

Thai Binh, March 30th, 2025

**PUBLIC DISCLOSURE ON THE ELECTRONIC PORTAL OF THE STATE
SECURITIES COMMISSION**

To: The State Securities Commission

Company: Vietnam Fortress Tools JSC

Headquarters: Lot B8-B9-B10 Phuc Khanh Industrial park, Thai Binh City, Thai Binh

Province. Phone: 02273 618 991

Fax: 02273 618 995

Person responsible for the disclosure: TSAI, CHUI - TIEN

Position: Chairman

Address: Lot B8-B9-B10 Phuc Khanh Industrial park, Thai Binh City, Thai Binh Province

Phone: 02273 618 991

Fax: 02273 618 995

Type of disclosed information: ☒ 24h ☐ 72h ☐ Requirement ☐ Abnormal ☒ Periodical

Disclosure Content:

- The consolidated financial statements for the fiscal year ending on December 31, 2024, of Vietnam Fortress Tools JSC have been audited by International Valuation and Auditing Company Limited.
- Explanation of after-tax profit for the year 2024.

This information has been published on the Company's electronic information portal at:

<https://fortresstools.com.vn/>

We commit that the disclosed information is true and take full legal responsibility for the content of the information provided.

March 30th, 2025

Person responsible for the information disclosure
(Signature, full name)



TSAI, CHUI - TIEN

Thai Binh, March 30th, 2025**Dear:** State Securities Commission

Company: Vietnam Fortress Tools JSC

Business Registration Certificate No. 1000383611, first registered on September 23, 2016, and amended for the 16th time on March 10, 2025, issued by the Department of Finance of Thai Binh Province

Address: Lot B8-B9-B10 Phuc Khanh Industrial park, Thai Binh City, Thai Binh

Based on Clause 4, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, guiding information disclosure on the securities market, Vietnam Fortress Tools JSC would like to provide an explanation regarding the consolidated financial statements for the year 2024, as follows:

| Indicator | At the consolidated financial statements for the year 2024 | At the consolidated financial statements for the year 2023 |
|-----------------------------------|--|--|
| Profit after corporate income tax | 3.225.112.259 | 19.089.837.261 |

The profit after corporate income tax in the Statement of Profit or Loss in the consolidated financial statements for the year 2024 decreased due to the following reasons:

- Fluctuations in the prices of imported metal raw materials: The market for imported metal raw materials has experienced significant fluctuations due to global political instability and conflicts, leading to an increase in input material costs. This has raised the company's production costs.
- Salary increases in accordance with government policy: Wages have been adjusted upward in line with the government's policy to raise the basic salary, which has affected the company's operating costs.
- Price reduction requests from customers: In the context of an economic downturn, customers have requested the company to lower selling prices, which has decreased revenue and impacted profits.
- Factory repair costs: The company had to carry out repairs on its factory due to the deterioration of long-standing buildings, resulting in higher maintenance and operating costs.
- Investment in environmental protection projects: The company has implemented new investment projects and upgraded environmental protection systems to meet



environmental protection requirements, leading to increased investment costs and a reduction in short-term profitability.

We affirm that the information disclosed is true and take full responsibility for the content of this information disclosure.

Thank you for your attention./.

Recipients:

- As addressed;
- Post on the Website;
- Keep on file
-



TSAI, CHUI - TIEN



**VIETNAM FORTRESS TOOLS
JOINT STOCK COMPANY**

Audited consolidated financial statements
For the year ended 31 December 2024



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VIETNAM FORTRESS TOOLS JOINT STOCK COMPANY

Lot B8+B9+B10, Phuc Khanh Industrial Park, Thai Binh City, Thai Binh Province, Vietnam

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Vietnam Fortress Tools Joint Stock Company (hereinafter called "the Company") presents this report together with the audited consolidated financial statements of the Company for the year ended 31 December 2024.

GENERAL INFORMATION

Vietnam Fortress Tools Joint Stock Company established and operating under the Investment Certificate No. 4304315420 for the first time on 14 July 2010, 13th change certificate on 26 December 2024 issued by the Management Board of Economic Zones and Industrial Parks of Thai Binh province.

The Certificate of Business Registration No. 1000383611, registered for the first time on 23 September 2016, registered for 16th change on 10 March 2025, issued by the Department of Planning and Investment of Thai Binh province.

THE MEMBERS OF AND THE BOARD OF DIRECTORS, THE BOARD OF SUPERVISORS, THE BOARD OF MANAGEMENT

The members of the Board of Directors, the Board of Supervisors, and the Board of Management of the Company during the year and to the date of this statement are as follows:

The Board of Directors

| Full name | Position |
|-----------------------|--------------------|
| Mr. Tsai, Chui - Tien | Chairman |
| Ms. Le Thi Thu Hang | Member |
| Ms. To Thi Phuong Lan | Member |
| Mr. Bui Van Thanh | Independent Member |
| Mr. Do Xuan Thanh | Independent Member |

The Board of Supervisors

| Full name | Position | Date of appointment/dismissal |
|------------------------|-------------|-------------------------------|
| Ms. Dinh Thi Lan Huong | Head of BOS | Appointed on 05/01/2024 |
| Ms. Vi Nguyet Cam | Head of BOS | Dismissed on 05/01/2024 |
| Ms. Le Thi Thu Huong | Member | Dismissed on 28/06/2024 |
| Ms. Ha Thi Thu Thuy | Member | Dismissed on 28/06/2024 |
| Ms. Bui Nhu Hue | Member | Appointed on 28/06/2024 |
| Ms. Phan Thi Oanh | Member | Appointed on 28/06/2024 |

The Board of Management

| Full name | Position | Date of appointment/dismissal |
|--------------------------|-------------------------|-------------------------------|
| Mr. Chiang, Chiu Chiung | General Director | Appointed on 06/02/2024 |
| Ms. Tran Thi Thuy Nguyen | General Director | Dismissed on 06/02/2024 |
| Ms. Le Thi Thu Hang | Deputy General Director | |

Legal representative

The legal representative of the Company during the year and to the date of this statement is Mr. Tsai, Chui - Tien – Chairman of the Board of Directors.

STATEMENT OF THE BOARD OF DIRECTORS (Continue)

EVENTS ARISING AFTER THE END OF THE YEAR

There are no significant events occurring after the year ended 31 December 2024, which needs to be adjusted or presented in these consolidated financial statements.

AUDITORS

International Auditing and Valuation Company Limited has been appointed to audit the consolidated financial statements of the Company for the year ended 31 December 2024.

DISCLOSURE OF THE BOARD OF DIRECTORS'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, The Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of Directors of the Company is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors approves the attached consolidated financial statements. The consolidated financial statements reflected truly and fairly the Company's consolidated financial position as at 31 December 2024, as well as the consolidated financial performance and consolidated cash flows for the year ended 31 December 2024, in accordance with Vietnamese Accounting Standards, accounting regime and legal regulations relating to consolidated financial reporting.

VIETNAM FORTRESS TOOLS JOINT STOCK COMPANY

Lot B8+B9+B10, Phuc Khanh Industrial Park, Thai Binh City, Thai Binh Province, Vietnam

COMMITMENT ON INFORMATION DISCLOSURE

The Board of Management confirms to have complied with Decree 155/2020/ND-CP dated 31 December 2020 elaborating some articles of the Law on Securities and the Company does not violate the obligation to disclose information under Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding some articles on disclosure of information on the securities market, Circular No. 68/2024/TT-BTC dated September 18, 2024 amending and supplementing a number of articles of the circulars regulating securities transactions on the securities trading system; clearing and settlement of securities transactions; activities of securities companies and disclosure of information on the stock market.

For and on behalf of the Board of Directors,



Mr. Tsai, Chui - Tiên

Chairman of the Board of Directors

Thai Binh, 30 March 2025



No: 16074.1/2024/BCTC/IAV

INDEPENDENT AUDITORS' REPORT

To: Shareholders
The Board of Directors, the Board of Supervisors and the Board of Management
Vietnam Fortress Tools Joint Stock Company

We have audited the accompanying consolidated financial statements of Vietnam Fortress Tools Joint Stock Company (hereinafter called "the Company"), prepared on 30 March 2025, as set out from page 07 to page 39, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of income, and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

The Board of Management's and The Board of Directors's Responsibilities

The Board of Management and The Board of Directors of the Company is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as The Board of Management and The Board of Directors determine is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit in accordance with Vietnamese Standards on Auditing. However, due to the misstatement described in the section "Basis for Disclaimer of Opinion", we were unable to obtain sufficient appropriate audit evidence to provide a basis for our audit opinion.

Basis for Disclaimer of Opinion

- In 2022, the discrepancy in inventory shortage after stocktaking was recorded under the Shortage of assets awaiting resolution item with a value of VND 650,392,130,654. At 31 December 2024, through stocktaking, the value of the Shortage of assets awaiting resolution item was re-determined to be VND 614,925,151,445. However, until the date of these statements, the Company has not identified the reason behind, timing of the shortage, or the related obligations to handle the above inventory shortage. Based on the documents and the information available, we are unable to determine the impact of the above events on the consolidated financial statements for the year ended 31 December 2024.

We are unable to determine the impact of the above misstatement on the Company's tax obligations or other related elements on the consolidated financial statement for the year ended 31 December 2024, and previous years.

Disclaimer of Opinion

Due to the significance of the matters described in the section "Basis for Disclaimer of Opinion", we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Therefore, we do not express an audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITORS' REPORT (Continue)

Other Matters

The consolidated financial statements for the year ended 31 December 2023 were audited by another auditor and audit firm. The auditor disclaimed an opinion on these consolidated financial statements on 27 June 2024.

The basis for the auditors' disclaimer of opinion on the consolidated financial statements for the ended 31 December 2023 was due to the impact of the following matters:

- The impact related to the recognition of the discrepancy in inventory shortage after stocktaking in 2022 is recorded under the Shortage of assets awaiting resolution item with the value of VND 650,392,130,654 as stated in the basis for disclaimer of opinion on the consolidated financial statements for the year ended 31 December 2023.
- The auditors cannot determine the appropriateness of using the going concern assumption in preparing the consolidated financial statements.
- The auditors are unable to estimate the impact of the misstatement on the discrepancy recognized in the consolidated financial statements compared to the mathematical data of the Company for the work in progress of the gardening tool production activities in the inventories item as at 31 December 2023.



