

Thai Binh, April 19th, 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

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

Disclosure of Information on the 2024 Annual Report of Vietnam Fortress Tools JSC.

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.

April 19th, 2025

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



TSAI, CHUI - TIEN

VIETNAM FORTRESS TOOLS JSC

THE ANNUAL REPORT FOR THE YEAR 2024

Thai Binh, April 19, 2025



No. 04./2025/BCTN-FTV

Thai Binh, April 19th 2025**ANNUAL REPORT**
VIETNAM FORTRESS TOOLS JSC
2024**I. General Information****1. Overview Information****a. General Information about the Company**

- Trading name: Vietnam Fortress Tools JSC
- Business registration certificate number: 1000383611, issued by the Department of Planning and Investment of Thai Binh Province, first issued on July 14, 2010, and certified for the 16th amendment on March 10, 2025.
- Charter capital: 268.078.350.000 VND.
- Owner's investment capital: 268.078.350.000 VND
- Address: Lot B8+B9+B10 Phuc Khanh Industrial Zone, Phu Khanh Ward, Thai Binh City, Thai Binh Province
- Phone number: 02273.618.991
- Fax number: 02273.618.995
- Website: <https://fortresstools.com.vn/>
- Stock code: FTV

b. Formation and Development Process

- **2006:** Formosa Vietnam Hardware Industry Co., Ltd. was established in Vietnam as a 100% foreign-owned enterprise. Its headquarters was located at Lots B8+B9+B10, Phuc Khanh Industrial Park, Thai Binh City, Thai Binh Province, Vietnam. The parent company was Formosa Hardware Industry Co., Ltd., headquartered in Taiwan. The initial charter capital was USD 900,000. The company commenced a project to build a factory for the production of hand tools and hardware with a total investment of USD 3 million.
- **2007:** The company increased its charter capital to VND 28 billion (equivalent to USD 1.8 million) and increased its investment in the factory project to USD 6 million. The first factory officially went into operation, covering an area of 5.2 hectares, with a maximum production capacity of 2,000 tons per year.
- **2012:** The company increased its charter capital to VND 35 billion (equivalent to USD 2.1 million) and raised its factory investment capital to USD 7 million.

- **2014:** The company increased its charter capital to VND 54 billion (equivalent to USD 3 million) and raised its factory investment capital to USD 10 million.
- **2015:** The company increased its charter capital to VND 100 billion (equivalent to USD 5.1 million).
- **2016:** The company transitioned from a limited liability company to a joint stock company and changed its name to the current one: Vietnam Fortress Tools JSC. To meet the increasing global demand for Vietnam-manufactured products, the company ramped up production by increasing its charter capital to VND 142 billion and expanding its factory investment to USD 23.5 million.
- **2017:** The company increased its charter capital to VND 268 billion. It launched the construction of a second factory with an investment of USD 12 million. The total production capacity of both factories was expected to reach 2,700 tons per year across 7.9 hectares.
- **2018:** The second factory was put into operation, increasing the total maximum production value of both factories to USD 76 million. The company continued expanding its production scale, including a new wooden toy manufacturing project. During the year, the company was approved by the State Securities Commission of Vietnam as a public company and was granted a securities registration certificate by the Vietnam Securities Depository, with the stock code **FTV**.
- **2021:** The major shareholder, Formosa Hardware Industry Co., Ltd., transferred its shares and ceased to be a shareholder of the company.
- **2021–2024:** The COVID-19 pandemic and the Russia–Ukraine war significantly impacted the company's business operations. However, the company is striving to overcome these challenging times.

2. Business Sectors and Locations:

a. Business Sectors:

The company's main business activities during the year include:

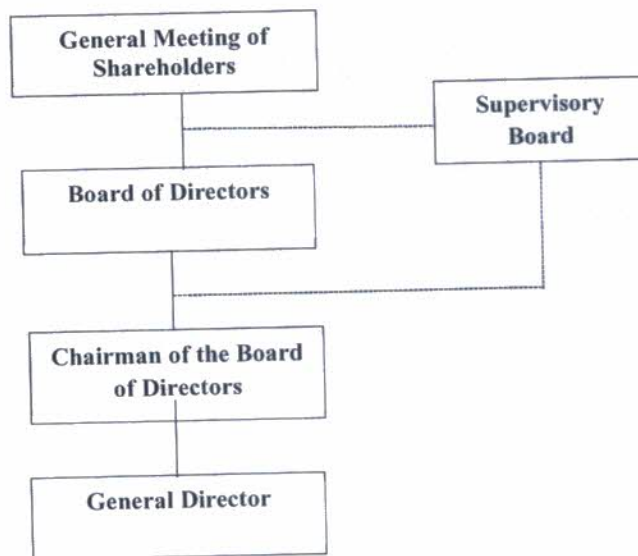
- Manufacturing of cutlery, hand tools, and general metalware
- Manufacturing of outdoor garden furniture
- Manufacturing of wooden toys

b. Business Locations:

The company operates two factories located at Lots B8+B9+B10 and Lots E3+E3', Phuc Khanh Industrial Park, Thai Binh City, Thai Binh Province. The company's headquarters is based at Lot B8+B9+B10, Phuc Khanh Industrial Park, Thai Binh City, Thai Binh Province.

3. Information about the governance model, business organization, and management structure.

- Governance model:





- Subsidiaries and affiliated companies:

Company name	Subsidiaries / Affiliated companies	Address.	Ownership percentage (%)	Percentage of voting rights held (%)	Main activities
Garden Pals LLC	Subsidiary company	Lot B6, Phuc Khanh Industrial Zone, Phu Khanh Ward, Thai Binh City, Thai Binh Province	100	100	Heat treatment; wholesale and retail of hardware; factory rental

4. Development Orientation

a. Main Goals of the Company:

The company operates with the principle "Customer-Centered." It provides significant value to customers by offering high-quality, innovative products at competitive prices.

