VIETNAM FORTRES TOOLS JSC **SOCIALIST REPUBLIC OF VIETNAM**

Independence - Freedom - Happiness

Thai Binh, March 25th, 2021

REPORT ON 2020 PERFORMANCE AND 2021 BUSINESS & MANUFACTURING PLAN

Dear our valued shareholders,

On behalf of the Board of Directors, I would like to report to you about 2020 performance and 2021 plan as follows:

I. 2020 Business Result:

1. The board of directors:

Members of the Board of Directors of Company in 2020 and up to now include

1. Mr. Hsu Ting Hsin – Chairman
2. Mr. Hsu Wei Chun – Member
3. Mr. Carl Ronald Gordon – Independent member
4. Mr. Tsai Jer Shyong – Independent Member
5. Mr. Tsai Hsien Hao - Independent Member
6. Ms. To Thi Phuong Lan – Member - appointed on 22 January 2021
7. Ms. Hsu Yu Min – Member - appointed on 22 January 2021
8. Mr. Liang Tung Hsing – Member - resigned on 22 January 2021
9. Ms. Le Thi Thu Hang – Member - resigned on 22 January 2021

During 2020 financial year, the BOD members monitored directly the company's business activities in compliance with laws and regulations, the company's Charter and in accordance with General Meeting of shareholders' resolutions.

2. 2020 Business Result

In 2020, the difficult world economic situation caused by the Covid epidemic affecting the world has significantly affected production and business activities and business results of the Company:

Unit: Million dong

No	Items	2020		Actual 2019	Actual/ Plan 2020 (%)	Decrease % vs 2019
		Actual	Plan			
1	Charter capital	268,078	308,290	268,078	86.96%	-
2	Net revenue	653,050	862,100	822,359	75.75%	-20.59%
3	Profit before tax	21,896	120,694	104,881	18.14%	-79.12%
4	Profit after tax	19,536	105,004	93,475	18.61%	-79.10%
5	Net profit/revenue (ROS)	2.99%	12.18%	11.37%	24.56%	-73.68%
6	Return on Assets (ROAA)	1.16%	5.92%	5.59%	19.59%	-79.25%
7	Return on Equity (ROAE)	2.53%	13.13%	13.04%	19.28%	-80.59%

Revenue and other items in 2020 did not the plan set by the 2020 Annual General Meeting of Shareholders. The company's revenue in 2020 decreased 169.3 billion VND compared to 2019, only reaching 653.05 billion VND. The main reason for the reduction is the Covid epidemic affecting the world and the shortage of containers, which pushed the goods to be exported in quarter 4/2020 to January 2021 about USD 8,000,000, equivalent to VND184.8 billion. Also due to the influence of the epidemic, the price of imported raw materials increased while the source of raw materials for the production of the company's products was mainly imported, making the cost of the product increased. The difficult economic situation due to the impact of the epidemic caused some of the Company's customers to delay payment due under the contract, so the cash flow was slow. The company must mobilize capital from banks, financial institutions to compensate for the shortage of funds for business operations. Therefore, financial expenses for the year increased 36.99% compared to 2019. In addition, due to the impact of the epidemic, shipping charges and sea freight increased, selling expenses increased during the year. These are the main reasons for the Profit after tax of the company only reached 18.61% of the plan.

Pruner/ Shears are still the company's key products, accounting for 49.96% of the company's total revenue during the year, followed is tools (shovels, hoes, rake ...) accounting for 45.24% of revenue, wooden toys account for a low proportion (about 2.18%). Customers demand our products because we are able to develop a wide range of quality products that meet consumer tastes and fulfill strict quality requirements. During

the year the company has stepped up production and business, researching new products to meet the needs of the market.

In addition to traditional customers, in 2020 the company has signed contracts with customers Corona, Tricam…. These are potential customers of the company, expected to bring high revenue in 2021

3. Evaluation on the effectiveness of investment activities

Investment in machinery and equipment: In 2020, the Company has invested in imported machinery and equipment for expand production and business. Total value invested in the year is 46.344.387.847 VND.

4. Evaluation on the effectiveness of capital mobilization activities:

With good creditworthiness, the Company always ensures capital for production, and business plans of the year.

Loans:

The loan balance on 12/31/2020: VND 639.25 billion, increased 19.04% vs beginning of the year, in which:

Short-term loan balance: VND 587.30 billion, accounting for 91.87% of total loans.

