

Vietnam Fortress Tools Joint Stock Company

Financial statements

For the year ended 31 December 2021



Vietnam Fortress Tools Joint Stock Company

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of the management	3
Independent auditors' report	4 - 5
Balance sheet	6 - 7
Income statement	8
Cash flow statement	9 - 10
Notes to the financial statements	11 - 42

Vietnam Fortress Tools Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vietnam Fortress Tools Joint Stock Company (“the Company”) is a joint stock company established under the Law on Enterprise of Vietnam in pursuant to the Investment Registration Certificate No. 4304315420 issued by Thai Binh Department of Planning and Investment on 14 July 2010 and subsequent amended Investment Registration Certificates, with the 11th amended on 4 May 2021 as the latest. The Company also received Business Registration Certificate No. 1000383611 issued by Thai Binh Department of Planning and Investment on 23 September 2016 and subsequent amended Business Registration Certificates, with the latest being the 15th amended dated 22 April 2021.

On 21 June 2018, the Company has been approved by the State Security Commission as a public interest entity according to Official Letter No. 3889/UBCK-GSDC issued by the State Security Commission.

The principal activities of the Company are:

- ▶ trading, manufacturing and processing gardening accessories;
- ▶ trading and manufacturing metal products;
- ▶ manufacturing machineries and tools;
- ▶ heat treatment, electroplating;
- ▶ manufacturing toys and games made of wood (except for wood processing, harmful toys to personality education, children’s healths or security and society); and
- ▶ other business activities in accordance with the Company’s Enterprise Registration Certificate.

The Company has its head office and factories located at Lot B8, B9 and B10, Phuc Khanh Industrial Zone, Phu Khanh district, Thai Binh province, Vietnam and its representative office located at Floor No. 16, Daeha Business Center Bulding, 360 Kim Ma street, Ba Dinh district, Hanoi, Vietnam.

BOARD OF MANAGEMENT

Members of the Board of Directors during the year and at the date of this report are:

Mr. Tsai Chui Tien	Chairman	appointed on 16 April 2021
Mr. Hsu Ting Hsin	Chairman	resigned on 16 April 2021
Ms. Le Thi Thu Hang	Member	re-appointed on 16 April 2021
		resigned on 22 January 2021
Ms. To Thi Phuong Lan	Member	appointed on 22 January 2021
Mr. Hsu Wei Chun	Member	resigned on 16 April 2021
Ms. Hsu Yu Min	Member	resigned on 16 April 2021
		appointed on 22 January 2021
		resigned on 22 January 2021
Mr. Liang Tung Hsing	Member	appointed on 16 April 2021
Mr. Bui Van Thanh	Independent member	appointed on 16 April 2021
Mr. Do Xuan Thanh	Independent member	appointed on 16 April 2021
Mr. Tsai Jer – Shyong	Independent member	resigned on 16 April 2021
Mr. Carl Ronald Gordon	Independent member	resigned on 16 April 2021
Mr. Tsai Hsien Hao	Independent member	resigned on 16 April 2021

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Ms. Vi Nguyet Cam	Head
Ms. Nguyen Thi Linh	Member
Ms. Le Thi Thu Huong	Member

Vietnam Fortress Tools Joint Stock Company

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

Members of the management during the year and at the date of this report are:

Ms. Duong Thi Thom	General Director	appointed on 16 April 2021
	Deputy General Director	resigned on 16 April 2021
Mr. Kuo Hsien Cheng	Deputy General Director	
Mr. Hsu Christopher Tony	Deputy General Director	
Ms. Le Thi Thu Hang	Deputy General Director	appointed on 16 April 2021
Mr. Hsu Wei Chun	General Director	resigned on 16 April 2021
Mr. Mu Hong Tao	Deputy General Director	resigned on 13 January 2021

LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2021 to 16 April 2021 is Mr. Hsu Ting Hsin and from 16 April 2021 to the date of this report is Mr. Tsai Chui Tien, Chairman of the Board of Directors.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Vietnam Fortress Tools Joint Stock Company

REPORT OF MANAGEMENT

Management of Vietnam Fortress Tools Joint Stock Company ("the Company") is pleased to present this report and the financial statements for the year ended 31 December 2021.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company and of the results of its operations and its cash flows for the year. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and the presentation of the financial statements.

For and on behalf of management:



Dương Thị Thơm
General Director

Thai Binh, Vietnam

28 March 2022

Reference: 61382523/22383553

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Vietnam Fortress Tools Joint Stock Company

We have audited the accompanying financial statements of Vietnam Fortress Tools Joint Stock Company ("the Company") as prepared on 28 March 2022 and set out on pages 6 to 42, which comprise the balance sheet as at 31 December 2021, the income statement and the cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2021, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.

Ernst & Young Vietnam Limited



Nguyen Manh Hung
Deputy General Director
Audit Practising Registration
Certificate No. 2401-2018-004-1



Le Hong Van
Auditor
Audit Practising Registration
Certificate No. 4432-2018-004-1

Hanoi, Vietnam

28 March 2022

BALANCE SHEET
as at 31 December 2021

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,184,635,230,062	1,304,352,123,246
110	I. Cash and cash equivalents	4	16,563,741,180	10,330,248,926
111	1. Cash		6,563,741,180	7,667,198,555
112	2. Cash equivalents		10,000,000,000	2,663,050,371
120	II. Short-term investments		41,368,122,861	42,137,782,459
123	1. Held-to-maturity investments	5	41,368,122,861	42,137,782,459
130	III. Current accounts receivable		194,154,888,325	267,062,245,934
131	1. Short-term trade receivables	6.1	178,740,017,841	262,427,022,125
132	2. Short-term advances to suppliers	6.2	14,991,912,701	2,048,985,911
136	3. Other short-term receivables		422,957,783	2,586,237,898
140	IV. Inventories	7	930,097,430,155	984,740,494,722
141	1. Inventories		956,261,892,362	996,066,562,358
149	2. Provision for obsolete inventories		(26,164,462,207)	(11,326,067,636)
150	V. Other current assets	12	2,451,047,541	81,351,205
152	1. Value added tax deductible		2,332,092,438	81,351,205
153	2. Tax and other receivables to State		118,955,103	-
200	B. NON-CURRENT ASSETS		353,516,281,296	399,494,544,525
220	I. Fixed assets		324,669,691,692	364,487,992,067
221	1. Tangible fixed assets	8	324,624,671,744	364,407,488,119
222	Cost		631,570,483,921	629,865,800,724
223	Accumulated depreciation		(306,945,812,177)	(265,458,312,605)
227	2. Intangible fixed assets	9	45,019,948	80,503,948
228	Cost		567,943,593	567,943,593
229	Accumulated amortisation		(522,923,645)	(487,439,645)
260	II. Other long-term assets		28,846,589,604	35,006,552,458
261	1. Long-term prepaid expenses	10	28,406,727,542	33,740,403,784
262	2. Deferred tax assets	24.3	439,862,062	1,266,148,674
270	TOTAL ASSETS		1,538,151,511,358	1,703,846,667,771

