

# ANNUAL REPORT 2023



KINH BAC CITY DEVELOPMENT HOLDING CORPORATION

ANNUAL REPORT 2023

**KBC ALWAYS CALLS FOR INVESTMENTS FROM EVERY PLACES AND  
IS READY TO WELCOME ALL INVESTORS AND PARTNERS, ETC.**



## KINH BAC CITY DEVELOPMENT HOLDING CORPORATION

### HEAD OFFICE

Lot B7 Que Vo IP - Bac Ninh Province

Tel: (84-22) 3634034

Fax: (84-22) 3634035

[www.kinhbaccity.vn](http://www.kinhbaccity.vn)

### REPRESENTATIVE OFFICE IN HANOI

No. 10 Hang Bot Street, Cat Linh Ward,

Dong Da District, Hanoi City

Tel: (84-241) 37346890

Fax: (84-241) 37346891

### HO CHI MINH CITY BRANCH

No. 20 Phung Khac Khoan Street, Da Kao Ward, Distric 1, Ho Chi Minh City

Tel: (84-28) 38228290

Fax: (84-28) 38228291



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## LIST OF ABBREVIATIONS

BOD: Board of Directors	JSC: Joint Stock Company
BOM: Board of Managers	KBC: Kinh Bac City Development Holding Corporation
BOS: Board of Supervisors	MOU: Memorandum of Understanding
CEO: Chief Executive Officer	RE: Real Estate
IC: Industrial Clusters	RA: Residential Area
IP: Industrial Park	SM: Stock Market
FDI: Foreign Direct Investment Capital	SH: Social Housing
GD: General Director	TL: The Leaders
HNX: Ha Noi Stock Exchange	PAT: Profit after tax
HSX: Ho Chi Minh Stock Exchange	UA: Urban Area

# “ Preamble

The Board of Directors of Kinh Bac City Development Holding Corporation (KBC) would like to respectfully express our gratitude to The Leaders of the Corporation and our member companies, as well as all employees and Esteemed Customers, Partners, Agencies, Banks, Financial Institutions, Shareholders, Investors, Organizations and Individuals who have accompanied KBC for 22 years of developing.

KBC is always ready to attract organizations and individuals with the same Vision and Mission to make the brand “KINHBAC CITY” thrive more sustainably; to contribute many values to KBC, to our Shareholders and to the society, etc.



**Mr. Dang Thanh Tam**  
Chairman of the BOD



**Can Tho City delegation and KBC's BOM visited Foxconn Factory**  
at Quang Chau Industrial Park, Bac Giang province 30/10/2023



**Ms. Nguyen Thi Thu Huong**  
General Director



Members of the BOD

## VISIONS, MISSIONS, CORE VALUES

### A. VISION

Becoming the leading corporation in Vietnam in providing civilized and modern working space, living space, aiming for sustainable development.

### B. MISSION

KBC contributes to providing society with a **Green, Clean and Circular** working and living environment, towards the plan to build an ecological industrial park - urban area - social housing model, gradually achieving Carbon-neutral and Net-zero carbon emissions through the development of projects in the coming years.

Providing land in industrial parks to attract high-tech corporations and multinational corporations that have been coming to Vietnam to invest and build factories.

Providing comfortable, environmental-friendly housing complexes in new urban areas for people in general and experts, workers working in industrial parks in particular.

Building and developing a friendly working environment, valuing human intelligence, being always ready to welcome the creative young generation to operate the business smoothly, minimize errors, and contribute to standardizing corporate governance, meeting the requirements of regulatory agencies and current legal regulations.

### C. CORE VALUES

The brand “KINHBAC CITY” has been asserting its position in domestic and abroad, with the following core values:

- ▣ Diversified and highly competitive products and services, which meet customers’ needs and the specific requirements of each customer;
- ▣ Attracting, connecting and serving diverse customer networks from many countries and territories all over the world in the field of hi-technology industry, biotechnology, electronics, machine building, precision machinery, etc.
- ▣ Popularizing Vietnam’s investment policies to international investors during the past over 20 years, increasingly affirming the leading ability to attract FDI, concentrating on high technology corporations, multinational corporations.
- ▣ Create hundreds of thousands of jobs for people from high school level, contributing to budgets of provinces and cities where KBC develops projects in particular, to the procedures for industrialization and modernization of the country in general.
- ▣ Economic development along with environmental protection, towards the goal of sustainable and Green, Clean, Circular development, bringing long-term values to society.

# PART I CORPORATION INFORMATION

## 1. GENERAL INFORMATION

- ❑ Corporate name in Vietnamese: **TỔNG CÔNG TY PHÁT TRIỂN ĐÔ THỊ KINH BẮC - CTCP**
- ❑ Corporate name in English: **KINHBAC CITY DEVELOPMENT HOLDING CORPORATION**
- ❑ Abbreviation: **KINHBAC CITY GROUP**
- ❑ Enterprise Registration Certificate No. 2300233993, issued by Bac Ninh Department of Plan and Investment on 27/03/2002, 20th amendment on 09/04/2024.
- ❑ Charter Capital: **VND 7,676,047,590,000**
- ❑ Owner's Equity as at 31/12/2023: VND 20,220,872,704,416
- ❑ Address: Lot B7, Que Vo IP, Phuong Lieu ward, Que Vo town, Bac Ninh province, Viet Nam
- ❑ Tel.: 0222 3634034                      Fax: 0222 3634035
- ❑ Website: <http://www.kinhbaccity.vn>
- ❑ Stock code: KBC
- ❑ Legal Representative: **Mr. Dang Thanh Tam**

**AFTER 22 YEARS OF DEVELOPING AND GOING THROUGH YEARS OF UPS AND DOWNS, KBC HAS HAD A SIGNIFICANT GROWTH RATE IN BOTH SCALE AND QUALITY.**

### DEVELOPMENT PROGRESS

**Since its establishment on 27/03/2002, KBC has been one of the most successful private corporation and played an important role in attracting FDI enterprises to Vietnam.** More than 90% customers of IPs are foreign enterprises from Japan, Taiwan, Republic of Korea, China, Hong Kong, etc. Ips in operation are invested on a large-scale by big corporations such as Canon, Foxconn, LG, JA Solar, Luxshare - ICT, Goertek, Fuyu, Jufeng etc. All of the IPs in operation, which were built under modern standards, perform stably, not only benefit to KBC and investors but also contribute significantly to the development of society.

As at 31/12/2023, KBC's IP land bank is 6,610.82 ha, accounting for 5.09% IP land bank of the whole country. KBC's industrial parks all have convenient locations, ensuring to meet the diverse needs of investors.

Regarding the area of urban land, KBC currently owns a land fund of 1,413.3 ha in major provinces/cities in all 3 regions: North - Central - South and other land fund to build factories of 117.7 ha. Besides, KBC has been accompanying the Government and sharing social responsibility through the construction of social housing projects in Bac Giang, Hai Phong, etc.

In the coming year, KBC continues to develop new projects in localities such as: Bac Ninh, Hai Phong, Thai Nguyen, Tien Giang, Hau Giang, Can Tho, Vung Tau, etc. with an expected increase in area size of about 3,500 ha of industrial park land and 650 ha of urban area land.

**18/12/2007**

Became a public company in 2007, with 88,000,000 shares first listed in Hanoi Stock Exchange.

**18/12/2009**

Relisted on the Ho Chi Minh Stock Exchange

**YEAR 2012**

The toughest year of KBC, with the business results of negative VND 483.9 billion, share price decreased to the lowest level of VND 4,800 per share, starting to recover from the end of 2013 until now.

**YEAR 2022**

Huge land fund growth after many years: 1,210 ha approved for investment in the provinces of Long An (Tan Tap IP, Loc Giang IP) and Bac Giang (expanded Quang Chau IP).

**YEAR 2014 - 2015**

The most successful corporation in Vietnam in debt re-structuring, projects that were not the core business divesting.

Large investors continued to invest in KBC's IPs such as LG, Samsung's satellites, Apple's satellites and other Korean, Chinese and Hongkong corporations.

Credit institutions and investment funds came back to grant new credit limits to the Corporation and to find new investment opportunities.

**YEAR 2020 - 2021**

The pandemic made it impossible for investors to come to Vietnam to finalize land leasing contracts; business operation of domestic enterprises, including KBC were delayed, which led to under-target business results.

In 2020, KBC completed the payment of land using fee for Trang Cat UA with the scale of 584.9 ha in Hai Phong province, with the total payment to the state budget of VND 3,500.4 billion.

In 2021, KBC completed the Nam Son Hap Linh IP's legal procedures and put it into business, with the scale of 300 ha in Bac Ninh province.

**YEAR 2016**

KBC's FDI attracting accounted for 12.06% the total registered FDI of the whole country.

Trang Due IP contributed to bring Hai Phong province to the top of the country and Quang Chau IP to the fifth position in attracting FDI in Vietnam.

**YEAR 2018**

IPs of KBC simultaneously achieved the strong growth in attracting investment.

All IPs achieved the occupancy rate of more than 30%.

Que Vo, Trang Due IP achieved occupancy rate of above 97%.

**YEAR 2023**

KBC redeemed on time and early all bond debt outstanding, clearing the bond debt to VND 0 before 30/06/2023.

Consolidated revenue and PAT are VND 6,058.76 billion and VND 2,245 billion respectively, which are the highest amounts KBC has achieved since its listing.

**YEAR 2017**

The first time to open for sale the Phuc Ninh UA - Bac Ninh province with the sub-zone of 6.27 ha and 22 ha.

The first time to bring corporate bond product listed on HSX.

**YEAR 2019**

IPs reached 100% occupancy rate: Que Vo IP in Bac Ninh with the scale of 611ha, having a business cycle completion time of 12 -15 years; Trang Due IP in Hai Phong with the scale of 402 ha, having a business cycle completion time of 5 - 8 years.

**EFFECTIVE CASH FLOW MANAGEMENT AND OUTSTANDING REVENUE & PROFITS IN 2023**

In the first 6 months of 2023, Vietnam’s capital market faced many barriers (the bond market made regulators concerned, investors lost confidence, lending interest rates were quite high - at more than 13%, etc.). Facing this situation, the Corporation’s Leaders had implemented a prudent financial plan: Prioritize arranging financial resources to buy back all outstanding bonds on time and early and ensure financial capacity for expanding the scale of new projects.

However, in the last 6 months of 2023, Vietnam loosened monetary policies, continuously lowered interest rates, made it easier for companies to access credit flows from Banks, but some macroeconomic policies that promoted the real estate market’s recovery were not cleared, especially the approval time for legal procedures for real estate projects was still prolonged, leading to a situation that companies could access capital but could not be disbursed. Therefore, KBC has made great efforts to overcome market conditions to maintain stable business development and achieve the following two impressive results:

**❑ KBC lowered Bond debt outstanding to VND 0 before 30/06/2023**

In the situation when the bond market still lost investors’ confidence and management agencies from the Government to ministries had to use many intervention measures, KBC proactively used its resources to buy back on time and early the entire principal balance of VND 3,900 billion of Bond outstanding and the full payment of VND 161.99 billion of Bond interest, ensuring the rights of Bondholders as well as affirming reputation in the market, completely cutting off concerns of shareholders, investors and partners.

**❑ Impressive business results**

With a long-term vision and the right orientation when focusing on developing high-tech industrial parks, KBC’s industrial parks have always attracted FDI flows even in the current difficult economic situations around the world. Thus, in 2023, KBC signed a series of high-value contracts, recording the most impressive business results since listing up to now.

▶ Net revenue from sales of goods and rendering of services in 2023 is VND 5,618.48 billion, equal to 591.25% compared with 2022, which mainly comes from Nam Son - Hap Linh IB (Bac Ninh province), Extended Quang Chau IP (Bac Giang province) and Trang Due UA (Hai Phong city).

▶ Total Revenue and PAT in 2023 are VND 6,058.76 billion and VND 2,245 billion, respectively increasing 73.20% and 42.40% compared with 2022.

**PRESTIGIOUS AWARDS**

**KBC is a Public company with no State-owned. During 22 years of operation and development, the Corporation and its subsidiaries have been awarded the following typical awards:**



**01 First Class Labour Medal**



**02 Second Class Labour Medals**



**02 Third Class Labour Medals**



**17 excellent emulation flags of the Government**



**Top 50 best listed companies in Vietnam announced by Forbes for 03 consecutive years: 2019, 2020, 2021**



**Achieved Business awards for many consecutive years**

- ❑ Being awarded Certificate of Merit by the Minister of Planning and Investment for achievements in the construction and development IPs in Bac Ninh and Hai Phong.
- ❑ Being awarded Certificates of Merit from Chairman of People’s Committees of provinces and cities such as: Bac Ninh, Hai Phong, Long An, etc for many outstanding achievements and positive contributions to the socio-economic development of the provinces; Being a typical enterprise in the field of IP infrastructure investment, attracting FDI, contributing to the State budget, creating jobs for local workers, and actively participated in social works.
- ❑ Receiving Certificate of Merit from Bac Ninh Public Security and Bac Ninh Department of Labor, War Invalids and Social Affairs for outstanding achievements in Technical Sports Festival of fire fighting and rescue profession technique manoeuvres in Que Vo IP; achieved excellent achievements in occupational safety and hygiene.
- ❑ One of the 15 enterprises that received the Certificate of Merit from the Chairman of the State Securities Commission for many consecutive years of winning the Best Annual Report Award.
- ❑ KBC’s subsidiaries also received Certificates of Merit and Excellent Emulation Flags of the Government for their achievements in building and developing industrial parks.

**In 2023, the Corporation was awarded for its achievements in the mass movement to Protect Homeland Security in 2023; The Corporation’s leaders were awarded Certificates of Merit by the Prime Minister for outstanding achievements in production and business activities, contributing to the socio-economic development in Hai Phong City and being recognized by the Provincial Tax Department of Bac Ninh province for achievements in good implementation of tax policies.**



**Even though no organization has awarded it yet, KBC deserves to receive the Award “A bridge connecting Vietnam to the World”**

## CORE VALUES

In order to get a contract signed, not only because customers will gain many incentives in local investment, not only because of the quality of our services to customers, not only because we have the ability to negotiate but we have to meet all the strict requirements of each customer.

### □ KINHBAC CITY Trademark

The KINHBAC CITY trademark has been recognized in Vietnam and internationally, and has always been chosen by FDI enterprises when they plan to invest in Vietnam. Besides, foreign investors also prefer to invest indirectly in KBC through owning KBC shares. As of 31/12/2023, the ownership ratio of KBC shares by foreign investors is 20.67%.

After 22 years of construction and development, attracting hundreds of large corporations around the world to Vietnam with 05 industrial parks achieving nearly 100% occupancy rate in Bac Ninh, Bac Giang, Hai Phong; The KINHBAC CITY brand increasingly affirms its added value in the international arena.

### □ Investor Relation

The Corporation highly focus on Investor Relations and is always ready to answer all questions of investors, shareholders, customers and partners. KBC usually does not refuse any appointment with the investors except in the case of force majeure.

### □ In-depth Experience

As a pioneer in the field of IP construction and development, Chairman of the BOD - Mr. Dang Thanh Tam has laid a solid foundation for the development of KBC. He has 27 years of experience in creating, managing and developing IPs, and has successfully built his own IP business model. Thanks to his foresight on the country's development, diplomatic ability, and connection with international organizations, he has carried out the mission of promoting Vietnam's investment attraction policy abroad and brought multinational corporations to Vietnam.

### □ Creating huge land fund

KBC always looks for areas having difficulties, weak economies, and low agricultural productivity that localities call for investment. The IP projects that KBC has invested in have changed the appearance of poor areas, have positively contributed to creating stable jobs, have significantly improved people's income and have significantly increased sources of Local budget. In addition, KBC also actively supports training to improve people's qualifications to meet labor qualifications so that they are qualified to work at high-tech enterprises.

KBC has created a reputation with the local government and people. Therefore, during the process of formation and development, KBC has received the support of many localities in the planning of industrial developments across the country to create land funds and attract foreign direct investment.

Currently, KBC is expanding its IP and UA land fund in provinces such as Bac Ninh, Hai Phong, Thai Nguyen, Tien Giang, Hau Giang, Can Tho, Vung Tau, etc.

### □ Diverse products and services which meet all strict requirements of customers

Considering customer benefits as the core, KBC is ready to provide products and services suitable to customers' diverse investment needs and to satisfy the most demanding customers

- ▶ Currently, with 27 IPs & ICs strategically located nationwide, KBC has successfully attracted large international corporations such as Canon, Foxconn, LG, JA Solar, Goertek, Fuyu, Luxshare, Jufeng, Ingrasys, etc.
- ▶ Ready-built factory and office rental products and services are developed in parallel with IP infrastructure rental products to shorten the time to go into operation and minimize risks for businesses that are satellites of large corporations.
- ▶ Infrastructure maintenance activities in the IPs are carried out regularly, keeping the IP landscape always modern, clean and environmentally friendly.
- ▶ KBC and its partners always provide a full range of ancillary services in the IPs for investors such as security, finance, electricity and water, etc., which forms a closed and convenient supply chain.
- ▶ Since 2017, KBC has brought urban products associated with IPs into business to meet the housing needs of people and foreign experts working there.

### □ Social Responsibilities

□ In order to ensure social security and attract workers from other areas to work in IPs, since 2022, KBC has built a series of social housing buildings in Bac Giang, Hai Phong, Da Nang near its IPs. Until now, social housing buildings have been built and are ready to meet the housing needs of workers and low-income people, starting to be put into use from 2024.

- ▶ **In 2022, KBC joint venture to invest in a social housing project in Nenh town, Bac Giang province.**
- ▶ **In 2022, KBC increased its ownership ratio at Sai Gon - Da Nang Investment Corporation. The investor has been building a series of social housing buildings in Bau Tram Lakeside Urban Area in Da Nang city.**
- ▶ **In 2023, Sai Gon - Hai Phong Industrial Park Corporation implemented the Trang Due social housing project.**

These are the throughout directions of KBC, to develop the IP model associated with the development of UA and SH to contribute to the sustainable development, welfare and amenities for society.



## 2. BUSINESS LINES AND LOCATIONS OF THE BUSINESS

KBC started its business from the investment and business development of IPs, and did expand investment in fields such as Banking, Energy, and Minerals but was ineffective. Therefore, since 2016, KBC has only focused on the core areas of investment and business in IPs and the accompanying services while gradually developing UAs and SH associated with IP development.

The Corporation's leaders and employees have devoted a lot of enthusiasm to building an effective IP business model, meeting the country's development needs in the innovating period, contributing to the transformation of production structure in the region.

### □ Main business lines:

CODE	ITEM
6810	Real estate business, land use rights belonging to the owner, user or tenant
4101	Build houses to live in
4299	Construction of other civil engineering works

### □ Major lines of business accounting for more than 10% of the total revenue

LINES OF BUSINESS	YEAR 2022	YEAR 2023
Revenue from long-term lease of land and infrastructure	18.78%	86.17%
Revenue from providing clean water, electricity, service fee, waste water treatment supply	11.07%	
Profit from associates	62.52%	
Finance income	10.00%	

### □ Locations of business accounting for more than 10% of the total revenue

LOCATIONS OF BUSINESS	YEAR 2022	YEAR 2023
Revenue in Bac Ninh province		43.86%
Revenue in Bac Giang province		35.42%
Revenue in Cu Chi - Ho Chi Minh city	21.23%	13.02%
Revenue in Da Nang province	62.82%	

## 3. GOVERNANCE MODEL, BUSINESS ORGANIZATION AND MANAGERIAL APPARATUS

The apparatus model of KBC is organized according to the provisions of Clause (a), Section (1), Article 137 of the Law on Enterprises No. 59/2020/QH14 17/6/2020.





## INFORMATION ABOUT SUBSIDIARIES

As of 31/12/2023, the Corporation possessed these following direct and indirect subsidiaries:

NO.	COMPANY NAME	VOTING RATE (%)	INTEREST RATE (%)	ADDRESS	MAIN ACTIVITIES
<b>DIRECT SUBSIDIARIES</b>					
1	Saigon - Bac Giang IP Corporation	92.5	88.06	Quang Chau IP, Quang Chau commune, Viet Yen district, Bac Giang province	Investment, building and trading real estates
2	Sai Gon - Hai Phong IP Corporation	86.54	86.54	Trang Due IP, Le Loi commune, An Duong district, Hai Phong city	Investment, building and trading real estates
3	Northwest Saigon City Development Corporation.	74.3	72.44	Tram Bom hamlet, 22 Highway, Tan Phu Trung commune, Cu Chi district, Ho Chi Minh City	Investment, building and trading real estates
4	Trang Cat Urban Development One Member Limited Company	100	100	Bai Trieu, Trang Cat commune, Hai An dist., Dinh Vu - Cat Hai Economical Zone, Hai Phong	Investment, building and trading real estates
5	NGD Investment One Member Limited Company	100	100	No. 10 Hang Bot alley, Cat Linh ward, Dong Da district, Ha Noi city	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Limited Company	100	100	Lot B7, Que Vo IP, Phuong Lieu ward, Que Vo town, Bac Ninh province	Investment, building and trading real estates
7	Tien Duong Development Holding Joint Stock Company	51	51	No. 100, An Trach street, Quoc Tu Giam ward, Dong Da district, Hanoi	Investment, building and trading real estates
8	Hung Yen Investment And Development Corporation	95	93.93	No. 537 Nguyen Van Linh Street, Le Loi Ward, Hung Yen City, Hung Yen Province	Construction and real estate business
9	Vung Tau Investment Group Joint Stock Company	74.52	74.52	LK 28, Hang Dieu 1 Street, Ward 10, Vung Tau City, Ba Ria-Vung Tau Province	Construction and real estate business
<b>COMPANIES TAKEN CONTROL BY KBC (INDIRECT SUBSIDIARIES)</b>					
10	Tan Phu Trung - Long An IP One Member Company Limited	100	72.82	88 Tran Phong Sac street, Ward 4, Tan An city, Long An province	Consulting, construction and real estate business
11	Bac Giang - Long An IP One Member Company Limited	100	88.96	No 133 Road 835, Can Giuoc town, Can Giuoc district, Long An province	Construction and real estate business
12	Tan Tap Industrial Infrastructure Development Limited Company	100	89.26	No 133 Road 835, Can Giuoc town, Can Giuoc district, Long An province	Consulting, construction and real estate business
13	Long An Development Invest Joint Stock Company	60	57.42	Tan Dong Hamlet, Tan Tap comun, Can Giuoc district, Long An province	Construction and real estate business
14	Bao Lac Spirituality Park Joint Stock Company	65	58.02	Ngo Xa village, Long Chau commune, Yen Phong district, Bac Ninh province	Funeral service activities
15	Quang Yen Electronics Company Limited	100	89.26	NA8-2 Lot, high-class factory and factory project complex in Dam Nha Mac area, Lien Vi commune, Quang Yen town, Quang Ninh province.	Producing communication equipment, electronic components and consumer electronic products
16	Quang Yen Manufacturing Industry Company Limited	100	89.26	NA8-1 Lot, high-class factory and factory project complex in Dam Nha Mac area, Lien Vi commune, Quang Yen town, Quang Ninh province.	Manufacture of engines and turbines (except for aircraft, automobile, motorcycle and motorcycle engines)

In 2023, KBC transferred all capital contributions at Kinh Bac - Da Nang Investment Company Limited, thus, this Company is no longer a subsidiary of KBC from 30/03/2023.

