

**VIETNAM FORTRESS TOOLS JOINT STOCK COMPANY**

*Consolidated Financial Statements  
for 4th quarter of 2024*



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**BALANCE SHEET**  
as at 31/12/2024

Unit: VND

ASSETS	Code	Note	31/12/2024	01/01/2024
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>1,008,040,774,535</b>	<b>1,128,906,148,870</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>		<b>11,000,469,924</b>	<b>41,374,365,926</b>
1. Cash	111	V.1	11,000,469,924	41,374,365,926
<b>II. Short-term financial investments</b>	<b>120</b>	<b>V.2</b>	<b>6,828,242,428</b>	<b>6,828,242,428</b>
3. Held-to-maturity investments	123		6,828,242,428	6,828,242,428
<b>III. Short-term receivables</b>	<b>130</b>		<b>735,002,281,660</b>	<b>806,643,364,612</b>
1. Short-term trade receivables	131	V.3	147,572,142,141	186,168,628,320
2. Short-term advances to suppliers	132	V.4	3,672,826,948	6,014,602,638
6. Other short-term receivables	136	V.5	572,375,213	485,870,936
7. Provision for short-term doubtful debts	137	V.6	(67,207,193,296)	(36,417,867,936)
8. Deficits in assets awaiting solution	139	V.7	650,392,130,654	650,392,130,654
<b>IV. Inventories</b>	<b>140</b>	<b>V.8</b>	<b>249,439,319,800</b>	<b>272,589,978,006</b>
1. Inventories	141		282,193,432,616	305,344,090,822
2. Provision for devaluation of inventories	149		(32,754,112,816)	(32,754,112,816)
<b>V. Other short-term assets</b>	<b>150</b>		<b>5,770,460,723</b>	<b>1,470,197,898</b>
1. Short-term prepayments	151		3,859,375,456	-
2. Value added tax deductibles	152		1,909,865,267	1,470,197,898
3. Taxes and other receivables from the State budget	153		1,220,000	-
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>269,643,945,909</b>	<b>315,307,970,670</b>
<b>II. Fixed assets</b>	<b>220</b>		<b>224,724,110,347</b>	<b>265,722,424,613</b>
1. Tangible fixed assets	221	V.9	224,223,659,564	265,384,226,284
- Cost	222		671,724,555,629	685,465,350,659
- Accumulated depreciation	223		(447,500,896,065)	(420,081,124,375)
3. Intangible assets	227	V.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)
<b>IV. Long-term assets in progress</b>	<b>240</b>	<b>V.11</b>	<b>403,054,875</b>	<b>245,548,440</b>
2. Long-term construction in progress	242		403,054,875	245,548,440
<b>V. Long-term financial investments</b>	<b>250</b>	<b>V.2</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>
5. Held-to-maturity investments	255		3,000,000,000	3,000,000,000
<b>VI. Other long-term assets</b>	<b>260</b>		<b>41,516,780,687</b>	<b>46,339,997,617</b>
1. Long-term prepayments	261	V.12	41,096,803,361	45,890,998,979
2. Deferred tax assets	262	V.13	202,317,484	202,317,484
3. Long-term reserved spare parts	263		-	-
4. Other long-term assets	268		-	-
3. Goodwill	269		217,659,842	246,681,154
<b>TOTAL ASSETS</b>	<b>270</b>		<b>1,277,684,720,444</b>	<b>1,444,214,119,540</b>

**BALANCE SHEET**  
as at 31/12/2024(continued)

Unit: VND

RESOURCES	Code	Note	31/12/2024	01/01/2024
<b>C. LIABILITIES</b>	<b>300</b>		<b>532,436,347,028</b>	<b>700,694,245,756</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>490,275,528,327</b>	<b>652,740,550,164</b>
1. Short-term trade payables	311	V.14	86,850,433,202	88,589,196,715
2. Short-term advances from customers	312	V.15	4,504,347,026	3,279,062,147
3. Taxes and amounts payable to the State budget	313	V.16	2,778,877,523	5,013,661,156
4. Payables to employees	314		9,761,332,151	9,950,373,618
5. Short-term accrued expenses	315	V.17	1,916,211,638	9,404,901,536
9. Other short-term payables	319	V.18	13,972,917,620	14,316,255,387
10. Short-term loans and obligations under finance leases	320	V.19	345,151,987,612	499,918,373,717
11. Short-term provisions	321	V.20	16,534,166,678	13,434,575,140
12. Bonus and welfare funds	322		8,805,254,877	8,834,150,748
<b>II. Long-term liabilities</b>	<b>330</b>		<b>42,160,818,701</b>	<b>47,953,695,592</b>
8. Long-term loans and obligations under finance leases	338	V.19	35,771,400,000	41,232,000,000
11. Deferred tax liabilities	341		5,640,077,151	5,972,354,042
12. Long-term provisions	342	V.20	749,341,550	749,341,550
<b>D. EQUITY</b>	<b>400</b>		<b>745,248,373,416</b>	<b>743,519,873,784</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>V.21</b>	<b>745,248,373,416</b>	<b>743,519,873,784</b>
1. Owner's contributed capital	411		268,078,350,000	268,078,350,000
Ordinary shares carrying voting rights	411a		268,078,350,000	268,078,350,000
2. Share premium	412		148,621,259,858	148,621,259,858
8. Investment and development fund	418		14,843,991,896	14,843,991,896
11. Retained earnings	421		313,704,771,662	311,976,272,030
- Retained earnings/(losses) accumulated to the prior year end	421a		311,976,272,030	292,886,434,769
- Retained earnings/(losses) of the current year	421b		1,728,499,632	19,089,837,261
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>1,277,684,720,444</b>	<b>1,444,214,119,540</b>

Thai Binh, January 18, 2025

Preparer

Accountant

Chairman of the board



Pham Thi Ngoc Hoa



Pham Thi Ngoc Hoa



Tsai, Chun - Tien



**Vietnam Fortress Tools Joint Stock Company**

**Financial Statements**  
4th quarter of 2024

Add: Lot B8+B9+B10, Phuc Khanh Industrial Park, Phu Khanh Ward, Thai Binh City, Thai Binh Province., Vietnam

**INCOME STATEMENT**  
for 4th quarter of 2024

Unit: VND

ITEMS	Code	Note	4th quarter of 2024	4th quarter of 2023	Cumulative year 2024	Cumulative year 2023
1. Gross revenue from goods sold and services rendered	01	VI.1	175,407,067,892	182,718,868,311	612,943,986,202	537,614,795,949
3. Net revenue from goods sold and services rendered	10		175,407,067,892	182,718,868,311	612,943,986,202	537,614,795,949
4. Cost of sales	11	VI.2	119,701,849,025	129,757,208,648	486,715,976,195	399,320,312,013
5. Gross profit from goods sold and services rendered	20		55,705,218,867	52,961,659,663	126,228,010,007	138,294,483,936
6. Financial income	21	VI.3	3,733,706,297	3,554,514,909	21,842,886,493	14,218,059,638
7. Financial expenses	22	VI.4	18,369,460,674	13,374,391,909	61,450,335,913	53,497,567,635
- In which: Interest expense	23		4,989,582,676	7,416,340,302	26,989,383,196	29,665,361,207
8. Selling expenses	25	VI.5	4,794,080,095	4,370,248,740	17,308,374,352	17,480,994,960
9. General and administration expenses	26	VI.6	55,162,364,464	31,748,491,570	63,657,748,828	53,441,811,564
10. Operating profit	30		(18,886,980,069)	7,023,042,353	5,654,437,407	28,092,169,415
11. Other income	31	VI.7	651,790,447	89,146,990	1,382,208,228	356,587,959
12. Other expenses	32	VI.8	531,035,286	1,259,732,185	3,441,462,649	5,038,928,740
13. Profit from other activities	40		120,755,161	(1,170,585,195)	(2,059,254,421)	(4,682,340,781)
14. Accounting profit before tax	50		(18,766,224,908)	5,852,457,158	3,595,182,986	23,409,828,634
15. Current corporate income tax expense	51	VI.10	(2,175,668,094)	1,169,777,826	2,198,960,245	4,679,111,306
16. Deferred corporate tax (income)/expense	52		-	(89,779,983)	(332,276,891)	(359,119,933)
17. Net profit after corporate income tax	60		(16,590,556,814)	4,772,459,315	1,728,499,632	19,089,837,261

