

Appendix IV

ANNUAL REPORT

(Promulgated with the Circular No 96/2020/TT-BTC on November 16, 2020 of the Minister of Finance)



**ART DESIGN &
COMMUNICATION
JOINT STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

Hanoi, date 13 month 4 year 2026

No: 78../BC- MTTT

ANNUAL REPORT

Year 2025

**To: State Securities Commission
Stock Exchange**

I. General information

1. General information

- Trading name: Art Design & Communication Joint Stock Company
- Business Registration Certificate No.: 0102365521.
- Charter capital: 39.779.360.000 VND
- Equity: 85.492.300.364 VND
- Address: 12A Floor, Diamond Flower Building, Lot C1, Trung Hoa Nhan Chinh Urban Area, Yen Hoa Ward, Hanoi City, Vietnam.
- Telephone: 024 35121569/ 024 73068789
- Fax: 024 35121385



- Website: adc.net.vn
- Stock code ADC
- Establishment and development process:
 - Establishment: Decision No. 1064/QĐ-TCNS dated September 13, 2007.
 - Initial Business Registration: No. 0103019582 dated September 14, 2007.
 - Most Recent Amendment to Business Registration: No. 0102365521 dated October 30, 2025.
 - First Trading Date: December 24, 2010.

2. Business lines and locations of the business:

- Business lines:
 - Publishing and releasing Educational products.
 - Design and print publications for the Education sector.
 - Trading in Books – Equipment and teaching aids ; Mini play area for children.
 - Communication, organization of fairs, exhibitions, introduction of commercial products.
- Location of business: Hanoi and other localities throughout the country.

3. Information about governance model, business organization and managerial apparatus

- Governance model (as stipulated in Article 137 of the Law on Enterprises):
Model according to section a), Clause 1, Article 137 of the Enterprise Law.
- Management structure.
 - General Meeting of Shareholders
 - Board of Directors
 - Supervisory Board
 - Director
- Subsidiaries, associated companies: No.

4. Development orientations

- Continue to focus and strengthen publishing and distribution activities.
- Continue to develop the system of Educational Equipment Book Centers into a large retail chain system.
- Delving into the business of preschool educational equipment and books serving the preschool market nationwide.
- Promote design and production of products with high aesthetic requirements and quality.
- Search for new areas of production and business activities to expand the Company's scale.

5. Risks

As a business unit of Books - Educational Equipment, risks will occur when there are fluctuations in the education sector, and risks cannot be avoided when there are impacts of natural disasters and epidemics.

II. Operations in the Year

1. Situation of production and business operations

- Target:

Target	Implementation 2025 (VND)	Plan 2025 (VND)	Ratio (I/P)
Revenue	365.985.345.792	390.000.000.000	93,8%
Profit	14.025.111.434	15.300.000.000	91,7%

- Compare production and business results 2025/2024

Target	Implementation 2025 (VND)	Implementation 2024 (VND)	Ratio (2025/2024)
Revenue	365.985.345.792	414.304.455.267	88,3%
Profit	14.025.111.434	17.563.789.090	79,9%

2. Organization and Human resource

- List of the Board of Management:

No.	Full name	Position	Summary of curriculum vitae	Number of shares owned	Share ownership ratio
1.	Pham Van Thang	Director	Year of birth: 1982 Gender: Male Qualification: Master of Economics, Accounting	281.244	7,07%
2.	Nguyen Bich La	Deputy Director	Year of birth: 1972 Gender: Female Qualification: Bachelor of Arts	26.520	0,67%
3.	Nguyen Thi Hong Hanh	Deputy Director	Year of birth: 1974 Gender: Female Qualification: Bachelor of Education	6.370	0,16%
4.	Nguyen Van Quyet	Chief Accountant	Year of birth: 1990 Gender: Male Qualification: Bachelor of Economics	0	0%

- Changes in the Board of Management: No.