## INFORMATION ABOUT ASSOCIATED COMPANIES

As of 31/12/2023, the Corporation possessed these following direct and indirect associated companies:

NO.	COMPANY NAME	OWBERSHIP RATE(%)	ADDRESS	MAIN ACTIVITIES	CHARTER CAPITAL (VND billion)
<b>DIRECT ASSOCIATED COMPANIES</b>					
1	Saigon Telecommunication and Technologies Corporation	21.48%	Lot 46 Quang Trung Software Park, Tan Chanh Hiep ward, District 12, Ho Chi Minh City	Investing and trading infrastructure and telecommunication equipments	159
2	Scanviwood Corporation	34%	565 An Duong Vuong strê, An Lac wd., Binh Tan district, Ho Chi Minh City	Producing household furniture for export	10.7
3	Sai Gon - Da Nang Investment Corporation	48%	61A Nguyen Van Cu, Hoa Hiep Bac ward, Lien Chieu district, Da Nang City	Trading in real estate, land use right or renting	96
<b>INDIRECT ASSOCIATED COMPANIES</b>					
4	Le Minh Xuan 2 IP Investment Corporation	22.72%	20 Phung Khac Khoan, Dakao Ward, District 1, Ho Chi Minh City	Investing in real estate, land use rights, or renting	116.6
5	Sai Gon - Nhon Hoi IP Corporation	35.49%	Lot A2 -01, N3 road, Nhon Hoi IP, Quy Nhon, Binh Dinh	Investment, construction, business in IPs, UAs, tourist areas, etc.	540
6	Saigontel Long An Company Limited	22.32%	Lot 6A, Road No. 3, Tan Duc IP, Duc Hoa, Long An	Investment in construction and business of IP infrastructure	111.3



## 4. DEVELOPMENT ORIENTATIONS

### Short-term objectives

Making great efforts to work with management agencies to complete legal procedures for the projects, while deploying infrastructure investment and attracting investments in industrial parks, urban areas, construction and handover of social housing buildings, specifically:

- ❑ Nam Son Hap Linh IP - Bac Ninh: Complete compensation and invest in infrastructure to put the remaining 102.2 hectares into operation.
- ❑ Quang Chau Extended IP - Bac Giang: Complete procedures for handing over the remaining 15.69 hectares to customers.
- ❑ Tan Phu Trung IP: Complete the construction of factories for rent, build and put a service center into operation, attract investment to fill up the remaining 81.54 hectares.
- ❑ Trang Due 3 IP: Wait for approval of investment policy to put into business from Quarter 4/2024.
- ❑ Hung Yen ICs: Complete the compensation, build infrastructure and put into business from 2024.
- ❑ Trang Due UA: Complete procedures for recording revenue for the remaining 15 villas.
- ❑ SH projects: Hand over and put into use and continue to build SH buildings in Nenh Town - Bac Giang, Trang Due - Hai Phong in 2024.
- ❑ Trang Cat UA: Make effort to work with management agencies to complete procedures to adjust project scale and to approve investment policy, implement plans to arrange capital sources, build infrastructure and put into business in 2024.
- ❑ Phuc Ninh UA: Waiting for completion of legal procedures to record revenue.
- ❑ Projects in Long An: Accelerate the completion of legal procedures, wait for approval of compensation plans and prepare investment implementation plans for Loc Giang IP; Tan Tap IP; Long An ICs; Loc Giang RA; Long An IC RA.

### Development strategies in medium and long term

**The moral compass for the Group's long-term development is:** (1) developing products and services to meet all the diverse and demanding needs of customers; (2) accumulating financial resources to ensure financial capacity to simultaneously deploy large-scale IPs, UAs, and SH projects; (3) building a prestigious KINHBAC CITY brand both domestically and internationally, increasing business value, being the attractive selection for direct and indirect investors, dedicated employees and the community to implementing Corporation's strategy of Serving society.

- ❑ Developing new projects in the provinces such as Bac Ninh, Hai Phong, Thai Nguyen, Tien Giang, Hau Giang, Can Tho, Vung Tau, etc.; Always being ready to survey and implement local investment invitations in accordance with KBC's sustainable development orientation to increase land fund.
- ❑ While developing IPs and UAs, the Corporation continues to implement SH and RA projects despite not having large profits to accompany the Government's national housing strategy for social security goals.
- ❑ Developing new customer networks, diversifying products to meet all customer needs (land ready for lease, factories ready for sale and lease, optimal investor support services).
- ❑ Building and developing the international brand KINHBAC CITY, always being the leading enterprise in the field of management and development of IPs combined with UAs.
- ❑ Following the trend of FDI capital flows in Vietnam according to fields, partners, and locations to establish new projects and develop appropriate investment types.
- ❑ Mobilizing and using capital effectively, improving financial capacity, maintaining growth in revenue and profits.

### Corporate objectives with regard to Corporate environment, society and community sustainability

- ❑ Being the enterprise that contributes significantly to Vietnam's annual FDI attraction plan in the field of industrial and urban real estate; always aiming for FDI enterprises to invest in green IP and UA projects, minimizing environmental pollution.
- ❑ Indirectly creating thousands of jobs for workers; contributing budget to provinces and cities where KBC's projects are located; Constructing public works such as lakes, parks, bridges and roads, schools for provinces and cities to build a green, clean and beautiful living environment.
- ❑ Deploy the construction of SH projects for low-income people, creating conditions for people to stabilize their lives and be ready to move from other localities to work in IPs, etc.



**THE TREND OF GREENING IPS  
AND UAS IS INEVITABLE**

## 5. 1. TYPES OF RISKS AFFECTING THE CORPORATION

### ❑ Risk from changes in management policy of IP investment activities

This is the risk that causes largest effects on business investment and IP development including potential risks: difficulty in establishing new projects; withdrawn projects; projects which are converted purpose of using; policy changes in incentives for investors; unclear regulations which cause to misunderstand between authorities and investors, changes in tax policy; policy changes in annual land rent payment; regulation changes in land compensation price, etc.

KBC have experienced these types risks mentioned above. To handle all types of policy-related risks, KBC have to prepare reports to explain, persuade, and suggest the authorities, point out the benefits and losses that affect the whole Government and Investors due to continuous policy changes. With efforts and perseverance to protect the business’s point of view, KBC have successively overcome all types of policy risks.

### ❑ Risk from FDI attraction

As for KBC, the situation of FDI attracting into Vietnam is the most important factor affecting the business performance of the enterprise. Therefore, KBC always closely follows the trend of FDI capital flows into Vietnam to grasp investment attraction opportunities and to minimize risks related to FDI attraction of the Corporation. Some Corporations have moved parts of their operations from China to Vietnam such as Apple, Intel, Nike, Asics, etc. Therefore, Vietnam in general and KBC in particular are facing great opportunities to attract foreign investors to directly invest in projects, or buy shares.

However, Vietnam’s current FDI attraction cannot avoid being influenced by competitors from India and Indonesia; At the same time, from 01/01/2024, when the Global Minimum Tax policy officially takes effect in Vietnam, Vietnam’s tax incentives are no longer effective, thereby affecting its competitiveness to attract FDI in the short term.

### ❑ Risk from ineffective cash flow management

KBC have exposed to risks when using capital for diverse investments in the period of 2009-2010. Therefore, capital mobilization and capital use are always considered by KBC to ensure that the capital can both be profitable, enhance business growth and preserve capital when facing difficulties in implementing projects.

In recent years, KBC have had almost no risks in capital accessing, as well as ineffective use of cash flow. In 2023, KBC prioritized buying back on time and early all 3,900 billion VND of outstanding Bond debt and paying 161.99 billion VND of interest, ensuring the rights of Investors and enhancing the role of Risk management for the Corporation.

### ❑ Other risks

Operating IPs cannot be avoided risks such as: air pollution from enterprises in IPs, natural disasters (storms causing factories’ roofs damaged); fire and explosion (in factories in IPs); strike causing halt business and production activities of companies in IPs, which makes security instable; bankruptcy of manufacturing enterprises in the IPs; diseases, wars affecting global purchasing power, import and export activities for goods of FDI companies, etc. Hence, to manage this risk, the Corporate always pay attention to factors affecting business results and labour safety to take appropriate handling measures to minimize damages. KBC often performs risk prevention activities such as: fully equipped with labor protection equipment and opening training classes for labour safety-fire prevention for employees, regularly inspecting and maintaining machinery and equipment, etc.



**TO WELL CONTROL RISK FACTORS**

**THE GROUP FOCUSES ON CONTROLLING AND MAKING OPTIMAL USE OF SWOT FACTORS**

#### STRENGTHS

KBC has the right direction when establishing projects, at the proper time to anticipate waves of FDI into Vietnam through; creates a good reputation, supports investors throughout the duration of the project; IPs and UAs all have convenient traffic locations and highly qualified personnel.

#### WEAKNESS

KBC prioritize selecting customers operating in the field of high technology, causing little environmental pollution, which is both a strength and a limitation to the needs of many investors who wish to build factories in KBC’s IPs. In addition, the products do not satisfy investors who only need to rent a factory with a small area.

#### OPPORTUNITIES

Vietnam currently has many reliable partners with free trade agreements, has comparative advantages in labor source, natural resources, domestic market, strategic and political trust and resilience of the economy, which is an attractive benefit for FDI investors. Vietnam has never had an opportunity like this to attract foreign investors, especially strategic large-scale investors. In the first 2 months of 2024, FDI increasing by nearly 40% is an economic highlight and an opportunity for companies like KBC.

#### THREATS

Increase in investment costs would affect the Corporation’s profit margin. In addition, changes in macro policies, the land law coming into effect in 2024, and the approval process of domestic legal procedures will also affect the management and development process of IPs and UAs that KBC is developing.

## PART II

# OPERATIONS IN 2023

**Closing 2023, the world and domestic economic context remains difficult, with more challenges than opportunities and advantages. However, Vietnam is recognized by many international organizations as a country that has achieved many outstanding achievements in socio-economic development.**



Socio-economy is on the recovery trend, inflation was lower than the target set by the National Assembly, GDP growth reached 5%, which requires a great effort in the context of a genuinely difficult global situation; Fitch Ratings has upgraded Vietnam's long-term national credit rating to BB+ (from BB), with a "Stable" outlook. Vietnam's national brand value reached 431 billion USD, increasing 1 rank to 32nd out of 100 strong national brands in the world.

Specifically, 2023 set a record for FDI disbursement when total registered foreign investment capital in Vietnam reached nearly 36.61 billion USD, an increase of 32.1% over the same period. Implemented capital of foreign investment projects was estimated at about 23.18 billion USD, an increase of 3.5% compared to 2022, which is an all-time record disbursement level in the context of global investment trade being decreased. Vietnam's business environment ranking also increased 12 places globally.

Thus, Vietnam is still a bright spot in the global economic picture. Therefore, Vietnam in general and KBC in particular have been preparing the necessary premises and factors to continue to receive a new wave of investment shifts, becoming an important production center of the world.

Specifically, KBC has been preparing large-scale IP land funds and full infrastructure in strategic locations, along with synchronous development solutions associated with IP development, such as UA and SH development serving as added services to meet all diverse needs of investors, etc.

#### **Some key projects that have been step-by-step approved and calling for investment in 2023:**

- ❑ On 10/10/2023, the People's Committee of Hai Phong City issued Decision No. 3158/QĐ-UBND on "Approving the result of the auction of land use rights for lot TMDV-05 in the new North of Song Cam UA in Tan Duong commune, Thuy Nguyen district" with a total area of 4.74 ha.
- ❑ On 27/10/2023, Hai Phong City People's Committee issued Decision No. 5225/QĐ-BQL on approving the adjustment of the detailed planning at a scale of 1/500 of Trang Cat urban and service area project with the scale of 584.9 ha.
- ❑ On 13/11/2023, Hai Phong City People's Committee issued Decision No. 3758/QĐ-UBND on "Approving 1/2000 zoning planning for infrastructure investment and construction of Trang Due 3 IP project" with a scale of about 687 ha.
- ❑ On 15/11/2023, Can Tho City People's Committee issued Official Letter No. 4681/UBND-XDDT on supporting KBC in accessing research and preparing documents to propose Investment projects in Can Tho city, specifically researching the 350-ha High-tech IP - UA project in O Mon district, Co Do IP, Thoi Lai with a scale of 1,070 ha and a large-scale service RA of 300 ha adjacent to serve the IP.

□ Some large-scale investment attracting events in 2023:

On 15/02/2023, at the Office of the People's Committee of Bac Ninh province, a MOU signing ceremony took place for the leasing 62.7 ha of land in Nam Son - Hap Linh IP between KBC and Goertek Group with the participant of leaders of both sides along with provincial leaders and leaders of departments of the province and Bac Ninh city.



Within the framework of the business trip of the Hai Phong City Investment Promotion Delegation to Korea (from 11 to 14 of June, 2023), KBC signed 04 MOUs in the fields of Health - Education - Development. UA development, focusing on investment at Trang Cat Urban and Service Area project.



Within the framework of the Asia-Pacific Economic Cooperation (APEC) 2023 Summit Week in the USA, KBC represented as a gold sponsor.

Chairman of the BOD Mr. Dang Thanh Tam (member of ABAC) and the parties signed a memorandum of cooperation.



When receiving the support and consensus of state management agencies on the development of projects, along with outstanding capacity to attract FDI, KBC will always ensure that projects are implemented and brought successes into operation as soon as possible, bringing benefits to the society.

1. SITUATION OF PRODUCTION AND BUSINESS OPERATIONS IN 2023

Unit: billion VND

ITEMS	2023	2022	CHANGE
<b>Revenue from sales of goods and rendering of services</b>	<b>5,618.48</b>	<b>950.27</b>	<b>591.25%</b>
Revenue from long-term lease of land and infrastructure	5,221.10	656.98	794.72%
Revenue from real estate transfer	104.81	353.33	29.66%
Revenue from providing clean water, electricity, service fee, waste water treatment supply	386.38	336.98	114.66%
Revenue from operating leases of warehouses, factories, offices and others	146.48	50.18	291.87%
Deductions (*)	(240.29)	(447.21)	
<b>Finance Income</b>	<b>426.08</b>	<b>339.65</b>	<b>125.44%</b>
<b>Other Income</b>	<b>22.30</b>	<b>21.33</b>	<b>104.56%</b>
<b>(Loss)/profit from associates</b>	<b>(8.09)</b>	<b>2,186.82</b>	<b>(100.37%)</b>
<b>Total Revenue</b>	<b>6,058.76</b>	<b>3,498.07</b>	<b>173.20%</b>
<b>Profit after corporate income tax</b>	<b>2,245.00</b>	<b>1,576.53</b>	<b>142.40%</b>
<b>Net Profit after tax attributable to shareholders of the parent</b>	<b>2,030.69</b>	<b>1,526.35</b>	<b>133.04%</b>

Theo BCTC hợp nhất kiểm toán năm 2023

In 2023, Total consolidated revenue of the Corporation was 6,058.76 billion VND, equivalent to 173.20% compared to 2022, equivalent to 67.32% compared to the plan. Of which, revenue from main business activities including: Land leasing, factory leasing, real estate transfer and related services was **5,618.48 billion VND**, equivalent to 591.25% compared to 2022, accounting for 92.73% of total revenue. Revenue from long-term lease of land and infrastructure alone reached **5,221.1 billion VND**, equivalent to 794.72% compared to 2022, which mainly came from Nam Son Hap Linh IP, Quang Chau IP and Tan Phu Trung IP. Revenue from providing clean water, electricity, service fees, and wastewater treatment supply was 386.38 billion VND, equivalent to 114.66% compared to 2022. This item increases steadily every year and is regarded as a stable source of revenue to maintain KBC's operations. Consolidated profit after tax in 2023 was **2,245 billion VND**, equivalent to 142.4% compared to 2022, equivalent to 56.13% compared to the plan. The parent company's after-tax profit reached **2,030.69 billion VND**, equivalent to 133.04% compared to 2022.

The Corporation's total financial, sales, management and other expenses in 2023 were **1,244 billion VND**, slightly increasing 11.42% compared to 2022. Of which, interest expenses were **379.67 billion VND** and were equal to 72.61% compared to 2022; General and administrative expenses were **458.38 billion VND**, equivalent to 98.69% compared to 2022. In addition, sales costs and other related costs were 359.94 billion VND, which was 6.3 times higher than in 2022 and was a completely reasonable growth with the Corporation's 2023 revenue boost.

(\*) During the year, the Corporation recorded Deductions in revenue due to receiving back previously transferred land plots and factories in Quang Chau TP.

Actual implementation situation against the plan

Unit: billion VND

ITEMS	2023 PLAN	2023 ACTUAL IMPLEMENTATION	COMPLETE RATE
Total revenue	9,000	6,058.76	67.32%
Profit after tax	4,000	2,245.00	56.13%

Although the business results did not meet the approved plan, this is the highest growth result of the Corporation since listing.

## 2. ORGANIZATION AND HUMAN RESOURCES

### THE BOARD OF DIRECTORS (BOD), PERIOD OF 2022 -2027

#### MR. DANG THANH TAM - CHAIRMAN OF THE BOD

Mr. Dang Thanh Tam was born in 1964, was elected to be the BOD Chairman from the date of establishment of the Company. He graduated as a marine engineer from Maritime University in Hai Phong. He also achieved a Bachelor of Laws, a Bachelor of Business Administration and a Diploma of Business Management of Henley College - UK with fluent English.

From 1988 to 1996, he worked at Saigon Shipping Company, then he worked as the General Director of Tan Tao Investment and Industry Corporation since 1997. In 2002, he arrived in Bac Ninh to lay the foundation for Que Vo IP and after 5 years of operation, this IP became famous in the Northern region. Thanks to his extensive experience and long-term vision, he constantly develops and expands IPs from North to South. He is knowledgeable about macro policies, domestic and international legal regulations, thus, he is also a businessman with an important role in businessmen and economic consulting organizations and many international forums.

He was awarded the First-Class Labor Medal; Second-Class Labor Medal; Third-Class Labor Medal; National Emulation Soldier; 3 Certificates of Merit from the Prime Minister; awarded the Emperor's Certificate of Merit and Medal by Mr. Mitsuo Sakaba - Japanese Ambassador to Vietnam for his great contribution to the development of Japan - Vietnam relationship and was the first Vietnamese businessman to be honored to receive this noble recognition; received many Certificates of Merit from Ministries, Departments, People's Committees of Provinces and Cities, Organizations and Associations; was recognized as the Provincial Emulation Soldier in 2008; continuously holds the title of Outstanding Vietnamese Entrepreneur and Thanh Giong Cup; was formerly Co-Chairman of the Vietnam - Japan Business Forum (Forum approved by the Prime Minister to establish), Vice Chairman of the Vietnam - Laos - Cambodia Economic Cooperation Development Association; was appointed by the Prime Minister of the Socialist Republic of Vietnam as an official member of the APEC Business Advisory Council (ABAC), was appointed as a member of the Senior Advisory Council of the Government's Post-WTO Action Program; was a strategic partner advisory member of the World Economic Forum (WEF GCC Partner member advisory board) and was awarded the "Ernst & Young - Entrepreneurship of Vietnam 2011" prize and was a Member of the 13th National Assembly.

**The number of shares ownership as at 31/12/2023: 138,666,665 shares, accounting for 18.06% of the total outstanding shares.**



**The ship KBC is always guided by the BOD Chairman Mr. Dang Thanh Tam to overcome all challenges**



**Mrs. Nguyen Thi Thu Huong** - the CEO was honored with the title "Typical Vietnamese Business-woman - Golden Rose Cup". She is also considered a golden rose whose value is increasing

#### MRS. NGUYEN THI THU HUONG - MEMBER OF THE BOD CUM CEO

Mrs. Nguyen Thi Thu Huong was born in 1971. Mrs. Huong was elected as a member of the BOD on 27/4/2012. She held a Doctorate of Science in Economics and a Master in Business Administration. She can use English and Chinese fluently. As having been serving KBC since its establishment, Mrs. Nguyen Thi Thu Huong knows exactly the Corporation's strengths and weakness, thereby guiding the Corporation to go through thick and thin. She has profound experienced in the diplomacy field, plays an important role in investment relation promotion with large corporations, as well as in controlling the business operation at every IP.

Besides managing business activities, she always focuses on the responsible working spirit, discipline and solidarity of the staff as the most important part in the development of the Corporation.

She was awarded the Second and Third-Class Labor Medals by the President of the Socialist Republic of Vietnam; was awarded many Certificates of Merit from the Prime Minister and the Ministry of Planning and Investment; was recognized as the Provincial Emulation Soldier; was awarded Certificates of Merit from the Chairman of the People's Committee of Bac Ninh province for many consecutive years; was awarded many Certificates of Merit from the Management Board of IPs, Bac Ninh Provincial Labor Federation, the General Department of Taxation and the Tax Department of Bac Ninh Province. She was also honored to be a representative participating in the "Conference of Young Leaders in the Asia-Pacific Region"; "Asian Women Entrepreneurs Conference"; "Typical Vietnamese Businesswoman - Golden Rose Cup".

**The number of shares ownership as at 31/12/2023: 399,304 shares, accounting for 0.052% of the total outstanding shares.**

#### MR. HUYNH PHAT - MEMBER OF THE BOD

Mr. Huynh Phat was born in 1966 and gained a Bachelor degree in Finance and Accounting. Mr. Phat has joined BOD since 14/06/2013 as an independent member. At the first Extraordinary General Meeting of Shareholder on 10/02/2022, the Shareholders elected BOD members for the period of 2022-2027, in which, Mr. Huynh Phat is no longer an independent member of BOD, but he is still a member of BOD. With the specialized knowledge in finance and accounting and many years of working experience in IP business, he has contributed valuable ideas in many aspects, ensuring the risk management in each decision of BOD.

**The number of shares ownership as at 31/12/2023: 0 shares, accounting for 0% of the total outstanding shares.**

#### MR. LE HOANG LAN - INDEPENDENT MEMBER OF THE BOD

Mr. Le Hoang Lan was born in 1975, was elected as the independent member of the BOD on 10/02/2022. Mr. Lan has a Bachelor degree in Economy, an Auditing Certificate, and a Master degree in Finance and Accounting. With knowledge in finance and auditing field as well as many years of working experience in Investment Fund, Banks, Mr. Lan always provides independent views in the BOD meeting and objective assessments for all governance activities of the Corporation.

**The number of shares ownership as at 31/12/2023: 0 shares, accounting for 0% of the total outstanding shares.**



#### MS. DANG NGUYEN QUYNH ANH - A MEMBER OF THE BOD

Ms. Dang Nguyen Quynh Anh was born in 1996, was appointed as a member of BOD on February 10, 2022. She has a Bachelor degree in Economics at University of Texas at Austin. Ms. Quynh Anh has good knowledge, is well-trained and has been contributed to the process of connecting KBC with domestic and foreign partners to promote investment attraction and capital arrangement.

As a young and dynamic leader among KBC's leaders, she is a pioneer in applying digital technology to management, identifying digital transformation as not only a step forward but a core process in helping KBC firmly develop and prosper in the new technological era.

In addition, Ms. Quynh Anh is also the Chairman of the BOD of Vinatex - Tan Tao Investment Corporation - one of the blockholders of KBC and a member of the BOD at Northwest Saigon City Development Corporation - a subsidiary of KBC.

**The number of shares ownership as at 31/12/2023: 13,333,333 shares, accounting for 1.737% of the total outstanding shares.**

**The number of shares ownership of Vinatex - Tan Tao Investment Corporation as at 31/12/2023: 39,239,852 shares, accounting for 5.11% of the total outstanding shares.**

## BOARD OF MANAGERS

### MRS. NGUYEN THI THU HUONG - CEO (INTRODUCED IN BOD SECTION)

### MR. PHAM PHUC HIEU - DEPUTY GENERAL DIRECTOR IN FINANCE - CHIEF ACCOUNTANT CUM AUTHORISED ANNOUNCER

Mr. Pham Phuc Hieu was born in 1978 and appointed to be the Deputy General Manager in Finance and the Chief Accountant since 08/12/2012. He is also authorized to disclosure information of KBC. He was member of BOD from 26/04/2014 to 10/02/2022. Mr. Pham Phuc Hieu has a Bachelor degree in Finance - Banking and a Master degree in Business administration. He has been working for KBC since 2004 and has experienced many financial management positions at KBC and its member companies. Therefore, he has a deep foundation in financial and business activities of the Corporation. As the time passes by, the qualifications and experience have proved that Mr. Pham Phuc Hieu is one of the important and indispensable members of the leaders of the Corporation.

