production and business efficiency.

- Continue to invest in improving the working environment and caring for employees' health. Develop and implement the ISO 14001:2015 environmental management system, and build a truly green – clean – beautiful, civilized, and modern production working environment.

EXPLANATION OF THE BOARD OF MANAGEMENT FOR AUDITOR'S OPINIONS (IF ANY)

Do not have

ASSESSMENT OF ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES OF THE COMPANY

Assessment concerning the environmental indicators

The entire company strives to implement environmental protection policies, with the criteria of sustainable development and responsibility to the environment and surrounding community.

The company has implemented policies for reusing raw materials and has strengthened waste and wastewater treatment processes from business operations and employee activities in compliance with legal regulations. Additionally, the company actively promotes awareness and encourages employees to internalize environmental protection as a conscious responsibility, translating it into concrete actions at both the individual and production process levels.

Sao Vang Rubber Joint Stock Company conducts quarterly monitoring and testing of wastewater quality. The monitoring results show that the company is implementing environmental protection goals and controlling wastewater quality in accordance with legal regulations. Aware of the importance of environmental protection, the company also actively invests in research and innovation to create environmentally friendly and reusable products.

Assessment concerning the labor issues occupational safety

Identifying human as the core factor promoting sustainable development of the enterprise, since its inception, SRC has strived to provide employees with a good working environment and a rich corporate life both materially and spiritually.

To ensure labor safety for employees: Employees are equipped with standard labor protection equipment, and undergo annual health check-ups to minimize risks as well as promptly detect and treat occupational diseases; Office buildings and factories are equipped with fire protection systems, fire alarms, fire extinguishers, water taps,... to promptly respond to emergency situations. Employees at the company are entitled to participate in all types of insurance, including: social insurance, health insurance, unemployment insurance as well as benefits on salary, bonus, annual leave. In addition, the company regularly has training programs for employees to help them improve their skills as well as salary and bonus policies to encourage the working spirit of employees.

Assessment concerning the corporate responsibility for the local community

The Company is always aware that in order to develop sustainably, it is necessary to enhance its responsibility and contribution to the local community. This is demonstrated through coordination with local agencies to prevent epidemics, strictly comply with environmental and business laws, and ensure the lives of employees. The Company always acts towards the goal of contributing to society, improving day by day and aiming at sustainable development of society and the Company.

CHAPTER V

ASSESSMENTS OF THE BOD ON THE COMPANY'S OPERATION



5.1. Assessments of the BOD on Various Aspects of the Company's operation

5.2. Assessment of the BOD on Board of Management's performance

5.3. Plans and orientations of the BOD

ASSESSMENTS OF THE BOD ON VARIOUS ASPECTS OF THE COMPANY'S OPERATION

ASSESSMENTS OF THE BOD ON VARIOUS ASPECTS OF THE COMPANY'S OPERATION

Indicator	Unit	Resolution of the 2025 GMS	2025 Actual	Compared to the 2025 Resolution (%)	Compared to the 2024 Actual (%)
1- Industrial production value (at 1994 constant prices)	Billion VND	350	269.6	77.0	94.5
2- Industrial production value (At current prices)	Billion VND	991.9	827.8	83.4	102.0
3- Revenue		2000	1490.3	53.1	86.1
Including: Industrial Production Revenue	Billion VND	970	803.7	82.8	94.1
Commercial Revenue, Other Revenue		1030	686.5	66.6	326.7
4- Profit before tax	Billion VND	100	32.3	32.3	16.9

In 2025, the Company made significant efforts to maintain production, with the value of completed output remaining at a high level compared to the plan. In particular, the Company's industrial production value achieved a relatively high level against the targets set at the beginning of the year, reaching 77.0% at 1994 constant prices and 83.4% at actual prices. However, the financial targets assigned by the General Meeting of Shareholders (GMS) were not achieved as expected.

Specifically, net revenue reached VND 1,490.3 billion, up 40.1% compared to 2024, but still significantly below the target of VND 2,000 billion. Profit before tax amounted to only VND 32.3 billion, due to the decline in trading activities and the absence of extraordinary income as in the previous year. This performance reflects the combined impact of several unfavorable factors, notably new tax policies and stricter invoice management for household businesses, which led many tier-2 distributors to temporarily suspend operations or operate at a minimal level to avoid retrospective tax collection. The economic downturn also reduced incomes and purchasing power, while the nature of spare parts lacking input invoices has limited the Company's ability to promptly stimulate consumption.



RESULTS OF OPERATIONS

Production management and operations

In 2025, the Board of Management clearly recognized existing shortcomings in management and accordingly proposed several corrective measures to improve product quality, diversify the product range, and optimize costs. Cost control and procurement management were strictly implemented, with increased efforts to seek new suppliers to ensure quality and competitive pricing. However, the root causes of reduced tire quality have not been fully resolved, and R&D activities have yet to meet market demands.

Personnel organization and salary policy

The Company has consistently focused on ensuring stable income and enhancing employee welfare policies. The average monthly income reached 11.04 million VND, a decrease of 10.4% compared to 2024, and it remains relatively low compared to the regional average. Labor and occupational safety policies were fully implemented.

On investment and mechanical-electrical operations

The management of materials and components was closely supervised to meet equipment maintenance needs and minimize waste.

Financial Management

The Company has effectively managed its finances, mobilized capital appropriately, controlled expenditures, and strictly complied with tax regulations. Monitoring of cash flows and debt collection efforts have also been strengthened.

On science, technology, and quality

The Company continued to promote R&D activities, research new materials, rationalize production processes, reduce costs, and enhance competitiveness. Production was closely monitored to reduce scrap rates and defective products.

On occupational safety, industrial hygiene, fire prevention, and environment

The Company strictly complied with regulations on occupational safety, industrial hygiene, and fire prevention. Training sessions were held regularly to raise awareness and responsibility for safety in production.

Market activities

Total revenue of the entire Company in 2025 recorded a decrease of 6.64% compared to 2024, with the decline occurring across most product lines. Specifically:

- Domestic market: Revenue decreased slightly by 1.92% (equivalent to 13 billion VND). While the bicycle and motorcycle tire and tube segment declined, the automobile tube and flap product segment recorded a positive increase compared to the same period.

- Export market: Faced many challenges as revenue decreased sharply by approximately 24.0%. Except for the bicycle tube segment which maintained growth momentum, the remaining product lines all recorded lower business results than the previous year.

ASSESSMENT OF THE BOD ON BOARD OF MANAGEMENT'S PERFORMANCE

Work Performed



- With the goal of enhancing and improving the efficiency of production and business activities, the Board of Directors organized, directed, supervised, and supported the Board of Management in implementing solutions to reduce production costs, strengthen management, improve product quality, and promote sales activities.

- Maximize the rational arrangement of production lines and equipment capacity, maintain a stable workforce, and ensure employment and income for employees based on production rationalization, improved labor productivity, and enhanced product quality. Effectively implement cost-saving measures and prevent waste in production and business activities.

- Through the review process, it is evident that the Board of Management has made commendable efforts in implementing the Resolutions and Conclusions of the Board of Directors.

- The Board of Management and Company management staff have clearly recognized and focused on addressing weaknesses in competitiveness, product quality,

cost, product diversification, and both domestic and export market development in the Company's governance.

- With the goal of promoting product consumption, the Board of Management focused on directing the development of monthly plans and targets. Existing issues were gradually addressed to enhance the competitiveness of SRC's products. Implementation was organized with the aim of achieving the planned targets at the highest possible level.

- Regularly review and supplement existing regulations and rules to strictly control the purchase, import, and export of spare parts, materials, and raw materials, ensuring that the approval process complies with the issued regulations and procurement procedures.

- Attach importance to the implementation of material norms, continuously update and improve the norm system, review norms on a monthly basis, and promptly propose corrective measures for deviations and shortcomings in the development and management of material norms at each unit.

structure, resulting in low labor productivity.

-Technical activities lacked sufficient depth and determination in thoroughly addressing root causes affecting product quality.

-The development of new products remained slow and failed to keep up with market demands.

Limitations to Be Addressed



-Direct management and operations at production enterprises were at times slow. The labor and technology management apparatus in some units occasionally failed to meet operational requirements.

-Labor allocation in certain departments and production lines remained imbalanced due to the shrinking scale of production and significant changes in product

PLANS AND ORIENTATIONS OF THE BOD

Based on forecasts of the global and Vietnamese economic situation and the Company's development plan for 2025, the Board of Directors agrees to propose the 2026 production and business plan along with key governance and management orientations, including the following main contents:

Indicator	Unit	2026 Plan
1- Industrial production value (based on 1994 constant prices)	Billion VND	350
2- Industrial production value (based on current prices)	Billion VND	1019
3- Revenue		2000
Industrial Production Revenue	Billion VND	970
Commercial Revenue, Other Revenue		1030
4- Profit before tax	Billion VND	100
5- Dividend rate (not less than)	%	06

To fulfill the 2026 plan targets, the Board of Directors must resolutely implement the following solutions:

- Strengthening governance and supervision: Fully comply with the provisions of law and the Company's Charter; improve the effectiveness of supervision over the operations of the Executive Board and management departments to ensure stable, transparent and efficient production and business operations.
- Improving the effectiveness of production, cost and quality management: Continue to improve production management, control costs and enhance product quality; at the same time review and adjust sales policies and policies for agents and distributors in line with market conditions.
- Product development and quality improvement: Focus on developing key products with good market demand absorption and new products with high added value (such as agricultural tires, tubeless motorcycle and electric vehicle tires, 1400-25 tires); at the same time continue improving the quality of existing products.
- Market expansion and promotion of consumption: Promote the development of the domestic distribution system, especially in potential areas; proactively seek and expand export markets to increase consumption output.
- Stabilizing production and improving competitiveness: Maintain stable production, ensure the supply of products with high demand, enhance brand reputation and competitiveness in the market.
- Improving labor utilization efficiency: Organize the use of labor reasonably, apply solutions to improve labor productivity under conditions of labor shortage; strengthen recruitment and training of human resources to serve production and business activities.
- Caring for and developing human resources: Pay attention to improving the material and spiritual life of employees; develop policies to attract and retain highly qualified and skilled personnel, gradually improve income for employees.

CHAPTER VI CORPORATE GOVERNANCE



6.1. Board of Directors

6.2. Board of Supervisors

6.3. Transactions, remunerations and benefits of the BOD, BOM, and BOS

6.4. Improving corporate governance

BOARD OF DIRECTORS

INFORMATION ABOUT THE MEMBERS OF THE BOARD OF DIRECTORS

No.	Full Name	Position	Number of shares holding	Ownership percentage
1	Pham Hoanh Son	Chairman of the BOD	0	0%
2	Nguyen Viet Hung	Member of the BOD, General Director	12	0%
3	Nguyen Thanh Tung	Member of the BOD, Deputy General Director, Chief Accountant	7	0%
4	Nguyen Dinh Son	Independent Member of the BOD	0	0%
5	Luong Xuan Hoang	Independent Member of the BOD	0	0%

Changes in the Board of Directors in 2025: None

THE COMMITTEES OF THE BOD

As at December 31, 2025, the Board of Directors has established the Internal Audit Committee.

ACTIVITIES OF THE BOARD OF DIRECTORS

Attendance at Board of Directors meetings

No.	Member	Position	Date of appointment to BOD	Number of meetings attended	Attendance rate	Reason for absence
1	Pham Hoanh Son	Chairman of the BOD	16/12/2019	7/7	100%	
2	Nguyen Viet Hung	Member of the BOD, General Director	22/02/2022	7/7	100%	
3	Nguyen Thanh Tung	Member of the BOD, Deputy General Director, Chief Accountant	08/06/2020	7/7	100%	
4	Nguyen Dinh Son	Independent Member of the BOD	26/04/2021	7/7	100%	
5	Luong Xuan Hoang	Independent Member of the BOD	26/04/2021	7/7	100%	

Supervising the Board of Management by the Board of Directors

Pursuant to the Company Charter and the Corporate Governance Regulations, the Board of Directors shall inspect and supervise the activities of the General Director (GD) and the Board of Management in operating and implementing the resolutions of the General Meeting of Shareholders and the Board of Directors in 2025 as follows:

- Inspect compliance with the Law on Enterprises, the company's charter, and other legal regulations.
- Organize meetings with content closely following the requirements of the Company's production and business activities, resolutions of the General Meeting of Shareholders, promptly resolve proposals of the Board of Management. Issue resolutions and decisions

immediately after the Board of Directors unanimously approves them so that the Board of Management can serve as a basis for production and business activities.

- The Board of Directors directs the Board of Management to prepare documents and work related to the 2025 Annual General Meeting of Shareholders.

RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS

No.	Resolution/ Decision No.	Date (dd/mm/yyyy)	Content	Approval rate (%)
1	05/NQ-HĐQT	13/01/2025	- Approval of the proposed 2025 production and business plan - Approval of the execution of contracts and transactions between the Company and Related Parties - Approval of the proposal to request the People's Committee of Phuc Yen City to extend the construction permit for the project "Investment in expanding the production of tubeless motorcycle tires at Xuan Hoa Metallurgy Enterprise"	100
2	11/NQ-HĐQT	12/02/2025	- Approval of the export sales activities	100
3	12A/QĐ-HĐQT	12/02/2025	- Approval of the Technical and Economic Report for the item: Investment in 02 high-pressure screw air compressors 1.3MPA with YMT 110KW (150HP) permanent magnet IE4 inverter motors	100
4	13/NQ-HĐQT	14/02/2025	- Tentative time for organizing the Company's 2025 Annual General Meeting of Shareholders	100
5	17A/QĐ-HĐQT	14/02/2025	- Approval of the 2025 basic construction investment plan	100
6	31/QĐ-HĐQT	17/04/2025	- Approval of the contractor selection plan for the item: Investment in 02 high-pressure screw air compressors (1.3MPA) with YMT 110KW (150HP) permanent magnet IE4 inverter motors	100
7	32/QĐ-HĐQT	17/04/2025	- Approval of the contractor selection plan for the item: Investment in 01 Rheometer testing machine	100
8	61/NQ-HĐQT	21/04/2025	- Promulgation of the Company's Charter on Organization and Operation	100
9	68/NQ-HĐQT	24/04/2025	- Appointment of Mr. Nguyen Quang Hao to the position of Deputy General Director of the Company	100
10	69/NQ-HĐQT	24/04/2025	- Establishment of the Electromechanical Enterprise	100
11	82A/2025/NQ-HĐQT	08/05/2025	- Designation of the Company's legal representative in transactions with credit institutions	100
12	84/NQ-HĐQT	16/05/2025	- Selection of an independent auditing firm	100
13	88/NQ-HĐQT	19/05/2025	- Payment of 2024 dividends in cash	100
14	DD-01/QĐ-HĐQT	12/06/2025	- Approval of the investment policy for the project: "Relocation of the Sao Vang Rubber Factory at No. 231 Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi City"	100
15	DD-02/QĐ-HĐQT	20/06/2025	- Approval of the cost estimate and contractor selection plan for the investment preparation phase of the project: "Relocation of the Sao Vang Rubber Factory at No. 231 Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi City"	100
16	DD-03/QĐ-HĐQT	08/07/2025	- Approval of the design tasks for the investment preparation phase of the project " Relocation of the Sao Vang Rubber Factory at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City."	100

17	DD-04/QĐ-HĐQT	17/7/2025	- Approval of the appointment of a contractor for the bid package of "Preparation of the Feasibility Study Report" under the project "Relocation of the Sao Vang Rubber Factory at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City."	100
18	110/QĐ-HĐQT	22/7/2025	- Dismissal of a member of the Company's Internal Audit Board	100
19	112/QĐ-HĐQT	22/7/2025	- Appointment of a member of the Company's Internal Audit Board.	100
20	117/NQ-HĐQT	01/8/2025	- Change of the Company's seal	100
21	121/QĐ-HĐQT	11/8/2025	- Approval of the contractor selection results for the bid package "Construction and Procurement of Equipment" under the project "Investment in the expansion of production of tubeless motorcycle tires at Xuan Hoa Vulcanization Plant."	100
22	DD-05/QĐ-HĐQT	12/8/2025	- Approval of the direct appointment of a contractor for the bid package "Supervision of Geological Survey" under the project "Relocation of the Sao Vang Rubber Factory at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City"	100
23	DD-06/QĐ-HĐQT	13/8/2025	- Approval of the direct appointment of a contractor for the bid package "Engineering Geological Survey" under the project "Relocation of the Sao Vang Rubber Factory at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City."	100
24	124/QĐ-HĐQT	18/8/2025	- Issuance of the Regulations on investment management and procurement of materials and assets of Sao Vang Rubber Joint Stock Company.	100
25	126/QĐ-HĐQT	28/8/2025	- Approval of the Techno-Economic Report for the item "Investment in one new two-component extrusion machine 250(H) x 200(C)."	100
26	129/QĐ-HĐQT	17/9/2025	- Approval of the contractor selection plan for the item "Investment in one new two-component extrusion machine 250(H) x 200(C)."	100
27	DD-07/QĐ-HĐQT	26/9/2025	- Approval of the direct appointment of a contractor for the bid package "Preparation of the Application Dossier for Environmental Permit" under the project "Relocation of the Sao Vang Rubber Factory at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City."	100
28	133/QĐ-HĐQT	02/10/2025	- Approval of the direct appointment of a contractor for the bid package "Procurement of one new two-component extrusion machine 250(H) x 200(C)."	100
29	134/QĐ-HĐQT	20/10/2025	- Assignment of Mr. Nguyen Viet Hung – General Director of the Company – to a business trip to Taiwan.	100
30	139/NQ-HĐQT	30/10/2025	- Approval of the plan for implementing the procedure for the appointment of the Company's Deputy General Director.	100
31	146A/QĐ-HĐQT	21/11/2025	- Approval of the liquidation of fixed assets.	100
32	147/QĐ-HĐQT	25/11/2025	- Approval of the as-built drawings and the cost estimate for the demolition of structures located within the area designated for the construction of the model house.	100
33	148/QĐ-HĐQT	26/11/2025	- Establishment of the Procuring Entity for the 2025 capital construction investment project.	100

34	149/QĐ-HĐQT	28/11/2025	- Approval of the contractor selection plan for the item "Demolition of structures located within the area designated for the construction of the model house."	100
35	151/QĐ-HĐQT	05/12/2025	- Approval of the direct appointment of a contractor for the bid package "Demolition of structures located within the area designated for the construction of the model house" under the project "Construction of a commercial-service complex and high-rise residential buildings at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City."	100
36	154/NQ-HĐQT	12/12/2025	- Approval of the handover of the land area comprising the former Factory No. 2 workshop zone (currently used as the automobile tire warehouse and bicycle inner tube warehouse) to Sao Vang – Hoanh Son Company Limited.	60
37	159/QĐ-HĐQT	19/12/2025	- Approval of the adjustment to the boiler and transformer substation items under the project "Investment in the expansion of production of tubeless motorcycle tires at Xuan Hoa Vulcanization Plant."	100
38	160/QĐ-HĐQT	20/12/2025	- Approval of the liquidation of fixed assets.	100

Corporate Governance Training: In the past year, the Company sent the Person in charge of corporate governance and the Company Secretary to attend the training course titled "Enhancing the Professional Skills of Company Secretaries at Public Companies in the Context of Upgrading Vietnam's Stock Market," organized by the State Securities Commission.