BALANCE SHEET (continued)
as at 31 December 2021

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		789,841,509,353	922,458,413,972
310	I. Current liabilities		708,360,167,803	869,707,558,409
311	1. Short-term trade payables	11.1	129,037,800,701	207,066,659,254
312	2. Short-term advances from customers	11.2	5,177,554,521	14,149,198,160
313	3. Statutory obligations	12	445,074,783	2,236,288,684
314	4. Payables to employees		12,825,400,352	30,241,162,963
315	5. Short-term accrued expenses	13	2,542,237,337	2,055,002,572
319	6. Other short-term payables	14	48,772,822,244	17,750,783,655
320	7. Short-term loans	15	500,652,882,727	587,302,067,983
322	8. Bonus and welfare fund		8,906,395,138	8,906,395,138
330	II. Non-current liabilities		81,481,341,550	52,750,855,563
338	1. Long-term loans	15	80,675,000,000	51,944,514,013
342	2. Long-term provisions		806,341,550	806,341,550
400	D. OWNERS' EQUITY		748,310,002,005	781,388,253,799
410	I. Capital	16	748,310,002,005	781,388,253,799
411	1. Share capital		268,078,350,000	268,078,350,000
411a	- Shares with voting rights		268,078,350,000	268,078,350,000
412	2. Share premium		148,621,259,858	148,621,259,858
418	3. Investment and development fund		14,843,991,896	14,843,991,896
421	4. Undistributed earnings		316,766,400,251	349,844,652,045
421a	- Undistributed earnings by the end of prior year		349,844,652,045	331,871,177,268
421b	- (Loss)/undistributed earnings of current year		(33,078,251,794)	17,973,474,777
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,538,151,511,358	1,703,846,667,771



Nguyen Thi Cam Van
Preparer and Chief Accountant




28 March 2022

INCOME STATEMENT
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	18.1	748,872,924,889	653,049,724,462
02	2. Deductions	18.1	(19,733,809,827)	-
10	3. Net revenue from sale of goods	18.1	729,139,115,062	653,049,724,462
11	4. Cost of goods sold	19	(679,176,686,808)	(547,809,203,890)
20	5. Gross profit from sale of goods		49,962,428,254	105,240,520,572
21	6. Finance income	18.2	13,736,076,533	9,323,162,084
22	7. Finance expenses	20	(33,807,983,390)	(34,612,120,755)
23	<i>In which: Interest expenses</i>		(26,418,110,776)	(31,901,324,709)
25	8. Selling expenses	21	(24,796,869,888)	(16,085,140,527)
26	9. General and administrative expenses	21	(36,503,262,040)	(34,735,456,068)
30	10. Operating (loss)/profit		(31,409,610,531)	29,130,965,306
31	11. Other income	22	1,566,135,277	203,956,489
32	12. Other expenses	22	(2,408,489,929)	(7,438,441,461)
40	13. Other loss	22	(842,354,652)	(7,234,484,972)
50	14. Accounting (loss)/profit before tax		(32,251,965,183)	21,896,480,334
51	15. Current corporate income tax expense	24.1	-	(1,957,445,366)
52	16. Deferred tax expense	24.3	(826,286,611)	(402,649,341)
60	17. Net (loss)/profit after tax		(33,078,251,794)	19,536,385,627
70	18. Basic (loss)/earnings per share	26	(1,234)	707
71	19. Diluted (loss)/earnings per share	26	(1,234)	707


Nguyen Thi Cam Van
Preparer and Chief Accountant

28 March 2022



CASH FLOW STATEMENT
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	(Loss)/profit before tax		(32,251,965,183)	21,896,480,334
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets, amortisation of intangible fixed assets and amortization of prepaid land rental expense		49,588,908,406	46,427,281,339
03	Provisions		14,838,394,571	7,153,597,248
04	Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency		(419,479,454)	(2,542,503,560)
05	Profits from investing activities		(2,814,849,718)	(2,211,058,181)
06	Interest expenses	20	26,418,110,776	31,901,324,709
08	Operating profit before changes in working capital		55,359,119,398	102,625,121,889
09	Decrease in receivables		72,221,303,276	276,928,946,947
10	Decrease/(increase) in inventories		39,804,669,996	(260,415,476,740)
11	Decrease in payables		(25,307,007,259)	(76,238,862,817)
12	Decrease in prepaid expenses		4,592,921,774	1,797,596,102
14	Interest paid		(25,634,372,618)	(28,358,085,711)
15	Corporate income tax paid		(1,838,490,263)	(12,901,381,285)
17	Other cash outflows for operating activities		-	(1,381,819)
20	Net cash flows from operating activities		119,198,144,304	3,436,476,566
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(62,238,421,982)	(116,781,480,828)
22	Proceeds from disposals of fixed assets and other long-term assets		724,166,473	149,500,000
23	Loans to other entities		-	(23,821,122,861)
24	Collections from borrowers		1,468,960,677	17,023,205,999
27	Interest received		1,131,625,700	445,668,391
30	Net cash flows used in investing activities		(58,913,669,132)	(122,984,229,299)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		878,048,305,189	870,081,262,532
34	Repayment of borrowings		(931,631,162,116)	(761,362,545,661)
40	Net cash flows (used in)/from financing activities		(53,582,856,927)	108,718,716,871

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2021

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase/(decrease) in cash for the year		6,701,618,245	(10,829,035,862)
60	Cash and cash equivalents at the beginning of the year		10,330,248,926	21,371,059,649
61	Impact of exchange rate fluctuation		(468,125,991)	(211,774,861)
70	Cash and cash equivalents at the end of the year	4	16,563,741,180	10,330,248,926



Nguyen Thi Cam Van
Preparer and Chief Accountant



M.S.D.N: 1000383611-C.I.C.
CÔNG TY
CỔ PHẦN
CÔNG CỤ VÀ DỤNG CỤ
FORTRESS
TSAI CHUN TIEN
Chairman
ĐƯỜNG T. THÁI BÌNH

28 March 2022

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2021 and for the year then ended

1. CORPORATE INFORMATION

Vietnam Fortress Tools Joint Stock Company (“the Company”) is a joint stock company established under the Law on Enterprise of Vietnam in pursuant to the Investment Registration Certificate No. 4304315420 issued by Thai Binh Department of Planning and Investment on 14 July 2010 and subsequent amended Investment Registration Certificates, with the 11th amended on 4 May 2021 as the latest. The Company also received Business Registration Certificate No. 1000383611 issued by Thai Binh Department of Planning and Investment on 23 September 2016 and subsequent amended Business Registration Certificates, with the latest being the 15th amended dated 22 April 2021.

