

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

SOCIALIST REPUBLIC OF VIET NAM  
Independence – Freedom - Happiness

No : 123/BCTN-MDFQT

Quang Tri, Date 26 February, 2026

## ANNUAL REPORT

### MDF VRG QUANG TRI WOOD JOINT STOCK COMPANY YEAR 2025

#### 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: mdfquangtri@mdfquangtri.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

According to Business Registration and Tax Registration No. 3200228141 (9th amendment) dated 1st April, 2024. Charter capital: **551.135.950.000 VND**.

The company's legal representative is Mr. Duong Tan Thanh, the company's General Director.

According to Business Registration and Tax Registration No. 3200228141 (10th amendment) dated 12th November, 2024. Charter capital: **551.135.950.000 VND**.

Company's legal representative:

- Mr: Ho Trong Minh Thao – Chairman of the Board

- Mr : Duong Tan Thanh – General Director

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 2026:
 

- Profit before tax	:	8.200.000.000 vnd
- Revenue	:	1.096.214.000.000 vnd
- Production output	:	195.000 m <sup>3</sup> 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 Ha Tinh 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 2025, 10,000 m3 were exported by breakbulk. This is the basis for year 2026 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 DURING THE YEAR:**

### **1. Business performance outlook for 2025:**

#### **1.1. Advantages:**

- Thanks to the direct leadership of the Group's Party Committee Standing Committee, the close guidance of the Board of Directors, the leadership of the Company's Party Committee Executive Board, the support and assistance of provincial departments and agencies, the smooth and effective coordination between the Executive Board and the Company's mass organizations, and the unity and cohesion of cadres, Party members, and workers; and also thanks to the regular care of the Company's leadership and mass organizations for the lives of cadres, Party members, and workers, the morale of cadres, Party members, and workers is extremely high, they



have faith in the Party's leadership, and are striving to compete in labor, production, and business to achieve the highest possible results in the planned targets.

- We have a team of young, dynamic, and enthusiastic technical staff and workers who are capable of independently operating, maintaining, and repairing equipment and production lines.

- The production line is a closed loop, from the production of Formaline and glue to the production of MDF boards. Factory 1 has fully depreciated its equipment, resulting in low production costs, while Factory 2 has repaid its long-term investment loans, thus reducing bank interest expenses.

## **1.2. Difficulties and challenges :**

### ***First: The consumer market in 2025:***

The first few months of 2025 were extremely difficult. The first quarter included the Lunar New Year holiday, and the second quarter saw the impact of the US retaliatory tariffs on April 9, 2025, which affected global trade and disrupted supply chains. Vietnam was significantly impacted by Chinese goods that could no longer be exported to the US, instead being directly exported to Vietnam.

Vietnamese MDF distributors import MDF wood from China at much lower prices than domestically produced goods. Chinese FPI (Foreign Product Partnership) companies that previously used Vietnamese MDF now only use Chinese products. The amount of Chinese MDF imported into Vietnam ranges from 25,000 to 30,000 m3/month (both through official and unofficial channels).

The consumer market slowed down very rapidly since mid-April 2025, resulting in sharp price drops, continued sales volumes, and many factories that had negotiated advance shipments with distributors without discussing prices were still unable to sell.

Vietnamese timber exporters to the US are gradually declining, waiting for news on an agreement between the two governments regarding tariffs on entry into the US market before deciding whether to resume operations or change their business. Therefore:

Domestic MDF wood manufacturers are trying to sell off their inventory and recoup their capital, so they are offering deep discounts of 5 to 8% in a very short period. This has caused manufacturers, processors, and trading companies to reconsider their purchases, fearing that the price reductions will continue. As a result, they are only buying when necessary and not placing large orders.

With these fluctuations, the direct impact on MDF VRG Quang Tri Wood Joint Stock Company is as follows:

- Sales volume in April, May, June, and July, at 15,200 m3, 11,800 m3, 10,300 m3, and 12,000 m3 respectively, only met 70-80% of each factory's production capacity; there were no orders for production during the remaining months.

- The company's traditional export market, India, has been unable to export goods since the beginning of the year due to issues with import permits into the Indian



market (the company is awaiting the issuance of a BIS certificate for import into India).

- Large export orders to the Middle East (Iran, Syria, etc.) that were scheduled for May were halted due to the Iran-Iraq conflict.

- With tensions high in the Middle East, cargo ships face high risks, and finding suitable vessels is extremely difficult.

- The company's inventory has been steadily increasing from April to August, reaching 18,900 m<sup>3</sup>, 20,700 m<sup>3</sup>, 23,260 m<sup>3</sup>, and 25,500 m<sup>3</sup> respectively. Raw materials are currently unavailable for import and production due to low prices. Because domestic product prices from major companies such as Kim Tin, Dongwha, Mekong, Thanh Dat, TH, etc., have continuously decreased by 5-8%, the company is striving to maintain its selling price, only slightly reducing it by an average of 3% compared to the previous quarter.

- In September and October, the market showed some improvement, with consumption volume starting to increase again. The cumulative total consumption for 2025 is projected at 187,507 m<sup>3</sup>, reaching 96% of the plan.

***Second: Raw materials :***

- There are approximately 199 wood-related production and business units in the area, including those involved in laminated timber, wood pellets, and wood chips for export. These small-scale, flexible businesses are evenly distributed across the area, surrounding two major factories, and are fiercely competitive for raw materials. Many wood chip factories have their weighing stations located right at the edge of the forest, making procurement more difficult for companies located further away.

