VIETNAM FORTRESS TOOLS JSC

Socialist Republic of Vietnam

Independence - Freedom - Happiness

Thai Binh, March 25th, 2021

REPORT FROM SUPERVISORY BOARD

To: 2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Supervisory Board would like to report to the 2021 Annual General Meeting of Shareholders about the following matters:

1. Supervisory Board activities 2020

The Company's Supervisory Board consists of three members. Regulated by the Supervisory Board's regulations, each member is in charge of different areas based on their professional experience and they have performed their responsibilities of Supervisory Board as stated in the Company's Charter.

Supervisory Board members attended all of Board of Directors' meetings in order to:

- Supervise activities of Board of Directors, Board of Management and Managers.
- Monitor the implementation of the resolutions issued by General Shareholders, Board of Directors, the Company's Charter and other documents of Board of Management, report on management's activities.
- Propose related contents based on the situation of business activities,
- Consider the reasonableness and validity of the decisions made by the Board of Directors, Board of Management; Monitor policies and procedures for issuing the Company's documents in accordance with the law and Company's Charter.
- Test and evaluate the key processes and policies of the Company, and detect potential risks or shortcomings. Thereby, propose recommendations and solutions.
- Check logically, honestly and carefully in management of business operations, in the organization of accounting, statistical and making of financial statements.
- Review financial statements, evaluate the truth and fairness of financial information.
- Monitor the implementation of periodic disclosure of information, extraordinary information promptly and verify the authenticity of disclosed information.

2. Operation and financial situation of the Company.

No	Items	Plan 2020 (Billion VND)	Actual 2020 (Billion VND)	Actual 2019 (Billion VND)	Obtaining % vs Plan	Decreasing % vs 2019
1	Net revenue	862.10	653.05	822.36	75.75%	-20.59%
2	Profit before tax	120.69	21.90	104.88	18.14%	-79.12%
3	Profit after tax	105.00	19.54	93.47	18.61%	-79.10%

In 2020, the Company achieved 653.05 billion VND for revenue, which decreased 20.59% compared to 2019. Profit after tax reached 19.54 billion VND, a decrease of 79.10% compared to 2019. The reason for the decrease in Revenue compared to 2019 as:

- The Covid epidemic disrupted the circulation of goods around the world, especially the shortage of containers, which increased the shipping time and costs, and resulted in goods being exported in the Q4/2020 will be pushed back to January 2021 (estimated about 8,000,000 USD, equivalent to 184.8 billion VND)
- In addition, the process of completing the Upcom listing registration was also lengthened, affecting the ability to expand capital sources to meet production needs.

In the difficult world economic situation, the bright spot of the Company is to maintain orders from abroad, ensure uninterrupted production and stable jobs for employees. We appreciate the efforts of Board of Directors and Board of Management in managing business operations despite above difficulties. However, the 2021 production plan must be considered cautiously with a complex socio-economic performance in the year 2020, and production coordination should be carried out strictly in order to achieve the goals set out in the year 2020.

The Supervisory Board did not notice any unusual signs in the business management activities of the Company. All activities of the Board of Directors and the Board of Management in this year have complied with the Enterprise Law, Securities Law, the Company's Charter, relevant regulations and compliance with the resolutions of the General Meeting of Shareholders.

3. Results of assessments of financial statements in 2020:

2019 financial statements were prepared under current Vietnam Accounting Standards and accurately and rationally reflected the Company’s financial situation on 12/31/2020.

The financial statements were fully and promptly prepared. Financial information was disclosed publicly, transparently and met the requirements from relevant authorities and investors;

The data of financial statements prepared and published by the Company were not much different from the financial statements after auditing. The difference is due to the additional provision for devaluation of inventories, as a result, audited profit after tax decreased compared to financial statements 4/2020 announced on 20/01/2021.

The financial indicators presented in the General Manager's report were checked, reviewed and approved by the Supervisory Board.

The Supervisory Board agreed with comments and assessments on financial activities and financial statements of 2020 of the auditing company.

4. Assessments on the coordination of activities between the Supervisory Board and the Board of Directors, the Board of Management and managers

The Supervisory Board announced the results of inspection and supervision with the Board of Directors and the Executive Board to take measures to promptly handle existing problems in order to improve Management's efficiency.

The Board of Directors provided promptly and fully all resolutions or decisions made by BOD to Supervisory Board. BOD supported Supervisory Board to gather information, necessary documents relating to the Company's business activities upon request. The Board of Directors, the Supervisory Board, the Executive Board and managers of the Company have a close coordination relationship in the administration and management of production and business activities.

5. Orientation and duties of the Supervisory Board in 2021

In order to conduct the supervisory activities in accordance with the Enterprise Law and the Company's Charter, the Supervisory Board's plan for 2021 are as follows:

- Monitor the compliance with provisions of law, Company's Charter, the resolutions from AGM and BOD.
- Continue to perform the task of inspecting and supervising the operation and business management activities in accordance with the Enterprise Law.
- Monitor the plans, progress on implementation of business plan, and investment projects.
- Review and evaluate the Company's financial statements, promptly give comments to the Board of Directors and the Executive Board in the management and coordination activities between the Board of Directors, the Board of Management and the Supervisory Board.
- Research and advise the Board of Director, Board of Management in restructuring of financial investment appropriately and effectively.

Above are all the contents of the report of the Supervisory Board of Vietnam Fortress Tools JSC, and submitted to the General Meeting of Shareholders for consideration and approval.

We wish the AGM success.

Thank you very much!

ON BEHALF OF
SUPERVISORY BOARD
Chief

VI NGUYET CAM