NGUYEN PHUONG THUY
Deputy Director
Audit Practising Registration Certificate
No. 4567-2022-283-1
INTERNATIONAL AUDITING AND VALUATION COMPANY LIMITED
Hanoi, 30 March 2025

LE VIET CUONG
Auditor
Audit Practising Registration Certificate
No. 2478-2023-283-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

| ASSETS | Code | Note | Closing balance VND | Opening balance VND |
|---|------------|------------|--------------------------|--------------------------|
| A. SHORT-TERM ASSETS | 100 | | 1,009,806,169,048 | 1,129,306,859,334 |
| I. Cash and cash equivalents | 110 | 4.1 | 10,959,167,669 | 41,374,365,926 |
| 1. Cash | 111 | | 10,959,167,669 | 41,374,365,926 |
| II. Short-term financial investments | 120 | | 6,828,242,428 | 6,828,242,428 |
| 1. Held-to-maturity investments | 123 | 4.8 | 6,828,242,428 | 6,828,242,428 |
| III. Short-term receivables | 130 | | 731,671,246,472 | 806,643,364,612 |
| 1. Short-term trade receivables | 131 | 4.2 | 147,858,022,238 | 186,168,628,320 |
| 2. Short-term advances to suppliers | 132 | 4.3 | 5,065,483,159 | 6,014,602,638 |
| 3. Other short-term receivables | 136 | | 240,457,566 | 485,870,936 |
| 4. Short-term allowance for doubtful debts | 137 | 4.7 | (36,417,867,936) | (36,417,867,936) |
| 5. Shortage of assets awaiting resolution | 139 | 4.4 | 614,925,151,445 | 650,392,130,654 |
| IV. Inventories | 140 | 4.5 | 258,166,754,100 | 272,589,978,006 |
| 1. Inventories | 141 | | 290,920,866,916 | 305,344,090,822 |
| 2. Allowance for devaluation of inventories | 149 | | (32,754,112,816) | (32,754,112,816) |
| V. Other short-term assets | 150 | | 2,180,758,379 | 1,870,908,362 |
| 1. Short-term prepaid expenses | 151 | 4.6 | - | 400,710,464 |
| 2. Value added tax deductibles | 152 | | 2,180,758,379 | 1,470,197,898 |
| B. LONG -TERM ASSETS | 200 | | 273,986,101,160 | 314,907,260,206 |
| I. Long-term receivables | 210 | | - | - |
| II. Fixed assets | 220 | | 225,054,443,684 | 265,722,424,613 |
| 1. Tangible fixed assets | 221 | 4.9 | 224,553,992,901 | 265,384,226,284 |
| - Cost | 222 | | 671,724,555,629 | 685,465,350,659 |
| - Accumulated depreciation | 223 | | (447,170,562,728) | (420,081,124,375) |
| 2. Intangible fixed assets | 227 | 4.10 | 500,450,783 | 338,198,329 |
| - Cost | 228 | | 1,275,768,593 | 1,021,678,593 |
| - Accumulated amortisation | 229 | | (775,317,810) | (683,480,264) |
| III. Investment properties | 230 | | - | - |
| IV. Long-term assets in progress | 240 | | 370,748,721 | 245,548,440 |
| 1. Construction in progress | 242 | 4.11 | 370,748,721 | 245,548,440 |
| V. Long-term financial investments | 250 | | 3,000,000,000 | 3,000,000,000 |
| 1. Held-to-maturity investments | 255 | 4.8 | 3,000,000,000 | 3,000,000,000 |
| VI. Other long-term assets | 260 | | 45,560,908,755 | 45,939,287,153 |
| 1. Long-term prepaid expenses | 261 | 4.6 | 45,152,952,751 | 45,490,288,515 |
| 2. Deferred tax assets | 262 | | 190,296,162 | 202,317,484 |
| 3. Goodwill | 269 | | 217,659,842 | 246,681,154 |
| TOTAL ASSETS | 270 | | 1,283,792,270,208 | 1,444,214,119,540 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continue)

As at 31 December 2024

| RESOURCES | Code | Note | Closing balance | Opening balance |
|--|------------|-------------|--------------------------|--------------------------|
| C. LIABILITIES | 300 | | 537,047,284,165 | 700,694,245,756 |
| I. Short-term liabilities | 310 | | 531,341,140,346 | 652,740,550,164 |
| 1. Short-term trade payables | 311 | 4.13 | 90,360,638,285 | 88,589,196,715 |
| 2. Short-term advances from customers | 312 | 4.12 | 4,261,799,674 | 3,279,062,147 |
| 3. Taxes and amounts payable to the State budget | 313 | 4.16 | 2,944,093,619 | 5,013,661,156 |
| 4. Payable to employees | 314 | | 10,813,347,564 | 9,950,373,618 |
| 5. Short-term accrued expenses | 315 | 4.15 | 2,528,906,832 | 9,404,901,536 |
| 6. Other short-term payables | 319 | 4.14 | 15,135,201,678 | 14,316,255,387 |
| 7. Short-term borrowings and finance lease liabilities | 320 | 4.17 | 380,923,387,612 | 499,918,373,717 |
| 8. Short-term provisions | 321 | | 15,568,510,205 | 13,434,575,140 |
| 9. Bonus and welfare funds | 322 | | 8,805,254,877 | 8,834,150,748 |
| II. Long-term liabilities | 330 | | 5,706,143,819 | 47,953,695,592 |
| 1. Long-term borrowings and finance lease liabilities | 338 | 4.17 | - | 41,232,000,000 |
| 2. Deferred tax liabilities | 341 | | 5,706,143,819 | 5,972,354,042 |
| 3. Long-term provisions | 342 | | - | 749,341,550 |
| D. OWNERS' EQUITY | 400 | 4.18 | 746,744,986,043 | 743,519,873,784 |
| I. Owners' equity | 410 | | 746,744,986,043 | 743,519,873,784 |
| 1. Owners' contributed capital | 411 | | 268,078,350,000 | 268,078,350,000 |
| - Ordinary shares with voting rights | 411a | | 268,078,350,000 | 268,078,350,000 |
| 2. Share premium | 412 | | 148,621,259,858 | 148,621,259,858 |
| 3. Investment and development fund | 418 | | 14,843,991,896 | 14,843,991,896 |
| 4. Retained earnings | 421 | | 315,201,384,289 | 311,976,272,030 |
| - Retained earnings of the prior year | 421a | | 311,976,272,030 | 292,886,434,769 |
| - Retained earnings of the current year | 421b | | 3,225,112,259 | 19,089,837,261 |
| II. Other resources and funds | 430 | | - | - |
| TOTAL RESOURCES | 440 | | 1,283,792,270,208 | 1,444,214,119,540 |

Preparer

Pham Thi Ngoc Hoa

Accountant in Charge

Pham Thi Ngoc Hoa

Chairman of the Board of Directors

Tsay, Chui - Tien

Thai Binh, Vietnam

30 March 2025



CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2024

| Items | Code | Note | Current year VND | Prior year VND |
|--|------|------|---------------------|-------------------|
| 1. Gross revenue from goods sold and services rendered | 01 | 5.1 | 612,943,986,202 | 537,614,795,949 |
| 2. Deductions | 02 | | - | - |
| 3. Net revenue from goods sold and services rendered (10 = 01 - 02) | 10 | | 612,943,986,202 | 537,614,795,949 |
| 4. Cost of goods sold and services rendered | 11 | 5.2 | 512,824,074,064 | 399,320,312,013 |
| 5. Gross profit from sales of goods and services rendered (20 = 10 - 11) | 20 | | 100,119,912,138 | 138,294,483,936 |
| 6. Financial income | 21 | 5.3 | 15,545,268,266 | 14,218,059,638 |
| 7. Financial expenses | 22 | 5.4 | 59,723,091,732 | 53,497,567,635 |
| In which: Interest expense | 23 | | 28,199,533,379 | 29,665,361,207 |
| 8. Profit or loss in joint ventures and affiliated | 24 | | - | - |
| 9. Selling expenses | 25 | 5.5 | 17,385,946,562 | 17,480,994,960 |
| 10. General and administration expenses | 26 | 5.6 | 31,193,177,692 | 53,441,811,564 |
| 11. Net operating profit {30 = 20 + (21 - 22) - (24 + 25)} | 30 | | 7,362,964,418 | 28,092,169,415 |
| 12. Other income | 31 | 5.7 | 1,051,893,022 | 356,587,959 |
| 13. Other expenses | 32 | 5.8 | 3,051,784,760 | 5,038,928,740 |
| 14. Other profit (40 = 31 - 32) | 40 | | (1,999,891,738) | (4,682,340,781) |
| 15. Total accounting profit before tax (50 = 30 + 40) | 50 | | 5,363,072,680 | 23,409,828,634 |
| 16. Current corporate income tax expense | 51 | 5.9 | 2,392,149,322 | 4,679,111,306 |
| 17. Deferred corporate income tax expense | 52 | | (254,188,901) | (359,119,933) |
| 18. Net profit after corporate income tax (60 = 50 - 51 - 52) | 60 | | 3,225,112,259 | 19,089,837,261 |
| - Net profit after tax of equity holders of the | 61 | | 3,225,112,259 | 19,089,837,261 |
| - Net profit after tax of the non-controlling interest | 62 | | - | - |
| 19. Basic earnings per share | 70 | 5.10 | 120 | 712 |
| 20. Diluted earnings per share | 71 | 5.10 | 120 | 712 |