Preparer

Accountant

Chairman of the board

Thai Binh, January 18, 2025



*[Signature]*  
Pham Thi Ngoc Hoa

*[Signature]*  
Pham Thi Ngoc Hoa

Tsai Chui - Tien

**CASH FLOW STATEMENT**  
for 4th quarter of 2024

Unit: VND

ITEMS	Code	Note	Cumulative year 2024	Cumulative year 2023
<b>I. Cash flows from operating activities</b>				
1. Net profit (loss) before tax	01		3,595,182,986	15,799,288,717
2. Adjustments for :				
- Depreciation and amortisation of fixed assets and investment properties	02		41,895,350,406	34,464,265,462
-Provisions	03		33,888,916,898	18,048,534,927
Foreign exchange (gain)/ loss arising from translating foreign currency items	04		1,253,229,932	(1,994,208,044)
(Gain)/loss from investing activities	05		(352,855,709)	(553,614,686)
Interest expense	06		26,989,383,196	22,246,115,426
Other adjustments	07		29,021,312	-
3. Operating income (loss) before changes in working capital	08		107,298,229,021	88,010,381,802
(Increase) decrease in receivables	09		39,959,622,509	11,489,081,536
(Increase) decrease in inventories	10		23,150,658,206	(17,084,516,560)
(Increase)/Decrease in payables (excluding accrued loan interest and corporate income tax payable)	11		(7,837,932,624)	4,373,037,548
(Increase) decrease in prepaid expenses	12		934,820,162	564,142,672
Interest paid	14		(26,989,383,196)	(19,361,860,554)
Corporate income tax paid	15		(4,679,111,306)	(2,163,478,274)
Other cash outflows	17		(28,895,871)	-
Net cash flows from operating activities	20		131,808,006,901	65,826,788,170
<b>II. Cash flows from investing activities</b>				
1. Purchase and construction of fixed asset and other long-term assets	21		(2,107,331,539)	(238,438,861)
4. Cash recovered from lending, selling debt instruments of other entities	24		-	2,250,000,000
7. Interest earned, dividends and profits received	27		1,405,644,673	629,800,448
Net cash flows from investing activities	30		(701,686,866)	2,641,361,587
<b>III. Cash flows from financing activities</b>				
3. Proceeds from borrowings	33		477,776,056,335	411,877,769,245
4. Repayment of borrowings	34		(639,256,272,372)	(458,281,506,115)
Net cash flows from financing activities	40		(161,480,216,037)	(46,403,736,870)
Net increase/(decrease) in cash	50		(30,373,896,002)	22,064,412,887
Cash and cash equivalents at the beginning of the year	60	V.1	41,374,365,926	11,282,379,767
Impact of exchange rate fluctuation	61		-	370,450,511
Cash and cash equivalents at the end of the year	70	V.1	11,000,469,924	33,717,243,165

Preparer

  
Pham Thi Ngoc Hoa

Accountant

  
Pham Thi Ngoc Hoa

Chairman of the board

  
Tsai Chui - Tien



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for 4th quarter of 2024**

**I. GENERAL INFORMATION**

**1. Form of capital ownership**

Vietnam Fortress Tools Joint Stock Company was established and operated under Investment Certificate No. 4304315420 dated July 14, 2010, 12th adjustment on 29/08/2022 issued by Management Board of Thai Binh Industrial Zones.

The company was granted Business Registration Certificate No. 1000383611 dated September 23, 2016 by the Department of Planning and Investment of Thai Binh Province. The 15th adjustment on 22/04/2021.

Company's charter capital: 268,078,350,000 VND.

Total number of shares: 26,807,835 shares, par value of each share is 10,000 VND

**2. Business field**

The company operates in the field of industrial production.

**3. Business line**

- Trading, manufacturing, and processing of gardening tools and accessories;
- Trading and manufacturing of hardware products;
- Manufacturing and trading of machinery and equipment;
- Heat treatment and electroplating processing;
- Manufacturing wooden toys and games (excluding wood processing and the sale of toys harmful to children's character education, health, or public order and safety); and
- Other activities in accordance with the Company's Business Registration Certificate.

**4. Production and business cycle**

The company has a normal production and business cycle of less than 1 financial year.

**5. Business characteristics in a fiscal year that affect Financial Statement.**

The company operates in the field of production and trade with a business cycle of less than 1 fiscal year.

**6. Company's structure**

Subsidiary Company	Ownership ratio	Voting rate	Address - Main business activities
Garden Pals Co., Ltd	100,00%	100,00%	Thai Binh - Mechanical processing; metal treatment and coating; real estate business and land use rights under ownership.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*Continued*)**

### **7. Statement about the comparability information on Financial Statement.**

Information on this year's Financial Statement is established on similar basis and policies and is completely comparable with the last year.

## **II. FINANCIAL YEAR, ACCOUNTING CURRENCY**

### ***Financial year***

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

### ***Accounting currency***

The Company maintains its accounting records in Vietnam Dong (VND).

## **III. ADOPTION OF ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM**

### ***Adoption of Accounting Standards***

The Company's financial statements are prepared in compliance with Vietnam Accounting Standards, Vietnam Accounting System and in compliance with current Accounting Regulations in Circular No. 200/2014/TT-BTC ("Circular 200") dated 22nd December, 2014 of the Ministry of Finance guiding the accounting regime for enterprises, Circular No. 53/2016/TT-BTC dated March 21, 2016 of the Ministry of Finance on amending and supplementing a number of articles of Circular No. 200. The consolidated financial statements are prepared in accordance with Circular No. 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance Guiding the preparation and presentation of consolidated financial statements.

### ***Declaration on compliance with accounting standards and accounting regulations***

The Board of Directors has to ensure full compliance with the requirements of accounting standards and Vietnamese Accounting System for enterprise regulations prevailing in Vietnam preparing the financial statements.

The accompanying financial statements are prepared based on accounting principles, procedures and practices generally accepted in Vietnam. So that, they are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### ***Accounting form***

The registered accounting documentation system is: accounting by software.

## **IV. SIGNIFICANT ACCOUNTING PRINCIPLES**

### **1. Estimates**

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 financial statements and the reported amounts of revenues and expenses during the financial year (reporting period). Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

### **2. Financial instruments**

#### ***Initial recognition***

*Financial assets:* At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash, cash equivalents, trade and other receivables, deposits, financial investments and derivative financial instruments.

*Financial liabilities:* At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade and other payables, accrued expenses, obligations under finance leases, borrowings and derivative financial instruments.

#### ***Subsequent measurement after initial recognition***

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

### **3. Cash and cash equivalents**

#### ***The principles for determining the cash and cash equivalents***

Cash and cash equivalents comprise cash on hand, cash in banks.

*The principle for determining cash equivalents* is that they are short-term investments of no more than three months, easily convertible into cash, and carry minimal risk of conversion into cash from the purchase date of the investment at the reporting date.

### **4. Financial investments**

#### ***Held-to-Maturity Investments***

Includes fixed-term bank deposits (including bonds and promissory notes), bonds, preferred shares issued with a mandatory repurchase requirement at a predetermined future date, and loans held to maturity for the purpose of earning periodic interest, as well as other held-to-maturity investments.

For held-to-maturity investments, if no allowance for doubtful debts has been established as required by law, the accountant must assess the recoverability of the investment. If there is objective evidence indicating that a portion or the entire investment is uncollectible, the accountant shall recognize an impairment loss in the financial statements for the period. If the impairment loss cannot be reliably determined but is probable, the accountant shall disclose the recoverability of the investment in the notes to the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### *Investments in Subsidiaries, Joint Ventures, and Associates*

Investments in subsidiaries, where the parent company has control, are accounted for using the cost method. Dividends distributed by the subsidiary to the parent company that originate from post-acquisition retained earnings are recognized in the parent company's financial results in the period in which they are received. Such distributions are considered a recovery of the investment and are deducted from the carrying amount of the investment.