ACTIVITIES OF THE BOARD OF DIRECTORS INDEPENDENT MEMBERS

As of December 31, 2025, Sao Vang Rubber Joint Stock Company has 02 independent members of the Board of Directors, Mr. Nguyen Dinh Son and Mr. Luong Xuan Hoang. In 2025, the independent members of the Board of Directors completed their assigned tasks with a high sense of caution and responsibility, promoting their independent role in providing constructive opinions and contributing objective assessments of the Company's operations, risk management, and protection of the interests of small shareholders and other interest groups related to the Company.

INTERNAL AUDIT COMMITTEE

Information about members of the Internal Audit Committee (IAC)

No.	Members of the IAC	Position	Date of appointment as a member of the IAC	Date of resignation as a member of the IAC	Professional qualification
1	Luong Xuan Hoang	Head of the IAC	29/10/2021		Bachelor of Economics
2	Nguyen Viet Thang	Member of the IAC	21/07/2022		Bachelor of Economics
3	Pham Cao Van	Member of the IAC	29/10/2021	22/07/2025	Bachelor of Finance and Banking
4	Nguyen Manh Truong	Member of the IAC	22/07/2025		Bachelor of Business Management

Cuộc họp của Ban KTNB

No.	Members of the IAC	Number of meetings attended	Attendance rate	Voting percentage (%)	Reason for absence
1	Luong Xuan Hoang	3	100	100	
2	Nguyen Viet Thang	3	100	100	
3	Pham Cao Van	1	33	100	Dismissed from July 22, 2025
4	Nguyen Manh Truong	2	66	100	Appointed from July 22, 2025

Activities of the IAC

Supervisory activities of the IAC towards the BOD, the Board of Management and shareholders: Implemented in accordance with the provisions of the Law and the plan approved by the Board of Directors.

Other activities of the IAC:

- Audit the use of capital and assets at the Company.
- Audit of debt and inventory situation in 2025.

BOARD OF SUPERVISORS

INFORMATION ABOUT MEMBERS OF BOARD OF SUPERVISORS

The list of members of the Board of Supervisors is as follows:

No.	Member	Position	Date appointed as Member of the BOS	Date of termination as a Member of the BOS	Number of shares holding	Ownership percentage/ charter capital (%)
1	Nguyen Trung Hoa	Head of the BOS	25/04/2022		0	0,00%
2	Vu Thi Mai Nhung	Member of the BOS	27/04/2019	21/04/2025	01	0,00%
3	Hoang Van Hoa	Member of the BOS	26/04/2021		0	0,00%
4	Nguyen Manh Truong	Member of the BOS	21/04/2025		0	0,00%

ACTIVITIES OF THE BOARD OF SUPERVISORS

Attendance at Board of Supervisors meetings

No.	Member	Position	Number of Meetings attended	Attendance rate	Voting percentage	Note
1	Nguyen Trung Hoa	Head of the BOS	5/5	100%	100%	
2	Vu Thi Mai Nhung	Member of the BOS	2/5	40%	100%	Retired from April 21, 2025
3	Hoang Van Hoa	Member of the BOS	5/5	100%	100%	
4	Nguyen Manh Truong	Member of the BOS	3/5	60%	100%	Appointed from April 21, 2025

Supervising Board of Directors, Board of Management and shareholders by Board of Supervisors

- The Board of Supervisors has fully participated in the meetings of the Board of Directors to stay updated on the company's business and production activities.
- The Board of Supervisors has inspected and supervised the Company's financial situation and financial statements for 2025. The Board of Directors' activities comply with the Company's Charter, corporate governance regulations and relevant legal provisions.

- The Board of Supervisors assessed that the Board of Management has been making efforts to implement the Resolution of the 2025 Annual General Meeting of Shareholders and the decisions of the Board of Directors.
- The Board of Supervisors has not received any requests or complaints from shareholders or shareholder groups meeting the ownership ratio and duration requirements as stipulated in the Company's Charter.

The coordination among the Board of Supervisors, the Board of Management, Board of Directors and other managers

- The Board of Supervisors has been promptly and fully provided with Resolutions and Decisions by the Board of Directors.

- The Board of Management and functional departments of the Company coordinate and facilitate the updating of the Company's operations, collecting information and documents for inspection and supervision when required.

TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOD, BOM, AND BOS

REMUNERATION, INCOME OF THE BOD, BOS AND BOM

In 2025, the Board of Directors, the Board of Supervisors and the Board of Management received a total remuneration and income of: 3.12 billion VND, a slight increase of 0.7% compared to 2024. Of which:

Full Name	Position	2025 (VND)	2024 (VND)
Remuneration of the BOD and BOS		360,000,000	360,000,000
Pham Hoanh Son	Chairman of the BOD	60,000,000	60,000,000
Nguyen Viet Hung	Member of the BOD	48,000,000	48,000,000
Nguyen Thanh Tung	Member of the BOD	48,000,000	48,000,000
Nguyen Dinh Son	Member of the BOD	48,000,000	48,000,000
Luong Xuan Hoang	Member of the BOD	48,000,000	48,000,000
Nguyen Trung Hoa	Head of the BOS	48,000,000	48,000,000
Hoang Van Hoa	Member of the BOS	30,000,000	30,000,000
Vu Thi Mai Nhung	Member of the BOS (Dismissed from April 21, 2025)	10,000,000	30,000,000
Nguyen Quang Huy	Member of the BOS (Appointed from April 21, 2025)	20,000,000	-
Income of the Board of Management		1,633,879,800	1,669,882,400
Nguyen Viet Hung	General Director	631,039,400	640,921,200
Nguyen Thanh Tung	Deputy General Director	522,585,400	534,461,200
Nguyen Quang Hao	Deputy General Director	480,255,000	494,500,000
Income of the Chief Accountant			
Tran Minh Tuan	Chief Accountant	475,315,000	479,780,000
Income of the Board of Supervisors		658,725,837	596,896,324
Nguyen Trung Hoa	Head of the BOS	384,572,860	321,839,315
Hoang Van Hoa	Member of the BOS	274,152,977	275,057,009

STOCK TRANSACTIONS OF INSIDERS AND RELATED PARTIES OF INSIDERS

In 2025, insiders and related parties of insiders did not conduct any transactions involving the company's shares.

CONTRACTS OR TRANSACTIONS WITH INSIDERS OF THE COMPANY OR RELATED PARTIES OF INSIDERS

No.	Organization / Individual Name	Relationship with the company	NSH No*, Date of Issue, Issuing Authority	Headquarters /Contact Address	Transaction Period	Resolution/ Decision No. of the AGMS/ BOD (if applicable, specify issue date)	Transaction details, quantity, and total value
1	Hoanh Son Group Joint Stock Company	Parent Company	Certificate of Business Registration No. 3000244065, 16th amendment registered on 11/05/2022, issued by Ha Tinh Department of Planning and Investment	Thuan Minh Residential Group, Duc Thuan Ward, Hong Linh Town, Ha Tinh Province	2025	Resolution No. 05/NQ-HĐQT dated 13/01/2025	Sales: 198,101,328,073 VND
2	Sao Vang – Hoanh Son Company Limited	Associate Company	Certificate of Business Registration No. 0107520273, issued on 07/12/2021 by Hanoi Department of Planning and Investment	231 Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	2025	Resolution No. 05/NQ-HĐQT dated 13/01/2025	Purchases: 1,432,274,400 VND
3	Hoanh Son Group Joint Stock Company	Parent Company	Certificate of Business Registration No. 3000244065, 16th amendment registered on 11/05/2022, issued by Ha Tinh Department of Planning and Investment	Thuan Minh Residential Group, Duc Thuan Ward, Hong Linh Town, Ha Tinh Province	2025	Resolution No. 88/NQ-HĐQT dated 19/05/2025	Dividend payment: 8,455,974,000 VND
4	Viet Anh Construction And Investment Consulting Trade Joint Stock Company	Organization related to the Chairman of the BOD	Certificate of Business Registration No. 2901704534, 5th amendment registered on 23/10/2019, issued by Nghe An Department of Planning and Investment	No. 18, Nguyen Truong To Street, Le Loi Ward, Vinh City, Nghe An Province	2025	Resolution No. 05/NQ-HĐQT dated 13/01/2025	Purchases: 960,000,000 VND
5	Vietnam National Chemical Group	Major shareholder	Certificate of Business Registration No. 0100100061 issued on August 29, 2014 by the Hanoi Department of Planning and Investment	No. 1A Trang Tien, Cua Nam Ward, Hanoi City	2025	Resolution No. 88/NQ-HĐQT dated 19/05/2025	Dividend payment: 6,062,469,000 VND

IMPROVING CORPORATE GOVERNANCE

ASSESSING THE IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

The Company has fully implemented and complied with the provisions of the law on listed company governance, including:

- Law on Enterprises No. 59/2020/QH14 dated June 17, 2020, as amended and supplemented by Law No. 03/2022/QH15 dated January 11, 2022 and Law No. 76/2025/QH15 dated June 17, 2025, and guiding documents for implementation.
- Law on Securities No. 54/2019/QH14 dated November 26, 2019, as amended and supplemented by Law No. 56/2024/QH15 dated November 29, 2024, and guiding documents for implementation.
- Decree No. 155/2020/NĐ-CP dated December 31, 2020 of the Government detailing the implementation of a number of articles of the Law on Securities, as amended and supplemented by Decree No. 245/2024/NĐ-CP dated September 11, 2025, and guiding documents for implementation.

The Company Secretary regularly updates regulations issued by the State Securities Commission and the Stock Exchange, promptly notifies the Board of Directors for appropriate preparation and serious implementation into the Company's internal governance.

The Company has established its Charter, Internal Governance Regulations, Regulations on the Operation of the Board of Directors, and Regulations on the Operation of the Board of Supervisors in strict compliance with current legal regulations, ensuring the rights of shareholders.

In 2025, the Company successfully organized the 2025 Annual General Meeting of Shareholders in person. The organization of the General Meeting of Shareholders strictly complied with the provisions of law and the Company's Charter.

In addition, the Company fully complies with its obligations regarding periodic and ad-hoc disclosures to enable shareholders to monitor the implementation of resolutions and decisions of the General Meeting of Shareholders as well as the performance of the Board of Directors.

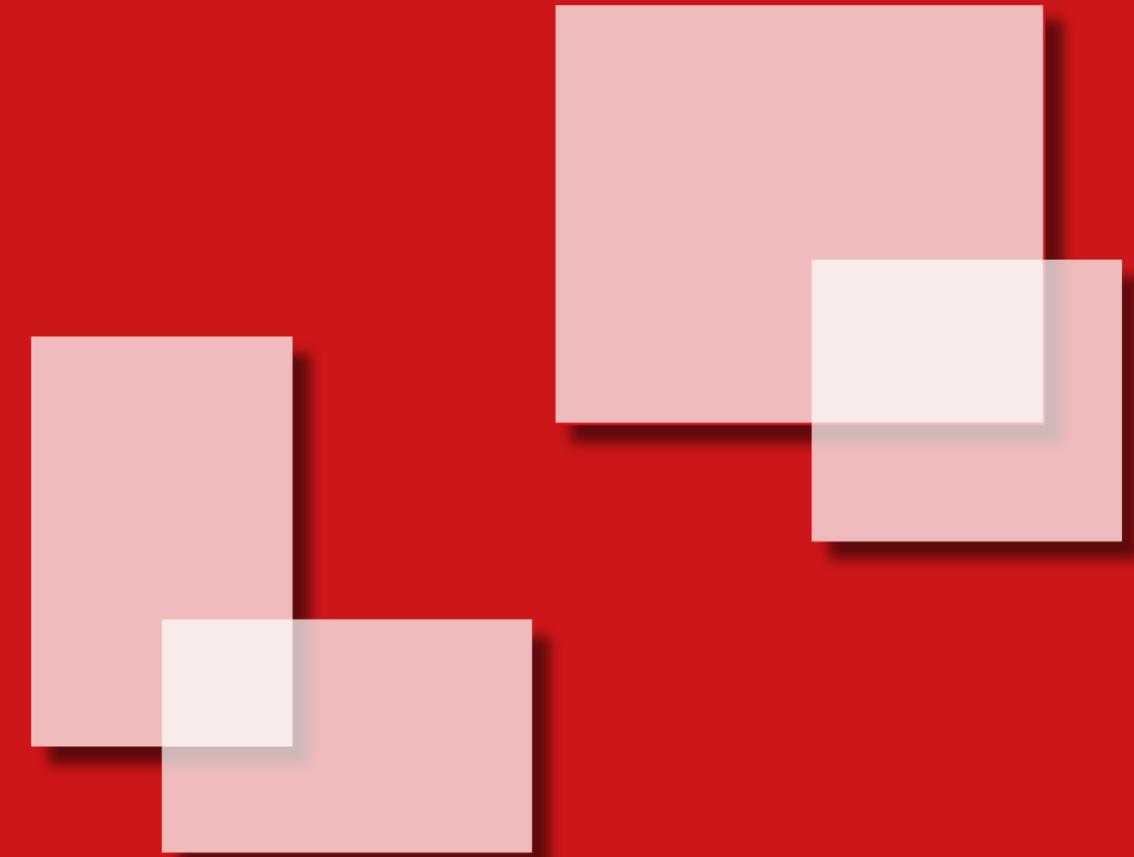
ENHANCING CORPORATE GOVERNANCE EFFECTIVENESS

In order to further improve management efficiency, in 2025, the Company will continue to create conditions for officers and employees to participate in training programs to improve management capacity combined with increased investment in developing a modern management system. Specifically;

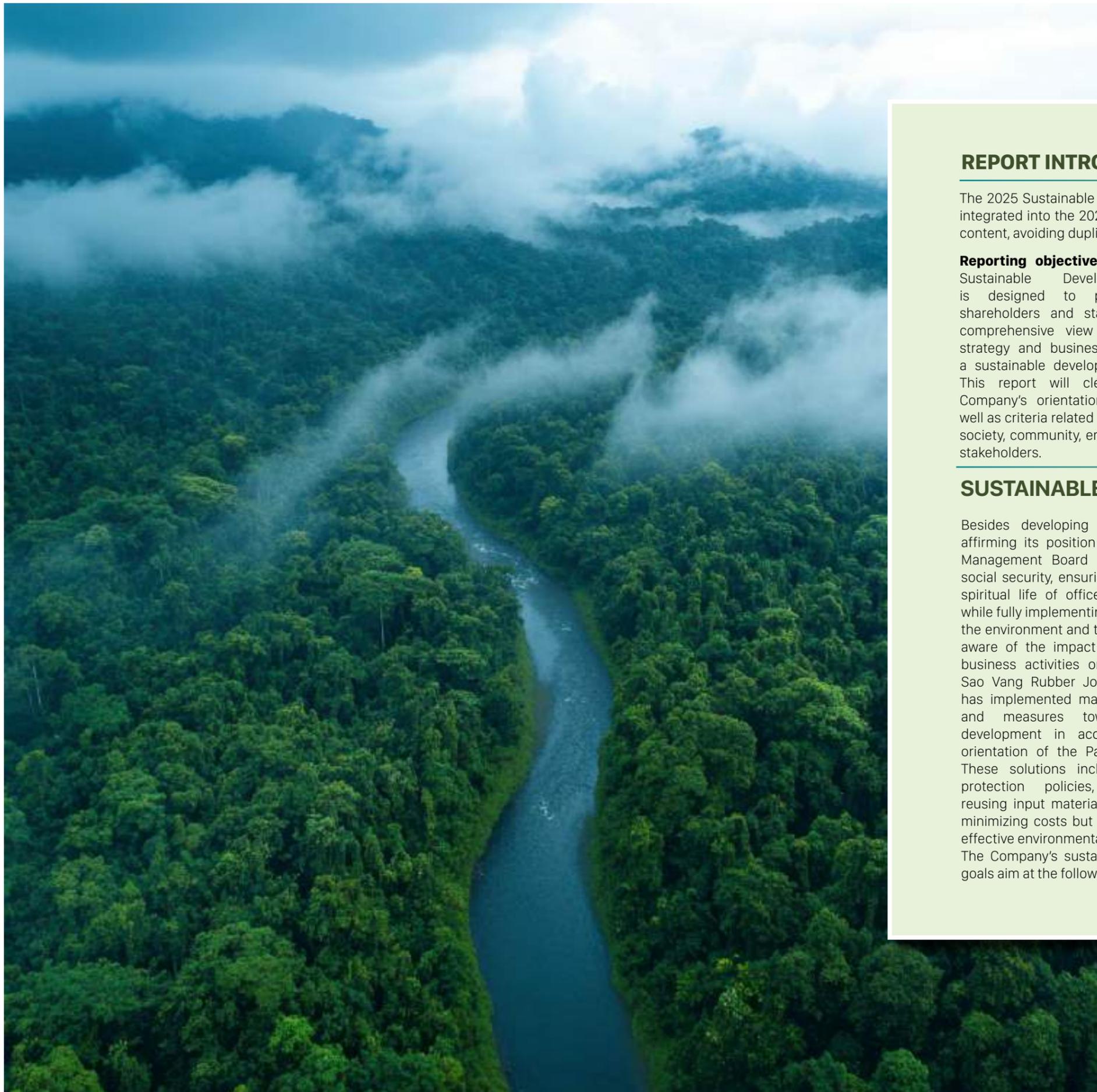
- Production management: The company is implementing the quality management system ISO 9001:2015, ISO 14001:2015.....
- Customer relationship management: The sales and marketing department is responsible for customer care, ensuring prompt and accurate responses to customers to the fullest extent.
- Quality Relationship Management: The Quality Center supervises all activities and production stages within the company to ensure that the final products meet domestic and international standards applicable to the tire and tube manufacturing industry. It also ensures that high-value products are completed and delivered on time.