Preparer
Pham Thi Ngoc Hoa



Accountant in Charge
Pham Thi Ngoc Hoa



Chairman of the Board of Directors
Tsai, Chui - Tien
Thai Binh, Vietnam
30 March 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024
(Indirect method)

| Items | Code | Note | Current year VND | Prior year VND |
|---|------|------|---------------------|-------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 1. Profit before tax | 01 | | 5,363,072,680 | 23,409,828,634 |
| 2. Adjustments for: | | | | |
| - Depreciation and amortisation of fixed assets and investment properties | 02 | | 41,570,191,888 | 47,103,154,893 |
| - Allowances and provisions | 03 | | 1,384,593,515 | 24,064,713,236 |
| - Foreign exchange (gains) losses arising from translating foreign currency items | 04 | | (5,020,900,222) | (2,659,046,478) |
| - (Gains) losses from investing activities | 05 | | (1,022,640,343) | (738,525,170) |
| - Interest expense | 06 | | 28,199,533,379 | 29,665,361,207 |
| 3. Operating profit before changes in working capital | 08 | | 70,473,850,896 | 120,845,486,322 |
| - Change in receivables | 09 | | 72,824,566,841 | 11,829,002,614 |
| - Change in inventories | 10 | | 14,423,223,906 | (22,206,617,655) |
| - Change in payables (excluding accrued loan interest and corporate income tax payable) | 11 | | 10,010,140,904 | 4,078,176,085 |
| - Change in prepaid expenses | 12 | | 738,046,228 | 2,161,985,790 |
| - Interest paid | 14 | | (34,146,497,969) | (25,819,688,045) |
| - Corporate income tax paid | 15 | | (4,679,111,306) | (3,063,605,646) |
| - Other cash outflows | 17 | | (28,895,871) | - |
| Net cash flows from operating activities | 20 | | 129,615,323,630 | 87,824,739,465 |
| II. CASH FLOWS FROM INVESTING | | | | |
| 1. Acquisition and construction of fixed assets and other long-term assets | 21 | | (998,389,928) | (317,918,481) |
| 2. Proceeds from sale, disposal of fixed assets and other long-term assets | 22 | | 1,330,010,011 | - |
| 3. Cash recovered from lending, selling debt instruments of other entities | 24 | | - | 3,000,000,000 |
| 4. Interest earned, dividends and profits received | 27 | | 480,039,972 | 840,106,186 |
| Net cash flows from investing activities | 30 | | 811,660,055 | 3,522,187,705 |
| III. CASH FLOWS FROM FINANCING | | | | |
| 1. Proceeds from borrowings | 33 | 6.1 | 477,752,056,335 | 551,170,358,993 |
| 2. Repayment of borrowings | 34 | 6.2 | (639,255,977,352) | (613,042,008,153) |
| IV Net cash flows from financing activities | 40 | | (161,503,921,017) | (61,871,649,160) |
| Net cash flows during the year | 50 | | (31,076,937,332) | 29,475,278,010 |
| Cash and cash equivalents at the beginning of the year | 60 | | 41,374,365,926 | 11,405,051,481 |
| Effects of changes in foreign exchange rates | 61 | | 661,729,075 | 494,036,435 |
| Cash and cash equivalents at the end of the year | 70 | | 10,958,157,669 | 41,374,365,926 |

Preparer
Pham Thi Ngoc Hoa

Accountant in Charge
Pham Thi Ngoc Hoa

Chairman of the Board of Directors
Tsai, Chui - Tien
Thai Binh, Vietnam
30 March 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. GENERAL INFORMATION

1.1 Ownership Structure

Vietnam Fortress Tools Joint Stock Company established and operating under the Investment Certificate No. 4304315420 for the first time on 14 July 2010, 13th change certificate on 26 December 2024 issued by the Management Board of Economic Zones and Industrial Parks of Thai Binh province.

The Certificate of Business Registration No. 1000383611, registered for the first time on 23 September 2016, registered for 16th change on 10 March 2025, issued by the Department of Planning and Investment of Thai Binh province.

The Company's charter capital according to the 16th amendment of the Certificate of Business Registration is VND 268,078,350,000. The total number of shares is 26,807,835 shares.

The total number of employees of the Company as at 31 December 2024 was 856 people (31 December 2023: 904 people).

1.2 Business area

The Company's main business area is Industrial Production.

1.3 Business activities

The Company's main business activities are:

- Buying, selling, processing and manufacturing all kinds of garden tools and accessories;
- Buying, selling and manufacturing metal products;
- Manufacturing and trading of machine tools;
- Heat treatment, electroplating processing;
- Production of wooden toys and games (except wood processing, do not trade in toys that are harmful to character education, children's health or affect social order and safety); and
- Other activities according to the Company's Business Registration Certificate.

1.4 Normal operating cycle

The Company's normal operating cycle does not exceed 12 months.

1.5 Characteristics of the business activities in the year which have impact on the consolidated financial statements

During the year ended 31 December 2024, there were no activities that significantly affected the consolidated financial statements of the Company.

1.6 Disclosure of information comparability in the consolidated financial statements

The consolidated financial statements of the Company are prepared to ensure comparability.

1.7 The Company's structure

As at 31 December 2024, the Company has a subsidiary, specifically as follows:

| Name | Place of incorporation and operation | Proportion of ownership interest % | Proportion of voting power held % | Principal activities |
|-----------------------------|--|------------------------------------|-----------------------------------|--|
| Garden Pals Company Limited | Phuc Khanh Industrial Park, Phu Khanh Ward, Thai Binh City | 100% | 100% | Mechanical processing; metal treatment and coating |

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

2.1. Basis of preparation of consolidated financial statements

The accompanying consolidated financial statements, expressed in Vietnamese Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

2.2. Going concern assumption

There have been no events that cast significant doubt on its ability to continue as a going concern. The company neither intends nor is forced to cease operations, or significantly scale back its operations.

2.3. Financial year

The Company's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires The Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Although these accounting estimates are based on The Board of Management's best knowledge, actual results may differ from those estimates.

3.2 Basic of consolidation

The consolidated financial statements incorporate the financial statements of the company and enterprises controlled by the Company (its subsidiaries) prepared for the year ended 31 December 2024. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.3 Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

3.4 Goodwill

Goodwill represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is amortised on the straight-line basis over its estimated period of benefit of 10 years.

Goodwill arising on the acquisition of associates and jointly controlled entities is included in the carrying amount of the associates and jointly controlled entities. Goodwill arising on the acquisition of subsidiaries is presented consolidatedly as an asset in the consolidated statement of financial position.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits (commercial bills), bonds, preference shares which the issuer shall redeem at a certain date in the future, loans held to maturity to earn periodic interest and other held-to-maturity investments.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the statement of income on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less allowance for doubtful debts.

Allowance for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

3.7 Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less allowance for doubtful debts.

Allowance for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Cost is calculated using the weighted average method and is accounted for using the perpetual inventory method.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary allowance for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the consolidated statement of financial position date.

3.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased tangible fixed assets comprises their purchase price and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

| | Depreciation period (years) |
|--------------------------|--------------------------------|
| Buildings and structures | 05 - 20 |
| Machinery and equipment | 03 - 15 |
| Transportation equipment | 07 - 12 |
| Office equipment | 03 - 05 |

3.10 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of intangible fixed assets comprises all the expenses incurred to obtain this asset put into use. Costs incurred after the initial recognition are recorded as expenses in the year in which they are incurred, unless they are attributable to a specific intangible fixed asset and result in an increase in the economic benefits in the future due to using this asset.

Straight-line depreciation is used over its estimated useful time in accordance with Circular No. 45/2013/TT-BTC on 25 April 2013, which is amended and supplemented in Circular No. 147/2016/TT-BTC dated 13 October 2016 and Circular No. 28/2017/TT-BTC dated 12 April 2017, guiding the management, usage and depreciation of fixed assets.

Computer software

The buying expenses of computer software which are not an integral part of related hardware are capitalized. Initial cost of computer software includes all the expenses paid until the software is put into use. Computer software is amortised in line with the straight-line method from 3 to 5 years.

3.11 Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary form assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis with other assets, commences when the assets are ready for their intended use.

3.12 Prepaid expenses

Prepaid expenses are expenses which have already been paid but relate to results of operations of multiple periods. Prepaid expenses include the following expenses:

Prepaid land and infrastructure rental

Prepaid land and infrastructure rental is amortized on a straight-line basis to the lease term respectively.

Tools and Equipment

The tools and equipment have been put into use and are amortised to expense under the straight-line method to time allocation not too 3 years.

Other expenses

Other expenses are amortised to expense under the straight-line basis to time allocation not too 3 years.

3.13 Account payable and accrued expenses

Account payable and accrued expenses are recognized as the amount of money to be paid in the future related to the goods and services received. Accrued expenses are recognized based on a reasonable estimate of the payable.

Payables are classified as payable to suppliers, accrued expenses, and other payables according to the following principles:

- Payable to suppliers reflect the trade payables arising from commercial transactions between the Company and the seller, which is an independent entity of the Company, including the number of payables on imports through trustees.
- Accrued expenses reflect the payables for goods and services from the seller or provided for the buyer, for which no invoices have yet been received from suppliers. Those payables also reflect the number of payables to employees on vacation wages, production, and business costs that must accrue. When such expenses actually arise, if there is a difference with the amount deducted, the accountant will record an additional or reduce the cost corresponding to the difference.
- Other payables reflect non-commercial receivables, not related to the purchase and sale transactions.

3.14 Borrowings and financial lease liabilities

Borrowings are tracked according to each object, each contract and repayment term. In case of borrowings in foreign currency, detailed tracking is done in the original currency.

3.15 Borrowing costs

Borrowing costs are recognised in the statement of income in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary

investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

3.16 Owner's equity

Capital is recorded according to the amount actually invested by shareholders.

Share premium reflects the difference between the par value and the issue price of shares (including cases of re-issuance of treasury shares) and can be a positive surplus (if the issue price is higher than the par value) or a negative surplus (if the issue price is lower than the par value).

3.17 Distribution of net profits

Profit after tax is distributed to shareholders after an appropriation of funds under the Charter of the Company as same as the law and is approved by the General Meeting of Shareholders.

The distribution of profits to shareholders is considered to non-cash items in undistributed profit may affect cash flow and ability to pay dividends as profit from revaluation of assets contributed as capital, interest due to the valuation of monetary items, the financial instruments and other non-cash items.

Dividends are recognized as liabilities when approved by the General Meeting of Shareholders and there is a list of shareholders entitled to receive dividends.

3.18 Revenue and earnings

Revenue from sales of finished goods and merchandise goods

Revenue from sales of finished goods and merchandise goods is recorded when simultaneously satisfy the following conditions:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Company retains neither continuing managerial involvement to the degree usually associated with; ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company; and.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Financial Income

Interest

Interest is recognized on an accrual basis, are determined on the balance of cash in bank and the actual interest rate for each period.