**The number of shares ownership as at 31/12/2023: 30,422 shares, accounting for 0.004% of the total outstanding shares.**

### MR. PHAN ANH DUNG - DEPUTY GENERAL DIRECTOR IN TECHNOLOGY

Mr. Phan Anh Dung was born in 1969, is the Deputy General Director in charge of construction technologies of the Corporation. As a person having profound experience in project management for residential housing as well as managing and monitoring technical issues, he previously served as technical manager of KBC and was appointed to be the Deputy General Director from 01/06/2011. Mr. Phan Anh Dung has a Master degree in business administration and a bachelor degree in engineering degree.

**The number of shares ownership as at 31/12/2023: 15,333 shares, accounting for 0.002% of the total outstanding shares.**

### MRS. NGUYEN MY NGOC - DEPUTY GENERAL DIRECTOR IN SALE

Mrs. Nguyen My Ngoc was born in 1972 and has a Bachelor in foreign language and a bachelor in banking and finance. She had 13 years of working for foreign companies before serving for KBC in 2008. She is fluent in Chinese and English, with the experience, high responsibility and highly understanding business prospects of KBC, Mrs. Ngoc is the important factor among KBC's leaders. She has had many outstanding contributions and achievements in attracting and negotiating directly with many large corporations investing into KBC's IPs.

**The number of shares ownership as at 31/12/2023: 0 shares, accounting for 0% of the total outstanding shares.**

**Thus, the organizational structure of KBC's leaders is maintained stable, with no changes in members of the BOD or the BOM in 2023.**

## THE NUMBER OF STAFF

### Personnel of the parent company as at 31/12/2023

EMPLOYEES	NUMBER	RATE
<b>Classification by education level</b>		
Post-graduation	12	4.90%
University	85	39.70%
College and vocational training	32	12.30%
Technical workers	15	7.80%
Security	69	35.30%
<b>Total</b>	<b>213</b>	<b>100%</b>
<b>Classification by gender</b>		
Female	39	18.78%
Male	172	81.22%
<b>Total</b>	<b>213</b>	<b>100%</b>

The total number of staff in Parent company as at 31/12/2023 was 210 people, increasing in 03 people compared to 2022.

## EMPLOYEES' POLICIES

### □ Regarding ecruitment

The Corporation's recruitment motto is to recruit the right people for the right position so that they can develop their abilities and strengths. KBC always creates favorable conditions for each individual to develop their career while developing a team of professional staff with deep expertise.

Recruitment information is published widely and transparently not only on the Corporation's official website but also on recruitment information pages, thus, potential candidates can easily access.

### □ Regarding human resource training and development

The Corporation always focuses on building and maintaining a management apparatus and a team of professional and qualified staff in the fields of business investment and IP development, finance, law, and corporate administration, etc. Therefore, KBC always pay attention to internal training, experience sharing for the younger generations, while encouraging and creating the necessary conditions for employees to participate in training classes on soft skills and professional knowledge to improve expertise and be ready to meet current and future working requirements at the Corporation.

### □ Regarding salaries, bonuses, allowances and other benefits

Salary, bonus and welfare policies are fully implemented

by KBC in accordance with the law and are balanced in accordance with the development of the business as follows:

- Fully implementing social insurance, health insurance and unemployment insurance for all employees.
- Organizing periodic health checks at reputable hospitals.
- Organizing a kitchen at the office with directly growned clean products.
- Providing a football field, tennis court, basketball court, gym equipped with treadmills, and Yoga and Jumba teacher for all employees to exercise.
- Employees are entitled to annual leave, personal leave, maternity leave, etc. according to the Labor Law.
- The Company's employees are entitled to allowances depending on the scope of their work such as: Responsibility allowance, part-time allowance, lunch allowance, travel allowance, telephone allowance, daily telephone subscription fee month, etc.
- Annually, the Corporation often organizes a vacation trip for all employees, as well as organizes many group activities, trade union activities, etc.
- Every year, employees are rewarded with 3 to 5 months' salary.
- Creating favourable conditions for employees to study or join training courses and still receive their full salary.

In 2023, the total average income of KBC's employees was 28.2 million VND/person/month, an increase of 29.4% compared to 2022 because during the year KBC implemented an appreciation bonus regime for all staff on the occasion of the 20th anniversary of the Corporation's establishment.

Specially, KBC does not dismiss staff or reduce salaries in any difficult times. From 2022 until now, KBC has been implementing a strategy to attract talented employees, recruiting a series of positions to establish a team of successor personnel for the sustainable development of the Corporation in the new decade



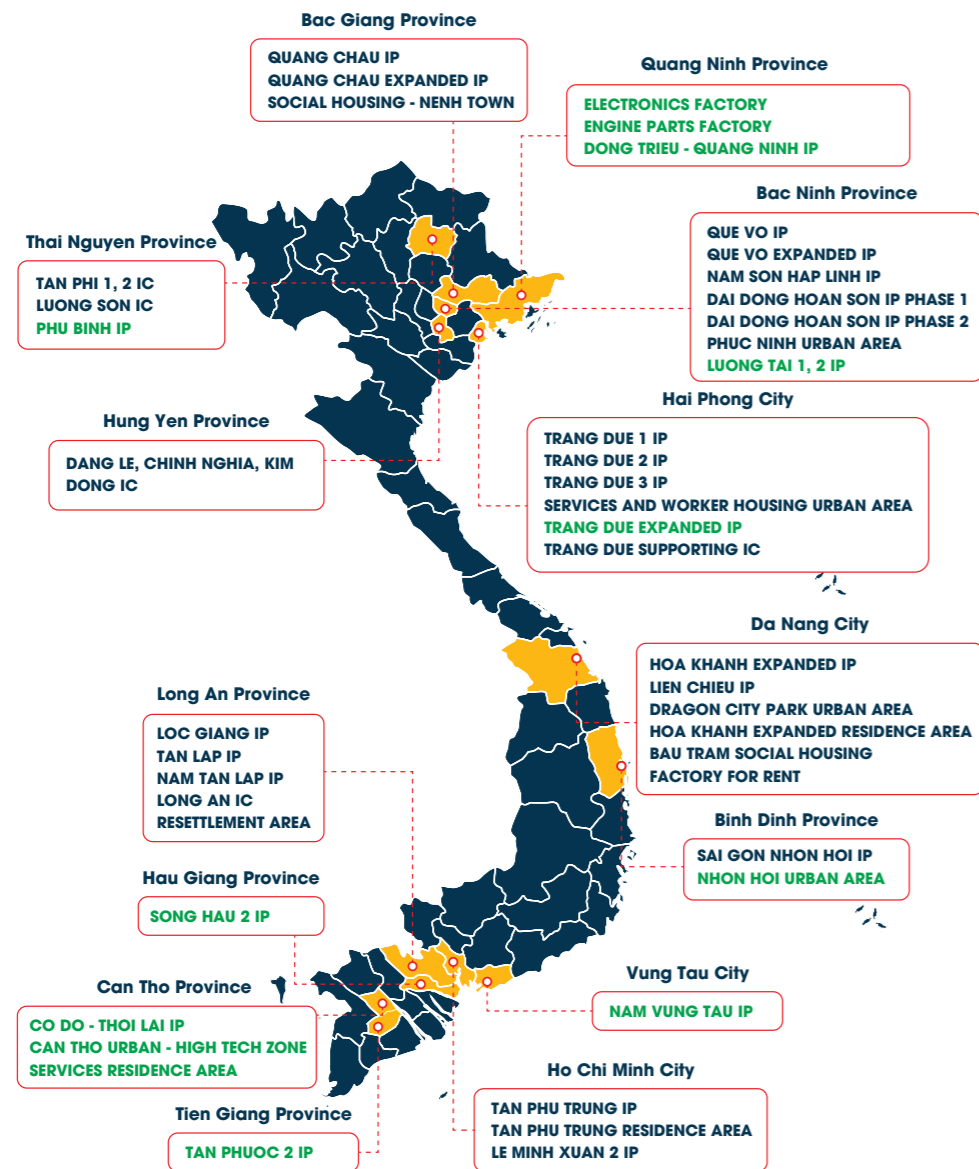


### 3. INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION SITUATION

#### THE CORPORATION'S LAND FUND

The Corporation's total land fund currently is more than 6,610.82 ha of IP land, 1,413.3 has of UA land and 117.2 ha of other project land, concentrated in all three regions: North - Central - South. Along with developing current projects, KBC is also establishing new projects in: Bac Ninh, Hai Phong, Thai Nguyen, Tien Giang, Hau Giang, Can Tho, Vung Tau, etc.

Locations of the Corporation's developing and newly established projects across the country

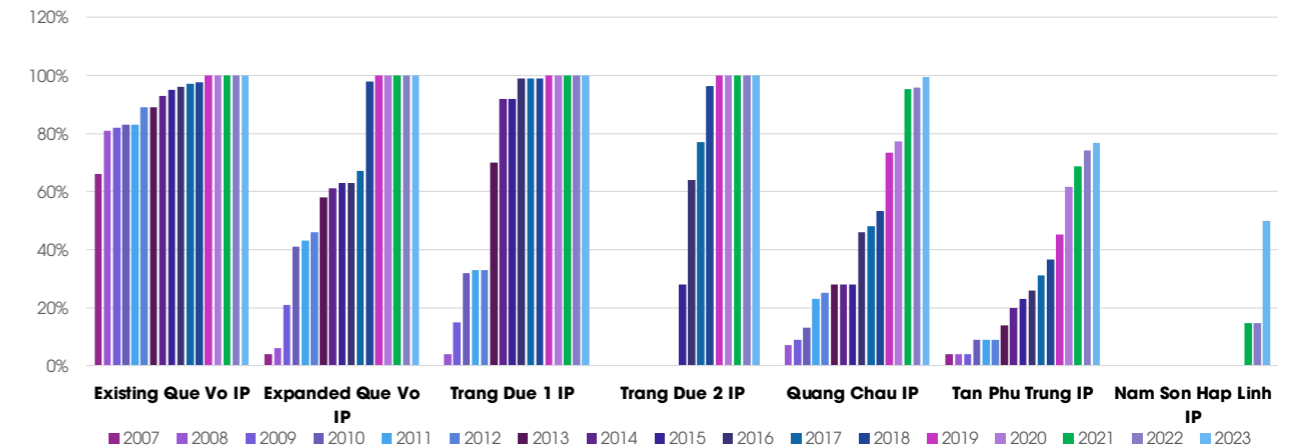


#### SUMMARY OF INVESTMENT VALUE IN 2023

- ❑ The Corporation's direct investment activities in projects during the year was 1,539.72 billion VND, equal to 87% compared to 2022. Investments are presented in detail for each project in this report.
- ❑ The parent company's capital contribution to subsidiaries and other long-term investments was 7,264 billion VND, of which mainly capital contributions were to Trang Cat Urban Development Ome Member Company, Sai Gon - Hai Phong Industrial Corporation, etc.
- ❑ Capital contribution of subsidiaries to other companies was 64.34 billion VND including: Sai Gon - Hai Phong Industrial Park Corporation contributed capital to Quang Yen Electronics Company Limited, Saigontel Long An Company Limited, etc.

#### PROJECT IMPLEMENTATION SITUATION

##### Fully-occupied IP progress



##### Important results on the industrial park development:

- ❑ KBC's first industrial park was established in 2003
- ❑ In 2019, KBC had 4 IPs that were 100% filled with a total area of 1,013 ha.
- ❑ In 2023, there was one more IP that was 100% occupied with an area of 426 ha

Thus, up to now, KBC has 05 IPs that are 100% occupied which attract nearly 300 foreign investors mainly from Japan, Korea, Hong Kong, Taiwan, China, etc including:

- **In Bac Ninh:** 2 Que Vo IPs with the total area of 611 ha and 70 ready-built factories with the standard area of 5,160 m<sup>2</sup>/unit. The existing Que Vo IP has the area of 300 ha and was put into operation since 2003. The expanded Que Vo IP has the area of 311 ha and was into operation in 2006. It took about 12 years to be 90% occupied;
- **In Hai Phong:** Trang Due 1 IP has the area of 187.8 ha and 17 ready-built factories with the average area of 5,200 m<sup>2</sup>/unit. It was put into operation since 2008, took 7 years to get the occupancy rate of over 90%; Trang Due 2 IP has the area of 214.2 ha, took only 4 years to be 90% occupied and there are no ready-built factories.
- **In Bac Giang:** Quang Chau IP has the area of 426 ha with 23 ready-built factories and was put into operation in 2008. This IP needs 12 years to reach the occupancy rate of 70%, 14 years to reach the occupancy rate of over 90% and 15 years to be fully-occupied in 2023.

Thus, it can be seen that on average, each KBC IP, after being fully legal to put into business, takes 10 - 15 years to be 100% occupied. Of which, the filling of 10% of the remaining IP's area can last up to 5 years, because the Company reserves land funds to build factories for rent to meet small-scale investors or meet the factory expansion needs of corporations that have already invested in the IPs.

Completed IPs always have a stable annual revenue source until the end of the project's life cycle, including service revenue, infrastructure management, clean water supply and wastewater treatment. In 2023, the total service revenue of the Corporation was 386.38 billion VND, increasing 14.66% compared to 2022. However, this service revenue will continue to increase in the coming years as enterprises in Ips no longer have access to free infrastructure fee and this service revenue is also a stable source of revenue to ensure the Corporation's operating activities.

## PARENT COMPANY'S CURRENT PROJECTS UNDER IMPLEMENTING

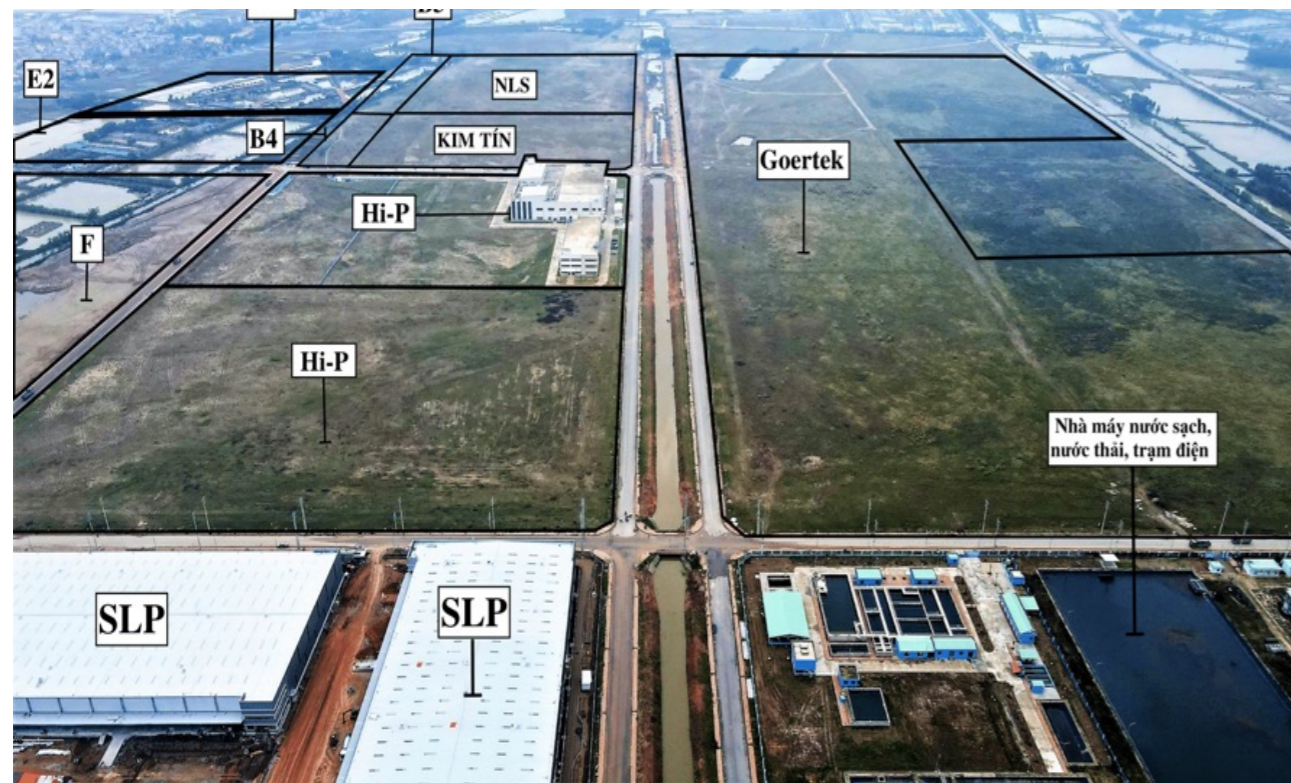
### 1. Nam Son Hap Linh Industrial Park

Nam Son Hap Linh IP in Bac Ninh province has a favorable geographical location, adjacent to National Highway 18B, 15 km from Samsung factory, has convenient traffic connections with seaports and airports, and is a popular destination interested by many investors with high demand. This IP is likely to fill up quickly in the near future.

- ❑ Total area: 300 ha
- ❑ Commercial land area: 204.1 ha
- ❑ Total land already leased: 101.9 ha
- ❑ Land area leased in 2023: 71.9 ha
- ❑ Having attracted 13 investors with Occupancy rate of 49.9%

As at 31/12/2023, the total accumulated value invested in the entire project was 1,326.1 billion VND, of which in 2023 the Project was invested 115.19 billion VND for compensation and IP infrastructure construction including building a clean water supply plant and wastewater treatment plant to meet the needs of clean water supply and wastewater treatment for Nam Son Hap Linh IP and partially clean water needs of Que Vo IP.

**Development plan for 2024:** Focusing on compensation, infrastructure improvement, completion of construction of clean water supply plant and putting wastewater treatment plant into operation; Promoting investment attraction with the goal of filling 100% the remaining area in 2024 through signing land lease contracts, land deposit agreements, MOUs, etc.



Nam Son Hap Linh IP - Bac Ninh province has been put into business since 2021

### 2. Phuc Ninh Urban Area

This project invested by KBC has been granted an Investment Registration Certificate, has a convenient location limited by National Highway 1A-AH1 of the Hanoi - Bac Giang Expressway, 20 km from Que Vo IP, 30 km from Hanoi capital and Noi Bai international airport.

- ❑ Total area: 114.55 ha
- ❑ Commercial land area: 44.5 ha
- ❑ Total investment: 4,891.79 billion VND
- ❑ Area deposited: 12 ha
- ❑ Revenue recorded area: 2,51 ha

As at 31/12/2023, the Project compensated and cleared 88.2 ha of land; 74.38 ha of land was handed over, the land use purpose for 68.2 ha was approved by The Provincial People's Committee and the Project paid land use fees for nearly 17.1 ha of commercial land.

Currently, the project is leveling ground for the entire handed over area; is implementing construction of infrastructure systems such as roads, water supplies, rainwater drainages, wastewater drainages, power supplies, lightings, landscape trees and detention basins; etc. The project has completed 119 villas and townhouses out of a total of 150 units, and was granted certificates of land use rights for 121 plots of land.

The total value of the signed Booking Agreements, excluding VAT, is more than 1,591 billion VND, the total amount of receivable is more than 1,231.9 billion VND, and the total recorded revenue is 345.85 billion VND.

**Development plan for 2024:** Waiting for the management agency to approve legal procedures to be qualified for revenue recognition, while deploying the construction of package 2 of technical infrastructure system on an area of 20.3 ha in Phuong Vy and Thi Cau are; Deploying technical infrastructure construction for the remaining area that has been handed over of about 14 ha; Constructing Phuc Ninh detention basin on the area that has been handed over and building 15 villas in the area with completed infrastructure.



Phuc Ninh UA - Bac Ninh is waiting for legal procedures to be completed to record revenue

### 3. Diplomatic Complex - Hà Nội

The Project has a total area of **20,000 m<sup>2</sup>** in the developing area in the Capital, located on Pham Van Dong Street, Hanoi, next to Hoa Binh park. In 2017, the Company established the subsidiary named NGD Investment One Member Limited Company to manage and develop the project. The project is looking for partners to cooperate.

## FINANCIAL SITUATION OF PARENT COMPANY

As at 31/12/2023, Total assets of the Parent Company was 24,576.92 billion VND, increased by 8.14%, compared to 2022; short term and long term loan outstanding balance was 7,451.38 billion VND, increased by 9.58% compared to 2022, including:

- ❑ Bank loan balance was 88.35 billion VND; decreased by 53.66% compared to 2022
- ❑ Bond loan balance is 0 VND because the Corporation redeemed the entire 3,900-billion-VND outstanding bond principal early and on time.
- ❑ Outstanding debt from related parties is 7,313.02 billion VND, increased by 170.7% compared to 2022 because during the year the Corporation prioritized using the cash flow of subsidiaries through borrowing capital from them instead of accessing credit sources and did not issue stocks, bonds, etc.

Thus, the parent company's outstanding loans were mainly loans from subsidiaries. This loans are a technique to transfer working capital from a subsidiary to the parent company to ensure smooth business operations of the entire Corporation. This technique evaluates the parent company's investment activities in its subsidiaries as effective. This loans are often offset from the annual dividends of the subsidiaries paid to shareholders including the parent company, or profits shared from business cooperation contracts between the parent company and its subsidiaries, which puts almost no pressure on the parent company to repay debt. We want to emphasize this issue so that the press/investors have a realistic perspective on the transfer of capital between parent company - subsidiaries in the Corporation model instead of just a simple loan.

The total revenue of the parent company in 2023 was 2,946.54 billion VND, equal to 182.03% compared to 2022, profit after tax was 923.6 billion VND, equal to 151.23% compared to 2022. Reasons for growth in business results was mainly due to the recognition of revenue for 71.9 ha of Nam Son - Hap Linh IP.



## PROJECTS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

### 1. Trang Cat Urban Development One Member Limited Company (TCC)

- ❑ Address: Bai Trieu Area, Trang Cat Ward, Hai An District, Dinh Vu - Cat Hai Economic Zone, Hai Phong City
- ❑ Business line: Infrastructure and Real Estate Sales for IP and UA
- ❑ Charter capital: 12.681 billion VND
- ❑ KBC's current holding rate in TCC: 100%

TCC is the investor of Trang Cat UA and Service Project with a total area of 584.9 ha and has been handed over land, has been approved for ground filling, has compensated for 581.9 ha, has backfilled about 80 ha, has basically completed the payment of land use fees for the entire project and has built an underground tunnel leading from the Hanoi - Hai Phong highway to the project.

The total accumulated invested value is 8,657.63 billion VND, of which 355.22 billion was invested in 2023 mainly due to the project ground leveling of nearly 80 ha and loan interest capitalized.

In 2023, the Project received Decision No. 5225/QĐ-BQL of Hai Phong City People's Committee dated 27/10/2023 on approving "Adjusting the Detailed Planning at a scale of 1/500 for Trang Cat UA and Service Project", of which the new commercial land area is 282.14 ha.

Due to the adjustments of Trang Cat project, the entire project must be replanned and this is also an opportunity to redesign the UA in a **Green, Clean, and Circular** direction.