The company has set the following main goals:

- Research and develop new products beyond traditional garden tools, implement material-saving innovations, reduce costs, and ultimately lower product prices to compete with competitors while ensuring that quality remains the top priority.
- Build Vietnam Fortress Tools JSC into a sustainable business that protects the environment and fulfills social responsibility, while ensuring the rights of shareholders, partners, customers, employees, and the community are balanced.

b. Medium- and Long-Term Development Strategy:

- In the coming years, besides traditional garden tools, the company sees many new business opportunities from producing other items such as outdoor garden furniture, shelves, storage racks, foldable ladders, assembly trolleys, and curtain rods... Currently, with China becoming less competitive due to high production costs, Fortress needs to seize the opportunity to become a supplier of high-quality products at competitive prices.
- Provide diverse products through the world's largest retail chains such as Walmart, LIDL, Home Depot, Aldi, Corona, Tricam Industries, TTI... aiming to make Fortress Vietnam products globally recognized.
- Capture market share in the US and Europe against competitors in traditional garden tools.

c. Sustainable Development Goals and Key Short- and Medium-Term Programs:

- Strictly comply with legal regulations in business operations and fulfill tax obligations to the State.
- Pay attention to environmental protection, complete environmental protection infrastructure systems.
- Improve service quality, research products using environmentally friendly materials.
- Ensure a balance of interests between the company, employees, and shareholders.

5. Risks

Macroeconomic Risks: The company assesses that Vietnam's economy will continue to grow at a high rate of over 6% per year, with inflation being kept under 5% in the coming years. Exchange rates and interest rates are not expected to fluctuate significantly, creating favorable conditions for business and production development. In the near future, Fortress will boldly invest and increase production capacity to meet the growing demands of customers.

Legal Risks: Policies and the legal system are being improved in a positive and favorable direction, creating a healthy environment for businesses to develop their operations. These changes facilitate the long-term development of the company, but also impose requirements to ensure compliance with existing legal regulations while expanding and implementing business activities effectively. To comply with the law, the company works with professional legal consulting firms to support legal transactions. In addition, functional departments regularly communicate with and receive direct guidance from the relevant authorities.

Cash Flow Risks: With a portfolio of investment projects in the production of gardening tools, the company always requires a large amount of capital for investment and development. The company emphasizes tight cash flow management and builds a reasonable capital structure between long-term and short-term investment sources. It has measures to hedge the price of raw materials, implement sales policies, and collect debts from each customer group, as well as carrying out payment plans with suppliers to maintain large customers for the factory's products. The company also prioritizes maintaining its credibility in its business operations.

Competition and Market Risks: A strong global trend is the direct partnership between large retail chains and quality manufacturers with competitive prices to offer their own branded products, competing with traditional brands. Fortress supplies products to well-known private-label brands such as Corona and Tricam, as well as to the world's largest retailers like Walmart, ALDI, and LIDL. Recognizing the large

demand for products made in Vietnam from these retail chains, Fortress will strengthen production of other consumer goods such as outdoor garden furniture, metal household items, folding ladders, and trolleys. This helps Fortress expand its product range and market share in high-value items like assembly trolleys, folding ladders, outdoor furniture, and metal household goods, reducing its dependence on the gardening tools market.

Product Quality Risks: Product quality is determined by two key factors: production quality and the stability of input raw materials. The company currently has an abundant and stable supply of raw materials, so quality risks mainly arise from the production process. To minimize these risks, the company has implemented strategies such as: standardizing the inspection and control system, establishing strict policies, and coordinating closely between departments directly related to the production process, such as the Quality Control (QC) department, the Molding department, and the Production department. It also enforces human resource policies to build a highly skilled workforce that is loyal to the company.

II. Business Operations in the Year

1. Business Production and Operations

a. Business Production Results in the Year:

In 2024, although there were some positive signals in the economy, the overall recovery speed remained slow, and many businesses had to scale back production and operations. In response to this situation, the company promptly implemented solutions to adapt to the reality, stabilize operations, and strive to keep pace with the economic recovery trends, successfully completing the production and business plan.

With a diverse range of product types, designs, and high quality, the company's products meet consumer preferences and the strict quality standards required by demanding export markets. The company also benefits from directly working with the world's largest retail chains, which have significant import demands and do not require intermediaries.

b. Performance vs. Plan:

The company ended 2024 with the following key performance indicators:

Unit: VND million

No	Indicator	2024 Plan (VND)	2024 Actual (VND)	2023 Actual (VND)	Change vs. 2024 (VND)	Change vs. Plan (VND)
1	Consolidated Net Revenue	625.000	612.943	537.614	75.329	(12.057)

2	Consolidated Net Profit After Tax	18.742	3.225	19.089	(15.864)	(15.517)
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(Source: Audited Consolidated Financial Statements for 2024)

2. Organization and Human Resources

a. List of Executive Management in 2024:

No.	Full Name	Position
1	Trần Thị Thúy Nguyên	General Director
2	Chiang, Chiu Chiung	General Director
3	Lê Thị Thu Hằng	Deputy General Director of Finance

Information regarding the members of the Executive Management is as follows

1. Mrs. Trần Thị Thúy Nguyên – CEO

Mrs. Trần Thị Thúy Nguyên, of Vietnamese nationality, served as the CEO of Vietnam Fortress Tools JSC from January 1, 2023, until her resignation on February 6, 2024. Prior to that, from May 2021 to December 2022, she held the position of ERP Director at the company.

2. Mr. Chiang Chiu Chiung – CEO

Mr. Chiang Chiu Chiung, of Taiwanese nationality, has been the CEO of Vietnam Fortress Tools JSC since February 6, 2024. From 1981 to 1993, he worked as an employee in the design and construction of civil architecture in Taiwan. From 1994 to 2005, he managed administration and taught at high schools and universities in Taiwan. From 2005 to April 2021, he was the Manager at Nien Hsing Garment Co., Ltd.

3. Mrs. Lê Thị Thu Hằng – Deputy General Director of Finance

Mrs. Lê Thị Thu Hằng, of Vietnamese nationality, has been a member of the Board of Directors (BOD) and the Deputy CEO for Finance since April 2021. She was also a BOD member from August 2019 to January 2021. She has previously served as the CEO of Dai Tin Development Joint Stock Company and Phuc Khanh General Trading Co., Ltd. Currently, Mrs. Lê Thị Thu Hằng is the Chairwoman and CEO of Garden Pals Co., Ltd. (a subsidiary of Vietnam Fortress Tools JSC).