On 21 June 2018, the Company has been approved by the State Security Commission as a public interest entity according to Official Letter No. 3889/UBCK-GSDC issued by the State Security Commission. Shares of the Company is deposited at Vietnam Securities Depository Center with the stock code is FTV.

The principal activities of the Company are:

- ▶ trading, manufacturing and processing gardening accessories;
- ▶ trading and manufacturing metal products;
- ▶ manufacturing machineries and tools;
- ▶ manufacturing toys and games made of wood (except for wood processing, harmful toys to personality education, children’s healths or security and society); and
- ▶ other business activities in accordance with the Company’s Enterprise Registration Certificate.

The Company’s normal course of business cycle is 12 months from 1 January to 31 December.

The Company has its head office and factories located at Lot B8, B9 and B10, Phuc Khanh Industrial Zone, Phu Khanh district, Thai Binh province, Vietnam and its representative office located at Floor No. 16, Daeha Business Center Bulding, 360 Kim Ma street, Ba Dinh district, Hanoi, Vietnam.

The number of the Company’s employees as at 31 December 2021 is 1,269 (31 December 2020: 1,533).

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The financial statements of the Company (“the Company”) expressed in Vietnam Dong (“VND”), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.1 *Accounting standards and system* (continued)

Accordingly, the accompanying financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal System.

2.3 *Fiscal year*

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

The financial statements are prepared in Vietnam Dong ("VND") which is also the Company's accounting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of no more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Materials, merchandises, tools and supplies - cost of purchase on a weighted average cost basis.

Finished goods, work in progress - cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories (continued)

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the income statement.

3.3 Receivables

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Company is the lessee

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

3.7 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 20 years
Machinery and equipment	3 - 15 years
Means of transportation	7 - 12 years
Office equipment	3 - 5 years
Computer software	3 - 5 years

3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Prepaid land rentals

The prepaid land rental represents the unamortised balance of advance payments made in accordance with the Lease Contracts No. 12/HDTLD-DT signed with Phuc Khanh Industrial Zone Development Joint Stock Company on 5 May 2006 for periods of 46 years and 8 months. Such prepaid rental is recognized as long-term prepaid expense for allocation to the income statement over the remaining lease period according to Circular 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance providing guideline for the management, use and calculation of the depreciation/amortisation of tangible fixed assets and intangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Investments*

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the financial statements and deducted against the value of such investments.

3.11 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.12 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service more than 12 months up to balance sheet date at the rate of 50% of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

3.13 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conduct transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conduct transactions regularly.

All foreign exchange differences incurred during the year are taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval in the annual shareholders meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and approved at the annual shareholders' meeting.

Investment and development fund

This fund is set aside for use in the Company's expansion of its operation or in-depth investment.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the balance sheet.

3.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

3.16 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.17 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.18 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The principal activities of the Company is manufacturing and trading of products of gardening accessories, metal products, machineries and tools, heat treatment and electroplating. Revenue from export sale of gardening accessories including rake, scissors, shovel, saw, hoe and pitchfork accounted for 98% of total revenue in the year. Besides, the production and business activities of the Company are mainly carried out in Vietnam. Therefore, the Company has only one business segment and one geographical segment. Accordingly, the Company does not disclose business segment and geographical segment.

3.19 Related parties

Parties are considered to be related parties of the Company if one party has the ability to, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	7,958,973	470,745,568
Cash at bank	6,555,782,207	7,196,452,987
Cash equivalents (*)	10,000,000,000	2,663,050,371
TOTAL	<u>16,563,741,180</u>	<u>10,330,248,926</u>

(*) Cash equivalents as at 31 December 2021 represent VND-deposits at commercial banks with term of 3 months and earn interest at the rate of 3.55% per annum (as at 31 December 2020: 3.4% per annum).

Cash equivalents were pledged as collateral for loans as presented in Note 15.

5. HELD-TO-MATURITY INVESTMENTS

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Carrying value</i>	<i>Cost</i>	<i>Carrying value</i>
Term deposit	41,368,122,861	41,368,122,861	42,137,782,459	42,137,782,459
TOTAL	<u>41,368,122,861</u>	<u>41,368,122,861</u>	<u>42,137,782,459</u>	<u>42,137,782,459</u>

Term deposits represent VND-deposits at commercial banks with terms from 6 to 12 months and earn interest at the rates ranging from 1.75% to 6.75% per annum (as at 31 December 2020: 2.25% per annum - 5.7% per annum).

Certain term deposits were pledged as collateral for loans as presented in Note 15.

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables	108,723,840,227	37,497,468,672
- Corona Clipper Group	45,554,968,446	677,064,809
- Snow Joe Co., Ltd.	25,936,968,771	-
- Siplec Co., Ltd.	11,830,905,450	-
- LIDL Hong Kong Co., Ltd.	-	24,835,411,824
- Conmetall Meister GMBH Co., Inc.	-	5,473,402,506
- Other customers	25,400,997,560	6,511,589,533
Short-term trade receivables from related parties (Note 25)	70,016,177,614	224,929,553,453
TOTAL	<u>178,740,017,841</u>	<u>262,427,022,125</u>

Certain short-term receivables were pledged as collateral for loans as presented in Note 15.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

6.2. Short-term advances to suppliers

	Currency: VND	
	Ending balance	Beginning balance
Maxi Trading Hong Kong Co., Ltd.	4,502,016,104	-
Utmaster Import Export Co., Ltd.	3,841,606,241	-
Au Luc Precision Industry Co., Ltd.	2,348,728,309	-
Other suppliers	4,299,562,047	2,048,985,911
TOTAL	<u>14,991,912,701</u>	<u>2,048,985,911</u>

7. INVENTORIES

	Currency: VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Work in process	769,721,077,307	(19,715,115,987)	698,279,952,239	(11,326,067,636)
Finished goods	65,733,678,444	(6,449,346,220)	105,234,352,258	-
Raw materials	85,779,513,429	-	162,189,365,197	-
Goods on consignment	27,241,229,369	-	18,528,099,802	-
Tools and supplies	4,883,502,865	-	4,231,992,689	-
Goods in transit	2,902,890,948	-	7,602,800,173	-
TOTAL	<u>956,261,892,362</u>	<u>(26,164,462,207)</u>	<u>996,066,562,358</u>	<u>(11,326,067,636)</u>

Certain inventories were pledged as collateral for loans as presented in Note 15.