- Number of staffs: As of 31/12/2025

+ 294 official

+ 02 contract

+ 08 probationary

- Employee policy:

- + Pay social insurance, health insurance, unemployment insurance... according to the State's regulations
- + Leave, holidays... according to the State's regulations.
- + Work in a clean, airy environment with full amenities such as lighting, air conditioning, safety equipment such as fire prevention...
- + Enjoy internal benefits such as: Lunch (meals), sightseeing, vacation, participating in training courses to improve professional qualifications.
- + Receive attention and protection from the trade union organization such as: Visiting, subsidizing when you or your family have funerals, weddings, illnesses...; Organizing movements and programs for study tours, travel, vacations... to improve the lives of workers.

3. Investment activities, project implementation

a) Major investments:

No.

b) Subsidiaries, associated companies:

No.

4. Financial situation

a) Financial situation

Indicators	Year 2025	Year 2024	% change
* Applicable for organization other than credit institutions and non-bank financial institutions:			
Total asset	192.142.477.236	174.870.723.461	109,9%
Net revenue	363.020.076.812	412.293.682.419	88,0%
Profit from business activities	14.199.539.706	17.719.369.163	80,1%
Other profits	(174.428.272)	(155.580.073)	112,1%
Profit before tax	14.025.111.434	17.563.789.090	79,9%
Profit after tax	11.069.694.145	13.961.942.478	79,3%
Payout ratio	53,9%	42,7%	126,1%

Indicators	Year 2025	Year 2024	% change
* Applicable to credit institutions and non-bank financial institutions:			
Total asset value			
Revenus			
Taxes and payables			
Before tax profit			
After tax profit			

- Other figures: No.

b) Major financial indicators:

Indicators	Year 2025	Year 2024	Note
1. Solvency ratio			
+ Current ratio: (Short term Asset/Short term debt)	1,52	1,62	
+ Quick ratio: Short term Asset - Inventories Short term Debt	1,10	1,25	
2. Capital structure Ratio			
+ Debt/Total assets ratio	0,56	0,52	
+ Debt/Owner's Equity ratio	1,25	1,10	
3. Operation capability Ratio			
+ Inventory turnover: Cost of goods sold/Average inventory	5,80	7,17	
+ Total asset turnover: (Net revenue/ Average Total Assets)	1,98	2,45	
4. Profitability			
+ Profit after tax/ Net revenue Ratio	0,030	0,034	
+ Profit after tax/ total capital Ratio	0,13	0,17	
+ Profit after tax/ Total assets Ratio	0,060	0,083	
+ Profit from business activities/ Net revenue Ratio	0,039	0,043	

5. Shareholders structure, change in the owner's equity

a) Shares

- Total number of shares: 3.977.936 share.
- Types of shares outstanding: common shares.
- Number of freely transferable shares: 3.977.936 share.
- Number of shares subject to transfer restrictions: 0 share.
- Securities traded abroad or sponsoring the issuance and listing of securities abroad: No.

b) Shareholders structure

- Number of shareholders as of March 27, 2025: 277 shareholders
- Capital structure and number of shares by type:

No.	Capital structure	Number of shares held (CP)	Equity value (VNĐ)	Ownership ratio
Total number of shares		3.977.936	39.779.360.000	100%
A	ORGANIZATION (5)	1.497.419	14.974.190.000	37,64%
B	INDIVIDUAL (272)	2.480.517	24.805.170.000	62,36%

c) Change in the owner's equity

- 16/12/2010: First time securities registration: 10.000.000.000 VNĐ.
- 04/12/2013: 1st additional registration: 5.000.000.000 VNĐ (Public Offering).
- 20/11/2014: 2nd additional registration: 3.000.000.000 VNĐ (Stock dividend).
- 27/04/2016: 3rd additional registration: 12.600.000.000 VNĐ (Public Offering).
- 06/09/2021: 4th Additional Registration: 9.179.360.000 VNĐ (Increase capital stock from equity).

Total capital to date: 39.779.360.000 VNĐ.

d) Transaction of treasury stocks

- Current number of treasury shares: 0 shares

- Treasury stock transactions: No.

e) Other stock:

No.

6. Environment-Social-Governance (ESG) Report of the Company

6.1. Environmental Impact:

No.