- The wood raw material market in 2025 experienced significant fluctuations compared to previous years. Exports of wood chips to China, Japan, Korea, Indonesia, etc., were 3-4 times higher than in previous years, averaging over 1 million tons per month. High export prices led to a more than 30% increase in raw wood procurement prices compared to previous years. Furthermore, the investment in numerous wood pellet factories in the area consumed a larger volume of wood than before. Procurement prices fluctuated and continuously increased due to competition in securing supplies for production (the price of acacia wood at the beginning of the year was 1.1 million VND/ton, gradually increasing to 1.45 million VND/ton by the end of the year).

In 2025, the company imported a total of 402,500 tons of raw timber at an average price of 1,038,200 VND/ton, compared to the previous year's average of 940,080,000 VND/ton. The cost of raw timber increased by 39.5 billion VND compared to the previous year.

Besides price competition, the weather has been more extreme than in previous years, with prolonged heavy rains and storms (consecutive storms and floods) occurring throughout the fourth quarter of 2025. The inability to extract raw materials has forced all factories in the area to cease production.



Urea raw material for glue production: In 2025, the price increased by 15.45% compared to the previous year (from 9,926 VND/kg to 11,460 VND/kg), the volume used in production was 9,000 tons, and the additional cost increased by 13.8 billion VND compared to the previous year.

All other chemical supplies have increased in price compared to last year, so the high production costs are causing significant difficulties in sales.

***Third: The status of machinery and equipment:***

The total downtime for both factories in 2025 will be 166.5 days, including: Factory 1 downtime of 65.5 days, with an operating time of 82%; Factory 2 downtime of 101 days (over 3 months), with an operating time of 72%.

Reasons: Mostly slow consumption, high inventory levels, some major equipment and components deteriorating and requiring repair or replacement; others related to fire and explosion safety incidents. High raw material prices made production inefficient. The company proactively shut down machinery and rotated maintenance, repairs, construction, and replacement of key components between the two factories to save costs, reduce production costs, and improve production efficiency:

- Major repairs: Outsourcing, upgrading, and repairing the heating furnace body of Plant 1 (9.5 days); Oil furnace incident (auxiliary furnace fire) 4 days; Grinding machine incident at Plant 1 3.7 days... At Plant 2: Repairing the boiler at Plant 2 (9.45 days); repairs related to the fire incident 10 days; steel conveyor belt incident.....

***Fourth: Labor Situation :***

In the early months of the year, production and business faced many difficulties, workers' incomes were low, and there was intense competition from external production and business units. Furthermore, the ease of exporting labor led to a relatively high number of workers quitting, especially skilled and experienced workers who had been with the company for a long time. 51 workers resigned, while 46 new workers were hired. The majority of the newly recruited workers were unskilled laborers, causing difficulties and obstacles in production operations, significantly impacting the factory's production results. The shortage of direct operating labor required overtime and extra shifts, and the frequent handling of machinery and equipment malfunctions put pressure on workers, especially at Factory 2.

Against the backdrop of numerous seemingly insurmountable difficulties in the early months of the year, the Board of Directors, the Executive Board, and all employees made every effort, developing various response plans and resolving issues step by step in all areas from production and business to finance, labor, wages, etc. Despite facing many challenges in fulfilling its production and business objectives in 2025, the company achieved several specific targets as follows:

**1.3. Result achieved compared to plan :**



- The total production volume exceeded 199,468 m<sup>3</sup>, surpassing the plan by 4.9% (the assigned plan was 190,000 m<sup>3</sup>), successfully fulfilling the production volume target.

- Total revenue exceeded 990.77 billion VND, surpassing the plan by 1%, successfully fulfilling the target for total sales revenue.

- Profits reached VND 8.15 billion, achieving 100% of the planned target and 2.4 times higher than the previous year.

Details follow:

No	Target	Unit	To be implemented in 2024	2025 Plan	Year 2025	Compare d to the plan	Compare d to the same period
<b>I</b>	<b>QUANTITY</b>						
<b>1</b>	<b>Production output</b>	<b>m<sup>3</sup></b>	<b>202.648</b>	<b>190.229</b>	<b>199.468</b>	<b>104,9%</b>	<b>98,4%</b>
	Production reached	m <sup>3</sup>	202.395	190.000	199.330	104,9%	98,5%
	Defective products	m <sup>3</sup>	252	229	138	60,4%	54,7%
<b>2</b>	<b>Consumption volume</b>	<b>m<sup>3</sup></b>	<b>217.051</b>	<b>195.000</b>	<b>187.421</b>	<b>96,1%</b>	<b>86,3%</b>
	In which: - Export	m <sup>3</sup>	42.975	48.308	28.753	59,5%	66,9%
	- Domestic	m <sup>3</sup>	174.077	146.692	158.669	108,2%	91,1%
<b>II</b>	<b>VALUE</b>						
<b>1</b>	<b>Revenue</b>	<b>Tr đ</b>	<b>1.035.434</b>	<b>980.795</b>	<b>990.770</b>	<b>101,0%</b>	<b>95,7%</b>
1.1	Revenue from production and business activities	'	1.024.326	980.795	986.529	100,6%	96,3%
	In which: - Export	'	219.869	259.452	158.398	61,1%	72,0%
	- Domestic	'	804.457	721.343	828.131	114,8%	102,9%
1.2	Revenue from Financial Activities		5.642		3.046		54,0%
1.3	Other Revenue		5.467		1.137		21,3%
<b>2</b>	<b>Total cost</b>	<b>'</b>	<b>1.032.044</b>	<b>972.677</b>	<b>982.562</b>	<b>101,0%</b>	<b>95,2%</b>
<b>2.1</b>	<b>Production and business costs</b>	<b>'</b>	<b>1.004.889</b>	<b>950.382</b>	<b>964.490</b>	<b>101,5%</b>	<b>96,0%</b>
	Cost of goods sold		922.625	838.200	901.887	107,6%	97,8%
	Cost of goods sold	'	66.457	93.759	45.503	48,5%	68,5%
	Management costs	'	15.807	18.423	17.100	92,8%	108,2%
2.2	Financial expenses	'	26.940	22.295	17.497	78,5%	64,9%
2.3	Other expenses	'	215		575		173,9%
<b>3</b>	<b>Net profit after tax</b>	<b>'</b>	<b>3.390</b>	<b>8.142</b>	<b>8.150</b>	<b>100,1%</b>	<b>240,4%</b>
<b>4</b>	<b>Payable to the government</b>		<b>43.544</b>	<b>39.163</b>	<b>36.569</b>	<b>93,4%</b>	<b>84,0%</b>