At present, Mrs. Lê Thị Thu Hằng holds 637,600 shares of FTV.

b. Changes in the Executive Board:

No.	Full Name	Position	Appointment Date	Dismissal Date
1	Tran Thi Thuy Nguyen	Chief Executive Officer (CEO)	01/01/2023	06/02/2024
2	Chiang Chiu Chiung	Chief Executive Officer (CEO)	06/02/2024	
3	Nguyen Thi Cam Van	Chief Accountant	23/09/2016	01/01/2024
4	To Thi Thuy	Chief Accountant	01/01/2024	13/07/2024
5	Bui Thi Thuy	Acting Chief Accountant	13/07/2024	16/08/2024
6	Do Thi Thanh Hang	Acting Chief Accountant	16/08/2024	16/10/2024
7	Pham Thi Ngoc Hoa	Acting Chief Accountant	16/10/2024	

c. Number of Employees

- *Number of Employees:*

As of December 31, 2024, the total number of employees at the Company is 855. The labor qualifications are as follows:

No.	Qualification	Number of Employees	Percentage (%)
1	Bachelor's Degree and Higher	91	10,5%
2	College	42	4,9%
3	Vocational Training	50	5,8%

4	Other Qualifications	272	31,9%
5	Unskilled Labor	400	46,9%
Tổng cộng		855	100%

- Policies for Employees:

Alongside business development, FTV always prioritizes the stabilization and development of internal resources, including human resources. FTV focuses on building competitive and appropriate policies regarding salary, bonuses, and benefits in line with the market to attract, encourage, and motivate employees, recognizing individual contributions to the organization while establishing an evaluation system to ensure fair and accurate compensation.

The company always ensures that salaries are paid in accordance with legal regulations and the company's internal rules; implements social insurance (SI) policies as prescribed, annual leave, etc., in compliance with the collective labor agreement. Additionally, the company takes good care of employees in difficult circumstances during the Lunar New Year, handles severance benefits, retirement pensions, and fully meets its obligations to the State Budget related to employees in accordance with legal requirements. In 2024, there were no complaints or disputes regarding the company's employee policies.

3. Investment Situation and Project Implementation

a) Major Investments: None

b) Subsidiaries and Affiliates:

- As of July 4, 2022, the company officially became the parent company of Garden Pals Co., Ltd. through a debt offset arrangement. Garden Pals Co., Ltd. has an area of 1.4 hectares, completed its construction, and began operations in 2008. It is located in Phuc Khanh Industrial Park, Thai Binh City. The company only uses part of the factory area, with the remaining area being leased back to FTV.
- The company has invested in a 74.56% stake in FT-Ostermann GmbH. FT-Ostermann is based in the Federal Republic of Germany and specializes in manufacturing and distributing gardening tools, outdoor furniture, and agricultural tools. FT-Ostermann currently serves as a distribution center for products in the European market. FTV has completed the overseas investment registration procedures with the Ministry of Planning and Investment and is currently completing the legal procedures in the host country.

4. Financial Situation

a) Financial Situation

(Source: Audited Consolidated Financial Statements for 2024)

Indicator	Year 2024	Year 2023	% increase decrease
Total Assets	1.283.792.270.208	1.444.214.119.540	(11,11%)
Net Revenue	612.943.986.202	537.614.795.949	14,01%
Cost of Goods Sold	512.824.074.064	399.320.312.013	28,42%
Gross Profit	100.119.912.138	138.294.483.936	(27,60%)
Financial Income	15.545.268.266	14.218.059.638	9,33%
Financial Expenses	59.723.091.732	53.497.567.635	11,64%
Selling Expenses	17.385.946.562	17.480.994.960	(0,54%)
General and Administrative Expenses	31.193.177.692	53.441.811.564	(41,63%)
Operating Profit	7.362.964.418	28.092.169.415	(73,79%)
Other Income/(Loss)	-1.999.891.738	-4.682.340.781	(57,29%)
Profit Before Tax	5.363.072.680	23.409.828.634	(77,09%)
Profit After Tax	3.225.112.259	19.089.837.261	(83,11%)

b) Main Financial Ratios

Indicators	Year 2024	Year 2023	Ghi chú
1. Liquidity Ratios			
+ Current Ratio: Current Assets / Current Liabilities	1,9 times	1,73 times	
+ Quick Ratio: Current Assets – Inventories / Current Liabilities	1,41 times	1,31 times	
2. Capital Structure Ratios			
+ Debt to Total Assets Ratio	41,83%	48,52%	

+ Debt to Equity Ratio	71,92%	94,24%	
3. Efficiency Ratios			
+ Inventory Turnover			
Cost of Goods Sold / Average Inventory	1,99 times	1,53 times	
Net Revenue / Average Total Assets	0,48 times	0,37 times	
4. Profitability Ratios			
+ Net Profit After Tax / Net Revenue	0,53%	3,55%	
+ Net Profit After Tax / Owner's Equity	0,43%	2,60%	
+ Net Profit After Tax / Total Assets	0,25%	1,31%	
+ Operating Profit / Net Revenue	1,20%	5,23%	

5.Shareholder Structure and Changes in Owner's Equity Investment

a) Stock:

As of December 31, 2024

- Total outstanding shares: 26,807,835 shares
- Of which:
 - Number of freely transferable shares: 26,807,835 shares
 - Number of restricted transferable shares: 0 shares

The par value of outstanding shares during the year is VND 10,000 per share

b) Shareholding Structure

Shareholding Structure as of December 31, 2024

No.	Category	No. of Shareholders	No. of Shares (CP)	Value (VND)	Ownership Ratio (%)
I	Domestic and Foreign Shareholders				
1	Domestic	271	1.984.790	19.847.900.000	7,40%

1.1	State	0	0	0	0,00%
1.2	Individuals	271	1.984.790	19.847.900.000	7,40%
1.3	Organizations	0	0	0	0,00%
2	Foreign	46	24.823.045	248.230.450.000	92,60%
2.1	Foreign organizations or economic entities with over 50% foreign capital	8	16.656.505	166.565.050.000	62,14%
2.2	Individuals	38	8.166.540	81.665.400.000	30,46%
	Total	317	26.807.835	268.078.350.000	100,00%
II	Major Shareholders and Others				
1	Major Shareholders	5	21.183.881	211.838.810.000	79,02%
2	Other Shareholders	312	5.623.954	56.239.540.000	20,98%
	Total	317	26.807.835	268.078.350.000	100,00%

The business activities of Vietnam Fortress Tools JSC do not fall under the categories of industries with restricted foreign ownership. Therefore, according to the provisions of Point d, Clause 1, Article 139 of Decree No. 155/2020/ND-CP, the foreign investor's ownership in the company is allowed to be up to 100%.