An impairment provision for investments is recognized at the year-end. The amount of the provision is determined based on economic conditions prevailing at the time the provision is recognized.

### **5. Account receivables and other receivables**

Accounts receivable are recognized at their estimated realizable value after deducting the allowance for doubtful debts. The allowance for doubtful debts is provided for receivables that have been overdue for six months or more or for receivables from debtors who are unlikely to settle their debts due to liquidation, bankruptcy, or other similar financial difficulties.

Any increase or decrease in the provision balance is recorded as an administrative expense.

### **6. Inventories**

**Principle of Inventory Valuation:** Inventories are valued at cost. If the net realizable value is lower than cost, inventories are measured at net realizable value. The cost of inventories includes purchase costs, processing costs, and other direct costs incurred in bringing the inventories to their current location and condition.

The cost of purchased inventories includes the purchase price, non-refundable taxes, transportation, handling, storage costs during the purchasing process, and other directly attributable costs.

The costs that are not included in the cost of inventories are: trade discounts and purchase price reductions for non-conforming or substandard goods; selling expenses; and administrative expenses.

**Method for Determining Ending Inventory Value:** The ending inventory value is determined using the moving average method.

**Inventory Accounting Method:** The company applies the perpetual inventory system for inventory accounting.

**Provision for Inventory Decline:** The provision for inventory decline is recognized at the year-end and represents the difference between the cost of inventories and their net realizable value if the cost exceeds the net realizable value.

### **7. Method of recording and depreciation of Fixed assets**

**Fixed assets:** Tangible fixed assets are initially recognized at cost. During the use of tangible fixed assets are stated at cost minus accumulated depreciation.

**Fixed Asset Depreciation Method:** Depreciation is calculated using the straight-line method. The estimated depreciation periods are as follows:



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

- Buildings and structures	05-20 years
- Machinery and equipment	03-15 years
- Transportation vehicles	07-12 years
- Office equipment	03-05 years
- Management software	03-05 years

**8. Accounting principle for deferred income tax**

Deferred income tax is determined for temporary differences at the end of the financial year between the tax base of assets and liabilities and their carrying amount for financial reporting purposes. Deferred tax assets and deferred tax liabilities are determined using the tax rates expected to apply to the year in which the asset is recovered or the liability is settled, based on the tax rates and laws enacted at the end of the financial year.

**9. Recognition of trade payables and other payables**

Accounts payable to suppliers, other payables, at the reporting date, if:

Payable amounts with a payment term of less than 1 year or within one operating cycle are classified as current liabilities.

Payable amounts with a payment term of more than 1 year or over one operating cycle are classified as non-current liabilities.

**10. Recognition of prepaid expenses**

Prepaid expenses related solely to the current fiscal year's business operations are recognized as short-term prepaid expenses.

The following expenses, incurred during the fiscal year, are recorded as long-term prepaid expenses and gradually allocated to the business results:

- Significant value tools and equipment used;
- Other expenses related to the company's production and business activities.

The calculation and allocation of long-term prepaid expenses into production costs for each accounting period is based on the nature and extent of each type of expense, in order to select an appropriate allocation method and criterion. Large-value tools and equipment expenses, incurred during the fiscal year, are recorded as long-term prepaid expenses to be allocated gradually into business results.

**11. Recognition of provisions for liabilities**

The recognized value of a provision for liabilities is the best estimate of the amount that will be required to settle the present obligation at the end of the reporting period.

Only expenses related to the provision for liabilities initially recognized are covered by that provision.

The difference between the provision for liabilities recognized in the previous period, which has not been fully utilized, and the provision recognized in the reporting period, is reversed and recorded as a reduction in production costs for the period.



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

A provision for liabilities is recognized when the following conditions are met:

- The company has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

### **12. Recognition of Owner's Equity**

#### ***Principle of Recognizing Contributed Capital***

Owner's contributed capital is recognized based on the actual amount contributed by shareholders.

Share premium is recorded as the difference between the actual issuance price and the par value of shares when issuing new shares, additional shares, or reissuing treasury shares. Direct costs related to the additional issuance or reissuance of treasury shares are deducted from the share premium.

#### ***Principle of Recognizing Foreign Exchange Differences***

Foreign exchange differences arise from the actual exchange or conversion of the same amount of foreign currency into the accounting currency at different exchange rates. These differences mainly arise in the following cases:

- Transactions involving the purchase, sale, exchange, or settlement of economic transactions in foreign currency during the period;
- Revaluation of foreign currency-denominated monetary items at the time of financial statement preparation.

#### ***Principle of Recognizing Retained Earnings***

Retained earnings after tax represent the company's profit after deducting adjustments due to retrospective application of changes in accounting policies and material error corrections from prior years. Retained earnings after tax may be distributed to investors based on their capital contribution ratio, subject to approval by the Board of Directors and after setting aside reserves in accordance with the Company's Charter and Vietnamese legal regulations.

### **13. Revenue Recognition Principles**

**Recognition of Sales Revenue:** Sales revenue is recognized when all of the following conditions are met:

- The company has transferred the significant risks and rewards associated with ownership of the goods or products to the buyer;
- The company no longer retains control over the goods as an owner nor has effective control over the goods;
- Revenue can be measured reliably;
- The company is likely to receive economic benefits from the sales transaction; and
- The costs related to the sales transaction can be measured reliably.

**Recognition of Service Revenue:** Revenue from service transactions is recognized when the outcome of the transaction can be measured reliably. If a service transaction spans multiple periods, revenue is

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

recognized based on the portion of work completed as of the balance sheet date. The outcome of a service transaction is determined when all of the following four (4) conditions are met:

- (a) Revenue can be measured reliably;
- (b) It is probable that economic benefits will flow to the company from the service transaction;
- (c) The stage of completion of the service transaction can be determined at the balance sheet date; and
- (d) The costs incurred for the transaction and the costs required to complete the transaction can be measured reliably.

**Recognition of Financial Revenue:** Financial revenue arising from bank deposit interest is recognized when the bank issues a notification.

### **14. Cost of Goods Sold (COGS) Recognition Principles**

Cost of goods sold (COGS) is recognized and recorded based on the value and quantity of finished goods, merchandise, and materials sold to customers, corresponding to the revenue recognized in the period.

The cost of services includes all direct costs related to the provision of completed services within the period.

### **15. Principles for Recognizing Financial Expenses**

Financial expenses include costs or losses related to financial investment activities, borrowing and lending costs, capital contributions to joint ventures and associates, losses from the transfer of short-term securities, transaction costs of selling securities, provisions for the devaluation of trading securities, provisions for investment losses in other entities, losses from foreign currency sales, and foreign exchange losses...

Financial expenses that are not considered deductible expenses for corporate income tax (CIT) purposes under tax regulations but have valid invoices and supporting documents and are properly accounted for under the Company's Accounting Regime are not deducted from accounting expenses but are adjusted in the CIT finalization process to increase taxable income.

### **16. Principles for Recognizing Selling Expenses and General & Administrative Expenses**

Selling expenses include actual costs incurred during the process of selling products, goods, and providing services. These include expenses for product promotion, advertising, sales commissions, product and goods warranty costs (excluding construction activities), storage, packaging, transportation, and other related costs.

General & administrative expenses include: Salaries, wages, and allowances for administrative personnel; Social insurance, health insurance, trade union fees, and unemployment insurance for administrative employees; Office supplies, labor tools, and depreciation of fixed assets used for business administration; Land rental fees, business license tax; Provisions for doubtful debts; Outsourced services (electricity, water, telephone, fax, asset and fire insurance, etc); Other cash expenses (client entertainment, customer conferences, etc).

