

VIETNAM RUBBER INDUSTRIAL GROUP
MDF VRG QUANG TRI
WOOD J.S.C

SOCIALIST REPUBLIC OF VIET NAM
Independence – Freedom - Happiness

Quang Tri, Date 28th February, 2025

No : 110 /BCTN-MDFQT

ANNUAL REPORT

MDF VRG QUANG TRI WOOD JOINT STOCK COMPANY

YEAR 2024

I. GENERAL INFORMATION

1. Information

- Trading name: MDF VRG Quang Tri Wood Joint Stock Company
- Certificate of business registration no: 3200228141
- Charter capital: 551.135.970.000 vnd
- Paid-in capital: 551.135.970.000 vnd
- Address: Quan Ngang Industrial Zone, Gio Linh District, Quang Tri Province
- Tel no: 0533566978
- Fax no: 0533560482
- Website: mdffquangtri@mdffquangtri.vn
- Stock code: MDF

2. Formation and development process

MDF VRG Quang Tri Wood J.S.C specializes in manufacturing MDF artificial fiberboards, established under Business Registration Certificate No. 3003000054 dated 28th October, 2005 issued by the Department of Planning and Investment of Quang Tri province and amended time 10th on 12th November, 2024.

First established on 25th October, 2005, with charter capital: 80 billion vnd. In which:

- Shareholders of Vietnam Rubber Industry Group (contributing 35% of charter capital): 28 billion VND
- Shareholders of COSEVCO MDF Wood Construction and Production Company (contributing 40% of charter capital): 32 billion VND
- Shareholders of Tan Bien Rubber Company (contributing 15% of charter capital): 12 billion VND
- Shareholders of Quang Tri Rubber Company (contributing 10% of charter capital): 8 billion VND

According to Business Registration Certificate No. 3003000054 (2nd amendment) dated 5th October, 2007. Charter capital: **346,000,000,000 VND**. In which:

- Shareholders of Viet Nam Rubber Industry Group (contributing 75.79% of charter capital): 261.058.500.000 vnd
- Shareholders of Tan Bien Rubber Company (contributing 9,78% of charter capital): 33.671.550.000 vnd
- Shareholders of Quang Tri Rubber Company (contributing 10,32% of charter capital): 35.555.000.000 vnd
- Shareholders of company employees (contributing 4,12% of charter capital): 14.174.950.000 vnd

According to Business Registration and Tax Registration No. 3200228141 (5th amendment) dated 29th June, 2010. Charter capital: **344,460,000,000 VND**. In which:

- Shareholders of Viet Nam Rubber Industry Group (contributing 75.79% of charter capital): 261.058.500.000 vnd

- Shareholders of Tan Bien Rubber Company (contributing 9,78% of charter capital): 33.671.550.000 vnd

- Shareholders of Quang Tri Rubber Company (contributing 10,32% of charter capital): 35.555.000.000 vnd

- Shareholders of Individual: 14.174.950.000 vnd

According to Business Registration and Tax Registration No. 3200228141 (7th amendment) dated 9th October 2014. Charter capital: **450,398,970,000 VND**. In which:

- Shareholders of Viet Nam Rubber Industry Group (contributing 81,46% of charter capital): 366.880.500.000 vnd

- Shareholders of Tan Bien Rubber Company (contributing 7,48% of charter capital): 33.671.550.000 vnd

- Shareholders of Quang Tri Rubber Company (contributing 7,89% of charter capital): 35.555.000.000 vnd

- Shareholders of Individual: 14.174.950.000 vnd

According to Business Registration and Tax Registration No. 3200228141 (8th amendment) dated 23rd May, 2016. Charter capital: **551,135,950,000 VND**. In which:

- Shareholders of Viet Nam Rubber Industry Group (contributing 84,85% of charter capital): 467.617.480.000 vnd

- Shareholders of Tan Bien Rubber Company (contributing 6,11% of charter capital): 33.671.550.000 vnd

- Shareholders of Quang Tri Rubber Company (contributing 6,45% of charter capital): 35.555.000.000 vnd

- Shareholders of Individual (contributing 6,45% of charter capital): 14.291.920.000 vnd

The Company's stocks were traded on the Upcom on 25th February, 2011.

3. Business sectors and business location

3.1 Business sector (8th registration change)

- Production of plywood, veneer and other thin boards

Details: Production of engineered wood (MDF, Okal, veneer, veneer, melamin board, plywood and other wood products)

- Trade of other construction materials and installation equipment.

Details: Import and export business of engineered wood products (MDF, Okal, veneered boards, veneer, melamine-coated boards, finger jointed boards and other wood products); all kinds of wood, raw wood chips

- Manufacture of other wood products; manufacture of products from bamboo, rattan, straw, stubble and plaiting materials

Details: Manufacture of other wood products

- Afforestation and forest care

Details: Planting and exploiting of wood materials to produce MDF board, paper and other industrial trees

- Trade of agricultural product and forestry product materials (except wood, bamboo, rattan) and live animals

Details: Trading, import and export of agricultural and forestry products

- Trade of other machinery, equipment and spare parts

Details: Buying, selling and importing and exporting machinery, equipment and tools used for wood production; vehicles, machinery, equipment and spare parts

- Other specialized trade not elsewhere classified

Details: Import and export business of all kinds of UF resin, all kinds of adhesives; fertilizers, chemicals used for industrial production

- Production of plastics and synthetic rubber in protoplastic

Details: Production of all kinds of UF resin, all kinds of adhesives

- Trade of solid, liquid, gaseous fuels and related products

Details: Import and export business of all kinds of petroleum materials

- Road transport
- Other passenger transport
- Auction brokerage agency

Details: Brokerage agency

- Architectural activities and related to technical consultancy

Details: Investment consultancy

- Construction of all kinds of houses.

Details: Construction of civil works

- Construction of other civil engineering works

Details: Construction of industrial works

- Site preparation
- Brokerage of contract for goods and securities

Details: Securities investment business

- Sawing, cutting, planing and preserving wood

Details: Production of raw wood chips

- Exploitation of wood

Details: Production of all kinds of wood

- Accommodation services

Details: Hotel business

- Restaurant and mobile catering services

Details: Restaurant business

- Electrical system installation

Details: Construction of electrical works with voltage below 22KV

- Production and trading of wood products; education and training

3.2 Business location

MDF VRG Quang Tri Wood J.S.C trades MDF wood products in both of domestic and international market. MDF wood products from 100% domestic consumption and year 2012 export with 42.6% of total sales. Main export markets are India, Middle East such as Pakistan, Iran, etc. Europe, America, Japan, Main of consume for domestic market in Ho Chi Minh City, Binh Duong, Hanoi, Da Nang and other workshop to make household products then exported to countries around the world.

4. Information on administration model, business organization and management apparatus

MDF VRG Quang Tri Wood J.S.C is a joint stock company with state capital. In which, Vietnam Rubber Industry Group is the largest shareholder own for 84.85% of charter capital. The Company is organized and operate in compliance with the Law on Enterprises, other relevant Laws and the Company Charter.