3.19 Cost of goods sold and service rendered

Cost of goods sold includes the cost of products, goods and service rendered during the year and is recognises in accordance with revenue during the year. The cost of direct raw materials consumed in excess of normal levels, labor costs, and fixed general production costs that are not allocated to the value of warehoused products must be immediately calculated into the cost of goods sold (after minus compensation, if any) even when the products and goods have not been determined to be consumed.

3.20 Selling expenses

Selling expenses reflect the actual expenses in the process of sales of goods and services rendered. Mainly includes sales staff salaries, sales promotion expenses, product introduction expenses, advertising expenses and sales commissions.

3.21 General and administrative expenses

General and administration expenses reflect actual expenses incurred during the general management of the Company, mainly including expenses for labour of management department salaries; social insurance, health insurance, trade union fees, unemployment insurance for labour; office equipment expenses; depreciation and amortisation; provision expenses; outside services and other expenses.

3.22 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

The Company is obliged to pay corporate income tax at the tax rate applicable to each project, with detailed tax rates and tax incentives as follows:

Initial project – Manufacturing garden tools: The tax rate applicable to this project is 20%.

Expansion project No. 1 - Manufacturing garden tools: The tax rate applicable to this project is 20%. The project is exempt from corporate income tax for 02 years from the first year of taxable income (2019) and is entitled to a 50% reduction in corporate income tax for the next 04 years.

Expansion project No. 2 - Manufacturing wooden toys: The tax rate applicable to this project is 20%. The project is exempt from corporate income tax for 02 years from the first year of taxable income and is entitled to a 50% reduction in corporate income tax for the next 04 years. The project has ceased operations.

3.23 Related parties

The parties are considered to be related if that party has the ability to control or significantly influence the other party in making decisions on financial policies and operations. Parties are considered a related party of the Company in case that party is able to control the company or to cause material effects on the financial decisions.

In considering the relationship of the parties involved, the nature of the relationship is more emphasized than the legal form of the relationship.

4. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE STATEMENT OF CONSOLIDATED FINANCIAL POSITION

4.1 Cash and cash equivalents

| | Closing balance VND | Opening balance VND |
|--------------------------|------------------------|------------------------|
| Cash on hand | 159,080,798 | 50,842,993 |
| Demand deposits in banks | 10,800,086,871 | 41,323,522,933 |
| | <u>10,959,167,669</u> | <u>41,374,365,926</u> |

4.2 Short-term trade receivables

| | Closing balance VND | Opening balance VND |
|----------------------------------|------------------------|------------------------|
| Corona Clipper Incorporated | 35,885,869,787 | 21,080,358,223 |
| FT Osterman GMBH Company Limited | 33,358,807,274 | 44,347,442,928 |
| Formosa Tools Company Limited | 26,215,804,770 | 26,215,804,770 |
| Snow Joe Company Limited | 27,013,873,000 | 27,013,873,000 |
| Others | 25,383,667,407 | 67,511,149,399 |
| | <u>147,858,022,238</u> | <u>186,168,628,320</u> |

4.3 Short-term advances to suppliers

| | Closing balance VND | Opening balance VND |
|--|------------------------|------------------------|
| Xin Well International Trading Limited | - | 575,578,506 |
| Avient Singapore PTE Limited | 1,096,616,981 | - |
| Others | 3,968,866,178 | 5,439,024,132 |
| | <u>5,065,483,159</u> | <u>6,014,602,638</u> |

4.4 Shortage of assets awaiting resolution

| | Closing balance | | Opening balance | |
|------------------|--------------------|------------------------|--------------------|------------------------|
| | Quantity | Amount | Quantity | Amount |
| Raw materials | - | - | 147,394 | 43,688,752,434 |
| Work in progress | 102,642,351 | 614,925,151,445 | 120,429,138 | 600,888,484,473 |
| Finished goods | - | - | 562,955 | 5,814,893,747 |
| | <u>102,642,351</u> | <u>614,925,151,445</u> | <u>121,139,487</u> | <u>650,392,130,654</u> |

The value of the Shortage of assets awaiting resolution item as at 31 December 2024 and as at 01 January 2024 are the value of missing inventories discovered through stocktaking in 2022 (adjusted through stocktaking in 2024). At the time of preparing these statements, the company has not identified the reason behind.

4.5 Inventories

| | Closing balance | | Opening balance | |
|----------------------|------------------------|-------------------------|------------------------|-------------------------|
| | Cost VND | Allowance VND | Cost VND | Allowance VND |
| Goods in transit | - | - | 4,085,526,434 | - |
| Raw materials | 46,478,974,236 | (2,528,158,202) | 99,820,747,188 | (2,528,158,202) |
| Tools and supplies | 4,342,216,993 | (208,887,591) | 4,255,292,993 | (208,887,591) |
| Work in progress | 161,129,809,380 | (22,155,493,029) | 135,094,781,912 | (22,155,493,029) |
| Finished goods | 68,553,943,898 | (7,861,573,994) | 34,026,523,826 | (7,861,573,994) |
| Merchandise goods | 10,415,922,409 | - | 10,726,528,442 | - |
| Goods on consignment | - | - | 17,334,690,027 | - |
| | <u>290,920,866,916</u> | <u>(32,754,112,816)</u> | <u>305,344,090,822</u> | <u>(32,754,112,816)</u> |

4.6 Prepaid expenses

4.6.1 Short-term prepaid expenses

| | Closing balance VND | Opening balance VND |
|---------------------------------|------------------------|------------------------|
| Exporting instruments and tools | - | 400,710,464 |
| | <u>-</u> | <u>400,710,464</u> |

4.6.2 Long-term prepaid expenses

| | Closing balance VND | Opening balance VND |
|---|------------------------|------------------------|
| Prepaid land and infrastructure rental | 23,007,113,538 | 23,823,083,022 |
| Other prepaid expenses of the wood factory | 596,923,347 | 746,154,183 |
| Land lease rights increased due to purchase of subsidiary | 17,020,507,239 | 17,639,434,779 |
| Exporting instruments and tools | 2,847,718,836 | 2,740,907,064 |
| Others | 1,680,689,791 | 540,709,467 |
| | <u>45,152,952,751</u> | <u>45,490,288,515</u> |

VIETNAM FORTRESS TOOLS JOINT STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUE)

Form B 09 - DN

4.7 Bad debts

| | Overdue time | Closing balance | | Overdue time | Recoverable amount | Cost | Recoverable amount |
|-------------------------------|--------------|-----------------|----------------|--------------|--------------------|----------------|--------------------|
| | | VND | VND | | | | VND |
| Trading receivables | > 3 years | 26,215,804,770 | 26,215,804,770 | > 3 years | 26,215,804,770 | 26,215,804,770 | 26,215,804,770 |
| | | 27,013,873,000 | 10,202,063,166 | | | | |
| | | 53,229,677,770 | 36,417,867,936 | | | | |
| | | | | | | | |
| Formosa Tools Company Limited | > 3 years | 26,215,804,770 | 26,215,804,770 | > 3 years | 26,215,804,770 | 26,215,804,770 | 26,215,804,770 |
| | | 27,013,873,000 | 10,202,063,166 | | | | |
| | | 53,229,677,770 | 36,417,867,936 | | | | |
| | | | | | | | |
| Snow Joe Company Limited | > 3 years | 26,215,804,770 | 26,215,804,770 | > 3 years | 26,215,804,770 | 26,215,804,770 | 26,215,804,770 |
| | | 27,013,873,000 | 10,202,063,166 | | | | |
| | | 53,229,677,770 | 36,417,867,936 | | | | |
| | | | | | | | |

4.8 Held-to-maturity investments

| | Closing balance | | Opening balance | |
|--------------------|-----------------|---------------|-----------------|---------------|
| | Cost | Book value | Cost | Book value |
| | VND | VND | VND | VND |
| Short-term | 6,828,242,428 | 6,828,242,428 | 6,828,242,428 | 6,828,242,428 |
| | 6,828,242,428 | 6,828,242,428 | 6,828,242,428 | 6,828,242,428 |
| | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 |
| | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 |
| Term deposits (i) | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 |
| | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 |
| | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 |
| | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 |
| Long-term | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 |
| | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 |
| | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 |
| | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 |
| Term deposits (ii) | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 |
| | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 | 9,828,242,428 |
| | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 |
| | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 | 3,000,000,000 |

- (i) As at 31 December 2024, the deposits were placed at commercial banks with a term of 6 months and interest rates ranging from 3.9%/year to 4.6%/year.
(ii) As at 31 December 2024, the term deposit was at Ho Chi Minh City Development Joint Stock Commercial Bank - Thai Binh Branch with a term of 13 months and an interest rate of 5%/year



4.9 Increases, decreases in tangible fixed assets

| | Buildings and structures VND | Machinery and equipment VND | Transportation equipment VND | Office equipment VND | Other tangible fixed assets VND | Total VND |
|---------------------------------|------------------------------------|-----------------------------------|------------------------------------|----------------------------|---------------------------------------|------------------|
| COST | | | | | | |
| Opening balance | 191,091,530,222 | 487,040,201,651 | 6,211,987,031 | 1,121,631,755 | - | 685,465,350,659 |
| <i>Increases in the year</i> | | | | | | |
| <i>Purchase in the year</i> | - | 1,317,236,104 | - | - | - | 1,317,236,104 |
| <i>Decreases in the year</i> | - | - | - | - | - | - |
| <i>Liquidation or transfer</i> | - | (15,058,031,134) | - | - | - | (15,058,031,134) |
| Closing balance | 191,091,530,222 | 473,299,406,621 | 6,211,987,031 | 1,121,631,755 | - | 671,724,555,629 |
| ACCUMULATED DEPRECIATION | | | | | | |
| Opening balance | 72,016,774,918 | 341,092,929,984 | 6,006,285,648 | 965,133,825 | - | 420,081,124,375 |
| <i>Increases in the year</i> | | | | | | |
| <i>Depreciation charged</i> | 9,445,566,013 | 31,832,232,895 | 79,748,051 | 91,786,072 | - | 41,449,333,030 |
| <i>Decreases in the year</i> | - | - | - | - | - | - |
| <i>Liquidation or transfer</i> | - | (14,359,894,677) | - | - | - | (14,359,894,677) |
| Closing balance | 81,462,340,931 | 358,565,268,201 | 6,086,033,699 | 1,056,919,897 | - | 447,170,562,728 |
| NET BOOK VALUE | | | | | | |
| Opening balance | 119,074,755,304 | 145,947,271,667 | 205,701,383 | 156,497,930 | - | 265,384,226,284 |
| Closing balance | 109,629,189,291 | 114,734,138,420 | 125,953,332 | 64,711,858 | - | 224,553,992,901 |

The cost of tangible fixed assets fully depreciated but still in use as at 31 December 2024 was VND 191,972,379,699, as at 01 January 2024 was VND 185,462,344,079.

