



ANNUAL REPORT

2019



KBC ACOMPLISHING THE CORNERSTONE BUILDING



TURNING NEW PAGES OF HISTORY



WELCOME A NEW DECADE OF LONGEVITY AND DEVELOPMENT



TABLE OF CONTENTS

PART 1: ABOUT US	Page 05
PART 2: BUSINESS PERFORMANCE IN 2019	Page 31
PART 3: ASSESSMENT REPORT FROM BOARD OF DIRECTORS	Page 63
PART 4: ASSESSMENT REPORT FROM BOARD OF MANAGEMENT	Page 70
PART 5: COMPANY MANAGEMENT	Page 75
PART 6: THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS	Page 84

LIST OF ABBREVIATIONS

FDI: Foreign Direct Investment
IP: Industrial Park
EZ: Economic Zone
BOM: Board of Management
CEO: Chief Executive Officer

KBC: Kinh Bac City Development Holding Corporation
HOSE: Ho Chi Minh Stock Exchange
SHP: Saigon – Haiphong IP Corporation
SBG: Saigon – Bacgiang IP Corporation

PREAMBLE

To our dear Shareholders, Investors, Customers and Partners.

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION – KINHBAC CITY GROUP would like to express our glad to all the Shareholders, Investors Customers, Partners, Financial Organization and Individuals who have accompanied KBC during the development process in the past 18 years.

We would like to close with you our first history pages which built a solid foundation for KBC and turning our pages to greet a new decade of longevity and development.

Thus, This Report and all the previous released Annual Reports are inseparable.

PART 1: ABOUT US

GENERAL INFORMATION

1. GENERAL INFORMATION

- Business name:

In Vietnamese: **TỔNG CÔNG TY PHÁT TRIỂN ĐÔ THỊ KINH BẮC - CTCP**

In English: **KINHBAC CITY DEVELOPMENT HOLDING CORPORATION**

Abbreviation: **KINHBAC CITY GROUP**

- Enterprise Registration Certificate number: 2300233993, issued by Bac Ninh Department of Plan and Investment on 27th March 2002, 16th amended on 25th June 2019.

- Charter Capital: 4.757.111.670.000 VND

- Address: Lot B7, Que Vo IP, Phuong Lieu commune, Que Vo district, Bac Ninh province, Viet Nam

- Tel.: 0222 3634034 **Fax:** 0222 3634035

- Website: <http://www.kinhbaccity.vn>

- Stock code: KBC



2. PROCESS OF DEVELOPMENT

KBC has successfully built a model of IPs attracting many investors in high-tech fields, reduced environmental pollution to become one of the first enterprises developing IP model in Vietnam, contributed significantly to the development of Vietnam in the renovation period. During the process of development, KBC has contributed to promote the process of socioeconomic restructuring in local areas, created thousands of jobs, boosted demand for developing ancillary service and contributed VND trillions to the State budget.

Since its establishment on March 27th 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. Each IP is 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 in modern standards, perform stably, not only benefit to KBC and investors but also contribute significantly to the development of society.

KBC has been creating a large land bank of 5.278 hectares for IPs, increasing 1,7% compared to 2018 due to the adjustment of 90 hectares of Quang Chau urban area – Bac Giang to industrial land; occupying nearly 5,5% of the total IPs area of Vietnam and 938,6 hectares of Urban Area from the North to the South, meeting demands of many investors about location. Each IP has an average size of over 200 hectares, KBC also has 2 IPs in economic zone which are Trang Due – Hai Phong and Chan May – Lang Co.

Been through 18 years of formation and development, KBC has grown significantly in both scale and quality, and has experienced numerous memorable milestones:

- ▶ Being a private corporation, which has consistently received 12 eminent emulation flags from the Government, initial share capital increased from VND 20 billion to VND 4.757,1 billion, equity reached over VND 10.381,1 billion on 31st December 2019.
- ▶ Becoming a public corporation in 2007 with 88.000.000 shares initially listed on the Hanoi Stock Exchange, re-listed on the Ho Chi Minh Stock Exchange in 2009. The number of common shares is 475.711.167, the number of outstanding shares is 469.760.189. Capitalization shares up to 31st December 2019 reached VND 7.257,79 billion.
- ▶ 2012 was the most difficult year for KBC with a negative business result of VND 483,9 billion. The stock price has dropped to the lowest level of VND 4.800/share. The recovery has started from the end of 2013 until now.



- ▶ Being the most successful corporation in Vietnam in debt restructuring and foreign investment divestment process in the period 2014–2015. After successfully restructuring, potential investors continued to invest in KBC's IPs such as LG, satellites of Samsung, satellites of Apple and Korean, Chinese and Hong Kong enterprises; simultaneously, credit institutions and investment funds have approached to continue to grant new credit limits to the corporation and to explore investment opportunities.
- ▶ In 2017, for the first time, KBC opened for sale an urban area project Phuc Ninh urban in Bac Ninh within the sub-zone of 6,27ha and 22ha; Put corporate bonds listed on HOSE.
- ▶ 2018 marked a year of strong growth in investment attraction based on the positive effects from the transition wave of investment from China, Japan, Hongkong, Taiwan into Vietnam. As a result, Que Vo IP in Bac Ninh province and Trang Due IP in Hai Phong city have reached an occupancy rate about 97%, the rate of the growth is over 30% in each IP.

HIGHLIGHTS IN BUSINESS OPERATION OF KBC IN 2019

- ▶ In 2019, KBC closed the first pages of history in the process of establishing, developing and building the foundation: It is the 100% fill of Que Vo IP, the Que Vo Expanded IP in Bac Ninh has a scale of 611 ha, with time to complete the business cycle from 12 -15 years; Trang Due 1 Industrial Park, Trang Due 2 in Hai Phong has a scale of 402 ha, with the time to complete the business cycle from 5 to 8 years and also closed the first history pages of a subsidiary company held by KBC with 86,54% owned is Saigon Industrial Park Joint Stock Company - Hai Phong.
- ▶ Quang Chau - Bac Giang Industrial Park is an important highlight in KBC's 2019, leased 67,8 hectares, increasing the occupancy rate from 53,9% (2018) to 78,2% (2019), accounting for 62,8 % of total leasing area of the whole group; Trang Due Urban Area has been granted Land Ownership Certification, officially recorded revenue and contributed 16,4% of the total revenue of the Group
- ▶ In 2019, the Corporation's industrial park leasing business alone reached VND 2.888,4 billion, accounting for 69,4% of total revenue; Factory sales reached VND 100,2 billion, accounting for 3% of total revenue. Real estate investment reached VND 540,2 billion, accounting for 16,4% of total revenue. Thus, industrial zone investment and development activities still play a key role of the Group and achieve almost expected results.



AWARDS

KBC which is a public and completely non-government owned corporation, received 12 Emulation Flags from the Government for the excellence, have been rewarded by multiple authorities and assessment organizations, such as:

- ▶ Consecutively, KBC received many Certificates of Merit from the Chairman of Bac Ninh People's Committee and the Title of Outstanding Labor Collective;
- ▶ In 2012, KBC was very honoured to receive Labor Medal Award (the second grade) from the President of the Socialist Republic of Vietnam;
- ▶ The Title of Outstanding Enterprises awarded by Bac Ninh People's Committee for the renewal-20-year-journey of Bac Ninh;
- ▶ Being the typical enterprise investing in IP infrastructure contributes to attracting foreign investment, developing technical and social infrastructure of Bac Ninh province;
- ▶ The enterprise has typical achievements in fulfilling its obligation to pay a large budget to the state every year;
- ▶ The Certificate of Merit by the Minister of Planning and Investment for its contribution to the construction and development of IPs in Bac Ninh province and Hai Phong city;
- ▶ The Chairman of Bac Ninh City People's Committee awarded the Certificate of Merit to KBC for many contributions to the construction of flower gardens and the physical training and sports area of Bac Ninh city for children;
- ▶ Director of Bac Ninh Province Public Security Department awarded the Certificate of Merit for KBC for outstanding achievements in firefighting and rescue profession technique manoeuvres, and fire protection forces in Que Vo IP;
- ▶ Director of Bac Ninh Department of Labor, War Invalids and Social Affairs awarded the Certificate of Merit for KBC with excellent achievements in the work of occupational safety and health;
- ▶ Certificate of Merit from the Chairman of Hai Phong City People's Committee for the unit with outstanding achievements, contributing positively to the socio-economic development of the city;
- ▶ KBC has won many awards such as Vietnam National Brand Award, ASEAN Excellent Enterprise Award, Vietnam Gold Star Award, etc.



In 2019, Kinh Bac City Development Holding Corporation has received:

- ▶ Chairman of Bac Ninh People's Committee awarded the Certificate of Merit on March 22, 2019 to Kinh Bac City Development Holding Corporation - a typical achievement in social security work;
- ▶ Chairman of Long An People's Committee awarded the Certificate of Merit on April 18, 2019 to Kinh Bac City Development Holding Corporation for contributing to the construction of rural transportation in Duc Hoa district, Long An province in 2019;
- ▶ Bac Ninh City recognized the Golden Heart of KBC for donating to the Study and Talent Encouragement Fund with an amount of 1 billion Vietnamese Dong.
- ▶ BC is in the list of Vietnam's 50 Best Listed Companies recognized by Forbes Vietnam:



Moreover, KBC has always been considered as one of the best enterprises in investor relation: KBC constantly won the Best Annual Report Award, used to be one of the 15 corporations receiving Certificates of Merit from the Chairman of Vietnam State Securities Commission for many years of winning the Best Annual Report Award consecutively. According to a survey by vietstock.vn, KBC is one of the best Listed Company in Investor Relations (IR).

In addition, Saigon – Haiphong IP Joint Stock Company achieved the title of Excellent Party Organization in 2019 according to Decision No. 354/QĐ-DU of the Party Committee of the Economic Zone. The company also received the Certificate of Merit from the Vietnam Chamber of Commerce and Industry for its outstanding achievements in production and business activities, contributing to the development of the Vietnamese business community.

Mr. Dang Thanh Tam - the Chairman of KBC received a number of Labor Medal Awards (the first grade, the second grade and the third grade), was held the Title of National Emulation Fighter, awarded 03 Certificates of Merit from the Prime Minister of the Socialist Republic of Vietnam. He received the Certificate of Merit and medal recognition of significant contributions to the development of Japan - Vietnam relation from Mr. Mitsuo Sakaba – Ambassador of Japan in Vietnam on the occasion of 76th birthday and 20-year coronation of the Japanese Emperor, and became the only businessman in Vietnam to receive this prestigious award ever. He was also awarded a lot of merits from ministries, branches, Committees of provinces and cities, Organization and Associations. For many years, he was recognized as a basis Emulation Fighter and accredited the Honor of Provincial Emulation Fighter in 2008. From 2003 till now, he constantly received Vietnam Typical Entrepreneur Awards and Thanh Giong Cup. He served as co-chairman of the Vietnam-Japan Business Forum (Approved by Prime Minister to be established) and Vice Chairman of the Economic Development Cooperation Vietnam - Laos - Cambodia. He was appointed as a member of official business Advisory Council of APEC (ABAC), a member of the senior Advisory Council of post-WTO action plan of the Government. Also, he is a member of the strategic advisory partner of the World Economic Forum (WEF GCC Partner member advisory board); He was honored as one of the outstanding entrepreneurs awarded "Ernst & Young – The Vietnam Entrepreneurs Spirit 2011". Moreover, he used to be a member of the 8th National Assembly of Vietnam.



Former Vice President Nguyen Thi Doan awarded the Labor Medal to Mr. Dang Thanh Tam

CORE VALUES



For customers to sign a contract, it is not only about gaining a lot of incentives but also about our qualified services, not just about negotiating skills that we must meet the rigorous requirements of each individual customer.

▣ Experiences in investing and developing IPs

Being one of the pioneers in the field of constructing and developing IPs, Mr. Dang Thanh Tam - Chairman of KBC, laid the strong foundation for the development of KBC. Been managing and developing IPs for 23 years, he successfully constructed his own IP business model.

Looking back on the first moments when Mr. Dang Thanh Tam arrived in Kinh Bac - Bac Ninh in the early 2000s, an poor area, weak economy, low agricultural productivity. Thanks to his foresight in the country's development, diplomacy talent, and contact with international organizations, he has carried out the mission of promoting Vietnam's policies to attract investment abroad. Initially, he achieved some success in his career at Tan Tao Industrial Park - Ho Chi Minh City, he made a bold decision about building his own career in a strange city, with a small initial capital, he met many difficulties in the process of raising capital, building trust and credibility with associates, authorities, and multinational corporations. Closing in 2019, after 18 years of construction and development, the first historical pages that he wrote were officially closed, completing the 100% filling of Que Vo Industrial Park where he started his career and branding the name of KINH BAC CITY.

Therefore, KBC's industrial development model is now considered to be an effective example of the industry, KBC is always one of the first choices of FDI enterprises when planning to invest into Vietnam. Big corporations stop at KBC's IPs to build factories not only because they will gain many local incentives, not only because of the quality of our services to customers, not just because our talent at negotiating, but we have to meet the rigorous requirements of each individual customer. For example, Cannon Corporation of Japan, they raised requirements that we had never met, such as their proposal to take samples of soil and industrial groundwater samples for testing to meet environmental standards of Vietnamese and Japanese before signing the contract.



▣ Large land bank

KBC always comes for poor areas, weak economy, low agricultural productivity that localities call for investment. KBC's investment projects have changed the face of poor rural areas. KBC has actively contributed to creating jobs, significantly improving people's income, each industrial park has developed tens of thousands of stable jobs. KBC actively supports training to improve people's qualifications to meet the requirements of labor qualifications and conditions to work in high-tech enterprises. Successful investment projects of KBC have significantly increased the revenue for the local budget, thereby enabling the investment in infrastructure development in the locality, improving the material and spiritual life for the locals.

KBC has built up an image and reputation with local authorities and people, turning poor land, low agricultural productivity into prosperous industrial parks. Therefore, in the process of formation and development, KBC has been supported by many localities in the planning to develop industries across the country to create land fund and attract foreign direct investment for the province.

Up to now, KBC is managing 5.278 hectares of land for industrial zone development, accounting for nearly 5,5% of the total industrial land area of the country and 938,6 hectares of land for developing urban areas and residents. Of which, 1.013 hectares of industrial park land in 4 industrial zones have been fully occupied. KBC is proceeding to expand its land bank in Hai Duong, Long An and Hanoi.

□ Diverse products and services satisfy all customers' strict requirements

By setting customers' interests as privilege, KBC provides appropriate products and perfect services to satisfy all customers, even the hardest ones. With 15 existing IPs, strategically located across the country, KBC is holding the leading position in attracting FDI, especially large international corporations such as Canon, Foxconn, LG, JA Solar, Goertek, Fuyu, Luxshare, Jufeng. etc.

In order to meet the needs of SMEs which are also satellites of big groups, KBC focuses on developing the leasing and selling available offices to cut off operating time and reduce risks for investors.

Infrastructure maintenance process in IPs achieves high efficiency and keeps IPs' landscapes modern, clean and friendly with the environment. Supporting services in IPs always meet customers' demands such as finance, security, utility, etc. in order to create a full-serviced circle.

Besides developing IPs, KBC deployed and developed urban area from the existed land bank. The integrated model has been the consistent vision of KBC since the beginning. However, it was not until 2017 that KBC has brought urban area product into market to meet the demands of housing, leasing and commercial real estate investing in Bac Ninh Province; In 2019, KBC has brought Trang Due urban area to business, meeting the housing needs for foreign experts, investors and people in Hai Phong city.



□ The trademark of Kinhbaccity

The trademark of KINHBACCITY has built an attractive reputation with not only domestic but also foreign investors (both FDI and FII). Thanks to the ability to attract FDI and the competitiveness of services and products with businesses in the same industry, KINHBACCITY is always chosen by FDI enterprises when planning to invest in Vietnam. The rate of ownership of KBC shares of foreign investors updated at 31st December 2019 is 26,89%.

□ Investor Relationship

The relation with investors has always been focused. We are always ready to answer all the questions from investors, shareholders and customers and partners. We do not have a tendency to refuse appointments with our investors.

□ Developing efficiency human resources and management system

KBC has built a management apparatus, professional staff who is qualified and experienced in the field of business investment and IP development, especially able to approach and promote FDI enterprises to invest in KBC's IP. The spirit of responsibility, loyalty and solidarity are the focal points in building corporate culture. Thanks to the effective human resource management policies, the Group's staff always attaches and accompanies with the Group during both the prosperity and difficulties, gradually building KINHBACCITY GROUP to become one enterprise with sustainable development and maintain the leading position in the field of IP development even in the most difficult times.

A huge number of high-class staff is the core factor for KBC to go from success in one IP to another. We did everything to:

- ▶ Satisfying the wishes of the locals; contribute a significant part in creating jobs for local people; contribute to developing the process of industrialization and modernization for the locality;
- ▶ Being a bridge between enterprises with local authorities; bring the image of Vietnam, Vietnamese enterprises, Vietnam's investment policies to international investors;
- ▶ Creating different products with high competitiveness for enterprises; Knowing how to turn difficulties into opportunities, even in crisis years, the economy goes down.

2. LINES OF BUSINESS AND LOCATION

KBC started with the field of investment and IP development. In the period of 2008-2009, we expanded our investment in banking, energy, minerals, etc. However, in the period of 2013-2015, KBC quickly divested its investment activities outside of the industry. Since 2016, KBC has only been focusing on investing, trading and developing IPs, Urban areas.

KBC has identified the core areas of the Group as investment and development of IPs infrastructure associated with the development of urban areas and associated services. The managers and staffs of the Group have dedicated to build an effective business model for IPs that can meet renovation demand of our country and contribute to the industrial restructuring in the local regions. The process of enhancing the value of the industry has been steadily and consistently with the flexible business model of the market and has turned low-productivity farmland into the most advanced IPs in the North.

Leasing IP land, developing available factories for rent and sales have been the largest source of revenue in the total revenue of the Group with the gross profit margin of 30%-40%.