Company Management Organization Chart (Annex 01)

5. Orientation for development

5.1 Main goals of the Company

- + Strictly manage about of costs and prices, ensure of profitable business; preserve and develop of Company's capital and assets. Maximize of Company's operating efficiency. For the benefit of shareholders, customers and employees.
- + Production with protecting of environment to make: green, clean and beautiful
 - + Business diversification with strengths: Increasing the output of UF resin products not only ensure the production of main MDF wood product but also sells to the outside.
 - + Directly to produce input materials such as Formaline, UF Resin supplied for MDF wood production and sell to the outside.
 - + Investing and expanding the scale about manufacturing of finished product details from MDF boards, increasing the value in processing and manufacturing such as coating the surface of MDF boards with paint, melamine, etc., manufacturing and processing finished details from forest wood, wooden interior decoration items to continuously develop the Company to become stronger and stronger.
 - + Ensure of stable, long-term income and create of jobs for more than 400 employees.
 - + Enhance and develop of corporate culture.
 - + Main goals for 2025:

- Profit before tax	:	8.118.066.798 vnd
- Revenue	:	980.795.344.610 vnd
- Production output	:	190.000 m ³ of MDF board

5.2 Medium and long-term development strategy:

* Purchasing of short-term raw material:

With the production capacity of 2 MDF factories, raw wood yearly needs about 450,000 tons (including reserves). The security of raw wood materials becomes extremely important and urgent, especially within the competitive scene with factories processing and exporting of wood chip and wood pellet. Currently, area of the main purchasing for acacia wood outside of Quang Tri province are Quang Binh province and Thua Thien Hue, other special wood materials can be expanded to the provinces of the Central Highlands of the North Central and Laos.

Therefore, it is necessary to establish and everywhere purchasing agency to stably meet at least 60% of the company's production needs. Based on the supplier's capacity, commitment to quantity and quality, long-term and sustainable benefits and responsibilities of both parties, the remaining 40% is purchased from individual customers to regulate demand and prices over time.

There is a proposal plan for VietNam Rubber Industry Group to intervene with the Government of Laos to collect all the replanted rubber wood from member units in the industry. It is a source of quality wood and sustainable wood materials for MDF2 to operate more effectively in production and business.

* Long-term of raw material areas development

Currently, Quang Tri province has 3 units: Ben Hai Forestry Company Limited, Trieu Hai, 9 Road with the policy of equitization, retaining 55% of State capital, 45% of stocks sold to other economic sectors.

Therefore, this is a channel for stable and sustainable investment for developing raw material areas. It is necessary to approach early to the departments and provincial People's Committees, develop a project to submit to the Group to looking for investment opportunities. Because when investing in these companies, they have of large land fund, favorable for high-yield intensive cultivation. These companies have experience of forest

planting from the stage of nursery care and protection, and have good infrastructure. Therefore, the investment rate is low, the investment efficiency is high, and the risk is less than when investing in forest planting organizations and other forest planting households.

Invest for upgrading and completing the MDF1 line about sanding , the glue spraying system to improve product quality.

Invest for upgrading and deploying the production of UF resin to produce MDF wood meeting Carb P1, Carb P2 standards and to suitable for increasing consumption according to international standards, produce of glue for waterproof MDF wood, fireproof MDF.

*** Consumption market:**

The Company's MDF product consumption market strategy is to compete and push back of imported MDF products such as MDF board from Malaysia, MDF board from Thailand, MDF board from China... to maintain stable for domestic market share.

The company has a strategy to develop of export market from 20% to 50% of the total production of MDF wood VRG Quang Tri to develop and affirm the brand of the company's products in the world as well as domestically. At the same time, increase the company's profits and create of foreign currency for importing equipment. And from difficult consumption, not being able to export , in year 2010, year 2011, the export respectively was 15%, 20% and by year 2012, goods export reached over 40% of revenue.

Currently, Export market has been expanded, especially the export output to the Middle East market with large quantity. In 2024, 16,000 m3 were exported by breakbulk. This is the basis for year 2025 and following years

For domestic market, consumption output is mainly concentrated in Hanoi, Ho Chi Minh City, Binh Duong with high-end products such as EPA TSCA MDF board, HMR MDF , HDF board... with flexibility in design and high surface finishing ability (paint, laminate, veneer), suitable for the needs of furniture manufacturing companies and designers.

*** About of finance:** Always preserve and develop of capital, growth targets of the following year are higher than previous year, ensuring the harmony of interests between employees, payment to the State budget and dividends to shareholders.

Attract of capital sources to serve the production and business needs of the Company. Create good relationships with banks to mobilize short-term loans, capital structure, medium and long-term loans with low interest rates to optimize profits. Strengthen control and rational use of capital sources including cash capital, asset capital and financial relationships such as receivables, payables to bring high efficiency in production and business.

6. Risk factors:

a. Economic risk

Risks about economic growth:

MDF VRG Quang Tri Wood J.S.C is a consumer goods manufacturing enterprise with the main product being MDF wood, so the Company's business activities depend on economic growth and per capita income. When the economy grows strongly, people's income is high, life is guaranteed and needs for building of high-rise buildings, building houses, purchasing of high-class wooden interior decoration items, flooring, etc. increases, creating favorable conditions for the Company's operations. Therefore, in difficult economic conditions, Company's operations will face many challenges. However, with many years of experience in the wood business, Company always has countermeasures to minimize the impact of economy on the Company's production activities.

Inflation risk: Risks in corporate finance are often go together with inflation in the economy. Inflation occurs for many reasons, but mainly from macroeconomic management

and objective causes from the world market. Increases and decreases in inflation will directly affect input costs of enterprise and affect production and business activities.

High inflation causes to make difficulties for all components in economy, and MDF is also more or less affected by this risk.

b. Legal risk

Company is regulated by a system of laws, decrees... related to the Enterprise Law and other related Laws such as the Tax Law, Securities Law, new accounting and auditing standards; and to regulation of the Ministry of Agriculture and Rural Development and the Department of Processing, Trade, Agriculture, Forestry and Fisheries and Salt Industry.

Therefore, any change in these legal regulations will affect Company's business activities. In addition, Vietnam legal document system still has many shortcomings, especially legal documents regulating securities and stock market. As a Company with stocks registered for trading on Upcome at the Hanoi Stock Exchange, MDF must comply with those regulations and may encounter difficulties in securities issuance issues affecting the progress of capital use.

On the other hand, MDF VRG Quang Tri Wood J.S.C specializes in manufacturing and trading in the import and export of engineered wood, so in addition to being affected by factors related to domestic law, it is also affected by international law. However, when expanding and developing more import and export market and expanding the domestic market, the Company's business will be safer, reducing the impact on the Company's stock price when there are fluctuations in a country.

c. Specific risk:

Market risk: In the context of Vietnam joining the WTO and TPP, the Vietnamese market is very vibrant with many large foreign retail corporations. These corporations not only do retail business but also produce consumer goods here to take advantage of human resources and reduce costs. With modern technology, strong capital, good raw materials and production management experience, the products of these corporations will compete well in the market in terms of both quality and price. Although the market segments may be different, Company MDF board manufacturing industry will also face more or less difficulties, requiring improving of quality and providing much more competitive prices to be able to maintain existing target customer

Interest rate risk: In the event of fluctuations in bank interest rates, the Company's input costs will be directly affected. If interest rates fluctuate in an upward direction, interest costs will be high, negatively affecting to Company's production efficiency.

II. OPERATIONAL SITUATION

1. Production and business situation:

The first months of year 2024 are still difficult, the impact of the Ukraine war has reduced of consumption and reduced global supply. Especially in February during the holidays and Tet, there was almost no consumption. The consumption of the Northern market of Company slowed down due to the establishment of the Phu Tho MDF Factory, with large capacity increasing supply and reducing selling prices. By April and May, the consumption market slowed down, goods could not be exported due to the impact of the conflict in the Red Sea, ships extended their schedules, export containers were stuck at the Singapore transit port, leading to a serious shortage of containers at Vietnam's ports - Hai Phong, Da Nang, Ho Chi Minh City. There was also a shortage of ships operating, and the cancellation of trips led to the shipments that had space but the schedule was also extended from 60 days to 70 days. Company had many export orders but could not export due to above problems.

Northern market, in the last months of the year, faced a big competitor launching of commissioning products to the market with more competitive prices, the competitor's consumption market is much closer to the production site than the Company. The market situation and consumption demand have not fluctuated much.

