

**VIETNAM RUBBER GROUP -  
JOINT STOCK COMPANY**

No: 1374/BC-CSVN

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

*Ho Chi Minh City, May 27<sup>th</sup>, 2025*

## **REPORT**

### **On the Performance of Business and Production Tasks in 2024 and the Orientations and Tasks for 2025**

To: Esteemed Shareholders,

Dear Esteemed Shareholders, Regarding the implementation of business and production tasks in 2024, the Executive Board promptly and vigorously carried out all directions of the Board of Directors (BOD) and the Resolutions of the General Meeting of Shareholders (GMS) from the very beginning of the planning year. Accordingly, consolidated total revenue and consolidated profit before tax reached VND 28,739 billion and VND 5,606 billion, respectively, achieving 114.96% and 136.60% of the assigned targets. As for the separate business performance of the Parent Company - the Group, revenue and profit amounted to VND 5,271 billion and VND 2,353 billion, corresponding to 132.17% and 161.83% of the plan (*specific results are presented in the 2024 audited financial statements*). The Group's equity capital was preserved and developed in accordance with regulations; major financial balances were maintained; and the Group ensured sufficient resources to pay dividends to shareholders at a rate of 4% of charter capital, equivalent to VND 1,600 billion. Capital and cash flow were adequately balanced to meet the demands of development investment, repayment of bank loans, and other due obligations of the member companies and the Parent Company - the Group. The achievement of results far exceeding the plan was attributable not only to the consistent implementation of various management, business, and investment solutions with both immediate and long-term effectiveness, but also to a significant increase in actual rubber latex selling prices. This increase, which exceeded initial expectations, was a major highlight and a key contributing factor to the Group's outstanding performance in 2024.

Dear General Meeting of Shareholders, the year 2025 marks the final year of the 2021 - 2025 planning period; therefore, its performance results will determine the level of fulfillment of the assigned tasks and serve as the foundation for formulating and implementing the medium-term plan for the 2026 - 2030 period. The objective for the entire Group is to continue achieving rapid growth and sustainable development at the highest possible level, in accordance with the directions of the Party, the State, and the Government. As detailed in the materials provided to shareholders, in 2025, the Group will accelerate the procurement of smallholder rubber latex for processing and

consumption, aiming to optimize the production capacity of its factories and diversify income sources beyond rubber. As a result: (1) Consolidated total revenue and other income are planned to reach VND 31,044 billion, equivalent to 108.02% of the same period last year; (2) Consolidated pre-tax profit is projected at VND 5,840 billion, representing 104.17% of the previous year's result; At the Parent Company - the Group, (3) revenue and other income are expected to total VND 5,699 billion, equivalent to 108.12% of the 2024 performance; (4) Pre-tax and post-tax profits are expected to reach VND 2,455 billion, equal to 104.33% of the same period last year.

To achieve the 2025 plan, the entire sector must strive to increase revenue at a very high growth rate compared to the general growth rate of Vietnam's agricultural sector, which had previously been maintained at around 3 - 3.5%. This presents a substantial challenge in fulfilling the assigned tasks under the following conditions: (1) Rubber latex output is difficult to increase due to strict adherence to technical procedures; (2) The rubber industrial segment is facing operational difficulties and lacks growth potential due to limitations in design capacity and intense competition from both domestic and international players; (3) Although the hydropower segment operates smoothly, its small scale is constrained by design capacity, water resources, and electricity generation hours. As such, while growth is expected relative to the assigned plan, it will likely remain modest; (4) Industrial park companies are operating relatively favorably, with high return on equity and dividend distributions to shareholders/the Group. However, these companies are small in scale and have largely exhausted the available clean land for lease. Although expansion and new development projects are significant in size, delays in early investment stages make it difficult to sharply increase revenue or achieve breakthrough growth within the planning year; (5) While wood and rubberwood products continue to contribute substantial revenue and profit to rubber companies during plantation liquidation and to the Group's wood processing businesses, the sector is expected to face ongoing challenges due to the domestic real estate market downturn and economic recessions in major economies. As a result, demand and selling prices are unlikely to improve in the short term. Moreover, input costs - such as land lease fees, fuel, energy, and wages - continue to rise. This common challenge has been acknowledged by the Group. Nevertheless, for the sake of the Group's development and in the interests of shareholders, the Board of Directors has reached a consensus to submit the 2025 plan, as reported above, for approval by the General Meeting of Shareholders. In order to successfully implement the 2025 plan, and in addition to the measures already undertaken and proven effective in 2024, the Group - with the expectation that rubber latex selling prices will remain at a favorable level - should focus on the effective implementation of the following key tasks:

*Firstly*, closely follow the 2025 volume plans assigned by the Group's Board of Directors to its member units, particularly in the five key sectors: <sup>(1)</sup>

agriculture, <sup>(2)</sup> industrial parks, <sup>(3)</sup> rubber industry, <sup>(4)</sup> wood processing, and <sup>(5)</sup> hydropower, to direct and implement the completion and overachievement of output in exploitation, processing, and consumption, in order to ensure revenue even in the event of a decline in selling prices. Strictly control costs and product prices in a manner that aligns with output selling prices (*balanced with income*) to ensure achievement of the planned profit.

*Secondly*, member companies shall continue to adhere to the principle of investing only in projects and items with high and urgent economic efficiency, aiming to enhance production capacity while minimizing investments that lead to additional indirect costs (*e.g., management and selling expenses*) due to increased capital utilization and depreciation in both the short and long term. For the planning year, capital allocation should focus on repaying bank loans to ease financial pressure. At the Parent Company – the Group, accumulated capital shall be concentrated on investments in the development of large-scale industrial park/cluster projects and large-scale wood processing projects, in accordance with the development orientation under the Group’s restructuring plan for the 2021–2025 period. Furthermore, the investment progress of industrial park projects already approved by the Prime Minister for the Group/member companies to act as investors must be expedited, including: (1) the Nam Tan Uyen Industrial Park Expansion Project, (2) the Bac Dong Phu Industrial Park Expansion Project, (3) the Hiep Thanh Industrial Park Project - Tay Ninh Province (new investment), (4) the Minh Hung III Industrial Park Expansion Project, (5) the Rach Bap Industrial Park Expansion Project, in order to secure land reserves for lease and thereby increase the Group’s short- and long-term revenue and profits. In addition, the Group shall continue working with competent authorities to be selected as the investor for other industrial park/cluster and renewable energy projects on converted rubber land, in line with master planning. This aims to rapidly restructure the Group’s sectoral composition by reducing the investment share in agriculture - rubber and increasing investment in industrial real estate and commercial service sectors, thereby gradually reducing long-term dependence on agricultural commodity prices.

*Thirdly*, in 2025, the key tasks to be implemented include: (1) Continuing to fully implement the Group’s 2021–2025 restructuring project as assigned; (2) Decisively streamlining the organizational structure to improve effectiveness and efficiency by enhancing the application of information technology and digital transformation to minimize indirect personnel; urgently reviewing and merging member companies operating in the same locality and within the same business sector; merging advisory departments and supporting units; and initially consolidating small-scale plantations while eliminating all intermediary levels (*e.g., plantations and factories*), with the aim of organizing operations under a two-tier model (company - production teams) to reduce management costs; (3) Reviewing and minimizing administrative management procedures,

and moving toward strong delegation of authority to member companies in production, business, and investment activities, coupled with appropriate inspection and supervision mechanisms; (4) Completing the development of the Group's restructuring project in conjunction with the medium-term plan for the 2026 - 2030 period, for submission to the Annual General Meeting of Shareholders in 2026, in accordance with regulations.

*Fourthly*, in order to effectively implement the above-mentioned plans, the following solutions must be thoroughly carried out:

#### 1. On Land Use and Agricultural Technical Practices

- Strengthen management and production organization, and continue implementing region-specific, flexible solutions in agricultural technical activities-from plantation management (exploitation, basic construction, replanting) to specialized areas (varieties, fertilizers, plant protection, etc.)-to adapt to and respond to challenges in agricultural production; adopt appropriate measures to address the current labor shortage.

- Rigorously manage and effectively utilize leased land; strictly follow investment project procedures; properly maintain basic construction plantations both domestically and internationally; implement crop rotation and crop restructuring (including large timber forest trees), with particular focus on developing high-efficiency crops eligible for high-tech agriculture application.