The company's after-tax profit from business operations in 2025 increased by 240.4% compared to the same period last year, from VND 3.39 billion last year to



VND 8.15 billion. The profit value increased by VND 4.76 billion compared to the previous year. The main reasons for this are:

In 2025, compared to 2024, the main MDF wood business saw a 13.65% decrease in sales volume, but revenue only decreased by 1.76%. Due to a 28.6% increase in the average selling price per unit at the warehouse, while the cost of goods sold per unit only increased by 13.21%, profit from MDF wood increased by VND 12 billion compared to the previous year; financial revenue decreased by VND 2.596 billion; other income decreased by VND 4.69 billion. Ultimately, the profit for 2025 increased by VND 4.76 billion compared to the previous year.

## 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 <sup>th</sup> 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"> <li>• <i>Personal ownership: 0 stock (0%)</i></li> <li>• <i>Representative of State capital: 8.267.039 stocks (15%)</i></li> </ul>
Debts to the Company	None
Benefit related to issue organization	None

#### 2..1.2 Deputy General Director: Retirement effective 1st June 2025

Full name	Mr Nguyen Van Cong
Gender	Male
Date of birth	8 <sup>th</sup> 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%) in which: <ul style="list-style-type: none"> <li>• Personal ownership: 27.500 stocks (0,0499%)</li> <li>• Representative of State capital: 0 stock (0%)</li> </ul>
Debts to the Company	None
Professional qualifications	None
Benefit related to issue organization	None

### 2.1.3 Deputy General Director: Termination of employment effective 30th Sep 2025.

Full name	Mr Nguyen Tang Vu
Gender	Male
Date of birth	26 <sup>th</sup> Decmber 1976
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%) in which: <ul style="list-style-type: none"> <li>• Personal ownership: 1.000 stocks (0,0018%)</li> <li>Representative of State capital : 0 stock (0%)</li> </ul>
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 <sup>th</sup> 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 Cao Duy Hai
Gender	Male
Date of birth	23rd December 1971
Place of birth	Vinh Thuy – Vinh Linh- Quang Tri
Address	283 Nguyen Du Street, Ward 8, South Dong Ha – Quang Tri
Professional qualifications	Bachelor of Economics
Current position.	Cheft Accountant
Positions held in other organizations	None
Stock security rate of himself	none
Ownership ratio of securities of related persons	None
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 December 31, 2025 is 400 people (average workforce in 2025 is 406 people). Of these: 2 managers; 388 management, professional and direct laborers.

- Regarding recruitment: The company has hired 58 people from the beginning of 2025 until the time of this report.

- The number of employees whose employment contracts were terminated is 69.

- The total payroll for management, professional, and direct labor in 2025 is 44,094 million VND. The average salary per employee is 9,095,379 VND/person/month; the total payroll for managers is 705.6 million VND. The average salary is 29,400,000 VND/person/month./

- The company has fully paid social insurance, health insurance, and unemployment insurance contributions for 100% of its employees in accordance with regulations.



- The process of resolving policy issues for employees is implemented in accordance with the law, ensuring maximum benefits for employees working at the Company.

### **3. Investment situation in basic construction projects.**

According to the approved capital investment plan for 2025, the total investment for basic construction projects is 66.643 billion VND.

Investment in procurement in 2025: VND 14,445 billion, including :

- Renovation and upgrading of fire protection system and MDF1 production line: 7.819 billion VND ;

- MDF1 factory heating chamber system: 2.577 billion VND;

- Water softening system for MDF1: 0.174 billion VND;

- Log grapple for MDF1 factory : 2.356 billion VND ;

- 5-ton forklift for MDF1 factory: 0.481 billion VND ;

- Wheel loader for MDF2 factory : 1.037 billion VND ;

### **4. Financial situation:**

#### **a. Financial situation:**

The financial performance results for 2025 have successfully unlocked cash flow in production and business operations, overcoming previous bottlenecks, with cash inflows exceeding cash outflows, ensuring regular and continuous production activities, specifically:

- Accounts receivable: As of December 31, 2025, according to the 2025 financial statements, the amount was VND 132.481 billion, an increase of VND 25.564 billion (a 23.91% increase compared to the beginning of the year, VND 106.917 billion), of which:

+ Short-term accounts receivable from customers: VND 113.039 billion, an increase of VND 30.97 billion (a 37.74% increase compared to the beginning of the year, which was VND 82.069 billion).

+ Short-term prepayments to suppliers: Beginning of year 8.608 billion VND, end of year 3.987 billion VND, a decrease of 53.69% to 4.622 billion VND.

+ Other short-term receivables amounted to VND 1.688 billion, up from VND 1.524 billion at the beginning of the year, an increase of VND 0.163 billion, or 10.71%.