Selling expenses and general & administrative expenses that are not considered deductible expenses for corporate income tax (CIT) purposes under tax regulations but have valid invoices and supporting



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

documents and are properly accounted for under the Company's Accounting Regime are not deducted from accounting expenses but are adjusted in the CIT finalization process to increase taxable income.

### **17. Taxation**

Current corporate income tax expense is determined on the basis of taxable income and CIT rate in the current year.

Deferred Corporate Income Tax (CIT) Expense is the CIT liability to be paid in the future arising from:

- Recognizing deferred income tax liabilities during the year;
- Reversing deferred income tax assets that were recognized in prior years.

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

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.

### ***Value Added Tax (VAT)***

Enterprises apply the declaration and calculation of VAT under the current tax law guidance at the VAT rate of 10% for goods and services provided.

### ***Other taxes***

Other taxes and fees are declared and paid to local tax authorities in accordance with current regulations of the State.

## **18. Other Accounting Principles and Methods**

### **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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

### 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.

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.

### Bad Business

Gain from bargain purchase is the excess of the Company's interest in the total fair value of the assets, liabilities and contingent liabilities of subsidiaries, associates and joint ventures over the purchase price at the date of the acquisition. Gain from bargain purchase is recognized immediately in the Statement of Business Results.

### Related Parties

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control the Company, are controlled by the Company, or are under common control with the Company including the parent company, subsidiaries, and associates are considered related parties. Related parties also include individuals or entities that directly or indirectly hold voting rights in the Company and have significant influence over the Company, as well as key management personnel such as directors and officers of the Company. Close family members of these individuals, their affiliated entities, or companies associated with these individuals are also regarded as related parties.

When assessing related party relationships, the substance of the relationship should be considered rather than merely the legal form.

## V. ADDITIONAL INFORMATION FOR ITEMS ON THE BALANCE SHEET

Unit: VND

### 1. CASH

	31/12/2024	01/01/2024
Cash on hand	203,734,452	50,842,993
Cash in bank - VND accounts	10,796,735,472	41,323,522,933
<b>Total</b>	<b>11,000,469,924</b>	<b>41,374,365,926</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2. FINANCIAL INVESTMENTS**

	31/12/2024		01/01/2024	
	Cost Price	Book value	Cost Price	Book value
<b>Short-term</b>				
Term Deposit	6,828,242,428	6,828,242,428	6,828,242,428	6,828,242,428
<b>Total</b>	<b>6,828,242,428</b>	<b>6,828,242,428</b>	<b>6,828,242,428</b>	<b>6,828,242,428</b>
<b>Long-term</b>				
Term Deposit	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
<b>Total</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>

Short-term deposits are placed at commercial banks with a term of 6 months and an interest rate ranging from 4.4%/year to 4.6%/year.

Long-term deposits are placed 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.

**3. TRADE RECEIVABLES**

	31/12/2024	01/01/2024
<b>Short-term trade receivables</b>		
Xhl Co., Ltd	2,188,355,265	2,188,355,265
Wal-Mart, Inc.,	2,187,900,869	9,604,134,116
Venanpri Tools Monterrey, S. De R.L. De C.V.	2,007,065,736	4,494,055,780
Tti Partners Spc Acting For The Account Of Mpusd Sp	-	29,551,225,810
Tricam Industries Inc	6,740,253,531	9,577,798,859
Snow Joe Llc	27,013,873,000	27,013,873,000
Ft Ostermann Gmbh	33,358,807,274	44,347,442,928
Formosa Tools Co.,Ltd	26,215,804,770	26,215,804,770
Công ty Corona Clipper Inc	35,541,977,232	21,080,358,223
Adeo Services Sas	4,590,332,960	4,166,577,365
Others	7,727,771,504	7,929,002,204
<b>Total</b>	<b>147,572,142,141</b>	<b>186,168,628,320</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**4. ADVANCED PAYMENTS TO SUPPLIERS**

	<b>31/12/2024</b>	<b>01/01/2024</b>
Tai Hsum Co., Ltd	663,139,000	-
Shanghai Waigaoqiao Free Trade Zone Subbranch	63,617,400	63,617,400
Minh Khai Thai Binh Construction Investment and Import Export JSC	45,462,860	45,462,860
Nguyen Phat Construction Investment and Trading JSC	58,346,749	-
Song Hong Environmental Mechanical Electrical Co., Ltd	214,500,000	-
Xin Well International Trading Limited	42,166,391	575,578,506
Pingxiang Maofa Imp.&Exp.Co.,Ltd	283,199,989	-
Hoang An Private General Hospital	67,240,000	67,240,000
Guangdong Fuying Steel Co., Ltd.	315,607,124	-
Foshan Qianyang Trading Co.,Ltd.	-	980,808,773
Dongguan Zhongmao Import And Export Co; Ltd	-	2,040,154,570
Tian Jin Good International Co.,Ltd	-	210,315,809
Sinclair&Rush (Jiangsu) Plastic Products Co., Ltd.	-	193,126,937
An Gia Phu Trading Co., Ltd	-	330,001,430
Long Thai Investment and Development JSC	79,826,680	-
Avient Singapore Pte. Ltd.	1,095,539,997	-
An Thuan Phat Trading and Production Co., Ltd	-	541,866,801
Others	744,180,758	966,429,552
<b>Total</b>	<b>3,672,826,948</b>	<b>6,014,602,638</b>

**5. OTHER RECEIVABLES**

	<b>31/12/2024</b>		<b>01/01/2024</b>	
	<b>Value</b>	<b>Provision</b>	<b>Value</b>	<b>Provision</b>
<b>Short-term</b>				
Other receivables	572,375,213	-	485,870,936	-
<b>Total</b>	<b>572,375,213</b>	<b>-</b>	<b>485,870,936</b>	<b>-</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 6. BAD DEPT

	31/12/2024				01/01/2024	
	Cost Price	Recoverable Amount	Past Due Date	Cost Price	Recoverable Amount	Past Due Date
Cash on hand						
Formosa Tools Co.,Ltd	26,215,804,770	-	> 3 năm	26,215,804,770	-	> 3 năm
Snow Joe Lic	27,013,873,000	9,859,904,604	> 2 năm	27,013,873,000	16,811,809,834	> 2 năm
Ft Ostermann Gmbh	33,358,807,274	9,521,387,144	> 2 năm	33,358,807,274	33,358,807,274	> 2 năm
<b>Total</b>	<b>86,588,485,044</b>	<b>19,381,291,748</b>	<b>-</b>	<b>86,588,485,044</b>	<b>50,170,617,108</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**7. DEFICITS IN ASSETS AWAITING SOLUTION**

	31/12/2024		01/01/2024	
	Quantity	Value	Quantity	Value
Inventories	121,139,487	650,392,130,654	121,139,487	650,392,130,654
<b>Total</b>	<b>121,139,487</b>	<b>650,392,130,654</b>	<b>121,139,487</b>	<b>650,392,130,654</b>

Assets pending resolution are recognized based on the previous year's report. As of the reporting date, the Company has not yet determined the cause.