CHAPTER VII SUSTAINABLE DEVELOPMENT REPORT



- 7.1. Report Introduction
- 7.2. Sustainable Development Goals
- 7.3. Board of Directors' Assessment
- 7.4. Sustainable Development Criteria



REPORT INTRODUCTION

The 2025 Sustainable Development Report of Sao Vang Rubber Joint Stock Company is integrated into the 2025 Annual Report to provide quality information with concise, brief content, avoiding duplication for shareholders and stakeholders.

Reporting objectives: The Company's Sustainable Development Report is designed to provide investors, shareholders and stakeholders with a comprehensive view of SRC's growth strategy and business operations from a sustainable development perspective. This report will clearly present the Company's orientation and policies as well as criteria related to the environment, society, community, employees and other stakeholders.

Reporting scope: This report is prepared within the scope of the Company's operations and its subsidiaries in the field of tire and inner tube manufacturing within the territory of Vietnam. The information in the report is updated for the fiscal year 2025, starting from January 1, 2025 to December 31, 2025.

SUSTAINABLE DEVELOPMENT GOALS

Besides developing the business and affirming its position in the market, the Management Board always focuses on social security, ensuring the material and spiritual life of officers and employees, while fully implementing responsibilities to the environment and the community. Fully aware of the impact of production and business activities on the environment, Sao Vang Rubber Joint Stock Company has implemented many specific policies and measures towards sustainable development in accordance with the orientation of the Party and the State. These solutions include environmental protection policies, optimizing and reusing input materials, thereby not only minimizing costs but also contributing to effective environmental protection. The Company's sustainable development goals aim at the following contents:

- Improving business capacity: Aiming for international standards in all activities.
- Developing corporate culture: Promoting innovation, creativity and building a professional working environment.
- Caring for employees: Improving working conditions, caring for the working environment and increasing employee income.
- Increase value for customers: Research and expand product portfolio, providing more choices and benefits to customers.
- Contribution to the community: Committed to social responsibility, accompanying the sustainable development of the community and protecting the environment

BOARD OF DIRECTORS' ASSESSMENT

ASSESSMENT OF ENVIRONMENTAL-RELATED ACTIVITIES

The Company's Board of Directors is always aware of the importance of environmental protection, upholds responsibility and requires all officers and employees to strictly comply with relevant regulations. The Company commit to minimizing negative impacts on the ecosystem and limiting pollution during the production process. All management, operation and business activities fully comply with environmental laws, ensuring no violations occur and no penalties are incurred.

The Company's Management Board assigns the Administrative Organization Department the task of organizing training, raising awareness and disseminating regulations on environmental protection, and is responsible for assessing and supervising the production factories of the Company. In addition, the Administrative Organization Department also ensures full implementation of labor hygiene, environmental hygiene and food safety. Other departments are responsible for implementing environmental policies, proactively preventing risks, proposing initiatives to reduce pollution in the working environment, raising awareness and promoting positive behaviors in environmental protection.



ASSESSMENT RELATED TO LABOR ISSUES

Recognizing that employees are the most valuable asset, the Company's Board of Directors always considers improving the quality of human resources, ensuring a safe working environment and improving employee income not only a responsibility but also a goal of sustainable development. In 2025, the Company fully implemented policies for employees, ensuring the best rights and working environment, and did not have any related complaints or disputes.

ASSESSMENT RELATED TO CORPORATE RESPONSIBILITY TOWARDS LOCAL COMMUNITIES

The company is always aware that in order to develop sustainably, it is necessary to enhance its responsibility and contribution to the local community. This is demonstrated through coordination with local agencies to prevent epidemics, strictly comply with environmental and business laws, and ensure the lives of employees. The company always acts towards the goal of contributing to society, increasingly improving and aiming for sustainable development of society and the company.

SUSTAINABLE DEVELOPMENT CRITERIA

RAW MATERIAL SOURCE



The main raw materials for the Company's production include: natural rubber, synthetic rubber, fabric cord, carbon black, steel wire, various chemicals, and fillers, accounting for about 70 - 75% of the product cost. Aware of the great impact on the environment from the above-mentioned raw materials, Sao Vang Rubber is always conscious of utilizing and using materials, raw materials, and energy more economically and reasonably. The Company has focused on controlling the source of raw materials used in 2025, closely monitoring design activities and material consumption norms to minimize the amount of raw materials used. Additionally, scrap rubber, fabric cord waste, and discarded tires are also recycled by the Company through cutting and grinding processes to be used as raw materials for producing technical rubber products at the Technical Rubber Department – XNCS3.

ENERGY CONSUMPTION

The company has checked, monitored and measured the energy consumption of the equipment, maintained and replaced new energy-saving equipment. There are always personnel regularly monitoring the operation process, coordinating smoothly to ensure the machines operate at the right capacity. In addition, the company also strengthens propaganda to raise awareness among employees about rational use and electricity saving.

Energy saving measures and programs:

- Regularly check, monitor and measure energy consumption of equipment, conduct maintenance and replace new energy-saving equipment.



- Assign personnel to regularly monitor the operation process and coordinate smoothly to ensure the machine operates at the correct capacity.

- Strengthen propaganda to raise workers' awareness of rational and economical use of electricity.

In addition, the amount of heat emitted during the production process is: 49,484 Tons in 2025.

Direct and indirect energy consumption:

Criteria	Hanoi	Hung Yen Rubber Branch	Xuan Hoa Rubber Refining Enterprise
Supplier	Ha Dong Power Company	Hung Yen Power Company	Phu Tho Power Company
Electricity consumption (kWh)	7,507,796	4,667,282	3,820,726

WATER CONSUMPTION

Water supply and water usage/recycling:

Criteria	Hanoi	Hung Yen Rubber Branch	Xuan Hoa Rubber Refining Enterprise
Water Supplier	VIWACO Company	Thai Binh Clean Water Joint Stock Company	Vinh Phuc Clean Water Joint Stock Company
Annual water consumption (m ³)	187,492	55,689	6,850

In 2025, the Company has built a reasonable wastewater treatment process:

- Domestic wastewater is discharged from daily use by staff and is treated by anaerobic biological method.
- Industrial wastewater: The company uses water to cool machinery and equipment, not involved in production technology. All cooling water is pumped for reuse without being discharged into the environment (using a closed-loop circulation system so there is almost no industrial wastewater released into the environment).
- Domestic wastewater from collective kitchens and septic tanks is discharged into the industrial zone's wastewater drainage system through a connection point at a registered manhole.

EXHAUST GAS TREATMENT

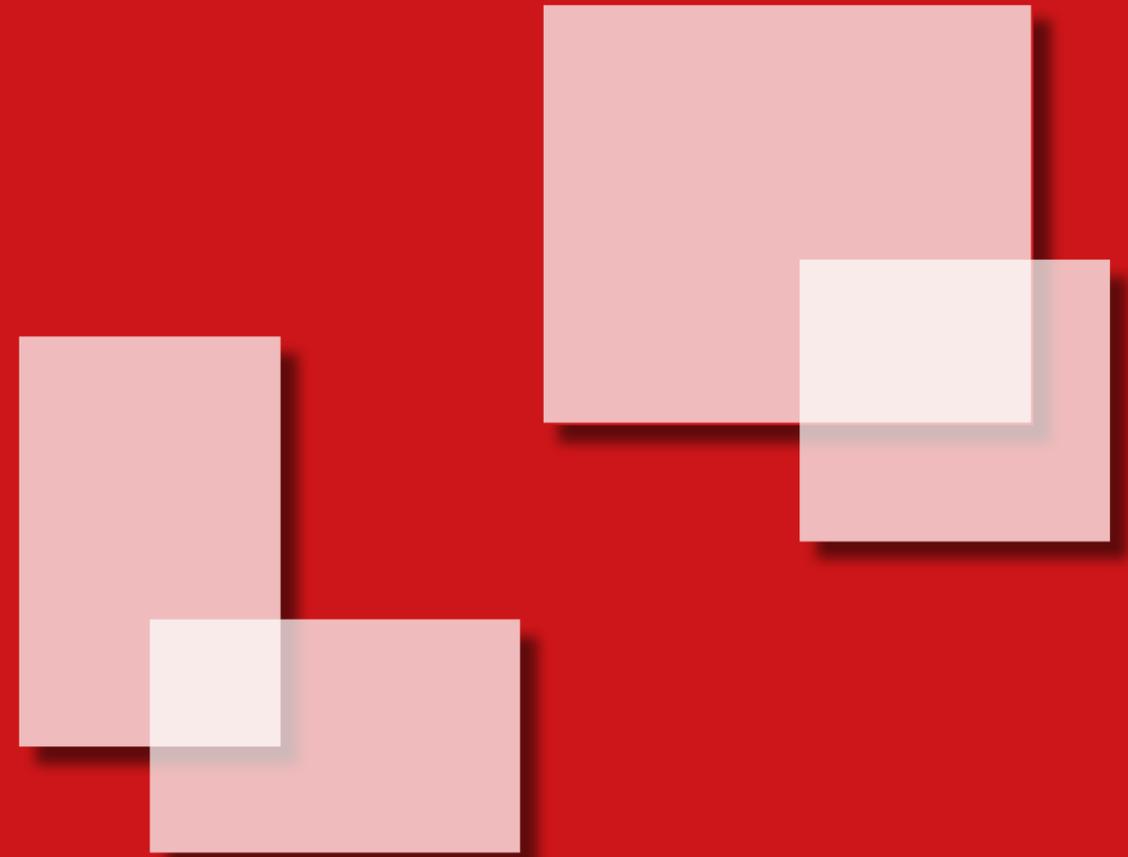
Regarding exhaust gas treatment: For the rice husk-fired boilers in Hanoi and Thai Binh, an emission treatment system is installed according to the boiler's design to ensure the quality of emissions released into the environment. For the exhaust outlets in Xuan Hoa and Thai Binh, a fabric bag dust filtration system is used before releasing emissions into the environment. The emissions from boilers and exhaust outlets consistently meet the permissible standards as per regulations in all monitoring periods before being discharged into the environment.

COMPLIANCE WITH THE LAW ON ENVIRONMENTAL PROTECTION

Environmental issues and compliance with environmental laws are always a top priority for the Company and are strictly adhered to. Specifically:

- Number of times fined for non-compliance with environmental laws and regulations: None.
- Total amount fined for non-compliance with the law: None

CHAPTER VIII FINANCIAL STATEMENT



CONTENTS

SAO VANG RUBBER JOINT STOCK COMPANY

Audited Financial Statements
for the financial year ended 31 December 2025

CONTENTS	PAGES
REPORT OF THE BOARD OF GENERAL DIRECTORS	02 – 03
INDEPENDENT AUDITOR'S REPORT	04 – 05
AUDITED FINANCIAL STATEMENTS	
Balance Sheet	06 – 08
Income Statement	09
Cash Flow Statement	10 – 11
Notes to the Financial Statements	12 – 50

REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of SaoVang Rubber Joint Stock Company ("the Company") presents its report and the Company's Financial Statements for the financial year ended 31 December 2025 which are audited by the independent auditors.

Overview

SaoVang Rubber Joint Stock Company, formerly a state-owned enterprise, was equitized under the Decision No. 3500/QĐ-BCN dated 24 October 2005 of the Minister of the Ministry of Industry and operating as a joint stock company under the first Certificate of Business Registration No. 0103011568 issued by the Department of Planning and Investment of Hanoi city (currently known the Hanoi Department of Finance) dated 03 April 2006 and the subsequent Amendment Certificates of Business Registration with the 14th amended dated 22 July 2025 as the latest.

The principal activities of the Company during the years are as follows:

- Manufacturing and trading rubber products;
- Buying and selling automotive spare parts;
- Leasing services including shops, office spaces, factories, warehouses;
- Importing and exporting materials, machinery, equipment and chemicals for the rubber industry;
- Coal trade.

The Head Office of the Company is located at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam.

Board of Management, Board of General Directors, Chief Accountant and Board of Supervisors during the year and at the date of this report are as follows:

Board of Management

Mr. Pham Hoanh Son	Chairman
Mr. Nguyen Viet Hung	Member
Mr. Nguyen Thanh Tung	Member
Mr. Nguyen Dinh Son	Member
Mr. Luong Xuan Hoang	Member

Board of General Directors and Chief Accountant

Mr. Nguyen Viet Hung	General Director
Mr. Nguyen Quang Hao	Vice General Director
Mr. Nguyen Thanh Tung	Vice General Director
Mr. Tran Minh Tuan	Chief Accountant

Board of Supervisors

Mr. Nguyen Trung Hoa	Head of the Supervisory Board	
Mr. Hoang Van Hoa	Member	
Mr. Nguyen Quang Huy	Member	From 21 April 2025
Ms. Vu Thi Mai Nhung	Member	To 21 April 2025

Legal representative during the year and at the date of this report

Mr. Pham Hoanh Son	Chairman
Mr. Nguyen Viet Hung	General Director

Auditors

Branch of NVA Auditing Co., Ltd (NVA) has audited the Financial Statements of the year 2025 for the Company.

Responsibility of the Board of General Directors for the Financial Statements

The Board of General Directors is responsible for the Financial Statements state of affairs of the Company which give a true and fair view of financial position, operation results and cash flows during the year. In preparing the Financial Statements, the Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare and present Financial Statements in compliance with accounting standards, accounting system and other current applicable regulations;
- Prepare the Financial Statements on going concern basis; unless it is inappropriate to presume that the Company will continue in business;
- Establish and implement an effective internal control system in order to minimize the risk of material misstatement due to fraud or error when prepare and present the Financial Statements.

The Company's Board of General Directors is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of Company and to ensure that the Financial Statements comply with current state regulations. Simultaneously, the Board of General Directors 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 Company's Board of General Directors approves and commits that the Financial Statements have truly and fairly reflected the Company's financial situation as at 31 December 2025, as well as its operation results and cash flows for the financial year then ended, in accordance with Vietnamese accounting standards and regimes and in compliance with relevant current regulations.

On behalf of the Board of General Directors



Mr. Nguyen Viet Hung
General Director

Hanoi, 06 March 2026

No: 22.05.1.2/25/BCTC/NVA.CNHN

INDEPENDENT AUDITOR'S REPORT

To: **Shareholders, the Board of Management and the Board of General Directors**
SaoVang Rubber Joint Stock Company

We have audited the Financial Statements of SaoVang Rubber Joint Stock Company prepared on 06 March 2026, from page 06 to page 50, including the Balance Sheet as at 31 December 2025, the Income Statement, the Cash Flow Statement and the Notes to Financial Statements for the financial year ended 31 December 2025.