- Inventory Management: Inventory as of December 31, 2025 was VND 214.883 billion, an increase of VND 29.376 billion compared to the beginning of the year (VND 185.507 billion increase, a 15.84% increase compared to the beginning of the year), including:

+ Raw material inventory amounted to VND 33.839 billion compared to VND 37.081 billion at the beginning of the year, a decrease of VND 3.242 billion, equivalent to a decrease of 8.74% compared to the beginning of the year;



+ Tools and equipment amounted to VND 87.262 billion (Long-term equipment, materials, and spare parts: VND 22.2 billion), compared to VND 88.125 billion at the beginning of the year, a decrease of VND 0.864 billion, or 0.98% compared to the beginning of the year;

+ Work-in-progress production costs amounted to VND 8,568 billion compared to VND 4,087 billion at the beginning of the year, an increase of VND 4,481 billion, or 109.7%.

+ Finished goods inventory reached VND 85.215 billion, up from VND 56.214 billion at the beginning of the year, an increase of VND 29 billion. The increase in finished goods inventory value is due to the impact of the US retaliatory tariff policy and the inability to export goods to the traditional Indian market in 2025.

- Liabilities: Total liabilities as of December 31, 2025 amounted to VND 403.838 billion, compared to VND 390.347 billion at the beginning of the year, an increase of VND 13.491 billion (a 3.46% increase compared to the beginning of the year), of which:

+ Amounts payable to suppliers totaled VND 39.205 billion, compared to VND 43.396 billion at the beginning of the year, a decrease of VND 4.191 billion, or 9.66%, compared to the beginning of the year;

+ Bank loans amounted to VND 313.102 billion compared to VND 311.139 billion at the beginning of the year, an increase of VND 1.962 billion, or 0.63%, compared to the beginning of the year;

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

The business results for 2025 showed a profit of 8.15 billion VND, increasing equity by 1%; the after-tax profit margin on equity increased by 140%, although not yet commensurate with the company's capital size, but demonstrating impressive growth as shown in the following table:

*Unit: billion VND*

Target	Code No	beginning of the year	End of the year	Proportion
1. Total assets	270-BCĐKT	1.035.364	1.057.005	102%
2. Total revenue	2025/2024	1.035.583	990.770	96%
3. Equity	400-BCĐKT	645.017	653.167	101%
4. Profit after tax	60-BCKQKD	3.390	8.150	240%
5. Dividend payout ratio	%	0,62	1,48	240%

#### **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 2025 compared to the beginning of the year, specifically in the following table:



Targets	UNIT	At date 31/12/2024	At date 31/12/2025	Proportion
1. Target of solvency ratio				
+ Current ratio:				
Current assets/Current liabilities	time	0,82	0,95	115%
+ Quick ratio:				
<u>Current Assets - Inventory/Current Liabilities</u>	time	0,42	0,47	112%
2. Target of Capital structure				
+ Total of Assets/ Debt Ratio	%	37,70	38,21	101%
+ Equity/Total of Assets	%	62,30	61,79	99%
+ Equity / Debt Ratio	%	60,52	61,83	102%
3. Target of Performance activities				
+ Inventory turnover:				
<u>Cost of goods sold/Average inventory</u>	Vòng	5,89	4,68	79%
+ Net Revenue/Total Assets	%	98,93	93,33	94%
4. Profitability ratio				
+ Pre-tax profit/Net revenue ratio	%	0,33	0,83	252%
+ Pre-tax profit/Equity ratio	%	0,53	1,25	236%
+ Profit after tax/Total assets ratio	%	0,33	0,77	233%
+ Profit from business registration activities/net revenue ratio.	%	0,33	0,77	233%

### 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 25<sup>th</sup> 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, 2025:

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%	
<b>Total</b>		<b>55.113.895</b>	<b>100%</b>	

**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 26<sup>th</sup> 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 1<sup>st</sup> 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: 236 Nam Ky Khoi Nghia, Xuan Hoa 6, 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 31st December 2024 is: 46.761.748 shares, accounting for 84.85% of MDF's charter capital:



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

Main office address: 264 Hung Vuong – Dong Luong 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 9th, 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	<b>Domestic shareholders</b>	289	55.104.095	551.040.950	99,98
	Organization shareholders	03	53.684.403	536.844.030	97,41
	Individual shareholders	286	1.429.192	14.291.920	2,59
2	<b>Foreign shareholders</b>				
	Institutional (Organization) shareholders	-	-	-	-
	Individual shareholders	-	-	-	-
	<b>Total</b>		<b>55.113.595</b>	<b>551.135.950</b>	<b>100</b>

**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 2025: Total amount of wood raw materials used for MDF wood production including fuel is 400.937 tons of all kinds from planted forest wood with a total value of 414,96 billion VND; Urea is 8.682 tons with value 99.38 billion VND; Methanol is 7.694 tons with value 75,58 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 2025, it used 61.633.550 Kw of Vnelectricity, Solar power: 141,583 kW

#### 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 2025: 227.761 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 2025 is 406 people with average salary of 9.095.379 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 2025 to the state budget with the amount paid: 35,268 billion VND.

### III. ASSESSMENT REPORT OF THE BOARD OF DIRECTORS:

#### 1. Implementation production and business results compared to plan:

The MDF wood export market was completely stalled in the first few months of the year due to the impact of the Iran-Iraq conflict. Export orders were suspended, ships refused to accept goods through conflict zones with high risks, forcing them to lower prices for domestic consumption. Domestic manufacturers continued production, and the emergence of several large factories led to a supply crisis.