**8. INVENTORIES**

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Goods in transit	-	-	4,085,526,434	-
Raw materials	98,559,238,672	2,528,158,202	99,820,747,188	2,528,158,202
Tools, utensils	2,517,661,807	208,887,591	4,255,292,993	208,887,591
Unfinished production	110,164,470,974	22,155,493,029	135,094,781,912	22,155,493,029
Finish goods	60,596,245,364	7,861,573,994	34,026,523,826	7,861,573,994
Goods	10,355,815,799	-	10,726,528,442	-
Goods on consignment	-	-	17,334,690,027	-
<b>Total</b>	<b>282,193,432,616</b>	<b>32,754,112,816</b>	<b>305,344,090,822</b>	<b>32,754,112,816</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. TANGIBLE FIXED ASSETS

Item	Building, structures	Machinery, equipment	Means of transportation	Office equipment	Total
<b>Cost</b>					
Opening balance	191,091,530,221	487,040,201,652	6,211,987,032	1,121,631,754	685,465,350,659
- Purchase in the year	-	1,317,236,104	-	-	1,317,236,104
- Sold, disposed	-	(15,058,031,134)	-	-	(15,058,031,134)
Closing balance	191,091,530,221	473,299,406,622	6,211,987,032	1,121,631,754	671,724,555,629
<b>Accumulated depreciation</b>					
Opening balance	72,016,774,918	341,092,929,986	6,006,285,648	965,133,823	420,081,124,375
- Depreciation	9,775,899,349	31,832,232,895	79,748,051	91,786,072	41,779,666,367
- Sold, disposed	-	(14,359,894,677)	-	-	(14,359,894,677)
- Closing balance	81,792,674,267	358,565,268,204	6,086,033,699	1,056,919,895	447,500,896,065
<b>Net carrying amount</b>					
- Opening balance	119,074,755,303	145,947,271,666	205,701,384	156,497,931	265,384,226,284
- Closing balance	109,298,855,954	114,734,138,418	125,953,333	64,711,859	224,223,659,564

The original cost of fully depreciated tangible fixed assets still in use: VND 211,252,597,294.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. INTANGIBLE ASSETS

Items	Land use rights	Computer softwares	Total
<b>Cost</b>			
Opening balance	-	1,021,678,593	1,021,678,593
- Newly purchased		254,090,000	254,090,000
- Closing balance	-	1,275,768,593	1,275,768,593
<b>Accumulated amortisation</b>			
Opening balance	-	683,480,264	683,480,264
- Charge for the year	-	91,837,546	91,837,546
Closing balance	-	775,317,810	775,317,810
<b>Net carrying amount</b>			
- Opening balance	-	338,198,329	338,198,329
- Closing balance	-	500,450,783	500,450,783

The original cost of fully depreciated intangible fixed assets still in use: VND 567,943,593.

11. LONG-TERM ASSETS IN PROGRESS

	31/12/2024	01/01/2024
<b>Repair costs</b>	403,054,875	245,548,440
- Asset repair, mold repair	403,054,875	245,548,440
<b>Total</b>	403,054,875	245,548,440

12. LONG-TERM PREPAYMENTS

	31/12/2024	01/01/2024
Service costs	20,828,819,552	23,823,083,022
Tools, utensils	17,020,507,239	17,639,434,779
Land rental	2,650,553,224	3,682,326,995
Cost of repairing factory	596,923,346	746,154,183
<b>Total</b>	41,096,803,361	45,890,998,979

13. DEFERRED TAX ASSETS

	31/12/2024	01/01/2024
Deferred tax assets related to deductible temporary differences	202,317,484	202,317,484
<b>Cộng</b>	202,317,484	202,317,484

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**14. TRADE PAYABLES**

	31/12/2024		01/01/2024	
	Value	Amount within payment capacity	Value	Amount within payment capacity
<b>Short-term</b>				
Shenzhensn-Power International Fretight Agent Co.,Ltd	6,811,726,096	6,811,726,096	6,811,726,096	6,811,726,096
Northern Paint Co., Ltd	8,151,221,816	8,151,221,816	3,152,846,400	3,152,846,400
Thai Binh Investment and Production Co., Ltd	6,895,373,904	6,895,373,904	274,013,689	274,013,689
Thai Binh Energy Trading JSC	1,743,663,754	1,743,663,754	1,818,040,139	1,818,040,139
Vinh Thinh Logistics Transport Co., Ltd	901,245,763	901,245,763	2,370,840,091	2,370,840,091
Corona Clipper Inc Company	64,028,349	64,028,349	3,939,360,251	3,939,360,251
Avery Dennison Ris Taiwan Ltd.	-	-	1,893,813,600	1,893,813,600
Nguyen Sinh Trading and Production Co., Ltd	2,064,756,596	2,064,756,596	3,673,783,747	3,673,783,747
Hsin Yue Hsing Co., Ltd	21,333,407,304	21,333,407,304	19,558,655,621	19,558,655,621
Phuc Khanh Department Store Co., Ltd	1,816,451,669	1,816,451,669	1,731,908,326	1,731,908,326
Dai A Industrial JSC	1,918,012,250	1,918,012,250	-	-
Yang Sin Industrial Vietnam Co., Ltd.	3,712,527,170	3,712,527,170	1,730,916,000	1,730,916,000
Other	31,438,018,531	31,438,018,531	41,633,292,755	41,633,292,755
<b>Total</b>	<b>86,850,433,202</b>	<b>86,850,433,202</b>	<b>88,589,196,715</b>	<b>88,589,196,715</b>
<b>Related parties</b>				
Dai Tin Development JSC	1,522,651,924	1,522,651,924	979,207,241	979,207,241
Phuc Khanh Department Store Co., Ltd	1,816,451,669	1,816,451,669	1,731,908,326	1,731,908,326
<b>Total</b>	<b>3,339,103,593</b>	<b>3,339,103,593</b>	<b>2,711,115,567</b>	<b>2,711,115,567</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**15. ADVANCES FROM CUSTOMERS**

	<b>31/12/2024</b>	<b>01/01/2024</b>
Via Swiss Trading Sa	161,267,711	90,130,413
Tti Partners Spc Acting For The Account Of Mpud Sp	336.783.726	-
Techtronic Prod Develop Ltd	805.212.843	-
Kingfield International Enterprise Ltd.	2.567.140.000	2.567.140.000
Giang Phong Metal Co., Ltd	407.316.397	407.316.397
Joy Wish Inc Co.,Ltd	-	9
Asia Tech Source Co., Ltd	226.626.349	214.475.328
<b>Total</b>	<b>4,504,347,026</b>	<b>3,279,062,147</b>

**16. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET**

	<b>01/01/2024</b>	<b>Payables</b>	<b>Actually paid</b>	<b>31/12/2024</b>
Value Added Tax	59,588,076	333,822,510	393,410,586	-
Import VAT	-	570,325,407	570,325,407	-
Export, Import tax	311,456,330	328,384,495	340,828,146	299,012,679
Corporate income tax	4,592,606,505	2,198,960,245	4,679,111,306	2,112,455,444
Personal income tax	48,370,245	1,365,346,349	1,046,307,194	367,409,400
Environmental Protection Tax and other taxes	1,640,000	237,940,371	240,800,371	(1,220,000)
<b>Total</b>	<b>5,013,661,156</b>	<b>5,034,779,377</b>	<b>7,270,783,010</b>	<b>2,778,877,523</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**17. ACCRUED EXPENSES**

	<b>31/12/2024</b>	<b>01/01/2024</b>
<b>Short-term accrued expenses</b>		
Tsai Chui Tien (USD)	-	551,986,028
Tsai Chui Tien (VND)	663,692,653	5,199,625,189
Objective Holding Incorporated	596,219,178	179,983,066
HD Bank Deposit Interest	-	1,192,297,091
Hung Thai Private Enterprise	185,946,000	223,982,000
Van Tien Import Export Production Co., Ltd	-	353,836,500
Thai Binh Clean Water JSC	76,644,000	69,552,000
Vietnam Trade Union	40,297,698	-
Vietnam Auditing and Valuation Co., Ltd	-	440,000,000
Ability Merit Ltd	353,150,716	436,939,144
Others	261,393	756,700,518
<b>Total</b>	<b>1,916,211,638</b>	<b>9,404,901,536</b>

**Related parties**

Tsai Chui Tien	663,692,653	5,751,611,217
Dai Tin Development JSC	-	93,381,396
Ability Merit Co., Ltd	353,150,716	436,939,144
Objective Holding Incorporated Company	596,219,178	179,983,066
<b>Total</b>	<b>1,613,062,547</b>	<b>6,461,914,823</b>

**18. OTHER SHORT-TERM PAYABLES**

	<b>31/12/2024</b>	<b>01/01/2024</b>
Union funds	135,660,000	280,257,014
Social insurance	1,212,376,150	1,161,179,739
Others	12,624,881,470	12,874,818,634
<b>Total</b>	<b>13,972,917,620</b>	<b>14,316,255,387</b>