Responsibilities of the Board of General Directors

The Board of General Directors has responsibility to prepare and present the Financial Statements truly and fairly in conformity with the Accounting Standards of Vietnam, the accounting system and other current applicable regulations in relation to preparation and presentation of Financial Statements and responsibility on the internal control system that the Board of General Directors determine necessary to assure the preparation and presentation of financial statements free from material mistakes due to frauds or errors.

Responsibilities of the Auditor

Our responsibility is expressing the audit opinion on the Financial Statements based on our audit. We have conducted our audit in accordance with the Vietnamese Auditing Standards. These standards and regulations require that we comply with the requirements on the standards and professional ethics, to plan and perform the audit procedures to obtain a 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 fair presentation of the Financial Statements 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 management, 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.

Independent auditor's report (continued)

Auditor's Opinion

In our opinion, the Financial Statements of SaoVang Rubber Joint Stock Company give a true and fair view, in all material respects, of the financial position of the Corporation as at 31 December 2025, and of the results of its operations and its cash flows for the year ended in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System and comply with relevant statutory requirements.

Other matters

The Financial Statements of SaoVang Rubber Joint Stock Company for the year ended 31 December 2024 have been audited by other auditors and other auditing firms. The auditor expressed an unqualified opinion on these Financial Statements as at 11 March 2025.

Branch of NVA Auditing Co., Ltd
Vice Director



Nguyen Hai Linh

Registered Auditor Certificate No: 3407-2025-152-1

Hanoi, 06 March 2026

Auditor-in-charge



Do Thi Minh Duyen

Registered Auditor Certificate No: 5664-2023-152-1

BALANCE SHEET

As at 31 December 2025

Unit: VND

ASSETS	Code	Notes	Closing Balance	Opening Balance
A. CURRENT ASSETS	100		775,180,694,485	549,126,282,887
I. Cash and cash equivalents	110	V.1	31,713,845,250	29,711,953,512
1. Cash	111		19,713,845,250	14,711,953,512
2. Cash equivalents	112		12,000,000,000	15,000,000,000
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provision for devaluation of stocks	122		-	-
3. Held-to-maturity securities	123		-	-
III. Short-term receivable	130		465,485,071,187	235,235,110,511
1. Short-term trade receivables	131	V.3	471,808,212,752	238,217,156,220
2. Short-term advances to suppliers	132	V.4	743,986,201	720,135,153
3. Short-term inter-corporation receivables	133		-	-
4. Receivables based on agreed progress of construction contract	134		-	-
5. Short-term loan receivables	135		-	-
6. Other short-term receivables	136	V.5	6,123,376,887	5,921,919,771
7. Provisions for short-term bad debts	137	V.6	(13,190,504,653)	(9,624,100,633)
IV. Inventories	140	V.7	270,360,302,626	250,315,400,799
1. Inventories	141		271,173,063,421	251,291,699,609
2. Provision for inventories obsolescence	149		(812,760,795)	(976,298,810)
V. Other current assets	150		7,621,475,422	33,863,818,065
1. Short-term prepaid expenses	151	V.8	1,449,755,033	949,024,039
2. VAT deductibles	152		512,452,621	1,952,962,417
3. Tax and receivables from state budget	153	V.16	5,659,267,768	30,961,831,609
4. State bonds repurchasing	154		-	-
5. Other current assets	155		-	-

Unit: VND

ASSETS	Code	Notes	Closing Balance	Opening Balance
B. NON - CURRENT ASSETS	200		566,201,432,775	659,813,031,320
I. Long-term receivables	210		2,013,000,000	97,823,430,950
6. Other long-term receivables	216	V.5	2,013,000,000	97,823,430,950
II. Fixed assets	220		46,379,013,255	48,295,006,758
1. Tangible fixed assets	221	V.9	31,095,616,333	31,792,162,129
- Cost	222		694,427,513,831	682,879,204,189
- Accumulated depreciation	223		(663,331,897,498)	(651,087,042,060)
2. Finance lease assets	224	V.11	5,177,622,570	13,104,992,707
- Cost	225		8,751,338,606	20,124,700,342
- Accumulated depreciation	226		(3,573,716,036)	(7,019,707,635)
3. Intangible fixed assets	227	V.10	10,105,774,352	3,397,851,922
- Cost	228		10,335,112,352	3,615,723,022
- Accumulated depreciation	229		(229,338,000)	(217,871,100)
III. Investment properties	230		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in progress	240	V.12	5,507,948,207	2,065,608,864
1. Long-term work in progress	241		-	-
2. Construction in progress	242		5,507,948,207	2,065,608,864
V. Long-term investments	250	V.2	509,648,027,705	508,505,488,913
2. Investments in joint-ventures and associates	252		505,000,000,000	505,000,000,000
3. Investments in other entities	253		8,444,062,358	8,444,062,358
4. Provision for devaluation of long-term investments	254		(3,796,034,653)	(4,938,573,445)
VI. Other long-term assets	260		2,653,443,608	3,123,495,835
1. Long-term prepaid expenses	261	V.8	2,653,443,608	3,123,495,835
TOTAL ASSETS	270		1,341,382,127,260	1,208,939,314,207

Unit: VND

RESOURCES	Code	Notes	Closing Balance	Opening Balance
A. LIABILITIES	300		774,011,203,102	633,884,449,885
I. Current liabilities	310		620,836,712,221	482,034,437,507
1. Short-term trade payables	311	V.14	92,039,014,182	148,253,168,523
2. Short-term advances from customers	312	V.15	10,073,444,486	42,545,325,913
3. Tax and statutory obligations	313	V.16	5,615,346,310	329,996,742
4. Payables to employees	314		19,504,446,148	22,004,103,842
5. Short-term accrued expenses	315	V.17	6,247,141,610	3,746,675,146
8. Short-term unrealized revenue	318	V.19	20,833,331	-
9. Other short-term payables	319	V.18	3,110,815,533	5,725,515,452
10. Short-term finance lease loans and debts	320	V.13	470,997,604,774	255,679,533,163
11. Provisions for short-term payables	321	V.20	446,256,207	659,085,638
12. Bonus and welfare fund	322		12,781,809,640	3,091,033,088
II. Non-current liabilities	330		153,174,490,881	151,850,012,378
7. Others long-term payables	337	V.18	143,500,000,000	143,500,000,000
8. Long-term finance lease loans and debts	338	V.13	2,674,490,881	2,115,557,255
13. Science and technology development fund	343		7,000,000,000	6,234,455,123
B. OWNER'S EQUITY	400	V.21	567,370,924,158	575,054,864,322
I. Owner's Equity	410		567,370,924,158	575,054,864,322
1. Contributed legal capital	411		280,657,650,000	280,657,650,000
- Common shares with voting rights	411a		280,657,650,000	280,657,650,000
- Preference shares	411b		-	-
2. Share premium			3,605	3,605
5. Treasury shares	415		(23,970,000)	(23,970,000)
8. Development and investment funds			162,326,715,944	116,834,693,289
11. Undistributed profit after tax	421		124,410,524,609	177,586,487,428
- Undistributed profit after tax accumulated to the prior year end	421a		99,791,186,421	25,946,411,910
- Undistributed profit after tax of the current year	421b		24,619,338,188	151,640,075,518
II. Funding sources and other funds	430		-	-
TOTAL RESOURCES	440		1,341,382,127,260	1,208,939,314,207

Prepared by



Le Lan Phuong

Hanoi, 06 March 2026

Chief Accountant



Tran Minh Tuan

General Director



Nguyen Viet Hung

INCOME STATEMENT

Year 2025

Unit: VND

ITEMS	Code	Notes	Current year	Previous year
1. Revenue from sale of goods and rendering of services	01	VI.1	1,490,284,526,110	1,063,350,074,195
2. Deductible items	02	VI.2	34,488,525,017	35,570,201,845
3. Net revenue from sale of goods and rendering of services	10		1,455,796,001,093	1,027,779,872,350
4. Cost of goods sold	11	VI.3	1,311,902,895,980	881,653,342,717
5. Gross profit from sale of goods and rendering of services	20		143,893,105,113	146,126,529,633
6. Financial income	21	VI.4	3,068,112,409	5,260,102,768
7. Financial expenses	22	VI.5	25,626,703,813	24,273,955,878
<i>In which: Interest expenses</i>	23		20,544,834,413	15,350,281,706
8. Selling expenses	25	VI.8	30,612,760,815	35,471,024,400
9. General and administration expenses	26	VI.9	66,062,213,340	63,611,727,491
10. Operating profit/(loss)	30		24,659,539,554	28,029,924,632
11. Other income	31	VI.6	7,695,990,154	306,883,950,654
12. Other expenses	32	VI.7	29,471,239	144,249,052,353
13. Other profit/(loss)	40		7,666,518,915	162,634,898,301
14. Profit before tax	50		32,326,058,469	190,664,822,933
15. Current corporate income tax expense	51	VI.11	7,706,720,281	39,024,747,415
16. Deferred income tax expense	52		-	-
17. Profit after tax	60		24,619,338,188	151,640,075,518
18. Earnings per share	70	VI.12	877	4,852
19. Diluted earnings per share	71	VI.12	877	4,852

Prepared by



Le Lan Phuong

Hanoi, 06 March 2026

Chief Accountant



Tran Minh Tuan

General Director



Nguyen Viet Hung

CASH FLOW STATEMENT
(Under Indirect method)
Year 2025

Unit: VND

ITEMS	Code	Notes	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		32,326,058,469	190,664,822,933
2. Adjustments for				
- Depreciation of fixed assets and investment real properties	02		9,666,216,696	10,307,684,973
- Allowances and provisions	03		2,047,497,782	(971,635,676)
- (Gain)/loss on unrealized foreign exchange	04		(60,256,499)	(844,774,784)
- (Gain)/loss on investing activities	05		(347,837,236)	(163,071,526,358)
- Interest expenses	06		20,544,834,413	15,350,281,706
- Other adjustments	07		765,544,877	-
3. Operating income (loss) before changes in working capital	08		64,942,058,502	51,434,852,794
- Increase/Decrease in receivables	09		(114,600,677,106)	44,754,164,592
- Increase/Decrease in inventories	10		(19,881,363,812)	(20,313,376,735)
- Increase/Decrease in payables (excluding interest payables, enterprise income tax payables)	11		(91,983,615,465)	(57,347,589,198)
- Increase/Decrease in prepaid expenses	12		(30,678,767)	2,580,979,934
- Increase/Decrease in trading securities	13		-	-
- Interest paid	14		(20,398,402,413)	(15,283,881,706)
- Corporate income tax paid	15		-	(71,051,162,745)
- Other receipts from operating activities	16		-	-
- Other expenses on operating activities	17		(5,574,481,000)	(3,533,221,000)
Net cash flows from (used in) operating activities	20		(187,527,160,061)	(68,759,234,064)
II. Cash flows from investing activities				
1. Purchase and construction of fixed assets and other long-term assets	21		(9,784,381,461)	(3,655,358,089)
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	300,799,569,173
3. Loans to other entities and purchase of debt instruments of other entities	23		-	(10,500,000,000)
4. Repayment from borrowers and proceeds from sales of debt instruments of other entities	24		-	10,500,000,000
5. Investments in other entities	25		-	-
6. Proceeds from sale of investments in other entities	26		-	-
7. Interest and dividends received	27		1,828,412,739	1,709,933,867
Net cash flows from (used in) investing activities	30		(7,955,968,722)	298,854,144,951

Unit: VND

ITEMS	Code	Notes	Current year	Previous year
III. Cash flows from financing activities				
1. Receipts from stocks issuing and capital contribution from equity owners	31		-	-
2. Fund returned to equity owners, issued stock redemption	32		-	-
3. Long-term and short-term borrowings received	33		1,291,829,067,924	794,678,938,610
4. Loan repayment	34		(1,074,679,908,111)	(1,008,504,687,792)
5. Finance lease principle paid	35		(2,834,268,434)	(2,825,736,660)
6. Dividends, profit paid to equity owners	36		(16,829,128,997)	(16,795,136,460)
Net cash flows from (used in) financing activities	40		197,485,762,382	(233,446,622,302)
Net increase (decrease) in cash and cash equivalents	50		2,002,633,599	(3,351,711,415)
Cash and cash equivalents at the beginning of year	60		29,711,953,512	33,058,394,306
Impact of exchange rate fluctuation	61		(741,861)	5,270,621
Cash and cash equivalents at the end of the year	70	V.1	31,713,845,250	29,711,953,512

Prepared by



Le Lan Phuong

Hanoi, 06 March 2026

Chief Accountant



Tran Minh Tuan

General Director



Nguyen Viet Hung

NOTES TO THE FINANCIAL STATEMENTS

Year 2025

I. OPERATION FEATURES

1. Investment form

SaoVang Rubber Joint Stock Company, formerly a state-owned enterprise, was equitized under the Decision No. 3500/QĐ-BCN dated 24 October 2005 of the Minister of the Ministry of Industry and operating as a joint stock company under the first Certificate of Business Registration No. 0103011568 issued by the Department of Planning and Investment of Hanoi city (currently known as Hanoi Department of Finance) dated 03 April 2006 and the subsequent Amendment Certificates of Business Registration with the 14th amended dated 22 July 2025 as the latest.

The Head Office of the Company is located at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam.

2. Lines of business

The business lines of the Company are manufacturing and trading.

3. Business activities

The principal activities of the Company are as follows:

- Manufacturing and trading rubber products;
- Buying and selling automotive spare parts;
- Leasing services including shops, office spaces, factories, warehouses;
- Importing and exporting materials, machinery, equipment and chemicals for the rubber industry;
- Coal trade.

4. Regular manufacturing and business cycle

The Company's regular manufacturing and business cycle is 12 months.

5. Operational characteristics of the Company in the year that affect the Financial Statements

There were no unusual events or business activities that had an impact on the Company's Financial Statements.

6. Company structure

The total number of employees of the Company as at 31 December 2025 is 715 people (as at 31 December 2024 is 745 people).

- As at 31 December 2025, the Company has dependent branches as follows:

Branches	Address
Branch of SaoVang Rubber Joint Stock Company in Thai Binh	Tran Thu Do Street, Thai Binh Ward, Hung Yen Province
Branch of SaoVang Rubber Joint Stock Company in Da Nang	National Highway 1A, Hoa Xuan Ward, Da Nang City

Notes to the Financial Statements (continued)

7. Announcement on comparability of information in Financial Statements

During the year, the Company had no changes in accounting policies compared to the previous year, so it did not affect the comparability of information in the Financial Statements.

II. FINANCIAL YEAR AND STANDARD CURRENCY USED IN ACCOUNTING

1. Financial year

The financial year of the Company is from 1 January and ends on 31 December annually.

2. Accounting currency unit

The standard currency unit used is Vietnam Dong (VND).

III. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM

1. Accounting System

The Company applied the Corporate Accounting Standard issued under the Circular No. 200/2014/TT-BTC ("Circular 200") guides for accounting policies for enterprises issued by the Ministry of Finance dated 22 December 2014 and the Circular No. 53/2016/TT-BTC dated 21 March 2016 on amending and supplementing the Circular No. 200/2014/TT-BTC issued by the Ministry of Finance.

2. Announcement on compliance with Vietnamese standards and accounting system

The Company has applied Vietnamese Accounting Standards and issued Standard guidance documents. Financial Statements are prepared and presented in accordance with all provisions of each standard, circular guiding the implementation of standards and the current applicable regulations.

IV. ACCOUNTING POLICIES

1. The exchange rates applied in accounting

Economic transactions arising in foreign currencies are converted at the exchange rate on the date of the transaction. The balance of foreign currency monetary items at the end of accounting year is converted at the exchange rate on this date.

The exchange rate used to convert transactions in foreign currency is the actual exchange rate at the time of the transaction. The actual exchange rate for transactions in foreign currency is determined as follows:

- In case the contract does not specify the payment rate:
- + For receivables: The buying rate of the commercial bank where the enterprise designates the customer to make payment at the time the transaction occurs.
- + For payables: Selling rate of the commercial bank where the enterprise plans to transact at the time the transaction occurs.
- + For asset purchases or expenses paid immediately in foreign currency (not through accounts payable), the buying rate is the commercial bank where the enterprise makes the payment.

The exchange rate used to revalue the balance of foreign currency items at the end of accounting year is determined according to the following principles:

- + For foreign currency deposits at banks: Buying rate of the bank where the Company opens a foreign currency account.
- + For foreign currency monetary items classified as other assets: Foreign currency buying rate of the commercial bank where the Company regularly conducts transactions at the time of preparing the Financial Statements.

Actual exchange rate differences arising during the year from foreign currency transactions are recorded in financial income or financial expenses. Exchange rate differences due to revaluation of balances of monetary items at the end of accounting year after offsetting the increase with the decrease are recorded in financial income or financial expenses.

2. Recognition of cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank.

Cash equivalents are short-term investments with maturity not exceeding 03 months that are easily convertible to known amounts of cash and are subject to an insignificant risk of changes in value since the date of purchase.

3. Recognition of financial investments

a. Investments in Joint venture and associated companies

An associate is an entity in which the Company has significant influence and that is neither a subsidiary nor a joint venture of the Company. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

b. Investment in other entities

Investments in equity instruments of other entities represent investments in equity instruments but the Company does not have control, joint control or significant influence over the investee.

Investments in equity instruments of other entities are stated at cost less provisions for investment diminution.

c. Provision for devaluation of investments in associates and capital contributions in other entities

Provision for devaluation of investments is made when there is solid evidence showing a decline in the value of these investments at the end of the financial year preparing the financial statements.