c) Changes in the owner's investment capital: None

d) Treasury share transactions: None

e) Other securities: None

6. Environmental and Social Impact Report of the Company

6.1. Environmental Impact:

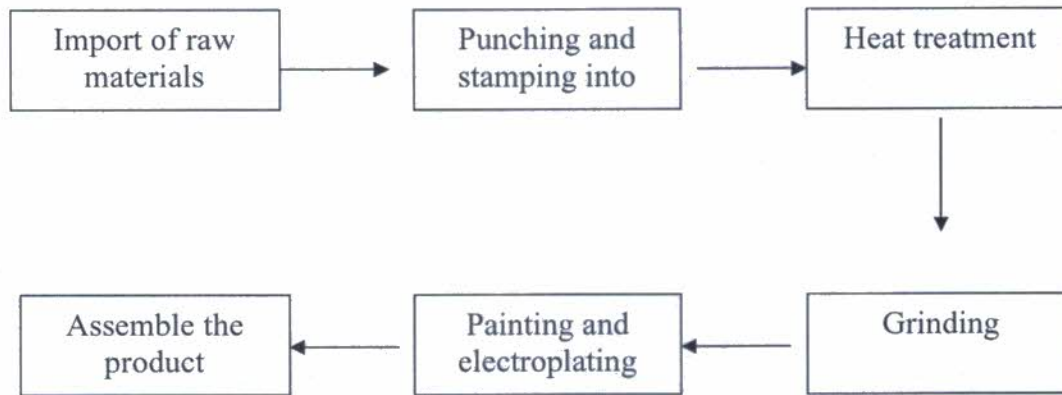
Total direct and indirect greenhouse gas emissions: None

Initiatives and measures to reduce greenhouse gas emissions: None

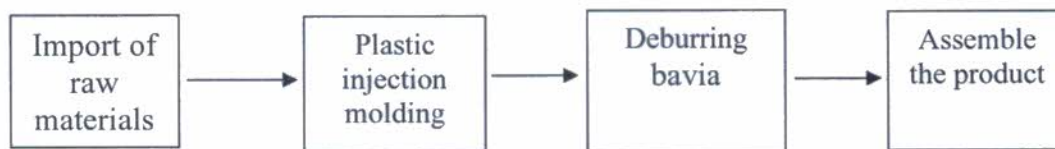
6.2. Management of Raw Materials:

a) Total amount of raw materials used for the production and packaging of the company's main products and services during the year.

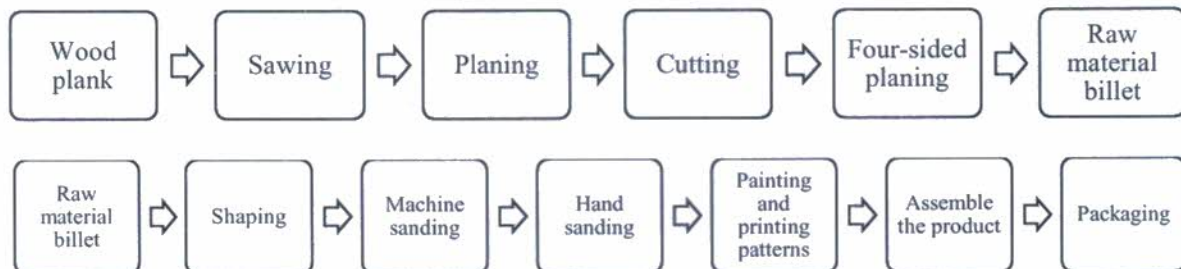
The technological process for manufacturing, processing, and assembling target project products using iron and steel materials:



The technological process for manufacturing, processing, and assembling the project's target products using plastic materials .



The technological process for manufacturing the project's target products using wood materials



Main Raw Materials:

- Sheet steel, coil steel: 80% imported from China, the remainder from Taiwan
- Coil iron, sheet iron: Nearly 100% imported from China
- Aluminum: Almost 100% domestic materials sourced from Vietnam
- Plastic: 60% imported from China, the remainder from Taiwan and Vietnam

b) Report on the percentage of recycled materials used in product manufacturing:

- Steel: The recycling rate is relatively low, at about 5%.
- Aluminum: The recycling rate is relatively high, at around 95%.
- Plastic: Fully recycled at 100%.
- Wood: Not recyclable.

6.3. Energy Consumption:

a) Direct and indirect energy consumption:

The main sources of direct and indirect energy consumed include electricity and gas.

Electricity consumption during the year: 8,046,590 kWh

b) Energy saved through energy efficiency initiatives: None

c) Reports on energy-saving initiatives and the results of these initiatives: None

6.4 Water Consumption:

a) Water supply source and total water usage:

Water supply source: Thai Binh Clean Water Company

Total water usage during the year: 90,171 m³

b) Percentage and total amount of recycled and reused water:

Percentage of reused water across the company during the year: 3.5%

The remaining wastewater is treated by the company to Grade B standards according to a wastewater treatment contract with Thai Binh Xanh Company, after which it is transferred to the industrial park's centralized wastewater treatment system.

6.5. Compliance with Environmental Protection Laws:

The company has implemented measures to mitigate environmental pollution during production, ensuring that pollution levels are kept to a minimum.

Environmental pollution risks	Mitigation measures
Pollution from the use of raw materials (excess raw materials, dust, and metal scraps)	<p>The project utilizes modern production lines and automated machinery, which helps minimize dust generation. The polishing stage and the automatic steel shot cleaning line allow for the circulation and reuse of the cleaning media. The metal blasting line imported for the project is fully integrated and includes a recovery system for the metal particles used in blasting, achieving a 90% recovery rate for reuse in subsequent cycles. Metal particles that can no longer be reused are collected and transported to a solid waste storage area for proper disposal. This cleaning technology is designed for small-sized materials and is carried out entirely within a fully enclosed system.</p> <p>For plastic injection, the factory uses an automatic, closed-loop injection molding system, which prevents dust emissions. Additionally, plastic odors are treated as part of the integrated technology in the automated plastic injection process.</p> <p>Workers are equipped with protective gear, including helmets, goggles, and dust-filtering masks.</p>
Wastewater pollution	<p>For industrial wastewater: The company conducts preliminary treatment to meet Grade B standards, after which the wastewater is transferred to the centralized wastewater collection and treatment system of the entire industrial park for further processing.</p>