To prepare the Trang Cat project development plan, KBC's BOD issued Resolution No. 3010/2023/KBC/NQ-HDQT on 30/10/2023 approving the increase in charter capital for TCC, and has been and is continuing working with credit institutions to prepare capital sources for the project.

**Development plan for 2024:** This is a key project of KBC. In parallel with coordinating and waiting for the management agency to approve the remaining legal procedures, the project continues to implement ground leveling and infrastructure construction to be ready for business or looking for partners to cooperate in business investment, project development and distribution, etc.



Phối cảnh Dự án KĐT Tràng Cát

## 2. Sai Gon - Hai Phong Industrial Park Corporation (SHP)

- ❑ Address: Trang Due IP, Le Loi Commune, An Duong District, Hai Phong City, Vietnam
- ❑ Charter capital: 1,734.35 billion VND
- ❑ Business line: Real Estate Sales for IP and UA
- ❑ The currently voting rate and holding ratio of KBC in SHP is 89.26%

SHP is the investor of Trang Due 1 and 2 IP, Trang Due 3 IP, Trang Due UA, Trang Due SH. **In 2023, SHP was approved for Trang Due supporting industrial cluster and is planning the expanded Trang Due urban area, specifically:**

- ❑ In 2019, two IPs Trang Due 1 and 2 with a total scale of 402 ha were 100% filled, attracted 73 foreign investors, of which some large investors include LG Electronics, LG Display, Dongjin Techwin Vina, etc. After fully occupied, these IPs bring a steady annual revenue from clean water supply, wastewater treatment and infrastructure management services for SHP. In 2023, the service revenue of these Ips were 89.16 billion VND and is estimated to reach over 100 billion VND/year in the coming years when investors will no longer receive free infrastructure service fee.
- ❑ On 13/11/2023, Hai Phong City People's Committee issued Decision No. 3758/QĐ-UBND on "1/2000 scale zoning planning of Trang Due 3 IP infrastructure investment and construction and sale project with a scale of 687 ha. The project is awaiting approval of the Investment Policy, expected to be put into business by the end of 2024.
- ❑ On 22/02/2024, An Duong District People's Committee issued Decision No. 408/QĐ-UBND on approving "The detailed planning project at scale 1/500 of Trang Due supporting IC with a scale of 58.75 ha. Currently, SHP is urgently completing legal procedures and site clearance compensation activities, building infrastructure to be able to put it into business in the near future.



Awarding ceremony of the Investment Registration Certificate to Innotek Vietnam Hai Phong Co., Ltd. at Trang Due IP on 26/06/2023

## 3. Trang Due UA project

Trang Due UA project has an area of 42.08 ha, in which 22.6 ha is commercial land with a total investment of 3,800 billion VND, and has recorded revenue for 12.95 ha of urban land. The project still has 15 villas that have not yet recorded revenue and commercial and service land that has not been put into business. The SH land has started construction since 2023.



Hai Phong city and SHP leaders participated in the ground breaking ceremony of Trang Due SH project on 28/05/2023

**SH project in Trang Due UA - Commercial Services and Workers' Housing (Trang Due UA)** with a total investment of 1,594.9 billion VND with an area of 31,369 m2 of land, includes 10 15-floor high-rise apartment buildings (2,538 apartments) to meet the stable housing needs for workers of Trang Due IP, contributes to completing the construction of 1 million SH apartments assigned by the Government to Hai Phong City.

On 28/5/2023, the project began construction of phase 1 including 03 buildings, equivalent to 768 apartments. Currently, 01 building has topped out. In 2023, the project was invested 76.5 billion VND.

**It is expected that in 2024, the project will continue to complete the construction of 03 buildings in phase 1 and complete the sale of 80% of the apartments.**



Vice Chairman of the City People's Committee Nguyen Duc Tho spoke at the Groundbreaking Ceremony of Trang Due SH Project

#### 4. Nenh Town SH project

The project is a joint venture between Saigon - Hai Phong Industrial Park Corporation (SHP) and EVERGREEN Bac Giang Investment Sustainable Development Joint Stock Company to invest and build the project "SH for workers in the new UA of Nenh town, Viet Yen district, Bac Giang province" according to Investor Approval Decision No. 776/QĐ-UBND dated 27/07/2021 of the People's Committee of Bac Giang province. Of which, SHP's contributed capital is 390.76 billion VND, accounting for 85% of the total capital investment.

**As at 31/12/2023, the current situation of the Nenh town SH project is as follows:**

- ❑ Project scale: 12.6 ha, 16 20-floor apartment buildings, providing 7,000 apartments to serve more than 20,000 workers in Bac Giang province
- ❑ Total expected investment: 4,010.69 billion VND (of which phase 1 & 2 was: 2,298.58 billion VND).
- ❑ Total invested value: 659.94 billion VND
- ❑ Investment value in 2023: 311.36 billion VND
- ❑ Phase 1: Includes 05 apartment buildings being completed, accepted, and put into use in 2024
- ❑ Phase 2: Implementing 05 apartment buildings in 2024



**Prime Minister Pham Minh Chinh and the delegates performed the groundbreaking ceremony of Phase 2 of the Nenh Town SH Project on 16/06/2023**



**SH project in Nenh town - Bac Giang Phase 1 is putting into use in 2024**

**SHP owns 03 subsidiaries:** Quang Yen Electronics Company Limited - investor of a project to produce wireless headphones and speakers on mobile phones with an area of 33.06 ha; Quang Yen Manufacturing Company Limited - developing a project to produce engine nozzles and agricultural machines with an area of 27.62 ha in Dam Nha Mac area, Quang Ninh province; Tan Tap Industrial Infrastructure Development Limited Company - investor of Tan Tap IC project with an area of 71.2 ha, Tan Tap IC RA with an area of 11.86 ha in Long An. In 2023 alone, SHP was also approved for the 58.75 ha of Trang Due IC project and is being planned to develop the 73 ha of expanded Trang Due UA project in Hai Phong.

In addition, during the year SHP also contributed capital to Saigontel Long An Company Limited and Quang Yen Electronics Company Limited with an amount of 64.34 billion VND.

As at 31/12/2023, company's total assets was 10,890.22 billion VND, equal to 147.76% compared to 2022. Total revenue in 2023 was 311.59 billion VND, equal to 68.4% compared to 2022, which included revenue from real estate transfer, factory rental and provision of clean water services, wastewater treatment, and service fees.

**Development plan for 2024:** Continue to complete and wait for approval of legal procedures for Trang Due 3 IP project, expanded Trang Due UA; Continue to build Trang Due SH and Nenh town SH.

#### 5. Sai Gon - Bac Giang Industrial Park Corporation (SBG)

- ❑ Address: Quang Chau IP, Quang Chau commune, Viet Yen district, Bac Giang province
- ❑ Business line: IP Infrastructure
- ❑ Registered capital: 220 billion VND
- ❑ Voting right rate: 92.5%, Effective interest rate: 88.06%

SBG is the investor of the Quang Chau IP project and the expanded Quang Chau IP, located in Viet Yen district, Bac Giang province. The project is conveniently located adjacent to Bac Ninh province, about 10 km from Que Vo IP and located on the traffic arterial between many large production zones.

##### Existing Quang Chau IP

The existing Quang Chau IP has a total area of 426 ha, total commercial land area is 306.91 ha and is 100% occupied. Quang Chau IP has attracted many large foreign corporations such as: Nichirin Viet Nam Co., Ltd, Umec Vietnam, Crystal Martin Vietnam, JA Solar, ZYF, Luxshare - ICT, Samkwang Vina, HIQ Vina, etc.

In 2023, this IP recorded revenue for 11.07 ha.



**Quang Chau IP was fully-occupied in 2023**

**The expanded Quang Chau Industrial Park** has a total area of 90 ha with the commercial land area is 67.40 ha. In 2023, this IP recorded revenue for 51.71 ha. In 2024, 15.69 ha is expected to be handed over.

In 2023, SBG has invested directly 224.4 billion VND in projects for the following items: compensation, ground leveling, road construction; Completing the infrastructure system (electricity supply, water supply, greenery); Constructing phase 3 clean water plant with capacity of 10,000 m3/day and night; clean water plant phase 4 with capacity of 7,000m3/day and night; Phase 4 wastewater treatment plant with capacity of 12,000 m3/day and night, etc.

As at 31/12/2023, the company's total assets were 7,828.31 billion VND, increasing by 78.09% compared to 2022; Total revenue was 2,459.07 billion VND, which was 8.16 times higher than in 2022; Profit after tax was 1,285.58 billion VND, which was 8.97 times higher than in 2022. The reason for the sudden growth in revenue and profit was due to recording revenue from leasing land and infrastructure in Quang Chau IP and expanded Quang Chau IP.

**Development plan for 2024:** Complete compensation and infrastructure in the remaining area to hand over land to customers according to signed land lease agreements. In addition, SBG will continue to invest in clean water supply plants, phase 4 wastewater treatment plants to put them into operation management and record revenue for phase 3 clean water plants. At the same time, SBG will research and develop new IP projects in Bac Ninh and Bac Giang province.

## 6. Northwest Saigon City Development Corporation (SCD)

- ❑ Address: Tram Bom Hamlet, Nation Road 22, Tan Phu Trung commune, Cu Chi district, HCM city
- ❑ Business line: Real estate infrastructure business in IP
- ❑ Charter capital: 750 billion VND
- ❑ Voting right rate: 74.3%, Effective interest rate: 72.82%

SCD is currently the investor of Tan Phu Trung IP project - Ho Chi Minh City; Loc Giang IP - Long An province; Tan Phu Trung RA; Long An RA.

SCD has 01 subsidiary: Tan Phu Trung Long An IP Company Limited, which is the investor of Phuoc Vinh Dong 4 IP and RA in Long An province.

❑ **Tan Phu Trung IP** has a total area of 542 ha, of which commercial land area is 346.46 ha and occupancy rate is 68.46%, land area subjected to compensation is 33.2 ha. In 2023, SCD recorded revenue for 16.9 ha of land, invested 115.11 billion VND in this IP for leveling, road construction, and water supply and drainage items.

❑ **Loc Giang IP - Long An** was approved for investment policy decision in 2022, with a scale of 466 ha, of which commercial land area is 326.5 ha. In 2023, SCD has invested 47.17 billion VND in the project. The project is completing the 1/2000 planning, preparing compensation plans, arranging capital, and investing in infrastructure construction.

❑ **Tan Phu Trung RA** has a scale of 47.3 ha, 100% has been compensated, and is currently completing legal procedures and implementing infrastructure and business construction plans.

❑ **Loc Giang RA** has a scale of 31 ha, of which commercial land area is 12.63 ha, the project is planning the scale of 1/500, conducting compensation and building infrastructure as well as attracting investment.

As at 31/12/2023, the company's total assets were 3,143.01 billion VND, equal to 109.98% compared to 2022; Total revenue was 773.79 billion VND, equal to 104.18% compared to 2022, profit after tax was 420.61 billion VND, increasing by 36.05% compared to 2022.

### Development plan for 2024:

- ❑ Attracting investment in Tan Phu Trung IP while completing the construction of factories for rent and service centers to put them into operation.
- ❑ Completing legal procedures, implementing compensation plans, capital arrangement plans, and building infrastructure at Loc Giang IP, Tan Phu Trung RA, and Loc Giang RA projects.



**Tan Phu Trung IP is modern with completed infrastructure**

## 7. Hung Yen Investment And Development Corporation (HYC)

- ❑ Address: No. 210, Nguyen Van Linh Street, Bao Khe Commune, Hung Yen City, Hung Yen Province, Vietnam
- ❑ Charter capital: 1,800 billion VND
- ❑ Business line: Construction and real estate business
- ❑ Voting right rate: 95%, Effective interest rate: 93.93%

HYC is currently managing 03 ICs in Hung Yen province including Kim Dong IC (75 ha), Dang Le IC (75 ha) and Chinh Nghia IC (75 ha). These ICs are located in the Northern key economic region, 50km from Hanoi Capital, 70km from Noi Bai International Airport. These ICs have a convenient transportation system when located on the road connecting Hanoi - Hai Phong highway and is 92km from Hai Phong seaport.

Currently, ICs in Hung Yen are implementing compensation and site leveling plans, which have been funded by the Bank. The project has compensated 32 ha and is expected to be put into business in 2024. This is a new area that KBC expects to develop strongly in the coming years.



**Conference to deploy site clearance work of Dang Le IC and Kim Dong IC on 23/12/2023**

### 8. Tan Tap Industrial Infrastructure Development Limited Company

- ❑ Address: No. 133, Street 835, Can Giuoc Town, Can Giuoc District, Long An Province, Vietnam
- ❑ Charter capital: 200 billion VND
- ❑ Business line: Construction and real estate business
- ❑ Voting right rate: 100%, Effective interest rate: 89.26%
- ❑ SHP's subsidiary
- ❑ Investor of Tan Tap IC project with a scale of 71.2 ha and of Tan Tap IC RA with a scale of 11.86 ha in Long An province

### 9. Tan Phu Trung - Long An Industrial Park One Member Limited Company

- ❑ Address: No. 88 Tran Phong Sac, Ward 4, Tan An City, Long An Province, Vietnam
- ❑ Charter capital: 200 billion VND
- ❑ Business line: Construction and real estate business
- ❑ Voting right rate: 100%, Effective interest rate: 72.82%
- ❑ SCD's subsidiary
- ❑ Investor of Phuoc Vinh Dong 4 IC project with a scale of 49.8 ha and Phuoc Vinh Dong 4 IC RA with a scale of 10.5 ha

### 10. Bac Giang - Long An IC Limited Company

- ❑ Address: No. 133, Street 835, Can Giuoc Town, Can Giuoc District, Long An Province, Vietnam
- ❑ Charter capital: 200 billion VND
- ❑ Business line: Construction and real estate business
- ❑ Voting right rate: 100%, Effective interest rate: 88.96%
- ❑ SBG's subsidiary
- ❑ Investor of Phuoc Vinh Dong 2 IC project with a scale of 49.1 and Phuoc Vinh Dong 2 IC RA with a scale of 10.5 ha

In 2024, ICs in Long An will focus on implementing site clearance compensation plans, establishing basic designs, appraising environmental impact assessment reports, and working with banks to arrange capital sources ready for investment in infrastructure construction.



Infrastructure in Long An IC and RA

### 11. Long An Development Invest Joint Stock Company (LADic)

- ❑ Address: Tan Dong Hamlet, Tan Tap Commune, Can Giuoc District, Long An Province, Vietnam
- ❑ Charter capital: 1,500 billion VND
- ❑ Business line: Construction and real estate business
- ❑ Voting right rate: 60%, Effective interest rate: 57.42%

LADic was established on 18/02/2021 with KBC as the founding shareholder. On 18/03/2022, the Company quickly received approval from the Government for the investment policy of the Tan Tap IP Infrastructure Investment and Construction Project in Long An province, with an area of 654 ha, of which commercial land area is 460.97 ha and the total investment is 9,910.73 billion VND. In 2023, the project was invested 348.59 billion VND.

**Development plan for 2024:** Completing the 1/2000 planning, implementing compensation plans, investing in infrastructure construction and attracting investment for the project.



Perspective drawing of Tan Tap IP project - Long An

**12. Sai Gon - Da Nang Investment Corporation (SDN)**

- ❑ Address: 61A Nguyen Van Cu, Hoa Hiep Bac Ward, Lien Chieu District, Da Nang City, Vietnam
- ❑ Charter Capital: 720 billion VND
- ❑ Business line: Business in real estate, land use rights belonging to owners, users or renters
- ❑ KBC’s current ownership rate in SDN is 48%

SDN is a company with profound experience in developing IPs - UAs - SH in Da Nang.

SDN’s projects are all located in convenient transportation locations near the airport, seaport, and city center.

Successfully developed projects such as: expanded Hoa Khanh IP with a scale of 132.6 ha has achieved 100% occupancy rate; expanded Hoa Khanh RA with a scale of 11 ha has sold out; Bau Tram UA with a scale of 46.02 ha & Phase 1 of SH in Bau Tram UA has been sold out. In 2023 SDN handed over 04 SH & commercial housing buildings with a total area of 67,425.9 m2 while phase 2 is under construction.

Currently, SDN is continuing to develop and operate Lien Chieu IP with an area of 289.4 ha and an occupancy rate of 60%.

Dragon City Park green UA has an area of 78.31 ha, of which commercial land is 45 ha, has completed infrastructure and built villas and townhouses, and is waiting to record revenue.

In addition, SDN also owns 100% of the capital contribution in Phuoc Vinh Dong 1 IC in Long An province with an area of 49.7 ha. The project is implementing a compensation plan and investing in infrastructure construction along with other projects in Long An ICs of the Corporation.



**Expanded Hoa Khanh IP has achieved 100% occupancy rate**



**Dragon City Park green UA in Da Nang city**

**13. Saigon Telecommunication & Technologies Corporation (SGT)**

- ❑ Address: Lot 46, Quang Trung Software Park, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City, Vietnam
- ❑ Charter Capital: 740 billion VND
- ❑ Business line: Investing in infrastructure, building and leasing IPs; Distribution of information technology products; Television services; Telecommunication services
- ❑ KBC’s current ownership rate is 21,48%

SGT is a dynamic company of the Corporation, co-owning many projects with KBC and with other member companies in the Corporation, especially SGT shows great strength in investment promotion, establishing a series of new projects across Bac Ninh, Bac Giang, Long An, Vung Tau, Thai Nguyen, Quang Ninh, etc.



**Dai Dong Hoan Son IP in Bac Ninh province      Perspective drawing of Nam Tan Tap IP project in Long An province**

SGT has successfully developed Dai Dong Hoan Son IP project in Bac Ninh province with a scale of 400ha, of which phase 1 has an area of 268ha and is 100% filled, phase 2 has an area of 95.81 ha and compensation ratio is 68%, ground leveling rate is 44% and is hoped to be put into business in 2024; Thai Nguyen IP project includes: Tan Phu 1, Tan Phu 2 and newly-established-and-invested Luong Son IP in 2023, which is expected to start signing lease contracts in 2024. In addition, SGT also succeeded with the Saigontel Central Park building project in Bac Giang province; SAIGON ICT TOWER in HCM city and factory projects for rent in Da Nang, etc.

SGT is implementing a number of large-scale projects in Long An province, for example, the Southern Tan Tap IP project has a scale of 244.74 ha which is funded by Vietinbank, is being implemented compensation plan, and is expected to be put into business in 2024.

Specially, SGT has boldly experimented a Green IP in Long An province. According to SGT, it is expected that the construction of a Green IP in Long An province will be implemented in 3 phases, including: ecological IP; Carbon-neutral IP and Net-Zero-carbon IP. This IP is expected to attract domestic and foreign investors into the field of green industry, create a safe and friendly working and living environment for workers while contribute to the environmental protection and minimize the negative impacts of industrial activities.



On 25/03/2024, Mr. Nguyen Van Ut - Chairman of Long An Provincial People’s Committee, chaired a working session listen to SGT and partners from the United States and Taiwan (China) presenting detailed proposals related to Green IP project in Long An. The project is expected to bring an advanced, environmentally friendly industrial development model and contribute to promoting the socio-economic development of Long An province.



## 4. FINANCIAL SITUATION

### a. Financial situation in 2023

Unit: VND

INDICATORS	2023	2022	CHANGE
Total assets	33,434,220,275,901	34,906,513,197,012	(4.22) %
Owners' equity	5,618,475,347,527	950,266,163,499	491.25%
Net revenue from sales of goods and rendering of services	2,874,382,666,152	1,686,446,282,442	70.44%
Other income	16,777,145,319	10,138,803,252	65.47%
Profit before tax	2,891,159,811,471	1,696,585,085,694	70.41%
Profit after tax	2,245,003,412,330	1,576,529,040,527	42.40%
Earnings per share (VND)	2,646	1,993	32.76%

#### Reasons of changes in Assets and Owner's Equity

**As at 31/12/2023:** Total assets of the entire Corporation was 33,434.22 billion VND as a net decrease of 1,472.29 billion VND and is equivalent to a decrease by 4.22% compared to 2022. In particular, the main items cause asset fluctuations include:

- ▣ Items sharply reduced: Short-term and long-term loans were decreased by 3,979.09 billion VND (due to reducing outstanding Bond debt to 0 VND); Deposits and advance payments from buyers were converted into revenue of VND 760.9 billion) and Payables were reduced by 175.6 billion VND.
- ▣ Item sharply increased: Equity were increased by 2,275.35 billion VND (due to increasing accumulated undistributed profit after tax); Accrued capital expenses were increased by 433.67 billion VND; Expenses payable to Pvcombank was increased by 389.05 billion VND and deferred income tax was increased by 224.87 billion VND.

#### Reasons of changes in Revenue - Profit

In 2023, the Corporation's total consolidated revenue was 6,058.76 billion VND, increasing by 73.20% compared to 2022; The Corporation's 2023 PAT was 2,245 billion VND, increasing by 42.40% compared to 2022. The main reason for the growth in business results was that during the year the Corporation recorded revenue from leasing land at Nam Son - Hap Linh IP, Tan Phu Trung IP and Quang Chau IP.



### b. Major financial indicators

INDICATORS	2023	2022
<b>1. Solvency ratio</b>		
+ Current ratio ( <i>Short-term Asset/ Short-term debt</i> )	3.80	2.59
+ Quick ratio ( <i>Short-term asset - Inventories/ Short-term debt</i> )	1.95	1.44
<b>2. Capital structure ratio</b>		
+ Debt/ Total assets ratio (%)	39.52%	48.88%
+ Debt/ Owner's Equity ratio (%)	65.35%	95.60%
+ Actual Debt/ Total assets ratio (%)	17.28%	26.52%
<b>3. Operation capability ratio</b>		
+ Yearly inventory turnover ( <i>Cost of goods sold/ Average inventory</i> )	0.45	0.16
+ Net revenue/ Average total assets	16.80%	2.72%
<b>4. Profitability</b>		
+ Profit after tax/ Net revenue ratio	39.96%	165.90%
+ Profit after tax/ Total revenue ratio	37.05%	45.07%
+ Profit after tax/ Total capital ratio	11.10%	8.83%
+ Profit after tax/ Total assets ratio	6.71%	4.52%
+ Profit from business activities/ Net revenue ratio	51.16%	177.47%

#### SOLVENCY

The indicators of short-term solvency and quick ratio improved compared to 2022 because KBC redeemed all outstanding bonds early and on maturity.

#### CAPITAL STRUCTURE

As at 31/12/2023, KBC's total assets were structured as follows: 39.52% was liabilities and 60.48% was equity. The capital structure ratio in 2023 fluctuated dramatically compared to 2022 because KBC's Debt/Total Assets ratio decreased sharply compared to 2022, to only 17.28%. Thus, compared to other companies listed on the stock market, KBC is a company with the safest and best financial indicators these days.

#### OPERATIONAL CAPACITY

Due to the characteristics of IP products, the business cycle often lasts decades and the Corporation also has projects with large long-term inventory values that have not yet been put into business, such as Trang Cat UA project. The inventory turnover number on the ledgers does not reflect the actual inventory turnover of KBC's IP. However, in 2023, this indicator was improved significantly compared to 2022 when KBC recorded revenue from a series of large land lease contracts from Ips.

#### PROFITABILITY

Although profitability indicators decreased compared to 2022, these indicators reflected business results from KBC's core activities and did not affected by the income difference between net asset value of KBC's investments as in 2022.

Considering only that the Profit from business activities/net revenue indicator was 51.16% and Profit after tax/Net revenue was 39.96% is quite high profitability indicators in the real estate sector.