The difference between the increase or decrease in the provision for investments is recorded in financial expenses.

4. Recognition of trade receivables and other receivables

Receivables are presented at book value less provisions of bad debts.

The classification of receivables are trade receivables and other receivables is performed according to the principle:

- Trade receivables reflect receivables of a commercial nature arising from transactions including receivables from sales of export goods entrusted to other units.
- Other receivables reflect non-commercial receivables, not related to purchase and sale transactions.

The allowance for doubtful debts represents the portion of receivables that the Company expects to have a loss or is unlikely to be collected at the end of financial year. Increases or decreases to the allowance account balance are recorded as administrative expenses in the Income Statement.

Receivables are presented short-term, long-term based on the remaining term of the receivables.

5. Recognition of inventory

Inventories are recorded at the lower between historical cost and net realizable value.

The historical cost of inventories is determined as follows:

- **Raw materials and goods:** Includes purchasing costs and other directly related costs incurred to bring inventory to its current location and condition.

- **Finished goods:** Includes primary material costs, direct labor costs, and related general manufacturing costs allocated based on regular operating levels.
- **Work in progress:** Includes primary raw material costs, direct labor costs, and general production costs.

Net realizable value is the difference between the estimated selling price of inventory at year-end and the estimated costs of completion and the estimated costs necessary to sell them.

Inventory value is calculated using the weighted average method and accounted for using the periodic inventory method.

Provision for inventories obsolescence is established for each inventory item whose historical cost is greater than its net realizable value. Increases and decreases in the balance of provision for inventories obsolescence that must be established at the end of financial year are recorded in cost of goods sold.

6. Recognition and depreciation of tangible, intangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets includes all costs that spent to acquire the fixed asset up to the time the asset put into a ready-to-use state. Costs incurred after initial recognition are only recorded as an increase in the historical cost of a fixed asset if these costs definitely increase future economic benefits due to the use of that asset. Incurred costs that do not satisfy the above conditions are recorded as production and business costs during the year.

When fixed assets are sold or liquidated, the original cost and accumulated depreciation are written off and profits, losses arising from the disposal are recorded in income or expenses during the year.

Fixed assets are depreciated using the straight-line method. The depreciation is estimated as follows:

Type of Assets	Depreciation period (years)	
	Current year	Previous year
Buildings & Architectures	03 – 22	03 – 22
Machinery & equipment	02 – 12	02 – 12
Means of transportation	03 – 10	03 – 10
Management tools and equipment	03 – 06	03 – 06
Intangible fixed assets are land use rights with a term	50	50
Intangible fixed assets are indefinite land use rights	No depreciation	No depreciation

The cost of fixed assets and depreciation period are determined according to Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance guiding the management, using and depreciating of fixed assets and other regulations.

7. Recognition and depreciation of financial leased fixed assets

The cost of finance leased fixed asset is recorded at the fair value of the leased asset or the present value of the minimum lease payments (if the fair value is higher than the present value of the minimum lease payments) plus initial direct costs incurred in connection with the finance lease.

Financial leased fixed assets are depreciated as fixed assets of the Company. For financial leased fixed assets that are not certain to be purchased, depreciation will be calculated according to the lease term when the lease term is shorter than the useful life of the leased asset.

8. Principle of capitalization of prepaid expenses

Prepaid expenses that are only related to annual production and business expenses are recorded as short-term prepaid expenses and are included in production and business expenses for the year.

The calculation and allocation the prepaid expenses to the operation expenses of each accounting year is depended on the characteristic, level of each expense in order to select the reasonable method and the allocation criteria. The expenses are allocated on a straight-line basis.

9. Principles of recognition of construction in progress costs

Construction in progress reflects costs directly related (including related interest expenses in accordance with the company's accounting policies) to assets that are in the process of being constructed, machinery and equipment being installed to serve production, rental and management purposes as well as costs related to ongoing repairs of fixed assets. These assets are recorded at cost and are not depreciated.

10. Recognition of payables and accrued expenses

The payables and accrued expenses are recorded for the amount payables in the future relating to the goods and service supplied. The accrued expenses are recorded in the basis of reasonable estimated amount payables.

The criteria for payables classification of trade payables, accrued expenses and other payables are as follows:

- Trade payables reflects the payable in the trading characteristic from purchasing goods, services, assets and the supplier are an independent unit with the Company, including the payables amounts of importing through the entrustor.
- Accrued expenses reflect the payables for the goods, services received from the seller or supplied to buyer but not yet paid due to no or insufficient invoice, accounting documents and the payable to employees on sabbatical salary, the accrued production expenses.
- Other expenses reflect the payable non-trading characteristic, not relating to purchasing goods, supplying services transactions.

11. Principle of recognition of borrowings and financial leases

The Company must keep track of the payable terms of loans. For loans with a repayment period of more than 12 months from the date of the financial statements, the accountant must present them as long-term borrowings and financial leases. For loans due within the next 12 months from the date of the Financial Statements, the accountant must present them as short-term borrowings and financial lease liabilities for a payment plan.

12. Principles of recognition of provisions for payables

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of financial year.

The difference between the unused provision established in the previous financial year and the provision established in the reporting year is reversed and recorded as a reduction in business expenses in the year, except for the larger difference of the provision for construction warranty payable which is reversed and recorded as other income in the year.

13. Principles of recognition of unrealized revenue

Unrealized revenue includes revenue received in advance, which is the amount of money customers have paid in advance for one or more financial years for leasing assets.

Unrealized revenue is transferred to sales and service revenue or financial revenue at the amount determined in accordance with each financial year.

14. Principles of recognition of science and technology development fund

The science and technology development fund is accounted for in the enterprise's management expenses to determine the business results of the year. The establishment and use of the enterprise's science and technology development fund must comply with the provisions of law.

15. Recognition of owner's equity

Owner's equity

Owner's investment capital is recognized according to the amount actually invested by the shareholders.

Share capital surplus

Share capital surplus is recorded as the difference between the issue price and the par value of shares when first issued, additional issued, the difference between the reissue price and the book value of treasury shares and the equity component of convertible bonds at maturity. Direct costs related to the additional issuance of shares and reissue of treasury shares are recorded as a decrease in share capital surplus.

Treasury stock

Treasury stock are shares issued by the Company and subsequently repurchased. Treasury shares are recorded at their actual value and presented on the Balance Sheet as a reduction in equity.

Distribution profit after tax

Profit after corporate income tax is distributed to shareholders after setting aside funds according to the Company's Charter as well as legal regulations and approved by the General Meeting of Shareholders.

The distribution of profits to shareholders takes into account non-monetary items in undistributed profits after tax that may affect cash flow and the ability to pay dividends such as interest from revaluation of contributed assets, interest from revaluation of monetary items, financial instruments and other non-monetary items.

Dividends payable to shareholders are recorded as payables in the Company's Balance Sheet after the Resolution of the Annual General Meeting of Shareholders, the Resolution of the Board of Management and the notice of dividend payment closing of the Securities Depository Center are established.

Development investment fund

The development investment fund is set aside from profits after corporate income tax and is used to invest in expanding the scale of production, business or in-depth investment of the enterprise.

Other funds

Other funds are set aside and used in accordance with the Company's Charter and the Resolution of the Annual Shareholders' Meeting.

16. Principles and method of recording revenue and income

Revenue is recognized when it is probable that the company will receive economic benefits that can be reliably determined. Revenue is determined at the fair value of amounts received or to be received after deducting trade discounts, sales rebates and sales returns. The following specific conditions must also be met before revenue is recognized as follows:

Revenue from sales of goods, finished goods

Revenue of goods sold should be recognized when all the following conditions have been satisfied:

- Most of the risks and rewards associated with ownership of the product or its goods have been transferred to the buyer;
- The Company no longer holds control over the goods such as the ownership of the goods have been transferred to buyers;
- The revenue can be measured reliably. When the contract provides that the buyer is entitled to return products or goods purchased under specific conditions, the revenue is recognized only when those specific conditions cease to be available and the buyer is not entitled to return products, goods (unless customers have the right to return goods in exchange for other goods or services);
- The Company has received or will receive economic benefits from the sale;
- The costs related to the sale transaction is determined.

Revenue from services of leasing asset

Revenue from leasing assets that are operating leases is recognized in the income statement on a straight-line basis based on the term of the lease contract, regardless of payment method.

Future lease payments under operating leases are tracked over the period paid.

Revenue from rendering of services

Revenue from a service transaction is recognized when the outcome of the transaction can be measured reliably. Where services are performed over several periods, the revenue recognized in the year is based on the results of the work completed at the end of the financial year. The outcome of a service provision transaction is determined when all of the following conditions are satisfied:

- The revenue can be measured reliably. Where the contract stipulates that the buyer is entitled to return the purchased service under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer is not entitled to return the service rendered;
- It is probable that economic benefits will flow from the transaction providing such services;
- Identify the work completed at the end of the financial year;
- Determine the costs incurred for the transaction and the cost to complete the transaction providing that service.

Interest

Interest is recognized on an accrual basis, determined on the balance of deposit accounts and the actual interest rate each year.

Dividends and profits distributed

Dividends and profits distributed are recognized by the Company when it is entitled to receive dividends or profits from capital contributions. Dividends received in shares are only tracked by the number of shares increased, not the value of shares received.

Revenue deductions

This item is used to reflect the amounts deducted from sales revenue and service provision arising during the year due to returned goods. This account does not reflect taxes deducted from revenue such as output VAT payable calculated by the direct method.

The revenue reduction adjustment is made as follows:

- Sales returns arising in the same period as the consumption of products, goods and services are adjusted to reduce the revenue of the arising period;

- In case products, goods and services have been consumed in previous years, and the returned goods arise in the following period, the enterprise is allowed to reduce revenue according to the following principle:

+ If products, goods and services have been consumed in previous years and are returned in the following period but occur before the issuance of the Financial Statements, the accountant must consider this an adjusting event occurring after the date of the Balance Sheet and record a reduction in revenue on the Financial Statements of the reporting period (previous year).

+ In case products, goods and services are returned after the issuance of the Financial Statements, the enterprise shall reduce the revenue of the period in which they arise (the following period).

17. Cost of goods sold

Cost of goods sold reflects the cost of products, goods, services sold within the year.

Cost of goods sold in the year was recorded in accordance with the revenue generated in the year and ensured compliance with the prudent principle.

For the cost of direct materials consumed in excess of the normal rate, labor costs, and fixed production overheads that are not allocated to the value of warehoused products, the accountant must immediately calculate them into the cost of goods sold (after deducting compensation, if any) even if the product or goods have not been identified as being sold.

The provision for inventory price reduction is included in the cost of goods sold based on the quantity of inventory and the difference between the net realizable value being less than the original cost of inventory. When determining the volume of inventory with price reduction requiring provision, the accountant must exclude the volume of inventory for which a sales contract has been signed (with a net realizable value not lower than the book value) but has not been transferred to the customer if there is solid evidence that the customer will not abandon the contract.

18. Recognition of financial expenses

Reflecting expenses for financial activities including expenses or losses related to borrowing expenses, provision for loss on investment in other entities and exchange rate losses, ...

19. Recognition of selling expenses and general business administration expenses

Selling expenses reflect the actual costs incurred in the process of selling products, goods, providing services, including the costs of offering goods, introducing products, advertising products, sales commissions, expenses for product and goods warranty (except for construction activities), expenses for preservation, packing, transportation, ...

General and administration expenses reflect general management expenses of the enterprise, including expenses for salaries of employees of the enterprise management sections (salaries, wages, allowances ...); social insurance, health insurance, trade union funds, unemployment insurance of enterprise managers; expenses for office materials, labor tools, depreciation of fixed assets used for enterprise management; land rent, excise tax; provision for bad debts; Outbound services (electricity, water, telephone, fax, property insurance, fire, explosion, ...); Other monetary expenses (reception, ...).

20. Recognition of corporate income tax

Corporate income tax expense recorded on the income statement includes current corporate income tax expense.

Current corporate income tax expenses are calculated basing on taxable profits and income tax rate applied in the current year.

21. Segment performance

Segment performance includes a business segment or a geographical segment.

2. Short-term investments
a. Investments in others entities

	Closing Balance				Opening Balance			
	% owner-ship/voting right	Historical cost	Provision	Fair value	% owner-ship/voting right	Historical cost	Provision	Fair value
Investments in associates								
Sao Vang Hoanh Son Joint Stock Company (*)	30.6%	375,000,000,000	(1,623,589,689)	(*)	30.6%	375,000,000,000	(1,623,589,689)	(*)
Sao Vang - Hoanh Son Limited Company	26.0%	130,000,000,000	(1,336,001,115)	(*)	26.0%	130,000,000,000	(2,002,085,335)	(*)
Investment in other entities								
Phillips Carbon Black Vietnam Joint Stock Company	7.0%	8,444,062,358	(836,443,849)	(*)	7.0%	8,444,062,358	(1,312,898,421)	(*)
Total		513,444,062,358	(3,796,034,653)			513,444,062,358	(4,938,573,445)	

Changes in provision for impairment of long-term financial investments

	Current year
Opening Balance	4,938,573,445
Provisioning during the year	-
Reversal during the year	1,142,538,792
Closing Balance	3,796,034,653

(*) The Company has not determined the fair value of these investments as there are no quoted market prices for these investments and Vietnamese Accounting Standards currently do not provide guidance on how to determine fair value using valuation techniques. The fair value of these investments may differ from their book value.

(i): According to the Minutes of the Board of Managements Meeting No. 11A/BB-HDQT dated 12 February 2025 and the Resolution of the Board of Managements No. 11B/NO-HDQT dated 12 February 2025 of SaoVang Rubber Joint Stock Company, SaoVang Rubber Joint Stock Company continues to maintain/hold its investment in Sao Vang - Hoanh Son Joint Stock Company. According to the Minutes of the 2025 Annual General Meeting of Shareholders No. 04-2025/BB-HDQT dated 21 April 2025 and the Resolution of the 2025 Annual General Meeting of Shareholders No. 01-2025/NO-HDQT dated 21 April 2025 of Sao Vang - Hoanh Son Joint Stock Company, Sao Vang - Hoanh Son Joint Stock Company will implement the following steps/procedures to carry out the projects within a 5-year period from 2025 to 2029 are as follows:

Business segment: A partial component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

Geographical segment: A distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

22. Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recorded at historical cost plus transaction costs that are directly attributable to the acquisition of the financial assets. The Company's financial assets include cash and cash equivalents, short-term receivables, other receivables and investments held to maturity.

Financial liabilities: At the date of initial recognition, financial liabilities are recorded at cost less transaction costs directly attributable to the issuance of such financial liabilities. The Company's financial liabilities include trade payables, other payables, accrued expenses and borrowings.

Reassessment after initial recording date

There are currently no regulations on revaluation of financial instruments after initial recognition.

23. Information about related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating policy decisions. Parties are also considered related if they are subject to common control or common significant influence.

In considering the relationship between related parties, more emphasis is placed on the nature of the relationship than the legal form.

Transactions with related parties are presented in Note VIII.2.

V. SUPPLEMENTARY INFORMATION FOR THE ITEMS PRESENTED IN BALANCE SHEET

1. Cash and cash equivalents

	Closing Balance VND	Opening Balance VND
Cash on hand	736,881,743	1,144,061,226
Cash at bank	18,976,963,507	13,567,892,286
Cash equivalents (*)	12,000,000,000	15,000,000,000
Total	31,713,845,250	29,711,953,512

(*): These are bank deposits with a principal term of 1 month and an interest rate of 4.2 - 4.5%/year.