Vietnam Fortress Tools Joint Stock Company  
Add: Lot B8+B9+B10, Phuc Khanh Industrial Park, Phu Khanh Ward, Thai Binh City, Thai Binh Province., Vietnam

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

19. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES						
	31/12/2024			In the period		01/01/2024
	Value	Recoverable value	Increase	Decrease	Value	Recoverable value
<b>Short-term</b>						
<b>Bank</b>						
HD Bank - Thai Binh	291,391,597,886	291,391,597,886	453,471,622,864	455,398,065,741	293,318,040,763	293,318,040,763
TP Bank - Ha Noi	194,303,930,126	194,303,930,126	315,674,912,261	315,596,578,073	194,225,595,938	194,225,595,938
<b>Related parties</b>						
Dai Tin Development JSC	97,087,667,760	97,087,667,760	137,796,710,603	139,801,487,668	99,092,444,825	99,092,444,825
Ability Merit Co., Ltd	53,760,389,726	53,760,389,726	25,999,000,000	134,565,943,228	162,327,332,954	162,327,332,954
Objective Holding Incorporated Company	8,080,000,000	8,080,000,000	-	-	8,080,000,000	8,080,000,000
Tsai Chui Tien	33,982,830,000	33,982,830,000	25,975,000,000	45,738,170,000	53,746,000,000	53,746,000,000
<b>Current Portion of Long-Term Debt</b>						
Ability Merit Co., Ltd	7,000,000,000	7,000,000,000	24,000,000	88,827,773,228	93,501,332,954	93,501,332,954
	4,697,559,726	4,697,559,726	-	44,273,000,000	44,273,000,000	44,273,000,000
	-	-	-	44,273,000,000	44,273,000,000	44,273,000,000
	-	-	-	-	-	-
<b>Total</b>	<b>345,151,987,612</b>	<b>345,151,987,612</b>	<b>479,470,622,864</b>	<b>634,237,008,969</b>	<b>499,918,373,717</b>	<b>499,918,373,717</b>
<b>Long-term</b>						
<b>Related parties</b>						
Ability Merit Co., Ltd	35,771,400,000	35,771,400,000	1,768,100,000	7,228,700,000	41,232,000,000	41,232,000,000
Objective Holding Incorporated Company	15,330,600,000	15,330,600,000	871,300,000	7,228,700,000	21,688,000,000	21,688,000,000
	20,440,800,000	20,440,800,000	896,800,000	-	19,544,000,000	19,544,000,000
<b>Total</b>	<b>35,771,400,000</b>	<b>35,771,400,000</b>	<b>1,768,100,000</b>	<b>7,228,700,000</b>	<b>41,232,000,000</b>	<b>41,232,000,000</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Information on Short-Term Loans at the End of the Period**

***HD Bank - Thai Binh Branch***

Credit limit agreement No. 20609/22MB/HĐTD dated July 25, 2022. The total credit limit is USD 8,500,000. The validity period of the credit limit is 36 months. The loan bears an interest rate of 5.95% - 6.65% per annum. The purpose of the loan is to issue Letters of Credit (LC), provide financing for issued LCs, and extend short-term loans to supplement working capital for the manufacturing and trading of gardening tools and household products. The collateral includes real estate located at B8+B9+B10 and lot E3+E3' of the Company, receivables, circulating inventory, real estate at Phuc Khanh Industrial Park owned by Garden Pals - a subsidiary, fixed-term deposits of VND 6,000,000,000 held by the Company (with tenors of 6 and 13 months), a fixed-term deposit of VND 3,500,000,000 held by Mr. Tsai Chui Tien - Chairman of the Board of Directors, a fixed-term deposit of VND 5,135,650,000 held by Ms. Vu Thi Xuyen - a shareholder of the Company, and customer guarantee deposits and payment guarantees.

***TP Bank - Hanoi Branch***

Credit limit agreement No. 58/2023/HĐTD/HNI dated June 13, 2023. The total credit limit is VND 130 billion (including outstanding debt under credit limit agreement No. 41/2022/HĐTD/HNI dated May 23, 2022). The credit period is 12 months. The loan bears an interest rate of 7.2% per annum, later adjusted to 6.7% per annum under credit agreement No. 94/2024/HĐTD/HNI dated July 30, 2024. The loan purpose is to supplement working capital for the Company's business operations.

The collateral includes the entire factory of Phuc Khanh General Store Co., Ltd. - an entity affiliated with the Chairman of the Board of Directors, a fixed-term deposit of VND 3,828,242,428 held by the Company (6-month tenor), a fixed-term deposit of VND 31,800,000,000 held by Khai Phat Dai Tin Joint Stock Company (a major shareholder/affiliated entity), receivables, and machinery and equipment of the Company.

***Dai Tin Development Joint Stock Company***

Loan agreement No. 04/2022/HĐV-ĐT-FT dated October 27, 2022, with a term of 12 months, bearing an interest rate of 8% per annum, for an amount of VND 6 billion. The loan was extended under Annex No. 01/04/2022/HĐV-ĐT-FT dated April 27, 2024, with the extension period lasting until December 27, 2025.

Loan agreement No. 05/2022/HĐV-ĐT-FT dated October 28, 2022, with a term of 12 months, bearing an interest rate of 8% per annum, for an amount of VND 1.3 billion. The loan was extended under Annex No. 01/05/2022/HĐV-ĐT-FT dated April 28, 2024, with the extension period lasting until December 28, 2025.

Loan agreement No. 06/2022/HĐV-ĐT-FT dated November 28, 2022, with a term of 12 months, bearing an interest rate of 7.65% per annum, for an amount of VND 0.4 billion. The loan was extended under Annex No. 01/06/2022/HĐV-ĐT-FT dated May 29, 2024, with the extension period lasting until December 29, 2025.

Loan agreement No. 07/2022/HĐV-ĐT-FT dated December 2, 2022, with a term of 12 months, bearing an interest rate of 7.95% per annum, for an amount of VND 0.38 billion. The loan was extended under Annex No. 01/07/2022/HĐV-ĐT-FT dated June 2, 2024, with the extension period lasting until December 2, 2025.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

All loan agreements stipulate that both principal and interest are payable at maturity, with no overdue interest rate provisions.

***Ability Merit Company Limited***

Loan agreement No. 07/HDVV dated October 9, 2023, with a term of 6 months, bearing an interest rate of 7.2% per annum, for an amount of USD 500,000. The loan was extended under Annex No. 04/AB-FT dated April 8, 2024, with the extension period lasting until October 9, 2025.

Loan agreement No. 09/HDVV dated October 8, 2024, with a term of 6 months, bearing an interest rate of 6.67% per annum, for an amount of USD 530,000.

Loan agreement No. 10/HDVV dated October 29, 2024, with a term of 6 months, bearing an interest rate of 6.67% per annum, for an amount of USD 500,000.

All loan agreements stipulate that both principal and interest are payable at maturity, with an overdue interest rate of 0%.

***Objective Holding Incorporated***

Loan agreement No. 01/HDVV/OBJ-FTV dated December 21, 2021, with a term of 3 months, bearing an interest rate of 3% per annum, for an amount of VND 2 billion. The loan was extended under Annex No. 01/OBJ-FT dated March 20, 2022, with the extension period lasting until March 21, 2023. If the borrower fails to repay upon maturity, the contract is automatically extended for an additional 12 months. The loan was further extended under Annex No. 03/OBJ-FT dated March 21, 2023, with the extension period lasting until March 21, 2025.

Loan agreement No. 02/HDVV/OBJ-FTV dated March 30, 2022, with a term of 12 months, bearing an interest rate of 3% per annum, for an amount of VND 5 billion. The loan was extended under Annex No. 02/OBJ-FT dated March 28, 2023, with the extension period lasting until March 30, 2024. If the borrower fails to repay upon maturity, the contract is automatically extended for an additional 12 months.

All loan agreements stipulate that both principal and interest are payable at maturity, with no provisions for overdue interest rates.