Southern market: The selling price of EPA MDF wood of the Company is higher than Dongwha MDF and Kim Tin MDF, so the sales volume has not reached as following of production volume, so there is still inventory at factory.

For MDF VRG Quang Tri Wood J.S.C, in addition to the objective difficulties of market, internal difficulties are also very large when working capital for production and business is exhausted at the beginning of year, finished products in inventory is high, large debts cause cash flow imbalance, long-term debt of raw materials, leading to a shortage of input materials for production, unstable product quality, equipment lines lacking of repair materials to make of high production costs, prolonged losses leading to low income for employees, and a high number of skilled employees resigning. Since the beginning of this year, the total number of skilled employees who have resigning of their jobs is 74 persons. The total number of newly recruited employees is 59 persons, however, unskilled workers account for over 50%, new workers have not been trained, have no experience, so it greatly affects production operations and replaces of experienced employees who have resigned of their jobs.

Although facing many difficulties in carrying out production and business tasks in 2024, the company achieved a number of specific targets as follows:

1.1 Production situation in year 2024:

Production output in year 2024 reached 202,395 m³, reaching 84.4% of the annual plan. Objective reasons for the failure to complete production as originally planned include:

- Due to the impact of the war between Russia and Ukraine and tensions in the Red Sea, transportation costs for export goods increased to make of reducing profits.
- Due to a change in management, from August 2023 to June 2024, Company did not have a legal representative, so it could not loan of capital from credit institutions. During the period from January to June 2024, Company operated mainly on the proceeds from sales.

In the first months of the year, finished products in stock exceeded the capacity of the production capacity, and there was no place to store the products because they could not be sold. By the second quarter, the amount of inventory was reduced and there was space for production, but the operation of MDF 2 got many problems with machinery and equipment, continuous of breakdowns occurred, the quality of the produced boards was unstable, high-quality products could not be produced, many expensive off trial products were still not as expected.

Raw materials for production were even more difficult, debts to raw material suppliers of 25-30 billion VND from December 2023 to 31st March, 2024 could not be paid, bank loans exceeded the limit and could not be loaned, public opinion had a negative impact on company, and raw wood materials were imported to elsewhere.

1.2. Business situation:

Organizing of working team to visit customer markets in the North and South, thereby realizing many points that need to be improved in products such as board color, saw lines on the board, weight, board moisture absorption... resolving outstanding complaints and quality commitments to all customers.

Up to now, customers have gradually regained their trust and committed to consuming more of Quang Tri MDF board. The result of the year 2024 consumption volume reached 217,051 m³, reaching 90.4% of the plan, an increase of 28.6% over the same period in year

2023. Especially, a large amount of inventory was consumed from 30,500 m³ at the beginning of the year down to 11,493 m³ at the end of the year.

In 2024 consumption revenue was 1,024.3 billion VND, reaching 78% of the plan, lower than completion rate of consumption output of 90.4%. Due to the low selling price due to fierce competition, company's product quality has not reached of general market level, production goods is not high, production products are MDF E2, MMR accounts for a large proportion, so selling price is low. The impact of low quality delivered leads to a decline in reputation and brand. Specifically, density of board is lower than competitors in the market, thickness swelling and hardness are also not equal than other MDF factory. Therefore, consumption revenue is 12.4% lower than the completed of volume.

1.3. Business result in 2024:

Production and business result in year 2024 were 3.39 billion VND in profit, compared to the same period in 2023, a loss of 25.042 billion VND, in terms of absolute value, an increase of 28.832 billion VND. Some implementation targets compared to the plan at the beginning of year 2024 and the same period in year 2023. Details follow:

n o	Target	Unit	Implementation 2023	Plan for 2024	Implementation 2024	Implementation plan rate	Compared to last year
I	QUANTITY TARGET						
1	Beginning inventory	m ³	24.187		30.506		126,1%
2	Production output	m ³	181.092	240.239	202.648	84,4%	111,9%
	Achieved Production output	m ³	180.862	240.000	202.395	84,3%	111,9%
	Defected production output.	m ³	230	239	252	105,8%	110,0%
3	Consumption output	m ³	168.800	240.000	217.051	90,4%	128,6%
	In which: - Export	m ³	41.086	52.466	42.975	81,9%	104,6%
	- Local	m ³	127.714	187.534	174.077	92,8%	136,3%
4	Stock inventory	m ³	30.506		11.493		37,7%
II	VALUE TARGET						
1	Net revenue	Trđ	790.016	1.312.460	1.024.326	78,0%	129,7%
1.1	Main business revenue	'	784.709	1.312.460	1.024.326	78,0%	130,5%
	In which: - Export	'	216.465	285.863	219.869	76,9%	101,6%
	- Local	'	568.244	1.026.597	804.457	78,4%	141,6%
1.2	Revenue from financial activities		2.622		5.642		215,2%
1.3	Other revenue		2.685		5.616		209,2%

2	Total cost	'	815.241	1.277.062	1.032.193	80,83%	126,6%
2.1	Production and business costs	'	774.593	1.252.885	1.004.889	80,21%	129,7%
	Cost of sales		693.149	1.123.846	922.625	82,10%	133,11%
	Management costs	'	12.879	16.027	15.807	98,63%	122,73%
	Selling expenses	'	68.565	113.012	66.457	58,81%	96,93%
2.2	Financial costs	'	38.146	24.177	26.940	111,43%	70,62%
2.3	Other costs	'	2.502		364		14,55%
3	Profit before tax	'	-25.223	35.398	3.390	9,60%	28.613
	Production and trading of MDF wood	'	10.116	59.575	19.437	32,63%	9.321
	Financial activities	'	-35.524	-24.177	-21.298	88,09%	14.226
	Other activities	'	183	0	5.251		5.068
	Income tax	'		0	0		
	Profit after tax	'	-25.223	35.398	3.390	9,58%	28.613
	Submit budget		39.678	70.928	41.549	60,92%	104,7%

To make a profit of 3.39 billion VND, Company has made every effort to solve each step in all areas from production, business to finance, labor, salary... from results of production and business in the first months of the year, losses was very high, in the first quarter of 2024, loss was 12.725 billion VND, an average loss of over 4.24 billion VND/month, accumulated to May, the loss was 13.11 billion VND, in April and May, company gradually controlled the arising losses, from May to September, company made a profit and in compensation for all losses in previous months.

2. Organization and personnel

2.1 List of executive officers, their resumes and ownership percentages of voting shares and other securities issued by company.

2.1.1 General Director

Full name	Duong Tan Thanh
Gender	Male
Date of birth	8 th October ,1973
Place of birth	Ha Noi
Professional qualifications	Chemical Engineer
Current position.	Board Member - General Director
Positions held in other organizations	None
Number of shares held	8.267.039 stocks (15%) <ul style="list-style-type: none"> Personal ownership: 0 stock (0%) Representative of State capital: 8.267.039 stocks

	(15%)
Debts to the Company	None
Benefit related to issue organization	None

2..1.2 Deputy General Director

Full name	Mr Nguyen Van Cong
Gender	Male
Date of birth	8 th February 1964
Place of birth	Vinh Thanh, Vinh Linh, Quang tri
Professional qualifications	Bachelor of Economics
Current position.	Deputy of General Director
Positions held in other organizations	None
Number of shares held	27.500 stocks (0,0499%) <i>in which:</i> <ul style="list-style-type: none"> • <i>Personal ownership: 27.500 stocks (0,0499%)</i> • <i>Representative of State capital: 0 stock (0%)</i>
Debts to the Company	None
Professional qualifications	None
Benefit related to issue organization	None