SAOVANG RUBBER JOINT STOCK COMPANY
 No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
Notes to the Financial Statements (continued)

3. Trade receivables	Closing Balance VND	Opening Balance VND
a. Short-term		
Hoanh Son International Transport General Trading Company Limited	-	83,841,817,500
Viet Nam Import Export and Trading joint Stock Company	387,285,428,580	62,316,529,740
Others	84,522,784,172	92,058,808,980
Total	471,808,212,752	238,217,156,220
b. Trade receivables are related parties: Details are presented in Note VIII.2.		
The Company has mortgaged 50% of the value of property rights arising from economic contracts with parties having payment obligations to the Company to secure loans as presented in Note V.13.		
4. Advance to suppliers	Closing Balance VND	Opening Balance VND
Short-term		
Consultant and Inspection Joint Stock Company of Construction Technology and Equipment - Coninco	378,000,000	-
Nhat Minh Environment Construction and Consulting Company Limited	134,951,600	134,951,600
Others	231,034,601	585,183,553
Total	743,986,201	720,135,153
5. Other receivables	Closing Balance VND	Opening Balance VND
a. Short-term		
Advances	1,650,000,000	-
Pledges, mortgages	307,938,135	610,060,278
Other receivables	4,165,438,752	5,311,859,493
- Interest receivable	25,511,868	1,506,087,371
- Phillips Carbon Black Vietnam Joint Stock Company	2,966,978,675	2,966,978,675
- Others	1,172,948,209	838,793,447
Total	6,123,376,887	5,921,919,771
b. Long-term		
Pledges, mortgages	2,013,000,000	97,823,430,950
Total	2,013,000,000	97,823,430,950

SAOVANG RUBBER JOINT STOCK COMPANY
 No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
Notes to the Financial Statements (continued)

- The application for a permit to implement the Radial automobile tire manufacturing plant project in Ha Tinh province has been submitted but has not yet been approved by the competent State agency. Sao Vang - Hoanh Son Joint Stock Company will continue to complete the Pre-feasibility Study Report for the project implementation to apply for a permit from the State;
 - Collaborating with Hoanh Son Group Joint Stock Company to implement a project on a 2,698.8 m² plot of land located at No. 261 Vu Tong Phan Street, Khuong Dinh Ward, Thanh Xuan District, Hanoi, owned by SaoVang Rubber Joint Stock Company;
 - Collaborating with Electrical Engineering Consulting and Services Joint Stock Company to acquire/legally use a plot of land with a total area of 8,128.6 m², including 7,353.5 m² outside the planned road boundary and 775.1 m² within the planned road boundary, located at No. 64 Trung Van Street, Nam Tu Liem District, Hanoi;
 - Acquiring land use rights for approximately 30 hectares from Phosnack Vietnam Co., Ltd. in the supporting industrial zone, Ky Anh District, Ha Tinh Province.
- Furthermore, according to the Minutes of the 2025 Annual General Meeting of Shareholders No. 04-2025/BB-HDQT dated 21 April 2025 and the Resolution of the 2025 Annual General Meeting of Shareholders No. 01-2025/NQ-DHDCD dated 21 April 2025 of Sao Vang - Hoanh Son Joint Stock Company, Sao Vang - Hoanh Son Joint Stock Company has approved the policy of distributing dividends for 2025 in cash from the profit of 2025: 5% of the contributed capital value to shareholders of SaoVang Rubber Joint Stock Company;
- (ii): According to Investment Cooperation Agreement No. 18/2016/HĐHTD/SRC-HS dated 15 June 2016, between the Company and Hoanh Son Group Joint Stock Company, the parties agreed to establish Sao Vang - Hoanh Son Limited Company to implement the "Sao Vang - Hoanh Son Commercial and Residential Complex" project at 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City. The charter capital of Sao Vang - Hoanh Son Limited Company, according to the Certificate of Business Registration amended for the second time on 27 May 2022, is VND 500,000,000,000, of which SaoVang Rubber Joint Stock Company contributed VND 130,000,000,000, corresponding to an ownership ratio of 26%. Currently, Sao Vang - Hoanh Son Limited Company is implementing the project.

Material transactions between the Company and associates during the year: Details are presented in Note VIII.2.

SAOVANG RUBBER JOINT STOCK COMPANY
No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
Notes to the Financial Statements (continued)

7. Inventories

	Closing Balance		Opening Balance		Unit: VND
	Historical cost	Provision	Historical cost	Provision	
Goods in transit	5,653,351,682	-	1,910,925,768	-	
Raw materials	115,719,893,707	-	132,424,692,992	-	
Tools and equipment	2,041,593,825	-	2,388,412,028	-	
Work in progress	9,525,566,916	-	10,167,740,955	-	
Finished goods	137,531,942,972	(807,827,444)	103,422,784,358	(974,286,659)	
Goods	195,010,909	-	11,549,979	-	
Goods in transit for sale	505,703,410	(4,933,351)	965,593,529	(2,012,151)	
Total	271,173,063,421	(812,760,795)	251,291,699,609	(976,298,810)	

The Company has used all circulating inventory at Thai Binh Branch and 50% of inventory, semi-finished products, finished products at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City as collateral for bank loans as presented in Note V.13.

8. Prepaid expenses

	Closing Balance		Opening Balance	
	VND		VND	
a. Short-term				
Fire and explosion insurance	410,861,840	271,208,684		
Billboard rental expenses	959,429,102	422,554,370		
LC expenses	-	125,354,527		
Others	79,464,091	129,906,458		
Total	1,449,755,033	949,024,039		
b. Long-term				
Cost of tools and equipment used	2,653,443,608	2,995,162,502		
Others	-	128,333,333		
Total	2,653,443,608	3,123,495,835		

25

SAOVANG RUBBER JOINT STOCK COMPANY
No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
Notes to the Financial Statements (continued)

6. Bad debts

	Closing Balance			Opening Balance			Unit: VND
	Historical cost	Provision	Recoverable value	Historical cost	Provision	Recoverable value	
Short-term							
Trade receivables	23,535,639,661	10,223,525,978	13,312,113,683	8,639,416,958	6,657,121,958	1,982,295,000	
Development and Transport Lao – Viet Sole Company Limited	17,977,092,210	5,393,127,663	12,583,964,547	-	-	-	
981 Investment Joint Stock Company Nam Ten Limited Liability Company	1,090,733,584	763,513,509	327,220,075	1,090,733,584	1,090,733,584	-	
Ms. Nguyen Thi Huong	2,208,428,046	2,208,428,046	-	2,831,850,000	849,555,000	1,982,295,000	
Others	2,259,385,821	1,858,456,760	400,929,061	2,208,428,046	2,208,428,046	-	
Other receivables	2,966,978,675	2,966,978,675	-	2,508,405,328	2,508,405,328	-	
Phillips Carbon Black Vietnam Joint Stock Company	2,966,978,675	2,966,978,675	-	2,966,978,675	2,966,978,675	-	
Total	26,502,618,336	13,190,504,653	13,312,113,683	11,606,395,633	9,624,100,633	1,982,295,000	

SAOVANG RUBBER JOINT STOCK COMPANY
No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
Notes to the Financial Statements (continued)

As at 31 December 2025, the assets located on the land at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City (assets to be liquidated, demolished and relocated to No. 484 Nguyen Van Linh Street, Xuan Hoa Ward, Phu Tho Province during the period from late 2025 to 2027) to return the land for the cooperation project "Sao Vang - Hoanh Son Commercial and Housing Complex" at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City (according to Note V.18) have the historical cost and net book value as follows:

As at 31 December 2025	Historical cost	Net book value
Buildings & Architectures	81,353,903,373	2,663,803,400
Machinery & equipment	453,755,425,865	6,256,616,558
Means of transportation	47,733,786,485	9,750,592,194
Management tools and equipment	786,447,907	-
Total	583,629,563,630	18,671,012,152

27

SAOVANG RUBBER JOINT STOCK COMPANY
No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
Notes to the Financial Statements (continued)

9. **Movements in tangible fixed assets**

Unit: VND

	Buildings & architecture items	Machineries & equipment	Means of transportation	Management tools and equipment	Total
Historical cost					
Opening Balance	116,343,220,590	511,132,266,210	54,617,269,482	786,447,907	682,879,204,189
Increasing during the year	714,132,863	11,690,062,736	-	-	12,404,195,599
- Newly purchased	714,132,863	299,103,000	-	-	1,013,235,863
- Acquisition of leased assets	-	11,390,959,736	-	-	11,390,959,736
Decreasing during the year	(855,885,957)	-	-	-	(855,885,957)
- Sold, disposed	(855,885,957)	-	-	-	(855,885,957)
Closing Balance	116,201,467,496	522,822,328,946	54,617,269,482	786,447,907	694,427,513,831
Accumulated depreciation					
Opening Balance	101,150,749,710	506,258,187,316	42,891,657,127	786,447,907	651,087,042,060
Increasing during the year	1,778,319,082	9,533,136,677	1,789,285,636	-	13,100,741,395
- Depreciation	1,778,319,082	3,325,011,225	1,789,285,636	-	6,892,615,943
- Depreciation from the acquisition of leased assets	-	6,208,125,452	-	-	6,208,125,452
Decreasing during the year	(855,885,957)	-	-	-	(855,885,957)
- Sold, disposed	(855,885,957)	-	-	-	(855,885,957)
Closing Balance	102,073,182,835	515,791,323,993	44,680,942,763	786,447,907	663,331,897,498
Net book value					
Opening Balance	15,192,470,880	4,874,078,894	11,725,612,355	-	31,792,162,129
Closing Balance	14,128,284,661	7,031,004,953	9,936,326,719	-	31,095,616,333

As at 31 December 2025, the historical costs of tangible fixed assets were fully depreciated but still worth using is VND 626,372,082,874.

As at 31 December 2025, some tangible fixed assets with historical cost and net book value of VND 187,086,564,062 and VND 254,219,342 respectively, were mortgaged to secure the Company's loans at Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch and Vietnam Joint Stock Commercial Bank For Industry and Trade - Dong Da Branch (Note V.13).

Unit: VND

10. Movements in intangible fixed assets	Long-term land use rights	Term land use right	Total
Historical cost			
Opening Balance	3,042,378,022 (*)	573,345,000	3,615,723,022
Increasing during the year	6,719,389,330	-	6,719,389,330
- Newly purchased (**)	6,719,389,330	-	6,719,389,330
Decreasing during the year	-	-	-
- Sold, disposed	-	-	-
Closing Balance	9,761,767,352	573,345,000	10,335,112,352
Accumulated depreciation			
Opening Balance	-	217,871,100	217,871,100
Increasing during the year	-	11,466,900	11,466,900
- Depreciation	-	11,466,900	11,466,900
Decreasing during the year	-	-	-
- Sold, disposed	-	-	-
Closing Balance	-	229,338,000	229,338,000
Net book value			
Opening Balance	3,042,378,022	355,473,900	3,397,851,922
Closing Balance	9,761,767,352	344,007,000	10,105,774,352

The Company has mortgaged land use rights in Da Nang to secure loans (Note V.13).

(*) Land information is as follows:

- Map sheet number KT03/3;
- Address of the land plot: Hoa Chau commune, Hoa Vang district, Da Nang city (now Hoa Xuan ward, Da Nang city);
- Area: 2,475.0 m²;
- Purpose of land use: Land for production and business facilities (construction of parking lot and warehouse);
- Duration of use: Long-term;
- Origin of land use: State-allocated land with payment of land use fees.

(**) Land information is as follows:

- Land plot number 173, Map sheet number 16-A-II-d;
- Address of the land plot: Group 4, Cluster 1, Ha Dinh ward, Thanh Xuan district, Hanoi city (now Group 4, Cluster 1, Khuong Dinh ward, Hanoi city);
- Area: 45.5 m²;
- Type of land: Urban residential land.

Unit: VND

11. Movements in financial lease assets	Machineries, Equipment	Total
Historical cost		
Opening Balance	20,124,700,342	20,124,700,342
Increasing during the year	-	-
- Financial lease for the year	-	-
Decreasing during the year	(11,373,361,736)	(11,373,361,736)
- Sold, disposed	(11,373,361,736)	(11,373,361,736)
Closing Balance	8,751,338,606	8,751,338,606
Accumulated depreciation		
Opening Balance	7,019,707,635	7,019,707,635
Increasing during the year	2,762,133,853	2,762,133,853
- Depreciation	2,762,133,853	2,762,133,853
Decreasing during the year	(6,208,125,452)	(6,208,125,452)
- Sold, disposed	(6,208,125,452)	(6,208,125,452)
Closing Balance	3,573,716,036	3,573,716,036
Net book value		
Opening Balance	13,104,992,707	13,104,992,707
Closing Balance	5,177,622,570	5,177,622,570

As at 31 December 2025, the assets on the land at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City (assets to be relocated to No. 484 Nguyen Van Linh Street, Xuan Hoa Ward, Phu Tho Province during the period from late 2025 to 2027) to return the land for the cooperation project "Sao Vang - Hoanh Son Commercial and Housing Complex" at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City (according to Note V.18)) have historical cost and net book value of VND 6,697,908,358 and VND 3,667,619,750.

12. Long-term assets in progress

Construction in progress

	Closing Balance VND	Opening Balance VND
- Procurement	2,302,914,625	-
- Basic Construction	3,205,033,582	1,656,758,754
<i>Building warehouse, expanding factory in Xuan Hoa</i>	2,845,533,026	1,656,758,754
<i>Relocation project of Sao Vang Rubber factory at No. 231 Nguyen Trai street</i>	359,480,556	-
- Major repairs	-	408,850,110
Total	5,507,948,207	2,065,608,864

SAOVANG RUBBER JOINT STOCK COMPANYNo. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS**Notes to the Financial Statements (continued)**

interest rate on VND is 6.8%/year, interest rate on USD is 5.2 – 5.3%/year. The foreign currency loan balance as at 31 December 2025 is USD 2,285,657.08. The collateral assets securing the loan includes:

- 50% of property rights arising from economic contracts with parties having payment obligations to the Company;
- Land use rights in Hoa Chau Commune, Hoa Vang District, Da Nang City (currently as Hoa Xuan Ward, Da Nang City).

(b) Loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Phuc Yen branch under Loan Contract No. 06/2025/HDCVHM/NHCT260-SRC dated 30 June 2025 to supplement working capital for rubber tire production and business activities. The limit is VND 50 billion, the limit maintenance period is until 30 June 2026 and the interest rate is specified on each Promissory note, but not exceeding 06 months for Promissory note. The interest rate on VND as at 31 December 2025 is 6.8%/year. The collateral assets securing the loan includes:

- All inventories at Thai Binh branch, including all kinds of tires, main raw materials, fuel, auxiliary materials and other goods with a current value of VND 15 billion;
- Machinery and equipment at the company and the smelting workshop stated in the asset mortgage contract No. 1206045/HDTG dated 15 November 2006, asset mortgage contract No. 1206034/HDTG dated 01 June 2006.

(c) Loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi branch under credit limit contract No. 01/2025/135074/TDTD dated 31 July 2025 to supplement working capital, issue guarantees, open letters of credit to support rubber product manufacturing and coal trading activities. The maximum limit is VND 500 billion, the credit limit is valid until 31 July 2026, the term and interest rate are specified in each specific loan agreement. Interest rates as of 31 December 2025 for VND loans is 6.3-7%/year, USD loans is 4.4%/year. The foreign currency loan balance as at 31 December 2025 is USD 297,450. The collateral assets securing the loan includes:

- Assets attached to the Company's land at No. 261 Vu Tong Phan Street, Thanh Xuan District, Hanoi City (currently as No. 261 Vu Tong Phan Street, Khuong Dinh Ward, Hanoi City); at No. 63 Nguyen Binh Khiem Street, District 1, Ho Chi Minh City (currently as No. 63 Nguyen Binh Khiem Street, Tan Dinh Ward, Ho Chi Minh City); at land plot No. 1, map sheet No. 01/2012/TLED located in Tien Phong Ward, Thai Binh City, Thai Binh Province (currently as Thai Binh Ward, Hung Yen Province);
- Assets attached to land of Vung Ang Investment and Development Joint Stock Company at the Social Housing Apartment for Soldiers of the Ministry of Public Security, No. 282 Nguyen Huy Tuong, Thanh Xuan Trung Ward, Thanh Xuan District, Hanoi City (currently as No. 282 Nguyen Huy Tuong, Thanh Xuan Ward, Hanoi City) according to the following land use rights certificates and assets attached to land:
 - + No. AA 01/714638, Certificate of Land Use Right Registration Number: VP 10454, Hanoi Land Registration Office, issued on 23 April 2025;
 - + No. AA 01/714639, Certificate of Land Use Right Registration Number: VP 10453, Hanoi Land Registration Office, issued on 23 April 2025;
 - + No. AA 01/714642, Certificate of Land Use Right Registration Number: VP 10456, Hanoi Land Registration Office, issued on 23 April 2025;
 - + No. AA 01/714645, Certificate of Land Use Right Registration Number: VP 10458, Hanoi Land Registration Office, issued on 23 April 2025;

31

SAOVANG RUBBER JOINT STOCK COMPANYNo. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS**Notes to the Financial Statements (continued)****13. Loans and finance lease liabilities***Unit: VND*

	Closing Balance		Within the year			Opening Balance	
	Value	Recoverable value	Increases	Decreases	Value	Recoverable value	
a. Short-term	470,997,604,774	470,997,604,774	1,292,915,379,298	1,077,597,307,687	255,679,533,163	255,679,533,163	
Loans from bank	469,943,498,347	469,943,498,347	1,291,829,067,924	1,074,763,039,253	252,877,469,676	252,877,469,676	
Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Da branch ^(a)	76,486,855,698	76,486,855,698	298,878,925,065	299,002,509,687	76,610,440,320	76,610,440,320	
Vietnam Joint Stock Commercial Bank For Industry and Trade - Phuc Yen branch ^(a)	13,526,929,759	13,526,929,759	96,543,520,630	121,122,545,423	38,105,954,552	38,105,954,552	
Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi branch ^(a)	331,089,712,890	331,089,712,890	847,566,622,229	654,637,984,143	138,161,074,804	138,161,074,804	
Vietnam Prosperity Joint Stock Commercial Bank ^(a)	48,840,000,000	48,840,000,000	48,840,000,000	-	-	-	
Long-term loans due to date	1,054,106,427	1,054,106,427	1,086,311,374	2,834,268,434	2,802,063,487	2,802,063,487	
BIIDV - Suni Trust Leasing Co., Ltd ^(a)	366,264,419	366,264,419	224,060,886	2,301,069,946	2,443,273,479	2,443,273,479	
Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade ^(a)	687,842,008	687,842,008	862,250,488	533,198,488	358,790,008	358,790,008	
b. Long-term	2,674,490,881	2,674,490,881	2,216,340,000	1,657,406,374	2,115,557,255	2,115,557,255	
Finance lease liabilities	2,674,490,881	2,674,490,881	2,216,340,000	1,657,406,374	2,115,557,255	2,115,557,255	
BIIDV - Suni Trust Leasing Co., Ltd ^(a)	-	-	-	224,060,886	224,060,886	224,060,886	
Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade ^(a)	2,674,490,881	2,674,490,881	2,216,340,000	1,433,345,488	1,891,496,369	1,891,496,369	
Total	473,672,095,655	473,672,095,655	1,295,131,719,298	1,079,254,714,061	257,795,090,418	257,795,090,418	

