VIETNAM FORTRESS TOOLS JSC

No : 090421-01/TTr-HĐQT

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Thai Binh, April 09th , 2021

PROPOSAL

Purchase capital of Garden Pals Company Limited, FT - Ostermann GmbH

To: 2019 Extraordinary General Meeting of Shareholders

- *Pursuant to the Enterprise Law No. 59/2020/QH14 dated 17/6/2020;*
- *Pursuant to Law on Securities 54/2019/QH14 dated 26/11/2019;*
- *Pursuant to Vietnam Fortress Tools JSC's Charter;*
- *Pursuant to Vietnam Fortress Tools JSC's investment needs to expand business operations.*

The Board of Directors presents to the General Meeting of Shareholders to approve the Plan of purchase capital of Garden Pals Company Limited and FT- Ostermann GmbH as follows:

1. PLAN OF PURCHASE CAPITAL OF GARDEN PALS CO., LTD

1.1 General information of Garden Pals Co., Ltd.

- Charter capital: VND 9,600,000,000
- Business Registration Certificate: 1000417839
- Date of establishment: 13/07/2007
- Address: Lot B6 – Phuc Khanh Industrial Zone, Thai Bình City, Thai Bình Province
- Owner: Formosa Tools (Taiwan)
- Main business activities: Heat treatment processing.
- Some financial information:

Unit: VND

Item	2018	2019	2020
Revenue	10,230,502,338	6,360,969,746	6,349,278,150
Profit before tax	3,683,993,768	2,374,838,044	4,834,529,077
Profit after tax	3,034,642,192	1,741,268,060	4,091,468,600
Chater capital	9,858,854,851	9,858,854,851	9,858,854,851
Owner's Equity	3,793,443,806,	5,534,711,866	9,626,180,466
Total assets	23,207,323,739	19,052,606,515	20,433,893,120

1.2 Investment plan

Garden Pals Co., Ltd: With an area of 1.4ha, has completed construction and come into operation since 2008. Currently, 100% capital of Garden Pals Co., Ltd. is owned by Formosa Tools (Taiwan). A small area of the factory is used to process heat treatment for Fortress, while the remaining area is leased by Fortress and XHL Co., Ltd. for production. Considering the financial situation of Garden Pals Co., Ltd. in recent years that tends to develop, along with taking advantage of the existing Garden Pals factory to expand production, the Board of Directors presents to the General Meeting of Shareholders to approve purchase capital of Garden Pals Co., Ltd as follows:

- Scale of investment: Purchase capital equivalent to 100% of the Charter capital of Garden Pals Co., Ltd.
- Purchase price: According to the negotiable price combined with appraisal results of at least 02 independent appraisal units.
- Method: The company will proceed to deduct debts between Formosa Tools Co., Ltd and Vietnam Fortress Tools JSC. If the result of the asset valuation of Garden Pals Co., Ltd. is higher than the amount owed by Formosa Tools Co., Ltd to the Company, the higher difference will be used to pay off the Company's existing liabilities Garden Pals Co., Ltd., the rest Fortress will pay to Formosa Tools Co., Ltd.
- Implementation time: Conduct immediately after getting the approval of the Department of Planning and Investment.

2. PLAN OF PURCHASE CAPITAL OF FT-OSTERMANN GMBH

2.1. General information of FT-Ostermann GmbH

- Charter capital: EUR 811,035.00, equivalent to VND 20,900,000,000
- Date of establishment: 19/7/2010
- Business line: Manufacturing and distributing garden tools and garden decorations.
- Headquarters: Schüttelsand 1, 49808 Lingen (Ems), Germany
- Currently, FT -Ostermann GmbH is distribution center Formosa's product in the European market.
- Some financial information: (The fiscal year begins from June 1st this year to May 31th next year)

Unit: EUR

Item	5.31.2018	5.31.2019	5.31.2020
Revenue	8,267,114.57	9,164,615.70	6,799,182.46
Profit after tax	63,877.62	(137,547.50)	(151,169.05)
Chater capital	811,035.00	811,035.00	811,035.00
Owner’s Equity	1,606,652.4	1,469,104.90	1,317,935.85
Total assets	5,449,637.05	5,491,152.36	4,468,542.45

2.2 Investment plan

• Scale of investment: Purchase capital equivalent to 74.56% of the Charter capital of FT-Ostermann GmbH from Formosa Tools (Taiwan).

• Method and price Transfer: Swap the debt FT-Ostermann GmbH owes Fortress but has been paid to Formosa Tools Co., Ltd. with the amount of 1,513,199.48 USD

• Implementation time: Conduct immediately after obtaining the approval from the Ministry of Planning and Investment or a competent agency.

3. AUTHORIZE THE BOARD OF DIRECTORS

The Board of Directors proposes to the General Meeting of Shareholders to consider and approve the above plan and authorize the Board of Directors:

- Implementation of legal procedures related to the purchase of capital: Registration of capital contribution to the Department of Planning and Investment, conducting procedures for granting Certificate of outward investment registration with the Ministry of Planning and Investment and other legal procedures;

- Decision to select the time to buy capital;

- Decide to select an independent appraisal unit, negotiate a purchase price;

- Decide to select a representative for contribute capital;

- Decide and perform other arising tasks and procedures

Please kindly consider all of our proposals.

Thank you very much.

ON BEHALF OF THE
BOARD OF DIRECTORS
CHAIRMAN

(signed)

HSU TING HSIN