6.2. Management of raw materials:

a) The total amount of raw materials used for the manufacture and packaging of the products as well as services of the organization during the year:

No.

b) The percentage of materials recycled to produce products and services of the organization:

No.

6.3. Energy consumption

a) Energy consumption - directly and indirectly:

No.

b) Energy savings through initiatives of efficiently using energy:

No.

c) The report on energy saving initiatives (providing products and services to save energy or use renewable energy); report on the results of these initiatives:

No.

6.4. Water consumption (water consumption of business activities in the year)

a) Water supply and amount of water used:

No.

b) Percentage and total volume of water recycled and reused:

No.

6.5. Compliance with the law on environmental protection:

a) Number of times the company is fined for failing to comply with laws and regulations on environment:

No.

b) The total amount to be fined for failing to comply with laws and regulations on the environment:

No.

6.6. Policies related to employees

a) Number of employees, average wages of workers.

- Number of staffs: As of 31/12/2025

+ 294 official

+ 02 contract

+ 08 probationary

- Average salary for employees: 165,000,000 VNĐ/01 year/01 person.

b) Labor policies to ensure health, safety and welfare of workers.

Pay social insurance, health insurance, unemployment insurance... according to State regulations.

Leave, holidays, etc. according to State regulations.

Work in a clean, airy environment with full amenities such as lighting, air conditioning, safety equipment such as fire prevention and fighting...

Periodic health check-up once a year at a medical facility.

Enjoy internal benefits such as: Lunch (meal shift), sightseeing, vacation, participating in training courses to improve professional qualifications.

Receive attention and protection of rights from the trade union such as: Visiting and providing allowances when the employee or family has funerals, weddings, illnesses, etc.; Organizing movements and programs for study tours, tourism, vacations, etc. to improve the lives of workers.

c) Employee training

Average training hours per year, by employee and by employee classification:

24 hours/01 employee/01 year (Short-term training course of 03 days for professional work).

Skills development and continuing education programs to support employees in securing employment and career development: Depending on the job position, there is short-term or long-term training to meet the employee's tasks.

6.7. Report on responsibility for local community.

The community investments and other community development activities, including financial assistance to community service:

Charity work in 2025 reached 405.281.275 VND.

6.8. Report on green capital market activities under the guidance of the ssc.

No.

III. Reports and assessments of the Board of Management (The Board of Management reports and assesses the Company's situation through every facet)

1. Assessment of operating results

The year 2025 is considered an exceptionally difficult year for the Company's production and business operations. It has been the most challenging year the Company has ever faced. However, the Board of Management believes that in the coming years, the level of difficulty will gradually decrease as the economy shows signs of recovery, thereby creating conditions for the Company's operations to gradually stabilize and develop again.

Regarding the Design – Fine Arts sector, in the context where textbook design projects have come to an end, the volume of professional work has faced many difficulties. Nevertheless, the team of artists has made great efforts, proactively and actively seeking new sources of work from outside the existing system. These efforts have produced many positive results, contributing to maintaining the operation of this sector.

The year 2025 was also the year in which the Company implemented a strong workforce streamlining process. From a workforce of nearly 400 employees, the Company currently has approximately 300 employees. The streamlining of

personnel has helped the Company significantly reduce costs. At the same time, production and business activities have continued to operate steadily without negative impacts from the process of restructuring and downsizing the workforce.

Communication, administration, and accounting were areas that maintained stable operations in 2025.

Internal solidarity within the Company has been strengthened. The Company has effectively implemented grassroots democracy regulations, organized emulation movements effectively, taken good care of employees' material and spiritual well-being, practiced thrift and cost-saving measures, and fully implemented policies and benefits for all members of the collective.

The achievements of 2025 are the result of the unity and coordinated efforts of the entire Company in overcoming a difficult period. These results demonstrate the shared determination and the efforts of each individual, each department in particular, and of the Company as a whole over the past year.

2. Financial Situation

a) Assets

Asset situation, asset situation changes: Total assets increased compared to 2024.

b) Debt Payable

No major fluctuations.