Details of movement of provision for obsolete inventories:

	Currency: VND	
	Ending balance	Beginning balance
Beginning balance	11,326,067,636	4,172,470,388
Add: Provision made during the year	17,227,996,882	7,153,597,248
Less: Utilisation and reversal of provision during the year	(2,389,602,311)	-
Ending balance	<u>26,164,462,207</u>	<u>11,326,067,636</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

8. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Cost:					
Beginning balance	159,311,764,575	464,400,667,363	5,162,714,305	990,654,481	629,865,800,724
- New purchase	909,310,000	7,989,566,290	-	130,977,273	9,029,853,563
- Disposal	-	(7,325,170,366)	-	-	(7,325,170,366)
Ending balance	160,221,074,575	465,065,063,287	5,162,714,305	1,121,631,754	631,570,483,921
<i>In which:</i>					
Fully depreciated	229,997,201	107,424,397,664	5,162,714,304	623,364,546	113,440,473,715
Accumulated depreciation:					
Beginning balance	33,464,144,258	226,199,939,137	5,162,714,305	631,514,905	265,458,312,605
- Depreciation for the year	8,275,749,840	40,440,812,021	-	96,108,077	48,812,669,938
- Disposal	-	(7,325,170,366)	-	-	(7,325,170,366)
Ending balance	41,739,894,098	259,315,580,792	5,162,714,305	727,622,982	306,945,812,177
Net carrying amount:					
Beginning balance	125,847,620,317	238,200,728,226	-	359,139,576	364,407,488,119
Ending balance	118,481,180,477	205,749,482,495	-	394,008,772	324,624,671,744

Certain tangible fixed assets were pledged as collateral for loans as presented in Note 15.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

9. INTANGIBLE FIXED ASSETS

Currency: VND

Computer software

Cost:

Beginning balance and ending balance 567,943,593

Accumulated amortisation:

Beginning balance 487,439,645

- Amortisation for the year 35,484,000

Ending balance 522,923,645

Net carrying amount:

Beginning balance 80,503,948

Ending balance 45,019,948

10. LONG-TERM PREPAID EXPENSES

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Prepaid land and infrastructure rental	23,051,082,956	23,791,837,423
Tools and supplies in use	4,311,028,732	8,754,719,671
Others	1,044,615,854	1,193,846,690
TOTAL	<u>28,406,727,542</u>	<u>33,740,403,784</u>

11. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

11.1 Short-term trade payables

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Payable amount</i>	<i>Balance</i>	<i>Payable amount</i>
Trade payables to suppliers	108,875,618,309	108,875,618,309	130,365,578,296	130,365,578,296
- Hsin Yue Hsing Co., Ltd.	27,938,087,399	27,938,087,399	23,353,723,473	23,353,723,473
- Trade payables to other suppliers	80,937,530,910	80,937,530,910	107,011,854,823	107,011,854,823
Trade payables to related parties (Note 25)	20,162,182,392	20,162,182,392	76,701,080,958	76,701,080,958
TOTAL	<u>129,037,800,701</u>	<u>129,037,800,701</u>	<u>207,066,659,254</u>	<u>207,066,659,254</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

11. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS (continued)

11.2 Short-term advances from customers

	Currency: VND	
	Ending balance	Beginning balance
Tavi B.V, PI Co., Ltd.	4,171,528,772	1,794,069,312
Tricam Industries Corporation	387,351,063	2,583,102,495
Daishin Co., Ltd.	-	9,364,686,676
Advance from other customers	618,674,686	407,339,677
TOTAL	<u>5,177,554,521</u>	<u>14,149,198,160</u>

12. STATUTORY OBLIGATIONS

	Currency: VND			
	Beginning balance	Payable for the year	Payment made during the year	Ending balance
Payables				
Import duties	325,928,946	595,271,706	(588,586,106)	332,614,546
Corporate income tax	1,838,490,263	-	(1,838,490,263)	-
Personal income tax	71,869,475	1,156,837,547	(1,119,446,785)	109,260,237
Others	-	1,829,477,804	(1,826,277,804)	3,200,000
TOTAL	<u>2,236,288,684</u>	<u>3,581,587,057</u>	<u>(5,372,800,958)</u>	<u>445,074,783</u>

	Currency: VND			
	Beginning balance	Increase in the year	Decrease during the year	Ending balance
Receivables				
Corporate income tax	-	118,955,103	-	118,955,103
Value added tax	81,351,205	19,346,656,801	(17,095,915,568)	2,332,092,438
TOTAL	<u>81,351,205</u>	<u>19,465,611,904</u>	<u>(17,095,915,568)</u>	<u>2,451,047,541</u>

13. SHORT-TERM ACCRUALS

	Currency: VND	
	Ending balance	Beginning balance
Interest expense	2,246,103,807	1,758,499,179
Others	296,133,530	296,503,393
TOTAL	<u>2,542,237,337</u>	<u>2,055,002,572</u>
<i>In which:</i>		
Accruals to related parties (Note 25)	2,198,388,739	1,758,499,179
Accruals to others	343,848,598	296,503,393

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

14. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Social insurance, health insurance and unemployment insurance	1,382,295,343	16,680,361,853
Trade union fee	205,128,595	388,809,126
Letter of credit payables (*)	45,842,116,605	-
Other payables	1,343,281,701	681,612,676
TOTAL	<u>48,772,822,244</u>	<u>17,750,783,655</u>

(*) Represent outstanding balances of letter of credit at commercial banks as at 31 December 2021, secured by assets as disclosed in Note 15, relating to goods import transactions of the Company. These balances are due on 22 June 2022 and bear interest rates ranging from 3.15% per annum to 3.77% per annum.