- Continue intercropping in rows and rubber areas where conditions allow to improve land use efficiency; widely promote the intercropping of forest trees to meet sustainable development requirements, ensure FSC standards, and provide raw materials for the Group's wood processing factories.

- Pay special attention to implementing high-tech agriculture projects; proactively review land-use planning and expand investment scale; actively seek cooperation with potential and reputable partners to improve land use efficiency; and gradually access advanced technologies and markets, aiming for self-implementation and independent operation.

- Focus on directing and supervising investment management based on the productivity potential specific to each ecological zone.

- Improve the management of fertilizers, plant protection products, and pest control; effectively exploit existing productive plantations in accordance with technical standards; apply scientific and technical measures to mitigate the effects of pests and climate change; intensify thematic technical training; and organize agricultural briefings and field conferences in a practical and effective manner.

- Continue implementing tapping schedule adjustments; consider expanding tapping areas per plot; assign tapping rights or contract tapping collection in labor-deficient regions.

2. Strengthen inspection, evaluation, and quality control of the Group's products, such as rubber latex, rubber industrial products (gloves, conveyor belts, mattresses, pillows, elastic threads, sports balls), and wood products, to ensure compliance with applicable quality standards and to meet the demands of partners and customers.

3. Continue to promote trade activities, market expansion, and the development of new markets - especially by increasing the proportion of direct sales to production units both domestically and internationally. Enhance procurement efforts to increase revenue and ensure workers' wages, while fulfilling the Group's role in market orientation and regulation. Member units with newly exploitable plantations should actively seek markets, collaborate with, and learn from major companies, and strictly comply with the Group's guidance on sales and product quality management.

4. Develop practical and realistic cost-saving measures suited to each unit's actual conditions from the planning stage, in order to reduce production costs, ensure operational efficiency, and adapt to the context of declining rubber prices. Specifically: <sup>(1)</sup> Labor and Wages: Continue applying management and technical measures to increase productivity, reduce labor costs per ton of product, and thereby improve employee income. <sup>(2)</sup> Exploitation Materials and Labor Tools: Continue reviewing norms to match each unit's actual conditions, with the goal of reducing replacement rates. <sup>(3)</sup> Other Expenses: Foster a cost-saving mindset to lower general administrative and selling expenses. <sup>(4)</sup> For units with large planned tapping areas in 2026, develop appropriate staggered tapping plans based on actual conditions to address labor training needs and increase revenue sources.

5. Wood processing companies with refined products must increase production output, particularly rubberwood products. Laminated wood production should be expanded to improve handling and enhance export value. MDF plants must operate at or above design capacity, reduce defect rates to improve efficiency, and expand market share. Accelerate the implementation of projects focused on producing high value-added boards such as Melamine-faced boards, veneer boards, and flooring boards.

6. Industrial parks shall actively coordinate with consulting units, relevant government authorities, and the Group to complete expansion procedures, ensuring sustainable long-term growth. Finalize necessary procedures to allow operations to commence in 2025 for projects that have already received in-principle investment approval.

7. Mobilize multiple sources of capital for investment, including retained earnings and depreciation from member companies, as well as domestic and foreign loans, based on the principle of ensuring investment efficiency.

8. Intensify the practice of thrift and anti-wastefulness in accordance with the guidelines of the Party, the State, and the Group, to ensure the efficient use of capital.

9. Promote the role of enterprise leaders; continue to strengthen and train human resources to meet the Group's integration needs and scale, while ensuring the capacity to access and apply scientific and technological advancements. Assign specialized personnel appropriately - placing the right people in the right roles to meet task requirements.

Dear Esteemed Shareholders, the achievements reported above are the result of significant efforts and the collective responsibility of the Board of Directors, the Executive Board, and over 80,000 employees throughout the Group. Building upon that tradition, the Executive Board is committed to faithfully executing the tasks assigned by the General Meeting of Shareholders and the Board of Directors, leveraging the Group's inherent strengths and the solidarity of all VRG employees. We firmly believe that the Group will overcome challenges and continue to achieve further success.

Sincerely,

***Recipients:***

- As above;
- BOD, Supervisory Board, Executive Board;
- To be posted on the website;
- Archives: Office, Investment Management Department.

**GENERAL DIRECTOR**

(Signed)

**Le Thanh Hung**