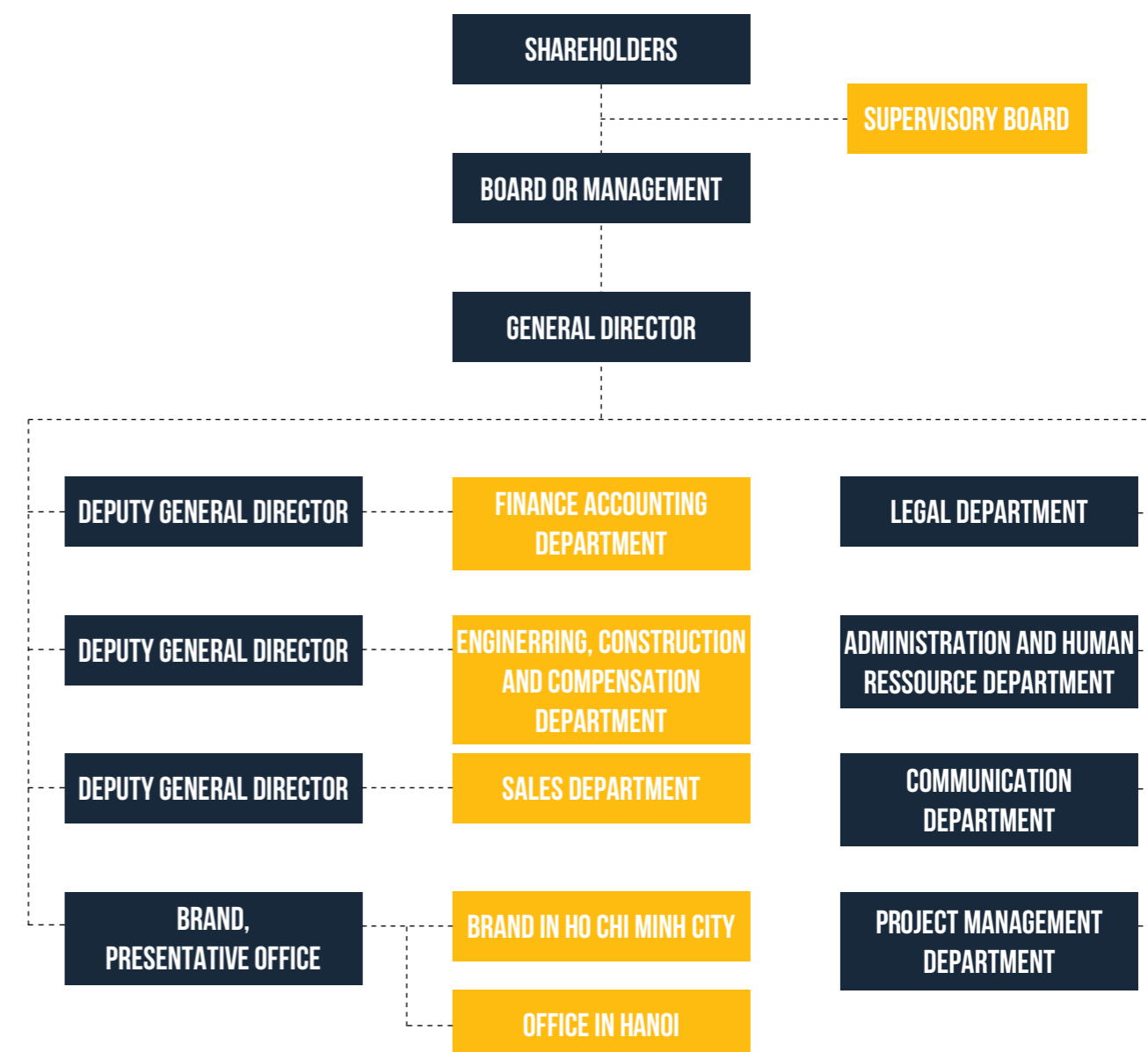
Additionally, the supporting services in IP including electric power and water supply, wastewater treatment, management and maintenance of infrastructure, etc. are appreciated and improved a lot since they will bring annual fixed and sustainable revenue and recover costs for managing of the corporation.

In the most recent years, KBC's concentrated in Bac Ninh, Hai Phong, Cu Chi - Ho Chi Minh City and Bac Giang. In 2019, the Group's total revenue reached VND 3.298,2 billion. In which, revenue from core business activities of IPs leasing and selling urban areas reached VND 3.209,9 billion, accounting for 97,3% of total revenue.

In terms of geographical location, in 2019, the revenue from Bac Ninh province was 16,2% which increased dramatically in comparison with that of 2018 (55,5%); In Hai Phong, the revenue was 26,3%, increased in comparison with that of 2018 (23,9%); in Bac Giang, the number was 38,3%, increased rapidly in comparison with that of 2018 (8,5%); in Ho Chi Minh City, it was 19,2%, higher than that in 2018 (12%). During the year, business activities in Bac Giang province led the way, mainly from the revenue of Quang Chau IP - Bac Giang.

Currently, large corporations in the IPs have a need to build houses for workers and experts. Therefore, in next few years, KBC will focus on completing infrastructure of Trang Due - Hai Phong urban area, strongly deploying plans to sell this urban area, currently the project has offered market exploration very successfully; Continue to promote the implementation of Phuc Ninh Urban Area business. Therefore, with a housing land fund of 938,6 ha for the urban areas development plan, KBC expects to bring a large revenue source for KBC in the long term.

3. THE PATTERN OF MANAGEMENT, BUSINESS ORGANISATION AND MANAGEMENT SYSTEM



INFORMATION ABOUT SUBSIDIARIES

On December 31st 2019, the Company possessed these following subsidiaries:

NO.	COMPANY NAME	VOTING RATE (%)	INTEREST RATE (%)	HEAD OFFICE	MAIN ACTIVITIES
1	Saigon - Bacgiang IP.,JSC	92,1	88,6	Quang Chau IP, Quang Chau commune, Viet Yen dist., Bac Giang province	Investment, building and trading real estates
2	Saigon - Haiphong IP.,JSC	86,54	86,54	Trang Due IP., Le Loi commune, An Duong dist., Hai Phong city	Investment, building and trading real estates
3	Saigon - Taybac Development Holding.,JSC	74,3	72,44	Tram Bom, 22 Highway, Tan Phu Trung commune, Cu Chi dist., 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. 100, An Trach st., Quoc Tu Giam wd., Dong Da dist., Hanoi	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Limited Company	100	100	Plot B7, Que Vo IP., Phuong Lieu commune, Que Vo dist., Bac Ninh province	Investment, building and trading real estates
7	Kinh Bac - Da Nang Investment One Member Co., Ltd.	100	100	61A Nguyen Van Cu Str., Hiep Hoa Bac Wd., Lien Chieu Dist., Da Nang City, Viet Nam	Investment, building and trading real estates
8	Tien Duong Urban Development JSC	51	51	No. 100, An Trach st., Quoc Tu Giam wd., Dong Da dist., Hanoi	Investment, building and trading real estates

NO.	COMPANY NAME	VOTING RATE (%)	INTEREST RATE (%)	HEAD OFFICE	MAIN ACTIVITIES
SUBSIDIARIES OF LEVEL 2					
9	Tan Phu Trung- Long An IP One Member Limited Company (*)	86,54	86,54	88 Tran Phong Sac St., 4 ward, Tân An city, Long An province, Viet Nam	Consulting, construction and real estate business
10	Bac Giang- Long An IP One Member Limited Company (**)	74,3	72,44	489E road 824, community 5, Duc Hoa Town, Duc Hoa District, Long An Province	Consulting, construction and real estate business
11	Tan Tap industrial infrastructure Limited Company (***)	100	100	531E Quarter 5, Duc Hoa Town, Duc Hoa District, Long An Province	Consulting, construction and real estate business

(*) This company was established under the Enterprise Registration Certificate No. 1101916111 issued by the Department of Planning and Investment of Long An Province on April 26, 2019. This company is indirectly held by the Saigon - Taybac Development Holding.,JSC.;

(**) This company was established under the Enterprise Registration Certificate No. 1101916513 issued by the Department of Planning and Investment of Long An Province on May 6, 2019. This company is indirectly held by the Saigon - Bacgiang IP.,JSC.;

(***) This company was established under the Enterprise Registration Certificate No. 1101916545 issued by the Department of Planning and Investment of Long An Province on May 6, 2019. This company is indirectly held by the Saigon - Haiphong IP.,JSC.

INFORMATION ABOUT ASSOCIATED COMPANY

NO.	COMPANY NAME	OWNERSHIP RATE (%)	ADDRESS	MAIN ACTIVITIES	CHARTER CAPITAL (VND BILLION)
1	Saigon-HueInvestment.,JSC	28,14	No. 15 Nguyen Hue St., Hue City	Infrastructure investment and development, industrial and civil construction	210,6
2	Saigon Telecommunication & Technologies, JSC	21,48	46 Quang Trung Software Park, Tan Chanh Hiep wd., District 12, Ho Chi Minh City	Investing and trading infrastructure and telecommunication equipments	423,5
3	Scanviwood JSC	34	565 An Duong Vuong st., An Lac wd., Binh Tan dist., Ho Chi Minh City	Producing household furniture for export	7,2

From 31st December 2019, Saigon High-tech Park Infrastructure Development Investment JSC is no longer an associated company of KBC because of returning the capital contributed.

4. DEVELOPMENT ORIENTATION

Main short-term goals:

- ▶ Developing core business: Focusing on infrastructure investment and business development of Nam Son Hap Linh IP, Quang Chau IP, Tan Phu Trung IP, Phuc Ninh Urban Area, Trang Due Urban Area;
- ▶ Focusing on building houses for workers and social houses on the existing land fund. In particular, the land fund for social housing with land use levy is exempted by the State, the value of land depreciation is zero, so the cost will be the best and will contribute very well to society as well as create more profits for company;
- ▶ Completing legal procedures, implementing ground clearance for the third period of Trang Due IP (687ha); Implementing projects to establish a number of new Urban Areas - IP projects in Hai Duong and Hanoi;
- ▶ Cooperating to invest in business development with member companies and potential partners domestically and internationally, etc. Deploying diversified business plans, attracting high-tech corporations from Korea, Taiwan, Hong Kong, Japan, China, the United States, etc.
- ▶ Preparing services products suitable to investors' needs (ready-to-lease land, ready-for-sale-and-lease workshops, maximum investor support services);
- ▶ Mobilizing and using capital effectively, improving financial capacity, maintaining growth rate of revenue and profit.

Medium-term and long-term development strategy

- ▶ KBC has taken the lead and implemented projects to establish a number of new projects in Hai Duong province, Long An province and Hanoi and other areas in accordance with the sustainable development orientation of KBC.
- ▶ Developing potential IPs and urban areas in the central and southern regions and deploying urban areas projects to meet the needs of social development; Increasing land bank for development of IPs and urban areas in potential areas such as Hai Phong, Bac Giang, Bac Ninh, Hai Duong, Hanoi, Ho Chi Minh City and Da Nang.
- ▶ Developing a new customer network, diversifying products to meet customers' needs;
- ▶ Constructing and developing KINHBACCITY brand with international level, always being the leading enterprise in the field of management and development of IPs – Urban Areas;
- ▶ KBC attaches great importance to closely follow the trend of FDI inflows into Vietnam by sectors, partners and localities to set up new projects and develop new types of investment.



The environmental, social and communitive objectives

- ▶ Being a corporation that contributes significantly in the process of promoting Vietnam's investment policies to the world through some programs of promoting investment, some economic forums in the region and in the world;
- ▶ Being an enterprise that has created one of the IP development models - attracting FDI very successful, contributing to the process of making an underdeveloped country to become a developing country, a steaming destination of many foreign investors;
- ▶ Being a corporation with significant contribution in the annual attracting FDI of Vietnam in the field of industrial urban real estate and aiming at less-pollution FDI enterprises.
- ▶ Being a corporation that creates thousands of jobs for the unemployed, contributes to budgets of provinces and cities where KBC projects are located, contributes to the cause of industrialization and modernization of the country and contributes to social works such as conditioning lakes, local parks and so on which create a green, clean and beautiful environment.

5. SWOT

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STRENGTHS

- ▶ A suitable timing of establishment when we can meet the first wave of FDI to Vietnam;
- ▶ A synchronous infrastructure which fulfils operational criteria of IPs;
- ▶ A convenient location for traffic: All IPs and Urban Areas of KBC are located on the important highway, convenient to travel to seaports and airports;
- ▶ The advantage of trademark: through domestic and foreign marketing programs, KBC was known by investors as the biggest company in IP and infrastructure development in Vietnam;
- ▶ A great number of electronic and high-tech enterprises who invest in KBC's IPs have attracted many of their vendors/sub-contractors to invest;
- ▶ Supporting Services for Investors: KBC provides supporting services to investors in the implementation of procedures before and after the investments;
- ▶ Utility services in IPs: There are many utility services for investors in IPs such as the customs, offices, warehousing, banking...
- ▶ Especially, Trang Due - Hai Phong IP is located on "two corridors and one economic belt" between Vietnam and China, in Dinh Vu - Cat Hai Economic Zone with many tax incentives such as: corporate income tax, value added tax, personal income tax, import tax, special consumption tax...
- ▶ Human Resource: Our Sales Department is the convergence of staffs who are good at foreign languages such as English, Chinese, Korean, Japanese, etc. who are able to communicate, solve problems and create sympathy for investors.

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WEAKNESSES

- ▶ High rental fee: In terms of general price level in a local region, IPs of KBC have a higher level of rental price, which becomes a barrier to some specific projects (not too much focus on the venue).
- ▶ Unsuitable products: Quite large land plots in IPs are some kind of restrictions to projects that demand a small area (less than 1,000 m2). Large factories are not suitable for small and medium projects, that make us lose many chances in this market shares.
- ▶ Limitation of attracting sectors to the IPs: IPs tend to limit the sectors which can spoil our environment.
- ▶ Workers: The number of suitable skilled labors is not enough for the needs of enterprises.
- ▶ Tax incentives: Apart from Trang Due IP, other IPs of KBC are located in the developed economic zones so they do not follow the preferential tax policies according to the new law.



OPPORTUNITIES

- ▶ Planning to expand the scale of enterprises that have invested in KBC's Ips;
- ▶ Planning land lots and factories with areas suitable to the demand of investors;
- ▶ Attract satellite projects of large corporations that have invested in KBC's IPs or nearby such as LG, SamSung, JA Solar, Goertek, etc. Especially, when the SamSung project is expected to continue to expand in some northern provinces and Ho Chi Minh City;
- ▶ Catching the flow of FDI inflows from Japan, China, Hong Kong and Taiwan into Vietnam;
- ▶ Regarding the FDI orientation, in the coming time, the Ministry of Planning and Investment continues to affirm consistent views, considering the FDI sector as an important part of the economy which is encouraged for long-term development. Attracting FDI selectively, encouraging linkage with domestic enterprises, enhancing Vietnam's position in the global value chain on the principle of multilateralization, diversification and ensuring the independence of the economy, ensure national security. Especially, for the first time after 30 years of attracting FDI from Vietnam, the Politburo issued Resolution No. 50-NQ/TW on August 20, 2019 of the Politburo on the orientation to complete institutions and policies, improving the quality and efficiency of foreign investment cooperation by 2030. This resolution continues to open up great long-term opportunities for businesses like KBC to develop.
- ▶ Currently, Vietnam is being evaluated by foreign investors as a "magnet" - having a good investment policy, an increasingly quality and diversified educational investment, skillful workers in Vietnam are increasing. Therefore, Vietnam is the most attractive investment destination in Asia according to Forbes (2018); According to the U.S. News & World Report, Vietnam is number 8th in the best 20 economy to invest in 2019, increasing from 23th place in 2018 because of the economic reform policy making Vietnam becomes a competitive and modern country. Vietnam is also becoming more and more integrated when becomes a member of major trade agreements. Currently, Vietnam has 12 FTAs in effect, Vietnam - EU signed in June 2019 will come into effect in 2020 and 03 agreements are under negotiation. That is a huge opportunity for Vietnam in general and enterprises like KBC in particular with the long way ahead.



THREATS

- ▶ Higher investment costs lead to higher rental rates, which will be difficult to attract specific investment projects.
- ▶ Difficulties in attracting investment without tax incentives.
- ▶ Macro policy changes in the process of managing the management of IPs development.
- ▶ Choosing investors that do not pollute the environment, do not use backward technology, etc.
- ▶ In 2019, KBC's available land will be reduced due to the fact that 4 industrial parks in Bac Ninh and Hai Phong, equivalent to 1.013 ha, have fully occupied 100%, which is a challenge for KBC in the short term.
- ▶ The transformation in investment structure of FDI enterprises is taking place strongly; The view of the Government is to attract FDI selectively in technology, environmental protection, investors who are willing to connect with domestic enterprises, etc. That is also a challenge for KBC.

SOME TYPES OF RISKS THAT AFFECT PRODUCTION AND BUSINESS ACTIVITIES OF KBC

▣ Risks from changes in policies of investment and business activities in IPs:

This is the type of risk that affects the most to enterprises in the field of investing and developing IPs, including: the difficulty of setting up new projects, project revocation, changes in project for its intended use, changes in preferential policies for investors, unclear preferential regulations which cause misunderstanding between investors and authorities, changes in tax policy, changes in the policy of paying annual rent, changes in regulations on rates of compensation of land, etc.

KBC has experienced such risks over the past years. All issues have been proceeded by KBC. Regarding to policies issues, KBC has to make reports to explain, persuade, comment with authorities, pointing out the benefits and damages that continuous changes in policy can cause to the state and the investors. Thanks to all efforts and persistence to protect the views of enterprises, KBC has overcome the types of policy risks.

In recent years, the Ministry of Planning and Investment and the Government have always considered the key task of continuing to improve the investment-business environment, improving the operational efficiency and management of IPs, Economic Zones, timely handling difficulties and problems related to investment, construction, environment and land issues, seize new opportunities opened when implementing trade agreements - bilateral and multilateral investment and research to complete the legal basis for building and implementing new economic zone and IP models, implementing special projects of administrative and economic units after being approved by competent agencies. However, the process of completing policies and mechanisms to leverage the development of IPs – Economic Zones is a process that takes a lot of time, both businesses and authorities work together to improve.