	<p>For domestic wastewater: The company performs preliminary treatment before transferring it to the centralized wastewater collection and treatment system of the industrial park..</p>
<p>Air pollution (harmful emissions of paint fumes, solvents)</p>	<p>For the painting line: The factory uses electrostatic spray painting technology, which is a modern and environmentally friendly method. The company has installed a gas collection and treatment system that meets standards before emissions are released into the environment.</p> <p>For the electroplating line: The company has installed a gas collection and treatment system that meets standards before releasing emissions into the environment.</p> <p>For the welding area: The workshop is equipped with a ventilation system, so the impact of welding fumes is minimal. Workers involved in direct production are provided with appropriate personal protective equipment.</p> <p>The company also performs regular maintenance and inspection of machinery and transport vehicles to minimize emissions from these devices and vehicles.</p>
Noise pollution	<p>The company has planted numerous trees within the factory premises to help reduce noise pollution. Additionally, other noise mitigation measures have been implemented, such as providing earplugs for workers in the workshops, regularly inspecting machinery, and applying lubrication. Equipment bases and tank supports are reinforced with concrete and fitted with rubber anti-vibration pads.</p>
Thermal pollution	<p>The factory's production line is automated, requiring minimal direct labor. Additionally, all high-heat generating stages are equipped with cooling systems, and the workshops are built tall and spacious, using heat-insulating materials and equipped with ventilation systems in compliance with industrial hygiene standards. As a result, the impact of thermal pollution during production is minimal. The office area is</p>

	equipped with air conditioning. Furthermore, the planting of trees also helps reduce ambient air temperature.
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a) Number of violations penalized for non-compliance with environmental laws and regulations: None

b) Total amount of fines for violations of environmental laws and regulations: None

6.6. Policies related to employees

a) Number of employees and average salary of employees:

Indicator	Year 2024	Year 2023
Average number of employees (persons)	906	933
Average income (VND/person/month)	8.447.000	7.000.000

b) Employee-related policies

Salary Policy: The company has developed a customized salary policy that is suited to the characteristics of its industry, ensuring that employees receive all benefits in accordance with government regulations.

Allowances: Employees are entitled to various allowances, including attendance allowances, new worker allowances, hazardous work allowances, transportation allowances, and meal allowances.

Bonus Policy: To encourage and motivate employees to increase their work efficiency, the company has implemented a KPI-based bonus policy and special bonuses for individuals and teams. The evaluation for bonuses is based on the achievements of individuals or teams in performing tasks effectively, introducing initiatives to improve work methods, researching and developing new products, cost savings, etc. Additionally, the company also has an annual year-end bonus policy, with the amount of the bonus depending on the company's business results and its salary fund for the year.

Labor Policy to Ensure Health, Safety, and Employee Welfare: The company contributes to social insurance and health insurance in accordance with legal regulations. The company organizes annual health check-ups for all employees, provides care for sick employees, and extends support to the families of employees. To foster employee solidarity, the union also organizes sports and cultural activities such as football tournaments for the industrial zone.

Employee Training Activities: Every year, the company organizes skill development and learning programs to support employees in ensuring job security and career growth, such as: training on the use of personal protective equipment, training on handling chemical leaks, training on the safety of hazardous chemicals and flammable liquids, environmental protection training, water and energy conservation training, waste collection training, occupational health and safety training, BSCI training, and fire safety training. Additionally, the company also provides training on its policies and employee-related policies, ensuring that employees gain more knowledge, professional

skills, improve their expertise, and also help employees better understand their rights and responsibilities.

Average Training Hours per Year, by Employee and Employee Classification:

No	Training Content	Training Hours (hours)
1	Occupational Health and Safety	15
2	Firefighting and Rescue Training	12
3	First Aid Training	8
4	Specialized Training for Machine Operation	15
5	Other Training	12

Continuous Skill Development and Learning Programs to Support Employees in Job Security and Career Growth: For new employees, the company provides training programs tailored to specific positions and tasks. Employees in the accounting and import-export departments participate in courses related to import-export procedures, tax regulations, and financial accounting. Management staff and employees in the human resources and quality control departments take part in training on applying employee benefits policies and ensuring fairness in the workplace, organized by Amfori BSCI.

The administrative department and the trade union regularly update and communicate any changes in government policies to ensure that the rights of employees are upheld and that the interests of both employees and the company are balanced.

6.7. Report on responsibility towards the local community

Fortress understands its responsibility to its employees as well as the local community where the company operates. The company aims for development and strives to bring prosperity to the community.

The factories of Fortress Vietnam are regularly inspected by independent organizations and comply with the BSCI (Business Social Compliance Initiative) standards. BSCI is a set of standards for evaluating corporate social responsibility, initiated by the Foreign Trade Association (FTA) with the goal of establishing a common platform for codes of conduct and monitoring systems in Europe regarding corporate social responsibility.

As a business and part of society, Fortress Vietnam is fully aware of its role and responsibility in environmental protection. The company consistently adheres to environmental laws and regulations while also raising environmental awareness among all employees.

Currently, the company implements the ISO 14001: 2015 Environmental Management System, ensuring that construction projects meet the highest technical standards while minimizing negative impacts on the environment and human health.

6.8. Report related to green capital market activities according to the guidance of the State Securities Commission: None.

III. Report and Evaluation from the Board of Directors

1. Evaluation of Business Operations and Performance

In 2024, the business performance of the Company is reflected in the audited consolidated financial statements for the year 2024. The Company achieved a revenue of VND 612.9 billion, an increase of VND 75.3 billion compared to 2023 but a decrease of VND 12.1 billion compared to the 2024 plan. Compared to 2023, the revenue in 2024 increased by 14.01%, the cost of goods sold increased by 28.42%, financial expenses increased by 11.64%, selling expenses decreased by 0.54%, administrative expenses decreased by 41.63%, and after-tax profit reached VND 3.2 billion, a decrease of VND 15.86 billion compared to 2023. During the year, the Company's traditional product lines still accounted for a large proportion: pliers remained the main product, accounting for 43.78% of the Company's total revenue for the year, followed by the tool product line (shovels, hoes, rakes, etc.) which accounted for 47.75%, and newly developed products like folding ladders made up 8.47% of the revenue. The US and North America were the main export markets, with the Company exporting 7.9 million products worth USD 23.9 million, accounting for 90% of the total revenue from this market. In addition, the Company also received orders from customers from various countries around the world, including the UK, France, the Netherlands, Japan, ...