Vietnam Fortress Tools Joint Stock Company

B09-DN

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

15. LOANS

	Note	Beginning balance		Movement during the year			Ending balance	
		Balance	Payable amount	Increase	Decrease	Foreign exchange difference	Balance	Payable amount
Short-term								
Loans from banks	15.1	513,061,339,246	513,061,339,246	659,719,570,516	(837,590,618,205)	(4,005,861,248)	331,184,430,309	331,184,430,309
Loans from related parties	15.2	37,928,757,000	37,928,757,000	129,687,256,729	(37,979,100,000)	382,000,000	130,018,913,729	130,018,913,729
Current portion of long-term loans from banks	15.3	36,311,971,737	36,311,971,737	60,045,991,957	(56,061,443,911)	(846,981,094)	39,449,538,689	39,449,538,689
TOTAL		587,302,067,983	587,302,067,983	849,452,819,202	(931,631,162,116)	(4,470,842,342)	500,652,882,727	500,652,882,727
Long-term								
Loans from banks	15.3	51,944,514,013	51,944,514,013	8,101,477,944	(60,045,991,957)	-	-	-
Loans from related parties	15.4	-	-	80,540,000,000	-	135,000,000	80,675,000,000	80,675,000,000
TOTAL		51,944,514,013	51,944,514,013	88,641,477,944	(60,045,991,957)	135,000,000	80,675,000,000	80,675,000,000

Currency: VND

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

15. LOANS (continued)

15.1 Short-term loans from banks

Details of short-term loans from banks are as follows:

Banks	Ending balance		Principal and interest repayment term	Interest rate per annum	Description of collateral
	(VND)	Original currency (USD)			
Ho Chi Minh City Development Joint Stock Commercial Bank - Thai Binh Branch	209,314,740,390	9,080,899.80	Maturity stipulated on each loan drawdown, in which principals are due from 26 February 2022 to 30 September 2022. Interest is payable at the end of each month.	4.50%	- The Company's real estate located at lots B8 + B9 + B10 and the Company's rights to collect receivables and inventories; - Real estate in Phuc Khanh Industrial Park of Garden Pals Co., Ltd., a common-major shareholder company; - Term deposit amounting to VND 30,084,000,000 of the Company; - 6-month term deposit amounting to VND 3,500,000,000 of Mr. Tsai Chui Tien; - 6-month term deposit amounting to VND 5,135,650,000 of Ms. Vu Thi Xuyen; - Shares of the Company held by Mr. Tsai Chui Tien and Formosa Tools Co., Ltd.; and - Escrow and payment guarantee from customers.
Tien Phong Joint Stock Commercial Bank - Hanoi Branch	103,518,157,080	4,516,499.00	Maturity stipulated on each loan drawdown, in which principals are due from 11 May 2022 to 6 July 2022. Interest is payable on every 25 th of each month.	9.37%	- The Company's entire factory for manufacturing of garden tools and equipment at lots E3 + E3' in Phuc Khanh Industrial Park, including land use rights and buildings on the land.
	18,351,532,839	-			- All factory buildings, machineries of Bach Hoa Phuc Khanh Co., Ltd., a common-chairman company; - 6-month term deposit amounting to VND 12,183,122,861 of the Company; - 3 to 6-month term deposits with total amount of VND 8,796,847,508 of Ms. Le Thi Thu Hang;
					- Term deposit amounting to VND 23,000,000,000 of Khai Phat Dai Tin Joint Stock Company, a common-chairman company; - Rights to collect receivables; and - The Company's machineries and inventories.
TOTAL	331,184,430,309	13,597,398.80			

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

15. LOANS (continued)

15.2 Short-term loans from related parties

Details of short-term and unsecured loans from related parties are as follows:

<i>Lenders</i>	<i>Relationship</i>	<i>Ending balance (VND)</i>	<i>Principal and interest repayment term</i>	<i>Interest rate (% per annum)</i>
Mr. Tsai Chui Tien	Chairman	49,352,773,228	Principal and interest are payable on the maturity dates which are from 21 March 2022 to 29 November 2022, of loan drawdowns.	3.0% - 5.8%
Ability Merit Co., Ltd.	Common-chairman/ general director company	27,660,000,000	Principal is payable from all income from production and business activities of the Company and before the maturity dates, i.e: 30 August 2022 and 30 September 2022. Interest is payable upon the maturity dates.	3.5%
Objective Holding Incorporated	Common-chairman company	20,440,000,000	Principal is payable from all income from production and business activities of the Company and before the maturity dates, i.e: 21 March 2022 and 10 August 2022. Interest is payable upon the maturity dates.	3.0% - 3.5%
Ms. Le Thi Thu Hang	Deputy General Director/Member of Board of Directors	13,996,483,501	Principal and interest are payable on the maturity dates which are from 27 April 2022 to 14 October 2022, of loan drawdowns.	3.0% - 5.0%
Ms. Duong Thi Thom	General Director	9,812,500,000	Principal and interest are payable on the maturity dates which are from 22 January 2022 to 8 June 2022, of loan drawdowns.	3.3% - 7.5%
Khai Phat Dai Tin JSC	Common-chairman/ general director company	6,500,000,000	Principal and interest are payable on the maturity dates which are from 21 March 2022 to 2 May 2022, of loan drawdowns.	3.3% - 6.0%
Fortune Industrial Park Development Co., Ltd.	Related party of major shareholder	2,257,157,000	Principal and interest were due on 20 July 2016. (However, as the lender ceased its operation, the Company has not been able to complete necessary procedures for loan repayment).	3.5%
TOTAL		130,018,913,729		

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

15. LOANS AND FINANCE LEASES (continued)

15.3 Long-term loans from banks

Details of long-term loans from banks are as follows:

Bank	Ending balance		Principal and interest repayment term	Interest rate (% per annum)	Description of collateral
	Ending balance (VND)	Original currency (USD)			
The Shanghai Commercial & Savings Bank Ltd. – Dong Nai Branch	31,348,060,744	1,370,107.55	Principal and interest are payable on monthly basis from 8 January 2022 to 8 August 2022.	1.74% - 1.98%	Machinery and equipment funded by the loans; and 6-month term deposit amounting to VND 8,345,000,000 of the Company.
Ho Chi Minh City Development Joint Stock Commercial Bank – Thai Binh Branch	8,101,477,945	-	Principal is payable every 3 months from February to September 2022. Interest is payable on monthly basis.	9.37%	The Company's entire factory for manufacturing of garden tools and equipment at lots E3 + E3' in Phuc Khanh Industrial Park, including land use rights and buildings on the land.
TOTAL	39,449,538,689	1,370,107.55			

In which:

Current portion	39,449,538,689
Long-term loans	-

15.4. Long-term loan from related parties

Lenders	Relationship	Ending balance		Principal and interest repayment term	Interest rate (% per annum)
		Ending balance (VND)	Original currency (USD)		
Ability Merit Co., Ltd.	Common-chairman/ general director company	80,675,000,000	3,500,000	Interest is payable annually in December. The loan principal is payable in 7 installments (with 2-month interval) before 13 May 2024.	3.5%
In which: Long-term loans		80,675,000,000	3,500,000		