Currently, a number of KBC's expansion projects are in the process of applying for approval of investment procedures, which are also somewhat slowed due to changing policy mechanisms. However, for the first time after 30 years of attracting FDI from Vietnam, the Politburo issued Resolution No. 50-NQ/TW on August 20, 2019 of the Politburo on the orientation to complete institutions and policies, improving the quality and efficiency of foreign investment cooperation by 2030, considering FDI attraction as an important economic component, contributing to the development of the country. Thus, the risk of management policy will tend to be reduced.

▣ Risks from changes in monetary policies

This is the type of risk that real estate businesses in general and KBC in particular will suffer first, when credit is tightened, real estate enterprises will be squeezed first; Interest rates for real estate businesses are always at the highest level.

KBC has experienced these risks, in the period of 2011 - 2014, KBC has almost no access to any credit sources.

In this context, KBC must rely entirely on internal sources, revenue from business activities, many commercial real estate projects must stop (partly due to inability to arrange credit sources, partly when credit interest rates increase and the real estate market is in trouble, the business also wants to choose a solution to suspend project construction).

In the period of 2015 -2016, the risk of monetary policy almost did not happen, KBC easily access credit sources, interest rates at 9,5% - 10%/year.

In the period of 2017 – 2019, although when Circular 06/2016/TT-NHNN (amending some articles of Circular 36/2014/TT-NHNN); Circular 19/2017/TT-NHNN; Circular 16/2018/TT-NHNN effective raising the risk ratio for real estate lending, adjusting the ratio of short-term capital to reduce medium and long-term loans, etc., basically reducing capital flows into the real estate market.

In the past, both of the above ratios have changed many times. The risk ratio for lending real estate business was set at 100% according to the Decision No. 457/2005/QĐ-NHNN of the SBV. By 2010, it was increased to 250% according to Circular No. 13/2010/TT-NHNN, and after four years (2014), it was reduced to 100% according to Circular No. 36/2014/TT-NHNN. By 2016, the State Bank issued Circular No. 06/2016/TT-NHNN, which stipulates that the risk ratio for real estate lending will be kept at 150% by the end of 2016 and then to 200%. since January 1st 2017.

As for the ratio of short-term capital for medium and long-term loans, the initial rate is 60% and is reduced according to the roadmap and the Circular 19/2017/TT-NHNN officially closed this ratio to be reduced to 40% since the beginning of 2019.

Thus, it can be seen that, in the past 10 years, the SBV has issued and adjusted policies to encourage or limit funding for real estate business depending on the risk management requirements of the whole banking system set as well as developments of real estate market. However, from a market perspective, the policy changes somewhat and is relatively fast (about every two years).

For KBC, facing difficulties in accessing the capital market due to a number of effective policies in 2019, KBC is ready to balance capital from business activities, issuing bonds, maintaining good credit relations with major banks such as Vietinbank, BIDV etc. KBC has no difficulties in attracting capital in 2019.

It is expected that in 2020, the Circular No. 22/2019/TT-NHNN of the State Bank (implemented from January 2020) determines the roadmap to gradually restrict credit to the real estate market, control consumer credit related to real estate. However, the slowdown does not mean that credit is completely cut off, but in depth and more strictly controlled in the direction of only well-prepared projects, reputable developers, and buyers who are in need of real loans will be lent by the bank, thereby avoiding speculation, pushing up real estate prices, destabilizing the market.

Particularly for KBC, focusing on developing infrastructure of industrial parks, KBC's products and services provided without using consumer credit related to real estate, not serving speculative purposes, so the level of influence of Circular 20 to KBC is low.

❑ Risks from attracting FDI

To KBC, attracting FDI in Vietnam is the most important factor that impacts the business operating status of the Corporation.

In 2019, FDI into Vietnam reached USD 38,02 billion, increasing 7,2% compared to 2018, disbursed capital reached USD 20,38 billion increasing 6,7 % compared to 2018. In 2019, the situation KBC's FDI attraction is quite positive, contributing 97,3 % of the Group's total revenue. This positive is thanks to the influence of the shift of investors from China to Vietnam.

Expected to attract FDI in the coming years, Vietnam is still a destination for foreign investors, Vietnam is highly appreciated internationally, up from 23rd to 8th place in The best economy to invest in 2019. The legal framework reform increased by 10th to 67th place in the World Economic Forum's Global Competitiveness Index 2019 ranking, bringing Vietnam back to the country with the most improvement in the rankings. Therefore, the risk in attracting FDI is not too large because there are many trade agreements with countries that are currently and are going to take effect, except for the global force majeure such as epidemics, natural disasters, blockade between countries etc.

Update on the first quarter of 2020 in the context of the global economy encountering significant difficulties due to disease, but once again Vietnam is now the safest country in the world, attracting nearly 50 US large enterprises came to Vietnam in early March 2020 to seek investment opportunities in all aspects. It is a great opportunity for Vietnam in general and businesses like KBC in particular, although in the short term, all enterprises are facing difficulties because countries have to blockade to prevent COVID - 19 epidemic, however, we still believe that a great opportunity for KBC in the process of attracting investment is coming very close when the disease is under control.

❑ Risks from ineffective management of cash flow

KBC has encountered risks when using capital for multi-sector investment in the period of 2009 - 2010. Therefore, KBC always takes mobilizing capital and using capital seriously to ensure profitable capital flow reaching the goal of promoting business growth and preserving capital when facing difficulties in implementing projects.

In 2017, KBC's finance department approached domestic and foreign financial institutions to arrange capital for KBC's projects, access to investment funds, individuals to buy corporate bonds to restructuring old debts arising from 2009 and supplementing financial capacity for enterprises. KBC did not face any risk of cash flow management in 2017.

In 2018 and 2019, KBC did not face any pressure in the process of arranging necessary capital for businesses, nor faced the risk of cash flow management. In 2019, we have fully arranged capital from business activities, from the issuance of bonds to business cooperation with subsidiaries to pay due debts, investment in infrastructure projects, cash dividend payment of 10%.

In 2020, we expect that cash flow from KBC's business activities is expected to improve payment of due debts and a part of business investment, while a number of banks and investment funds will remain willing to sponsor the capital for KBC's projects if KBC is in need in 2020.

❑ Other risks

The operating industrial zones may not avoid risks such as: The phenomenon of causing environmental pollution from enterprises in the industrial park, having natural disasters (storms speeding up the roofs of factories); fire and explosion (fire in a factory in an industrial park); the strike stopped the production and business activities of enterprises in the Industrial Park, causing security instability; Companies operating in industrial parks have gone bankrupt; the epidemic caused the global purchasing ability to decline, affecting the import and export activities of FDI enterprises, and even the epidemic could lead to a halt in domestic and foreign trade as affected by COVID- 19 booming since the beginning of 2020 worldwide etc.





Closing 2019 in the context of world economy, global trade growth slowed down, trade tensions among major economies increased, natural disasters, climate change, epidemics greatly affected production and life. However, the results that Vietnam has achieved are still impressive: With a GDP growth rate of 7,02%, exceeding the target set by the National Assembly from 6,6% to 6,8%; inflation was controlled below 3%, lower than the set target; The financial, monetary and exchange markets are managed proactively, flexibly and maintain appropriate stability; Foreign exchange reserves set a record of 79 billion USD. This continues to assert the right way of the Party and the State in leading and directing the Country

Especially in 2019, the most important factor that will help Vietnam continue its growth in the long term is that Vietnam has made improvements in institutions, policies, management capacity, and has been organized by international prestige organizations and many countries, partners highly appreciate and affirm that Vietnam continues to be a bright spot in the region and globally. Our country is ranked 8th among the best economies in the world to invest in 2019, up 15 places compared to 2018.

Thanks to the support of the United States Agency for International Development (USAID), Vietnam has been successful in reforming the legal policy framework. Therefore, Vietnam has increased by 10th to 67th place in the World Economic Forum's Global Competitiveness Index in 2019 compared to 2018, making Vietnam a country with the highest level of improvement in the ranking of all 3 pillars of institutions, infrastructure and skills.

Information and communication activities are promoted, contributing to creating social consensus. Focusing on directing complete and timely information about the situation of the country. Building and implementing the Project of national digital transformation and 5G network testing; enhancing information security and network security; Vietnam's network information security ranking index increased by 50 places, ranking 50/175 countries and territories.

Domestic economic growth is an important task, international cooperation is the way to promote long-term sustainable economic development for Vietnam. Therefore, the Ministry of Planning and Investment continued to assert a consistent view, considering the FDI sector as an important part of the economy, encouraged for long-term development. After 30 years of attracting FDI from Vietnam, the Politburo issued Resolution No. 50-NQ / TW of August 20, 2019 of the Politburo on the direction of perfecting institutions, policies, improving quality, effectiveness of foreign investment cooperation by 2030. This resolution continues to open up great long-term opportunities for businesses, especially enterprises managing and developing professional industrial parks such as KBC. >

FDI attraction is a bright segment of the economic picture in 2019. The total newly registered, adjusted and contributed capital of foreign investors reached 38,02 billion USD, up 17,2% compared to the same period, the realized FDI reached US \$ 20,38 billion, up 6,7% compared to 2018. In particular, the allocation of FDI capital had a positive shift in real estate business due to the expanding market and the scale of domestic enterprises, the policy of loosening room for foreign investors makes M&A activities become active, especially in 2019, there were 9.842 times of capital contribution and share purchase reaching 15,47 billion USD, increased by 56,4% over the same period, accounting for 40,7% of the total registered capital.

Thanks to economic policy reforms, Vietnam has become a more competitive and modern country. Vietnam is also becoming more and more integrated when it becomes a member of major trade agreements. Currently, Vietnam has 12 FTAs in effect, Vietnam - EU agreements signed in June 2019 will come into effect in 2020 and 03 agreements are under negotiation. That is a huge opportunity for Vietnam in general and businesses like KBC in particular in the development stage still very long ahead.

Therefore, contributing to the overall growth of the economy, especially in the field of FDI attraction, in 2019, the industrial land area for lease reached 107,93 hectares, equivalent to 97,7% in 2018. Net revenue for land leasing activities reached VND 2.288,4 billion, equivalent to 113,4% compared to 2018. Gross profit margin in 2019 was 57,5%, maintained stable compared to 2018.

Below are figures specifically illustrating KBC's activities in 2019.

1. THE SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES IN 2019

Unit: Billion VND

TARGET	2019	2018	CHANGES (%)
Net revenue from sales and services	3.209,9	2.491,1	128,9
Revenue from land lease	2.288,4	2.018,4	113,4
Revenue from transferring real estate	540,2	93,2	579,6
Revenue from leasing and sales of premises	100,2	178,8	56
Revenue from warehousing, clean water supply, electricity, wastewater treatment, non-service	281,1	200,7	140,1
Revenue from financial activities	79,9	91,6	87,2
Other incomes	8,4	3,4	247,1
Total revenues	3.298,2	2.586,1	127,5
Total profit after tax	1.040,8	808,9	128,7
Profit attributed to shareholders of the parent company	918,3	746,2	123,1

(The annual audited financial statements 2019)

In 2019, the Group's consolidated revenue reached 3.289,2 billion VND, equaling 127,5% compared to 2018, or 84,6% of the plan. In which, revenue from core business activities including: Leasing land, selling and leasing factories, selling real estate and related services reached 3.209,9 billion VND, equaling 128,9% compared to 2018, accounting for 97,3% of the Group's total revenue.

The Group's consolidated profit after tax in 2019 reached 1.040,9 billion VND, equaling 128,7% compared to 2018, or 100,5% of the plan; The benefit attributable to shareholders of the parent company reached 918,3 billion VND, equaling 123,1% compared to 2018.

The cost factors did not increase significantly compared to 2018. While revenue and profit after tax factors increased by nearly 30%. This means that the Group's business is very efficient.

Performance situation compared to the plan:

Unit: Billion VND

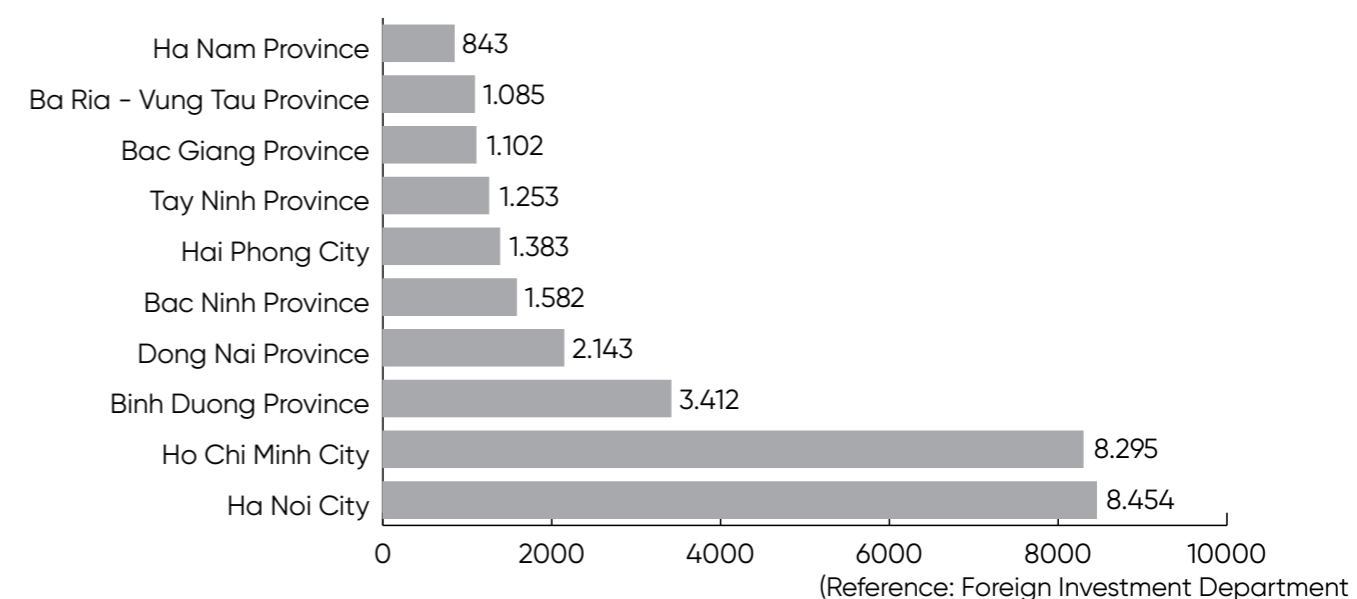
TARGET	PLAN 2019	PERFORMANCE 2019	COMPLETE (%)
Total revenue	3.900	3.298,2	84,6
Profit after tax	1.036	1.040,8	100,5

(*) Details are reported by the Board of Directors in Part 3 of this Report.

The miracle of FDI in localities has created a strong motivation for the local real estate market. KBC has contributed significantly to that feat in Bac Ninh, Bac Giang and Hai Phong

10 PROVINCES ATTRACT THE MOST FDI IN 2019

(From January 1, 2019 to December 20, 2019, unit: USD million)



KBC has contributed significantly to the feat of attracting Bac Ninh's FDI and created indirectly to create a vibrant real estate market in Bac Ninh.

2. HUMAN RESOURCE ORGANIZATION

BOARD OF DIRECTOR (BOD)

□ MR. DANG THANH TAM – CHAIRMAN OF BOD

He was born in 1964, graduated as a marine engineer of Maritime University in Haiphong. He also achieved a Bachelor of Laws, a Bachelor of Business Administration and Diploma of Business Management of Henley College – UK. Also, his English is quite fluent.

From 1988 to 1996, he worked at a shipping company in Saigon, then became the CEO of Tan Tao Group (ITA) since 1997. Thanks to the success of launching Tan Tao IP during Asian crisis years, he was well-known as a pioneer in the field of IP development. In 2002, he came to Bac Ninh, an undeveloped area to create a foundation for the initial development of Que Vo IP there. After 5 years in operation, this IP has reputation in the northern region, that is one of his success and enormous contribution to Bac Ninh province. Thanks to his profound experience and long-term vision, he has constantly developed and expanded the IPs from north to south. Additionally, he is fluent in several foreign languages, understands macro policies and investment environment, domestic and international law, hence he also plays an important role in our business organizations, economic consultant and international forums. Moreover, Mr. Dang Thanh Tam also was a Member of Parliament in the XIII term.

The number and percentage of his ownership share up to 31/12/2019: 75.250.000 shares (16,02%)

□ MS. NGUYEN THI THU HUONG – MEMBER OF BOD AND CEO

Ms. Nguyen Thi Thu Huong was born in 1971. She held a Doctorate of Science in Economics and a Master in Business Administration. She can use English and Chinese language fluently. With more than 10 years beside the development of the Corporation, Ms. Nguyen Thi Thu Huong has closely followed every strengths and weaknesses of the Corporation, then manipulated “KBC ship” to overcome the crisis wave in the previous years. Within her prior experience in the diplomatic field, she is a spearhead in promoting investment and relations with large corporations as well as in controlling the operation in each IP. As the CEO, she has shown her important role in the renovation and improvement in management system over the years. Directly taking in charge of internal governance and external policy of the Corporation, Ms. Hung emphasized on responsibility in working, discipline and solidarity between workers as the most critical part of development. She received a Labor Medal (the third grade) from the President of the Socialist Republic of Vietnam, a Certificate of Merit from the Prime Minister because of her achievements from 2002 to 2006, which contributed to build socialism and defend our country in Decision No. 1539/QĐ-TTg dated 14/11/2007 of the Prime Minister, etc.

The number and percentage of her ownership share up to 31/12/2019: 299.478 shares (0.06%)

□ MR. NGUYEN VINH THO- MEMBER OF BOD

Mr. Nguyen Vinh Tho was born in 1968. He is a marine engineer and a Bachelor of Business Finance. Mr. Tho has many years of management experience, holding positions in many companies in the field of investment and business development of industrial zones in the South. Mr. Tho was elected to the Board of Directors of KBC from 21/4/2017 for the term of 2017-2020. Over the years, Mr. Nguyen Vinh Tho has contributed significantly to the Group's success, promoting development activities, connecting relationships with the Group's agencies in the South.