2.1.3 Deputy General Director

Full name	Mr Nguyen Tang Vu
Gender	Male
Date of birth	26 th Decmber 1 976
Place of birth	Quang Tri
Address	No 57 Nguyen Chi Thanh Street, 7 Commune , 5 Ward, Dong Ha city, Quang Tri
Professional qualifications	Engineer
Current position.	Deputy of General Director
Positions held in other organizations	None
Number of shares held	1.000 stocks (0,0018%) <i>in which:</i> <ul style="list-style-type: none"> • <i>Personal ownership: 1.000 stocks (0,0018%)</i> <i>Representative of State capital : 0</i>

	stock (0%)
Debts to the Company	None
Professional qualifications	None
Benefit related to issue organization	None

2.1.4 Deputy of General Director

Full name	Mr Ho Nghia An
Gender	Male
Date of birth	10 th August 1980
Place of birth	Dong Thanh Ward, Dong Ha, Quang Tri
Address	2 Commune, Dong Thanh, Dong Ha, Quang Tri.
Professional qualifications	Bachelor
Current position.	Deputy of General Director
Positions held in other organizations	None
Number of shares held	None
Debts to the Company	None
Professional qualifications	None
Benefit related to issue organization	None

2.1.5 Chief Accountant

Full name	Mr Nguyen Manh Cuong
Gender	Male
Date of birth	25 th April 1974
Place of birth	Vinh Thanh – Vinh Linh- Quang Tri
Address	Dong Luong – Dong Ha – Quang Tri
Professional qualifications	Bachelor of Economics
Current position.	Chief Accountant
Positions held in other organizations	None
Stock security rate of himself	3.000 stocks, accounting for 0.0054% of charter capital.
Ownership ratio of securities of related persons	Wife – Ngo Thi Uyen Nhi: 700 stocks, accounting for 0,0013% of charter capital
Debts to the Company	None
Benefits related to the issuer	None

2.2 Company staff and employee policies

- The total number of employees present as of 31st December, 2024 is 393 peoples (Average number of employees in year 2024 is 393 people). In which: manager 7 persons; management labor: 43 persons and direct workers: 343 persons.

- Recruitment: Company has recruited 59 people from beginning of year 2024 to reporting time. In which; University graduated: 15 persons, College graduated: 4 persons, Intermedia graduated: 5 persons, Vocational graduated: 5, persons and general labor: 35 persons

- Number of employees agreeing to terminate labor contracts: 74; unilaterally terminating labor contracts: 13.

- Total of employees salary fund in year 2024 is 37,724 million VND. Average salary of employee is 7,999,000 VND/person/month; Total salary fund for managers is 1,315 million VND. Average salary is 18,452,000 VND/person/month.

- Regarding for set up of a salary scale system and basic salary in 2024, it has been approved by Vietnam Rubber Industry Group.

- Company has fully paid to social insurance, health insurance, and unemployment insurance for 100% of employees in accordance with regulations, with total insurance payment up to 31st December, 2024 being 8,350 million VND. Resolving policies for employees is implemented in accordance with the provisions of law, ensuring maximum benefits for employees working at the Company.

3. Basic Construction Investment Situation

In 2024, according to the approved basic construction investment plan, 75,814 billion VND; In which:

Long-term debt repayment of 31,608 billion VND, fully paid on 5th February, 2024;

New procurement investment plan: 44,205 billion VND, in 2024, company has not invested in any construction items, only continues to implement of fire protection and prevention project of MDF1 in year 2023 transferred to 2024 with total approved investment of: 9,738 VND (million); Transfer value in 2024 is 5,384 VND (million).

4. Financial situation:

a. Financial situation:

The results of 2024 have cleared the cash flow in production and business, overcoming previous bottlenecks, cash inflow is greater than cash outflow, inventories, receivables, payables are significantly reduced, especially bad debts are recovered very large, details:

- Receivables: On 31st December, 2024 according to financial statements of 2024, it is 106,917 billion VND, down 53,318 billion VND (a decrease of 33.27% compared to the beginning of the year 160,236 billion VND), in which:

+ Short-term receivables from customers: 82 billion VND, down 43.96 billion VND (a decrease of 34.88% compared to the beginning of year 126 billion VND). In particular, overdue debt decreased by 34.13 billion VND, equivalent to 71.83% (overdue debt at the beginning of year was 47.518 billion VND, at the end of year it was only 13.387 billion VND).

+ Short-term prepayments to sellers: At the beginning of year, 16.51 billion VND, at the end of year, 8.61 billion VND, down 47.86% with value of 7.9 billion VND.

+ Other short-term receivables were 1.52 billion VND, at the beginning of year, 2.469 billion VND, down 0.94 billion, equivalent to rate of 38.24%.

+ Assets in short supply awaiting processing were 16.361 billion VND, excess assets were 6.114 billion VND, the difference between surplus and shortage was 10.277 billion VND.

- Inventory management: Inventory as on 31st December, 2024 is 156.68 billion VND, down 112.88 billion VND compared to the beginning of year 269.56 billion VND (a decrease of 41.88% compared to the beginning of the year), in which:

+ Inventory of Raw material is 37 billion VND compared to the beginning of year 43 billion VND, down 5.86 billion VND equivalent to 13.85% compared to the beginning of the year;

+ Tools and equipment 59.298 billion VND compared to the beginning of year 75.05 billion VND, down 15.75 billion VND, equivalent to 21% compared to the beginning of year;

+ Unfinished production and business expenses 4.087 billion VND compared to the beginning of the year 10.296 billion VND , down 6.209 billion VND, down 60.31%;

+ Finished product inventory 59.18 billion VND compared to the beginning of year is 142.132 billion VND , down 82.95 billion VND compared to the beginning of year. The value of finished product inventory is deeply decreased due to the Company promoting the consumption of inventory, increasing of capital recovery, specifically: at the beginning of the year, inventory was 30,506 m3, by December 31st, 2024, there was only 11,493 m3, reducing finished product inventory by 19,013 m3.

- Liabilities: Total liabilities as of December 31st, 2024 are 390,347 billion VND compared to 579,956 billion VND at the beginning of the year, down 189,609 billion VND (a decrease of 32.69% compared to the beginning of year), in which:

+ Payables to sellers 43,396 billion VND compared to the beginning of the year is 105,517 billion VND , down 62.12 billion VND, equivalent to 58.87% compared to the beginning of year;

+ Bank loans 311.14 billion VND compared to the beginning of the year is 448 billion VND, down 136.88 billion VND, equivalent to 30.55% compared to the beginning of the year, in which: long-term debt repayment 31,609 billion VND, short-term debt repayment over 105.3 billion VND;

- Company's assets are managed, monitored in detail, and depreciated according to instructions in Circular No. 45/2013/TT-BTC dated 25th April, 2013 of the Ministry of Finance on guiding the management, use and depreciation of fixed assets.