***Mr. Tsai Chui Tien***

Loan agreement No. 21122021-TS/FTV dated December 21, 2021, with a term of 3 months, bearing an interest rate of 3% per annum, for an amount of VND 2.212 billion. The outstanding loan balance as of December 31, 2023, and January 1, 2023, was VND 2.098 billion. The loan was extended under Annex No. 05/TSAI-FT dated March 20, 2022 (outstanding loan balance at the time of extension: VND 2.098 billion), with the extension period lasting until March 21, 2023. If the borrower fails to repay upon maturity, the contract is automatically extended for an additional 12 months. The loan was further extended under Annex No. 07/TSAI-FT dated March 20, 2024, with the extension period lasting until September 21, 2024. If the borrower fails to repay upon maturity, the contract is automatically extended for an additional 12 months.

Loan agreement No. 22112022/TS-FTV dated November 22, 2022, with a term of 12 months, bearing an interest rate of 8.6% per annum, for an amount of VND 2.6 billion. The loan was extended under Annex No. 03/TSAI-FT dated November 20, 2023, with the extension period lasting until November

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

22, 2024. If the borrower fails to repay upon maturity, the contract is automatically extended for an additional 12 months.

All loan agreements in Vietnamese Dong stipulate that both principal and interest are payable at maturity, with no provisions for overdue interest rates.

**Long-term Loan Information as of the End of the Period**

***Ability Merit Company Limited***

Loan agreement No. 03/HDVV dated August 30, 2021, with a loan term until September 30, 2025, bearing an interest rate of 3.98% per annum, for an amount of USD 600,000. Loan agreement No. 04/HDVV dated September 30, 2021, with a loan term until September 30, 2025, bearing an interest rate of 3.98% per annum, for an amount of USD 600,000. The loan principal is to be repaid in 12 consecutive installments, with one installment per month, starting from October 2024 and to be fully settled before September 2025.

***Objective Holding Incorporated***

Loan agreement No. 02/HDVV dated August 10, 2021, with a loan term until August 30, 2025, bearing an interest rate of 3.98% per annum, for an amount of USD 800,000. The loan principal is to be repaid in 8 consecutive installments, with one installment per month, starting from January 2025 and to be fully settled before August 2025.

**20. PROVISIONS**

	31/12/2024	01/01/2024
<b>Short-term provisions</b>		
Provision for Salaries	16,534,166,678	13,434,575,140
<b>Cộng</b>	<b>16,534,166,678</b>	<b>13,434,575,140</b>
<b>Long-term provisions</b>		
Provision for Severance Pay	749,341,550	749,341,550
<b>Cộng</b>	<b>749,341,550</b>	<b>749,341,550</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 21. OWNER'S EQUITY

## a. Movement in owner's equity

Items	Statement of changes in equity				Total
	Owner's contributed capital	Share premium	Assets revaluation reserve	Undistributed profit	
Opening balance last year	268,078,350,000	148,621,259,858	14,843,991,896	292,886,434,769	724,430,036,523
- Profit for the last year	-	-	-	19,089,837,261	19,089,837,261
Opening balance this year	268,078,350,000	148,621,259,858	14,843,991,896	311,976,272,030	743,519,873,784
- Profit for the year	-	-	-	1,728,499,632	1,728,499,632
Closing balance this year	268,078,350,000	148,621,259,858	14,843,991,896	313,704,771,662	745,248,373,416



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**b. Investment details of the owner**

	<b>31/12/2024</b>	<b>01/01/2024</b>
Objective Holding Incorporated Company	65,209,810,000	65,209,810,000
Tsai Chui Tien	61,939,300,000	61,939,300,000
Dai Tin Development JSC	39,919,700,000	39,919,700,000
Probus Opportunities Company	25,000,000,000	25,000,000,000
Alpha Limited Vietnam Company	19,770,000,000	19,770,000,000
Others	56,239,540,000	56,239,540,000
<b>Total</b>	<b>268,078,350,000</b>	<b>268,078,350,000</b>

**c. Capital transactions with owners and distribution of dividends, profits**

	<b>Cumulative year 2024</b>	<b>Cumulative year 2023</b>
Capital at the beginning of the period	268,078,350,000	268,078,350,000
Capital at the end of the period	268,078,350,000	268,078,350,000

**d. Shares**

	<b>Cumulative year 2024</b>	<b>Cumulative year 2023</b>
Number of shares registered to issue	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
Number of outstanding shares in circulation	26,807,835	26,807,835
- Ordinary shares	26,807,835	26,807,835
Par value of outstanding shares	10,000	10,000

**22. OFF-BALANCE SHEET ITEMS**

	<b>31/12/2024</b>	<b>01/01/2024</b>
<b>Foreign currency</b>		
USD	390,474.48	1,644,452.54
EUR	222.70	235.47

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**VI. ADDITIONAL INFORMATION FOR ITEMS ON THE INCOME STATEMENT**

Unit: VND

**1. GROSS REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

	<b>Cumulative year 2024</b>	<b>Cumulative year 2023</b>
Revenue from goods sold	607,407,578,763	531,431,825,678
Other revenue (scrap sales)	5,536,407,439	6,182,970,271
<b>Total</b>	<b>612,943,986,202</b>	<b>537,614,795,949</b>

**2. COST OF SALES**

	<b>Cumulative year 2024</b>	<b>Cumulative year 2023</b>
Cost of goods and services sold	486,715,976,195	399,320,312,013
<b>Total</b>	<b>486,715,976,195</b>	<b>399,320,312,013</b>

**3. FINANCIAL INCOME**

	<b>Cumulative year 2024</b>	<b>Cumulative year 2023</b>
Interest on deposits	1,405,644,673	738,627,590
Gain on payment exchange rate	20,437,241,820	13,479,432,048
<b>Total</b>	<b>21,842,886,493</b>	<b>14,218,059,638</b>

**4. FINANCIAL EXPENSES**

	<b>Cumulative year 2024</b>	<b>Cumulative year 2023</b>
Loss on payment exchange rate	29,682,031,599	17,997,356,010
Debt selling fee	4,778,921,118	5,362,916,149
Interest expenses	26,989,383,196	29,665,361,205
Others	-	471,934,271
<b>Total</b>	<b>61,450,335,913</b>	<b>53,497,567,635</b>

**5. SELLING EXPENSES**

	<b>Cumulative year 2024</b>	<b>Cumulative year 2023</b>
Expenses for sales staffs	2,724,784,278	2,678,072,541
Fixed assets depreciation expense	3,421,188	-
Cost of outsourced services	2,755,959,267	4,504,635,311
Others	11,824,209,619	10,298,287,108
<b>Total</b>	<b>17,308,374,352</b>	<b>17,480,994,960</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. GENERAL AND ADMINISTRATION EXPENSES

	Cumulative year 2024	Cumulative year 2023
Expense for administrative staffs	3,058,411,239	15,352,831,561
Cost of office supplies	671,579,649	-
Fixed asset depreciation expense	2,405,379,216	2,375,496,345
Taxes, charges and fees	2,000,000	-
Provisions	47,323,492,038	24,517,384,905
Cost of hired services	8,071,142,416	9,135,770,048
Other expenses	2,096,722,958	2,031,307,393
Commercial advantage	29,021,312	29,021,312
<b>Total</b>	<b>63,657,748,828</b>	<b>53,441,811,564</b>

7. OTHER INCOME

	Cumulative year 2024	Cumulative year 2023
Income from liquidation of materials, scrap, fixed assets	1,266,491,704	-
Others income	115,716,524	356,587,959
<b>Total</b>	<b>1,382,208,228</b>	<b>356,587,959</b>

8. OTHER EXPENSES

	Cumulative year 2024	Cumulative year 2023
Liquidation costs for sale of fixed assets	674,289,964	-
Invalid costs	2,555,143,147	2,649,233,005
Penalties, fine for late payment	212,029,538	345,121,119
Others	-	2,044,574,616
<b>Total</b>	<b>3,441,462,649</b>	<b>5,038,928,740</b>

9. PRODUCTION AND BUSINESS COSTS BY FACTOR

	Cumulative year 2024	Cumulative year 2023
Liquidation costs for sale of fixed assets	238,610,700,197	258,949,249,143
Invalid costs	95,547,591,209	102,191,382,043
Tax on foreign contractors	44,854,545,692	43,452,351,780
Penalties, fine for late payment	40,791,206,610	55,581,308,645
Fine payable from administrative violations	19,270,917,032	36,879,898,266
<b>Total</b>	<b>439,074,960,740</b>	<b>497,054,189,877</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**10. CURRENT CORPORATE INCOME TAX EXPENSE**

The company is obligated to pay corporate income tax (CIT) at the applicable rates for each project. The specific tax rates and incentives are as follows:

Initial Project - Garden Tool Manufacturing: The applicable CIT rate for this project is 20%.