(a) Loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Da branch under Loan Contract No. 360/2025/HDCVHM/NHCT126-CAOSUSAOVANG dated 27 June 2025 to supplement working capital for rubber tire production and business activities. The limit is VND 150 billion, the term and interest rate are specified on each Promissory note, but not exceeding 06 months for Promissory note. Interest rate as at 31 December 2025:

SAOVANG RUBBER JOINT STOCK COMPANY
 No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
 Notes to the Financial Statements (continued)

Details of financial lease payment

Unit: VND

Subject	From 01/01/2025 to 31/12/2025		
	Total lease payments	Interest payment	Principal repayment
BIDV - Sumi Trust Leasing Co.,Jtd	2,203,840,892	118,227,362	2,301,069,946
Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade	759,656,352	226,457,864	533,198,488
Total	2,963,497,244	344,685,226	2,834,268,434



SAOVANG RUBBER JOINT STOCK COMPANY
 No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
 Notes to the Financial Statements (continued)

- + No. AA 01714760, Certificate of Land Use Right Registration Number: VP 10459, Hanoi Land Registration Office, issued on 23 April 2025;
- 50% of inventories, semi-finished products, finished products used for production, exchange, purchase, sale, lease within the scope of production and business activities and goods in the warehouse at No. 231 Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi City (currently as No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City);
- (d) Loan from Vietnam Prosperity Joint Stock Commercial Bank under Credit Limit Agreement No. BCLC-12376-01 dated 15 December 2025, for the purpose of supplementing working capital, issuing L/C, and issuing guarantees to serve the production and business activities of tires and coal trading. The limit is VND 300 billion, the limit is maintained until 15 December 2026, and the interest rate is specified on each Promissory Note, but not exceeding 6 months/Promissory Note. Interest rate on VND as of 31 December 2025 is 5.9%/year. The collateral securing the loan includes:
 - Property rights related to the investment, construction, and development of the high-rise commercial, service, and residential complex project located at No. 231 Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi (currently as No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi);
 - Future and existing debt claims approved by the Bank;
 - Personal guarantee of Mr. Pham Hoanh Son (Management Board).
- (e) Loans from BIDV - Sumi Trust Leasing Co.,Jtd under the following loan contracts:
 - Financial Lease Contract No. 21721000124/HDCCTC dated 11 May 2021: The purpose of the loan is to lease the asset of 5250 pressure press machine. The loan term is 60 months from the date of first loan disbursement and the loan interest rate is 6.9%/year.
 - Financial Lease Contract No. 21721000125/HDCCTC dated 11 May 2021: The purpose of the loan is to lease the asset of an automatic oil filling system. The loan term is 60 months from the date of first loan disbursement and the loan interest rate is 6.9%/year.
 - Financial Lease Contract No. 21721000126/HDCCTC dated 11 May 2021: The purpose of the loan is to lease assets of motors and inverter cabinets. The loan term is 60 months from the date of first loan disbursement and the loan interest rate is 6.9%/year.
- (f) Loans from Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade under the following loan contracts:
 - Financial Lease Contract No. 02.168/2023/TSC-CTTC dated 25 December 2023: The purpose of the loan is to lease the asset of a motorcycle tube connector. The loan term is 60 months from the date of first loan disbursement and the loan interest rate is 9.5%/year.
 - Financial Lease Contract No. 02.039/2024/TSC-CTTC dated 30 May 2024: The purpose of the loan is to lease the asset of a rotometer rubber vulcanization measuring machine. The loan term is 60 months from the date of first loan disbursement and the loan interest rate is 9.5%/year.
 - Financial Lease Contract No. 02.024/2025/TSC-CTTC dated 27 March 2025: The purpose of the loan is to lease the asset specifically a motorcycle tire connector machine. The loan term is 60 months from the date of first loan disbursement and the loan interest rate is 9%/year.

16. Tax payables and statutory obligations

Unit: VND

	Opening Balance		Payable arising in the year	Paid during the year	Closing Balance	
	Receivable	Payable			Receivable	Payable
Value-added tax	-	206,965,598	6,491,664,862	6,697,500,330	-	1,130,130
Value-added tax on imported goods	-	-	16,675,033,042	16,675,033,042	-	-
Import & export tax	-	-	798,118,921	798,118,921	-	-
Corporate income tax	30,961,831,609	-	39,494,631,979	3,038,379,487	-	5,494,420,883
Personal income tax	-	123,031,144	852,878,713	856,114,560	-	119,795,297
Land tax, land rent (*)	-	-	8,529,447,641	14,188,715,409	-	-
Other types of taxes	-	-	25,488,003	25,488,003	-	-
Fees, charges and others	-	-	5,440,156	5,440,156	-	-
Total	30,961,831,609	329,996,742	72,872,703,317	42,284,789,908	5,659,267,768	5,615,346,310

(*) Details of land lease payments made during the year include:

- Land tax offset according to Decision No. 163987/QĐ-HAN-KĐT dated 04 December 2025:	13,231,671,471
- Payment in cash:	957,043,938
Total (VND)	14,188,715,409

35

Unit: VND

14. Trade payables

	Closing Balance		Opening Balance	
	Amount	Recoverable Amount	Amount	Recoverable Amount
a. Short-term				
SAIC Hongyan Automobile Co., Ltd.	-	-	56,212,200,000	56,212,200,000
Ha Tinh Rubber Company Limited	16,746,115,050	16,746,115,050	10,877,456,100	10,877,456,100
Quang Tri Rubber Company Limited	16,066,071,000	16,066,071,000	16,684,206,000	16,684,206,000
Kim Truong Phuc Company Limited	13,361,998,198	13,361,998,198	13,185,364,997	13,185,364,997
Hanoi Industrial Textile Joint Stock Company	7,786,670,919	7,786,670,919	9,646,333,138	9,646,333,138
Others	38,078,159,015	38,078,159,015	41,647,608,288	41,647,608,288
Total	92,039,014,182	92,039,014,182	148,253,168,523	148,253,168,523

b. Trade payables are related parties: Details are presented in Note VIII.2.

15. Advances from customers

	Closing Balance VND	Opening Balance VND
a. Short-term		
Hoanh Son Group Joint Stock Company	-	31,087,674,319
New Construction Investment Joint Stock Company	2,628,528,104	2,628,528,104
Others	7,444,916,382	8,829,123,490
Total	10,073,444,486	42,545,325,913

b. Advances from customers are related parties: Details are presented in Note VIII.2.

17. Accrued expenses

	Closing Balance VND	Opening Balance VND
Short-term		
Financial obligations related to recycling responsibility paid to the Environmental Protection Fund	4,188,720,609	2,155,063,590
Electricity expenses	819,506,845	557,052,846
Interest expenses	491,032,000	344,600,000
Others	747,882,156	689,958,710
Total	6,247,141,610	3,746,675,146

18. Other payables

	Closing Balance VND	Opening Balance VND
a. Short-term		
Trade union fee	326,970,123	249,166,725
Social insurance	-	954,480
Deposits received	505,726,000	3,389,497,355
Dividends, profits payable	1,126,793,761	1,117,901,958
Others	1,151,325,649	967,994,934
Total	3,110,815,533	5,725,515,452
b. Long-term		
Others	143,500,000,000	143,500,000,000
Payable under investment cooperation contract ^(*)	143,500,000,000	143,500,000,000
Total	143,500,000,000	143,500,000,000

(*) According to the Investment Cooperation Contract No. 18/2016/HĐHTĐT/SRC-IIS dated 15 June 2016 between the Company and Hoanh Son Group Joint Stock Company, the parties agreed to establish Sao Vang - Hoanh Son Company Limited to implement the project "Sao Vang - Hoanh Son Commercial and Housing Complex" at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City. According to this contract, Sao Vang - Hoanh Son Company Limited will pay and support the Company with expenses related to the relocation of the factory at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City and invest in the new factory with a total amount of VND 435 billion and the Company has received the first and second installments from Sao Vang - Hoanh Son Company Limited with a total amount of VND 143.5 billion. According to the Board of Management Decision No. DD-01/QĐ-HĐQT dated 12 June 2025 approving the "Relocation of Sao Vang Rubber Factory" at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, the Company will relocate its production facility from No. 231 Nguyen Trai to Xuan Hoa, Phu Tho province, expected time from 2025 - 2027.

c. Other payables are related parties: Details are presented in Note VIII.2.

19. Unrealized revenue

	Closing Balance VND	Opening Balance VND
Short-term		
Revenue received in advance	20,833,331	-
Total	20,833,331	-

20. Provisions for payables

	Closing Balance VND	Opening Balance VND
Short-term		
Provision for warranty of goods	446,256,207	659,085,638
Total	446,256,207	659,085,638

SAOVANG RUBBER JOINT STOCK COMPANY
No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
Notes to the Financial Statements (continued)

	Closing Balance		Opening Balance	
	VND	%	VND	%
Hoanh Son Group Joint Stock Company	140,932,900,000	50.22	140,932,900,000	50.22
Vietnam National Chemical Group	101,041,150,000	36.00	101,041,150,000	36.00
Others	38,659,630,000	13.77	38,659,630,000	13.77
Treasury stock	23,970,000	0.01	23,970,000	0.01
Total	280,657,650,000	100	280,657,650,000	100

	Current year	Previous year
	VND	VND
Contributed capital		
Opening Balance	280,657,650,000	280,657,650,000
Increasing during the year	-	-
Decreasing during the year	-	-
Closing Balance	280,657,650,000	280,657,650,000
Distributed profits, dividends	16,838,020,800	16,838,020,800
- Dividends, profits divided on previous year's profits	16,838,020,800	16,838,020,800
- Provisional Dividends, profits on this year's profits	-	-

	Closing Balance	Opening Balance
	Quantity of authorized issuing stocks	28,065,765
Quantity of issued stocks	28,065,765	28,065,765
- Common stocks	28,065,765	28,065,765
Quantity of repurchased stocks	2,397	2,397
- Common stocks	2,397	2,397
Quantity of circulation stocks	28,063,368	28,063,368
- Common stocks	28,063,368	28,063,368
- Par value per stock: VND 10,000/stock		

	Closing Balance	Opening Balance
	Investment and development funds	162,326,715,944
Total	162,326,715,944	116,834,693,289

	Closing Balance	Opening Balance
	Foreign currency	
- USD	15,457.32	49,195.62
- RUB	9,821.11	6,398.11

SAOVANG RUBBER JOINT STOCK COMPANY
No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS
Notes to the Financial Statements (continued)

21. Owner's equity
a) **Movement in owner's equity**

	Contributed legal capital	Share capital surplus	Treasury stock	Investment and development funds	Undistributed after tax profits	Total
As at 31/12/2023	280,657,650,000	3,605	(23,970,000)	108,014,502,579	54,701,336,990	443,349,523,174
Increasing in previous year	-	-	-	-	151,640,075,518	151,640,075,518
Distributing profits in the previous year	-	-	-	8,820,190,710	(28,754,925,080)	(19,934,734,370)
- Development Investment Fund	-	-	-	8,820,190,710	(8,820,190,710)	-
- Bonus and welfare fund	-	-	-	-	(2,940,063,570)	(2,940,063,570)
- Executive Management Reward Fund	-	-	-	-	(156,650,000)	(156,650,000)
- Dividends	-	-	-	-	(16,838,020,800)	(16,838,020,800)
As at 31/12/2024	280,657,650,000	3,605	(23,970,000)	116,834,693,289	177,586,487,428	575,054,864,322
As at 31/12/2024	280,657,650,000	3,605	(23,970,000)	116,834,693,289	177,586,487,428	575,054,864,322
Increasing in current year	-	-	-	116,834,693,289	177,586,487,428	575,054,864,322
Profit in current year	-	-	-	-	24,619,338,188	24,619,338,188
Distributing profits in the current year ^(*)	-	-	-	45,492,022,655	(77,795,301,007)	(32,303,278,352)
- Development Investment Fund	-	-	-	45,492,022,655	(45,492,022,655)	-
- Bonus and welfare fund	-	-	-	-	(15,164,007,552)	(15,164,007,552)
- Executive Management Reward Fund	-	-	-	-	(301,250,000)	(301,250,000)
- Dividends	-	-	-	-	(16,838,020,800)	(16,838,020,800)
As at 31/12/2025	280,657,650,000	3,605	(23,970,000)	162,326,715,944	124,410,524,609	567,370,924,158

^(*) Profit distribution in the current year is in accordance with Resolution of the 2025 Annual General Meeting of Shareholders No. 60/NQ-DHDCD dated 21 April 2025 of Sao Vang Rubber Joint Stock Company.

Unit: VND

VI. SUPPLEMENTARY INFORMATION FOR THE ITEMS PRESENTED IN INCOME STATEMENT

1. Revenue from sales of goods and rendering of services

	Current year VND	Previous year VND
Revenue from sale of goods	673,913,352,646	192,445,447,986
Revenue from sale of finished goods	801,498,426,204	852,114,555,887
Revenue from rendering services	12,337,683,099	17,423,601,197
Revenue from selling of materials	2,241,321,730	1,096,002,300
Revenue from other activities	293,742,431	270,466,825
Total	1,490,284,526,110	1,063,350,074,195

Revenue from related parties: Details are presented in Note VIII.2.

2. Revenue deductions

	Current year VND	Previous year VND
Trade discounts	34,293,330,620	35,570,201,845
Sales returns	195,194,397	-
Total	34,488,525,017	35,570,201,845

3. Cost of goods sold

	Current year VND	Previous year VND
Cost of goods sold	644,533,797,522	189,162,073,354
Cost of finished goods sold	665,730,166,915	693,140,221,373
Cost of materials sold	1,802,469,558	823,198,460
Cost of goods sold reduction	(163,538,015)	(1,472,150,470)
Total	1,311,902,895,980	881,653,342,717

4. Financial income

	Current year VND	Previous year VND
Interest income	347,837,236	2,981,238,755
Gain from foreign exchange rate difference	2,720,275,173	2,278,864,013
Total	3,068,112,409	5,260,102,768

5. Financial expenses

	Current year VND	Previous year VND
Interest expenses	20,544,834,413	15,350,281,706
Payment discount, deferred sales interest	5,002,329,000	5,499,065,970
Loss from foreign exchange difference	1,222,079,192	1,395,521,030
Provision for (reversal of) loss on investment in associates and other companies	(1,142,538,792)	2,029,087,172
Total	25,626,703,813	24,273,955,878

6. Other income

	Current year VND	Previous year VND
Income from transferring land lease rights and using infrastructure rights at Chau Son Industrial Park, Ha Nam	-	303,837,948,660
Reversal of the science and technology fund in 2020	6,234,455,123	-
Others	1,461,535,031	3,046,001,994
Total	7,695,990,154	306,883,950,654

7. Other expenses

	Current year VND	Previous year VND
Expense from transferring land lease rights and using infrastructure rights at Chau Son Industrial Park, Ha Nam	-	143,747,661,057
Others	29,471,239	501,391,296
Total	29,471,239	144,249,052,353

8. Selling expenses	Current year VND	Previous year VND
Expenses of staff	6,594,549,259	5,448,767,398
Expenses of materials, packaging	14,620,341	-
Depreciation of fixed asset	11,466,900	11,466,900
Expenses of outsourced services	18,907,327,032	23,244,670,407
Advertising expenses	1,392,549,096	1,686,826,325
Product warranty costs expenses	1,881,815,407	3,129,885,295
Others	1,810,432,780	1,949,408,075
Total	30,612,760,815	35,471,024,400
9. General and administration expenses	Current year VND	Previous year VND
Expenses of administrative staff	24,401,048,815	25,601,016,691
Expenses of administrative material	1,256,946,614	-
Office supplies	350,259,977	-
Depreciation of fixed asset	2,446,558,093	2,148,035,502
Land tax, land rent	8,529,447,641	14,269,158,214
Expenses of outsourced services	10,231,227,782	9,732,027,594
Others	15,280,320,398	13,278,076,698
Provision expenses	3,566,404,020	(1,416,587,208)
Total	66,062,213,340	63,611,727,491
10. Business and productions cost by items	Current year VND	Previous year VND
Raw materials	563,307,275,866	558,898,262,454
Labor expenses	109,709,337,747	112,230,123,063
Depreciation expenses	9,666,216,696	10,307,684,973
Expenses of outsourced services	60,724,154,046	66,152,249,557
Others	50,454,146,140	44,839,568,183
Provision expenses	3,190,036,574	(3,000,722,848)
Total	797,051,167,069	789,427,165,382

11. Current Corporate Income Tax (CIT) expenses	Current year VND	
Corporate income tax payable is determined at a rate of 20% on taxable income.		
The Company's tax settlement will be subject to examination by tax authorities. The application of tax laws and regulations to many different types of transactions is subject to different interpretations, the tax amounts presented in the Financial Statements may be subject to change at the determination of the tax authorities.		
The below table presents the estimate current corporation income tax of the Company:		
	Current year VND	
Profit before tax	32,326,058,469	
Adjustments to increase (decrease) accounting profit to determine taxable profit		
- Adjustments to increase	6,207,542,934	
+ Unrealized exchange rate difference	4,012,675,976	
+ Allowance of non-executive members of the Board of Management and the Board of Supervisors	126,000,000	
+ Non-deductible expenses	2,068,866,958	
- Adjustments to decrease	-	
Taxable income	38,533,601,403	
Income tax rate	20%	
Current corporate income tax expense	7,706,720,281	
12. Basic/diluted earnings per share	Current year VND	Previous year VND
Profit after tax	24,619,338,188	151,640,075,518
Adjustments to increase/(decrease) accounting profit	-	-
Profit or loss attributable to shareholders	24,619,338,188	151,640,075,518
Amount of deduction from bonus fund, welfare fund, executive board bonus fund (*)	-	15,465,257,552
Average common shares outstanding during the year	28,063,368	28,063,368
Earnings per share		
- Basic earnings per share	877	4,852
- Diluted earnings per share	877	4,852

There were no dilutive potential ordinary shares during the year and up to the date of this report.