The number and percentage of his ownership share up to 31/12/2019: 0 share (0%)

□ MR. PHAM PHUC HIEU – MEMBER OF BOD

Mr. Pham Phuc Hieu was born in 1978 and appointed to be the Deputy General Manager in Finance and the Chief Accountant since December 8th 2012, appointed to be a Board member since April 26th 2014. Currently, he is also authorized to announce information of KBC. Mr. Pham Phuc Hieu graduated Bachelor of Banking and Finance. He has been working in KBC more than 10 years as a financial stewardship at KBC and member companies so he had good foundation in financial sector as well as trait business activities of the Group. His qualifications and experience have confirmed him as an important member in the Board. During his time as a member of the BOM, Mr. Pham Phuc Hieu has always excellently fulfilled his role, especially in controlling cash flow, directing and arranging capital for businesses.

The number and percentage of his ownership share up to 31/12/2019: 22,817 shares (0.005%)

□ MR. HUYNH PHAT – INDEPENDENT MEMBER OF BOD

Mr. Huynh Phat was born in 1966 and gained a Bachelor degree in finance and accounting. Mr. Phat has joined BOM since 14/06/2013 as an independent member. With special knowledge in the field of finance and accounting as well as 12 years of experience in the field of IP development, he regularly makes valuable and objective suggestions on many aspects in every decision of BOM.

The number and percentage of his ownership share up to 31/12/2019: 0 share (0%)

BOARD OF DIRECTORS

□ MS. NGUYEN THI THU HUONG – CEO

(Introduced in the BOD part)

□ MS. PHAM PHUC HIEU – DEPUTY GENERAL DIRECTOR IN FINANCE AND AUTHORISED ANNOUNCER

(Introduced in the BOD part)

□ MR. PHAN ANH DUNG – DEPUTY GENERAL DIRECTOR IN TECHNOLOGY

Mr. Phan Anh Dung, who was born in 1969, is the Deputy General Director in charge of project management and technique constructions of the Company. As an experienced manager of residential areas, especially in the fields of construction and housing, he had previously served as technical manager of KBC and was appointed to be the Deputy General Directors since 1 June 2011. Mr Phan Anh Dung holds an MBA and an engineering degree.

The number and percentage of his ownership share up to 31/12/2019: 11.500 shares (0,00002%)

□ MS. NGUYEN MY NGOC – DEPUTY GENERAL DIRECTOR IN SALES

Ms. Nguyen My Ngoc, who was born in 1972, has a Bachelor in foreign language and bachelor in banking and finance. Ms. Ngoc has 13 working year in some foreign companies and she is fluent in Chinese and English. With her experience, cultural understanding and high sense of responsibility, Ms. Ngoc has successfully completed the role of Sales and Marketing of the Group since the 2nd of February 2015. Joining the Group in 2008, Ms. Ngoc is an important factor in the board of KBC because she deeply understands the business projects. She dedicated and gained many excellent achievements in attracting and negotiating successfully with many large corporations investing in KBC's IPs.

In 2019, Ms. Nguyen My Ngoc excellently fulfilled her role in attracting FDI enterprises to Quang Chau IP and making Que Vo IP in Bac Ninh and Trang Due IP in Hai Phong fulfilled 100% occupied.

The number and percentage ownership share up to 31/12/2019: 0 share (0%)

THE NUMBER OF STAFFS

The labor structure in the parent company:

EMPLOYEE	AMOUNT (PEOPLE)	RATE (%)
Post graduated	10	5,05
Graduated	78	39,39
College and vocational training	25	12,62
Technical workers	16	8,08
Security and guard	72	34,86
Total	198	100

▶ The total number of staffs in Parent Company up to 31/12/2019 is 198 peoples, increasing 10 peoples with that of 2018.

▶ The total number of staffs in Group up to 31/12/2019 is 473, remains unchanged from 2018.

THE POLICY OF RECRUITMENT AND ALLOCATION

Our policy is issued based on the principle of efficiency and fairness, ensuring to allocate right people into right position to gain the highest efficiency. Company oriented to recruit talents according to specified criteria and properly arranged at right position to promote maximum workers' capacity. KBC always creates a favorable working environment for individual's development in career, at the same time, we accumulate and build potential workforce for the Corporation.

SALARY, BONUS AND ALLOWANCE

Salary, bonus and allowance regimes are built in balance with the development of enterprises. KBC fully implemented social insurance, health insurance and unemployment insurance for all employees. The total average income of KBC employees in 2019 is 15,7 million VND/person/month, increasing 10,6% compared to 2018.

Employees are entitled to leave under the Labor Law. Employees of the Company are entitled to allowances depending on the nature of the work such as: responsibility allowance, part-time allowance, lunch allowance, travel allowance, telephone, monthly phone subscription, etc. In order to ensure the health for employees, the Group organizes a kitchen with clean products, every year the Group organizes for all staff a health-checking at reputable hospital.

In addition, every year the Group organizes a vacation tour for all employees, as well as organizing many collective activities. Trade union activities are also regularly organized, playing an important role in all activities of employees.

In 2019, the Group completed 01 soccer field, 2 tennis courts, 1 basketball court, 01 gym center, equipped with treadmill, with Yoga and Jumba teachers to improve the health of staff.

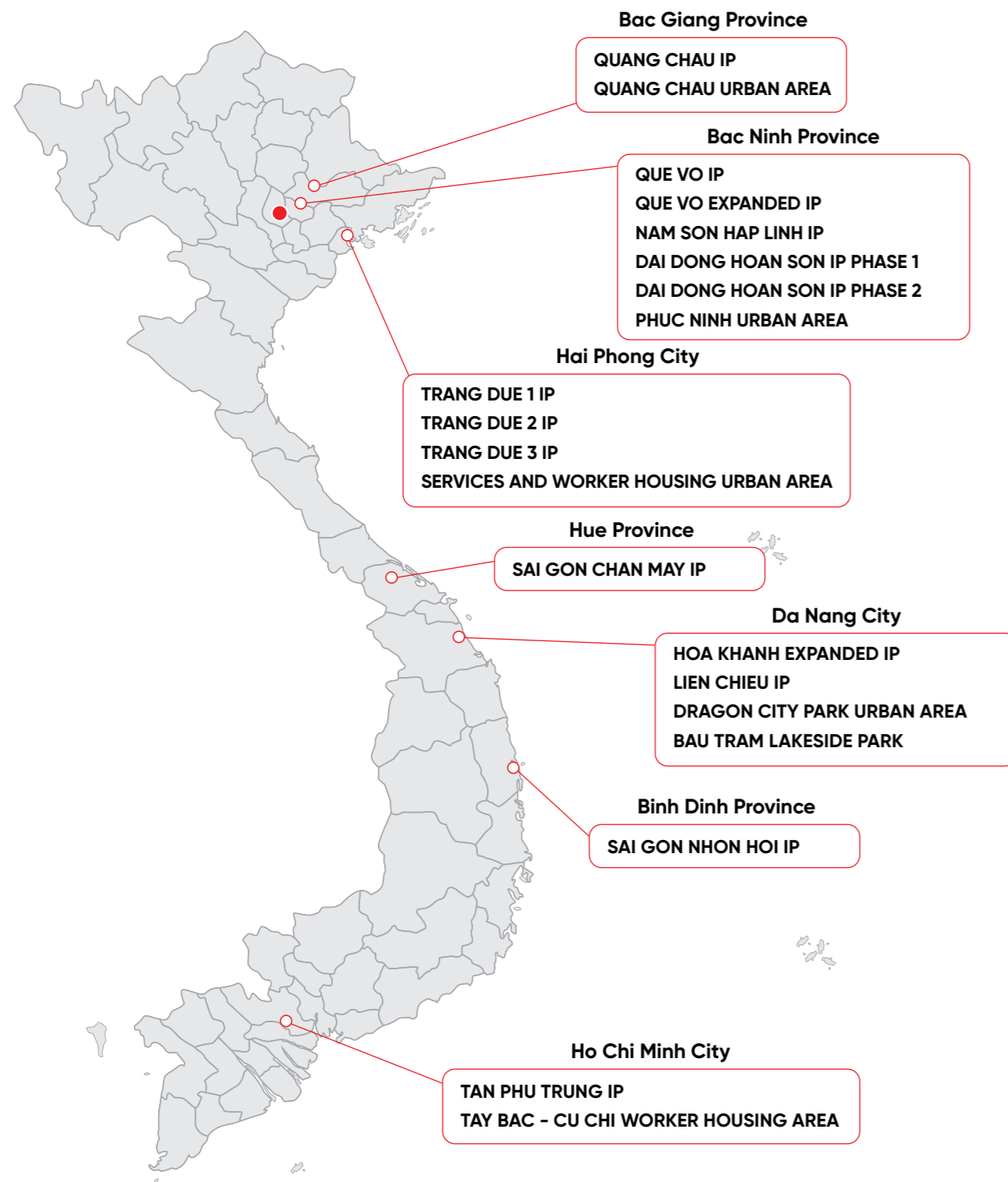


3. INVESTMENT SITUATION AND IMPLEMENTATION OF PROJECTS

Land bank

The total investment land bank of the Group currently owns more than 5,278 ha of IPs and 938,6 ha of Urban Area land concentrated in the North - Central - South regions.

Locations of KBC's projects



Currently, KBC is preparing new projects in Hai Duong, Hanoi and Long An with a total area of over 1,000 hectares

General investment situation

In 2019, the total value of direct investment in IPs and Urban Areas of Group is 730,6 billion VND equal to 63% of 2018. In detail, KBC focuses on implementing infrastructure investment in the following projects:

- ▶ **Nam Son Hap Linh IP** invested 98,5 billion VND for leveling and surveying and designing water, etc.
- ▶ **Existing Que Vo IP** and expanded Que Vo IP have invested VND 43.8 billion in the year for infrastructure improvement and factory building. These two industrial zones have completed investment and have filled 100% of the area.
- ▶ **Quang Chau IP** invested VND 196,2 billion for infrastructure construction: compensation for 15ha, completion of 4,33 km of roads, leveling of 45,14 ha, 3,64 km of electric lines, 4 km of water supply pipeline, completing clean water plant, phase 2 of waste water and drainage system.
- ▶ **Trang Due IP & Urban Area** has invested VND 190,7 billion, Trang Due urban area invested VND 152 billion for completing infrastructure (land clearance, land leveling, land use fee payment, road construction, electricity, water supply and drainage, etc. and construction of commercial townhouses – Shophouse). Trang Due urban area has been issued Land Use Certificate and begins to record revenue.
- ▶ **Tan Phu Trung IP** has invested 104,38 billion VND to perform the following items: compensation, infrastructure construction (leveling, making roads, water supply and drainage, lighting, green trees, ...)
- ▶ **Phuc Ninh Urban Area** has invested VND 125,5 billion in the year and continues to improve infrastructure of sub-areas of 22ha and 6,3ha including: compensation, leveling, roads, water and electricity systems, building and finishing the exterior of 46 villas.



Trang Due urban area infrastructure

Investments in subsidiaries, associates and long-term financial investments of the Parent Company

The total investment value of the Parent Company in a subsidiary is calculated based on book value and net value as at 31/12/2019 is VND 6.093,5 billion, 2,1 times higher than 2018, mainly because of the parent company contributed capital to its subsidiary, Trang Cat Urban Development Co., Ltd., with a total amount of VND 2.630 billion and Kinh Bac - Danang Investment One Member Limited Company is VND 600 billion.

The total value of investment of the Parent Company in the associate is calculated at cost of VND 641,3 billion, down 11.4% due to Saigon Hi-Tech Park Development Investment Joint Stock Company returning the contributed capital and no longer an associate since December 31, 2019. The net value of the total portfolio of associates is VND 269,4 billion. The total value of provision was VND 371,9 billion, increasing by 4.5% compared to 2018: In which, provisioning for SGT investment was VND 345,8 billion due to the decrease of stock price; The provision for the investment in Saigon - Hue Investment Joint Stock Company is VND 18,9 billion, the provision for investment in Scanviwood is 100% of the investment capital is VND 7,2 billion.

For long-term financial investments, KBC owns less than 20%, has a total investment value of VND 448,5 billion unchanged from 2018, making a provision of VND 22,3 billion making the total remaining net value is VND 426,2 billion, down 1,1% compared to 2018.

Although the investment portfolios in associates and long-term investments are not profitable for KBC, these businesses currently own an industrial land fund of 2.087,4 ha, equivalent to 1.470,4 ha of remaining commercial land, 1.085,7 ha of remaining commercial land is the value-added asset for KBC in the future.

OPERATING STATUS AND PROSPECTS OF THE PROJECTS

100% FULFILLED PROJECTS

The occupancy rate of industrial parks will reach 100%.													
IPs	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Que Vo IP	66%	81%	82%	83%	83%	89%	89%	93%	95%	96%	97%	97,5%	100%
Que Vo expanded IP	4%	6%	21%	41%	43%	46%	58%	61%	63%	63%	67%	97,9%	100%
Trang Due 1 IP		4%	15%	32%	33%	33%	70%	92%	92%	99%	99%	99%	100%
Trang Due 2 IP									28%	64%	76,9%	96,2%	100%

By the end of 2019, KBC has had the first 4 industrial zones since the establishment of the company in 2002 with a total area of 1.013 ha, which has been 100% filled, attracting more than 250 foreign investors mainly from Japan, Korea, Hong Kong, Taiwan, China, etc. include:

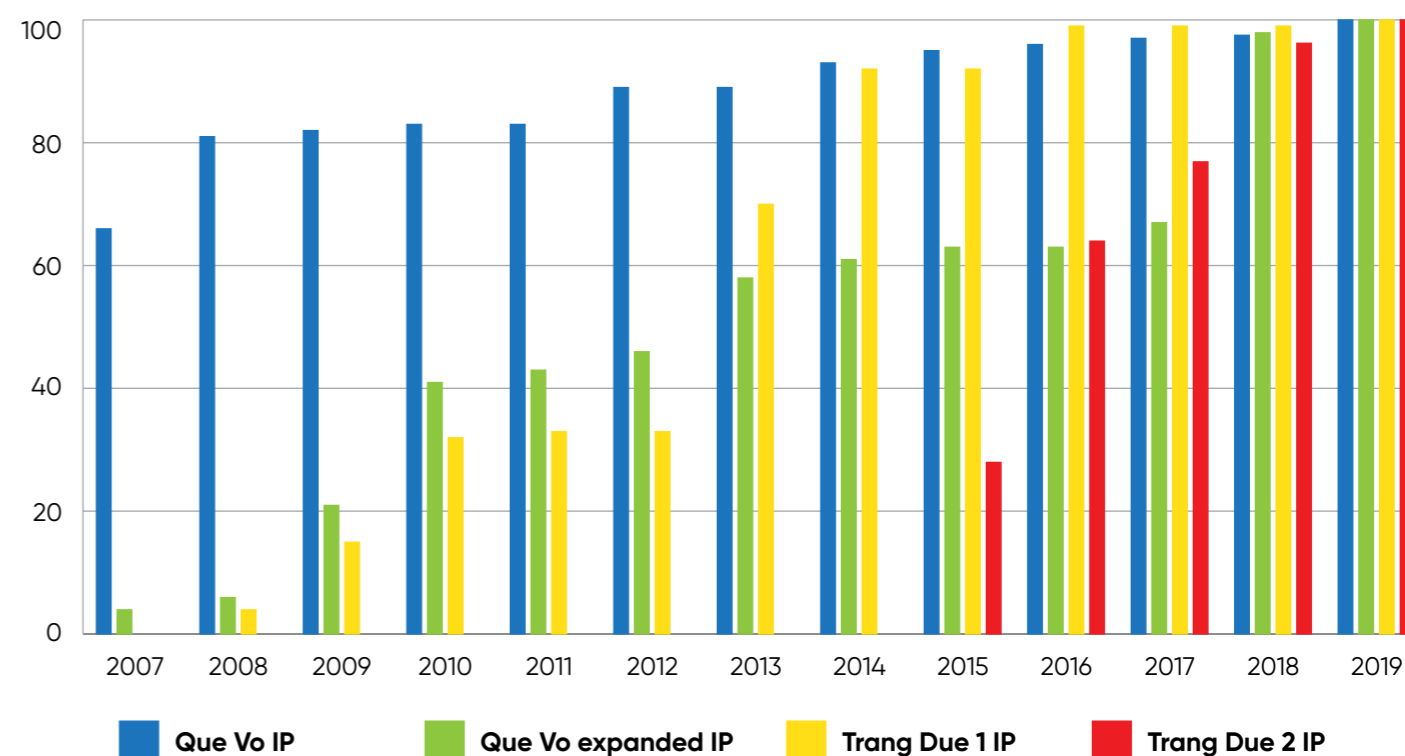
In Bac Ninh: The two Que Vo IPs have a total area of 611ha, with 70 ready-built factory buildings with a standard area of 5.160 m²/unit. In which, existing Que Vo IP with an area of 300ha has been put into operation since 2003, the expanded Que Vo IP with an area of 311 hectares has been put into operation since 2006. The two IPs in Que Vo - Bac Ninh took about 12 years to fill over 90%;

In Hai Phong: Trang Due 1 Industrial Park has an area of 187,8 ha, with 17 ready-built factories with an average area of 5.200 m²/unit which has been in operation since 2008, it took 7 years to reach the occupancy rate of over 90%; Trang Due 2 Industrial Park covers an area of 214,2 ha, only takes 4 years to reach a occupancy rate of over 90% and has no ready-built factories.

Based on the aforementioned figures, investors/shareholders can see that for the first industrial park KBC took about 12 years to fill over 90%, for the next IPs to fill over 90%, it only took average about 6 years. Normally the remaining 10% of the IPs can last for 1 to 5 years, as the Company reserves the land reserve to build workshops for rent to meet the investors of small scale, or for the need to expand the factories of the Corporations invested in the Industrial Park. The stable annual revenue source until the end of the project life of the IPs has been 100% filled coming from service revenue, infrastructure management, revenue from clean water supply and wastewater treatment. In 2019, the total service revenue of these 4 industrial parks will reach about VND 150 billion/year. However, this service revenue will continue to increase in the coming years when enterprises in the IP no longer have free infrastructure fee. If based on the current unit price, the service revenue of the above 4 industrial parks is estimated at about VND 250 billion/year in the coming years.

Thus, the success of these first IPs has created **KINH BAC CITY GROUP** brand domestically and internationally in the field of developing and managing industrial zones; Affirming the foresight of the founder, Mr. Dang Thanh Tam and the Board of Directors of the Group has built a company with an initial capital of VND 20 billion in a Bac Ninh with low agricultural productivity to become a company having a market capitalization of over 7.257,79 billion VND on March 31, 2019, making an important contribution to building Bac Ninh into an industrial province with the second largest GDP in the country and the city of Bac Ninh soon became a city under the Central Government.