In 2024, the Company mainly focused on major customers with large market shares in the US market such as Corona, Tricam, ... Along with focusing on key customers and developing products similar to existing ones, the Company is also striving to research and develop new products while expanding its customer list to increase the coverage in the garden tool market and achieve significantly higher revenue in the coming years.

The Company has always fulfilled its tax obligations to the State, ensured the welfare and policies for employees, and significantly improved the employees' living standards.

2. Financial Situation

a) Asset Situation

Indicator	Year 2024	Year 2023	Increase/Decrease
Current Assets	1.009.806.169.048	1.129.306.859.334	(10,58%)
Non-Current Assets	273.986.101.160	314.907.260.206	(12,99%)

Total Assets	1.283.792.270.208	1.444.214.119.540	(11,11%)
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The total asset value in 2024 is VND 1,283,792,270,208. In terms of structure, current assets account for 78.66%, mainly consisting of inventory and accounts receivable from customers. Inventory at the end of 2024 decreased by 5.29% compared to 2023, with an inventory turnover rate of 1.99 times in 2024. Due to a shortage of inventory with an unclear cause, the item "assets awaiting settlement" in 2024 amounts to VND 614.9 billion, accounting for 60.9% of current assets and 47.9% of total assets. In 2024, the Company invested in new machinery and equipment for production, with the value of newly purchased fixed assets being VND 1,317,236,104.

b) Liabilities Situation

Indicator	Year 2024	Year 2023	Increase/Decrease
Short-term liabilities	531.341.140.346	652.740.550.164	(18,6%)
Long-term liabilities	5.706.143.819	47.953.695.592	(88,1%)
Liabilities	537.047.284.165	700.694.245.756	(23,35)%

The total liabilities in 2024 decreased by 23.35% compared to 2023 due to a reduction in long-term financial borrowings by VND 41.23 billion. The current ratio is 1.9 times, and the quick ratio is 1.41 times, indicating that the company has sufficient capacity to repay short-term debts in the near future. However, the debt-to-total-assets ratio remains relatively high at 41.83% due to the company's need to purchase raw materials for large orders in early 2025, which increased working capital requirements. The company is planning to gradually reduce its borrowings in the coming year.

3.Improvements in organizational structure, policies, and management

The Board of Directors promptly amended and supplemented the internal working regulations of the Company to ensure they align with the company's operations and the activities carried out by each production department.

During the year, the company applied scientific and technological advancements in production, as well as the benefits of information technology systems in managing company operations.

The company continued to review and ensure that task delegation was effective, in order to prevent asset loss.

The company also implemented comprehensive measures to enhance financial activities, manage cash flow, and recover receivables.

4. Future Development Plan

4.1 Key Targets for 2025 Plan

Unit: Million VND

Indicator	Actual 2024	Plan 2025	Increase/Decrease
Consolidated Revenue	612.943	619.850	6.907
Consolidated Pre-Tax Profit	5.363	13.636	8.273
Consolidated Net Profit	3.225	10.909	7.684

4.2 Key Tasks for 2025

- Next year, the company will research and develop new products such as metal household items, folding ladders, and assembled trolleys to ensure there are still orders during off-peak times.
- Continue to build and improve salary, bonus, and allowance policies that are appropriate, linked to work performance, ensuring workers' rights, retaining skilled employees, and preventing the loss of experienced and highly skilled staff.
- Continue to train employees to ensure the quality of the labor force.
- Perfect the company's management structure, ensuring that there are no gaps in departments, with the production department being the core of the entire company.

5. Management's explanation regarding the audit opinion: None

6. Environmental and Social Responsibility Evaluation Report of the Company

a. Evaluation related to environmental indicators:

- Strengthen the conservation of natural resources and energy.
- Use energy-saving and environmentally friendly equipment.
- Enhance the recovery of reusable resources.
- Implement activities within the health, safety, and environmental system in compliance with legal regulations.

b. Evaluation related to employee issues:

- Ensure full payment of employees' benefits, with no delays in salaries.
- Provide safety training courses to ensure safety in production.
- Strengthen communication and raise awareness among all company staff, promoting the use of energy and fuel efficiently and effectively, as well as protecting the environment.

c. Evaluation related to the company's responsibility toward the local community: The company participates in social activities initiated by the province, the management board of the economic zone, and industrial parks in Thai Binh province, as well as other relevant organizations.

IV. Evaluation of the Board of Directors on the Company's Operations

1. Evaluation of the Board of Directors on the Company's Overall Operations

a. Performance of Key Targets:

In 2024, under the leadership of the Board of Directors and the Executive Board, and with the dedication, seriousness, and relentless efforts of the entire staff, the Company achieved the following results:

Total Revenue: VND 612,943,986,202

Profit Before Tax: VND 5,363,072,680

Profit After Tax: VND 3,225,112,259

b. Implementation of Key Activities

Business operations are stable, closely following the set targets and plans. The company has implemented many proactive measures in professional tasks and has a specific plan for each phase. It ensures product quality and timely delivery of orders. Financial and accounting operations are carried out in compliance with legal regulations, ensuring the preservation and development of capital.

Matters within the authority of the Board of Directors (BOD) are reported to the BOD by the Chairman and the Executive Board for consideration and decision, under the supervision of the Company's Supervisory Board. All members of the BOD and the Supervisory Board are promptly informed about the company's operations. Disclosure of information always complies with legal regulations, ensuring transparency, objectivity, and accurately reflecting the company's performance. The company is aware of the importance of investing in machinery to improve labor productivity.

The company has fully participated in local programs initiated by the province and community to ensure social development.

2. The Board of Directors' assessment of the Management Board's performance

Through meetings of the Board of Directors (BOD), communication via emails, written reports on assigned tasks, and direct participation, the BOD exchanged opinions with the Executive Board on the implementation of business activities and the goals approved by the Annual General Meeting of Shareholders (AGM). The BOD and the Executive Board worked together to find solutions to overcome difficulties and ensure the resolutions of the AGM are fulfilled.

The BOD collaborates closely with the Supervisory Board to provide feedback to the Executive Board to continuously enhance the company's management capabilities.

The BOD discussed and approved issues regarding the implementation of the business production plan and the deployment of subsequent quarters, providing the Executive Board with a foundation to organize execution.