(*) According to Resolution No. 60/NQ-DHDCD dated 21 April 2025, of the Annual General Meeting of Shareholders of SaoVang Rubber Joint Stock Company.

VII. SUPPLEMENTARY INFORMATION FOR THE ITEMS PRESENTED IN THE CASH FLOW STATEMENT

No information

VIII. OTHER INFORMATION

1. Information on events after the end of the accounting year

As at 6 March 2026, the Company is continuing the liquidation, demolition and relocation of assets located on the land at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City to Xuan Hoa, Phu Tho Province (according to Note V.9 and V.11) to return the land to Sao Vang - Hoanh Son Co., Ltd. (the company established to implement the "Sao Vang - Hoanh Son Commercial and Housing Complex" project at No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City), with the expected implementation period from the end of 2025 to 2027.

Except for the event mentioned above, the Board of General Directors of the Company confirms there have been no significant events occurring after 31 December 2025 up to the date of this report, which would require adjustments or disclosures to be made in the Financial Statements.

2. Related parties transactions

2.1 List of related parties

Related parties	Relationship
Hoanh Son Group Joint Stock Company	Parent company
Vietnam National Chemical Group	Major shareholder
Sao Vang Hoanh Son Joint Stock Company	Associates
Sao Vang - Hoanh Son Limited Company	Associates
Viet Anh Construction And Investment Consulting Trade Joint Stock Company	Company related to Chairman of the Board of Management
Hanoi Beer Group Joint Stock Company	Company related to Chairman of the Board of Management
Hoanh Son International Transport General Trading Company Limited	Company related to Chairman of the Board of Management
Hoanh Son Investment And Development Joint Stock Company	Company related to Chairman of the Board of Management
Sao Vang Group Beer Alcohol And Beverage Joint Stock Company	Company related to Chairman of the Board of Management

The key management members and the individuals involved are the member of the Board of Management, the Board of General Directors, Chief Accountant, the Board of Supervisors and the close members of these individuals' families.

2.2 Related parties transactions

During the year, the Company had transactions with related parties. Significant transactions are as follows:

Related parties	Content	Transaction value VND	
		Current year	Previous year
Hoanh Son Group Joint Stock Company	Sale of goods and rendering of services	198,101,328,073	24,507,442,849
	Dividends distribution	8,455,974,000	8,455,974,000
	Dividends payments	8,455,974,000	8,455,974,000
	Loan principal repayment	-	130,000,000,000
	Offset debt	-	7,000,000,000
Vietnam National Chemical Group	Dividends distribution	6,062,469,000	6,062,469,000
	Dividends payments	6,062,469,000	6,062,469,000
Hoanh Son International Transport General Trading Company Limited	Sale of goods	-	82,059,075,000
Sao Vang Group Beer Alcohol And Beverage Joint Stock Company	Purchase of goods	-	52,159,091
Sao Vang - Hoanh Son Limited Company	Purchase of goods, services	1,432,274,400	1,117,660,275

Related parties	Content	Transaction value VND	
		Current year	Previous year
Hoanh Son Investmet And Development Joint Stock Company	Purchase of goods, services	-	1,872,000,000
Viet Anh Construction And Investment Consulting Trade Joint Stock Company	Purchase of goods, services	960,000,000	660,000,000

At the end of the financial year, amounts due to and due from with related parties were as follows:

Related parties	Closing Balance VND	Opening Balance VND
Trade receivables (Note V.3)	456,582,050	83,852,817,500
Hoanh Son Group Joint Stock Company	445,582,050	-
Hoanh Son International Transport General Trading Company Limited	-	83,841,817,500
Hanoi Beer Group Joint Stock Company	11,000,000	11,000,000
Trade payables (Note V.14)	2,753,929,449	1,207,073,097
Sao Vang - Hoanh Son Limited Company	2,753,929,449	1,207,073,097
Advances from customers (Note V.15)	-	31,087,674,319
Hoanh Son Group Joint Stock Company	-	31,087,674,319
Other short-term payables (Note V.18)	1,126,793,761	1,117,901,958
Other shareholders	1,126,793,761	1,117,901,958
Other long-term payables (Note V.18)	143,500,000,000	143,500,000,000
Sao Vang - Hoanh Son Limited Company	143,500,000,000	143,500,000,000

Allowance and remuneration of the Board of Management, the Board of General Directors, the Board of Supervisors, Chief Accountant during the year:

Name	Position	Current year VND	Previous year VND
Remuneration for Board of Management, the Board of General Directors			
Mr. Pham Hoanh Son	Chairman of B.O.M	60,000,000	60,000,000
Mr. Nguyen Viet Hung	General Director, Member of B.O.M	48,000,000	48,000,000
Mr. Nguyen Thanh Tung	Vice General Director, Member of B.O.M	48,000,000	48,000,000
Mr. Nguyen Dinh Son	Member of B.O.M	48,000,000	48,000,000
Mr. Luong Xuan Hoang	Member of B.O.M	48,000,000	48,000,000
Mr. Nguyen Trung Hoa	Head of the Supervisory Board	48,000,000	48,000,000
Mr. Hoang Van Hoa	Member of Board of Supervisors	30,000,000	30,000,000
Mr. Nguyen Quang Huy	Member of Board of Supervisors (appointed 21 April 2025)	20,000,000	-
Ms. Vu Thi Mai Nhung	Member of Board of Supervisors (dismissed 21 April 2025)	10,000,000	30,000,000
Total		360,000,000	360,000,000

	Unit: VND			
	Manufacturing	Trading	Others	Total
From 01/01/2025 to 31/12/2025				
Net revenue from sales of goods to external	769,251,222,917	673,913,352,646	12,631,425,530	1,455,796,001,093
Net revenue from sales of goods to other parts	-	-	-	-
Total net revenue from selling of goods and rendering of services	769,251,222,917	673,913,352,646	12,631,425,530	1,455,796,001,093
Cost of segment	671,410,934,516	640,491,961,464	-	1,311,902,895,980
Business results by segment	97,840,288,401	33,421,391,182	12,631,425,530	143,893,105,113
Costs not allocated by segment				96,674,974,155
Operating profit				47,218,130,958
Financial income				3,068,112,409
Financial expenses				25,626,703,813
Other income				7,695,990,154
Other expenses				29,471,239
Current corporate income tax expense				7,706,720,281
Deferred corporate income tax expense				-
Profit after corporate income tax				24,619,338,188
Total cost incurred to purchase fixed assets and other long-term assets	9,385,072,646	-	-	9,385,072,646
Total depreciation and amortization of long-term prepaid expenses	12,315,890,707	-	-	12,315,890,707

Name	Position	Current year VND	Previous year VND
Income of the Board of Directors, Chief Accountant and the Board of Supervisors			
Mr. Nguyen Viet Hung	General Director	631,039,400	640,921,200
Mr. Nguyen Thanh Tung	Vice General Director	522,585,400	534,461,200
Mr. Nguyen Quang Hau	Vice General Director	480,255,000	494,500,000
Mr. Tran Minh Tuan	Chief Accountant	475,315,000	479,780,000
Mr. Nguyen Trung Hoa	Head of the Supervisory Board	384,572,860	321,839,315
Mr. Hoang Van Hoa	Member of Board of Supervisors	274,152,977	275,057,009
Total		2,767,920,637	2,746,558,724

3. Segment performance

Segment performance information is presented by business segment and geographical segment. The primary segment reporting is by business sector based on the Company's internal organizational and management structure and financial reporting system.

Business segment

Information about the income statements, fixed assets and other long-term assets and value of non-cash significant expenses of sections by business line of the Company are as follows:

SAOVANG RUBBER JOINT STOCK COMPANY

No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS

Notes to the Financial Statements (continued)

	Unit: VND			
	Manufacturing	Trading	Others	Total
Opening Balance				
- Direct assets by segment	314,370,249,114	166,406,634,935	1,818,686,165	482,595,570,214
- Assets not allocated by segment				726,343,743,993
Total assets	314,370,249,114	166,406,634,935	1,818,686,165	1,208,939,314,207
- Direct payables by segment	97,478,225,643	93,307,270,217	12,998,576	190,798,494,436
- Payables not allocated by segment				443,085,955,449
Total liabilities	97,478,225,643	93,307,270,217	12,998,576	633,884,449,885

Geographical areas:

The Company has geographical segment domestic and outside the territory of Vietnam:

	Domestic		Export		Total
	Closing Balance	Provision	Book value	Provision	
From 01/01/2025 to 31/12/2025					
Net revenue from sales of goods	1,354,170,310,044	101,625,691,049	1,455,796,001,093		
Total residual value of segment assets			1,341,382,127,260		
Total costs incurred to purchase fixed assets and other long-term assets			9,385,072,646		
From 01/01/2024 to 31/12/2024					
Net revenue from sales of goods	810,889,406,366	216,890,465,984	1,027,779,872,350		
Total residual value of segment assets			1,208,939,314,207		
Total costs incurred to purchase fixed assets and other long-term assets			3,529,569,865		

4. Fair value of financial assets and payables

	Book value	
	Closing Balance	Opening Balance
Financial assets		
Cash and cash equivalents	31,713,845,250	29,711,953,512
Trade receivables and other receivables	479,944,589,639	(13,190,504,653) 341,962,506,941 (9,624,100,633)
Long-term financial investment	-	-
Total	511,658,434,889	(13,190,504,653) 371,674,460,453 (9,624,100,633)

49

SAOVANG RUBBER JOINT STOCK COMPANY

No. 231 Nguyen Trai Street, Khuong Dinh Ward, Hanoi City, Vietnam
FINANCIAL STATEMENTS

Notes to the Financial Statements (continued)

	Unit: VND			
	Manufacturing	Trading	Others	Total
From 01/01/2024 to 31/12/2024				
Net revenue from sales of goods to external	817,640,356,342	192,445,447,986	17,694,068,022	1,027,779,872,350
Net revenue from sales of goods to other parts	-	-	-	-
Total net revenue from selling of goods and rendering of services	817,640,356,342	192,445,447,986	17,694,068,022	1,027,779,872,350
Cost of segment	698,265,955,817	183,387,386,900	-	881,653,342,717
Business results by segment	119,374,400,525	9,058,061,086	17,694,068,022	146,126,529,633
Costs not allocated by segment				99,082,751,891
Operating profit				47,043,777,742
Financial income				5,260,102,768
Financial expenses				24,273,955,878
Other income				306,883,950,654
Other expenses				144,249,052,353
Current corporate income tax expense				39,024,747,415
Deferred corporate income tax expense				-
Profit after corporate income tax				151,640,075,518

Total cost incurred to purchase fixed assets and other long-term assets	3,529,569,865	-	-	3,529,569,865
Total depreciation and amortization of long-term prepaid expenses	13,090,486,978	-	-	13,090,486,978

	Manufacturing			Trading			Others			Total
	Closing Balance	Direct assets by segment	Assets not allocated by segment	Closing Balance	Direct assets by segment	Assets not allocated by segment	Closing Balance	Direct assets by segment	Assets not allocated by segment	
Total assets	323,207,078,583	405,733,352,105	3,748,544,913	323,207,078,583	405,733,352,105	3,748,544,913	1,341,382,127,260	1,341,382,127,260	1,341,382,127,260	
- Direct payables by segment	98,699,839,244	3,399,619,898	12,999,526	98,699,839,244	3,399,619,898	12,999,526	102,112,458,668	102,112,458,668	102,112,458,668	
- Payables not allocated by segment							671,898,744,434	671,898,744,434	671,898,744,434	
Total liabilities	98,699,839,244	3,399,619,898	12,999,526	98,699,839,244	3,399,619,898	12,999,526	774,011,203,102	774,011,203,102	774,011,203,102	

Unit: VND

	Book value	
	Closing Balance	Opening Balance
Financial liabilities		
Trade payables	92,039,014,182	148,253,168,523
Loans and debts	473,672,095,655	257,795,090,418
Accrued expenses	6,247,141,610	3,746,675,146
Other payables	146,610,815,533	149,225,515,452
Total	718,569,066,980	559,020,449,539

The Company has not determined the fair value of its financial assets and financial liabilities as at the end of the financial year as Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 as well as current regulations do not provide specific guidance on determining the fair value of financial assets and financial liabilities. Circular 210/2009/TT-BTC requires the application of International Financial Reporting Standards on the presentation of Financial Statements and disclosure of information for financial instruments but does not provide equivalent guidance for the evaluation and recognition of financial instruments including the application of fair value to comply with International Financial Reporting Standards.

5. Credit risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade receivables: The Company's customer credit risk is managed based on the Company's policies, procedures and controls relating to customer credit risk management.

Outstanding trade receivables are monitored on a regular basis. Provisioning analyses are performed on a customer-by-customer basis for major customers at the reporting date. On this basis, the Company is not exposed to concentration of credit risk. Bank deposits: The majority of the Company's bank deposits are held with reputable large banks in Vietnam. The Company considers that the concentration of credit risk in bank deposits is low.

6. Liquidity risks

Liquidity risks are risks when the Company faces difficulties in meeting financial obligations due to capital shortage. The Company's liquidity risk arises primarily from mismatches in the maturities of its financial assets and financial liabilities.

The Company monitoring liquidity risk by maintaining the ratio of cash and cash equivalents at a certain level of which the Board of General Directors considers as sufficient to support financially the operations of the Company and to minimize effects of changes in cash flows.

Information of the maturity periods of the financial liabilities of the Company based on the value of undiscounted payments under the contracts are as follows:

Unit: VND

	Equal to or less than 01 year	From 01 year to 05 years	Total
Closing Balance	572,394,576,099	146,174,490,881	718,569,066,980
Trade payables	92,039,014,182	-	92,039,014,182
Loans and debts	470,997,604,774	2,674,490,881	473,672,095,655
Accrued expenses	6,247,141,610	-	6,247,141,610
Other payables	3,110,815,533	143,500,000,000	146,610,815,533
Opening Balance	413,404,892,284	145,615,557,255	559,020,449,539
Trade payables	148,253,168,523	-	148,253,168,523
Loans and debts	255,679,533,163	2,115,557,255	257,795,090,418
Accrued expenses	3,746,675,146	-	3,746,675,146
Other payables	5,725,515,452	143,500,000,000	149,225,515,452

The Company believes that the level of risk concentration on debt repayment is low. The Company has the ability to pay due debts from cash flow from business operations and proceeds from matured financial assets.

7. Market risks

Market risks are risks when fair values or future cash flows of financial instruments vary accordingly to changes in market prices. Market risks include foreign currency risks, interest risks and other risks on prices.

Foreign currency risks

Foreign currency risks are risks when fair values or future cash flows of financial instruments vary accordingly to changes in exchange rates.

The Company manages foreign currency risk by considering current and expected markets when planning for future transactions in foreign currencies. The Company monitors risks to its financial assets and liabilities in foreign currencies.

Interest risks

Interest risks are risks when fair values or future cash flows of financial instruments vary accordingly to changes of market interest rates. The Company's risk of changes in market interest rates is mainly related to short-term deposits and loans.

The Company manages interest rate risk by closely monitoring relevant market conditions to determine appropriate interest rate policies that are conducive to the Company's risk management purposes.

The Company does not perform a sensitivity analysis for interest rates because the risk of changes in interest rates at the reporting date is insignificant or the financial liabilities have fixed interest rates.

Other risks on prices

Other risks on prices are risks when fair values or future cash flows of financial instruments vary accordingly to changes of market prices other than changes of interest rates and exchange rates.

8. Going concern issues

During the year, there were no activities or events that may affect the Company's operations as a going concern. Thus, the Company's Financial Statements are prepared based on assumption of going concern.

9. Comparative information

Comparative information is figures on Financial Statements for the financial year ending on 31 December 2024 audited by Ernst & Young Viet Nam Limited.

Prepared by



Le Lan Phuong

Hanoi, 06 March 2026

Chief Accountant



Tran Minh Tuan

General Director




CÔNG TY
CỔ PHẦN
CAO SU
SAO VÀNG
THÀNH PHỐ HÀ NỘI

Nguyen Viet Hung



CÔNG TY CỔ PHẦN CAO SU SAO VÀNG
SAO VANG RUBBER JOINT-STOCK COMPANY