## 5. SHAREHOLDERS STRUCTURE - CHANGE IN THE OWNER'S EQUITY

### NUMBER OF SHARES ACCORDING TO THE LIST OF SHAREHOLDERS FINALIZED ON 27/12/2023

ITEMS	NUMBER OF SHARES
<b>Total issued shares</b>	<b>767,604,759</b>
Number of common shares	767,604,759
Preferred shares	0
Treasury shares	0
<b>Outstanding shares</b>	<b>767,604,759</b>
Free-transfer shares	767,604,759
<b>Restricted shares</b>	<b>0</b>

### SHAREHOLDERS STRUCTURE

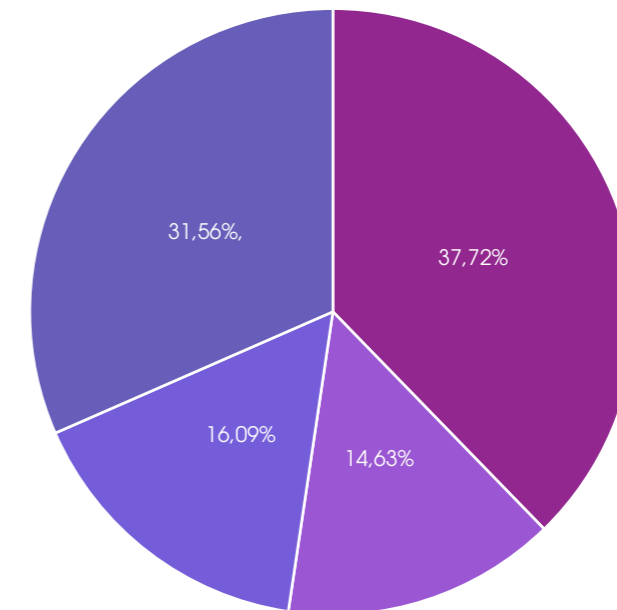
Shareholders structure according to the List of Shareholders finalized on 27/12/2023

SHAREHOLDER CLASSIFICATION	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	RATIO
<b>Domestic shareholders</b>	<b>34,799</b>	<b>608,922,436</b>	<b>79.33%</b>
Individuals	34,689	415,403,136	54.12%
Organizations	110	193,519,300	25.21%
<b>Foreign shareholders</b>	<b>412</b>	<b>158,682,323</b>	<b>20.67%</b>
Individuals	309	1,723,273	0.22%
Organizations	103	156,959,050	20.45%
<b>Total outstanding shares</b>	<b>767,604,759</b>	<b>100%</b>	<b>100%</b>
Treasury shares	0	0	0.0%
<b>Total</b>	<b>35,211</b>	<b>767,604,759</b>	<b>100%</b>

### Shareholder classification according to the List of Shareholders finalized on 27/12/2023

SHAREHOLDER NAME	NUMBER OF SHARES	RATIO
<b>Outstanding shares</b>	<b>767,604,759</b>	<b>100%</b>
<b>Major shareholders</b>	<b>289,559,972</b>	<b>37.72%</b>
Dang Thanh Tam (Chairman of the BOD)	138,666,665	18.06%
Kinh Bac Investment and Consultant Corporation	65,275,489	8.50%
Vinatex - Tan Tao Investment Corporation	39,239,852	5.11%
Group of major shareholders - Dragon Capital	46,377,966	6.04%
<b>Other foreign shareholders</b>	<b>112,304,357</b>	<b>14.63%</b>
<b>Long-term shareholders</b>	<b>123,500,296</b>	<b>16.09%</b>
<b>Other shareholders</b>	<b>242,240,134</b>	<b>31.56%</b>

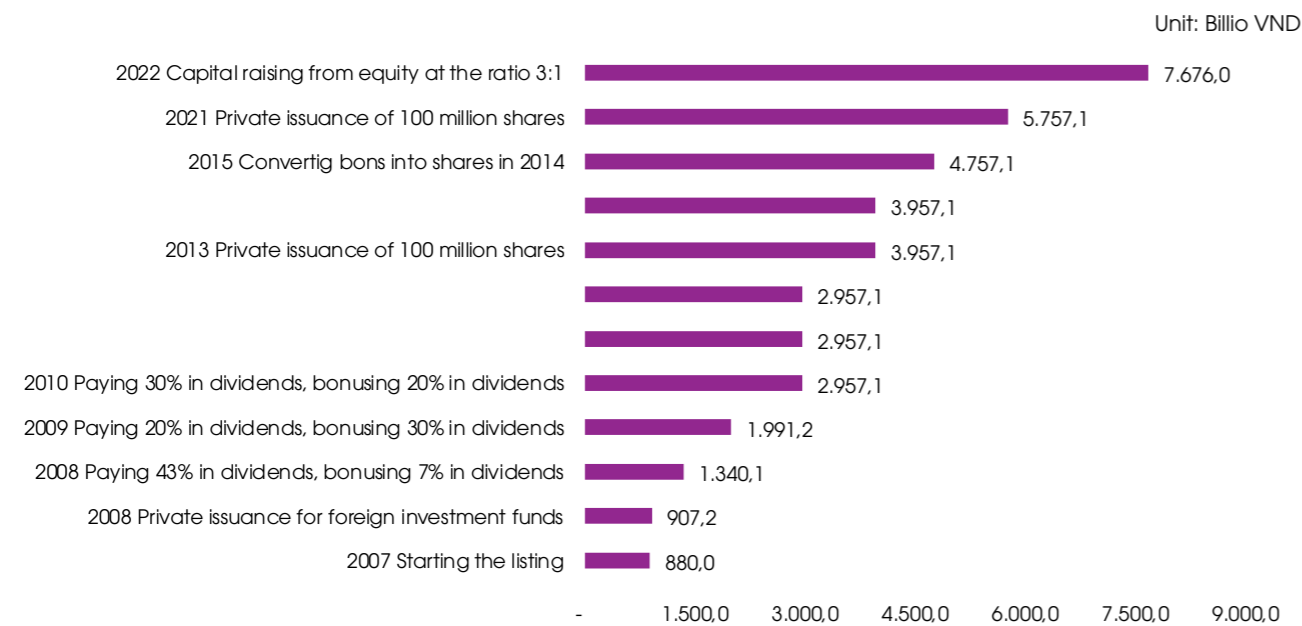
Shareholder classification chart



■ Major shareholders ■ Foreign shareholders ■ Long-term shareholders ■ Other shareholders

**OWNER'S CAPITAL CONTRIBUTION CHANGE THROUGH YEARS**

(From the listing in 2007 to 2023)



**As at 31/12/2023, KBC's charter capital was 7,676 billion VND. During the year, KBC did not have any issuance/repurchase/conversion of securities that changed the charter capital.**

**6. ENVIRONMENT - SOCIAL - GOVERNANCE (ESG) REPORT OF THE COMPANY****6.1. Issues considered and proposed by the Corporation**

Currently, we have not been able to find a consultant to prepare an environmental and social impact report that can provide appropriate indicators to prepare a sustainability report for the model as a Corporation, as well as in accordance with regulations for listed companies.

In the process of developing projects and implementing business activities, we always comply with all environmental regulations in Vietnam for every project. During the construction process submitted by the companies, the Occupational Safety Committee established by the Corporation is responsible for ensuring environmental sanitation, ensuring that all materials used must comply with construction standards and construction decrees issued by the state. In business activities, most of our customers are investors in the field of high technology with no chimney, which minimizes environmental pollution.

**6.1.1. The Corporation's environmental criteria do not have to be measured or cannot be measured**

❑ **Total direct and indirect greenhouse gas (GHG) emissions:** KBC's business field is not requires a greenhouse gas measuring, in fact KBC's operations do not emit greenhouse gases.

❑ **Raw material management:** KBC is a company that develops infrastructure of IPs through hiring contractors, we do not manage detailed amounts of construction materials, etc.; No recycling of materials is used; We do not use recycled or reused water. All wastewater from factories in IPs is treated to meet the standards of IP, is discharged into the IP collection system and is sent to the centralized wastewater treatment plant to treat wastewater to meet QCVN 40/2011/BTNMT column A of discharging into the environment after treatment.

**6.1.2. Savings ideas**

For KBC, savings ideas in investment and business are always considered a key factor to help the company develop sustainably, overcome difficult times, specifically: Saving sales costs while still effectively implementing the Corporation's marketing and communication strategies; The human resources apparatus is not cumbersome; Arranging labor with the right people for the right job, shortening internal processes to make decisions at the right time; Using company assets such as cars, computers, printers, effectively; etc. Energy saving initiatives are only a small element in the Corporation's "Savings" items. Right from the design stage, the consulting and design department have to choose the most economical option to minimize costs:

*"IP are always focused on being built in a friendly and sustainable way, the electricity and water systems are reasonably designed from the beginning; Energy-saving electrical equipments such as energy-saving led light bulbs are used. In the future IPs will be aimed to use means of power supply such as solar energy to supply street light equipments; environmentally friendly materials and locally available materials are focused to use during construction; For office blocks, use of electricity and equipment during peak hours is limited, low-energy equipments are installed, devices are turned off when not in use, air conditioners are set at an appropriate level, use of paper in printing is limited when not needed, electronic documents to exchange work are actively encouraged, etc."*

**6.1.3. Regarding green capital market activities**

Annually, we participate in seminars on Green Capital Markets organized by regulatory agencies. In early 2024, the Corporation's member companies boldly proposed to develop a green IP project in Long An province. However, we see limited opportunities to access green capital for many fields. Therefore, we recommend that the authorities annually invite experts, economic consultants, and green capital funding organizations to come up with investment ideas in specific, appropriate green fields for Vietnam, to look forward to a sustainable, green - clean - circular economy, while creating conditions and legal corridors for companies to easily access green capital funding organizations.

**6.2. Criteria that the Corporation has statitized and implemented**

Environmental, electricity and water resources protections have always been focused on by the Corporation from complying with the regulations on administrative procedures under the Law on Environmental Protection 2020 (effective from 01/01/2022) to the implementation of environmental protection works (such as the treatment wastewater) to ensure the treatment of all wastewater of the Industrial Parks to meet the sterile standards before discharging into the receiving source, to investing in a backup wastewater treatment system in case of emergency.

In addition, KBC also focuses on propaganda activities for companies in the IPs to comply with the Law on Environmental Protection and use electricity and water economically and efficiently towards sustainable development.

**6.2.1. Energy consumption****Direct and indirect energy consumption**

In the industrial parks, investors buy electricity directly from EVN, without direct management by KBC; Total direct power consumptions in 2023 in IP are as follows:

- ❑ Quang Chau IP and Expanded Quang Chau IP: 5,224,168 KWH
- ❑ Que Vo IP and Expanded Que Vo IP: 3,935,400 KWH
- ❑ Trang Due IP: 1,285,444 KWH
- ❑ Tan Phu Trung IP: 1,898,402 KWH
- ❑ Nam Son Hap Linh IP: 190,254 KWH

Thus, the total amount of electricity consumed in KBC's industrial parks was 12,533,668 KWH, increasing by 28.96% compared to 2022 due to the fact that: Expanded Quang Chau IP comes into operation, Trang Due IP serves customers constructing new factories.

### 6.2.2. Water consumption

Most of KBC's IPs have built their own factories to supply clean water and wastewater treatment systems for all companies in the IPs. The main source of water for IPs is groundwater.

#### In Que Vo existing and expanded Industrial Park - Bac Ninh province

- Total amount of clean water consumed in 2023 was 5,536,650m<sup>3</sup>, average consumption was 15,167 m<sup>3</sup>/day and night.
- Clean water supply: 02 clean water plants with a maximum capacity of 9,000m<sup>3</sup>/day and night, reaching an estimated average consumption of 8,500 m<sup>3</sup>/ day and night.
- Additional water source: Buy additional clean water from Bac Ninh Clean Water Joint Stock Company, estimated to account for 60% of total water consumption.
- Waste water treatment: 02 wastewater treatment plants are in operation, each with a maximum capacity of 6,000m<sup>3</sup>/ day and night.
- Total amount of treated wastewater in 2023 was 4,330,462 m<sup>3</sup>, the average wastewater treatment amount was 11,864 m<sup>3</sup>/ day and night.
- Under construction: 01 wastewater treatment plant with a capacity of 6,000m<sup>3</sup>/day and night in the Que Vo expanded IP which is testomg and is expected to go into operation from May 2024.

#### In Nam Son Hap Linh Industrial Park - Bac Ninh province

Total amount of clean water consumed in 2023 was 420,618 m<sup>3</sup>, average consumption was 14,851 m<sup>3</sup>/ day and night.

Clean water supply: buying 100% clean water from Bac Ninh Clean Water Joint Stock Company .

Waste water treatment: 01 wastewater treatment plant with a maximum capacity of 9,000m<sup>3</sup>/day and night has finished being built, has been completed and installed technology for phase 1 with a capacity of 6,000 m<sup>3</sup>/ day and night. The wastewater treatment plant, which will be tested from September 2023 to March 2024, will go into official operation in the second quarter of 2024.

Total amount of treated wastewater in 2023 was 37,000 m<sup>3</sup>, the average wastewater treatment amount was 250 m<sup>3</sup>/ day and night.

Under construction: 01 clean water supply plant with a total maximum capacity of 19,000m<sup>3</sup>/day and night, has been completed treatment area, is being built raw water pumping station and raw water pipeline, etc.

#### In Quang Chau existing and expanded Industrial Park - Bac Giang province

- Total amount of clean water consumed in 2023 was 7,888,694 m<sup>3</sup>, average consumption was 21,613 m<sup>3</sup>/ day and night.
- Clean water supply: there are 03 clean water plants with a total capacity of 15,000 m<sup>3</sup>/day and night and a new clean water supply plant is being built in phase 4 with the capacity of 12,000 m<sup>3</sup>/ day and night.
- Additional water sources: Buying clean water from Ha Bac Construction and Providing Water Company Limited and DNP - Bac Giang Water Infrastructure Investment Joint Stock Company, which is estimated to supply 10,000 m<sup>3</sup>/ day and night.
- Waste water treatment: 03 wastewater treatment plants with the total capacity of 19,000 m<sup>3</sup>/ day and night.
- Total amount of treated wastewater in 2023 was 5,005,610 m<sup>3</sup>, the average wastewater treatment amount was 13,714 m<sup>3</sup>/ day and night.

#### In Trang Due Industrial Park and Urban Area - Hai Phong province

- Total amount of clean water consumed in 2023 was 1,999,480 m<sup>3</sup>, average consumption was 5,478 m<sup>3</sup>/ day and night.
- Clean water supply: 01 clean water plant with a maximum capacity of 10,000m<sup>3</sup>/day and night.
- Additional water source: Buying clean water from Hai Phong Number 2 Water Business Joint Stock Company (Vat Cach water factory) with an estimated ratio up to 10% of total water consumption to meet demand for clean water use of enterprises in Trang Due Industrial Park and individuals and organizations in Trang Due Urban Area.
- Wastewater treatment: SHP has cooperated with 2 wastewater treatment companies, Quoc Viet Environmental Science and Technology Limited Company and Posbee Viet Nam Green Environment Joint Stock Company with a total capacity of 2 wastewater treatment plants. Both factories have been granted environmental licenses by the Ministry of Natural Resources and Environment, ensuring they can handle the amount of wastewater generated in Trang Due IP.
- Total amount of treated wastewater in 2023 was 2,805,276 m<sup>3</sup>, the average wastewater treatment amount was 7,685 m<sup>3</sup>/ day and night.

#### Tan Phu Trung Industrial Park - Ho Chinh Minh City

- Total amount of clean water consumed in 2023 was 1,029,768 m<sup>3</sup>, average consumption was 2,821 m<sup>3</sup>/ day and night.
- Clean water supply: 01 clean water plant is on operation with a maximum capacity of 3,000m<sup>3</sup>/ day and night.
- Waste water treatment: 01 wastewater treatment plant is on operation with a maximum capacity of 4,000 m<sup>3</sup>/ day and night.
- Total amount of treated wastewater in 2023 was 751,725 m<sup>3</sup>, the average wastewater treatment amount was 2,059.52 m<sup>3</sup>/ day and night



### 6.2.3. Policies related to employees

#### a. Number of employees and average salary:

As at 31/12/2022, total number of employees at the parent company was 213 people - a net increase of 3 people compared to 2022. The average salary of employees at the parent company (KBC) was 28.2 million VND/person/month, the average salaries of employees at subsidiaries in Bac Giang province was 12.8 million VND/person/month, in Hai Phong was 11 million VND/person/month, in Cu Chi district - Ho Chi Minh City was 13 million VND/person/month. The labor structure has been presented in Part 2 Section 2 of this report.

#### b. Labor policy to ensure the health, safety and welfare of employees.

This information has been presented in Part 2 Section 2 of this report.

#### c. Employee training activities

The Corporation applies the policy of respecting talents and fair remuneration. Therefore, the Corporation has assembled a team of senior officers with practical experience and high qualifications as the core of the Corporation's human resources. The Corporation focuses on internal training, employees in the Corporation are often shared experiences and work instructions from teamd of senior personnel.

The Corporation always creates favorable conditions for employees to learn and improve their professional skills. During the time the employees participate in the training, the employees shall still receive the full salary.

Most of the Corporation's core employees participate in annual training courses organized by governing authorities to update policies and legal regulations such as training courses on security, insurance, tax, regulations for public companies, fire prevention and fighting programs, rescue, security protection, etc. In addition, soft skills development programs in communication, contract drafting, customer service, participation in investment promotion conferences, investor relations conferences are all focused on and employees are asked to participate regularly. The above professions are focused on training regularly every year.

### 6.3. Social responsibility performances in 2023

During the year, the Corporation supported and shared responsibilities with the amount of **44.36 billion VND** for social activities in the provinces including Bac Ninh, Bac Giang, Hai Phong, Quang Ninh and Cu Chi - Ho Chi Minh City.

#### □ Regarding the parent company

In 2023, the Parent Company spent nearly 36.37 billion VND to implement and support social activities such as: Supporting water pumping outside the boundary of Nam Son Hap Linh IP for Mon Tu area to ensure work in-field irrigation for people to stabilize and cultivate in Duong Thong field and Region East 30 for 3 years (2023-2024-2025); Sponsoring the construction of an intersection connecting provincial road 390 in Thanh Ha district with the Hanoi - Hai Phong expressway; Sponsoring the purchase of computers for the National Innovation Center, etc.

#### □ Regarding subsidiaries

Sai Gon - Bac Giang IP Corporation spent 2.65 billion VND on social support activities to support the purchase of student desks, to support Study and talent encouragement funds in Bac Giang province; to support Tet for the poor in Van Trung commune, Quang Chau; to support Bac Giang Province Natural Disaster Prevention Fund, etc.

Sai Gon - Hai Phong IP Corporation spent 5.6 billion VND on social support for Lunar New Year fireworks activities in Hai An district; to support the Fund for the Poor in An Lao District, Gratitude Fund in Hai An District, Socializing the Poor in Hai An District, etc.

Northwest Sai Gon City Development Corporation spent 530 million VND on social support for Cu Chi District Fund for the Poor; to build houses of gratitude and great solidarity in Loc Giang commune; to give gifts to support poor households, near-poor households, households in difficult circumstances on the occasion of Lunar New Year, etc.



**KBC ALWAYS UNDERSTANDS THAT SHARING RESPONSIBILITY IS PART OF THE COMPANY'S MISSION**

## PART III

# REPORTS AND ASSESSMENTS OF THE BOARD OF MANAGEMENT

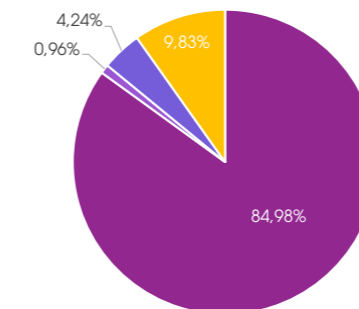
### 1.1. EVALUATION OF BUSINESS PERFORMANCES OF THE PARENT COMPANY AND CONSOLIDATED COMPANY IN 2023

Unit: VND

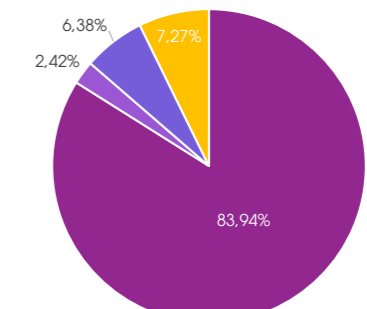
ITEMS	PARENT COMPANY	CONSOLIDATED COMPANY
<b>Net revenue from sales of goods and rendering of services</b>	<b>2,656,966,214,480</b>	<b>5,618,475,347,527</b>
Revenue from long-term lease of land and infrastructure	2,503,889,896,404	5,221,101,303,559
Revenue from real estate transfer	0	104,813,518,632
Revenue from operating leases of warehouses, factories, offices rental and others	28,281,392,199	146,749,083,847
Revenue from providing clean water, electricity, service fee, waste water treatment supply	124,794,925,877	386,378,759,489
Deductions	0	(240,297,318,000)
<b>Cost of goods sold and services rendered</b>	<b>(862,595,863,456)</b>	<b>(1,923,081,056,083)</b>
<b>Gross profit from sales of goods and services rendered</b>	<b>1,794,370,351,024</b>	<b>3,695,394,291,444</b>
<b>Gross profit margin (%)</b>	<b>132.47%</b>	<b>134.23%</b>
<b>Revenue from financial activities</b>	<b>289,113,748,937</b>	<b>426,075,898,488</b>
<b>Other income</b>	<b>455,231,224</b>	<b>22,300,987,274</b>
<b>Profits in associates</b>	<b>0</b>	<b>(8,087,776,852)</b>
<b>Total revenue</b>	<b>2,946,535,194,641</b>	<b>6,058,764,456,437</b>
<b>Total profit after tax</b>	<b>923,601,920,604</b>	<b>2,245,003,412,330</b>
<b>Profit attributable to shareholders of parent company</b>		<b>2,030,699,360,319</b>

Total revenue structure chart

PARENT COMPANY REVENUE STRUCTURE

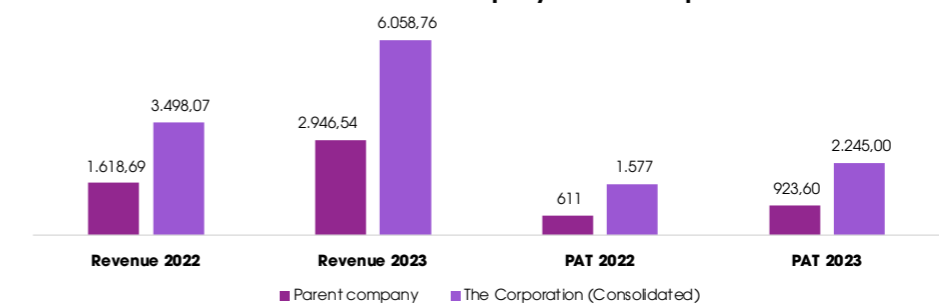


CONSOLIDATED REVENUE STRUCTURE



- Revenue from long-term lease of land and infrastructure
- Revenue from warehouse, factories and office rental
- Revenue from cleanwater supply, wastewater treatment services, etc.
- Revenue from financial activities, others and (Loss)/profit from associates

Chart of Revenue - Profit of Parent Company and the Corporation 2022 - 2023



**In 2023:**

Revenue from long-term lease of land and infrastructure of the Corporation was 5,618.48 billion VND, accounting for 92.73% of total revenue, equal to 591.25% compared to 2022. Of which, The revenue from this activity at the Parent Company was 2,656.97 billion VND, accounting for 47.29% of this revenue from this activity of the Corporation.