THE PROCESS OF FILLING 100% OF INDUSTRIAL PARKS FROM 2007 TO 2019



KEY PROJECTS OF PARENT COMPANY

▣ Nam Son Hap Linh IP

The total area of 432,5 ha in Bac Ninh province has a favorable geographical position adjacent to the National Road 18B, 15km from the Samsung factory, convenient for connecting traffic with seaports, airports, being a destination that many investors are interested. This industrial park has an estimated commercial land area of 283,1 hectares, 100 hectares of which have been compensated as industrial parks and the only remaining industrial park of KBC in Bac Ninh for development next year. Currently, the demand of investors in this industrial zone is estimated at 100 hectares, we are in the process of negotiating contracts and completing legal procedures related to this industrial park.

Plan in 2020: Focus on completing legal procedures, site clearance outside the 100ha area compensating and completing the infrastructure to hand over land to investors who have registered to rent land on time.



Nam Son Hap Linh – Bac Ninh is ready for investors

▣ Phuc Ninh Urban Area

KBC is the investor of Phuc Ninh – Bac Ninh Urban Area Project, with a total area of 136,47 ha located in the center of Bac Ninh City, compensated 87,5 ha, handed over in the field about 65ha, paid land use fee of nearly 17,1 ha of commercial land. Currently, Phuc Ninh Urban Area has been completing 86 villas.

In 2017, the project opened selling 6.27 ha and 22ha sub-areas which attracted hundreds of interested investors. Currently, the 6,27 ha sub-area with nearly 3 ha of commercial land has been granted Land Use Certificate; and the 22ha sub-area has more than 10,3 ha of commercial land, has completed the entire infrastructure, is completing the exterior of 46 villas out of a total of more than 100 villas.

However, in 2018 and 2019 due to the quieter real estate market, KBC is mainly focusing on deploying infrastructure, preparing products to catch new waves and focusing on completing inter-legal procedures.

As of December 31, 2019, the total reserved area was 99 hectares, the total recorded revenue was 2,47 hectares. The total value of the Booking Agreements, excluding VAT signed was VND 1.666,3 billion, the total amount of receivables was VND 1.074,9 billion, the total revenue was VND 327,7 billion. Particularly in 2019, the project has invested VND 125,5 billion to continue completing the infrastructure of 22ha and 6,3ha sub-areas including: compensation, leveling, making roads, building electricity and water systems, and complete construction of the exterior of 46 villas.

Development plan in 2020: Continue to build about 50 villas; Focus on promoting the implementation of infrastructure on the entire area handed over and leveled; Complete legal procedures for the area where infrastructure has been completed to hand over to the investors who have booked.



Phuc Ninh urban area has people living, the construction site is still ongoing, completing infrastructure, creating products to catch new waves

▣ Diplomatic Corps project – Hanoi

The project has a total area of 20.000 m² in the developing area in the Capital, located on Pham Van Dong street in Hanoi, right next to Hoa Binh Park. In 2017, the company set up a subsidiary, NGD Investment One Member Limited Company to manage project. The project is in the process of finding partners for development cooperation.

The above is the operation situation and development plan of the main projects invested by the parent company: At December 31st 2019, the total assets of the parent company reached VND 10.593 billion, an decrease of 13,2% compared to 2018; The outstanding interest payable to Pvccombank is VND 815,5 billion, which is due in 2020, we are working with Pvccombank to partially exempt and reduce the time for debt repayment.

The total revenue of the parent company in 2019 reached 717,5 billion VND, equivalent to 45% compared to 2018, profit after tax reached 40,8 billion VND, equal to 7,5% compared to 2018. The main reason is that Que Vo IP is 100% occupied, other projects of the parent company have not recorded revenue.

PROJECTS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Trang Cat Urban Development One Member Limited Company (TCC)

- ▶ Address: North Beach Park, Trang Cat ward, Hai An dist., Dinh Vu – Cat Hai economic zone, Hai Phong city
- ▶ Business line: IP and Urban Area Real Estate Sales
- ▶ Registered capital: VND 4.130 billion
- ▶ KBC's current holding rate: 100%

TCC is the investor of Trang Cat Urban Area and Service project with a total area of 584.9 ha, compensated 511 ha. Total infrastructure investment is expected to be: VND 6.300.000.000 (Six thousand and three hundred billion Vietnamese Dongs). The total value of investment was VND 3.508,9 billion, including compensation costs, construction of underground tunnel from the Hanoi – Hai Phong highway to the project and the capitalized interest rate loan was implemented.

On 9/1/2019, KBC issued a Resolution of the B.O.M on the transfer of receivable debt to TCC which is VND 2.630 billion into TCC capital contribution, raising the charter capital of TCC to VND 4.130 billion.

The project development strategy is expected to develop towards the direction of building a Vietnamese specialized area with foreign partners. Therefore, depending on the development situation between Vietnam and other countries in the coming years, KBC will develop a detailed development plan.

Saigon – Haiphong IP Joint Stock Company (SHP)

- ▶ Address: Trang Due IP, Le Loi Commune, An Duong District, Haiphong City, Vietnam
- ▶ Registered capital: VND 416 billion
- ▶ Business line: IP and Urban Area Real Estate Sales
- ▶ KBC's current holding rate: 86,54%.

SHP is the owner of Trang Due IP & Urban Area project, which is located in the economic zone of Dinh Vu – Cat Hai (Hai Phong) where the highest level of incentive policies is provided by the government of Vietnam. Investors in the IP will receive maximum tax incentives such as income tax exemption for 4 years, 50% reduction of tax payable for the next 9 years, income tax rate of 10% in the first 15 years, import tax exemption for the imported goods as prescribed, 50% income tax exemption for workers working in the IP, etc.

In 2019, Trang Due 1 and Trang Due 2 IPs with a total area of 402 hectares have been 100% filled, attracting 73 foreign investors, some big investors are LG Electronics and LG. Display, Dongjin Techwin Vina, Asia Plastic JSC, Haengsung Electronic, Heesung Electronics, Innotek etc.

After 2 IPs are filled, some big investors no longer have the free term of infrastructure services in the next 5 years, the total assumed service revenue will be based on the current unit price that the project can get. estimated over VND 100 billion/year. The company is continuing to complete legal procedures for Trang Due 3 Industrial Park of 687 ha.

In addition, in 2019, the Company started recording revenue for Trang Due Urban Area of VND 540.2 billion, equivalent to 3.6 hectares of urban land.

Trang Due Urban Area project has an area of 42.08 hectares, equivalent to 22.6 hectares, has been granted a housing ownership certificate, in 2019 the Company has deployed construction of infrastructure and 93 Shophouse apartments ready to have enough products to welcome real estate waves in the near future.

As of December 31, 2019: Total assets of the company reached: VND 3.640,7 billion, equal to 115,5% compared to 2018; The total revenue recorded from the sale of 4,3 hectares of industrial park land and 3,6 hectares of urban areas and financial revenue reached 912,2 billion VND, equaling 139% compared to 2018, profit after tax reached 754,9 billion VND equal to 253.4% compared to 2018; The total outstanding principal of credit institutions as of December 31, 2019 was VND 39,7 billion, equaling 30.6% of 2018.

Development plan in 2020: SHP will focus on completing Trang Due urban infrastructure and 93 shophouse houses, building 28 new villas; Deploying the opening of new urban areas; Speeding up the completion of legal procedures for Trang Due IP Phase 3.



Trang Due Urban Area is deploying infrastructure and constructing commercial townhouses

□ Saigon - Bac Giang IP Joint Stock Company (SBG)

- ▶ Address: Quang Chau IP, Quang Chau commune, Viet Yen district, Bac Giang province
- ▶ Business line: IP Infrastructure
- ▶ Registered capital: VND 220 billion
- ▶ KBC's current ownership rate: 92,1%; Interest rate: 88,06%

SBG is the investor of Quang Chau IP and Urban Area project: (1) Quang Chau IP is located in Viet Yen district, Bac Giang province, with a total area of 426 ha, total commercial land area is 278,4 ha, filled 78,2% , the remaining commercial land area is 60,69 ha, the land area must be compensated is 90 ha. The project is conveniently located adjacent to Bac Ninh province, about 2km away from Que Vo IP and on the traffic axis between many large production areas. This IP has attracted 17 foreign corporations, typical businesses invested in Quang Chau IP such as: Nichirin Viet Nam Co.,Ltd, Umec Vietnam, Crystal Viet Nam, JA Solar, ZYF, Luxshare – ICT, Samkwang Vina, HIQ Vinav.v. In 2016, Quang Chau IP was very successful in attracting investment after many years not attracting any customers. Particularly in 2019, Quang Chau Industrial Park has leased 67,8 hectares, up 24% compared to 2018, attracting some typical customers such as Fujju, Jufeng, v, v which are the IPs with the largest leasing area of the Group.

On 31/12/2019: total assets of the company reached VND 1.999,2 billion, equal to 101,6% compared to 2018; Total revenue recorded from selling 67,8 ha of land reached VND 1.279,5 billion, 5,6 times higher than 2018, after-tax profit reached VND 672,8 billion, 7,8 times higher than 2018; Total outstanding principal of credit organizations as of December 31, 2019 is VND 0. The outstanding debt of PVcombank interest until 2020 is VND 258,6 billion and is planning to negotiate with PVcombank to restructure the payment period and reduce the interest.

Development plan in 2020: This IP will continue to promote activities to attract investment, implement the plan to compensate 90ha of land, convert another 90ha of land from urban area to industrial zone and build some factories.



□ Saigon - Taybac Development Holding, JSC.

- ▶ Address: Tram Bom, National Road 22, Tan Phu Trung commnue, Cu Chi district, HCMC
- ▶ Business line: IP Infrastructure
- ▶ Registered capital: VND 500 billion
- ▶ KBC's current ownership rate 74,3%, Interest rate 72,44%

SCD is the investor of the project of Tan Phu Trung IP in Cu Chi district, 25 km from the center of Ho Chi Minh City, with a total area of 542 ha, 314 ha of commercial land, and the occupancy rate of 45,3%, the remaining commercial land area is 171,8 hectares and the remaining compensation area is 35 hectares. In addition, SCD is also the investor of a worker housing project of 47,7 hectares. This real estate project aims to provide housing needs for the labor force in the IP, expected to be 7.800 people.

On 31/12/2019: The total assets of the company reached VND 1.289,5 billion, equaling 89,2% compared to 2018; The total revenue recorded from the sale of 27,7 hectares of land reached VND 632,7 billion, equaling 202% compared to 2018, profit after tax reached VND 116,5 billion, equivalent to 133,9% compared to 2018; No loans to credit organisations.

Development plan in 2020: Tan Phu Trung IP has many advantages in terms of location, available land for lease, meeting customer needs, and business development has maintained a stable growth over recent years. This IZ will focus on building a suitable business strategy to maintain the minimum sales speed as the years and proceed to complete compensation for 100% of the project.

❑ Saigon Hue Joint Stock Company (SGH)

- ▶ Address: No. 15 Nguyen Hue Street, Hue City
- ▶ Registered capital: VND 350 billion
- ▶ Business line: Investing, constructing and trading infrastructure in and outside IPs, residential-urban areas, resettlement areas, worker's quarters; construction of industrial and civil works, transportation, power projects up to 35KV.
- ▶ KBC's current ownership rate: 28,14%.

SGH is the developer of infrastructure project of Sai Gon - Chan May IP and Non-tariff Area. This IP has a total area of 650 hectares located in Loc Tien Commune, Loc Vinh District, Phu Loc District, Thua Thien Hue. The strategic location of the IP is 50 km from Hue city center, 32 km from Da Nang city center, near the airport and seaport. Moreover, this IP is located in Chan May - Lang Co Economic Zone.

Maximize production and business efficiency

Saigon - Chan May Industrial Park & Non-tariff Area has very favorable geographical position, adjacent to deep-water port systems such as Chan May, Tien Sa, Lien Chieu, which are connected synchronously with National Highway 1A route, Trans-Asia road (AH1), axis of East-West economic corridor, La Son - Tuy Loan and Da Nang - Quang Ngai highways, North-South railway system and 2 Phu Bai international airports (Hue), airports Da Nang international, ... help investors save transportation costs, maximize production and business efficiency. Besides, the advantage of location connecting the two major cities of Da Nang and Hue, and where there are abundant human resources, many universities and vocational training should always be ready to meet the labor force for enterprise. Therefore, this is an ideal place for industrial development and FDI attraction.

With an area of 660 ha, including industrial park and non-tariff area. Currently, Saigon - Chan May Industrial Park & Non-tariff Area has prepared more than 100 hectares of clean land ready to welcome investors with complete basic infrastructure system including items of internal road system, national power grid, clean water supply system with a capacity of 11.000 m³/day, sewage treatment plant with a capacity of 4.900 m³ / day-night, a green system with a density of 15-20%, ... In addition to rental land to build factories, Saigon - Chan May Industrial Park & Non-tariff Area also provides ready-built factory services to meet the goal of product diversification to provide investors with flexible options. Therefore, investors investing in this industrial zone will be entitled to many preferential tariffs for both enterprises and workers here in accordance with the policies of the special economic zone.

Many incentive policies, attractive support

Located in Chan May - Lang Co EZ, Saigon - Chan May Industrial Park & Non-tariff Area project is allocated and leased land for up to 70 years.

Investors will enjoy preferences applicable to geographical areas with exceptionally difficult socio-economic conditions and EZs in accordance with the Investment Law, the Law on Enterprise Income Tax and other provisions of current law. In addition, when renting land in the non-tariff area, investors are also entitled to outstanding preferential policies on land rent, income tax exemption, import-export tax for a long time, and this will help investors save a lot of costs.

In addition, to create maximum conditions for investors, the management system of Saigon - Chan May Industrial Zones and Non-tariff Area has a close relationship with local authorities and receives great attention and support from Provincial Management Board of Economic and Industrial Zones (EZs, CNs), Department of Planning and Investment, Thua Thien Hue Provincial People's Committee. With this interconnected connection, investors' requests and problems will be coordinated to deal with as soon as possible from information searching until receiving investment license and the project is put into operation such as support for investment procedures, business establishment, construction procedures, recruitment and personnel training costs, procedures for building fire protection systems, ensuring security and order environment...



Saigon - Chan May Industrial Zones and Non-tariff Area

Investment attraction strategy

On 27/03/2019, at the third representative office of the Korea Trade-Investment Promotion Agency (KOTRA - directly under the Ministry of Industry, Trade and Energy of Korea) in Danang, the signing ceremony of the development agreement and project management located on Sai Gon - Chan May Industrial Park and non-tariff area (Saigon - Chan May Industrial Park & Non-tariff area) between Saigon - Hue Investment Corporation (SGH) and KAS E&C Co., Ltd. . >

On May 27, at the headquarters of the People's Committee of Thua Thien Hue Province, the handover ceremony of the investment registration certificate for the Billion Max Vietnam Export Processing Plant project (specializing in manufacturing plastic toys and products for children) at Sai Gon - Chan May Non-tariff Area in Chan May - Lang Co Economic Zone for Billion Max Vietnam. On the afternoon of October 20, the groundbreaking ceremony for the construction of Billion Max Vietnam Export Processing Factory was held at the Saigon - Chan May Non-tariff Area in Chan May - Lang Co Economic Zone.

From 21/7 to 26/7/2019, by the invitation of the Ministry of Planning and Investment, Saigon - Hue Investment Joint Stock Company (SGH Company) and representatives of the Ministry leaders had a working trip to attend the Taiwan - ASEAN Investment Forum in Taipei, Taichung and Hsinchu (Taiwan).

In 2019, SGH has started to attract investment

On 27/03/2019, at the third representative office of the Korea Trade-Investment Promotion Agency (KOTRA - directly under the Ministry of Industry, Trade and Energy of Korea) in Danang, the signing ceremony of the development agreement and project management located on Sai Gon - Chan May Industrial Park and non-tariff area (Saigon - Chan May Industrial Park & Non-tariff area) between Saigon - Hue Investment Corporation (SGH) and KAS E&C Co., Ltd. .

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On 14/11/2019, at Chan May - Lang Co Economic Zone, groundbreaking ceremony of SUNJIN AT&C VINA Textile Factory was held, specializing in manufacturing socks for export. Attending the ground-breaking ceremony were Vice Chairman of Thua Thien Hue Provincial People's Committee Phan Thien Dinh, Vice Chairman of Phu Loc District People's Committee Ho Trong Cau and Management Board of Economic and Industrial Park of Thua Thien Hue Province.

Some pictures of investment attraction of Saigon - Hue JSC. in 2019



❑ SaigonTel Joint Stock Company (SGT)

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

SGT operates mainly in industrial zone, urban area and smart building. Currently, SGT is the investor of prominent projects such as Dai Dong Hoan Son Industrial Zone - Bac Ninh; Saigontel Central Park Project - Bac Giang; SAIGON ICT TOWER - HCMC, etc. In particular, Dai Dong Hoan Son - Bac Ninh Industrial Park Project is one of the most important projects of SGT, with a scale of nearly 400ha, with a total area of phase 1 of 268 ha in Bac Ninh province has been filled full. In 2019, SGT has had many business investment and project implementation activities such as:

- ▶ SGT has been implementing phase 2 of Dai Dong Hoan Son Industrial Park with an area of 96ha, with a total investment of 1.097 billion VND, which has compensated 20ha. The project is expected to compensate 100% in 2020.
- ▶ SGT has sent representatives to take part in receiving and implementing Sheraton Dalat Resort Project of Robin Hill Tourist Co., Ltd.;
- ▶ Successfully organized the topping out ceremony for Saigontel Central Park project - Bac Giang.

In addition, SGT actively participates in activities to attract investment such as: Signing a Memorandum of Understanding on Investment promotion cooperation in Da Nang City; signed a contract with SKYX SOLAR Joint Stock Company (a subsidiary of VinaCapital Holdings Ltd.) to establish an asset ownership company for the development and construction of rooftop solar power projects in the areas industry that Saigontel, its Affiliate or partner of Saigontel owns, manages or cooperates with; In the framework of the conference "The Real Future of Advice" at Vinpearl Land Nha Trang in September 2019, SGT signed a strategic cooperation agreement with Australian Advisory in attracting international investment in both Australia and Vietnam.