Result of Production and business in 2024 for profit were 3.39 billion VND, increasing equity by 1%; The ratio of profit after tax on equity and on total assets from (negative) capital deficit to positive growth, although not commensurate with the capital scale of the enterprise, shown in the data in the following table:

Unit: billion VND

Target	Code No	To 31/12/2024	On 1/01/2024	Proportion
1. Total assets	270-BCĐKT	1.035.364	1.221.583	85%
2. Total revenue	2024/2023	1.024.326	784.709	131%
3. Equity	400-BCĐKT	645.017	641.627	101%
4. Profit after tax	60-BCKQKD	3.390	-25.224	13%
5. Dividend payout ratio	%	0,615	-4,577	

b. Key financial indicators

Payment ratio, capital turnover increased compared to previous year, profit after tax ratio compared to revenue, total assets, equity at the end of 2024 compared to the beginning of the year, specifically in the following table:

Targets	UNIT	At date 31/12/2024	At date 01/01/2024	Proportion
1. Target of solvency ratio				
+ Current ratio:				
Current assets/Current liabilities	time	0,82	0,79	103%
+ Quick ratio:				
<u>Current Assets - Inventory/Current Liabilities</u>	time	0,42	0,33	127%
2. Target of Capital structure				
+ Total of Assets/ Debt Ratio	%	37,70	47,48	79%
+ Equity/Total of Assets	%	62,30	52,52	119%
+ Equity / Debt Ratio	%	60,52	90,39	67%
3. Target of Performance activities				
+ Inventory turnover:				
<u>Cost of goods sold/Average inventory</u>	Vòng	5,89	2,57	229%
+ Net Revenue/Total Assets	%	98,93	64,24	154%
4. Profitability ratio				
+ Pre-tax profit/Net revenue ratio	%	0,33	-3,21	10%
+ Pre-tax profit/Equity ratio	%	0,53	-3,93	13%
+ Profit after tax/Total assets ratio	%	0,33	-2,06	16%
+ Profit from business registration activities/net revenue ratio.	%	0,33	-3,21	6%

5. Shareholder structure, change in owner's equity

a) **Shares:** Total number of stocks currently in circulation is 55,135,595 shares with a par value of 10,000 VND /share and all are common shares.

b) **Shareholder structure:** List of shareholders holding the Company's equity capital; List of founding shareholders and percentage of shares held.

- List of founding shareholders

The Company was established on 25th October, 2005. Up to now, the Company's founding shareholders have expired the transfer restriction period according to the provisions of the Enterprise Law.

- List of shareholders holding the Company's equity capital as of December 31st, 2024:

No	Shareholder name	Number of shares held	Holding ratio	Note
1	Viet Nam Rubber Industry Group	46.761.748	84,85%	
	Represent: <i>Mr Ho Trong Minh Thao</i>	38.494.709	69,85%	Chairman of the Board
	<i>Mr Duong Tan Thanh</i>	8.267.039	15,00%	Board Member
2	Tan Bien Rubber Company Represent: <i>Mr Huynh Duy Hien</i>	3.367.155	6,11%	Board Member
3	Quang Tri Rubber Company Represent: <i>Mr Nguyen Chon Bien</i>	3.555.500	6,45%	Board Member
4	Shareholders are individuals	1.429.192	2,59%	
Total		55.113.895	100%	

Detailed information about major shareholders who are also state shareholders:

b1 Domestic shareholders

* Viet Nam Rubber Industry Group - Joint Stock Company is the parent company of MDF VRG Quang Tri. was established under Decision 248/2006/QĐ-TTg dated 30th October, 2006 of the Prime Minister approving the Pilot Project on the establishment of the Vietnam Rubber Industry Group and Decision No. 249/2006/QĐ-TTg dated 30th October, 2006 of the Prime Minister on the establishment of the parent company - Vietnam Rubber Industry Group.

On 30th March, 2011, the Prime Minister issued Decision No. 469/QĐ-TTg on promulgating the Charter on organization and operation of Vietnam Rubber Industry Group.

On 5th January, 2013, the Prime Minister issued Decision No. 38/QĐ-TTg approving the restructuring plan of Vietnam Rubber Industry Group for the period 2012 - 2015.

On 26th December, 2017, the Prime Minister approved the equitization plan - Vietnam Rubber Industry Group. On May 22nd, 2018, the Group held its first General Meeting of Shareholders to launch the Vietnam Rubber Industry Group - Joint Stock

Company and officially switched to operating under the model of a joint stock company from 1st June, 2018.

Business activities:

Planting, caring for, exploiting, processing and trading of rubber latex;

Producing and trading of wood products;

Producing and trading of rubber industrial products;

Investing and trading in infrastructure and real estate;

Investing for agriculture with high-tech

Head office address: 177 Hai Ba Trung, Ward 6, District 3, Ho Chi Minh City

Charter capital: 40,000,000,000,000 VND.

Address: 177 Hai Ba Trung - District 3 - Ho Chi Minh City, Vietnam.

Business registration certificate: 0301266564 issued by the Department of Planning and Investment of Ho Chi Minh City for the first time on June 30th, 2010, the 4th change on 1st June, 2018.

The number of shares and the holding ratio of the Group at MDF VRG - Quang Tri Wood Joint Stock Company as of December 31st, 2024 is: 46,761,748 shares, accounting for 84.85% of MDF's charter capital:

In which: State ownership: 46,761,748 shares - Ratio 84.85%

*Quang Tri Rubber One Member Co., Ltd.:

Main office address: 264 Hung Vuong – Dong Luogn Ward, Dong Ha City, Quang Tri Province.

Charter capital: 41,329,787,841 VND.

Business license: 3200094610, changed for the 8th on August 29th, 2024

Business lines: Cultivation, industry, fertilizer chemicals and rubber...

Number of shares owned in the company: 3,555,500 shares - Ratio 6.45%

In which: State ownership: 3,555,500 shares - Ratio 6.45%

*Tan Bien Rubber Joint Stock Company:

Head office address: Thanh Phu Hamlet, Tan Hiep Commune, Tan Chau District, Tay Ninh Province.

Charter capital: 879,450,000,000 VND.

Business license: 3900242832, 8th change on January 9, 2025

Business lines: Cultivation, industry, fertilizer chemicals and rubber.

Number of shares owned in the company: 3,367,155 shares - Ratio 6.11%

Of which: State ownership: 3,367,155 shares - Ratio 6.11%

b2 Foreign shareholders : None

c. Shareholder structure of the Company as of December 31st, 2024

TT	Shareholder structure	Number of shareholders	Number of shares	Value (Thousand VND)	Ownership ratio (%)
1	Domestic	283	55.104.095	551.040.950	99,98

TT	Shareholder structure	Number of shareholders	Number of shares	Value (Thousand VND)	Ownership ratio (%)
	shareholders				
	Organization shareholders	03	53.684.403	536.844.030	97,41
	Individual shareholders	280	1.429.192	14.291.920	2,59
2	Foreign shareholders				
	Institutional (Organization) shareholders	-	-	-	-
	Individual shareholders	-	-	-	-
	Total		55.113.595	551.135.950	100

5. Report on the company's environmental and social impacts.

6.1 Raw material management:

- a) Total amount of raw materials used to produce and package for products and main services of organization during the year:

Main raw materials used to produce MDF wood from planted forest wood in Quang Tri province and neighboring provinces, in addition to planted forest wood, the company also uses Methanol, Urea and other chemicals to produce UF glue as raw materials to produce MDF wood.

Raw material use in 2024: Total amount of wood raw materials used for MDF wood production including fuel is 379,431 tons of all kinds from planted forest wood with a total value of 359 billion VND; Urea is 7,500 tons with value 74.6 billion VND; Methanol is 6,880 tons with value 68 billion VND, etc.

- b) Report on the percentage of recycled raw materials used to produce of products and the organization's services:

The company does not discard any raw materials imported to the company. If there are any raw materials that cannot be produced or packaging that cannot be used as raw materials, the company will use them for energy plant to get steam for production.

6.2 Energy consumption:

The company consumes energy through a furnace system that directly supplies heat to production line. At the same time, it uses electricity from the national grid. In 2024, it used 64,105,618 Kw of electricity.

6.3 Water consumption:

The company uses water from water sources of water companies in Quang Tri province and the volume of water used in 2024: 200,033 m3.

6.4 Laws compliance with environmental protection:

The company strictly complies with environmental protection laws and its operations are regularly monitored by environmental protection agencies, so it has not been penalized during the year..

6.5 Policies related to employees:

- Total number of employees in 2024 is 393 people with average salary of 7,999,000 VND /person/month..

6.6 Reports related to responsibilities to the local community: Participate in and fully support of charity and gratitude programs launched by province.

6. Budget payment obligations:

Total budget payment in 2024 to the state budget with the amount paid: 41,549 billion VND.