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

16. OWNERS' EQUITY

16.1 Increase and decrease in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed earnings	Total
	Currency: VND				
Previous year					
Beginning balance	268,078,350,000	148,621,259,858	13,867,172,615	331,871,177,268	762,437,959,741
Profit for the year	-	-	-	19,536,385,627	19,536,385,627
Appropriation to investment and development fund	-	-	976,819,281	(976,819,281)	-
Appropriation to welfare and bonus fund	-	-	-	(586,091,569)	(586,091,569)
Ending balance	<u>268,078,350,000</u>	<u>148,621,259,858</u>	<u>14,843,991,896</u>	<u>349,844,652,045</u>	<u>781,388,253,799</u>
Current year					
Beginning balance	268,078,350,000	148,621,259,858	14,843,991,896	349,844,652,045	781,388,253,799
Net loss for the year	-	-	-	(33,078,251,794)	(33,078,251,794)
Ending balance	<u>268,078,350,000</u>	<u>148,621,259,858</u>	<u>14,843,991,896</u>	<u>316,766,400,251</u>	<u>748,310,002,005</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**16. OWNERS' EQUITY (continued)****16.2 Share capital**

Currency: VND

	Ending balance			Beginning balance		
	Total	Ordinary shares	Preferred shares	Total	Ordinary shares	Preferred shares
Share capital	268,078,350,000	268,078,350,000	-	268,078,350,000	268,078,350,000	-
Share premium	148,621,259,858	148,621,259,858	-	148,621,259,858	148,621,259,858	-
TOTAL	416,699,609,858	416,699,609,858	-	416,699,609,858	416,699,609,858	-

16.3 Shares

	Quantity	
	Ending balance	Beginning balance
Authorized shares	26,807,835	26,807,835
Issued shares	26,807,835	26,807,835
Ordinary shares	26,807,835	26,807,835
Shares in circulation	26,807,835	26,807,835
Ordinary shares	26,807,835	26,807,835

The par value of share in circulation during the year is VND 10,000/share (31 December 2020: VND 10,000/share).

17. OFF BALANCE SHEET ITEMS

	Ending balance	Beginning balance
Foreign currencies:		
- USD	253,256.69	278,764.60
- EUR	200.00	248.36

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

18. REVENUES**18.1 Revenues from sale of goods**

	Currency: VND	
	Current year	Previous year
Gross revenue	748,872,924,889	653,049,724,462
<i>In which:</i>		
Sales of finished goods	734,264,782,171	641,687,815,587
Sales of scraps	14,608,142,718	11,361,908,875
Deductions		
Sales returns	(19,733,809,827)	-
Net revenue	729,139,115,062	653,049,724,462
<i>In which:</i>		
Sales of finished goods	714,530,972,344	641,687,815,587
Sales of scraps	14,608,142,718	11,361,908,875
<i>In which</i>		
Sales to other parties	635,055,051,255	337,907,119,046
Sales to related parties (Note 25)	94,084,063,807	315,142,605,416

18.2 Finance income

	Currency: VND	
	Current year	Previous year
Interest income	2,090,683,245	2,062,940,000
Foreign exchange gains	11,645,393,288	7,260,222,084
TOTAL	13,736,076,533	9,323,162,084

19. COST OF GOODS SOLD

	Currency: VND	
	Current year	Previous year
Cost of finished goods and scrap sold	664,338,292,237	540,655,606,642
Provision for obsolete inventories	14,838,394,571	7,153,597,248
TOTAL	679,176,686,808	547,809,203,890

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

20. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loan interest	25,700,624,594	28,191,238,591
Penalty interest for late payment	717,486,182	3,710,086,118
Payment discount	2,118,476,650	-
Foreign exchange losses	5,271,395,964	2,710,796,046
TOTAL	<u>33,807,983,390</u>	<u>34,612,120,755</u>

21. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
Transportation cost	14,617,901,812	11,891,438,125
Labor cost	2,147,757,621	1,373,795,044
Product testing cost	4,763,678,246	2,224,727,712
Others	3,267,532,209	595,179,646
TOTAL	<u>24,796,869,888</u>	<u>16,085,140,527</u>
General and administrative expenses		
Labor cost	19,362,940,257	16,462,818,427
External services	11,128,094,321	12,228,881,482
Depreciation and amortization	1,776,972,680	2,486,871,204
Others	4,235,254,782	3,556,884,955
TOTAL	<u>36,503,262,040</u>	<u>34,735,456,068</u>

22. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Other income	1,566,135,277	203,956,489
Payable balance adjustment	790,283,380	-
Gain from disposal of machineries and equipment	724,166,473	158,272,726
Others	51,685,424	45,683,763
Other expenses	2,408,489,929	7,438,441,461
Administrative fines	985,571,827	2,704,865,125
Written-off doubtful receivables and advances	198,954,365	3,867,263,921
Others	1,223,963,737	866,312,415
OTHER LOSSES	<u>(842,354,652)</u>	<u>(7,234,484,972)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

23. PRODUCTION AND OPERATING COSTS

	Currency: VND	
	Current year	Previous year (restated)
Raw materials cost	474,374,162,176	509,321,800,565
Labour cost	145,738,263,559	160,251,503,330
Depreciation and amortization of fixed assets and allocation of prepaid land rental	49,588,908,406	46,427,281,339
External services	89,812,619,721	93,925,475,204
Provision for inventories	14,838,394,571	7,153,597,248
Others	6,778,051,124	3,559,920,360
TOTAL	<u>781,130,399,557</u>	<u>820,639,578,046</u>

24. CORPORATE INCOME TAX

The Company is obliged to pay corporate income tax ("CIT") at the tax rate applicable to each project. Details of tax rates and tax incentives are as follow:

Original project: Manufacturing gardening accessories

The CIT rate applicable to the Company is 20% of taxable profits.

The expansion project No.1: Manufacturing gardening accessories

The applicable CIT rate to this project is 20% of taxable profit. The project is eligible for exemption from CIT for 2 years from the first year of earning taxable profit (i.e 2019) and 50% CIT reduction for the following 4 years. The project reported a tax loss for current year.