Conclusion: According to the BOD's assessment, the Executive Board has largely completed the assigned tasks for 2024, ensuring compliance with current legal regulations and the company's operational procedures.

3. Plans and orientations of the Board of Directors

o ensure the completion of the 2025 plan, the Board of Directors (BOD) has outlined the following directions for the company:

- Focus on traditional products, with a competitive advantage in gardening tools, and large orders from the world's largest retail chains like Walmart, LIDL, Home Depot,...
- Focus on researching and improving new products within the existing product range to meet the growing needs of consumers and ensure the company's products do not become outdated.

- Research and develop other consumer goods to diversify the product range.
- Build a salary and bonus policy for employees to ensure their income is aligned with the nature of the job and social standards, attracting and retaining skilled workers.

Maintain high-skill employees and workers.

- Regularly train employees to ensure workplace safety and enhance their skills.

V. Corporate Governance

1. Board of Directors

a) Members and Structure of the Board of Directors:

The 2021 Annual General Meeting of Shareholders elected a new Board of Directors (2021-2026) with a total of 5 members. The number of shares owned and the ownership representation of the members of the Company's Board of Directors in 2024, up to the reporting time, are as follows:

The par value of the shares: 10,000 VND per share

ST T	Full Name	Position	Directly Owned Shares		Representative Shares		Notes
			Quantity	Perce ntage of Chart er Capit al	Quantity	Perce ntage of Charte r Capita l	
1	Mr. Tsai Chui Tien	Chairman of the	6.193.930	23,10%	10.512.951	39,22%	Mr. Tsai Chui Tien is currently the General

		Board of Directors					<p>Director of Dai Tin Development Joint Stock Company; Chairman of the Members' Council cum General Director of Phuc Khanh Department Store Co., Ltd.;</p> <p>Chairman of the Members' Council cum General Director of Vung Ang General Trading Services Co., Ltd.; Chairman cum General Director of Goodean Co., Ltd.;</p> <p>Director of Objective Holding Incorporation; and holds a 45% capital contribution in Ability Merit Ltd.</p> <p>He was appointed on April 16, 2021.</p>
2	Ms. Le Thi Thu Hang	Member of the Board of Directors	637.600	2,378%	-	-	<p>Ms. Le Thi Thu Hang is currently the Chairwoman and General Director of Garden Pals Co., Ltd.</p> <p>She was appointed on April 16, 2021.</p>
3	Ms. To Thi Phuong Lan	Member of the Board of	-	-	-	-	<p>Appointed on January 22, 2021</p>

		Directors					
4	Mr. Bui Van Thanh	Independent Member of the Board of Directors					Mr. Bui Van Thanh is currently a Lawyer and the Head of the Office at New Sun Law Firm. He was appointed on April 16, 2021.
5	Mr. Do Xuan Thanh	Independent Member of the Board of Directors					Mr. Do Xuan Thanh is currently the General Director of National Financial Consulting and Auditing Co., Ltd. He was appointed on April 16, 2021.

b) Committees under the Board of Directors: The Board of Directors has not yet established any subcommittees.

c) Activities of the Board of Directors: The Board of Directors (BOD) has operated in accordance with the Company's Charter and internal governance regulations, in compliance with the Law on Enterprises. The BOD has closely supervised the activities of the Executive Board, specifically as follows:

- The BOD regularly monitored, urged, and oriented the Executive Board in implementing the 2024 business plan and aligning with the company's medium- and long-term development strategies, resolutions of the General Meeting of Shareholders, and resolutions of the BOD;
- Oversaw and monitored the implementation of ongoing investment projects of the Company;
- Ensured strict compliance with the preparation of the 2024 Financial Statements; Supervised and directed the disclosure of information to investors in accordance with public company obligations, aiming to ensure transparency and timeliness;
- Mr. Tsai Chui Tien – Chairman of the BOD, on behalf of the Board, participated in Executive Board meetings to receive reports on the company's performance and gave direct guidance during these meetings to optimize operational efficiency.

In 2024, the Board of Directors held 15 meetings and issued 15 resolutions related to management and governance within the authority of the BOD. Details are as follows:

No	Resolution/Decision	Date	Content	Approval Rate
01	050224-01/2024/QĐ-HĐQT	5/2/2024	Dismissal of General Director position for Ms. Trần Thị Thúy Nguyên	100%
02	050224-02/2024/QĐ-HĐQT	5/2/2024	Appointment of Mr. Chiang Chiu Chiung as General Director	100%
03	050224-03/2024/QĐ-HĐQT	5/2/2024	Approval of related-party transaction	100%
04	160424/2024/QĐ-HĐQT	16/4/2024	Extension of time for holding the 2024 Annual General Meeting (AGM)	100%
05	130524/2024/QĐ-HĐQT	13/5/2024	Plan for organizing the 2024 AGM	100%
06	070624-01/2024/QĐHĐQT	7/6/2024	Approval for establishing the Shareholder Eligibility Verification Committee at the 2024 AGM	100%
07	070624-02/2024/QĐ-HĐQT	7/6/2024	Approval of the agenda and content of the 2024 AGM	100%
08	270624/2024/QĐ-HĐQT	27/6/2024	Approval for amendments and additions to the 2024 AGM documents	100%
09	130724-01/2024/QĐ-HĐQT	13/7/2024	Dismissal of Chief Accountant position for Ms. Tô Thị Thủy	100%
10	130724-02/2024/QĐ-HĐQT	13/7/2024	Appointment of Ms. Bùi Thị Thúy as Person in	100%

			charge of Accounting	
11	150724/2024/QĐ-HĐQT	15/7/2024	Selection of independent audit firm for the 2024 Financial Statements	100%
12	260724/2024/QĐ-HĐQT	26/7/2024	TPBank loan plan	100%
13	160824-01/2024/QĐ-HĐQT	16/8/2024	Dismissal of Chief Accountant position for Ms. Bùi Thị Thúy	100%
14	160824-02/2024/QĐ-HĐQT	16/8/2024	Appointment of Ms. Đỗ Thị Thanh Hằng as Person in charge of Accounting	100%
15	050924/2024/QĐ-HĐQT	05/09/2024	Approval of loan plan with Fubon Bank	100%
16	161024-01/2024/QĐ-HĐQT	16/10/2024	Dismissal of Chief Accountant position for Ms. Đỗ Thị Thanh Hằng	100%
17	161024-02/2024/QĐ-HĐQT	16/10/2024	Appointment of Ms. Phạm Thị Ngọc Hoa as Person in charge of Accounting	100%

d) Activities of the Independent Member of the Board of Directors: Supervised the Company's business operations and the activities of the Executive Board.