The impact of US retaliatory tariffs on major countries, supply chain disruptions, and slow consumption led to large inventories and tied-up capital for factories, forcing companies without competitive advantages to temporarily suspend production. VRG Quang Tri MDF Company was no exception to this challenge, as its distant market location made sales even more difficult. Finished goods inventory



exceeded the capacity of its production lines, leaving no space for further storage, resulting in record-high inventory levels. The company's factories had to cease production for 166.5 days, including: Factory 1 shut down for 65.5 days (82% operational time); Factory 2 shut down for 101 days (over 3 months) (72% operational time).

Personnel changes in the Executive Board: In 2025, the number of Deputy General Directors will be reduced by two (Mr. Nguyen Van Cong will retire from June 1, 2025; Mr. Nguyen Tang Vu will resign at his own request from October 1, 2025). Personnel changes in 2025 include a significant increase in the number of skilled workers resigning (51 people), while 46 new workers will be hired. However, unskilled laborers account for over 50%, and these new workers lack training and experience, significantly impacting production operations as they replace experienced workers who have left.

Against a backdrop of countless seemingly insurmountable difficulties, the Board of Directors, the Executive Board, and all employees made every effort to resolve issues step by step in all areas, from production and business to finance, labor, wages, etc., resulting in the successful implementation of the 2025 plan:

- Production reached 199,468 m3 of product, exceeding the plan (190,229 m3) by 4.9%;

- Revenue reached VND 990.77 billion, exceeding the plan by 1% (VND 980.795 billion);

- Profits of VND 8.15 billion reached 100% of the 2025 plan.

## 2. Financial situation:

### a. Asset status:

Target	Code no	Year-end number	Beginning of year number
<b>I. Current assets</b>	100-BCĐKT	<b>381.834.722.374</b>	<b>319.735.313.259</b>
1. Cash and cash equivalents	110-BCĐKT	43.620.113.487	38.328.640.508
2. Short-term financial investment	120-BCĐKT	1.054.692.074	10.000.000.000
3. Short-term receivables	130-BCĐKT	132.481.465.112	106.917.446.884
In which: Bad debt		-2.867.130.652	-1.919.105.132
4. Inventory	140-BCĐKT	192.678.141.840	156.680.388.830
5. Other current assets	150-BCĐKT	12.000.309.861	7.808.837.037
<b>II. Long-term assets</b>	200-BCĐKT	<b>675.170.533.432</b>	<b>715.628.767.471</b>
1. Long-term receivables	210-BCĐKT		
2. Fixed assets	220-BCĐKT	626.326.916.008	670.599.928.448
- Tangible fixed assets	221-BCĐKT	625.983.247.358	670.245.646.782
- Financial lease fixed assets	224-BCĐKT		
- Intangible fixed assets	227-BCĐKT	343.668.650	354.281.666
3. Investment real estate	230-BCĐKT		
4. Basic construction in progress	242-BCĐKT	65.416.515	426.439.936



costs			
5. Long-term financial investment	250-BCĐKT	3.000.000.000	3.000.000.000
6. Other long-term assets	260-BCĐKT	45.778.200.909	41.602.399.087
<b>III. Liabilities</b>	300-BCĐKT	<b>403.837.869.558</b>	<b>390.346.950.861</b>
1. Short-term debt	310-BCĐKT	403.837.869.558	390.346.950.861
In which: Overdue debt			
2. Long-term debt	330-BCĐKT	0	0
<b>IV. Equity capital</b>	400-BCĐKT	<b>653.167.386.248</b>	<b>645.017.129.869</b>
1. Owner's equity	410-BCĐKT	653.167.386.248	645.017.129.869
In which: Owner's investment capital	411-BCĐKT	551.135.950.000	551.135.950.000
2. Other funding and funds	430-BCĐKT		

Total assets at the end of 2025 increased by VND 21.64 billion compared to the beginning of the year, including:

+ Current assets: Increased by VND 62.099 billion compared to the beginning of the year, mainly due to an increase in short-term revenue and inventory resulting from the objective impact of a sharp decline in the consumer market compared to 2024 (sales volume was only 86.35% compared to 2024).

+ Long-term assets: Decreased by VND 40.46 billion, mainly due to a reduction in long-term asset depreciation of VND 51.66 billion; increased by VND 14.712 billion in new investments and other assets, contributing to supplementing short-term assets and gradually resolving the company's short-term imbalance.

#### **b. Accounts payable situation at year end:**

Total liabilities as of December 31, 2025 amounted to VND 403.837 billion, compared to VND 390.347 billion at the beginning of the year, an increase of VND 13.49 billion (a 3.46% increase compared to the beginning of the year), mainly due to advances from customers exceeding VND 10 billion.

+ The amount payable to the seller was VND 39.205 billion, compared to VND 43.396 billion at the beginning of the year, a decrease of VND 4.19 billion, or 9.66%, compared to the beginning of the year;

+ Advance payments from buyers increased by VND 10.64 billion by the end of the year compared to the beginning of the year;

+ Bank loans amounted to VND 313.1 billion compared to VND 311.14 billion at the beginning of the year, an increase of VND 1.96 billion, or 0.63%, compared to the beginning of the year.

#### **3. Major changes during the year:**

- The company's organizational structure is being streamlined and reorganized:



In line with the policy of streamlining and reorganizing the organizational structure to ensure effective and efficient operation, the company has reorganized and streamlined its management and indirect workforce. The specific results are as follows:

- + The number of management departments was reduced from 7 offices and 3 factories to 5 offices and 2 factories.

- + Reduce indirect labor from over 16% of the total staff to 8%. Further reduce to 6% in 2026.