The expansion project No.2: Manufacturing wooden toys

The applicable CIT rate to this project is 20% of taxable profit. The project is eligible for exemption from CIT for 2 years from the first year of earning taxable profit and is entitled to a 50% reduction of CIT for the next 4 years. The project reported a tax loss for current year.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

24.1 CIT expenses

	Currency: VND	
	Current year	Previous year
Current CIT expenses	-	1,957,445,366
Deferred tax expenses	826,286,611	402,649,341
TOTAL	<u>826,286,611</u>	<u>2,360,094,707</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**24. CORPORATE INCOME TAX** (continued)**24.1 CIT expenses** (continued)

The reconciliation between CIT expenses and the accounting (loss)/profit multiplied by CIT rate is presented as below:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting (loss)/profit before tax	(32,251,965,183)	21,896,480,334
<i>In which:</i>		
(Loss)/profit from primary business activities	(18,309,773,503)	19,721,722,820
(Loss)/profit from the expansion project No.1	(12,862,205,650)	15,157,722,226
Loss from the expansion project No.2	(1,079,986,030)	(12,982,964,712)
CIT at tax rate applicable to the Company	(6,450,393,036)	3,944,344,564
<i>Adjustments to increase:</i>		
Administrative fines	152,176,450	258,608,682
Written-off doubtful receivables and advances	39,790,873	437,329,820
Non-deductible expenses	289,707,331	145,238,188
Provision for obsolete inventories	2,967,678,913	-
Interest expense exceeding deductible cap	2,365,623,261	-
Prior year deferred tax assets recognized in current year	826,286,611	-
Tax loss carried forward, not being recognized of deferred tax asset	635,416,208	-
<i>Adjustments to decrease:</i>		
CIT exemption	-	(2,425,426,547)
CIT expenses	826,286,611	2,360,094,707

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

24. CORPORATE INCOME TAX (continued)

24.2 Current tax

The current tax payable is based on taxable profit for the current year. The taxable profit of the Company for the year differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

24.3 Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Company, and the movements thereon, during the current and previous year.

Currency: VND

	Balance sheet		Income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax asset				
Provision for obsolete inventories	-	834,494,078	(834,494,078)	-
Provision for severance allowance	161,268,310	161,268,310	-	-
Unrealized foreign exchange losses of cash and account receivables	278,593,752	270,386,286	8,207,467	(402,649,341)
	439,862,062	1,266,148,674	(826,286,611)	(402,649,341)
Net deferred tax assets	439,862,062	1,266,148,674		
Net deferred tax expense charged to the income statement			(826,286,611)	(402,649,341)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

24. CORPORATE INCOME TAX (continued)

24.4 Unrecognized deferred tax assets

The Company did not recognize deferred tax assets for below temporary differences because its future taxable profit cannot be ascertained at this stage.

Currency: VND

Tax losses carried forward	3,177,081,038
Other temporary differences, including:	
Interest expenses exceeding deductible cap according to Circular No. 68	11,828,116,304
Provision for obsoleted inventories	26,164,462,207
TOTAL	<u>41,169,659,549</u>

Tax losses carried forward

The Company is entitled to carry tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company has aggregated below accumulated tax losses available for offset against future taxable profits:

Currency: VND

Originating year	Can be utilized up to	Tax loss amount	Utilized up to 31 December 2021	Forfeited	Utilized at 31 December 2021
2021	2026	3,177,081,038	-	-	3,177,081,038
Total		<u>3,177,081,038</u>	<u>-</u>	<u>-</u>	<u>3,177,081,038</u>

Estimated tax losses as per the Company's CIT annual returns have not been audited by the local tax authorities as of the date of these financial statements.

Non-deductible interest expenses carried forward

The Company is entitled to carry non-deductible interest expenses forward to the next tax period according to Circular No. 68/2020/ND-CP in the event that total actual interest expenses of the next tax period does not exceed the regulated cap. The non-deductible interest expenses are carried forward within five years subsequent to the year in which they were incurred. Details are as follow:

Currency: VND

Originating year	Can be utilized up to	Non-deductible expenses	Utilized up to 31 December 2021	Forfeited	Utilized at 31 December 2021
2021	2026	11,828,116,305	-	-	11,828,116,305
Total		<u>11,828,116,305</u>	<u>-</u>	<u>-</u>	<u>11,828,116,305</u>

The non-deductible interest expenses carried forwards as per the Company's CIT annual returns have not been audited by the local tax authorities as of the date of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

25. TRANSACTIONS WITH RELATED PARTIES

Significant transactions of the Company with related parties during the year ended 31 December 2021 and 31 December 2020 were as follows:

Currency: VND

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Formosa Tools Co., Ltd.	Shareholder	Sale of goods	70,351,254,152	261,484,057,409
		Purchase of materials	75,166,045,841	496,639,291,003
		Purchase of fixed assets	1,289,901,088	9,217,655,919
		Purchase of tools and equipment	657,554,112	7,404,541,013
		Netting-off receivables	197,896,050,265	5,389,005,856
FT Ostermann GMBH Co., Ltd.	Common-major shareholder company	Sale of goods	23,732,809,655	41,426,051,976
Garden Pals Co., Ltd.	Common-major shareholder company	Principal paid	5,461,600,000	-
		Purchase of services	847,934,000	2,595,646,598
		Interest paid	968,721,406	328,593,798
		Warehouse rental	4,493,782,520	282,000,000
Khai Phat Dai Tin JSC	Common-chairman company	Principal paid	21,850,000,000	-
		Purchase of goods	1,671,399,542	1,659,244,224
		Loan interest	517,795,891	1,401,830,138
		Interest on late payment for infrastructure rental	219,753,658	1,236,041,924
		Borrowing	5,050,000,000	-
Bach Hoa Phuc Khanh Co., Ltd.	Common-chairman company	Purchase of goods	312,061,901	1,274,533,428
Ms. Duong Thi Thom	General Director	Borrowing	7,420,000,000	2,700,000,000
		Principal paid	4,367,500,000	300,000,000
		Interest paid	398,534,619	309,323,836
Ms. Nguyen Bich Hong	Chief Financial Officer	Borrowing	650,000,000	4,800,000,000
		Principal paid	800,000,000	4,650,000,000
Mr. Tsai Chui Tien	Chairman	Short-term loan	54,352,773,228	-
		Principal paid	5,000,000,000	-
Ability Merit Co., Ltd.	Common-chairman company	Borrowing	107,954,000,000	-
		Principal paid	1,244,147,905	-
Objective Holding Incorporated	Common-chairman company	Borrowing	20,304,000,000	-
Ms. Le Thi Thu Hang	Deputy General Director/Member of Board of Directors	Borrowing	14,496,483,501	-
		Principal paid	500,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

26. TRANSACTIONS WITH RELATED PARTIES (continued)

In addition to these transactions, certain related parties pledged their assets as collateral for the Company's loans from banks as disclosed in Note 15.

Terms and conditions of transactions with related parties

The sale to and purchase transactions with related parties are made on contract negotiation basis.

Except for borrowings as disclosed in Note 15, other outstanding balances due to/from related parties are unsecured, interest-free and will be settled in cash. For the year ended 31 December 2021, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2020: nil). This assessment is undertaken each financial year through the examination of the financial position of each related party and the market in which the related party operates.