Target	Amount to be paid from previous year carried forward	Amount payable during the year	Amount paid during the year	The remaining amount to be paid is carried over to next year.
1. Tax	1.564	43.451,36	41.457,42	3.557,93
- VAT	1.466,49	41.339,72	39.400,58	3.405,62
- Corporate Income Tax				
- Import and Export Tax		5,51	5,51	
- Land tax	-			-
- Other taxes	97,51	2.106,13	2.051,33	152,31
2. Other payables	-	92,33	92,33	-

III. ASSESSMENT REPORT OF THE BOARD OF DIRECTORS:

1. Implementation production and business results compared to plan:

The MDF wood export market in the first months of the year was completely deadlocked due to the impact of the conflict in the Red Sea, ships had to extend their schedules, export containers were stuck at Singapore transit port, leading to a serious shortage of containers at Vietnam's ports - Hai Phong, Da Nang, Ho Chi Minh City. There was also a shortage of ships operating, canceling trips, leading to shipments that had space but had to be delayed from 60 to 70 days. The company had many export orders but could not export them, exporters had orders in advance, had gathered, and had full warehouses to prepare for export, but were forced to turn back to reduce domestic consumption prices. Domestic manufacturers continued to produce but consumption was slow, leading to large inventories in factories, a lot of capital stagnant, companies without competitive advantages were forced to temporarily stop production. MDF VRG Quang Tri Company was not out of that challenge, because the consumption market was far away from other businesses, so consumption was even more difficult.

Finished products in stock exceeded the capacity of the production lines, and there was no place to store of products because they could not be sold. By the 2nd quarter, the inventory was reduced and suitable for production, but the operation of line 2 encountered many problems with machinery and equipment, with continuous breakdowns, unstable quality of the produced goods, high-quality product lines could not be produced, and many expensive experimental products still did not meet expectations.

Due to personnel changes in the Board of Directors, from August 2023 to June 2024, Company did not have a legal representative, so it could not loan of capital from credit institutions. The inability to loan of capital from credit institutions affected the Company's reputation in paying of debts to customers, long-term debt for raw materials, leading to a shortage of input materials for production, unstable product quality due to the shortage of repair materials on the equipment line, causing high production costs.

From the first months of 2024, Company's financial situation was very difficult. Sellers debt with high value and lasted from August 2023 to May 2024 could not be paid, capital was stuck in large inventories, receivables from sales were slow to be collected, and bad debts had not been collected. Short-term loans exceeded the limit, previously deferred loans were due for payment. Capital for purchasing of raw materials is very difficult, even some trucks arrive at company weighing station but turn around to go elsewhere because the Company does not have money to pay. The result of purchasing raw materials in 2024 with a total volume of 330,780 tons is enough to meet 73% of the company's actual capacity (minimum 38,000 tons/month to meet the actual production capacity), even some months only meet 13% of capacity.

Prolonged losses in production and business have led to low incomes for employees, and an increase in the number of skilled employees resigning. In 2024, the total number of skilled employees resigned their jobs was 74 persons. The total number of newly recruited employees was 59 persons, however, unskilled workers accounted for over 50%, new workers were untrained and inexperienced, which greatly affected production operations to replace experienced workers resigned their jobs.

Production and business results in 2024 with a profit of 3.39 billion VND, reaching 9.6% of the detailed plan in the following table:

TT	Target	Unit	Plan for 2024	Implementation 2024	Plan implementation rate
1	Production output	m ³	240.239	202.395	84,4%
2	Consumption output	m ³	240.000	217.051	90,4%
	In which: - Export	m ³	52.466	42.975	81,9%
	- Local	m ³	187.534	174.077	92,8%
1	Net revenue	Tr đ	1.312.460	1.024.326	78,0%
1.1	Main business revenue	'	1.312.460	1.024.326	78,0%
	In which: - Export	'	285.863	219.869	76,9%
	- Local	'	1.026.597	804.457	78,4%
1.2	Revenue from the contract			5.642	
1.3	Others revenue			5.616	
2	Total cost	'	1.277.062	1.032.193	80,8%
2.1	Production and business costs	'	1.252.885	1.004.889	80,2%
2.2	Financial costs	'	24.177	26.940	111,4%
2.3	Other cost	'		364	
3	Profit before tax	'	35.398	3.390	9,6%

2. Financial situation:

a. Asset status:

Target	Code no	Year-end number	Beginning of year number
I. Current assets	100-BCĐKT	319.735.313.259	459.725.325.985
1. Cash and cash equivalents	110-BCĐKT	38.286.152.446	16.016.340.272
2. Short-term financial investment	120-BCĐKT	10.000.000.000	
3. Short-term receivables	130-BCĐKT	106.917.446.884	160.235.508.468
In which: Bad debt		-1.919.105.132	-1.407.945.309
4. Inventory	140-BCĐKT	156.680.388.830	269.560.927.432
5. Other current assets	150-BCĐKT	7.808.837.037	13.912.549.813
II. Long-term assets	200-BCĐKT	715.628.767.471	761.857.801.888
1. Long-term receivables	210-BCĐKT		
2. Fixed assets	220-BCĐKT	670.599.928.448	717.314.385.654
- Tangible fixed assets	221-BCĐKT	670.245.646.782	716.882.326.010
- Financial lease fixed assets	224-BCĐKT		
- Intangible fixed assets	227-BCĐKT	354.281.666	432.059.644
3. Investment real estate	230-BCĐKT		
4. Basic construction in progress costs	242-BCĐKT	426.439.936	332.492.424
5. Long-term financial investment	250-BCĐKT	3.000.000.000	3.000.000.000
6. Other long-term assets	260-BCĐKT	41.602.399.087	41.210.923.810
III. Liabilities	300-BCĐKT	390.346.950.861	579.956.220.103
1. Short-term debt	310-BCĐKT	390.346.950.861	579.956.220.103
In which: Overdue debt			
2. Long-term debt	330-BCĐKT	0	0
IV. Equity capital	400-BCĐKT	645.017.129.869	641.626.907.770
1. Owner's equity	410-BCĐKT	645.017.129.869	641.626.907.770
In which: Owner's investment capital	411-BCĐKT	551.135.950.000	551.135.950.000
2. Other funding and funds	430-BCĐKT		
V. Business result			
1. Total revenue:		1.035.583.360.157	790.016.065.916
- Sales revenue	10-BCKQKD	1.024.325.827.698	784.709.306.817
- Financial activities revenue	21-BCKQKD	5.641.709.688	2.621.888.009
- Other income	31-BCKQKD	5.615.822.771	2.684.871.090
2. Total cost		1.032.193.138.058	815.239.822.199
3. Total profit before tax	50-BCKQKD	3.390.222.099	-25.223.756.283
4. Profit after corporate income tax	60-BCKQKD	3.390.222.099	-25.223.756.283

Total debt payable at the beginning of year 2024 is: 579,956,220,103 VND, in which:

+ Short-term bank loans: 448,020,678,020 VND for loans exceeding the limit, previously deferred loans that have reached maturity, debts that cannot be paid on time

to bank, and risk of jumping into bad debt group cannot continue to loans. New credit re-issuance procedure cannot be extended due to legal representative procedures

+ Debt payable to suppliers: At the beginning of year 2024, the payable amount was 105.52 billion VND, until 31st March, 2024, it was 82.96 billion VND; Only the debt for raw materials of woods was 44.11 billion VND.

+ Debt receivable from sales: At the beginning of the year, 126 billion VND decreased to 120 billion VND, at the end of the first quarter of 2024, it was still high, not significantly reduced, in which most of the debt was overdue, prolonged, etc. (Trieu Phu Loc Construction Service Trading Co., Ltd. owed money for goods from 2022, which was 19,025,831,563 VND, until 31st March, 2024, it was still 11,845,158,896 VND).