In 2019, total revenue of SGT reached VND 698 billion, profit after tax plummeted to VND 10,3 billion due mainly to temporary cost adjustment.



During the year, KBC established another subsidiary, Tien Duong Urban Development Joint Stock Company, owned by 51% of KBC. However, this company has not generated any reporting data.

In addition, in this year the Group also established 03 Tier 2 subsidiaries, KBC only indirectly owns (is a subsidiary of KBC's subsidiaries), including:

- ▶ Tan Phu Trung-Long An Industrial Park Company Limited was established under the Business Registration Certificate No. 1101916111 issued by Long An Department of Planning and Investment on April 26, 2019. This company was granted by the Group indirectly through Saigon - Northwest Urban Development Joint Stock Company;
- ▶ Bac Giang - Long An IP Co., Ltd. was established under the Business Registration Certificate No.1101916513 issued by Long An Department of Planning and Investment on May 6, 2019. This company was granted by the Group indirectly through Sài Gòn - Bắc Giang IP Joint Stock Company.
- ▶ Tan Tap Industrial Infrastructure Development Co., Ltd. was established under the Business Registration Certificate No. 1101916545 issued by Long An Department of Planning and Investment on May 6, 2019. This company was granted by the Group indirectly through Saigon - Hai Phong Industrial Park Joint Stock Company.

LONG AN IS A STRONG BRAND NAME IN INVESTMENT ATTRACTING



4. FINANCIAL STATUS

a. Financial status in 2019

Unit: VND

TARGET	2019	2018	CHANGE RATE
Total Asset	16.432.989.802.701	16.909.732.217.779	97,2%
Equity	10.381.131.101.072	9.837.357.794.557	105,5%
Total Revenue	3.298.269.434.968	2.586.119.327.652	127,5%
Gross profit	1.390.690.785.472	1.073.489.475.745	129,5%
Profit	1.387.285.391.263	1.047.227.401.932	130,3%
Net Income	1.040.758.864.229	808.906.473.494	128,7%
Earn/share (EPS)	1.995	1.588	125,6%

(According to audited consolidated financial statements in 2019)

Causes of changes in assets and equity

As of December 31, 2019: Total asset/equity of the Group reached VND 16.433 billion, the value of asset/equity sources decreased by VND 476,7 billion, down 2,8% compared to 2018. Total asset/equity of the parent company reached VND 10.593 billion, the value of asset/equity decreased by VND 1.610 billion, down 13,2% compared to 2018. The Group's equity reached VND 10.381 billion, an increase of 5,5 % compared to 2018. Equity of the parent company reached VND 7.015,5 billion, down 5,8% compared to 2018.

The main reason for the change in the size of assets and equity was that the Company made a cash dividend and plummeted debts, and the industrial parks were 100% full, causing the cost of items to drop sharply.

Causes of changes in revenue - profit

Total revenue in 2019 increased by VND 712,2 billion, equal to 127,5% compared to 2018. Consolidated profit after tax in 2019 increased by VND 231,8 billion, equal to 128,7% compared to 2018. Main reason is the Group sold 107,3 hectares of land during the year. In particular, **Que Vo Industrial Park** has leased 8,1 hectares, sold 03 workshops with an area of 16.800 m² and leased 9 workshops with an area of 45.872 m²; **Quang Chau Industrial Park** has sold 67,8 hectares of land and leased two factories with an area of 10.320 m²; **Trang Due Industrial Park** has leased 4,2 hectares; **Tan Phu Trung Industrial Park** has leased 27,7 hectares, the factory is leasing. In particular, **Trang Due Urban Area Hai Phong** began recording revenue for 3,6ha.

b. Financial numbers

DETAILS	2019	2018
1. Liquidity		
▶ Short-term liquidity ratio:	3,42	3,80
Current assets/liabilities		
▶ Quick ratio:		
(Current assets - Inventory)/Current Liabilities	1,56	1,59
2. Capital structure		
▶ Debt ratio/Total assets	0,37	0,42
▶ Debt ratio/Equity	0,58	0,72
3. Operational capacity		
▶ Inventory turnover	2,61	4,98
▶ Cost of goods sold/Average inventory		
▶ Net revenue/Total assets	20%	15%
4. Profitability		
▶ Net income/Net revenue	32,4%	32%
▶ Net income/Total revenue (*)	31,6%	31,3%
▶ Net income/Equity	10,0%	8,2%
▶ Net income/Total assets	6,3%	5%
▶ Gross profit/Net revenue	43,3%	43%

LIQUIDITY

The solvency ratios of KBC decreased slightly compared to 2018 but still remained positive. The short-term payment ratio is 3,42 times slightly reduced compared to 2018 was 3,8 times. Quick ratio is approximately as compared to 2018. Quick ratio is still at a safe level, ensuring the ability to pay due debts.

CAPITAL STRUCTURE

As of December 31, 2019, KBC's total assets are being financed by a capital structure consisting of 37% of debt and 63% of equity. The capital structure indicators have improved positively compared to 2018. The current capital structure is an ideal ratio for a large-scale real estate business like KBC. Compared to other peers, Liabilities can account for about 70% of total assets, equity accounts for about 30% of total assets.

OPERATIONAL CAPACITY

Due to the characteristics of industrial products in IP does not have a business cycle like normal consumer goods. The business cycle of IPs usually lasts many years, even some projects have to be recorded on inventories for many years. Therefore, the inventory turnover according to the accounting estimate as above table excludes the inventory value of Trang Cat Urban Area (due to not being put into operation for many years), retaining the influence of Nam Son Hap Industrial Zone because of many years have not been put into operation. However, the inventory turnover ratio improved very well in 2019, turning around twice as fast as in 2018 because some of the Group's Industrial Parks were officially 100% filled.

The ratio of revenue on total assets in 2019 is 20%, a sudden increase compared to 2018 was 15%.

PROFITABILITY

The two ratios of Net Income/Revenue improved slightly with 2018, maintained at a high rate of 32,4%, so it can be seen that the input cost factors are quite stable. The ratio of Net Income/Equity and Total Assets improved positively compared to 2018.

SHAREHOLDER STRUCTURE CHANGES THE OWNER'S CAPITAL

QUANTITY OF SHARES AS OF 03/03/2020

ITEMS	QUANTITY OF SHARES
Total issued shares	475.711.167
Quantity of common stock	475.711.167
Preferred stock	0
Treasury stock	5.950.978
Outstanding share	469.760.189
Free transfer stock	469.760.189
Restricted transfer stock	0

SHAREHOLDER STRUCTURE

Shareholder structure according to shareholders list on 03/03/2020

(Ownership ratio is based on the number of issued stocks including treasury shares)

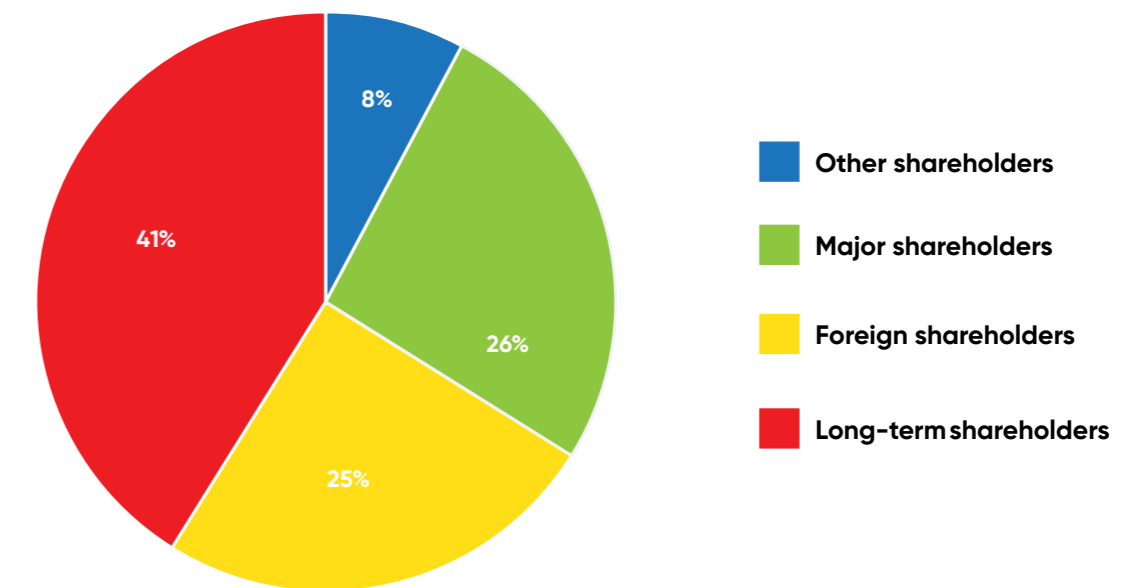
TYPES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	QUANTITY OF SHARES	RATE
Domestic		352.827.582	74,17%
Individual	5.036	269.979.753	56,75%
Organization	60	82.847.829	17,42%
Foreign		116.932.607	24,58%
Individual	168	1.691.993	0,36%
Organization	97	115.240.614	24,22%
Total outstanding shares		469,760,189	98,75%
Treasury shares	1	5,950,978	1,25%
Total	5.363	475,711,167	100,00%

SHAREHOLDER CLASSIFICATION

(Ownership ratio is based on the number of outstanding shares)

NAME OF SHAREHOLDERS	QUANTITY OF SHARES	RATE
Total issued shares	469.760.189	100%
Major shareholders	119.821.590	25,51%
Dang Thanh Tam (Chairman)	75.250.000	16,02%
Kinh Bac Consultancy and Investment.,JSC	44.656.290	9,49%
Foreign shareholders	116.932.607	24,89%
Long-term shareholders	193.390.259	41,17%
Other shareholders	39.616.033	8,43%

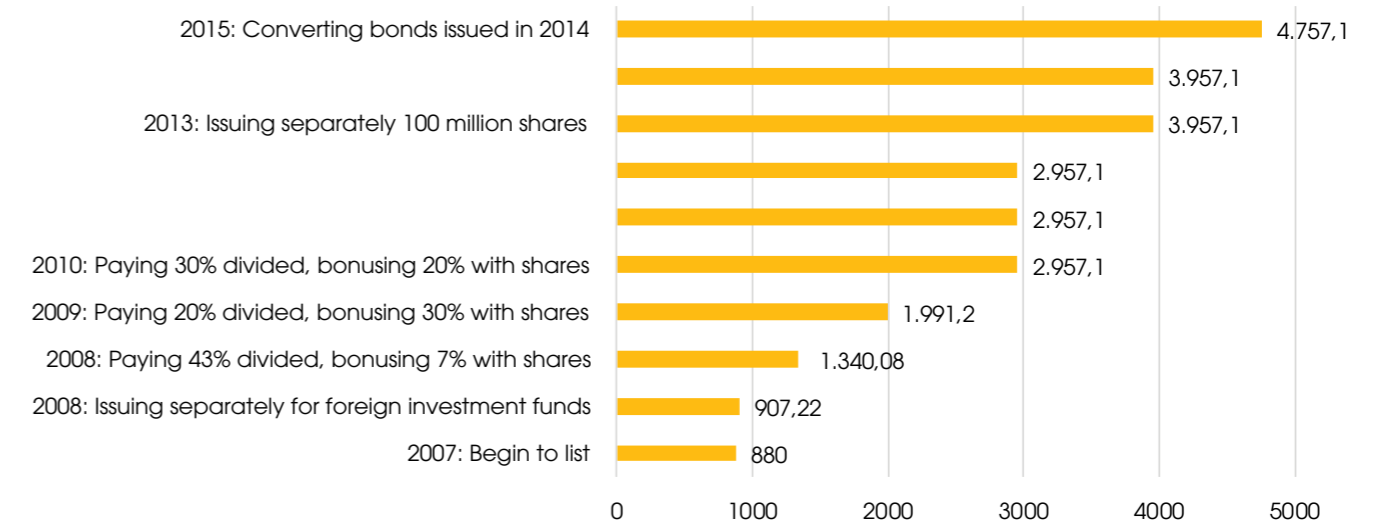
Shareholder classification chart



THE SITUATION OF CHANGING CAPITAL CONTRIBUTION OF THE OWNERS

The process of increasing capital of the owners

Unit: VND billion



In 2019, KBC did not issue any additional shares; no transactions of treasury stocks arise; Did not issue other types of securities affecting the change of equity.

6. REPORT ON THE ENVIRONMENTAL AND SOCIAL IMPACT OF THE CORPORATION

6.1. Material management

a. Total amount of material used by the organization during the year

KBC is an investment, business and infrastructure development group of IPs, Urban Areas, and builds standard factories to lease and provide services such as water supply, wastewater treatment, lighting and contact information. Therefore, the materials used to constitute the Group's products are raw materials for basic construction (construction sand, yellow sand, macadam, gravel, concrete piles, reinforcement, roofing sheets, corrugated iron, prefabricated concrete slabs, iron and steel, prefabricated concrete, drainage pipes, lighting equipment, green trees, etc.) to complete infrastructure, land and factories to serve Investors.

However, in order to build infrastructure and works, the Group is in the form of hiring construction contractors, not directly constructing. Each work item is completed, the Group conducts the acceptance of the volume according to the work item, each category includes many different materials. The Group does not manage the detailed volume of materials by type, but manages the volume according to each work item.

"During the construction process, the Labor Safety Board is set up by the company to ensure environmental hygiene, ensuring that all materials used must be made according to construction standards and decrees on construction regulated by the State".

b. Percentage of recycled materials used to produce the Corporation's main products and services: None

6.2. Energy consumption

a. Direct and indirect energy consumption

In KBC's IPs, investors buy electricity directly from EVN, the Group does not directly manage; Total direct electricity consumption in 2019 in the IP is as follows: Quang Chau IP was 2.364.272 KWH, Que Vo IP was 4.186.046 KWH, Trang Due IP was 956.000 KWH, Tan Phu Trung IP was: 2.017.944 KWH.

b. Energy saving initiative

For the investor's responsibility is that IPs are always focused on building in a friendly and sustainable way, the electricity and water systems are reasonably designed from the beginning; use of energy-saving electrical equipment such as power-saving led light bulbs. In the future the IP will aim to use electricity source to supply electricity such as solar energy to supply street lighting equipment; In the process of building factories and offices, it is important to use environmentally friendly materials, locally available materials; For the office block, limit the use of electricity and equipment during peak hours, use equipment with low energy consumption, turn off the equipment when not in use, set the air-conditioning temperature to an appropriate level, limit to use paper in printing when not needed, actively use electronic documents to exchange jobs, etc.

6.3. Water consumption

KBC's IPs mostly build their own water supply and wastewater treatment plants.

a. The main source of water for the IPs is underground water.

□ **In Que Vo IP**, there are 02 clean water supply factories with a total capacity of 9,000m³ / day and an average consumption of 8,500m³/day and night, in addition, it also add to water sources of Bac Ninh Clean Water Joint Stock company with an average flow of 1.500m³ / day and night, total water consumption in Que Vo IP in 2019 was 5.091.078 m³ equal to 127,3% compared to 2018;

Regarding wastewater treatment, there are 02 wastewater treatment plants with maximum capacity of 6.000m³/day and night each. The total amount of waste water of this industrial zone treated in the year was 3.773.444 m³, equal to 124.5% compared to 2018.

□ **In Quang Chau Industrial Park**, there is 01 water supply factory with a capacity of 5.000m³/day and night, in addition to the water source of Ha Bac Construction and Water Supply One Member Limited Company with an average flow of 4.700 m³/day and night. Currently, the clean water consumption of the whole industrial park is 3.239.425 m³, increasing by 253,7% compared to 2018, an average of 8.875 m³/day and night.

Regarding sewage treatment, there is 01 wastewater factory with a capacity of 3.000 m³/day and a second phase with a capacity of 5.000 m³/day. The average processing flow of 5.811 m³/day and night.

□ **In Trang Due IP**: SHP Company has completed the construction of Trang Due clean water treatment plant, phase 1 with a capacity of 5.000m³/day and night (total capacity of 13.500m³/day and night), ensuring clean water supply for businesses in Trang Due Industrial Park. The company will conduct construction of a clean water treatment plant phase 2 in the coming time to meet the needs of clean water use of enterprises in Trang Due Industrial Park. In addition, the company still uses more clean water from No. 2 Water Supply Trading Joint Stock Company (Vat Cach water plant) to supply to IP. The total clean water volume consumed by enterprises in the industrial zone in 2019 is: 1.372.915 m³. In particular, the amount of clean water supplied by Trang Due clean water plant to customers is 1.072.900 m³.

Regarding wastewater treatment, SHP has cooperated with Quoc Viet Environment Science and Technology Co., Ltd. to improve the capacity of phase 1 wastewater treatment plant from 1.500m³/day-night to 4.000m³/day-night, ensuring that meet the processing capacity before investors come into operation. SHP Company continues to coordinate with Posbee Green Environment Joint Stock Company to build and complete a second-stage wastewater treatment plant. Currently, the total processing capacity of the concentrated sewage plant of Trang Due Industrial Park is 8.000m³/day and night, has been granted a discharge permit by the Ministry of Natural Resources and Environment, ensuring the treatment of the generated waste water of Trang Due Industrial Park. The total amount of waste water treating the entire Trang Due IP is: 1.567.427 m³.

□ **In Tan Phu Trung IP** there is 01 water supply plant with a maximum capacity of 3.000m³/day and night, in 2019, the total amount of clean water supplied to investors was 431.751m³, an average of 1.182,9 m³/day; 01 wastewater treatment plant with a capacity of 4.000 m³/day and night, the total volume of waste water treated in 2019 was 416.252.4m³, the average wastewater treatment flow was 1.140,4m³/day.

b. Percentage and total recycled and reused water

All used water sources are discharged into the centralized wastewater treatment system of the IP. IPs do not use recycled and reused water. Waste water after treatment qualifies QCVN 40/2011/ BTNMT column A.

6.4. Compliance with the law on environmental protection

KBC's IPs always comply with all regulations on environmental protection in Vietnam.