Long-term loan balance: VND 51.95 billion, accounting for 8.13% of total loans.

In addition to the current credit limit at Techcombank, Military Bank, TP Bank, Shanghai Bank from previous years. In 2020, the Company worked with the banks to increase the existing limit to ensure production plans in the following years.

Besides, the Company also established the Investor Relations function, who will meet with investors, provide necessary information and promote the Company's image, with support from professional consulting firms such as Catalyst Advisory, EY, Vietcapital. The Company also added key personnel including experts with many years of experience in the financial services sector and business administration to improve the corporate governance. We aim to satisfy stakeholders with fully disclosed and transparent information, which meets the standard of listed companies, and support investors when they need to make investment decision.

5. Conclusion

In 2020, the revenue of company was reach 653.049.724.462 VND and profit after tax of VND 19.536.385.627. During this period due to the impact of the epidemic, many businesses suffered losses while the company still had revenue and profit, showing the

Company's efforts, ensuring jobs for employees. The company needs to work harder to achieve its plan in 2021 when the Covid epidemic is still complicated development.

II. 2021 BUSINESS PLAN

1. General Orientation

In 2021, the Company will focus on the following activities:

- Manufacturing new products such as folding ladder, snow shovel, … meet the requirements of the customer and demand of consumer.
- Promoting capital arrangement activities with credit facilities, ensuring capital source for production and business.
- Completing the process to become a listed public company on the Upcom stock exchange in Q2.2021, and arranging investor roadshow activities to promote our company to potential investors, increasing the Company's attractiveness and market value in the market, and preparing for capital injection for new investment projects in the following years.

2. Specific activities:

- To ensure investment capital for 2021, the Company will work with domestic and foreign banks, financial institutions to arrange funding for investment projects and other business activities.
- Currently the Company has submitted registration documents to registered for trading on the Upcom trading system at the Hanoi Stock Exchange. Currently, the Company's documents are being reviewed by HNX and HNX asking for the opinion of the State Securities Commission, it is expected that FTV shares will be listed on upcom in the Q2.2021. In addition, we will also organize activities to introduce investment opportunities in the Company to domestic and foreign investors, and visits to Thai Binh factories with purpose of introducing our businesses in a methodical, professional, and transparent way.

3. 2021 Business Plan:

Due to our customers' growing demands and in order to maximize the capacity of the existing factory, the Company will produce ladders, snow shovel, animal cages, hook straps, metal household. Currently, the Company has received orders and the support of partners for these new items.

In addition to traditional customers, we have started working with new customers as Corona, Tricam. From decades of experience working with the biggest names in the retail sector such as Walmart, Aldi, LIDL, Home Depot, etc., we hope to cultivate our relationships with all customers the same way as our strategic partnership with LIDL. We are confident that the Company will have strong development in the coming years, from one of the largest garden tools producer in the world to becoming a manufacturing enterprise with large-scale consumption in the region and the Vietnamese market. Fortress aims to exceed sales of 50 million USD in 2021.

Based on the current situation of the world economy as well as Vietnam having been affected by the Covid-19 disease, we submit the business plan for 2021 as follows:

Unit: VND million

No.	**Items**	**Plan 2021**	**Actual 2020**
1	Charter capital (*)	335,098	268,078
2	Net revenue	1,160,000	653,050
3	Profit after tax	104,516	19,536
4	Sales/revenue (ROS)	9.01%	2.99%
5	Return on Assets (ROA)	5.45%	1.16%
6	Return on Equity (ROE)	12.07%	2.53%
7	Dividend rate	0%	0%

(*) Increasing charter capital in 2020 is in accordance with the dividend plan in 2018. The General Meeting of Shareholders approved the dividend payment at the rate of 25%.

For charter capital and other criteria, it may be adjusted according to the dividend decision of the General Meeting of Shareholders. On the basis of the General Meeting of Shareholders authorizing the Board of Directors to base on the actual situation to decide the dividend distribution to be suitable with the business plan.

Above is the report of the 2020 performance and the plan of 2021 of the Board of Directors of Vietnam Fortress Tools. We are looking forward to receiving feedback from our shareholders to support the Board of Directors to achieve excellent results.

Thank you very much!

***Recipients*:**

- *General Meeting of Shareholders;*
- *File at Admin*

ON BEHALF OF THE
BOARD OF DIRECTORS

HSU TING HSIN