+ Total inventory at the beginning of the year was 269.56 billion VND, including inventory value of 30,500 m3 of finished MDF wood products, many production batches in 2021 and 2022 had uneven quality, posing many risks, damage, poor quality, unsold, and capital stagnation.

b. Accounts payable situation at year end:

Total liabilities as of 31st December, 2024 are 390,347 billion VND compared to the beginning of the year was 579,956 billion VND, down 189,609 billion VND (a decrease of 32.69% compared to the beginning of the year), in which:

+ Payables to sellers 43,396 billion VND compared to the beginning of the year was 105,517 billion VND, down 62.12 billion VND, equivalent to 58.87% compared to the beginning of year;

+ Bank loans 311.14 billion VND compared to the beginning of the year was 448 billion VND, down 136.88 billion VND, equivalent to 30.55% compared to the beginning of the year, in which: long-term debt repayment 31,609 billion VND, short-term debt repayment over 105.3 billion VND;

3. Major changes during the year:

- Board of Directors: Appointed Mr. Ho Trong Minh Thao as Chairman of the Board of Directors to replace Mr. Do Huu Phuoc from 17th April, 2024. Appointed Mr. Duong Tan Thanh as a member of the Board of Directors from 17th April, 2024.

- Executive Board: Appointed Mr. Duong Tan Thanh as General Director from 26th March, 2024. Appointed Mr. Nguyen Tang Vu as Deputy General Director from 26th March, 2024.

4. Prospects and future plans:

In the Vietnamese market, MDF wood is imported from Malaysia, Indonesia, Thailand, China, etc. Domestic production is Dongwha Binh Phuoc MDF, Kim Tin Binh Phuoc MDF, Gia Lai MDF, Tan Viet-Trung MDF and Quang Tri MDF, Hoa Binh MDF, etc.

The demand for MDF wood in the Vietnamese market is about 200.000 m3/month; 2,400 thousand m3/year.

The prospect of domestic and export consumption of MDF wood products in the next few years is very large. Currently, the company produces and consumes as much as it can,

not only consuming all but also having many large export orders, in the future it must invest in more MDF wood factories to make up for the shortage that must be imported.

IV. BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S ACTIVITIES

1. Board of Directors' assessment of the company's operations

In 2024, the Board of Directors issued many Resolutions and Decisions under the authority of the Board of Directors. The Resolutions and Decisions of the Board of Directors were issued in accordance with the correct procedures, within the correct authority and in accordance with the legal basis as prescribed by law and the Company's Charter.

The Board of Directors has performed its functions and duties well and closely supervised all activities of the Board of Directors in implementing of production, business and investment plans in the 2024 and other tasks.

2. Board of Directors' assessment of the company's management's performance

The performance of the Board of Directors in 2024 is encouraging. In the context of economic difficulties, the Board of Directors is bold, dares to think, dares to do and has succeeded in transforming the structure of product types to produce more stable quality goods than the previous year, contributing to increasing sales and high growth compared to the previous year. Production volume increased by 26%, consumption increased by 28.6%, revenue increased by 29.7%. At the same time, maintaining stable income to ensure of spiritual life of the company's officers and employees in 2024. Creating motivation for production and business development in the following years.

3. Board of Directors' Orientation Plans

As part of the development strategy of Vietnam Rubber Industry Group in the period of 2020-2025, producing 1,500,000 m³/year. MDF VRG Quang Tri Wood Joint Stock Company was chosen as the core of that development strategy. Therefore, the company's development orientation is to increase of MDF wood production capacity by over 120% compared to the design capacity, promote and boost exports further in the future.

V. COMPANY GOVERNANCE

1. Board of Directors.

a) Membership and structure of the Board of Directors.

- Members and structure of the Board of Directors: 04 people, the Board of Directors meeting in periodically and issues Resolutions for the Company to implement, the Resolutions of the Board of Directors are all deployed and fully implemented. List of members of the Board of Directors, percentage of voting shares and specific resumes are as follows:

a1) Chairman of the Board of Directors

Full name	Mr Ho Trong Minh Thao
Gender	Male
Date of birth	12nd November 1974
Place of birth	211 Military hospital, Tay Nguyen Province

Permanent resident	35/2B Nguyen Thuong Hien Streer, 5 Ward, Binh Thach District, Ho Chi Minh
Nationality	Viet Nam
Nation	Kinh
Hometown	Cam Thanh commune , Cam Lo District, Quang Tri Province
Cultural level	12/12
Professional qualifications	Master of Business Administration.
Current position	Chairman of the Board of Director
Positions held in other organizations	None
Number of shares held	38.494.709 stocks (69,85%) <i>in which:</i> <ul style="list-style-type: none"> • <i>Personal ownership: 0 shares (0%)</i> • <i>Representative of State capital: 38,494,709 shares (69.85%)</i>
Number of shares held by related persons	None
Debts to the Company	None
Related Interests to the Issuer	None

a2) Board Member

Full name	Mr Duong Tan Thanh
Gender	Male
Date of birth	8 th October 1973
Place of birth	Ha Noi
Qualifications	Chemical Engineer
Current Position	Board Member - General Director
Positions held in other organizations	None
Number of shares held	8.267.039 stocks (15%) <ul style="list-style-type: none"> • <i>Personal ownership: 0 shares (0%)</i> • <i>Representative of State capital: 8,267,039 shares (15%)</i>
Debts to the Company	None
Related Interests to the Issuer	None

a3) Board Member

Full name	Mr Huynh Duy Hien
Gender	Male
Date of birth	8 th February 1983
Place of birth	Hoa Thanh – Tay Ninh
Permanent Address	Tan Truong Hamlet, Tan Hiep Commune, Tan Chau District, Tay Ninh Province
Qualifications	Master of Business Administration
Current Position	Member of the Board of Directors of VRG Quang Tri MDF Wood Joint Stock Company.
Positions held in other organizations	Head of Science and Business Department of Tan Bien Rubber Joint Stock Company
Number of shares held	3.367.155 stocks (6,11%) <i>In which:</i> <ul style="list-style-type: none"> • <i>Personal ownership: 0 shares (0%)</i> • <i>Representing State capital: 3,367,155 shares (6.11%)</i>
Number of shares held by related persons	None
Debts to the Company	None
Related interests to the issuer	None

a4) Board Member

Full name	Mr Nguyen Chon Bien
Gender	Male
Date of birth	30 th October 1981
Place of birth	Trieu Trung, Trieu Phong, Quang Tri
Permanent Address	Tan Vinh Quarter, Dong Luong Ward, Dong Ha City, Quang Tri Province
Professional Qualifications	Bachelor of Economics
Current Position	Member of the Board of Directors
Positions held in other organizations	Member of the Board of Directors - Quang Tri Rubber One Member Co., Ltd.
Number of shares held	3.555.500 stocks (6,45%) <i>In which:</i> <ul style="list-style-type: none"> • <i>Personal ownership: 0 shares (0%)</i> • <i>Representing State capital: 3,555,500 shares (6.45%)</i>
Number of shares held by related persons	None
Debts to the Company	None
Related interests to the issuer	None

b) Activities of the Board of Directors

The Board of Directors holds a meeting once a quarter to decide on a number of matters within the authority of the Board of Directors. In addition, the Board of Directors convenes an annual general meeting of shareholders to approve a number of important matters within the authority of the General Meeting of Shareholders.