2. Supervisory Board

a) Members and Structure of the Supervisory Board

Number of shares owned and represented by members of the Company's Supervisory Board (term 2021–2026) as of the reporting date:

No	Full Name	Position	Directly Owned Shares		Representatively Owned Shares		Notes
			Number	Percentage/ Charter capital	Number	Percentage/ Charter capital	
1	Vi Nguyet Cam	Head of Supervisory Board	-	-	-	-	Dismissed on 05/01/2024
2	Dinh Thi Lan Huong	Head of Supervisory Board	-	-	-	-	Appointed on 05/01/2024
3	Le Thi Thu Huong	Member of Supervisory Board	100	0,0004%	-	-	Dismissed on 28/06/2024
4	Ha Thi Thu Thuy	Member of Supervisory Board					Dismissed on 28/06/2024
5	Bui Nhu Hue	Member of Supervisory Board	100	0,0004%			Appointed on 28/06/2024
6	Phan Thi Oanh	Member of Supervisory Board	100	0,0004%			Appointed on 28/06/2024

b) Activities of the Supervisory Board:

Within the scope of responsibilities, functions, and authority of the Supervisory Board as stipulated in the Company's Charter, the operational regulations of a public company, compliance with the provisions of the Law on Enterprises, and the corporate governance regulations, the Supervisory Board performs its supervisory role over the management and operations of the Board of Directors (BOD), the Executive Board, and the Company's business activities through participation and input at BOD meetings, supervision of the voting process among BOD members, and review of the quarterly and annual financial statements. The main activities include:

- Inspecting and supervising the implementation of resolutions passed by the General Meeting of Shareholders (GMS);
- Monitoring and providing opinions on the implementation of business targets to achieve the plans approved by the GMS;
- Reviewing and evaluating financial statements to assess the accuracy and reliability of financial data, ensuring compliance with Vietnamese accounting standards, accounting regimes, and current financial policies;
- Monitoring compliance with information disclosure regulations.

In 2024, the Supervisory Board held 03 meetings with full participation of its members to evaluate the results of its activities.

No.	Supervisory Board Member	Number of Meetings Attended	Attendance Rate	Voting Rate	Reason for Not Attending
1	Ms. Vi Nguyet Cam	0/3	0%	100%	Dismissed on 05/01/2024
2	Ms. Dinh Thi Lan Huong	3/3	100%	100%	
3	Ms. Le Thi Thu Huong	1/3	33,33%	100%	Dismissed on 28/06/2024
4	Ms. Ha Thi Thu Thuy	1/3	33,33%	100%	Dismissed on 28/06/2024
5	Ms. Bui Nhu Hue	2/3	66,67%	100%	Appointed on 28/06/2024
6	Ms. Phan Thi Oanh	2/3	66,67%	100%	Appointed on 28/06/2024

3. Transactions, Remuneration, and Benefits of the Board of Directors, Executive Board, and Supervisory Board

a) Salaries, Bonuses, Remuneration, and Other Benefits:

Regarding salaries and bonuses:

For members of the Board of Directors, Executive Board, and Supervisory Board who work directly at the Company: Payments are made according to the Company's salary scale based on position and rank.

Regarding remuneration and other benefits:

At the 2024 Annual General Meeting of Shareholders, the following remuneration levels for members of the Board of Directors and Supervisory Board were approved:

*** Board of Directors:**

- Chairman of the Board: VND 35,000,000/month
- Independent Board Member: VND 15,000,000/month
- Board Member: VND 5,000,000/month
- Business-related travel, accommodation, and meal expenses as per the Company's assignment will be reimbursed by the Company upon submission of valid receipts.

*** Supervisory Board:**

- Member of the Supervisory Board: VND 3,000,000/month
- Head of the Supervisory Board: VND 7,000,000/month
- Business-related travel, accommodation, and meal expenses as per the Company's assignment will be reimbursed by the Company upon submission of valid receipts.

Total salaries, bonuses, remuneration, and benefits paid:

- To the Executive Board and Chief Accountant in the year: VND 1,941,528,128
- To the Board of Directors in the year: VND 900,000,000
- To the Supervisory Board in the year: VND 156,000,000

b) Internal shareholder stock transactions: None

c) Contracts or transactions with internal shareholders/related parties: All contracts and transactions with related parties were approved and supervised by the Board of Directors prior to signing.

During the year, the Company had transactions with related parties as follows:

No	Related Parties	Relationship	Transaction Details	Amount (VND)
1	Garden Pals Co., Ltd	Subsidiary	Purchase of goods and services	424.350.000
			Factory rental	4.255.680.800
			Payment on behalf for services	4.809.684.263
2	Dai Tin Development Joint Stock Company	Mr. Tsai Chui Tien – Chairman of the BOD is the legal representative	Purchase of goods and services	1.823.308.739
			Interest expenses	646.576.603
3	Ability Merit Ltd	Mr. Tsai Chui	Loan received	25.975.000.000

		Tien – Chairman of the BOD is a founding member	Loan principal repayment	96.368.570.000
			Interest expenses	3.139.808.303
4	Objective Holding Incorporated	Mr. Tsai Chui Tien – Chairman of the BOD is also Chairman of the Board	Loan received	896.800.000
			Interest expenses	1.232.008.765
5	Mr. Tsai Chui Tien	Chairman of the Board of Directors	Loan principal repayment	88.827.773.228
			Interest expenses	8.202.072.138

d) Assessment of Compliance with Corporate Governance Regulations:

The Company has fully complied with legal regulations regarding corporate governance.

VI. Financial Statements

1. Auditor's Opinion

Excerpt from Document No. 16074.1/2024/BCTC/IAV dated March 30, 2025, issued by International Audit and Valuation Co., Ltd. regarding the Independent Audited Consolidated Financial Statements for the fiscal year ending December 31, 2024 of Vietnam Fortress Tools JSC.

Auditor's conclusion:

“Disclaimer of Opinion”

2. Audited Financial Statements: (attached)

This concludes the Annual Report on Operations of Vietnam Fortress Tools JSC for the year 2024.

VIETNAM FORTRESS TOOLS JSC

Chairman of the Board of Directors



TSAI CHUI TIEN