Several tangible fixed assets were pledged or mortgaged as collateral for loans under credit limit contract No. 94/2024/HĐTD/HNI dated 30 July 2024 at Tien Phong Commercial Joint Stock Bank - Hanoi Branch.

4.10 Increase, decrease in intangible fixed assets

| | Computer software VND | Total VND |
|---------------------------------|-----------------------------|----------------------|
| COST | | |
| Opening balance | 1,021,678,593 | 1,021,678,593 |
| Purchase in the year | 254,090,000 | 254,090,000 |
| Closing balance | <u>1,275,768,593</u> | <u>1,275,768,593</u> |
| ACCUMULATED AMORTISATION | | |
| Opening balance | 683,480,264 | 683,480,264 |
| Amortisation charged | 91,837,546 | 91,837,546 |
| Closing balance | <u>775,317,810</u> | <u>775,317,810</u> |
| NET BOOK VALUE | | |
| Opening balance | <u>338,198,329</u> | <u>338,198,329</u> |
| Closing balance | <u>500,450,783</u> | <u>500,450,783</u> |

The cost of intangible fixed assets fully depreciated but still in use as at 31 December 2024 was VND 567,943,593, as at 01 January 2024 was VND 567,943,593;

The net book value of intangible fixed assets used as collateral for loans as at 31 December 2024 was VND 0, and as at 01 January 2024 was VND 0.

4.11 Construction in progress

| | Opening balance VND | Closing balance VND |
|--------------------------------|------------------------|------------------------|
| Construction in progress | 354,258,969 | 245,548,440 |
| Mold cost | 354,258,969 | 245,548,440 |
| Repairs | 16,489,752 | - |
| Major repairs for fixed assets | 16,489,752 | - |
| | <u>370,748,721</u> | <u>245,548,440</u> |

4.12 Short-term advances from customers

| | Closing balance VND | Opening balance VND |
|---|------------------------|------------------------|
| Kingfield International Enterprise Company Limited | - | 2,567,140,000 |
| Giang Phong Metal Company Limited | - | 407,316,397 |
| Tti Partners Spc Acting For The Account Of Mpcsd Sp | 3,872,963,721 | - |
| Others | 388,835,953 | 304,605,750 |
| | <u>4,261,799,674</u> | <u>3,279,062,147</u> |

4.13 Short-term trade payables

| | Closing balance | | Opening balance | |
|--|-----------------------|----------------------------|-----------------------|----------------------------|
| | Amount | Amount able to be paid off | Amount | Amount able to be paid off |
| | VND | VND | VND | VND |
| Hsin Yue Hsing Company Limited | 21,333,407,304 | 21,333,407,304 | 19,558,655,621 | 19,558,655,621 |
| North Paint Company Limited | 2,657,632,000 | 2,657,632,000 | 3,152,846,400 | 3,152,846,400 |
| XHL Company | 3,889,978,546 | 3,889,978,546 | 3,889,978,546 | 3,889,978,546 |
| Shenzhen Sn-Power International Fretight Agent Company | 7,124,290,280 | 7,124,290,280 | 6,811,726,096 | 6,811,726,096 |
| XSD International Company | 10,409,084,873 | 10,409,084,873 | 9,074,006,515 | 9,074,006,515 |
| Others | 44,946,245,282 | 44,946,245,282 | 46,101,983,537 | 46,101,983,537 |
| | 90,360,638,285 | 90,360,638,285 | 88,589,196,715 | 88,589,196,715 |
| Short-term trade payables to related parties (Details stated in Note 7.3) | 3,406,487,829 | | 3,026,952,575 | |

4.14 Other short-term payables

| | Closing balance VND | Opening balance VND |
|----------------------|------------------------|------------------------|
| Trade Union Fees | 176,527,698 | 283,287,014 |
| Social insurance | 1,212,376,150 | 1,161,179,739 |
| Receive mold deposit | 12,497,023,955 | 11,403,165,300 |
| Others | 1,249,273,875 | 1,468,623,334 |
| | 15,135,201,678 | 14,316,255,387 |

4.15 Short-term accrued expenses

| | Closing balance VND | Opening balance VND |
|--|------------------------|------------------------|
| Accrued interest expenses | 1,785,024,096 | 7,731,988,686 |
| Others | 743,882,736 | 1,672,912,850 |
| | 2,528,906,832 | 9,404,901,536 |
| Short-term accrued expenses to related parties (Details stated in Note 7.3) | 1,700,164,075 | 6,368,533,427 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUE)

4.16 Taxes and amounts payable to the State budget

| | Opening balance | | In the year | | Closing balance | |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Taxes Receivable VND | Taxes Payable VND | Amount payable VND | Paid VND | Taxes Receivable VND | Taxes Payable VND |
| Value added tax | - | 271,021,113 | 963,735,992 | 1,175,169,029 | - | 59,588,076 |
| Import and Export tax | - | - | 340,828,146 | 29,371,816 | - | 311,456,330 |
| Corporate income tax | - | 2,305,644,521 | 4,679,111,306 | 2,392,149,322 | - | 4,592,606,505 |
| Personal income tax | - | 367,427,985 | 1,029,910,550 | 1,348,968,290 | - | 48,370,245 |
| Environment protection tax | - | - | 18,040,000 | 16,400,000 | - | 1,640,000 |
| Other taxes | - | - | 222,760,371 | 222,760,371 | - | - |
| | - | <u>2,944,093,619</u> | <u>7,254,386,365</u> | <u>5,184,818,828</u> | - | <u>5,013,661,156</u> |

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the consolidated financial statements could be changed at later date upon final determination by the tax authorities.

4.17 Borrowings and financial lease liabilities

4.17.1 Long-term borrowings and financial lease liabilities

| | Closing balance | | In the year | | Opening balance | |
|--|-----------------|--------------------------------|--------------------|-----------------------|-----------------------|--------------------------------|
| | Amount VND | Amount able to be paid off VND | Increases VND | Decreases VND | Amount VND | Amount able to be paid off VND |
| Long-term borrowings and finance Related parties | - | - | 896,800,000 | 42,128,800,000 | 41,232,000,000 | 41,232,000,000 |
| Ability Merit Limited (1) | - | - | 896,800,000 | 42,128,800,000 | 41,232,000,000 | 41,232,000,000 |
| Objective Holdings Incorporated (4) | - | - | - | 21,688,000,000 | 21,688,000,000 | 21,688,000,000 |
| | - | - | 896,800,000 | 20,440,800,000 | 19,544,000,000 | 19,544,000,000 |
| | - | - | <u>896,800,000</u> | <u>42,128,800,000</u> | <u>41,232,000,000</u> | <u>41,232,000,000</u> |
| Long-term borrowings and finance lease liabilities related to related parties (Details stated in Note 7.3) | - | - | - | - | 41,232,000,000 | 41,232,000,000 |

VIETNAM FORTRESS TOOLS JOINT STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUE)

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4.17.2 Short-term borrowings and financial lease liabilities

| | Closing balance | | In the year | | Opening balance | |
|--|------------------------|----------------------------|------------------------|------------------------|------------------------|----------------------------|
| | Amount | Amount able to be paid off | Increases | Decreases | Amount | Amount able to be paid off |
| | VND | VND | VND | VND | VND | VND |
| Short-term borrowings | 337,486,687,612 | 337,486,687,612 | 479,470,622,864 | 597,629,308,969 | 455,645,373,717 | 455,645,373,717 |
| Ability Merit Limited (1) | 26,317,530,000 | 26,317,530,000 | 25,975,000,000 | 53,403,470,000 | 53,746,000,000 | 53,746,000,000 |
| Ho Chi Minh City Development Joint Stock Commercial Bank - Thai Binh Branch (5) | 194,303,930,126 | 194,303,930,126 | 315,674,912,261 | 315,596,578,073 | 194,225,595,938 | 194,225,595,938 |
| T-T Development Joint Stock Company (6) | 8,080,000,000 | 8,080,000,000 | - | - | 8,080,000,000 | 8,080,000,000 |
| Objective Holdings Incorporated (3) | 7,000,000,000 | 7,000,000,000 | - | - | 7,000,000,000 | 7,000,000,000 |
| Tien Phong Commercial Joint Stock Bank - Hanoi Branch (7) | 97,087,667,760 | 97,087,667,760 | 137,796,710,603 | 139,801,487,668 | 99,092,444,825 | 99,092,444,825 |
| Tsai Chui Tien (2) | 4,697,559,726 | 4,697,559,726 | 24,000,000 | 88,827,773,228 | 93,501,332,954 | 93,501,332,954 |
| Long-term debt maturity | 43,436,700,000 | 43,436,700,000 | 42,128,800,000 | 42,965,100,000 | 44,273,000,000 | 44,273,000,000 |
| Ability Merit Limited (1) | 22,995,900,000 | 22,995,900,000 | 21,688,000,000 | 42,965,100,000 | 44,273,000,000 | 44,273,000,000 |
| Objective Holding Incorporated (4) | 20,440,800,000 | 20,440,800,000 | 20,440,800,000 | - | - | - |
| Cộng | 380,923,387,612 | 380,923,387,612 | 521,599,422,864 | 640,594,408,969 | 499,918,373,717 | 499,918,373,717 |
| Short-term borrowings and finance lease liabilities related to related parties (Details stated in Note 7.3) | 89,531,789,726 | 89,531,789,726 | | | 162,327,332,954 | 162,327,332,954 |



(1) The loan with Ability Merit Limited includes the following contracts:

1.1. Contract No. 09/HDVV dated 08 October 2024:

- Credit limit: USD 530,000;
- Purpose of loan: Supplement working capital;
- Loan term: 6 months;
- Interest rate: 6.67%/year;
- Method of guarantee: Unsecured.

1.2. Contract No. 10/HDVV dated 29 October 2024:

- Credit limit: USD 500,000;
- Purpose of loan: Supplement working capital;
- Loan term: 6 months;
- Interest rate: 6.67%/year;
- Method of guarantee: Unsecured.