3. Improvements in organizational structure, policies, and management

No.

4. Development plans in future

Continue to build and strengthen to continue developing the company to become a strong brand in the publishing market as well as the retail business of books and stationery.

Develop new business segments, build new brands to expand scale and increase production and business efficiency.

Maintain a stable growth rate along with improving and consolidating all aspects of production and business activities to ensure sustainable development.

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

No.

6. Assessment Report related to environmental and social responsibilities of the Company

a. Assessment concerning the environmental indicators (water consumption, energy, emissions, etc.).

No negative impact on the environment.

b. Assessment concerning the labor issues

Most employees have stable mentality, stable income, and long-term commitment to the Company.

c. Assessment concerning the corporate responsibility for the local community

Fulfill obligations to the State and locality.

IV. Assessments of the Board of Directors on the Company's operation (for joint stock companies)

1. Assessments of the Board of Directors on the Company's operation, including the assessment related to environmental and social responsibilities.

The company operates in accordance with the provisions of State Law. Production and business activities do not affect the environment and society. Ensure stable income, life and welfare of staff.

2. Assessment of Board of Directors on Board of Management s performance

The Board of Directors has performed well the assigned tasks. The company operates stably, complying with the provisions of State Law.

3. Plans and orientations of the Board of Directors

Continue providing direction and guidance for the Company's development in order to maintain growth momentum.

Closely monitor developments in production and business activities in order to make timely adjustments in management and development orientation.

Provide guidance to the Executive Board to: actively seek opportunities and expand production and business activities; make the most of available opportunities while focusing on product development and market expansion; improve and enhance the effectiveness of corporate governance; and focus on improving the quality of human resources to meet operational requirements and the Company's long-term development strategy.

V. Corporate governance

1. Board of Directors

a) Members and structure of the Board of Directors:

No.	Full Name	Position	Summary of background	Number of shares owned at the end of the period	End of period share ownership ratio
1.	Dang Viet Manh	Chairman of the Board of Directors	Year of Birth: 1982 Gender: Male Qualification: Information Technology Engineer	0	0
2.	Dinh Gia Le	Board member	Year of birth: 1971 Gender: Male Qualification: Associate Professor – Doctor of Cultural Studies	0	0
3.	Pham Van Thang	Board Member and Director	Year of birth: 1982 Gender: Male Qualification: Master of Economics, Accounting	281.244	7,07%

No.	Full Name	Position	Summary of background	Number of shares owned at the end of the period	End of period share ownership ratio
4.	Nguyen Bich La	Member of Board of Directors and Deputy Director	Year of birth: 1972 Gender: Female Qualification: Bachelor of Arts	26.520	0,67%
5.	Pham Huy Phong	Independent Member of the Board of Directors, Non-Executive Member of the Board of Directors	Year of birth: 1986 Gender: Male Qualification: Master of Economics	0	0

b) The committees of the Board of Directors: (The list of the subcommittees of the Board of Directors and list of members of each subcommittee)

No.

c) Activities of the Board of Directors: Assessing activities of the Board of Directors and specifying the number of Board of Directors meetings, their contents and results.

In 2025, the Company's Board of Directors held 07 meetings (both formal and informal) to decide on important matters and to promptly direct and resolve difficulties and issues arising in the course of production and business operations.

No.	Resolution/ Decision Number	Date	Content
1	01-2025/NQ- HDQT	09/01/2025	- Approval of 2024 business and production results - Some key tasks in the first quarter of 2025
2	02-2025/NQ- HDQT	05/03/2025	- Approval of the last registration date to exercise the right to attend the 2025 Shareholders' Meeting - Approval of the last registration date to exercise the right to receive interim cash dividends for 2024
3	03-2025/NQ- HDQT	01/04/2025	- Approval of production and business results for the first quarter of 2025 - Approval of the content of the Documents before the 2025 Annual General Meeting of Shareholders - Some key tasks for the second quarter of 2025.
4	04-2025/NQ- HDQT	25/04/2025	- Agree to resign from the position of Chairman of the Board of Directors of Mr. Dinh Gia Le - Elect Chairman of the Board of Directors for the term 2023 – 2028 from April 25, 2025
5	05-2025/NQ- HDQT	27/06/2025	- Approval of the selection of the auditor for 2025 - Appointment of the person in charge of corporate governance
6	06-2025/NQ- HDQT	09/07/2025	- Approval of production and business results for the first 6 months of 2025 - Approval of the company's salary fund plan for 2025 - Some key tasks for the second quarter of 2025
7	07-2025/NQ- HDQT	13/10/2025	- Approval of business performance results for the first nine (09) months of 2025 - Key tasks for the fourth quarter of 2025