- Board of Directors: Mr. Nguyen Van Cong is relieved of his duties as Deputy General Director effective June 1, 2025, due to retirement. Mr. Nguyen Tang Vu is relieved of his duties as Deputy General Director effective October 1, 2025, due to personal retirement.

#### **4. Prospects and future plans:**

- Continue to improve production efficiency, perfect production lines, machinery and equipment, minimize waste in production, save costs, and further reduce prices to ensure products remain competitive in the market.

- Strengthen financial controls and ensure a return to a balanced cash flow.

- Focus on producing a product line with competitive pricing and high efficiency; build a high-quality product strategy.

- Maintain strong relationships with traditional major clients such as An Cuong, Moc Phat, etc.,

- Upgrading and adjusting the production line to develop a product line with thicknesses under 5mm for Taiwanese customers;

- Focus on monitoring and developing large export orders such as: from ISO FARM (20,000 m3); Syria, etc.

- Increase sales volume for the UAE (United Arab Emirates) market;

- Maintain sales volume in the traditional Indian market after obtaining BIS certification.

#### **5. Board of Directors' explanation in response to the audit opinion:**

##### **Basis of a qualified audit opinion :**

As presented in notes 5.7 and 5.17 of the Financial Statement Notes, as of the date of this report, the inventory shortages and surpluses, as of the inventory counts of August 15th, 2023 and December 31st, 2023, amounting to VND 16.634.930.694 and VND 6.354.171.074 respectively, have not been approved and processed by the Company's Board of Directors. Therefore, we cannot estimate the impact of this issue on the financial position as of January 1st, 2025 and December 31st, 2025, and the business results for the financial statements for the fiscal year ended December 31st, 2025.



**Qualified audit opinion :**

In our opinion, except for the impact of the issue mentioned in the paragraph “Basis for the qualified audit opinion”, the financial statements fairly and reasonably reflect, in all material respects, the financial position of MDF VRG Quang Tri Wood Joint Stock Company as of December 31st, 2025, as well as the results of business operations and cash flows for the fiscal year ended on the same date, in accordance with Vietnamese accounting standards, the Vietnamese (enterprise) accounting system and relevant legal regulations on the preparation and presentation of financial statements.

**Company explanation:**

Regarding the inventory discrepancies after the audit: The company issued Decision No. 168/QD-MDFQT dated May 20th, 2024, on the establishment of a team to handle inventory discrepancies in raw materials. The explanatory report No. 426/BC-TXLTK.MDFQT dated August 23rd, 2024, clearly stated the objective and subjective reasons leading to the discrepancies, and was submitted to the Board of Directors and the General Director.

The Board of Directors is reviewing the documentation regarding the objectivity and subjectivity of the data discrepancies and will address the issue as soon as possible.

**IV. BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S ACTIVITIES****1. Board of Directors' assessment of the company's operations**

In 2025, 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 2025 and other tasks.

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

The company's management team's performance in 2025 was encouraging. Despite the challenging economic environment, the management team boldly and proactively transformed the product structure, achieving more stable and higher-quality production than the previous year, contributing to improved business efficiency.

**3. Board of Directors' Orientation Plans**

As part of the Vietnam Rubber Industry Group's development strategy for the period 2026-20230, based on the growth target of 2025 (starting from the profit achieved in 2025), the growth rate for subsequent years of the term is 10%.



Production and business volume during the 2026-2030 period will utilize the full production capacity of factories, but with a focus on increasing product quality and reducing defective products.

Consumption: Production will be consumed as needed, avoiding large inventories, and exports will gradually increase over the years, doubling compared to the previous term.

To ensure the operational capacity meets the above targets, the company must invest in and upgrade its production line equipment annually to stabilize capacity and product quality.

The company's development strategy focuses on increasing MDF wood production capacity to over 140% of its designed capacity, and further promoting and boosting exports in the future.

## V. COMPANY GOVERNANCE

### 1. Board of Directors.

#### a) Membership and structure of the Board of Directors.

No	Board Member	Position ( <i>Independent Board Member, Non-Executive Board Member</i> )	Date of commencement/cessation of membership on the Board of Directors/independent board member	
			Appointment date	Dismissal date
1	Mr Ho Trong Minh Thao	Chairman of the Board	17/4/2024	
2	Mr Duong Tan Thanh	Board Member, General Director	17/4/2024	
3	Mr Huynh Duy Hien	Non-executive board members	27/6/2020	
4	Mr Nguyen Chon Bien	Non-executive board members	27/6/2020	