2. Board of Control**a) Members and structure of the Board of Supervisors:****a1 Head of Control Board**

Full name	Mr Le Chien Sy
Gender	Male
Date of birth	6 th February 1976
Place of birth	Trieu Do - Trieu Phong - Quang Tri
Permanent address	Ward 3 - Ward 5 - Dong Ha - Quang Tri
Professional qualifications	BA in Economics
Current position	Head of Control Board
Positions held in other organizations	None
Work history	<ul style="list-style-type: none"> - 3/2001-3/2007 Accountant of Construction Company 78. - 4/2007-9/2008 Deputy Head of Accounting Department of Construction Company 78. - 10/2008-6/2009 Assistant to General Director of MDF Wood Joint Stock Company VRG Quang Tri. - 6/2009-6/2010 Accountant of Quang Tri Microbiological Fertilizer Joint Stock Company. - 7/2010-3/2011 Head of Accounting Department of Quang Tri Microbiological Joint Stock Company. - 4/2011-9/2014 Head of Financial Planning Department of Quang Tri Microbiological Joint Stock Company. - 9/2014-3/2015 Assistant to General Director and General Accountant of MDF Project Line 2 of MDF VRG Quang Tri. - 3/2015 to present Head of Supervisory Board of MDF Wood Joint Stock Company VRG Quang Tri.
Number of shares held	None
Number of shares held by related persons	None
Debts to the Company	None
Related interests to the issuer	None

a2 Board of Supervisors

Full name	Nguyen Hong Minh
Gender	Male
Date of birth	23 rd November 1972
Place of birth	Nghe An

ID card number	040072000129
Nationality	Vietnam
Ethnicity	Kinh
Hometown	Ngoc Son Commune, Hiep Hoa District, Bac Giang Province.
Permanent address	525/2/3 Tan Son - Ward 12 - Go Vap District - Ho Chi Minh City
Contact phone number	0918643611
Educational level	12/12
Professional level	Master of Economics
Current position	Controller
Positions held in other organizations	Deputy Head of Finance - Accounting Department - Vietnam Rubber Industry Group
Work history	- August 2004, Recruiting agency: Dong Hoa Wood Processing Enterprise under Rubber Industry and Import-Export Joint Stock Company.
Qualifications	Master of Economics
Illegal acts	None
Interests that conflict with the Company's interests	None
Personal ownership of securities	None
Related persons' ownership of securities	None
Debts to the Company	None
Related interests to the registered trading organization	None

a3 Board of Supervisors

Full name	Mr Nguyen Huu Trung
Gender	Male
Date of birth	25 th August 1989
Place of birth	Gio Son – Gio Linh – Quang Tri
Permanent address	Tay Tri Hamlet, Ward I, Dong Ha City, Quang Tri
Education	Bachelor of Economics
Current position	Member of the Board of Supervisors

Positions held in other organizations	Supervisor – full-time Quang Tri Rubber One Member Co., Ltd.
Number of shares held	None
Number of shares held by related persons	None
Debts to the Company	None
Related interests to the issuer	None

b) Activities of the Board of Supervisors

The Board of Supervisors consists of 03 members, performing the task of controlling all business activities, management and operation of the Company on behalf of shareholders. The Board of Supervisors meets to review and evaluate of Company's regular performance results according to regulations.

The Board of Supervisors inspects of Company's activities for monthly, quarterly, 6 months, and annually and reports at the Board of Directors' meetings.

3. Transactions, remuneration and benefits of the Board of Directors, the Board of Management and the Board of Supervisors.

3.1 Board of Directors' Benefits

Salary, bonus, social insurance and other benefits are implemented according to the Company's salary regulations.

3.2 Remuneration, other benefits and expenses for each member of the Board of Directors, Board of Supervisors and Board of General Directors:

I	Content	Title	Year 2024 VNĐ	Year 2023 VNĐ
I	Board of Directors' remuneration allowance		223.000.000	168.000.000
1	Ho Trong Minh Thao	Chairman of the Board of Directors (from 17 th April, 2024)	112.000.000	
2	Do Huu Phuoc	Chairman of the Board of Directors (resigned on 17 th April, 2025)	9.000.000	36.000.000
3	Cao Thanh Nam	Member (resigned on 30 th November, 2023)		24.000.000
4	Huynh Duy Hien	Board Member	36.000.000	36.000.000
5	Phan Van Hoi Em	Member (resigned 8 th November 2024)	30.000.000	36.000.000
6	Nguyen Chon Bien	Board Member	36.000.000	36.000.000
II	Salary, allowances of the Board of Supervisors		249.600.000	255.998.630
1	Le Chien Sy	Head of Supervisory Board	201.600.000	207.998.630

2	Nguyen Hong Minh	Board Member	24.000.000	24.000.000
3	Nguyen Huu Trung	Board Member	24.000.000	24.000.000
III	Salary and other income of Chairman of the Board of Directors and Board of Directors		1.114.031.000	668.552.810
1	Ho Trong Minh Thao	Chairman of the Board of Directors (since 17 th April 2024)	112.000.000	
2	Duong Tan Thanh	General Director (appointed on 26 th March 2024)	190.400.000	
3	Ho Nghia An	Deputy General Director	220.800.000	230.277.090
4	Nguyen Van Cong	Deputy General Director	220.800.000	230.277.090
5	Nguyen Tang Vu	Deputy General Director (appointed on 26 th March 2024)	168.431.000	
6	Nguyen Manh Cuong	Chief Accountant	201.600.000	207.998.630

For members of the Board of Directors representing State capital, remuneration is transferred to the organization where the members are working.

VI. FINANCIAL REPORT

1. Financial statement

The company's audited annual financial statements include: Balance sheet as well as Business performance report; Cash flow report; Notes to the financial statements in accordance with the provisions of the law on accounting. They have been published on the company's website and on the information disclosure media of the State Securities Commission and the Stock Exchange.

2. Audit opinion

- Independent Auditor: CPA VIETNAM AUDITING COMPANY LIMITED
- Address: No. 235, Nguyen Trai, Thanh Xuan District, Hanoi City, Vietnam.
- Tel no: +84 (24) 3 783 2121 +84 (24) 3 783 2122

- **Independent Audit Opinion** : We believe that the audit evidence we have obtained is sufficiently and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified audit opinion

As presented in notes 5.7 and 5.18 of the Notes to the Financial Statements, as of the date of issuance of this report, the difference between the shortage and surplus of inventory according to the inventory results at 15th August, 2023 and 31st December, 2023 with the amounts of 16,634,930,694 VND and 6,354,171,074 VND respectively has not been approved and processed by the competent authority, so we cannot estimate the impact of the above issue on the financial situation and business performance of Company's Financial Statements for the fiscal year ending 31th December, 2024 attached.

Qualified Audit Opinion

In our opinion, except for the effects of the matters described in the “Basis for qualified audit opinion” paragraph, the accompanying financial statements present fairly, in important respects, the financial statement of MDF VRG Quang Tri Wood Joint Stock Company as at 31st December, 2024, and its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant statutory requirements applicable to the preparation and presentation of financial statements.

Issues to be emphasized

We would like to draw the readers' attention to Note number 7.2 of the Notes to the Financial Statements, the Board of Directors of the Company has made retroactive adjustments to a number of items in the Financial Statements for the fiscal year ending 31st December, 2023 in accordance with Official Dispatch No. 1282/CSVN-LDTL dated 25th April, 2024 of Vietnam Rubber Industry Group on agreement on the salary fund implemented in 2023 and salary fund settlement in year 2023 of MDF VRG Quang Tri Wood Joint Stock Company and Official Dispatch No. 97/CV-HĐQT.MDFQT dated 9th December, 2024 on the agreement on the policy of handling for pink and red chemicals that have lost their quality and are released from the warehouse to record an increase in cost of goods sold.

Our qualified audit opinion is not related to this matter.

Recipient:

- State Securities Commission of Vietnam;
- Ha Noi Stock Exchange;
- VN Securities Depository;
- Save in archives, Account dept

On behalf of Board of Directors
Chairman



Ho Trong Minh Thao



MDF VRG QUANG TRI WOOD JOINT CTOCK COMPANY ORGANIZATIONAL CHART