Revenue from providing clean water, electricity, service fee, waste water treatment supply was 386.38 billion VND, accounting for 6.38% of total revenue and equal to 114.66% compared to 2022. This revenue went up due to Nam Son Hap Linh IP and the existing and expanded Quang Chau IP having new customers. This is a stable source of revenue of the Corporation and it will increase in the coming years when companies in the IP are no longer given free infrastructure and some newly-built factories providing clean water and handling wastewater treatment come into operation make the Corporation not have to purchase these services from outside.

The Corporation recorded deductions related to receiving back previously transferred land plots and factories in Quang Chau IP with an amount of VND 240.29 billion.

KBC's total consolidated revenue in 2023 accounted for 67.32% of the plan, PAT accounted for 56.13% of the plan. The reason why the business results did not meet the approved plan is because the UAs expected to record revenue during the year were not recorded. Although the approved plan did not achieve, this is the most impressive and highest business growth result that the Corporation has accomplished since listing.

**Cost factors that affected the Corporation's profits**

In 2023, the Corporation's total financial, sales and administration expenses were 1,244.52 billion VND, increasing by 127.55 billion VND, equivalent to an increase of 11.42% compared to 2022. In which, an impressive growth in revenue led to an increase in selling expenses of 308.49 billion VND, equivalent to an increase by 671.89% compared to 2022. Business administration expenses in 2023 were 458.38 billion VND, which changed insignificantly compared to 2022. Financial and other

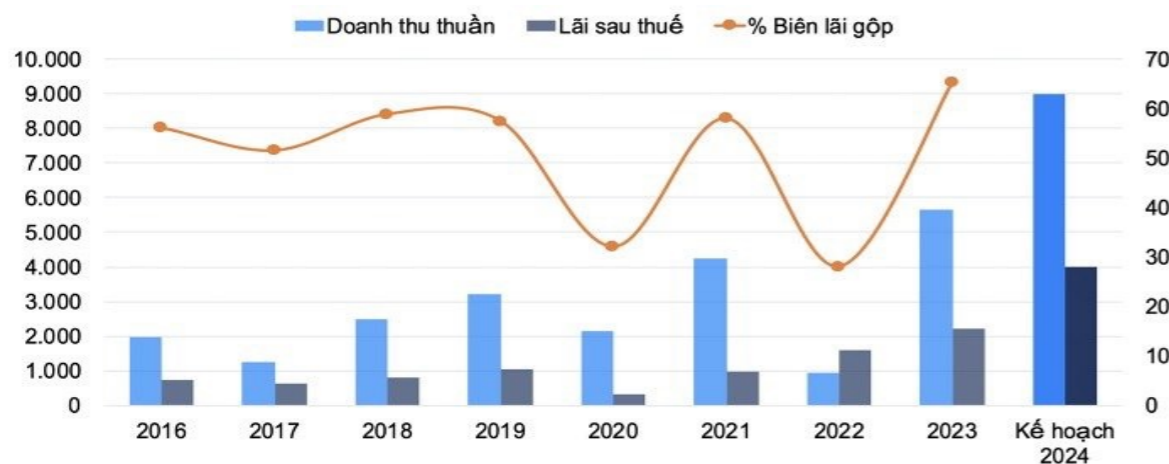
expenses were 431.73 billion VND, deducting by 28.83% compared to 2022. Thus, the Corporation still used cash flow effectively when increasing in expenses were accompanied by a sharp increase in revenue, ensuring an increase in lives of employees and continuing to share social responsibility.

**ACHIEVEMENTS OF THE CORPORATIONS IN 2023**

Attracting large-scale customers to the expanded Quang Chau IP and Nam Son Hap Linh IP, resulting in that these two IPs achieved estimated occupancy rates of 49.9% and 76.72%, respectively.

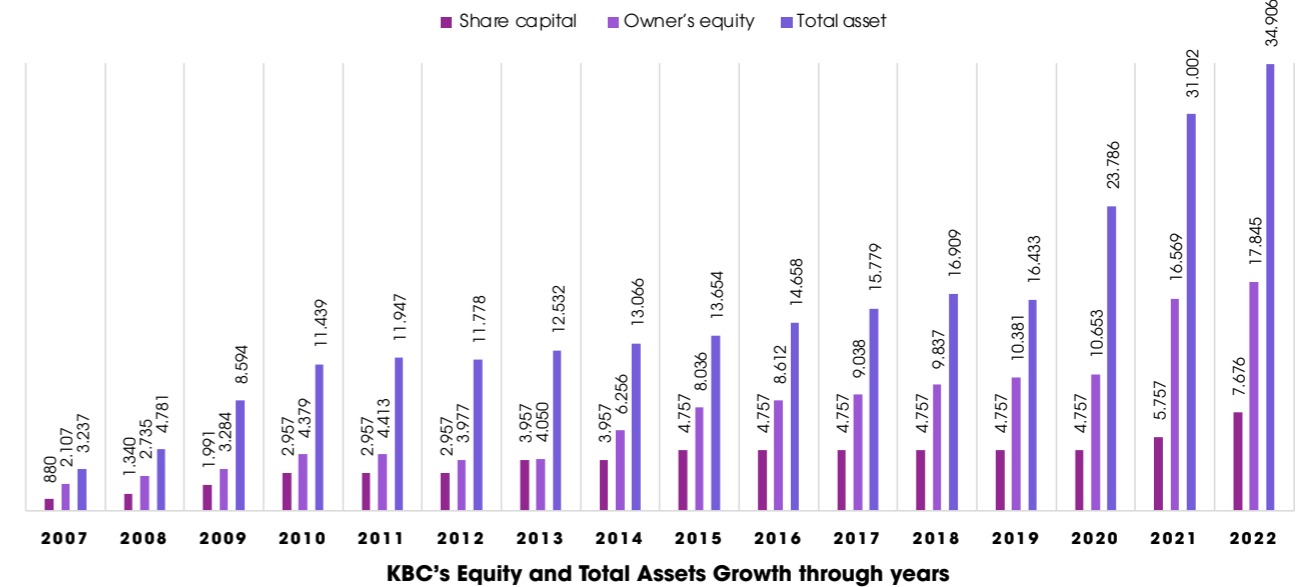
Achieving the highest total revenue and PAT since listing.

Successfully organizing and co-organizing a series of large-scale trade promotion events and seminars in Vietnam and around the world such as: in China, Korea, Japan, Singapore and especially KBC was the Gold Sponsorship for APEC Summit Week 2023 in the United States, etc.



**2. FINANCIAL SITUATION ASSESSMENTS**

**Tình hình Tài sản và Vốn chủ sở hữu**



Reasons for change in KBC's total assets/capital resources have been presented in Section 4, Part 2 of this report.

**Liabilities Situation**

As at 31/12/2023, the Corporation's total liabilities were 13,213.34 billion VND, which implied a net decrease of 3,847.6 billion VND and equivalent to a decrease of 22.55% compared to 2022. In which:

Current liabilities were 6,578.77 billion VND, showing a net decrease of 4,105.39 billion VND compared to 2022. In particular, the main items that fluctuated in Current liabilities included: Short-term loans were sharply decreased by 3,614.05 billion VND compared to year 2022; Deposits for land rental and infrastructure and buyers's advance payment were reduced by 769.90 billion VND compared to 2022 due to realization into revenue; Cost of goods sold accrual was reduced to 433.67 billion VND; And other factors such as taxes payable and dividends payable also made short-term liabilities seesaw.

Long-term liabilities were 6,634.57 billion VND, showing a net increase of 257.74 billion VND compared to 2022. In particular, the main items that cause fluctuations in Long-term liabilities included: Payable expenses got net increase of 389.05 billion VND (mainly due to interest payable to Pvcombank is being extended), deferred income tax was increased by 224.87 billion VND; long-term loans were decreased by 365.04 billion VND.

However, the total actual liabilities at financial institutions, including principals and interests were **5,778.77 billion VND**, downgrading by 37.57% compared to 2022. Of which, long-term loans at banks were **3,313.55 billion VND** and expenses payable to PVcombank were **2,149.40 billion VND**, resulting in an Actual Debt/Equity Ratio of 28.58 % and Actual Debt/Total Assets Ratio of 17.28%. These are safe debt ratios for a large-scale real estate enterprise like KBC for many consecutive years, especially in 2023, KBC's financial indexes were decreased by nearly a half compared to 2022, which can be said to be the safest and best on the market today.

During the year, the Corporation paid a total of **5,379.69 billion VND** in loan principals and interests, of which the majority came from reducing outstanding Bond debt to 0 VND.

The Corporation has no bad debt; is not affected by exchange rate differences and is not affected by interest differentials. Current loan interest rates range from 6.5% to 14%/year, consistent with the general market interest rate.

### 3. IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES AND MANAGEMENT

The organizational structure of the Executive Board and human resource management policy in 2022 did not change compared to 2021. KBC is a Corporation with a stable team of leaders and core staff, maintaining a long time loyalty with the Company.

The Corporation is still continuing to look for successors to become key personnel. Recruitment information is posted on KBC's electronic information page and other popular recruitment pages to make it easier for candidates to search for.

### 4. DEVELOPMENT PLAN IN 2024

The Corporation's key business plans in 2024 are as follows:

#### 4.1. Implementing business investment plans for operating IPs and ICs

Nam Son Hap Linh IP in Bac Ninh province, Expanded Quang Chau IP Bac Giang province, Tan Phu Trung IP in Ho Chi Minh City, Dang Le IC, Chinh Nghia IC, Kim Dong IC in Hung Yen province and Trang Due 3 IP in Hai Phong City play an important role in contributing to the Corporation's 2024 Revenue - Profit plan. These IPs are focusing on the following important tasks:

❑ **Compensation & Infrastructure Construction:** Compensation and infrastructure construction are an important task in 2024 for the above mentioned IPs and ICs to be ready to have the infrastructure handed over to customers so as to sign booking agreements and to easily attract new investments.

❑ **Putting into use the system of new clean water supply plants and wastewater treatment plants** in Que Vo IP and Nam Son Hap Linh IP while Quang Chau IP continues to build new phase 5 of a clean water plant and phase 4 of a new wastewater treatment plant.

❑ **Attracting investment:** Occupating 100% of the land area in Expanded Quang Chau IP; Nam Son Hap Linh IP, Tan Phu Trung IP while looking for a big investor as "Eagle" to invest in Trang Due 3 IP. The expected IP land lease in 2024 is 150 ha.

#### 4.2. Developing new IPs & projects that have been approved the investment policy decisions

Currently, the Corporation has new IPs and ICs under its subsidiaries that have had their investment policy decisions and investor approvals including: In Hai Phong city, there is Trang Due Supporting IC with 58.75 ha; In Long An, there are Tan Tap IP with 654 ha, Loc Giang IP with 466 ha, Long An ICs (Tan Tap & Phuoc Vinh Dong) with total 219.4 ha. In particular, Trang Due 3 IP has had its 1/2000 scale zoning plan approved and is waiting for investment policy approval. These are key projects that bring revenue to the Corporation within the next 3 years.

❑ **Completing legal procedures:** Making efforts to work with management agencies to complete the final necessary legal procedures to have a foundation for project implementation.

❑ **Implementing compensation plans:** This is the key task of these projects which requires coordination between the Company, the government, people and financial resources.

❑ **Arranging capital sources:** Currently, banks are interested in financing large-scale capital for IP projects, which is an advantage for speeding up project implementation.

❑ **Attracting investments:** The Corporation's ability to attract investment is an advantage for these projects because there are already large investors investigating and considering to be ready to sign land lease contracts at these projects when the project is eligible for business.

### 4.3. Investment, sales and development of urban areas

Currently, the Corporation has projects with the following important tasks:

❑ **Trang Due Hai Phong UA:** continuing to hand over the last 15 villas in 2024 and deploying the development of a commercial and service area.

❑ **Phuc Ninh UA:** Waiting for the management agency to approve legal procedures to qualify for revenue recognition while deploying the construction of package 2 technical infrastructure system on an area of 20.3 ha in Phuong Vy and Thi Cau; Deploying technical infrastructure construction for the remaining area that has been handed over with an area of about 14 ha; Constructing Phuc Ninh UA's detention basin on the area that has been handed over and 15 villas in the area with completed infrastructure.

❑ **Trang Cat UA:** This is an important project of KBC. While coordinating and waiting for the management agency to approve the remaining legal procedures, the Project continues to carry out ground leveling and build infrastructure to be ready for sales or to find partners to cooperate in business investment, project development and distribution, etc.

❑ **Northern Song Cam UA:** Preparing detailed planning and completing legal procedures.

❑ **Expanded Trang Due UA:** Preparing procedures to participate in the auction.

#### 4.4. Implementing social housing projects and resettlement areas

In 2023, the Corporation deployed the construction of a series of SH buildings, which have been handed over and used. In 2024, the Corporation will continue to implement investment plans to build SH and RA projects to meet the housing needs of workers in IP and for low-income people.

❑ **SH in Trang Due UA - Hai Phong:** Completing construction of 03 buildings in phase 1 and selling 80% of apartments in phase 1.

❑ **SH in Nenh town - Bac Giang:** Completing the handover, putting into use and recording revenue for 5 buildings and starting construction of 5 more buildings.

❑ **Tan Phu Trung RA, Loc Giang RA, Tan Tap IC RA, Phuoc Vinh Dong IC RA with a total area of 122.98 ha:** Focusing on completing legal procedures, implementing construction investment plans and arranging capital.

#### 4.5. Revenue and profit plan for 2024

In the first quarter of 2024 up to the time of this report, the Corporation has received many requests from financial institutions to sponsor projects including IPs - UAs - SHs. In particular, currently

financing capital for IPs is a priority for many banks. Therefore, KBC has been working with a number of large-scale banks to build capital financing plans for projects such as Trang Cat UA, Trang Due 3 IP, IPs - ICs in Long An province, etc. Thus, depending on the progress of completing legal procedures of projects and advantages in the capital market, in 2024, KBC will sign loan contracts with financial institutions and implement other plans such as bond issuance, stock issuance, etc.

#### 4.7. Kế hoạch doanh thu và lợi nhuận năm 2024

The BOM set the Corporation's consolidated revenue and PAT plan in 2024 as follows:

❑ Total consolidated revenue: **9,000 billion VND**

❑ Total consolidated profit after tax: **4,000 billion VND**



## 5. EXPLANATION OF THE BOM FOR AUDITOR'S OPINION:

None

## 6. ASSESSMENT REPORT OF THE BOM RELATED TO ENVIRONMENTAL, SOCIAL AND HUMAN RESOURCE RESPONSIBILITIES OF THE COMPANY

### 6.1. Assessment related to environmental indicators

KBC continuously builds new clean water supply plants and wastewater treatment plants to promptly meet the needs of companies in the IPs, in accordance with environmental standards allowed in the field of IP investment and development. In KBC's IPs, there is a company specializing in maintaining the services in the industrial park, including maintaining road systems, planting trees, cleaning up waste and transporting it to designated places, etc. to ensure the IPs is green, clean, beautiful, and sustainable with no chimney or environmental pollution.

### 6.2. Assessment related to employees

Regarding employees, the BOM believes that employees at KBC are always guaranteed a stable income level, which is consistent with the general level of society. They are considered for salary increases periodically every 3 years, and receive salary increase timely when inflation rises, or when individuals have excellent achievements. Employees are equipped with modern and complete working equipment, and are rewarded promptly to individuals and groups with outstanding achievements in doing their works. Social insurance, unemployment insurance, occupational accident insurance, etc according to legal regulations are always implemented fully and on time by the Corporation. In addition, workers are encouraged and facilitated to participate in training courses to improve their expertise and are equipped with a full system of facilities to serve their work.

However, KBC still has limitations such as not setting development investment funds, bonus and welfare funds, so it has not issued preferred shares to employees, and has not sponsored in-depth courses for employees, etc.

### 6.3. Assessment related to company responsibilities toward the local communities

KBC has made significant contributions to the local community where KBC's IPs operate such as: creating thousands of jobs, helping workers stabilize their lives; Building UAs and SH near IPs to serve the housing needs of many people; Annually implementing social support programs in difficult localities; etc. In 2023, the Corporation spent a total of 44.36 billion VND on charity and supported activities in localities nationwide.



## PART IV

# ASSESSMENTS OF THE BOARD OF DIRECTORS (BOD) ON THE CORPORATION'S OPERATION

## 1. ASSESSMENT OF THE BOD ON THE OPERATION OF THE CORPORATION

### Business activities

In 2023, KBC's BOD accompanied the BOM to make decisions to resolve issues related to production and business activities, investment in IPs and UAs, and to arrange funding sources for projects and payout bond debts on time and early.

The BOD especially appreciates the efforts of the Corporation's Leaders in promoting the process of completing legal procedures and handing over land, recording significant revenue and profits in 2023 (mainly from infrastructure leasing activities in Nam Son Hap Linh IP, expanded Quang Chau IP, Tan Phu Trung IP, etc.); while actively developing new projects nationwide in Bac Ninh, Hai Phong, Thai Nguyen, Hau Giang, Tien Giang, Can Tho, Vung Tau, etc.

The investment and financial management activities during the year presented in this report were all agreed and approved by the BOD.

### Foreign and domestic diplomatic activities

In 2023, members of the BOD and BOM directly worked with agencies and departments of provinces such as Bac Ninh, Hai Phong, Thai Nguyen, Hau Giang, Tien Giang, Can Tho, Vung Tau, etc to participate in establishing new projects according to investment invitations from provinces.

Members of the BOD and BOM participated directly and online in seminars, conferences and business trips domestically and internationally to promote trade and attract FDI into Vietnam in 2023 such as:

- ❑ Workshop to announce the Real Estate Market Outlook Report in 2023 organized by CBRE in Hanoi on 17/02/2023;
- ❑ Trade promotion conference of Chinese electronics industries organized by KBC and the management board of Bac Ninh province's IPs, with nearly 50 Chinese electronics enterprises attending in Bac Ninh on 28/03/2023;
- ❑ Vietnam - China investment and trade promotion conference organized by Viettrade - Ministry of Industry and Trade from 03 to 04/04/2023;
- ❑ Vietnam - Russia Business Forum organized by VCCI on 06/04/2023;
- ❑ Vietnam Trade and Industry Forum organized by CBRE on 07/04/2023;
- ❑ Investment connection workshop for Chinese electronics businesses organized by KBC in Bac Ninh on 12/04/2023;
- ❑ Welcoming Deputy Ambassador of the Netherlands at the Netherlands Embassy in Vietnam on 13/04/2023;
- ❑ Vietnam - France Business Forum organized by the French Chamber of Commerce and Industry in Vietnam on 15/04/2023;
- ❑ Investment promotion conference for Taiwanese electronics businesses in Bac Ninh Province on 17/04/2023;
- ❑ Australia - Vietnam Investment Forum organized by the Australian Embassy in Vietnam on 17/04/2023;
- ❑ The program "Meet Korea - Meet Korea" was organized by the Korean Embassy in Vietnam, Department of Foreign Affairs, KCCI, Kotra and People's Committee of Bac Ninh province on 17/05/2023;
- ❑ Trade investment promotion conference between Vietnam and Shandong Provincial Business Association (China) organized by the Trade Promotion Department - Ministry of Industry and Trade on 01/06/2023;
- ❑ Series of events: Investment promotion program for Hai Phong's IPs, Hai Phong - Korea investment and trade promotion conference and Investment promotion workshop in Korea and Japan attended by KBC and Hai Phong city's leaders from 11 to 18/06/2023;

- ❑ The program “Meet Korea” for 2 days on 17 and 18/05/2023 in Bac Ninh province organized by the Ministry of Foreign Affairs, Korean Embassy in Vietnam, Kotra, Kocham, KCCI, Bac Ninh province and 10 provinces organization;
- ❑ Meeting with the Presidium of the Asia-Pacific Federation of Chambers of Commerce (ACCCI) 23/05/2023;
- ❑ Meeting with the Presidium of the Asia-Pacific Federation of Chambers of Commerce, VCCI on 04/06/2023;
- ❑ Forum “Northern Vietnam - A strategic destination to reach out globally” organized by KBC and Katina, JLL and a number of Taiwanese investment promotion units from 02 to 05/07/2023;
- ❑ Meeting Singapore business delegation organized by Singapore Chinese Chamber of Commerce and Industry (SCCCI) on 03/07/2023;
- ❑ Trade promotion and working visit to Japan hosted by the Trade Promotion Agency (VIETTRADE) - Ministry of Industry and Trade and the Ministry of Industry and Trade trade deal in Japan from 23 to 29/07/2023;
- ❑ Workshop to survey Vietnam’s investment environment in the Asean Economic Leaders Program of Truong Giang Academy of Economics organized by KBC, CFLD, Truong Giang Academy of Economics on 03/08/2023;
- ❑ Workshop “Standard Factory Promotion” organized by KBC on 07/09/2023;
- ❑ Conference to meet businesses and promote investment in Bac Ninh province in Beijing and Suzhou (China) organized by the People’s Committee of Bac Ninh province; ASEAN - China Center; Vietnamese Embassy in China; Consulate General of Vietnam in Shanghai and KBC from 11 to 14/09/2023;
- ❑ Conference “Promoting trade, investment and trade connection between Vietnam and China (Chongqing)” was organized by the Trade Promotion Department - Ministry of Industry and Trade of Chongqing City Trade Promotion Committee on 16/10/2023;
- ❑ Vietnam - United States Summit organized by Amcham on 31/10/2024;
- ❑ Meet Japan” program organized by the Ministry of Foreign Affairs, Jetro, and Vietnamese localities on 02/11/2023;
- ❑ APEC Summit Week in the United States from 12 to 16/11/2023 (KBC attends as a gold sponsor);
- ❑ Vietnam - India Business Trade Conference organized by the Indian Embassy in Vietnam on 24/11/2023;
- ❑ Vietnam Investment Environment Conference organized by Northern Trade Promotion Center, Thai Son Management Training Academy (China) on ngày 04/12/2023;
- ❑ Conference series on Infrastructure Readiness for the Semiconductor Industry in Vietnam and Development Trends of the Semiconductor Industry, Artificial Intelligence and Opportunities for Vietnam organized by the Ministry of Planning and Investment Fourth, NIC Innovation Center, American Semiconductor Association (SIA) on 07/12 and 11/12/2023;
- ❑ India - Vietnam Business Exchange Workshop in the field of electricity and electronics organized by Vietnam Electronics Association (VEIA) on 05/12/2023;
- ❑ Annual conference of Vietnam China India mobile phone industry organized by IPC - CMA on 06/12/2023;
- ❑ Workshop to promote development cooperation in the construction field between Jiangsu province (China) and Ho Chi Minh City (Vietnam) organized by Zhong Yi Feng Group, Ho Chi Minh City Department of Foreign Affairs on 12/12/2023;
- ❑ Vietnam - China (Yunnan) Trade Promotion and Economic Cooperation Conference organized by the Trade Promotion Department - Ministry of Industry and Trade of Vietnam, Department of Commerce of Yunnan Province (China) on 20/12/2023;



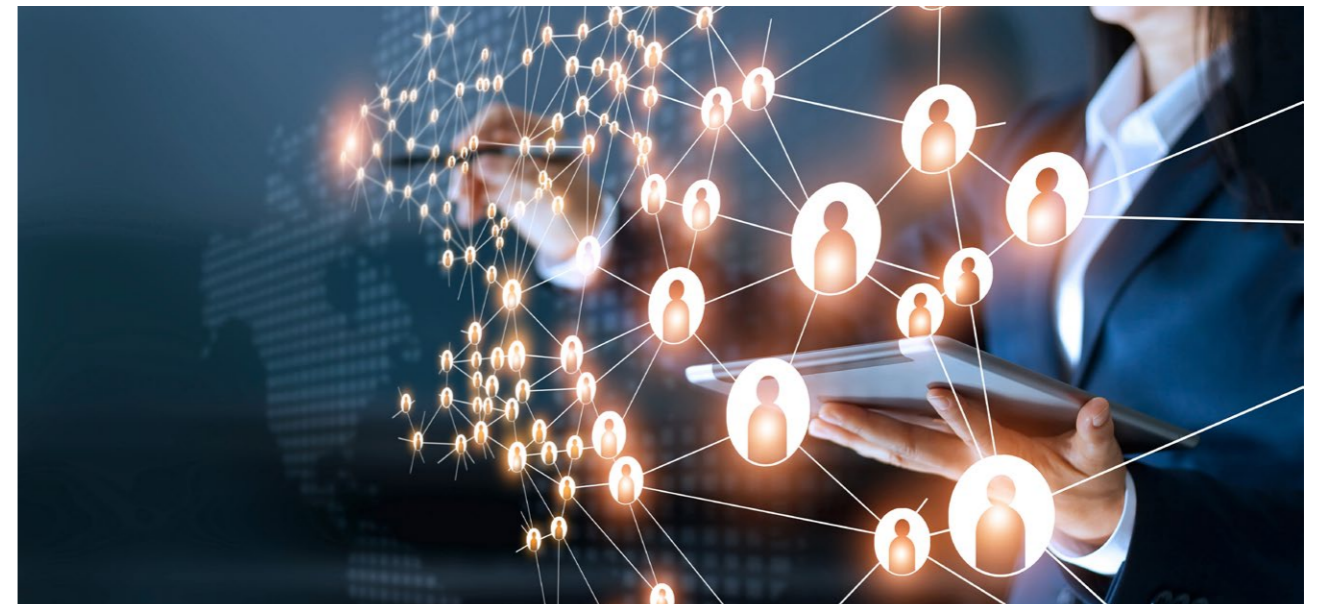
**KBC's leaders participated in signing a MOU at the Workshop to promote development cooperation in the field of construction between China's Jiangsu province and Ho Chi Minh City**

#### Labor resource development activities

The BOD evaluated KBC’s recruitment policies to be excellent; Specially, the policy focuses on recruiting qualified and experienced staff and also recruit and train newly graduated workers. Internal training is given top priority, ensuring sustainable development goals and avoiding a personnel crisis. In particular, KBC always maintains agreements with employees, does not cut staff, does not reduce salaries even when the economy in general and the Corporation in particular face difficulties.