- 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%) in which: <ul style="list-style-type: none"> <li>• <i>Personal ownership: 0 shares (0%)</i></li> <li>• <i>Representative of State capital: 38,494,709 shares (69.85%)</i></li> </ul>
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 <sup>th</sup> October 1973
Place of birth	Ha Noi
Permanent resident	49/56/86 Trinh Dinh Trong, 41 hamlet, Tan Phu Ward. HCMC
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"> <li>• <i>Personal ownership: 0 shares (0%)</i></li> <li>• <i>Representative of State capital: 8,267,039 shares (15%)</i></li> </ul>
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 <sup>th</sup> 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"> <li>• <i>Personal ownership: 0 shares (0%)</i></li> <li>• <i>Representing State capital: 3,367,155 shares (6.11%)</i></li> </ul>
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 <sup>th</sup> 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"> <li>• <i>Personal ownership: 0 shares (0%)</i></li> <li>• <i>Representing State capital: 3,555,500 shares (6.45%)</i></li> </ul>
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 <sup>th</sup> 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"> <li>- 3/2001-3/2007 Accountant of Construction Company 78.</li> <li>- 4/2007-9/2008 Deputy Head of Accounting Department of Construction Company 78.</li> <li>- 10/2008-6/2009 Assistant to General Director of MDF Wood Joint Stock Company VRG Quang Tri.</li> <li>- 6/2009-6/2010 Accountant of Quang Tri Microbiological Fertilizer Joint Stock Company.</li> <li>- 7/2010-3/2011 Head of Accounting Department of Quang Tri Microbiological Joint Stock Company.</li> <li>- 4/2011-9/2014 Head of Financial Planning Department of Quang Tri Microbiological Joint Stock Company.</li> <li>- 9/2014-3/2015 Assistant to General Director and General Accountant of MDF Project Line 2 of MDF VRG Quang Tri.</li> <li>- 3/2015 to present Head of Supervisory Board of MDF Wood Joint Stock Company VRG Quang Tri.</li> </ul>
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 <sup>rd</sup> 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	<ul style="list-style-type: none"> <li>- In August 2004, the recruiting agency was Dong Hoa Wood Processing Enterprise, a subsidiary of the Rubber Industry and Import-Export Joint Stock Company.</li> <li>- From January 2020 to present: Accounting Staff – Finance and Accounting Department – Vietnam Rubber Industry Group</li> <li>- From 2020 to 2025, Deputy Head of Finance and Accounting Department - Vietnam Rubber Industry Group.</li> </ul>
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**

<b>Full name</b>	<b>Mr Nguyen Huu Trung</b>
Gender	Male
Date of birth	25 <sup>th</sup> 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 2025 VNĐ	Year 2024 VNĐ
<b>I</b>	<b>Board of Directors' remuneration allowance</b>		<b>501.600.000</b>	<b>238.000.000</b>
1	Ho Trong Minh Thao	Chairman of the Board of Directors (from 17 <sup>th</sup> April, 2024)	417.600.000	112.000.000
2	Do Huu Phuoc	Chairman of the Board of Directors (resigned on 17 <sup>th</sup> April, 2025)		9.000.000
3	Duong Tan Thanh	Member		9.000.000
4	Huynh Duy Hien	Board Member	42.000.000	36.000.000
5	Phan Van Hoi Em	Member (removed from office 8/11/2024)		30.000.000
6	Nguyen Chon Bien	Board Member	42.000.000	36.000.000
<b>II</b>	<b>Salary, allowances of the Board of Supervisors</b>		<b>345.000.000</b>	<b>249.600.000</b>



1	Le Chien Sy	Head of Supervisory Board	288.000.000	201.600.000
2	Nguyen Hong Minh	Board Member	27.000.000	24.000.000
3	Nguyen Huu Trung	Board Member	30.000.000	24.000.000
<b>III</b>	<b>Salary and other income of Chairman of the Board of Directors and Board of Directors</b>		<b>1.114.031.000</b>	<b>668.552.810</b>
1	Duong Tan Thanh	General Director (appointed on 26 <sup>th</sup> March 2024)	453.600.000	190.400.000
3	Ho Nghia An	Deputy General Director	334.125.000	220.800.000
4	Nguyen Van Cong	Deputy General Director (resignation effective June 1, 2025)	112.500.000	220.800.000
5	Nguyen Tang Vu	Deputy General Director (resignation effective October 1, 2025)	172.125.000	168.431.000
6	Cao Duy Hai	Chief Accountant	229.500.000	
6	Nguyen Manh Cuong	Chief Accountant dismissed November 8, 2024		201.600.000

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

We have audited the financial statements for the fiscal year ended December 31st, 2025, of MDF VRG Quang Tri Wood Joint Stock Company (hereinafter referred to as "the Company"), prepared on February 3rd, 2026, from page 5 to page 36, including the Balance Sheet as of December 31st, 2025, Income Statement, Cash Flow Statement for the fiscal year ended on the same date, and Notes to the Financial Statements.

### Responsibilities of the Board of Directors :

The Board of Directors of the Company is responsible for preparing and presenting the consolidated financial statements in a fair and reasonable manner in accordance with Vietnamese accounting standards, the Vietnamese (enterprise) accounting system, and relevant legal regulations concerning the preparation and presentation of consolidated financial statements, and is responsible for internal controls that the Board of Directors deems necessary to ensure that the preparation and



presentation of the consolidated financial statements are free from material misstatements due to fraud or error.

**Responsibilities of the Auditor:**

Our responsibility is to express an opinion on the financial statements based on the results of our audit. We conducted the audit in accordance with Vietnamese auditing standards. These standards require us to comply with professional ethical standards and regulations, and to plan and conduct the audit to obtain reasonable assurance as to whether the Company's financial statements contain material misstatements.

The audit work includes performing procedures to gather audit evidence regarding the figures and disclosures in the financial statements. The audit procedures are selected based on the auditor's judgment, including an assessment of the risk of material misstatement in the financial statements due to fraud or error. In assessing these risks, the auditor considered the Company's internal controls related to the preparation and presentation of the financial statements in a fair and reasonable manner, in order to design audit procedures appropriate to the circumstances, but not to express an opinion on the effectiveness of the Company's internal controls. The audit work also includes evaluating the appropriateness of the accounting policies applied and the reasonableness of the accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have gathered is sufficient and appropriate to form the basis of our qualified audit opinion.

**Basis of a qualified audit opinion :**

As presented in notes 5.7 and 5.17 of the Financial Statement Notes, as of the date of this report, the inventory shortages and surpluses, as of the inventory counts of August 15th, 2023 and December 31st, 2023, amounting to VND 16.634.930.694 and VND 6.354.171.074 respectively, have not been approved and processed by the Company's Board of Directors. Therefore, we cannot estimate the impact of this issue on the financial position as of January 1st, 2025 and December 31st, 2025, and the business results for the financial statements for the fiscal year ended December 31st, 2025.