6.5. Policies related to workers

a. Number of employees and average salary:

As of December 31, 2019, the total number of employees at the Parent Company is 198 increased 10 employees; The total number of employees of the Group is 473, unchanged compared to 2018. The average salary of employees at the parent company (KBC) is 15,7 million VND/person/month, average salary of employees in subsidiaries in Bac Giang province is 8,1 million VND/person, in Hai Phong is 8,5 million VND/person, in Cu Chi, HCMC is 7,5 million/person/month. For labor structure, the details are indicated in Number of employees/Organization.

b. Labor policies aiming to ensure the health, safety and welfare of the labors.

□ **Insurance:** Applying social insurance, health insurance, unemployment insurance, and difficulty allowance.

□ **Health care:** Organizing a general health check for all leaders and employees at least once a year. In 2019, the Group completed 01 soccer field, 2 tennis courts, 1 basketball court, 01 gym center, equipped with treadmill, with Yoga and Jumba teachers to improve the health of staff.

□ **Leaving for taking care of babies:**

- ▶ Implementing maternity leave for female and male workers according to current legislation.
- ▶ Applying maternity protection for female workers in accordance with the current legislation: The leave is still entitled to full salary under the labor contract.

□ **Pensions:** According to the law on social insurance

□ **Welfare regulations are defined in the labor regulations of the Corporation** such as bonus for staff's children on the international Children's day, Mid-Autumn Festival, National holidays such as 01/05, 02/09, New Year's Eve, Lunar New Year, 13th month's salary on Lunar New Year, lunch allowance, telephone expenses, etc.

□ **For female workers:** Gifts for female workers on International Women's Day on 8th March and the anniversary of the establishment of the Women's Union on 20th October every year.



Sports area, entertainment for staff

c. Labor training

The Group applies the policy of respecting talents and satisfactory treatment. Therefore, the Group has assembled a team of highly qualified and experienced staff to serve as the core of the Group's human resources. The Group attaches importance to the internal training methods, the Group's specialists are often shared experience, guidance at work from senior staff. The Group regularly organizes exchange programs for investment promotion, finance and IP development in Hanoi, Quang Ninh, Hai Phong, Da Nang, and Bac Giang and in other foreign countries integrated with investment in Korea, Japan, Thailand and Singapore.

The Group always creates favorable conditions for its employees to improve their professional skills. During the training period, the employees will receive full salary.

Most of the staffs of the Group participate in annual training courses organized by line agencies to update policies and regulations, training courses on professional insurance, insurance, tax, regulations for public companies, fire prevention and rescue programs. In addition, the soft skills development program on communication, contract drafting, customer care, participation in investment promotion conferences, investor relations meetings are all focused and assigns officials to attend regularly. The above skills are regularly trained.

Corporations and units implement social responsibility in 2019:

During the year, the parent company spent more than VND 8,6 billion to implement social responsibilities such as: Supporting funds for the poor in Bac Ninh and Hai Duong provinces, Bac Ninh study promotion fund, supporting the construction of agricultural bridges in village Duc Hoa - Long An, security support, support for festivals in Bac Ninh province. Subsidiaries also participate in social responsibility to support the poor, sponsoring the red phoenix flower festival.

Especially, in 2019 Kinh Bac Urban Development Corporation (KBC) was very honored to be together with Kien Tuong Town People's Committee to hold the Ground Breaking Ceremony of Thien Ho Duong High School in Kien Tuong, Long An province. In particular, construction items with a total budget of about 90 billion VND by Kinh Bac Urban Development Corporation will disburse according to the project progress next year.



6.7. Report related to Green Capital Market: None

WE ALWAYS PROMOTE GREEN FINANCIAL MARKETS TOWARDS SUSTAINABLE DEVELOPMENT



PART 3: ASSESSMENT REPORT FROM THE BOM

ASSESSING REVENUE AND PROFIT OF PARENT COMPANY AND CONSOLIDATION

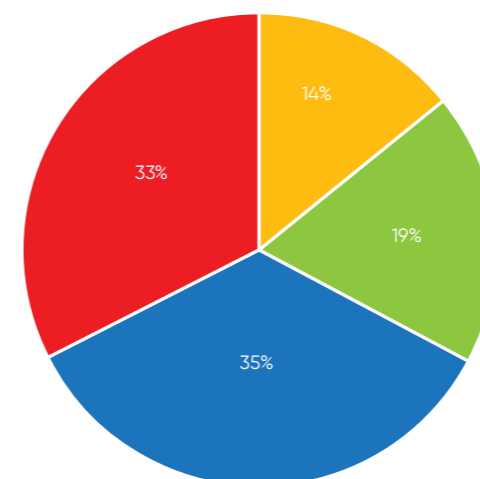
ITEMS	PARENT COMPANY	CONSOLIDATION
Net revenue from sales and services	468,7	3.209,9
Revenue from leasing land	231,8	2.288,4
Revenue from transferring real estate	1,7	540,2
Revenue from providing clean water, electricity, etc.	135,0	281,1
Revenue from selling warehouses	100,2	100,2
COGS and services	278,4	1.363,2
Gross profit from sales and services	190,3	1.846,7
The ratio of gross profit and services/sales revenue	40,6%	57,5%
Revenue from financial operations	274,3	79,9
Other revenues	1,4	8,4
Total revenue	717,4	3.298,2
Total net income	40,9	1.040,8
Profit attributable to shareholders of parent company		918,3

In 2019, the Corporation's industrial park leasing business reached VND 2.288,4 billion, accounting for 69,4% of total revenue, equivalent to 113,4% compared to 2018; Factory sales reached VND 100,2 billion, accounting for 3% of total revenue, equivalent to 56% compared to 2018; Real estate investment reached VND 540,2 billion, accounting for 16,4% of total revenue, 5.8 times higher than 2018. Revenue from clean water supply, wastewater treatment, warehouse leasing service reaching 281,1 billion VND, accounting for 8,5% of total revenue, equivalent 140,1% compared to 2018. This is the revenue source that maintains the Group's stability and this revenue will increase gradually in the coming years when a number of clean water supply plants in IPs are fully operational and enterprises in IPs are no longer free of infrastructure.

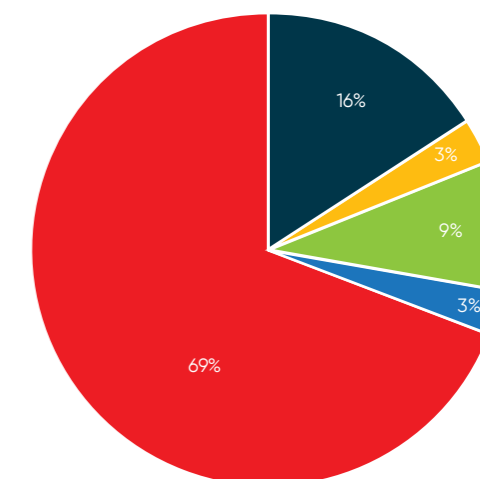
Thus, the investment and development activities of the IP and related services still play a key role of the Group, growing well compared to 2018 and then expected. However, the total revenue of the Group was only 84,6% of the plan but the Group's profit after tax reached 100,5% of the plan. The main reason is that real estate business is fully recorded in Trang Due urban area instead of Phuc Ninh urban area and the cost of Trang Due urban area has a low advantage, leading to high gross profit/revenue ratio of real estate transfer, making the total revenue lower than the plan, but the after-tax profit still exceeded the plan, this is the Group's advantage in the year.

Chart of revenue structure

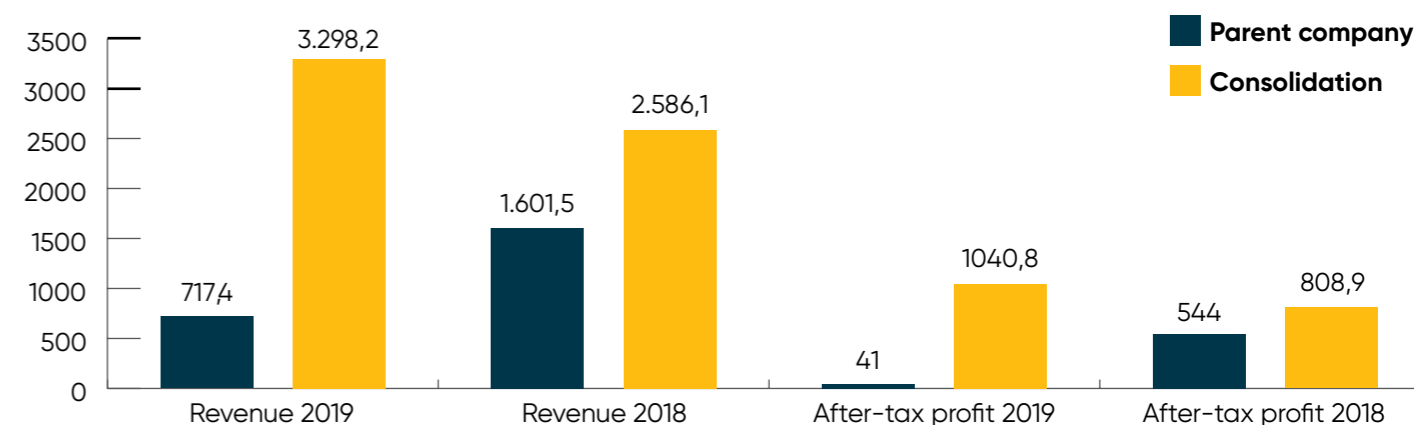
REVENUE STRUCTURE OF PARENT COMPANY



CONSOLIDATED REVENUE STRUCTURE



■ Revenue from leasing land
 ■ Revenue from sales of factories
 ■ Revenue from financial operations
■ Revenue from real estate transfer
 ■ Revenue from services and factory rental



Cost factor affect the profitability of the group

The cost factors did not increase significantly compared to 2018 while the revenue and profit after tax factors increased by nearly 30%. This reflects the Group's business operation, which is very effective, as follows:

► **Financial expenses** incurred in the year were VND 222,6 billion, increasing by 15% compared to 2018, equivalent to 6,8% of the total revenue. In which, interest expense is VND 195,7 billion, equivalent to 97,5% compared to 2018. This factor does not affect KBC's business activities, even promote the role of credit leverage for the Group's business activities compared to 2018.

► **Selling expenses, general and administrative expenses** almost unchanged compared to 2018. In particular, the total selling expenses incurred in the year was 141,9 billion VND, nearly equivalent to 2018, accounting for 4,3% of total revenue. Total management expenses were 171,9 billion VND, increasing 4,3% compared to 2018, accounting for 5,2% of total revenue. These two expenses incurred during the year can be considered as effective and economic cost compared to the business results achieved by the Group.

THE PROGRESS OF THE GROUP IN 2019

❑ KBC closed the first historical pages in the process of developing and building the foundation:

It was the filling of nearly 100% of the area of Que Vo IP first, the Que Vo Expanded Industrial Park in Bac Ninh having the scale of 611ha with the completion of the business cycle from 12 -15 years; Trang Due Industrial Park 1, Trang Due 2 - Hai Phong has a scale of 402 hectares, with the completion of the business cycle from 5 to 8 years and also closed the first historical pages of a subsidiary company held 86,54% by KBC which is Saigon Industrial Park Joint Stock Company - Hai Phong.

❑ **Quang Chau - Bac Giang Industrial Park** is also an important highlight in KBC's 2019, leased 67.8 hectares, increasing the occupancy rate from 53,9% (2018) to 78,2% (2019), accounting for 62,8% of the total leasing area of the Group, contributing 38,3% of the Group's total revenue.

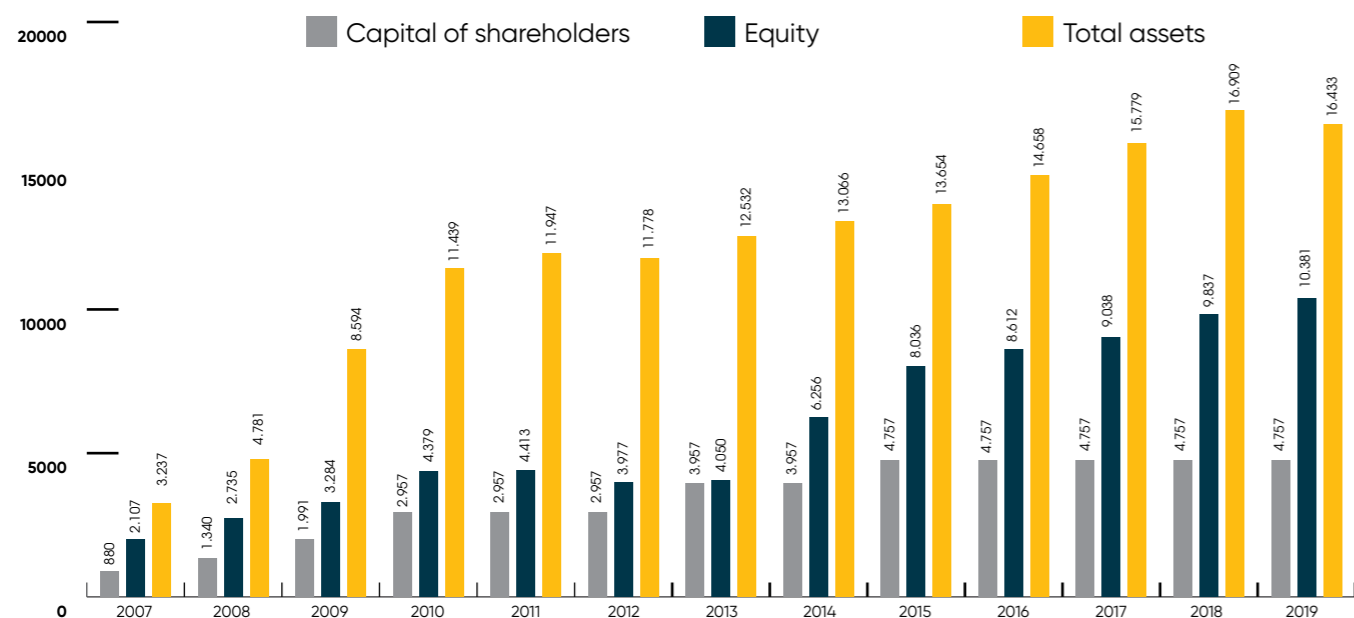
❑ **Trang Due Urban Area** has been issued with a housing ownership certificate, officially recognized revenue, contributing 16,4% of the total revenue of the Group.

2. ASSESSMENT OF THE FINANCIAL STATUS

❑ Assets and Equity Status

As of December 31, 2019: Total assets / capital of the Group reached VND 16.433 billion, the value of assets/capital sources decreased by VND 476,7 billion, decreasing 2,8% compared to 2018. Group's equity reached VND 10.381 billion, an increase of 5,5% compared to 2018. The main reason for the change in the size of the total assets and total capital is due to the Company's dividend distribution in cash and other the debt dropped sharply, the industrial parks were 100% filled, making the expense item dropped sharply. However, the Group's equity reached VND 10.381 billion, an increase of 5,5% compared to 2018 due to a sharp increase in undistributed profit after tax, despite cash dividends paid during the year.

Chart of growth in size of capital and assets since listing up to now



❑ Liabilities Status

► As at December 31, 2019, the Group's total Liabilities was VND 6.051,8 billion, a net decrease of VND 1.020,5 billion compared to 2018. The main reason is due to credit institutions short-term and long-term loans decreased by 561,2 billion dong and long-term payables dropped sharply.

► Of the VND 6.051,8 billions of liabilities, the debts to credit institutions and related parties as of December 31, 2019 of the whole Group were VND 1.925,9 billions of principal liabilities - a decrease of 561,2 billion VND (decreasing 22,6%) compared to 2018; and the accumulated bond interest payable to Pvcombank from 2012 to maturity in 2020 is VND 1.074,1 billion, this interest debt has no interest. In 2019, KBC has completed repaying the principal for Pvcombank, currently the Group is negotiating with the bank to consider reducing interest rates and restructuring the repayment term. During the year, the Group paid its principal amount of VND 1.721,6 billion, paid cash dividends of VND 454,9 billion, and borrowed VND 1.1399 billion (via issuing corporate bonds of VND 800 billion)

► Thus, the Group's actual debt including principal and interest is VND 3.000 billion, accounting for 18,3% of the total assets. This is a very good debt ratio for a large-scale real estate business like KBC.

► The Group has no bad debts; is unaffected by exchange rate differences; is not affected by interest rate differentials (all of KBC's interest rates are in line with the common ground of real estate lending rates in the market). The interest rate of KBC's credit loans is the 12-month savings interest rate of 4 large banks in Vietnam plus the amplitude of 3% to 4,5%; The highest bond interest is 10,8%.

3. DEVELOPMENT PLAN FOR 2020

□ Key business investment plans

In 2020, the Group will continue to invest in the construction of infrastructure of Quang Chau Industrial Park, Nam Son Hap Linh Industrial Park, Tan Phu Trung Industrial Park, Phuc Ninh New Urban Area, Trang Due Urban Area to create ready-made products to meet the needs of investors. The specific objectives are as follows:

- ▶ **Nam Son Hap Linh - Bac Ninh Industrial Park** focuses on completing legal procedures, site clearance outside the 100ha area, compensating and completing the infrastructure to hand over land to investors who have registered to lease land on time.
- ▶ **Quang Chau - Bac Giang Industrial Park** accelerates the speed of compensation for 90ha and completes legal procedures for conversion of 90ha of Urban Area (compensated) to industrial parks, continues investing in infrastructure and workshops to be ready to sign contracts with investors who have made reservations;
- ▶ **Tan Phu Trung IP** has advantages in terms of location, available land for lease, ready to meet customer needs. This industrial zone will focus on attracting investment and establishing better price ground. Continuing to complete the infrastructure, compensate 100% of the project area.
- ▶ **Building a specific business strategy for the Saigon - Chan May Non-tariff Zone in Hue**, the project has started to attract investment thanks to its favorable geographical position in the Central region, the clean land bank is ready, having preferential policies of the economic zone.
- ▶ **Continuing to build about 50 villas in the new urban area of Phuc Ninh - Bac Ninh;** Focusing on deploying infrastructure on the whole handed over area and leveled to catch up new waves; Completing legal procedures for the completed area of infrastructure to hand over to the reserved investors.
- ▶ **Implementing synchronously the infrastructure investment plan, Trang Due Hai Phong Urban Area business plan**, completing 93 commercial townhouses, building 28 new villas, continuing to perfect the infrastructure.
- ▶ Deploying the projects of establishing new urban and industrial zone projects in Hai Duong and Long An
- ▶ Completing legal procedures of Trang Due Industrial Park, phase 3
- ▶ Deploying the project of Diplomatic Corps area and an urban area in Hanoi
- ▶ Setting up foreign investment promotion programs, closely following the Government's economic development objectives, benefits from trade agreements that Vietnam has signed, and accessing new markets.