Evaluation of the Board of Directors' performance in 2025: The Board of Directors has comprehensively, closely and specifically directed all production and business activities of the company to preserve capital, dividends and shareholders' rights.

d) Activities of the Board of Directors independent members. Activities of the Board of Directors' subcommittees:

- Independent Board Member: Perform assigned tasks well.

- Activities of subcommittees in the Board of Directors: No.

e) The list of members of the Board of Directors possessing certificates on corporate governance. The list of members of the Board of Directors participating in corporate governance training programs in the year.

Member of the Board of Directors holding a certificate in corporate governance training: Mr. Pham Van Thang.

Members of the Board of Directors participating in corporate governance training programs during the year: None.

2. Board of Supervisors/Audit Committee

a) Members and structure of the Board of Supervisors:

No.	Full Name	Position	Summary of background	Number of shares owned at the end of the period	End of period share ownership ratio
1	Nguyen Thi Thu Hong	Head of control board	Year of birth: 1984 Gender: Female Qualification: Bachelor of Corporate Finance	0	0
2	Tran Thi Thu Huong	Board member	Year of birth: 1970 Gender: Female Qualification: Bachelor of Economics, Accounting	2.059	0,05%
3	Vu Duc Tinh	Board member	Year of birth: 1991 Gender: Male	0	0

No.	Full Name	Position	Summary of background	Number of shares owned at the end of the period	End of period share ownership ratio
			Qualification: Bachelor of Economics, Business Administration		

b) Activities of the Board of Supervisors:

The Supervisory Board held 02 meetings in 2025.

In 2025, the Supervisory Board carried out inspection and supervision activities regarding compliance with the provisions of the Law on Enterprises and the Company's Charter on **organization and operation** in the management and administration of all production and business activities, specifically as follows:

- Inspecting and supervising the implementation of the Resolutions of the General Meeting of Shareholders by the Board of Directors and the Board of Management.
- Inspecting and supervising the implementation of the Company's 2025 production and business plan.
- Reviewing the appropriateness of decisions issued by the Board of Directors and the Board of Management; monitoring the procedures and processes for issuing the Company's documents to ensure compliance with legal regulations and the Company's Charter.
- Inspecting and supervising monthly and quarterly financial statements to assess the reasonableness of financial figures; reviewing the impact of accounting errors on production and business operations; and supervising the Executive Board in implementing recommendations made by auditors.
- Inspecting and supervising the information disclosure to ensure compliance with the provisions of the Company's Charter and the regulations of the State Securities Commission.

3. Transactions, remunerations and benefits of the Board of Directors, Board of Management and Board of Supervisors/ Audit Committee

- a) **Salary, rewards, remuneration and benefits:** According to regulations.
- b) **Share transactions by internal shareholders:** No.
- c) **Contracts or transactions with internal shareholders:** No.
- d) **Assessing the Implementation of regulations on corporate governance:**
Well done.

VI. Financial statements

1. Auditor's opinions:

“In our opinion, in all material respects, the financial statements present fairly and accurately the financial position of the Company as at December 31, 2025, as well as its results of operations and cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations relating to the preparation and presentation of financial statements”.

2. Audited financial statements

Announced information and submitted to state management agencies as prescribed.

Recipients:

- SSC
- HNX
- Website adc.net.vn
- Save: Clerical

**CONFIRMATION BY THE COMPANY'S
LEGAL REPRESENTATIVE**

(signed)

PHAM VAN THANG

