**MDF: Explanation of Financial Statements 2023**

On February 06, 2024, MDF VRG Quang Tri Wood Joint Stock Company announced Official Dispatch No. 57/MDFQT-TCKT on explaining the Financial Statements 2023 as follows:

Unit: VND

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| --- | --- | --- | --- | --- |
| No. | Content | In 2023 | In 2022 | Difference (%) |
| 1 | Total revenue and other incomes | 790,016,065,916 | 1,290,833,670,923 | -38.80% |
| 2 | Total expenses | 816,297,703,728 | 1,283,499,741,669 | -36.40% |
| 3 | Profit before tax | -26,281,637,812 | 7,333,929,254 | -458.36% |
| 4 | Profit after tax  | -26,281,637,812 | 5,606,681,013 | -568.76% |

The production and business results of the Company in 2023 over the same period of last year were shown through the following targets:

1. Revenue: Revenue decreased by 38.8% over the last year. This was affected by consumption decreased by 35% (from 259,490 to 168,804 m3). Therefore, revenue from MDF products was equal to 61.2% year on year
2. Total expenses: Total expenses in 2023 decreased by 36.4%, however the decrease in expenses did not equal the decrease in revenue by 38.8%. Therefore, business results decreased over the last year.
3. Profit after tax in 2023: Production and business results lost VND 26,281 billion due to the objective status of the consumption market. Accordingly, a deep decrease in selling prices leading to high input prices. Products are consumed slowly, capital is stagnant, and financial costs are much higher than in the last year.

In early 2023, the export market freezes, resulting to not be able to export. However, domestic manufacturers continue to produce high inventory volumes at factories. By the middle of the year, exports continue to be unable to export, forced to release goods, reducing domestic consumption prices. These lead to a series of factories reducing selling prices and accepting losses to maintain production. As a result of production and business this year, most MDF enterprises lost. VRG Quang Tri MDF was no exception.