1.3. Contract No. 03/HDVV dated 30 August 2021:

- Credit limit: USD 600,000;
- Purpose of loan: Supplement working capital;
- Loan term: 12 months;
- Interest rate: 3.5%/year;
- Method of guarantee: Unsecured.

1.4. Contract No. 04/HDVV dated 30 September 2021:

- Credit limit: USD 600,000;
- Purpose of loan: Supplement working capital;
- Loan term: 12 months;
- Interest rate: 3.5%/year;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. 03/AB-FT dated 18 December 2023, with an extension period until 18 March 2024.

Contract Appendix FT-AB/2022-01/PL dated 01 July 2022 changes some provisions for Contract No. 03/HDVV and Contract No. 04/HDVV: Interest rate adjusted from 3.5%/year to 3.89%/year from 01 July 2022; Loan term until 30 September 2025; Interest is paid in December each year.

(2) The loan with Mr. Tsai Chui – Tien includes the following contracts:

2.1. Contract No. 21122021-TS/FTV dated 21 December 2021:

- Credit limit: VND 2,212,000,000;
- Purpose of loan: Supplement working capital;
- Loan term: 3 months;
- Interest rate: 3%/year;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. 05/TSAT-FT dated 20 March 2022 (Loan balance at the time of extension is 2,098 billion VND), the extension period is until 21 March 2023, if the borrower has not paid by the due date, the contract will automatically extend for another 12 months; Contract Appendix No. 07/TSAT-FT dated 20 March 2024, the extension period is until 21



September 2024, if the borrower has not paid by the due date, the contract will automatically extend for another 12 months.

2.2 Contract No. 22112022/TS-FTV dated 22 November 2022:

- Credit limit: VND 2,600,000,000;
- Purpose of loan: Supplement working capital;
- Loan term: 12 months;
- Interest rate: 8.6%/month;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. 03/TSAI-FT dated 20 November 2023, the extension period is until 22 November 2024, if the borrower has not paid by the due date, the contract will automatically extend for another 12 months.

(3) The loan with Objective Holdings Incorporated includes the following contracts:

3.1 Contract No. 01/HDVV/OBJ-FTV dated 21 December 2021:

- Credit limit: VND 2,000,000,000;
- Purpose of loan: Supplement working capital;
- Loan term: 3 months;
- Interest rate: 3%/year;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. 03/OBJ-FTV dated 21 March 2024, the extension period is until 21 March 2025. If the borrower fails to pay by the due date, the contract will automatically extend for another 12 months.

3.2 Contract No. 02/HDVV/OBJ-FTV dated 30 March 2022:

- Credit limit: VND 5,000,000,000;
- Purpose of loan: Supplement working capital;
- Loan term: 3 months;
- Interest rate: 3%/year;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. 02/OBJ-FT dated 28 March 2023, the extension period is until 30 March 2024. If the borrower fails to pay by the due date, the contract will automatically extend for another 12 months.

(4) The loan with Objective Holdings Incorporated according to Contract No. 02/HDVV dated 10 August 2021:

- Credit limit: USD 800,000;
- Purpose of loan: Supplement working capital;
- Loan term: 12 months;
- Interest rate: 3.5%/year;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. FT-OBJ/2022-01/PL dated 05 July 2024, with the extension period until 30 August 2025, and the loan interest rate is adjusted from 3.5% to 3.98%/year.

(5) The loan with Ho Chi Minh City Development Joint Stock Commercial Bank - Thai Binh branch according to Credit limit contract No. 20609/22MB/HDTD dated 25 July 2022 and contract appendix No. 20609/22MB/HDTD/PL01 dated 15 January 2024:

- Credit limit: USD 8,500,000;
- Purpose of loan: Issuing LCs, lending to pay issued LCs, providing short-term loans to supplement working capital for business activities in manufacturing garden tools and other products;
- Loan term: Until 25 July 2025;
- Interest rate: 5.95%/year – 6.65%/year;
- Method of guarantee:
 - + Collateral 1: Real estate at land plot No. 632, map sheet No. 19 at Phuc Khanh Industrial Park, Phu Xuan commune, Thai Binh city, Thai Binh province;
 - + Collateral 2: Real estate at land plot No. 631, map sheet No. 19 at Phuc Khanh Industrial Park, Phu Xuan commune, Thai Binh city, Thai Binh province;
 - + Collateral 3: Real estate at land plot No. 1, map sheet No. 1 at Phuc Khanh Industrial Park, Phu Xuan commune, Thai Binh city, Thai Binh province and land plot No. 29, map sheet No. 20 at Phuc Khanh Industrial Park, Phu Xuan commune, Thai Binh city, Thai Binh province;
 - + Collateral 4: All inventories are kept at the Company's factory;
 - + Collateral 5: Term deposit contract of Mr. Tsai Chui Tien - Chairman of the Board of Directors, term deposit contract of Ms. Vu Thi Xuyen - major shareholder, term deposit contract of the Company.

(6) Loan contracts with T-T Development Joint Stock Company are as follows:

6.1 Contract No. 04/2022/HDV-DT-FT dated 27 October 2022:

- Credit limit: VND 6,000,000,000;
- Purpose of loan: Supplement working capital;
- Loan term: 12 months;
- Interest rate: 8%/year;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. 02/04/2022/HDV-DT-FT dated 27 December 2024, with the extension period until 27 December 2025.

6.2 Contract No. 05/2022/HDV-DT-FT dated 28 October 2022:

- Credit limit: VND 1,300,000,000;
- Purpose of loan: Supplement working capital;
- Loan term: 12 months;
- Interest rate: 8%/year;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. 02/05/2022/HDV-DT-FT dated 28 December 2024, with the extension period until 28 December 2025.

6.3 Contract No. 06/2022/HDV-DT-FT dated 28 November 2022:

- Credit limit: VND 400,000,000;
- Purpose of loan: Supplement working capital;
- Loan term: 12 months;
- Interest rate: 7.65%/year;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. 02/06/2022/HDV-DT-FT dated 29 November 2024, with the extension period until 29 December 2025.

6.4 Contract No. 07/2022/HDV-DT-FT dated 02 December 2022:

- Credit limit: VND 380,000,000;
- Purpose of loan: Supplement working capital;
- Loan term: 12 months;
- Interest rate: 7.95%/year;
- Method of guarantee: Unsecured.

The loan is extended according to Contract Appendix No. 02/07/2022/HDV-DT-FT dated 02 December 2024, with the extension period until 02 December 2025.

(7) Tien Phong Commercial Joint Stock Bank - Hanoi Branch according to credit limit contract No. 94/2024/HDTD/HNI dated 30 July 2024:

- Credit limit: VND 130,000,000,000;
- Purpose of loan: Supplement working capital;
- Loan term: 12 months;
- Interest rate: According to each debt acknowledgement contract;
- Method of guarantee:
 - + Collateral 1: Real estate of Phuc Khanh Grocery Company Limited in Phuc Khanh Industrial Park;
 - + Collateral 2: Real estate, factory of Garden Pals Company Limited
 - + Collateral 3: Savings book/deposit contract issued by TPBank;
 - + Collateral 4: Machinery and equipment owned by Vietnam Fortress Tools Joint Stock Company;
 - + Collateral 5: The right to claim debt arising from the future for export contracts with payment method by L/C up to 30 billion VND.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUE)

4.18 Owner's equity

4.18.1 Reconciliation table of equity

| | Owner's contributed capital | Share capital surplus | Investment and Development fund | Retained earnings | Total |
|--------------------------------|--------------------------------|--------------------------|------------------------------------|----------------------|-----------------|
| | VND | VND | VND | VND | VND |
| Prior year's opening balance | 268,078,350,000 | 148,621,259,858 | 14,843,991,896 | 292,886,434,769 | 724,430,036,523 |
| Increase in the year | - | - | - | 19,089,837,261 | 19,089,837,261 |
| - Profit for the year | - | - | - | 19,089,837,261 | 19,089,837,261 |
| Prior year's closing balance | 268,078,350,000 | 148,621,259,858 | 14,843,991,896 | 311,976,272,030 | 743,519,873,784 |
| Current year's opening balance | 268,078,350,000 | 148,621,259,858 | 14,843,991,896 | 311,976,272,030 | 743,519,873,784 |
| Increase in the year | - | - | - | 3,225,112,259 | 3,225,112,259 |
| Profit for the year | - | - | - | 3,225,112,259 | 3,225,112,259 |
| Current year's closing balance | 268,078,350,000 | 148,621,259,858 | 14,843,991,896 | 315,201,384,289 | 746,744,986,043 |

4.18.2 Details of owner's investment capital

| | Closing balance | | Opening balance | |
|-------------------------------------|-----------------|--------|-----------------|--------|
| | Amount | Ratio | Amount | Ratio |
| | VND | % | VND | % |
| Objective Holdings Incorporated | 65,209,810,000 | 24.32% | 65,209,810,000 | 24.32% |
| Mr. Tsai Chui Tien | 61,939,300,000 | 23.10% | 61,939,300,000 | 23.10% |
| T-T Development Joint Stock Company | 39,919,700,000 | 14.89% | 39,919,700,000 | 14.89% |
| Probus Opportunities | 25,000,000,000 | 9.33% | 25,000,000,000 | 9.33% |
| VN Alpha Company Limited | 19,770,000,000 | 7.37% | 19,770,000,000 | 7.37% |
| Others | 56,239,540,000 | 20.98% | 56,239,540,000 | 20.98% |
| | 268,078,350,000 | 100% | 268,078,350,000 | 100% |

4.18.3 Capital transactions with owners and dividend distribution, profit sharing

| | Current year VND | Prior year VND |
|---|---------------------|-------------------|
| Owner's contributed capital | | |
| Capital contribution at the beginning of the year | 268,078,350,000 | 268,078,350,000 |
| Contributed capital increased during the year | - | - |
| Capital contribution at the end of the year | 268,078,350,000 | 268,078,350,000 |
| Dividends or distributed profits | - | - |