Amounts due to and due from related parties at the balance sheet dates were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Currency: VND</i>	
			<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables (Note 6.1)				
Formosa Tools Co., Ltd.	Major shareholder	Sale of goods	10,510,798,074	152,013,606,550
FT Ostermann GMBH Co., Ltd.	Common-major shareholder company	Sale of goods	51,432,392,414	44,060,335,168
Great Reward Co., Ltd.	Common-major shareholder company	Sale of goods	-	17,870,299,788
Joy Wish Inc.	Company with common members of Board of Management	Sale of goods	8,048,411,437	10,960,455,393
Golden Hype Co., Ltd.	Company with common members of Board of Management	Sale of goods	24,575,689	24,856,554
			70,016,177,614	224,929,553,453

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**26. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties at the balance sheet dates were as follows:
(continued)

			<i>Currency: VND</i>	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables (Note 11.1)				
Formosa Tools Co., Ltd.	Major shareholder	Purchase of goods	5,275,791,961	58,022,165,307
Khai Phat Dai Tin JSC	Common chairman company	Management and water fee and infrastructure rental	5,523,062,264	7,264,618,024
Garden Pals Co., Ltd.	Common major shareholder company	Factory rental and processing fee	3,492,211,532	5,517,469,186
Golden Hype Co., Ltd.	Company with common members of Board of Management	Purchase of materials and machine	4,035,016,006	4,038,013,714
Bach hoa Phuc Khanh Co., Ltd.	Common chairman company	Purchase of goods	1,707,504,401	1,729,549,018
FT Ostermann GMBH Co., Ltd.	Common major shareholder company	Purchase of materials and machine	128,596,228	129,265,709
			20,162,182,392	76,701,080,958
Short-term accrued payables (Note 13)				
Mr. Tsai Chui Tien	Chairman	Interest payable	983,073,298	-
Ms. Le Thi Thu Hang	Deputy General Director/ Member of Board of Directors	Interest payable	382,762,307	-
Ms. Duong Thi Thom	General Director	Interest payable	300,202,449	309,323,836
Ability Merit Co., Ltd.	Common chairman company	Interest payable	282,723,288	-
Objective Holding Incorporated	Common chairman company	Interest payable	249,627,397	-
Ms. Nguyen Bich Hong	Chief Financial Officer	Interest payable	-	47,345,205
Khai Phat Dai Tin JSC	Common chairman company	Interest payable	-	1,401,830,138
TOTAL			2,198,388,739	1,758,499,179

Borrowings due to related parties are disclosed in Note 15.2 and Note 15.4.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

26. TRANSACTIONS WITH RELATED PARTIES (continued)

Other transactions with related parties

Remuneration to members of Board of Directors, Board of Management and Board of Supervision :

Name	Position	Remuneration	
		Current year	Previous year
<i>Currency: VND</i>			
Board of Directors			
Mr. Tsai Chui Tien	Chairman (appointed on 16 April 2021)	262,500,000	-
Mr. Hsu Ting Hsin	Chairman/General Director (resigned on 16 April 2021)	122,062,500	667,716,200
Ms. To Thi Phuong Lan	Member (appointed on 22 January 2021)	37,500,000	-
Mr. Bui Van Thanh	Independent member (appointed on 16 April 2021)	112,500,000	-
Mr. Carl Ronald Gordon	Independent member (resigned on 16 April 2021)	300,951,675	269,508,325
Board of Management			
Ms. Duong Thi Thom	General Director	458,045,000	326,714,600
Mr. Kuo Hsien Cheng	Deputy General Director	488,553,700	221,230,900
Mr. Hsu Christopher Tony	Deputy General Director	404,345,600	234,008,200
Ms. Le Thi Thu Hang	Deputy General Director, Member of Board of Director (appointed on 16 April 2021)	218,237,900	-
Mr. Hsu Wei Chun	General Director/Member of Board of Director (resigned on 16 April 2021)	31,139,400	106,074,800
Mr. Mu Hong Tao	Deputy General Director (resigned on 13 January 2021)	-	198,633,700
Mr. Yiu Xi Fung	Deputy General Director (resigned on 25 September 2020)	-	135,757,400
Board of Supervision			
Ms. Vi Nguyet Cam	Head	12,000,000	12,000,000
Ms. Nguyen Thi Linh	Member	9,000,000	9,000,000
Ms. Le Thi Thu Huong	Member	12,000,000	6,000,000
TOTAL		<u>2,468,835,775</u>	<u>2,186,644,125</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

26. EARNINGS PER SHARE

The Company uses the following information to calculate basic and diluted earnings per share:

	Currency: VND	
	Current year	Previous year
Net (loss)/profit after tax attributable to ordinary equity holders for basic earnings	(33,078,251,794)	19,536,385,627
Appropriation to welfare and bonus fund	-	(586,091,569)
Net (loss)/profit attributable to ordinary equity holders adjusted for the effect of dilution	(33,078,251,794)	18,950,294,058
Weighted average number of ordinary shares for basic earnings per share	26,807,835	26,807,835
Weighted average number of ordinary shares adjusted for the effect of dilution	26,807,835	26,807,835
- Basic (loss)/earnings per share	(1,234)	707
- Diluted (loss)/earnings per share	(1,234)	707

There were no transactions of ordinary shares or potential transactions of ordinary shares during the year and until the date of completion of the financial statements that could have a dilutive effect on earnings per share.

27. COMMITMENTS

Commitment under management service contracts with industrial park operator

The Company currently has contractual commitment on management services under operating lease contracts, with annual fee of USD 4,800/m² for area of 79,288 m² at lots B8, B9, B10 and E3 + E3' Phuc Khanh Industrial Park, Phu Khanh Ward, Thai Binh City, Thai Binh Province. At the balance sheet date, minimum payment under those management service contracts are as follow:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	607,010,496	609,496,742
From 1 to 5 years	2,428,041,984	2,437,986,970
More than 5 years	15,795,577,236	16,469,770,878
TOTAL	18,830,629,716	19,517,254,590

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

28. IMPORTANT EVENTS IN THE YEAR

Covid-19 Pandemic

The Covid-19 pandemic is leading to an economic downturn and negatively affecting most businesses and industries. This situation leads to factors of uncertainty and may impact the environment in which the Company operates. The Company's management is continuing to monitor the situation, as well as assess the financial effects related to the assessment of assets, provisions and contingent liabilities, and at the same time estimates and judgments are used, based on the most reliable information at the date of these financial statements.

29. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.



Nguyen Thi Cam Van
Preparer and Chief Accountant

28 March 2022



Tsai Chui Tien
Chairman