#### Social and environmental responsibilities

The Board of Directors highly appreciated KBC’s responsibility for the environment and society, KBC is a company that attracts FDI enterprises, focuses mainly on high-tech companies and minimizes environmental pollution; KBC always focuses on building stable infrastructure, a full range of plants to provide clean water, treat wastewater, regularly providing maintenance, planting trees and beautifying the landscape around industrial parks. KBC always ensures the stable operation of hundreds of companies in the industrial parks.



## 2.2. ASSESSMENTS OF THE BOARD OF DIRECTORS ON THE CORPORATION'S CEO AND THE EXECUTIVE BOARD

□ The Board of Directors highly appreciated the efforts of the CEO and the Executive Board of the Corporation to jointly implement the business plans in 2023 such as: Implementing investment and development of projects, signing a series of important land lease agreements, creating breakthrough sources of revenue and profits as well as plans to arrange capital sources and transfer appropriate cash flow throughout the entire system; carrying out investment and development of projects, sign a series of important land lease agreements, create breakthrough sources of revenue and profits as well as plans to arrange capital sources and circulate cash flow suitable throughout the system.

□ The BOD requested the Corporation's leaders to make efforts to closely follow the requirements of management agencies to quickly complete legal procedures for projects and put projects into implementation while guiding departments and divisions to promote the establishment of new projects in the provinces such as Bac Ninh, Hai Phong, Thai Nguyen, Hau Giang, Tien Giang, Can Tho, Vung Tau, etc; to balance and use cash flow appropriately, improve risk management related to investment and business activities of the Corporation.

## 3. PROPOSING OPERATION PLANS FOR 2024 OF THE BOD

□ Accompanying the BOM to work with competent authorities to complete legal procedures for projects that still have problems so as to bring the projects into investment and business implementation as planned.

□ Improving service quality and customer care; Fully implementing the maintenance and repair process in IPs, ICs, UAs, etc, completing the construction and testing run of clean water supply and wastewater treatment plants to put them into official operation.

□ Participating in investment and trade promotion programs and conferences to promote the image of the Corporation, while seeking large corporations to invest in projects.

□ Supervising and ensuring compliance with the law in all areas of the Corporation's operations; Raising awareness of responsibility for sustainable development and social responsibility throughout the Corporation.

□ Recruiting and training highly qualified human resources, building the next generation of core personnel in the future.



## PART V CORPORATE GOVERNANCE

### 1. THE BOARD OF DIRECTORS

Members and structure of the BOD for the term 2022 - 2027:

NO.	MEMBERS OF THE BOD	TITLE	THE DATE BECOMING/CEASING TO BE THE MEMBER OF THE BOARD OF DIRECTORS	
			DATE OF APPOINTMENT	DATE OF APPOINTMENT
1	Mr. Dang Thanh Tam	Chairman of the BOD/ Non-executive member of the BOD	10/02/2022	
2	Mrs. Nguyen Thi Thu Huong	Member of the BOD	10/02/2022	
3	Mr. Huynh Phat	Non-executive member of the BOD	10/02/2022	No longer an <b>"independent"</b> member from 10/02/2022
4	Mr. Le Hoang Lan	Independent Member of the BOD	10/02/2022	
5	Ms. Dang Nguyen Quynh Anh	Non-executive member of the BOD	10/02/2022	



□ **Subcommittees of the BOD:** None

□ **Activities of the BOD**

In 2022, the BOD conducted **35** meetings, of which the percentage of BOD members attending and the approval rate reached 100%. The contents and results of these meetings are shown in the table below:

NO.	DATE	RESOLUTION/DECISION NO.	CONTENT	APPROVAL RATE
1	03/01/2023	0301/2023/KBC/NQ-HĐQT	Approving the remuneration of the BOD, BOS and the total income of the Head of BOS in 2022.	100 %
2	04/01/2023	0401.1/2023/KBC/NQ-HĐQT	Approving the implementation of share buyback plan.	100 %
3	02/3/2023	0203/2023/KBC/NQ-HĐQT	Approving loan to Trang Cat One Member Urban Development Limited Company.	100 %
4	03/3/2023	0303/2023/KBC/NQ-HĐQT	Approving the early redemption of Bond KBCH2123002.	100 %
5	16/3/2023	1603/2023/KBC/NQ-HĐQT	Approving the charter capital increase of a subsidiary which is Kinh Bac - Da Nang Investment One Member Company Limited.	100 %
6	17/3/2023	1703/2023/KBC/NQ-HĐQT	Approving the opinion of Bondholders of Bond KBCH2124003.	100 %
7	20/3/2023	2003/2023/KBC/NQ-HĐQT	Approving the implementation plan for the Project: Diamond Square trade center, office, hotel, luxury apartment.	100 %
8	29/3/2023	2903.1/2023/KBC/NQ-HĐQT	Approving the early redemption of Bond KBCH2124003.	100 %
9	29/3/2023	2903.2/2023/KBC/NQ-HĐQT	Approving the transfer of all contributed capital in Kinh Bac - Da Nang Investment One Member Company Limited.	100 %
10	29/3/2023	2903.3/2023/KBC/NQ-HĐQT	Approving the capital borrowing from Sai Gon - Bac Giang Industrial Park Corporation.	100 %
11	29/3/2023	2903.4/2023/KBC/NQ-HĐQT	Approving the plan to handle all collaterals at Kinh Bac - Da Nang Investment One Member Company Limited.	100 %
12	06/4/2023	0604/2023/KBC/NQ-HĐQT	Extending the time to organize the 2023 Annual General Meeting of Shareholders.	100 %
13	10/4/2023	1004/2023/KBC/NQ-HĐQT	Adjusting and approving the implementation of share buyback plan.	100 %
14	17/4/2023	1704/2023/KBC/NQ-HĐQT	Approving the withdrawal of the share buyback report.	100 %
15	19/4/2023	1904/2023/KBC/NQ-HĐQT	Approving the finalizing of the list and the plan to early redeem Bond KBC121020.	100 %
16	19/4/2023	1904.1/2023/KBC/NQ-HĐQT	Approving the plan of rounding and handling the odd part of bond redeemed before maturity for bond code KBC121020.	100 %
17	21/4/2023	2104/2023/KBC/NQ-HĐQT	Approving the change of Kinh Bac City Development Holding Corporation's seal.	100 %
18	27/4/2023	2704/2023/KBC/QĐ-HĐQT/KT	Approving the appreciation award for leaders and employees of the Corporation on the anniversary of the establishment of the company and Que Vo IP.	100 %
19	05/5/2023	0505/2023/KBC/NQ-HĐQT	Approving the change of the seal of a subsidiary company, Kinh Bac Office and Factory Business One Member Company Limited.	100 %
20	08/5/2023	0805/2023/KBC/NQ-HĐQT	The organization of the 2023 Annual General Meeting of Shareholder.	100 %
21	29/5/2023	2905.1/2023/KBC/NQ-HĐQT	Approving the delisting of Bond KBC121020.	100 %
22	01/6/2023	0106.1/2023/KBC/NQ-HĐQT	Approving the agenda and draft documents submitted to the 2023 Annual General Meeting of Shareholder.	100 %
	01/6/2023	0106.2/2023/KBC/NQ-HĐQT	Approving the Business plan in 2023.	100 %

NO.	DATE	RESOLUTION/DECISION NO.	CONTENT	APPROVAL RATE
23	16/6/2023	1606.1/2023/KBC/NQ-HĐQT	Approving the re-presenting of some contents in the documents for the 2023 Annual General Meeting of Shareholder	100 %
24	29/6/2023	2906/2023/KBC/NQ-HĐQT	Approving the implementation of private share purchase of a subsidiary company, Sai Gon - Hai Phong Industrial Park Corporation.	100 %
25	30/6/2023	3006/2023/KBC/NQ-HĐQT	Approving the selection of auditing company for the financial year 2023.	100 %
26	14/7/2023	1407/2023/KBC/NQ-HĐQT	Approving the participation in the land use rights auction for lot TMDV-05 in the North Cam River New Urban Area for commercial and service purposes in Tan Duong commune, Thuy Nguyen district, Hai Phong city.	100 %
27	31/7/2023	3107/2023/KBC/NQ-HĐQT	Approving the appointment of a representative to replace the authorized representative to manage the capital contribution and change the legal representative of NGD Investment One Member LLC.	100 %
28	29/8/2023	2908/2023/KBC/NQ-HĐQT	Approving the appointment of a representative to represent the capital contribution of Kinh Bac City Development Holding Corporation at Lotus Hotel Development Sole Member Company Limited and appointing the Chairman of Lotus Hotel Development Sole Member Company Limited.	100 %
29	05/10/2023	0510/2023/KBC/NQ-HĐQT	Approving loan borrowing from Viet Nam Joint Stock Commercial Bank for Industry and Trade - Que Vo Industrial Park Branch to contribute working capital for business production activities (except for land and infrastructure leasing, real estate transferring) for year 2023 - 2024	100 %
30	21/10/2023	2110/2023/KBC/NQ-HĐQT	Approving the policy of increasing the charter capital of a subsidiary - Trang Cat One Member Urban Development Company Limited.	100 %
31	25/10/2023	2510/2023/KBC/NQ-HĐQT	Approving the increase of charter capital of Subsidiaries.	100 %
32	30/10/2023	3010/2023/KBC/NQ-HĐQT	Approving the increase of charter capital of a Subsidiary which is Trang Cat One Member Urban Development Company Limited	100 %
33	02/11/2023	0211/2023/KBC/QĐ-HĐQT	Approving the investment decision: "Song Hau 2 Industrial Park Technical Infrastructure and Construction Investment Project" with a scale of about 380 hectares in Chau Thanh district, Hau Giang province.	100 %
34	09/11/2023	0911/2023/KBC/QĐ-HĐQT	Approving the adjustment of the Investment Registration Certificate of the Trang Cat Urban and Service Area Construction Investment Project.	100 %
35	29/12/2023	2912/2023/KBC/NQ-HĐQT	Approving the remuneration of the Board of Directors, the Supervisory Board and the total income of the Head of the Supervisory Board in 2023.	100%

KBC's governance activities are always focused to comply with corporate governance regulations for listed companies, and the information provided on the stock market is transparent, clear and timely. The company regularly participates in information exchange and update programs with departments such as the Securities Commission, Ho Chi Minh Stock Exchange, Tax Department, Ministry of Finance, etc. However, it is inevitable that there were shortcomings in 2023 such as: *The BOD has not yet distributed cash dividends at a rate of 20% to existing shareholders within 6 months from the end of the 2023 Annual General Meeting of Shareholders. The specific reasons have been presented in the section "Implementation of the General Meeting of Shareholders' Resolutions in 2023" in this report.*

Moreover, on 22/08/2023, the State Securities Commission issued Decision No. 264/QĐ-QPHC on sanctioning administrative violations in the field of securities and stock market for KBC, specifically:

- The Report on the use of capital issued from bonds in 2020 was not published in 2020: Regarding this, KBC has sent a written explanation to the Management Agency because the time the new regulations took effect was 01/01/2021 - during the period of social distancing due to the Covid pandemic, the Company updated new regulations as well as the Company did not receive timely reminders from the Management Agency, leading to shortcomings;
- The semi-annual Audited financial statements for year 2021 and The semi-annual Report on the use of capital from bond issuance in 2021 was delayed being publicized: Regarding this, KBC has issued a written explanation to the Management Authority. Because this is the time when the company's operating locations were in quarantine due to the Covid pandemic, the Company has sent a document to the State Securities Commission (SSC) to extend the deadline for publishing the semi-annual financial reports due to unavoidable reasons, which was approved by the SSC like many other companies. This extension was disclosed on the stock market at that time.

#### □ Activities of the BOD's independent member

Currently, KBC has 01 independent member - Mr. Le Hoang Lan, out of a total of 05 members of the Board of Directors (*in accordance with the Charter approved by the General Meeting of Shareholders and current regulations*).

Mr. Le Hoang Lan was appointed by the General Meeting of Shareholders as a member of the Board of Directors at the 1st Extraordinary General Meeting of Shareholders in 2022 on 10/02/2022 for the term 2022-2027. Mr. Lan fully participated in 100% of the meetings of the Board of Directors in 2023. In the decisions of the BOD, Mr. Lan always gave independent opinions to other members of the BOD, jointly reviewing and resolving issues to come to an solution and participated in monitoring and directing activities according to the work assignment by the BOD. Mr. Lan has fully complied with the rights and responsibilities of an independent member of the BOD.

#### Assessing the activities of the BOD in 2023, the independent member realizes:

- The BOD carried out their duties carefully, closely followed the general direction and goals, and complied with specialized legal regulations governing the scope of business activities of the Corporation.
- All members of the BOD contributed their opinions and views in meetings, conducted discussions and voted on issues within the authority of the BOD as well as take responsibility for their decisions
- Transactions between related parties were carried out in accordance with current law and according to the transaction policy between related parties approved by the General Meeting of Shareholders.
- The BOD cooperated with the BOM to actively participate in activities to attract FDI and promote domestic and foreign trade promotion to find business partners for the Corporation in the future.
- The BOD has cooperated with the Board of Directors to actively participate in activities to attract FDI and promote domestic and foreign trade to find business partners for the Group in the future.
- The BOD proposed the right business plans and directions, supervised and accompanied the BOM in all activities of 2023.

#### □ The implementation of the Resolutions of the General Meeting of Shareholders in 2023:

KBC's 2023 operating orientation is approved through 02 General Meetings of Shareholders (GMS) as follows: the 2nd Extraordinary General Meeting of Shareholders in 2022 on 28/12/2022 and the 2023 Annual General Meeting of Shareholders on 23/06/2023. Thereby, the GMS approved the following Resolutions:

NO.	APPROVED CONTENTS	THE IMPLEMENTATION
<b>I Resolution No. 28121/2022/KBC/NQ-DHDCD and No. 28122/2022/KBC/NQ-DHDCD of the 2nd Extraordinary General Meeting of Shareholders in 2022 on 28/12/2022</b>		
1	Approving the business plan in 2023 - Total expected revenue: 9,000 billion VND - Total expected PAT: 4,000 billion VND	Revenue and PAT according to the audited consolidated financial statements of 2023: - Total revenue: 6,058.76 billion VND - Total NPAT: 2,245 billion VND
2	Approving the listing of bonds.	No bonds needed to be listed in 2023
3	Approved the plan to pay cash dividends to existing shareholders in 2023.	At the 1st Extraordinary GMS in 2024 on 28/03/2024, it was approved to be canceled the cash dividend payment plan approved in the following GMS's resolutions: No. 2306/2023/KBC/NQ-DHDCD on 23/06/2023 & No. 28121/2022/KBC/NQ-DHDCD on 28/12/2022.
4	Approving the policy of transactions between related parties for 2023 until the nearest Annual GMS in 2024.	Implementing information disclosure of the BOD's resolutions for transactions between related parties under the authority of the BOD in accordance with the law.
5	Approving the plan to buy back 100,000,000 shares to reduce charter capital, while authorized the BOD to decide on all issues related to the stock buyback.	At the 1st Extraordinary GMS in 2024 on 28/03/2024, it was approved to cancel the plan to buy back shares to reduce charter capital according to GMS's Resolution No. 28122/2022/KBC/NQ-DHDCD dated 28/12/2022.
<b>II 2023 Annual GMS Resolution No. 2306/2023/KBC/NQ-DHDCD dated 23/06/2023</b>		
1	Approving to maintaining the Corporation's business plan for 2023 approved by the 2nd Extraordinary GMS in 2022 on 28/12/2022 (reported above).	
2	Approving the policy of transactions between related parties in 2023 until the latest GMS in 2024 (reported above).	
3	Approving the plan to select an audit unit in 2023.	On 01/07/2023, KBC announced the signing of the 2023 Financial Report audit contract with Ernst & Young Vietnam Limited - an auditing company approved by the GMS.
4	Approving the plan to pay remuneration, salaries, bonuses and operating expenses for the BOD and the BOS in 2023 at 5 billion VND.	Total expenses of the BOD and the BOS in 2023 were: 879,745,620 VND, equal to 17.59% of the limit approved by the GMS.
5	Approving the amendment to the Charter of organization and operation of the Corporation.	On 24/06/2023, KBC announced the 27th amendment to the Company's Charter.
6	Approving the 2022 after-tax profit distribution plan.	At the 1st Extraordinary GMS in 2024 on 28/03/2024, it was approved to cancel the cash dividend payment plan approved in the GMS's Resolutions No. 2306/2023/KBC/NQ-DHDCD dated 23/06/2023 & Resolution No. 28121/2022/KBC/NQ-DHDCD dated 28/12/2022.

### □ The BOD's members who have certificates of corporate governance training

The BOD's members have not been granted corporate governance certificates, because they often have to go on business trips and cannot arrange time to attend training courses of the training agency. However, the BOD's members always update and understand the regulations on corporate governance for listed companies and always try to overcome this problem with courses and seminars of the management agencies.

In 2023, BOD's members participated in direct/online seminars organized by management agencies such as: Workshop to seek opinions on the draft Circular amending and supplementing a number of articles of the Circular No. 200/2014/TT-BTC dated 22/12/2014 of the Ministry of Finance guiding the corporate accounting regime; Workshop to share international experiences on Green Bonds and information disclosure activities for Green Bonds; Online conference to deploy Official Telegram 993/CD-TTg dated 24/10/2023 of the Prime Minister, etc.

## 2. SUPERVISORY BOARD (SB)

### □ Members of the Supervisory Board

NO.	MEMBER OF THE SUPERVISORY BOARD	TITLE	OWNING RATE	NOTE
1	Mrs. Nguyen Bich Ngoc	Head	0 %	
2	Mrs. The Thi Minh Hong	Member	0%	Reappointed on 10/02/2022 for the term 2022-2027
3	Mr. Tran Tien Thanh	Member	0%	

### □ Activities of the Supervisory Board in 2023

In 2023, the Supervisory Board of Kinh Bac City Development Holding Corporation performed the main tasks including:

- The Supervisory Board examined and reviewed the data related to the Corporation's business activities, the resolutions of the BOD, supervised the investment situation of the projects, the basis for the implementation of the plans and objectives of the BOD approved in the meetings. Based on the Resolutions of the GMS, the Resolutions of the BOD, the recommendations of the BOM, the SB also made recommendations for the BOD and the BOM.
- Supervising the financial management activities and the preparation of financial statements to ensure the truthfulness and reasonableness of the presented financial data; Exchanging information with the appointed Independent Auditor during the audit of the Financial Statements;
- Reviewing and evaluating the operation and internal management of the BOD, the members of the BOD, BOM, and leaders based on the criteria to ensure the interests of shareholders and the Corporation;
- Reviewing, evaluating and making recommendations for the coordination of activities of departments in the business management and administration process;
- The Supervisory Board has 3 members, including 01 full-time Head of Supervisory Board and 02 Supervisors. The Supervisors all work independently, do not hold managerial positions, do not work in the Accounting and Auditing department of the Corporation.

During their operation, the Supervisory Board was given all favourable conditions by the BOD and BOM to perform its duties. The Supervisory Board fully received the resolutions of the BOD, reports related to business performance, quarterly and semi-annual financial statements, annual financial statements of the Corporation and participated in meetings convened by the BOD related to the implementation of the Corporation's operational plans.

In 2023, the Supervisory Board did not receive any complaints from the Corporation's Shareholders regarding the directing and operating activities of the BOD, BOM and other management departments.

### □ Contents and results of Supervisory Board meetings in 2023

In 2023, the Supervisory Board conducted 06 meetings, 100% of the Supervisory Board members attended to approve the following contents:

NO.	DATE	SB'S MEETING MINUTES NO	CONTENT	APPROVAL RATE
1	24/01/2023	2401/2023/KBC/BB-BKS	Report on inspection and supervision results of the Supervisory Board in the fourth quarter of 2022	100%
2	26/04/2023	2604/2023/KBC/BB-BKS	Report on inspection and supervision results of the Supervisory Board in the first quarter of 2023	100%
3	26/05/2023	04/KBC/BC-BKS	Report submitted to the 2023 Annual GMS on the activities of the Supervisory Board in 2022	100%
4	26/07/2023	267/2023/KBC/BB-BKS	Report on inspection and supervision results of the Supervisory Board in the second quarter of 2023	100%
5	17/08/2023	178/2023/KBC/BB-BKS	Report on mid-year business results (first 6 months of the year)	100%
6	25/10/2023	2510/2023/KBC/BB-BKS	Report on inspection and supervision results of the Supervisory Board in the third quarter of 2023	100%

## 3. TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOD, BOM AND BOS

In 2023, the total remuneration of BOD, the BOS; Income of the BOM & Head of BOS; Personal income tax paid by KBC were as follows:

Unit: VND

NO.	FULL NAME	TITLE	REMUNERATION OF MEMBERS OF THE SB/ BOD	TOTAL INCOME OF HEAD OF SB, EB	TOTAL INCOME TAX PAID BY KBC	TOTAL EXPENSES OF THE BOD AND SB
1	Nguyen Thi Thu Huong	Chairman of the BOD	100,000,000	11,124,792,000	5,734,334,154	135,000,000
2	Huynh Phat	Member of the BOD cum CEO	100,000,000		11,111,111	111,111,111
3	Le Hoang Lan	Member of the BOD	100,000,000		11,111,111	111,111,111
4	Dang Nguyen Quynh Anh	Independent member of the BOD	100,000,000		11,111,111	111,111,111
5	Pham Phuc Hieu	Deputy General Director, Chief accountant, Person authorized to disclose information		4,179,284,000	1,997,460,615	
6	Nguyen My Ngoc	Deputy General Director		2,736,242,000	1,220,438,000	
7	Phan Anh Dung	Deputy General Director		87,500,000		
8	Nguyen Bich Ngoc	Head of SB	50,000,000	234,056,000	16,245,176	300,301,176
09	The Thi Minh Hong	Member of SB	50,000,000		5,555,556	55,555,556
10	Tran Tien Thanh	Member of SB	50,000,000		5,555,556	55,555,556
<b>Total</b>						<b>879,745,620</b>

Thus, the total expenses of remuneration and benefits of the BOD, BOS and the expenses of salaries, bonuses and allowances for the full-time Head of the BOS in 2023 was 879,745,620 VND (In words: Eight hundred seventy nine million, seven hundred forty five thousand, six hundred and twenty VND), equal to 17.59% of the limit approved by the 2023 Annual GMS's Resolution No. 2306/2023/KBC/NQ-DHDCD dated 23/06/2023, which was 5,000,000,000 VND (In words: Five billion VND)/year.