4.18.4 Shares

| | Closing balance Shares | Opening balance Shares |
|--|---------------------------|---------------------------|
| Number of shares registered for issuance | 26,807,835 | 26,807,835 |
| Number of shares issued to the public | 26,807,835 | 26,807,835 |
| Ordinary shares | 26,807,835 | 26,807,835 |
| Preference shares | - | - |
| Number of shares repurchased | - | - |
| Ordinary shares | - | - |
| Preference shares | - | - |
| Number of outstanding shares in circulation | 26,807,835 | 26,807,835 |
| Ordinary shares | 26,807,835 | 26,807,835 |
| Preference shares | - | - |
| An ordinary share has par value (VND/Share) | 10,000 | 10,000 |

4.18.5 Profit distribution

| | Current year VND | Prior year VND |
|---|------------------------|------------------------|
| Undistributed profit at the beginning of the year | 311,976,272,030 | 292,886,434,769 |
| Profit from business activities in the year | 3,225,112,259 | 19,089,837,261 |
| Other adjustments to decrease profit | - | - |
| Other adjustments to increase profit | - | - |
| Remaining undistributed profit | 315,201,384,289 | 311,976,272,030 |

4.19 Off Consolidated Statement of Financial Position items

Operating lease assets

The company has land lease contracts in Phuc Khanh Industrial Park, Thai Binh Province for the purpose of investing in establishing a factory to manufacture products. Details are as follows:

| Project | Contract number | Leased area (m2) |
|---|-----------------|------------------|
| Maintenance of technical infrastructure works in industrial parks such as traffic systems, water supply, rainwater drainage, wastewater drainage, trees, security and order, sanitation and industrial park management costs. | 12/HDTLD-DT | 26,467 |
| | 11/HDTLD-DT | 26,155 |
| | 012016/HD-DT | 26,967.5 |
| | 19/HDTLD-DT | 14,726 |

5. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE CONSOLIDATED STATEMENT OF INCOME

5.1 Revenue from goods sold and services rendered

| | Current year VND | Prior year VND |
|---|------------------------|------------------------|
| Revenue from sales of finished goods and scraps | 612,943,986,202 | 537,614,795,949 |
| | <u>612,943,986,202</u> | <u>537,614,795,949</u> |

5.2 Costs of goods sold and services rendered

| | Current year VND | Prior year VND |
|---|------------------------|------------------------|
| Cost of finished goods and scraps | 512,824,074,064 | 399,772,983,682 |
| Allowances for devaluation of inventories | - | (452,671,669) |
| | <u>512,824,074,064</u> | <u>399,320,312,013</u> |

5.3 Financial income

| | Current year VND | Prior year VND |
|--------------------------------------|-----------------------|-----------------------|
| Interests of bank deposits and loans | 480,176,547 | 738,627,590 |
| Exchange rate difference interest | 15,065,091,719 | 13,479,432,048 |
| | <u>15,545,268,266</u> | <u>14,218,059,638</u> |

5.4 Financial expenses

| | Current year VND | Prior year VND |
|--|-----------------------|-----------------------|
| Interest expense | 28,199,533,379 | 29,665,361,207 |
| Settlement discount, interest on instalment purchase | - | 5,362,916,149 |
| Exchange rate difference loss | 31,523,558,353 | 17,997,356,009 |
| Others | - | 471,934,270 |
| | <u>59,723,091,732</u> | <u>53,497,567,635</u> |
| Financial expenses related to related parties (Details stated in Note 7.3) | 13,220,465,809 | 10,498,224,281 |

5.5 Selling expenses

| | Current year VND | Prior year VND |
|-----------------|-----------------------|-----------------------|
| Labour expenses | 2,747,426,488 | 2,678,072,541 |
| Other expenses | 14,638,520,074 | 14,802,922,419 |
| | <u>17,385,946,562</u> | <u>17,480,994,960</u> |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUE)

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5.6 General and administration expenses

| | Current year VND | Prior year VND |
|-------------------------------|-----------------------------|---------------------------|
| Management staff expenses | 16,672,645,281 | 15,352,831,561 |
| Depreciation and amortisation | 2,260,848,487 | 1,911,397,169 |
| Allowance expenses | 1,384,593,515 | 24,517,384,805 |
| Other expenses | 10,846,069,097 | 11,631,176,717 |
| Allocation of goodwill | 29,021,312 | 29,021,312 |
| | 31,193,177,692 | 53,441,811,564 |

5.7 Other income

| | Current year VND | Prior year VND |
|--------------------------------|-----------------------------|---------------------------|
| Sale, disposal of fixed assets | 542,600,371 | - |
| Others | 509,292,651 | 356,587,959 |
| | 1,051,893,022 | 356,587,959 |

5.8 Other expenses

| | Current year VND | Prior year VND |
|--|-----------------------------|---------------------------|
| Penalties | 96,500,000 | 345,121,119 |
| Depreciation expenses, tools and equipment of wood factory | 2,239,849,327 | 2,649,233,005 |
| Others | 715,435,433 | 2,044,574,616 |
| | 3,051,784,760 | 5,038,928,740 |

5.9 Corporate income tax expenses

| | Current year VND | Prior year VND |
|--|-----------------------------|---------------------------|
| Vietnam Fortress Tools Joint Stock Company | 1,825,175,112 | 3,928,686,010 |
| Garden Pals Company Limited | 566,974,210 | 750,425,296 |
| Total corporate income tax expenses | 2,392,149,322 | 4,679,111,306 |

5.10 Basic earnings per share and diluted earnings per share

| | Current year VND | Prior year VND |
|--|-----------------------------|---------------------------|
| Accounting profit after corporate income tax | 3,225,112,259 | 19,089,837,261 |
| Profit or (Loss) attributable to common shareholders | 3,225,112,259 | 19,089,837,261 |
| Average common shares outstanding during the year (shares) | 26,807,835 | 26,807,835 |
| Basic earnings per share | 120 | 712 |
| Additional common stock expected to be issued | - | - |
| Diluted earning per share | 120 | 712 |

5.11 Production by nature

| | Current period VND | Prior period VND |
|-------------------------------|------------------------|------------------------|
| Cost of materials | 350,642,087,873 | 258,949,249,143 |
| Labor costs | 109,791,978,112 | 102,328,247,575 |
| Depreciation and amortisation | 41,625,914,492 | 44,603,152,724 |
| Outside services | 44,671,195,552 | 50,370,017,184 |
| Other expenses | 19,469,611,247 | 37,502,852,236 |
| Allowance expenses | 1,384,593,515 | - |
| | <u>567,585,380,791</u> | <u>493,753,518,862</u> |

6. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

6.1 Actual amounts of borrowings received during the year

| | Current year VND | Prior year VND |
|---|------------------------|------------------------|
| Proceeds from borrowings under normal contracts | 477,752,056,335 | 551,170,358,993 |
| | <u>477,752,056,335</u> | <u>551,170,358,993</u> |

6.2 Actual amounts of principal paid during the year

| | Current year VND | Prior year VND |
|---|------------------------|------------------------|
| Repayment of principal under normal contracts | 639,255,977,352 | 613,042,008,153 |
| | <u>639,255,977,352</u> | <u>613,042,008,153</u> |

7. OTHER INFORMATION

7.1. Contingent liabilities

In 2022, the Company recorded the discrepancy in inventory shortage after stocktaking in the Shortage of assets awaiting resolution item in the amount of VND 650,392,130,654. As at 31 December 2024, through stocktaking, the value of the Shortage of assets awaiting resolution item was adjusted to be VND 614,925,151,445. The Company has not identified the reason behind, timing and impact on related obligations due to the above inventory shortage. Tax obligations and other financial obligations will be determined when the Company finds out the cause related to the above inventory shortage or when competent authorities work at the unit.

7.2. Commitments

Operating lease commitments:

- Land lease contract No. 12/HDTLD-DT dated 05 May 2006 and land lease contract No. 11/HDTLD dated 25 March 2006, appendix to the revised land lease contract No. 0108/PLHDLDSD-DT between Dai Tin Industrial Park Development Limited Joint Stock Company and Formosa Vietnam Metal Industry Company Limited, the two parties signed a land lease contract with the following terms:
 - Leased land area: 52,622 m² (Fifty-two thousand, six hundred and twenty-two square meters) in Phuc Khanh Industrial Park, Thai Binh City, Thai Binh Province;
 - Location and boundary of the land are determined in the land use right certificate No. CS 03688 dated 18 December 2018;
 - Land lease term: Until 31 December 2052;

- Land use purpose: Maintenance of technical infrastructure works in the industrial park such as traffic system, water supply, rainwater drainage, wastewater drainage, trees, security, order, sanitation and management costs of the industrial park construction and mechanics;
 - Land rental fee: Land rental price is: USD 13/m²/year (excluding VAT);
 - Infrastructure management fee: USD 0.033/m²/month (excluding VAT). Each 3 years, the infrastructure management fee will be adjusted once, the adjustment level is based on the adjustment of prices and wages in Vietnam, and also based on the land lease area with deduction;
 - Wastewater treatment fee: USD 0.2/m³ (excluding VAT). Each 3 years, the infrastructure management fee will be adjusted once, the adjustment level is based on the adjustment of prices and wages in Vietnam, and also based on the land lease area with deduction.
2. Land lease contract No. 012016/HD-DT dated 03 August 2016 between T-T Development Joint Stock Company and Formosa Vietnam Metal Industry Company Limited. The two parties signed a land lease contract with the following terms:
- Leased land area: 26,967.5 m² (Twenty six thousand nine hundred sixty seven point five square meters) in Phuc Khanh Industrial Park, Thai Binh city, Thai Binh province;
 - Location and boundary of the land are determined according to land use right certificate No. CS 03449 dated 02 April 2018;
 - Land lease term: Until 31 December 2052;
 - Land use purpose: Maintenance of technical infrastructure works in the industrial park such as traffic system, water supply, rainwater drainage, wastewater drainage, trees, security, order, sanitation and management costs of the industrial park construction and mechanics;
 - Land rental fee: infrastructure rental fee is VND 657,450/m² equivalent to USD 30/m² (excluding VAT); Infrastructure management fee: VND 400/m²/month.
3. Land lease contract No. 19/HDTLĐ dated 24 July 2007, amended appendix No. 0208/PLHDTLĐ-DT dated 25 June 2008, appendix 19/PLHDTLĐ-DT-1 dated 17 May 2011 between Dai Tin Industrial Park Development Joint Stock Company (lessor) and Garden Pals Company Limited, the two parties signed a land lease contract with the following terms:
- Leased land area: 14,726.4 m² (Fourteen thousand seven hundred twenty-six point four square meters) at Phuc Khanh Industrial Park, Thai Binh city, Thai Binh province;
 - Location and boundary of the land are determined in the land use right certificate No. BG634715 dated 30 December 2013;
 - Land lease term: Until 31 December 2052;
 - Land use purpose: Maintenance and repair of technical infrastructure works in industrial parks such as traffic systems, water supply, rainwater drainage, wastewater drainage, trees, security and order, sanitation and industrial park management costs;
 - Land rental fee: Land rental price and infrastructure usage fee is USD 13/m² (excluding VAT);
 - Infrastructure management fee: Infrastructure management fee is USD 0.02/m²/month (excluding VAT).