Expansion Project No. 1 - Garden Tool Manufacturing: The applicable CIT rate for this project is 20%. The project is eligible for a CIT exemption for 2 years, starting from the first year of taxable income (2019), and a 50% CIT reduction for the subsequent 4 years.

Expansion Project No. 2 - Wooden Toy Production: The applicable CIT rate for this project is 20%. The project is eligible for a CIT exemption for 2 years, starting from the first year of taxable income, and a 50% CIT reduction for the subsequent 4 years. However, this project has ceased operations.

**Current corporate income tax**

Current Corporate income tax payable is based on taxable income of the current year. Taxable income differs from income reported in the performance report business as taxable income excludes items of income or expense that are taxable deductible for tax purposes in the year and also excludes items not taxable or not deductible for tax purposes. Current corporate income tax payable of the Company is calculated using tax rates that have been enacted at the balance sheet date of the year.

**Details Current corporate income tax**

	<b>Cumulative year 2024</b>	<b>Cumulative year 2023</b>
<b>Accounting profit before tax</b>	<b>3,595,182,986</b>	<b>23,409,828,634</b>
Increasing adjustments	9,404,997,708	5,970,025,195
Decreasing adjustments	-	1,140,778,894
<b>Profit before tax not yet balanced with loss of the previous year</b>	<b>13,000,180,694</b>	<b>28,239,074,935</b>
<b>Estimated profit before tax</b>	<b>13,000,180,694</b>	<b>28,239,074,935</b>
Where:		
Taxable Profit of Initial Investment Project	8.989.421.756	18.552.038.125
Taxable Profit of Expansion Project 1	4.010.758.938	9.687.036.810
Tax rate	20%	20%
<b>Estimated corporate income tax expense</b>	<b>2,600,036,139</b>	<b>5,647,814,987</b>
CIT exempted or deducted under the Investment Licence	(401,075,894)	(968,703,681)
<b>Current corporate income tax expense</b>	<b>2,198,960,245</b>	<b>4,679,111,306</b>

**VII. OTHER INFORMATION**

**1. EVENTS AFTER THE DATE OF CLOSING ACCOUNTING BOOKS FOR FINANCIAL STATEMENTS PREPARATION**

There have been no significant events occurring after the reporting period which would require adjustments to or disclosures to be made in the financial statements.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**2. INFORMATION ON RELATED PARTIES**

<b>Related parties</b>	<b>The relationship</b>
Tsai Chui Tien	Chairman of the board
Le Thi Thu Hang	Board Member/Deputy General Director
To Thi Phuong Lan	Board Member
Bui Van Thanh	Independent Member of the Board of Directors
Do Xuan Thanh	Independent Member of the Board of Directors
Vi Nguyet Cam	Head of the Board of Supervisors until January 5, 2024
Dinh Thi Lan Huong	Head of the Board of Supervisors from January 5, 2024
Phan Thi Oanh	Member of the Board of Supervisors from July 2024
Le Thi Thu Huong	Member of the Board of Supervisors until June 2024
Ha Thi Thu Thuy	Member of the Board of Supervisors from January 5, 2024 to June 2024
Bui Nhu Hue	Member of the Board of Supervisors from July 2024
Chiang Chiu Chiung	General Director from 06/02/2024
Tran Thi Thuy Nguyen	General Director from 01/01/2023 to 06/02/2024
Kuo Hsicen Cheng	Deputy General Director until November 20, 2023
Nguyen Thi Cam Van	Chief Accountant until January 1, 2024
To Thi Thuy	Chief Accountant from 01/01/2024
Objective Holding Incorporated Company	Major shareholder/ Company with Chairman of the Board of Directors
Dai Tin Development JSC	Major shareholder/ Company with major shareholder
Probus Opportunities Company	Major shareholder
Vietnam Alpha Limited Company	Major shareholder
Ability Merit Co., Ltd	Company with major shareholder
Phuc Khanh Department Store Co., Ltd	Company and Chairman of the Board

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

*The significant transactions between the Company and related parties during the year include:*

	<b>Cumulative year 2024</b>	<b>Cumulative year 2023</b>
<b>Mr. Tsai Chui Tien</b>	<b>92,373,614,809</b>	<b>84,578,941,973</b>
Get loan	-	43,812,000,000
Repay loan principal	88,827,773,228	37,840,000,000
Loan interest expenses	3,545,841,581	2,926,941,973
<b>Le Thi Thu Hang</b>	<b>-</b>	<b>4,871,335,040</b>
Repay loan principal	-	4,871,335,040
<b>Ability Merit Co., Ltd</b>	<b>124,297,508,303</b>	<b>57,151,114,893</b>
Get loan	25,975,000,000	14,430,000,000
Repay loan principal	95,182,700,000	39,461,335,040
Loan interest expenses	3,139,808,303	3,259,779,853
<b>Objective Holding Incorporated Company</b>	<b>1,232,008,765</b>	<b>1,214,104,997</b>
Get loan	-	688,000,000
Loan interest expenses	1,232,008,765	526,104,997
<b>Dai Tin Development JSC</b>	<b>2,068,041,464</b>	<b>985,826,035</b>
Purchase of goods and services	2,068,041,464	985,826,035
<b>Phuc Khanh Department Store Co., Ltd</b>	<b>84,543,343</b>	<b>19,655,800</b>
Purchase of goods and services	84,543,343	19,655,800




**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Income of the Board of Directors, Board of Management and Board of Supervisors**

	Cumulative year 2024	Cumulative year 2023
<b>Board of directors</b>	<b>900,000,000</b>	<b>900,000,000</b>
Tsai Chui Tien	420,000,000	420,000,000
Le Thi Thu Hang	60,000,000	60,000,000
To Thi Phuong Lan	60,000,000	60,000,000
Bui Van Thanh	180,000,000	180,000,000
Do Xuan Thanh	180,000,000	180,000,000
<b>Board of Supervisors</b>	<b>156,000,000</b>	<b>33,000,000</b>
Vi Nguyet Cam	-	9,000,000
Dinh Thi Lan Huong	84,000,000	12,000,000
Bui Nhu Hue	18,000,000	-
Phan Thi Oanh	18,000,000	-
Ha Thi Thu Thuy	18,000,000	-
Le Thi Thu Huong	18,000,000	12,000,000
<b>Board of General Directors</b>	<b>1,518,322,600</b>	<b>1,186,837,400</b>
Tran Thi Thuy Nguyen	46,811,000	515,666,600
Chiang Chiu Chiung	814,846,700	-
Kou Hsien Cheng	-	347,466,100
Le Thi Thu Hang	656,664,900	323,704,700

**3. COMPARATIVE FIGURES**

The comparative figures are the financial statement figures for the fiscal year ended December 31, 2023, which were audited by Vietnam Auditing and Valuation Company Limited, and the separate financial statements for 4th quarter of 2024.

**Preparer**  
  
**Pham Thi Ngoc Hoa**

**Accountant**  
  
**Pham Thi Ngoc Hoa**

Thai Binh, January 18, 2025  
**Chairman of the board**  
  
**Tsai Chui Tien**  