**Other benefits:** Equipped with shuttle car, mobile phone, payment of monthly fees, payment of travel expenses, etc.



□ Share transactions by internal shareholders/ related persons in 2023: None

□ Transactions between KBC and related parties

NO.	NAME OF ORGANIZATION/ INDIVIDUAL	RELATIONSHIP WITH THE COMPANY	TYPE OF TRANSACTION, TIME OF TRANSACTION WITH THE COMPANY	THE BOD'S RESOLUTION NO
1	Nguyen Thi Thu Huong	Member of the BOD, CEO	Receive remuneration for the BOD in 2022 Receive annual salary, bonus	BOD's Resolution No. 0301/2023/KBC-HDQT approving the remuneration for the members of the BOD, BOS and total income for Head of BOS in 2022 Labour contract
2	Huynh Phat	Member of the BOD	Receive remuneration for the BOD in 2022	BOD's Resolution No. 0301/2023/KBC-HDQT approving the remuneration for the members of the BOD, BOS and total income for Head of BOS in 2022
3	Le Hoang Lan	Independent Member of the BOD	Receive remuneration for the BOD in 2022	BOD's Resolution No. 0301/2023/KBC-HDQT approving the remuneration for the members of the BOD, BOS and total income for Head of BOS in 2022
4	Dang Nguyen Quynh Anh	Member of the BOD	Receive remuneration for the BOD in 2022	BOD's Resolution No. 0301/2023/KBC-HDQT approving the remuneration for the members of the BOD, BOS and total income for Head of BOS in 2022
5	Pham Phuc Hieu	Deputy General Director/ Chief Accountant/ Person authorized to disclose information	Receive monthly salary, bonus	Labour contract
6	Nguyen My Ngoc	Deputy General Director	Receive monthly salary, bonus	Labour contract
7	Phan Anh Dung	Deputy General Director	Receive bonus	Labour contract
8	Nguyen Bich Ngoc	Head of BOS	Receive remuneration for the BOS in 2022 Receive monthly salary, bonus	BOD's Resolution No. 0301/2023/KBC-HDQT approving the remuneration for the members of the BOD, BOS and total income for Head of BOS in 2022 Labour contract
9	The Thi Minh Hong	Member of SB	Receive remuneration for the BOS in 2022	Labour contract
10	Tran Tien Thanh			
11	Tran Thi Thu Ha	Person in charge of corporate governance/ Company secretary	Receive monthly salary, bonus	Labour contract
12	Trang Cat One Member Urban Development Limited Company (TCC)	A subsidiary directly owned 100% by KBC	KBC repaid the loan from TCC; KBC contributed capital to TCC by offsetting the loans	Resolution No: 2912-1/2022/KBC/NQ-HDQT; 0203/2023/KBC/NQ-HDQT; 2110/2023/KBC/NQ-HDQT Loan Agreement No: 2912/2022/HĐV/TCC-KBC; 01/HĐV/KBC-TCC
13	Hung Yen Investment and Development Corporation (HYC)	A subsidiary directly owned 85% by KBC	KBC repaid a part of HYC's loan principal	Resolution No: 2912-1/2022/KBC/NQ-HDQT và Contract No. 01/2022/TTHTV/HY-KBC
14	Kinh Bac Investment and Consultant Corporation (KBI)	Major Shareholder - Ownership Ratio of KBC shares is 8.5%	KBC transferred money to implement the site clearance contract to KBI	Site clearance contract No. 01/2023/HĐKT/KBC-KCN

NO.	NAME OF ORGANIZATION/ INDIVIDUAL	RELATIONSHIP WITH THE COMPANY	TYPE OF TRANSACTION, TIME OF TRANSACTION WITH THE COMPANY	THE BOD'S RESOLUTION NO
15	Saigon - Hai Phong Industrial Park Corporation (SHP)	A subsidiary directly owned 86.54% by KBC and KBC's internal person is a member of SHP's BOD	KBC received dividends from SHP	SHP's Resolution No: 2912/2022/NQ-DHDCD SHP's Dividend Payment Notice No. 3112.1/2022/TB-HDQT
			KBC paid principals and paid off loan balance	Resolution No: 2907/2020/KBC/NQ-HDQT & Loan Agreement No: 10/HĐVV/SHP-KBC/2020
			KBC paid interests and paid off loan balance	Resolution No: 2907/2020/KBC/NQ-HDQT & Loan Agreement No: 10/HĐVV/SHP-KBC/2020
16	Sai Gon - Bac Giang Industrial Park Corporation (SBG)	A subsidiary directly owned 92.5% by KBC and KBC's internal person is a member of SHP's BOD/BOM	KBC bought SHP shares issued privately (by debt offsetting)	Resolution No: 2906/2023/KBC/NQ-HDQT; 0903/2021/KBC/NQ-HDQT; 0607/2021/KBC/NQ-HDQT; 0912-1/2021/KBC/NQ-HDQT Loan Agreement No: 02/HĐVV/KBC-SHP/2021; 06/HĐVV/KBC-SHP/2021
			KBC repaid principles, interests and paid off loan outstandings to SBG	Resolution No: 2610/2021/KBC/NQ-HDQT; 0911/2021/KBC/NQ-HDQT; 2106/2022/KBC/NQ-HDQT; 1710/2019/KBC/NQ-HDQT; 0805/2020/KBC/NQ-HDQT; 2112/2020/KBC/NQ-HDQT; 2610/2021/KBC/NQ-HDQT; 2903.3/2023/KBC/NQ-HDQT; Loan Agreement No: 08/HĐVV/SBG-KBC/2020; 09/HĐVV/SBG-KBC/2020; 10/HĐVV/SBG-KBC/2022; 11/HĐVV/SBG-KBC/2022; 12/HĐVV/SBG-KBC/2022; 03/HĐVV/SBG-KBC/2019; 04/HĐVV/SBG-KBC/2020; 05/HĐVV/SBG-KBC/2020; 06/HĐVV/SBG-KBC/2020; 07/HĐVV/SBG-KBC/2020; 08/HĐVV/SBG-KBC/2020; 01.2023/HĐVV/KBC-SBG/2023; 01.2023/HĐVV/KBC-SBG Loan Agreement Appendix No. 01.2023/PL1/HĐVV/KBC-SBG/2023
17	Saigon Telecommunication & Technologies Corporation (SGT)	Mr. Dang Thanh Tam's affiliated organization	KBC borrowed loans SBG	Resolution No: 2903.3/2023/KBC/NQ-HDQT; Loan Agreement No: 01.2023/HĐVV/KBC-SBG/2023
			Payment of internet line fees	Service contract No: 2608/2019/HĐDV-SGT; 2911/2021/HĐDV-SGT; 0103/2023/HĐDV-SGT; 1805/2022/HĐDV-SGT; 0112/14/HĐDV-SGT; 1703/14/HĐDV-SGT-DDHS

Transactions between related parties are presented in the Corporate Governance Report and the 2023 Audited Financial Statements which are an integral part of this report.

### □ Evaluating the implementation of regulations on corporate governance

Corporate governance in a company with a Corporation model like KBC is a complex job, requiring close supervision and timely updating of legal regulations. In 2023, KBC tried to comply with corporate governance regulations according to the law as well as the Corporation's internal regulations. Legal regulations were continuously updated and disseminated throughout the system, specifically as follows: implementation of the 27th Charter amendment; Business Registration Certificate's modification when there was a change in administrative boundaries, etc. Departments within the Corporation worked closely together, ensuring that the Management of Operations, Finance, Business and Risk control were implemented flexibly and promptly.

However, KBC could not avoid shortcomings in implementing corporate governance regulations in 2023 in terms of not yet paying cash dividends in 2023 to shareholders, although the BOD submitted to the GMS on **cancelling the dividend payment plan** at the 1st GMS in 2024 held on 28/03/2024, the BOD considered they necessarily to be more careful in each content presented to the GMS in the following periods.



KBC organized the 1st Extraordinary GMS in 2024 to promptly approve important plans for 2024

### □ Shareholder relation activities

KBC is a securities that converges the influence of macro factors such as domestic and foreign economic growth, socio-economic development policies, preferential policies of localities, land law, monetary policy, FDI attraction, interest rates, politics, diplomatic relations among countries, environmental pollution, etc. It can be said that KBC is considered as a securities with movements similar to the general development trend of the economy. We want to emphasize this so that our shareholders and investors have an overall view.

The shareholder relations and investor relations are always focused on by KBC. We are ready to answer all questions, listen to all suggestions of Shareholders and Investors.

Every year, KBC contacts and meets with many investment funds online/in person. Therefore, if you have any concerns about the situation of the Corporation, we respectfully request shareholders and investors to contact us via email:

**Email: [kinhbac.kbc@gmail.com](mailto:kinhbac.kbc@gmail.com)**



KBC attended the Investors Conference in Hong Kong

# PART VI

## AUDITED FINANCIAL STATEMENTS



**Ernst & Young Viet Nam Limited** 16 Phan Chu Trinh Street, Hoan Kiem, Ha Noi Viet Nam  
 Floor 8, CornerStore Building Tel: 84 24 3831 5100 & Fax: 84 24 3831 5090 ey.com

**Reference No.:** 11656910/66921092-HN

### INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of KinhBac City Development Holding Corporation**

We have audited the accompanying consolidated financial statements of KinhBac City Development Holding Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 25 March 2024 and set out on pages 6 to 65, which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

#### Management's responsibility

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

#### Auditors' responsibility

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

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

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

**Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2023, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements..

**Ernst & Young Vietnam Limited**

(signed and stamped)

(signed)

**Tran Phu Son****Nguyen Quy Manh**

Deputy General Director

Auditor

Audit Practising Registration Certificate No. 0637-2023-004-1

Audit Practising Registration Certificate No. 4482-2023-004-1

Hanoi, Vietnam

**25 March 2024****KINH BAC CITY DEVELOPMENT HOLDING CORPORATION**

B01a-DN/HN

**CONSOLIDATED BALANCE SHEET**

as at 31 December 2023

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>25,029,443,704,757</b>	<b>27,674,080,297,628</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>841,304,457,657</b>	<b>1,683,149,405,060</b>
111	1. Cash		314,837,340,778	1,401,510,923,666
112	2. Cash equivalents		526,467,116,879	281,638,481,394
<b>120</b>	<b>II. Short-term investments</b>	<b>6</b>	<b>1,864,234,663,420</b>	<b>2,441,801,461,721</b>
121	1. Held-for-trading securities	6.1	1,862,358,461,369	1,862,358,461,369
122	2. Provision for held-for-trading securities	6.1	(5,473,797,949)	(6,226,144,519)
123	3. Held-to-maturity investments	6.2	7,350,000,000	585,669,144,871
<b>130</b>	<b>III. Current accounts receivable</b>		<b>9,662,549,880,342</b>	<b>10,895,901,944,840</b>
131	1. Short-term trade receivables	7.1	615,242,726,081	957,696,732,765
132	2. Short-term advances to suppliers	7.2	3,273,094,688,035	3,564,526,371,175
135	3. Short-term loan receivables	8	2,384,858,032,880	2,762,411,740,790
136	4. Other short-term receivables	9	3,496,138,801,296	3,654,794,506,950
137	5. Provision for doubtful short-term receivables	7.3	(106,784,367,950)	(43,527,406,840)
<b>140</b>	<b>IV. Inventories</b>	<b>10</b>	<b>12,218,764,105,774</b>	<b>12,330,243,270,680</b>
141	1. Inventories		12,218,764,105,774	12,330,243,270,680
<b>150</b>	<b>V. Other current assets</b>		<b>442,590,597,564</b>	<b>322,984,215,327</b>
151	1. Short-term prepaid expenses	11	59,824,003,449	61,178,577,357
152	2. Value-added tax deductible	17	311,851,864,183	207,965,514,065
153	3. Tax and other receivables from the State	17	70,843,076,413	53,764,932,028
155	4. Other current assets		71,653,519	75,191,877

**KINH BAC CITY DEVELOPMENT HOLDING CORPORATION**  
**CONSOLIDATED BALANCE SHEET** (continued)

as at 31 December 2023

B01a-DN/HN

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>8,404,776,571,144</b>	<b>7,232,432,899,384</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>1,532,184,242,645</b>	<b>820,573,700,263</b>
215	1. Long-term loan receivables	8	880,573,000,000	148,423,703,957
216	2. Other long-term receivables	9	651,611,242,645	672,149,996,306
<b>220</b>	<b>II. Fixed assets</b>		<b>448,814,409,474</b>	<b>365,388,358,290</b>
221	1. Tangible fixed assets	12	448,586,845,821	365,333,606,633
222	Cost		858,795,231,647	722,494,036,438
223	Accumulated depreciation		(410,208,385,826)	(357,160,429,805)
227	2. Intangible fixed assets		227,563,653	54,751,657
228	Cost		634,415,500	448,175,500
229	Accumulated amortisation		(406,851,847)	(393,423,843)
<b>230</b>	<b>III. Investment properties</b>	<b>13</b>	<b>1,200,985,590,890</b>	<b>167,567,010,562</b>
231	1. Cost		1,365,091,011,077	255,584,291,494
232	2. Accumulated depreciation		(164,105,420,187)	(88,017,280,932)
<b>240</b>	<b>IV. Long-term assets in progress</b>	<b>14</b>	<b>426,520,879,465</b>	<b>1,169,797,985,814</b>
242	1. Construction in progress		426,520,879,465	1,169,797,985,814
<b>250</b>	<b>V. Long-term investments</b>	<b>15</b>	<b>4,776,843,987,601</b>	<b>4,697,431,764,453</b>
252	1. Investments in associates, jointly controlled entities	15.1	4,378,361,952,386	4,323,949,729,238
253	2. Investment in other entities	15.2	424,500,200,000	399,500,200,000
254	3. Provision for diminution in value of long-term investments	15.2	(26,018,164,785)	(26,018,164,785)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>19,427,461,069</b>	<b>11,674,080,002</b>
261	1. Long-term prepaid expenses	11	19,427,461,069	10,398,267,573
262	2. Deferred tax assets	29.3	-	1,275,812,429
<b>270</b>	<b>TOTAL ASSETS</b>		<b>33,434,220,275,901</b>	<b>34,906,513,197,012</b>

**KINH BAC CITY DEVELOPMENT HOLDING CORPORATION**  
**CONSOLIDATED BALANCE SHEET** (continued)

as at 31 December 2023

B01a-DN/HN

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>300</b>	<b>C. LIABILITIES</b>		<b>13,213,347,571,485</b>	<b>17,060,993,904,926</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>6,578,776,212,862</b>	<b>10,684,165,020,680</b>
311	1. Short-term trade payables	16.1	436,132,958,547	453,108,410,168
312	2. Short-term advances from customers	16.2	552,908,614,849	877,928,026,040
313	3. Statutory obligations	17	364,649,564,762	145,333,576,572
314	4. Payables to employees		105,001,135	105,757,133
315	5. Short-term accrued expenses	18	1,823,639,404,557	1,418,514,234,584
318	6. Short-term unearned revenues		1,218,898,453	1,069,455,000
319	7. Other short-term payables	19	3,055,809,343,520	3,829,774,766,541
320	8. Short-term loans	20	337,323,250,730	3,951,376,578,333
322	9. Bonus and welfare fund		6,989,176,309	6,954,216,309
<b>330</b>	<b>II. Non-current liabilities</b>		<b>6,634,571,358,623</b>	<b>6,376,828,884,246</b>
333	1. Long-term accrued expenses	18	2,149,400,351,677	1,760,346,557,414
336	2. Long-term unearned revenue		4,281,241,388	4,408,865,613
337	3. Other long-term liabilities	19	27,417,079,156	18,427,188,430
338	4. Long-term loans	20	3,322,049,863,699	3,687,089,342,314
341	5. Deferred tax liabilities	29.3	1,130,470,854,741	905,604,962,513
342	6. Long-term provisions		951,967,962	951,967,962

## KINH BAC CITY DEVELOPMENT HOLDING CORPORATION

B01a-DN/HN

## CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2023

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>20,220,872,704,416</b>	<b>17,845,519,292,086</b>
<b>410</b>	<b>I. Capital</b>		<b>20,220,872,704,416</b>	<b>17,845,519,292,086</b>
411	1. Share capital	21.1	7,676,047,590,000	7,676,047,590,000
411a	- Shares with voting rights		7,676,047,590,000	7,676,047,590,000
412	- Treasury shares	21.1	2,743,529,570,000	2,743,529,570,000
418	2. Share premium	21.1	2,223,693,823	2,223,693,823
421	3. Treasury sharesn phđi	21.1	7,754,163,743,041	5,646,308,490,449
421a	4. Investment and development fund		5,723,464,382,722	4,119,957,410,625
421b	5. Undistributed earnings		2,030,699,360,319	1,526,351,079,824
429	6. Non-controlling interests	22	2,044,908,107,552	1,777,409,947,814
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>33,434,220,275,901</b>	<b>34,906,513,197,012</b>

## KINH BAC CITY DEVELOPMENT HOLDING CORPORATION

B02a-DN/HN

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2023

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
01	1. Revenue from sale of goods and rendering of services	23.1	5,858,772,665,527	1,397,476,163,499
02	2. Deductions	23.1	(240,297,318,000)	(447,210,000,000)
10	3. Net revenue from sale of goods and rendering of services	23.1	5,618,475,347,527	950,266,163,499
11	4. Cost of goods sold and services rendered	24	(1,923,081,056,083)	(684,515,319,313)
20	5. Gross profit from sale of goods and rendering of services		3,695,394,291,444	265,750,844,186
21	6. Finance income	23.2	426,075,898,488	339,652,334,340
22	7. Finance expenses	25	(426,206,938,934)	(595,404,542,981)
23	<i>In which: Interest expenses</i>		<i>(379,668,497,960)</i>	<i>(522,875,219,589)</i>
24	8. Shares of profit of associates, jointventures	15.1	(8,087,776,852)	2,186,822,799,809
25	9. Selling expenses	26	(354,412,075,024)	(45,914,808,918)
26	10. General and administrative expenses	26	(458,380,732,970)	(464,460,343,994)
30	11. Operating profit		2,874,382,666,152	1,686,446,282,442
31	12. Other income		22,300,987,274	21,329,080,350
32	13. Other expenses	27	(5,523,841,955)	(11,190,277,098)
40	14. Other profit/(loss)		16,777,145,319	10,138,803,252
50	15. Accounting profit before tax		2,891,159,811,471	1,696,585,085,694
51	16. Current corporate income tax expenses	29.1	(420,014,694,484)	(150,202,907,959)
52	17. Deferred tax income/(expenses)	29.3	(226,141,704,657)	30,146,862,792
60	18. Net profit after tax		2,245,003,412,330	1,576,529,040,527
61	19. Net profit after tax attributable to shareholders of the parent		2,030,699,360,319	1,526,351,079,824
62	20. Net profit after tax attributable to non-controlling interests		214,304,052,011	50,177,960,703
70	21. Basic earnings per share	31	2,646	1,993
71	22. Diluted earnings per share	31	2,646	1,993

**KINH BAC CITY DEVELOPMENT HOLDING CORPORATION**  
**CONSOLIDATED INCOME STATEMENT**

for the year ended 31 December 2023

B03a-DN/HN

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>2,891,159,811,471</b>	<b>1,696,585,085,694</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets		132,516,494,010	76,156,349,325
03	Provision		62,504,614,540	34,158,244,175
05	Profits from investing activities		(414,654,731,827)	(2,527,061,223,118)
06	Interest expenses and bond issue costs	25	422,301,039,136	580,086,440,952
<b>08</b>	<b>Operating (losses)/profit before changes in working capital</b>		<b>3,093,827,227,330</b>	<b>(140,075,102,972)</b>
09	Increase in receivables		562,611,677,734	(1,510,937,176,511)
10	(Increase)/decrease in inventories		396,098,684,083	(815,005,324,059)
11	Increase/(decrease) in payables (other than interest, corporate income tax)		(535,414,571,199)	1,886,534,707,773
12	Decrease in prepaid expenses rước		(7,693,176,400)	23,823,655,326
14	Interest paid		(314,511,314,743)	(489,747,029,912)
15	Corporate income tax paid	17	(192,562,670,798)	(172,152,495,773)
<b>20</b>	<b>Other cash inflows from operating activities</b>		<b>3,002,355,856,007</b>	<b>(1,217,558,766,128)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(1,251,432,310,212)	(274,486,604,790)
22	Proceeds from liquidation and sale of fixed assets and other long-term assets		-	590,909,091
23	Loans to other entities and payments for purchase of debt instruments of other entities		(1,413,720,227,680)	(2,998,289,485,397)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		1,637,443,784,418	2,949,996,617,187
25	Payments for investments in other entities		(68,752,587,801)	(665,969,230,000)
26	Proceeds from sale of investments in other entities		1,173,996,251,422	243,880,217,500
27	Interest and dividends received		75,198,408,838	221,052,868,860
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>152,733,318,985</b>	<b>(523,224,707,549)</b>

**KINH BAC CITY DEVELOPMENT HOLDING CORPORATION**  
**CONSOLIDATED INCOME STATEMENT** (continued)

for the year ended 31 December 2023

B03a-DN/HN

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution and issuance of shares		130,350,000,000	334,718,570,000
33	Drawdown of borrowings		1,068,253,400,231	1,992,468,191,731
34	Repayment of borrowings		(5,065,178,747,626)	(1,465,573,308,799)
36	Dividend paid		(130,358,775,000)	(158,860,000)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>(3,996,934,122,395)</b>	<b>861,454,592,932</b>
<b>50</b>	<b>Net (decrease)/increase in cash and cash equivalents for the year</b>		<b>(841,844,947,403)</b>	<b>(879,328,880,745)</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of the year</b>		<b>1,683,149,405,060</b>	<b>2,562,478,285,805</b>
<b>70</b>	<b>Cash and cash equivalents at end of the year</b>	<b>5</b>	<b>841,304,457,657</b>	<b>1,683,149,405,060</b>

(signed)

(signed)

(signed and stamped)

**Luu Phuong Mai**

Preparer

Bac Ninh, Vietnam  
25 March 2024**Pham Phuc Hieu**Deputy General Director  
cum Chief Accountant**Nguyen Thi Thu Huong**

General Director

To view the detailed financial statements, Shareholders and Investors can find them on the Website: [www.kinhbacity.vn](http://www.kinhbacity.vn) and [www.hsx.vn](http://www.hsx.vn)

**KINH BAC CITY DEVELOPMENT HOLDING CORPORATION**

**Chairman of the BOD  
DANG THANH TAM**