**Qualified audit opinion :**

In our opinion, except for the impact of the issue mentioned in the "Basis for the qualified audit opinion" section, the financial statements fairly and reasonably reflect, in all material respects, the financial position of MDF VRG Quang Tri Wood Joint Stock Company as of December 31st, 2025, as well as the results of business operations and cash flows for the fiscal year ended on the same date, in accordance with Vietnamese accounting standards, the Vietnamese (enterprise) accounting system, and relevant legal regulations concerning the preparation and presentation of financial statements.

**Other issues:**

The Company's financial statements for the fiscal year ended December 31st,



2024, were audited by CPA Vietnam Auditing Company Limited. According to independent audit report No. 74/2025/BCKT-CPA VIETNAM-NV1 issued on February 12nd, 2025, the predecessor auditor issued a qualified audit opinion regarding the same issue of unapproved and unhandled inventory shortages and surpluses as presented in the "Basis of the Qualified Audit Opinion" section of this report.

**Recipient:**

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

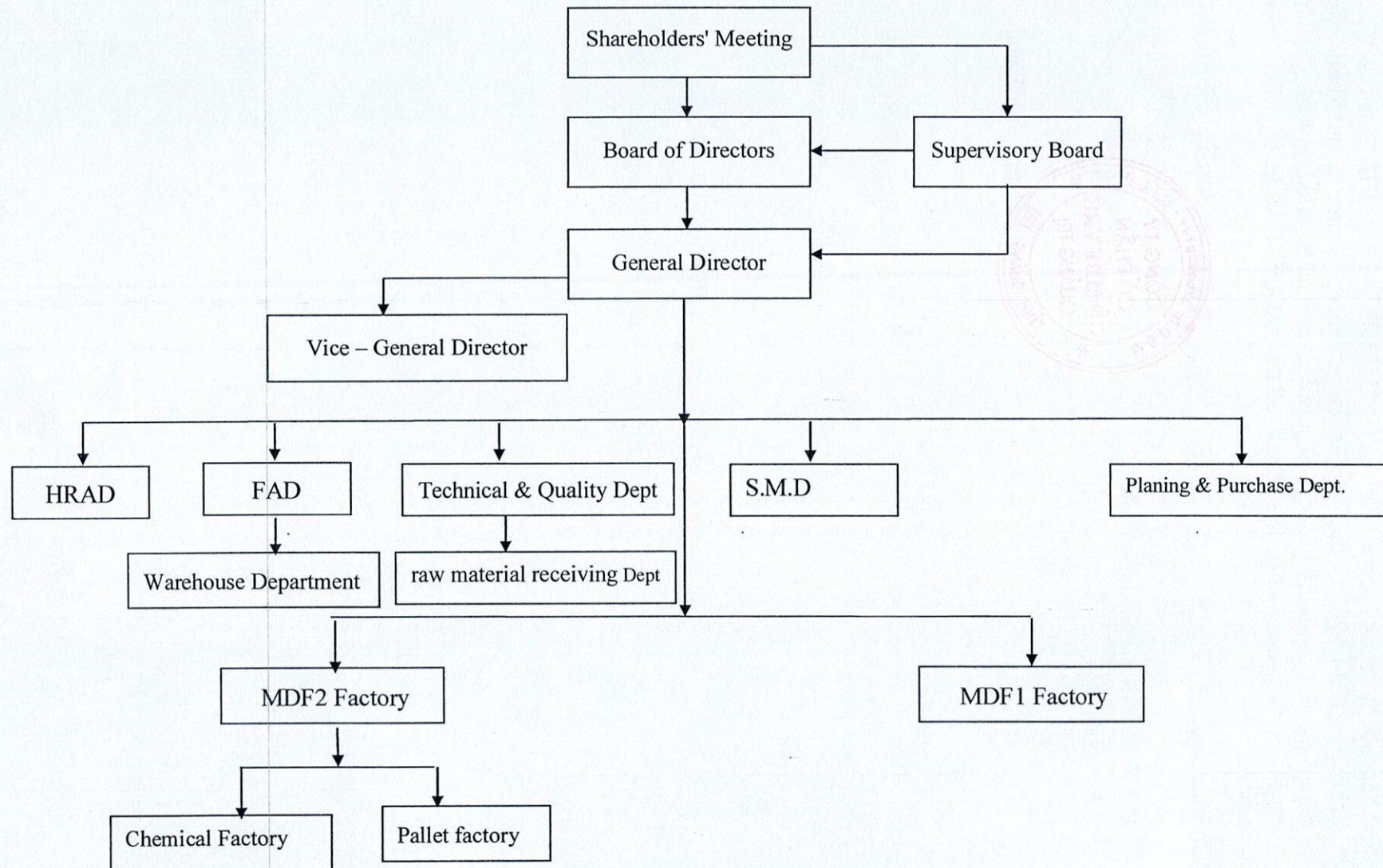


On behalf of Board of Directors  
Chairman

Ho Trong Minh Thao



## ORGANIZATIONAL CHART OF MDF VRG QUANG TRI WOOD JOINT STOCK COMPANY





**MDF:** Chipping -> Cleaning Chipping -> Refiner, Glue, Dry -> Forming -> Mat spread -> Pre-press -> Continuous pressing -> Cooling

-> cutting of board -> Storage of semi-finished goods -> Sanding -> Packaging of finished products.