7.3. Transactions and balances with related parties

The related parties with the Company include key management members, the individuals involved with key management members and other related parties.

7.3.1 Transactions and balances with key management members, the individuals involved with key management members and the Board of Supervisors

Key management members include members of The Board of Directors, the Board of Management, and Chief Accountant. Individuals associated with key management members are close members in the family of key management members.

Income of the Board of Directors, the Board of Management, the Board of Supervisors and Chief Accountants

| | Position | Current period VND | Prior period VND |
|---|-------------------------|-----------------------|---------------------|
| The Board of Directors | | | |
| Mr. Tsai Chui Tien | Chairman | 420,000,000 | 420,000,000 |
| Ms. Le Thi Thu Hang | Member | 60,000,000 | 60,000,000 |
| Ms. To Thi Phuong Lan | Member | 60,000,000 | 60,000,000 |
| Mr. Bui Van Thanh | Member | 180,000,000 | 180,000,000 |
| Mr. Do Xuan Thanh | Member | 180,000,000 | 180,000,000 |
| Board of Supervisors | | | |
| Ms. Dinh Thi Lan Huong | Head of BOS | 84,000,000 | 12,000,000 |
| Ms. Vi Nguyet Cam | Head of BOS | - | 9,000,000 |
| Ms. Le Thi Thu Huong | Member | 18,000,000 | 12,000,000 |
| Ms. Ha Thi Thu Thuy | Member | 18,000,000 | - |
| Ms. Phan Thi Oanh | Member | 18,000,000 | - |
| Ms. Bui Nhu Hue | Member | 18,000,000 | - |
| The Board of Management and Chief Accountant | | | |
| Mr. Chiang, Chiu Chiung | General Director | 814,846,700 | |
| Ms. Tran Thi Thuy Nguyen | General Director | 46,811,000 | 515,666,600 |
| Ms. Le Thi Thu Hang | Deputy General Director | 656,664,900 | 323,704,700 |
| Mr. Kuo Hsien Cheng | Deputy General Director | - | 347,466,100 |
| Ms. Nguyen Thi Cam Van | Chief Accountant | - | 364,667,900 |
| Ms. To Thi Thuy | Chief Accountant | 258,086,100 | - |
| Ms. Bui Thi Thuy | Chief Accountant | 36,039,978 | - |
| Ms. Do Thi Thanh Hang | Chief Accountant | 66,079,450 | - |
| Ms. Pham Thi Ngoc Hoa | Chief Accountant | 63,000,000 | - |

Transactions with key members of management and individuals related to key members of management

Other transactions with key members of management and individuals related to key members of management are as follows:

| | Content | Current year VND | Prior year VND |
|---|--------------------------|---------------------|-------------------|
| Member of the Board of Directors | | | |
| Mr. Tsai Chui Tien | Interest expenses | 8,202,072,138 | 4,344,541,373 |
| | Repayment of principal | 88,827,773,228 | 52,549,000,000 |
| | Proceeds from borrowings | - | 43,812,000,000 |
| Ms. Le Thi Thu Hang | Repayment of principal | - | 4,871,335,040 |

Balances with key management members and individuals related to key management members.

| | Content | Closing balance VND | Opening balance VND |
|--|-----------------------------|------------------------|------------------------|
| Members of the Board of Directors | | | |
| Mr. Tsai Chui Tien | Short-term borrowings | 4,697,559,726 | 93,501,332,954 |
| | Short-term accrued expenses | 663,692,653 | 5,751,611,217 |

7.3.2 Transactions and balances with other related parties

Other related parties to the Company include enterprises and individuals that directly or indirectly have control over the Company or are controlled by the Company, or are under common control with the Company, including parent companies and companies in the same group.

List of other related parties

| Related parties | Relationship |
|-------------------------------------|---|
| Objective Holdings Incorporated | Major shareholder, Mr. Tsai Chui Tien is Chairman of the Board of Directors |
| T-T Development Joint Stock Company | Major shareholders |
| Probus Opportunities | Major shareholders |
| VN Alpha Company Limited | Major shareholders |
| Ability Merit Company Limited | Company with the same major shareholders |
| Phuc Khanh Grocery Company Limited | Subsidiary with the same Chairman of the Board of Directors |

Transactions with other related parties

During this year, there were major transactions with other related parties as follows:

In addition to the transactions with related parties stated in the above Notes, the Company also has the following transactions with related parties:

| Purchase goods and services | Content | Current year VND | Prior year VND |
|-------------------------------------|---|----------------------|----------------------|
| T-T Development Joint Stock Company | Purchase goods and services | 1,823,308,739 | 1,346,599,382 |
| Phuc Khanh Grocery Company Limited | Rent house and electricity, water bills | 77,221,226 | 24,403,925 |
| | | <u>1,900,529,965</u> | <u>1,371,003,307</u> |
| Other transactions | Content | Current year VND | Prior year VND |
| T-T Development Joint Stock Company | Payment | 2,449,829,631 | 2,076,585,244 |
| Ability Merit Limited | Repayment of principal | 96,368,570,000 | 67,984,000,000 |
| | Proceeds from borrowings | 25,975,000,000 | 66,277,000,000 |
| Objective Holding Incorporated | Proceeds from borrowings | 896,800,000 | 688,000,000 |
| Financial operating expenses | Content | Current year VND | Prior year VND |
| Ability Merit Limited | Interest payment | 3,139,808,303 | 4,736,343,416 |
| T-T Development Joint Stock Company | Interest payment | 646,576,603 | 644,810,000 |
| Objective Holding Incorporated | Interest payment | 1,232,008,765 | 772,529,492 |
| | | <u>5,018,393,671</u> | <u>6,153,682,908</u> |

Balance of accounts receivable/(payable) with other related parties

| | Closing balance VND | Opening balance VND |
|-------------------------------------|--------------------------------|--------------------------------|
| Short-term trade payables | | |
| Phuc Khanh Grocery Company Limited | 1,816,451,669 | 1,731,908,326 |
| T-T Devolopment Joint Stock Company | 1,590,036,160 | 1,295,044,249 |
| | 3,406,487,829 | 3,026,952,575 |

Short-term borrowings and financial lease liabilities

| | Closing balance VND | Opening balance VND |
|--|--------------------------------|--------------------------------|
| Short-term borrowings and financial lease liabilities | | |
| Ability Merit Limited | 49,313,430,000 | 53,746,000,000 |
| T-T Devolopment Joint Stock Company | 8,080,000,000 | 8,080,000,000 |
| Objective Holdings Incorporated | 27,440,800,000 | 7,000,000,000 |
| | 84,834,230,000 | 68,826,000,000 |

Long-term borrowings and financial lease liabilities

| | Closing balance VND | Opening balance VND |
|---|--------------------------------|--------------------------------|
| Long-term borrowings and financial lease liabilities | | |
| Ability Merit Limited | - | 21,688,000,000 |
| Objective Holdings Incorporated | - | 19,544,000,000 |
| | - | 41,232,000,000 |

Short-term accrued expenses

| | Closing balance VND | Opening balance VND |
|-------------------------------------|--------------------------------|--------------------------------|
| Short-term accrued expenses | | |
| Interest expense payables | | |
| Ability Merit Limited | 353,150,716 | 436,939,144 |
| T-T Devolopment Joint Stock Company | 87,101,528 | - |
| Objective Holdings Incorporated | 596,219,178 | 179,983,066 |
| | 1,036,471,422 | 616,922,210 |

7.4. Information of Department

The company is not required to prepare segment reports because it does not satisfy one of the three conditions for preparing segment reports by geographical area as prescribed in Circular 20/2006/TT-BTC dated 20 March 2006 of the Ministry of Finance regarding guidance on the implementation of six (06) accounting standards issued under Decision No. 12/2005/QĐ-BTC dated 15 February 2005 of the Ministry of Finance.

7.5. Events arising after the end of the year

The Board of Management of the Company affirms that, in the opinion of the Board of Management, in all material respects, there have been no unusual events occurring after the end of the year that would affect the financial situation and operations of the Company that would require adjustment or presentation in these consolidated financial statements.

7.6. Comparative figures

Comparative figures are figures on the consolidated financial statements for the year ended 31 December 2023 which have been audited by Vietnam Auditing and Valuation Company Limited. Some items are restated as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUE)

Form B 09 - DN

| No | Items | Code | Data on Audited FS 2023 | Restatement number | Difference |
|---------------------|------------------------------------|------|----------------------------|-----------------------|---------------|
| STATEMENT OF | | | | | |
| A/ | SHORT-TERM ASSETS | 100 | 1,128,906,148,870 | 1,129,306,859,334 | 400,710,464 |
| IV/ | Inventories | 140 | 272,589,978,007 | 272,589,978,006 | (1) |
| 1. | Inventories | 141 | 305,344,090,823 | 305,344,090,822 | (1) |
| V/ | Other short-term assets | 150 | 1,470,197,898 | 1,870,908,362 | 400,710,464 |
| 1 | Short-term prepaid expenses | 151 | - | 400,710,464 | 400,710,464 |
| B | LONG -TERM ASSETS | 200 | 315,307,970,670 | 314,907,260,206 | (400,710,464) |
| VI/ | Other long-term assets | 260 | 46,339,997,617 | 45,939,287,153 | (400,710,464) |
| 1 | Long-term prepaid expenses | 261 | 45,890,998,979 | 45,490,288,515 | (400,710,464) |



Preparer
Pham Thi Ngoc Hoa



Accountant in Charge
Pham Thi Ngoc Hoa



Chairman of the Board of Directors
Tsai, Chui - Tien
Thai Binh, Vietnam
30 March 2025

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