□ Capital arrangement plan

In 2020, the Group expects to arrange capital from VND 1,500 billion to VND 2,000 billion to invest in infrastructure of old and new projects and supplement business capital for businesses through credit and corporate bond issuance.

□ Revenue and profit plan for 2020.

Based on the results of FDI attraction in 2019 and Vietnam's FDI attraction prospect in 2020; Based on the land lease and workshop demands of potential customers who have been negotiating with KBC; Based on the investment promotion programs of KBC; Based on investors' interest in commercial real estate products at KBC's urban area. Although KBC's BOM assessed the prospect of attracting investment in the coming year is positive, however, due to the complicated disease situation in the first months of 2020, at the time of making this report, the BOM needs more time to consider adjusting the appropriate business plan and Proposal for the Annual General Meeting of Shareholders in 2020 is expected in June 2020.

4. IMPROVEMENTS ON ORGANIZATIONAL STRUCTURE AND MANAGEMENT POLICIES

The organizational structure and personnel policies do not change in 2019. KBC is a Group with a team of leaders and core staff who maintain a long-term connection with the Company.

5. EXECUTIVE BOARD'S EXPLANATION FOR AUDITING COMMENTS: None

6. ASSESSMENT OF THE BOARD OF DIRECTOR RELATED TO RESPONSIBILITY FOR SOCIAL ENVIRONMENT AND COMPANY'S EMPLOYEE

Towards the goal of sustainable development, the BOM believes that KBC is increasingly improving its investment activities, ensuring that environmental indicators (water consumption, energy, emissions ...) are in line with the standards. allowed in the field of industrial zone investment and development. In KBC's Industrial Park, there is 01 company specializing in maintenance work, roads in the industrial park, planting trees, collecting and transporting waste to the prescribed place, cutting grass regularly, etc. ensure clean and beautiful green industrial zone with no chimney, no environmental pollution.

In addition to environmental protection activities, the BOM believes that KBC has fulfilled its responsibilities to the local community in 2019 such as supporting gratitude funds, poor households, building bridges, building schools, mending religious centers, etc.

Regarding employees, the BOM said that employees at KBC are guaranteed a decent income, consistent with the common ground of the society, equipped with modern, adequate and timely reward individuals and collectives with outstanding achievements in their work. However, the limitation is that KBC does not deduct investment and development funds and bonus and welfare funds every year. Therefore, the support of training funds for workers attending domestic and foreign advanced courses to update new knowledge is limited.

PART 4: ASSESSMENT REPORT OF BOM ON THE OPERATION OF THE GROUP

1. ASSESSMENT OF BOM ON ACTIVITIES OF THE GROUP

□ Business activities

The BOM is highly valued on the business results achieved by the Group, with strong growth results compared to 2018, recording a total revenue of VND 3.298,2 billion, equivalent to 127,5% compared to 2018, equivalent to 84,6% of the plan; The Group's total after-tax profit reached VND 1.040,8 billion, equivalent to 128,7% compared to 2018, equivalent to 100,5% of the plan. In particular, the interests of shareholders of the parent company are 918.3 billion, equivalent to 123,1% compared to 2018.

In order to achieve this result, the Board has flexibly adjusted its business strategy when seeing the wave of investment moves from China, Japan, Hong Kong and Taiwan to Vietnam. Following the direction of the BOM, the BOD has made efforts to focus on investment strategy to welcome the above-mentioned wave of movement and establish a higher rental price level in 2018 and helped the Group to achieve business results for the field of attracting investment into the Industrial Zone of VND 2.288,4 billion, equivalent to 113,4% compared to 2018.

As for Phuc Ninh Urban Area, no additional revenue has been recorded in 2019. The Board of Directors will continue closely in 2020. However, the Board of Directors highly appreciates the business activities of the Trang Due Hai Phong Urban Area project in quickly completing legal procedures for the project to be granted a house ownership certificate, building infrastructure and contributing VND 540,2 billion, accounting for 16,4% of the Group's total revenue.

The Board of Directors appreciated the arrangement of capital sources to ensure the solvency of the debt, and the contact with credit institutions, investment funds to establish relationships, develop a capital source arrangement plan for the Group.

□ Foreign affairs

KBC is a company that always does well in domestic and international investment promotion programs. The Chairman of the BOD actively participates in world economic forums and directly contacts with foreign investment funds, helping investors better understand the investment environment of Vietnam & KBC.

In 2019, members of the Board of Directors and the Board of Management attended: Korean investment promotion seminars organized by Korea Trade and Investment Promotion Agency; Attending the Belt and Road Summit in Hong Kong arranged by IPA Company; Attending investment promotion conference in Taiwan under the program of the Ministry of Planning and Investment; Joining the delegation led by the Prime Minister under the Ministry of Planning and Investment's program; Joining the Ministry of Industry and Trade's mission on supporting industries in Canada and the United States.

□ Corporate governance activities

KBC complies with the regulations on corporate governance for listed companies, the information provided on the Stock Market is transparent, accurate and timely; The Group regularly participated in programs to exchange and update information with departments such as the State Securities Commission, HOSE Stock Exchange, Tax Department, Ministry of Finance, etc.

The BOM valued the Group's Investor Relations, KBC is always being visited by foreign investment funds to learn about investment opportunities. Investment funds are welcomed by the Company and provide detailed information required by the funds; In addition, KBC is often invited by large securities companies to attend domestic and foreign "Conference of Investors". Every year, KBC meets directly with hundreds of investors representing foreign investment funds.

□ Development of labor resources

The BOM appreciated the policies of KBC on recruiting talented people; especially, the policy has focused on not only recruiting qualified and experienced cadres from large corporations but also recruiting and training newly graduated workers. The internal training is top priority, ensuring the goal of sustainable development, avoiding the crisis of human resources. In particular, KBC always maintains the agreements with employees, does not reduce personnel or wages even when the economy in general, or the Group faces difficulties and crisis. We have experienced difficult years of economic downturns but it is a strength to retain workers.

□ Responsibility for environmental activities

The BOM appreciated KBC's responsibility for the environment, KBC is an investment attraction company focusing mainly on high-tech companies, reducing environmental pollution; KBC has always focused on building stable infrastructure, fully building clean water supply plants, treating waste water, regularly maintaining and planting trees, beautifying the landscape around IPs. KBC always ensures the stable operation of hundreds of companies in the IP.





2. ASSESSMENT OF BOD ON THE OPERATION OF BOM

The BOD highly appreciates the efforts of the BOM in the implementation of 2019 business plans, investment in developing projects, arrangement of capital for the company. The BOD assessed the truthfulness of the reports of the BOM; The BOD evaluated positively the initiatives, straightforward comments and extraordinary situation handling of the BOM in the process of implementing the plans that the BOD entrusted to the BOM to unify the solutions for enterprise development; The BOD proposed the BOM to be more active in the implementation of infrastructure of IPs projects, completing legal procedures of IP's projects, creating available products to promptly meet investors demands, establishing investment programs in new markets; Developing detailed plans, directing departments to promote the implementation of projects to establish new projects in Hai Duong, Long An and Hanoi are the most important tasks in 2019; Balancing and using reasonable cash flow, improving risk management related to investment and business activities of the company. Specific tasks that the BOD closely followed the BOM including:

- ▶ Organizing to supervise the implementation of the Group's projects: Infrastructure investment in Nam Son Hap Linh Industrial Park; Quang Chau and Tan Phu Trung industrial parks; Infrastructure investment of 22ha area of Phuc Ninh Urban Area and Trang Due Urban Area;
- ▶ Presiding, directing and successfully organizing the 2019 Annual General Meeting of Shareholders on April 12, 2019;
- ▶ Supervising and inspecting the executive activities of the Board of Management in business activities;
- ▶ Completing the issuance of 04 corporate bonds (KBCBOND2019-01, KBCBOND2019-02, KBCBON2019-03, KBCBOND2019-05), the total value of issuance was VND 800 billion. In addition, there is 01 bond issuance in December 2019 with a total value of VND 200 billion ending in March 2020;
- ▶ Organizing and supervising seriously the financial reporting regime;
- ▶ Supervising the implementation of the Resolutions issued by the Board of Directors and the General Meeting of Shareholders;
- ▶ Directing and supervising foreign investment promotion programs in 2019;
- ▶ Closely monitoring the risk management activities of investment, business, cash flow management and appropriate financial planning;
- ▶ Supervising the recruitment and training process;



3. PROPOSALS OF BOD FOR 2020

- ▶ Supervising and approving the investment plans of the BOM into key projects, deploying actively the Nam Son Hap Linh IP, Quang Chau IP, Tan Phu Trung IP, Trang Due Urban Area and Phuc Ninh urban area projects.
- ▶ Presiding to implement projects to establish new projects in Hai Duong, Long An and Hanoi.
- ▶ Directing the BOM to make plans to balance cash flow, mobilize capital, develop appropriate financial plans, balance investment activities and pay due debts
- ▶ Strengthening to monitor risk management, ensuring financial indicators are improving. Supervising the implementation of the Group's internal processes and regulations, with appropriate reward and punishment regimes.
- ▶ Maintaining and building a team of experts who regularly update news, macroeconomic situation, financial situation, changes in policies to promptly propose to the BOM and BOD to make new strategies and policies suitable to the actual situation
- ▶ Enhancing the promotion, commercial trade investment, welcoming and working directly with foreign investment corporations.
- ▶ Assigning the BOM to focus on well performing the work of shareholder relations, regularly monitoring the changes in ownership of major shareholders. Implementing timely and accurately information disclosure to authorities, shareholders and investors.
- ▶ Building and developing professional, qualified, experienced and enthusiastic staff. Appointing people to participate in training courses to improve corporate governance capacity in accordance with regulations of listed companies. Continuing to develop salary and bonus policies and improve remuneration regimes for employees, creating a professional, safe and comfortable working environment, encouraging employees' creativity.

CORPORATION MANAGEMENT

□ **BOD'S Council:** None

□ **Activities of BOD in 2019**

In 2019, the BOD of KBC accompanied the BOM to issue resolutions to resolve issues related to business production activities and investment in industrial parks and urban areas, arranging funding sources for projects of The Group, specifically as follows:

- ▶ The BOD actively participates in foreign affairs, directly contacts with foreign corporations expected to invest directly in Vietnam, indirect investment funds, closely monitors the attraction of FDI enterprises in key IPs such as Quang Chau IP, Trang Due IP, Que Vo IP and Tan Phu Trung IP.
- ▶ Supervises the implementation of infrastructure investment and construction plans, complete legal procedures of Phuc Ninh Urban Area project; Trang Due Urban Area, Quang Chau IP, Tan Phu Trung IP, Nam Son Hap Linh IP, etc.
- ▶ Works with government departments of Hai Duong, Long An and some other provinces to set up new projects.
- ▶ Closely monitors the risk management activities of investment, business, cash flow management and appropriate financial planning, takes advantage of positive macro conditions to develop corporate values, ensures to keep financial indicators at a safe level;
- ▶ Closely monitors the capital arrangement plan for payment of due debts in 2019 and the disbursement plan for site clearance and infrastructure construction of the above projects.
- ▶ Directs the preparation and organization of the 2019 Annual General Meeting of Shareholders
- ▶ Directs the implementation of programs and actions of the Group in order to develop projects towards sustainable, environmentally friendly, responsible to the local community; ensuring the benefits and dynamic and modern working environment for employees.

□ List of resolutions approved by BOM in 2019

NO	RESOLUTION/DECISION NO.	DATE	CONTENTS
1	0201/2019/KBC/NQ-HĐQT & 0201-1/2019/KBC/QĐ-CTHĐQT	02/01/2019	Approved the details of remuneration of the Board of Directors, the Supervisory Board and the salary of the Head of the Supervisory Board for 2018.
2	0901/2019/KBC/NQ-HĐQT	09/01/2019	Approved the conversion of receivable debts of Trang Cat Urban Development One Member Company Limited into capital contribution to Trang Cat Urban Development One Member Company Limited (TCC)
3	1501/2019/KBC/NQ-HĐQT	15/01/2019	Approved the bond issuance plan & used assets to guarantee the bond obligations
4	1901/2019/KBC/NQ-HĐQT	19/01/2019	Authorized to open securities and trade accounts at IB Securities Joint Stock Company
5	1302/2019/KBC/NQ-HĐQT	13/02/2019	Approved on borrowing capital from Saigon - Bac Giang Industrial Park Joint Stock Company
6a	0403/2019/KBC/NQ-HĐQT	04/03/2019	Prepared a plan to convene the Annual General Meeting of Shareholders 2019
6b	0403-1/2019/KBC/NQ-HĐQT	04/03/2019	Approved the 2019 business plan
7	0503/2019/NQ-HĐQT-KBC	05/03/2019	Established Tien Duong Urban Development Joint Stock Company which 51% owned by KBC
8	2203/2019/KBC/NQ-HĐQT	22/03/2019	Approved on lending capital plan of Saigon - Bac Giang Industrial Park Joint Stock Company
9	0304/2019/KBC/QĐ-HĐQT	03/04/2019	Changed of business registration certificate and amended the Charter of Trang Cat Urban Development One Member Company Limited (TCC).
10	0904/2019/KBC/NQ-HĐQT	09/04/2019	Authorized the opening of securities and trade accounts at National Securities Joint Stock Company.
11	2204/2019/KBC/NQ-HĐQT	22/04/2019	Approved the bond issuance plan
12	2204-1/2019/KBC/NQ-HĐQT	22/04/2019	Mortgaged SHP shares to secure bond obligations
13	1406/2019/KBC/NQ-HĐQT	14/06/2019	Approved the bond issuance plan
14	2106/2019/KBC/NQ-HĐQT	21/06/2019	Approved the bond issuance plan
15	2106-1/2019/KBC/NQ-HĐQT	21/06/2019	Mortgaged collaterals for bond obligations
16	2706/2019/KBC/NQ-HĐQT	27/06/2019	Paid dividends in cash Phase 1
17	2207/2019/KBC/NQ-HĐQT	22/07/2019	Nominated the representative of KBC at Hung Vuong University
18	1109/2019/KBC/QĐ-HĐQT	11/09/2019	Changed of legal representative; amended and supplemented the Charter of Trang Cat Urban Development One Member Company Limited.
19	1209/2019/KBC/QĐ-HĐQT	12/09/2019	Dismissed the Chairman and Director of Trang Cat Urban Development One Member Company Limited

NO	RESOLUTION/DECISION NO.	DATE	CONTENTS
20	2809/2019/KBC/NQ-HĐQT	28/09/2019	Paid dividends in cash Phase 2
21	3009/2019/KBC/NQ-HĐQT	30/9/2019	Approved the bond issuance plan
22	1510/2019/KBC/NQ-HĐQT	15/10/2019	Approved the amendment of charter of Kinh Bac - Da Nang Investment One Member Limited Liability Company 100% owned by KBC
23	1710/2019/KBC/NQ-HĐQT	17/10/2019	Approved on borrowing capital from Saigon-Bac Giang Industrial Park Joint Stock Company (SBG)
24	0611/2019/KBC/NQ-HĐQT	06/11/2019	Approved the agreement for Kinh Bac - Da Nang Investment Trading One Member Co., Ltd., 100% owned by KBC to assign the Vien Dong - Da Nang project
25	0611-1/2019/KBC/NQ-HĐQT	06/11/2019	Approved the agreement for Kinh Bac - Da Nang Investment One Member Limited Company to accept the debt repayment transfer to Delta Construction Group Company Limited ("Delta Company") instead of Far East Real Estate Joint Stock Company
26	1511-1/2019/KBC/NQ-HĐQT	15/11/2019	Approved the cooperation value condition under the Business Cooperation Contract signed on July 18, 2017 between KBC and Vietnam Far East Real Estate Joint Stock Company as a capital contribution asset of KBC in Kinh Bac - Da Nang Investment One Member Co., Ltd.
27	1511-2/2019/KBC/NQ-HĐQT	15/11/2019	Mortgaged assets related to Vien Dong project to ensure bond obligations KBCBOND01-2017
28	2111/2019/KBC/NQ-HĐQT	21/11/2016	Approved the bond issuance plan
29	2111-1/2019/KBC/NQ-HĐQT	21/11/2016	Mortgaged collaterals for bond obligations
30	2111-2/2019/KBC/NQ-HĐQT	21/11/2016	Approved on borrowing capital from Northwest Saigon City Development Corporation (SCD)
31	2511/2019/KBC/NQ-HĐQT	25/11/2019	Approved on lending capital to Northwest Saigon City Development Corporation (SCD)
32	0312/2019/KBC/NQ-HĐQT	03/12/2019	Approved on receiving capital support from Vinatex-Tan Tao Investment Joint Stock Company
33	0312/2019/KBC/QĐ-HĐQT	03/12/2019	Approved the adjustment of bond issuance plans
34	1012/2019/KBC/QĐ-HĐQT	10/12/2019	Approved on lending capital to Kinh Bac - Da Nang Investment One Member Limited Company

❑ **Issues approved by the General Meeting of Shareholders have not been implemented by BOD:**

According to the Resolution of the 2019 Annual General Meeting of Shareholders No. 1204/2019 / KBC / NQ dated April 12, 2019, in 2019, the Board of Directors has completed the payment of cash dividends to shareholders with 10%, divided into 02 times, each time was 5%.

Regarding paying 20% stock dividend: The Board of Directors issued Resolution No. 2809/2019 / KBC / NQ-HĐQT dated September 28, 2019 and announced on the market about the suspension of dividend payment by stock to ensure stocks are not diluted pressure, reduce anxiety for shareholders, be consistent with the actual situation of business operations of the business and stock price movements on the stock market. The Board of Directors will submit to the General Meeting of Shareholders the cancellation of the plan for dividends payment by stock under the General Meeting of Shareholders Resolution No. 1204/2019 / KBC / NQ-DHDCD on April 12, 2019 at the Annual General Meeting of Shareholders in 2020.

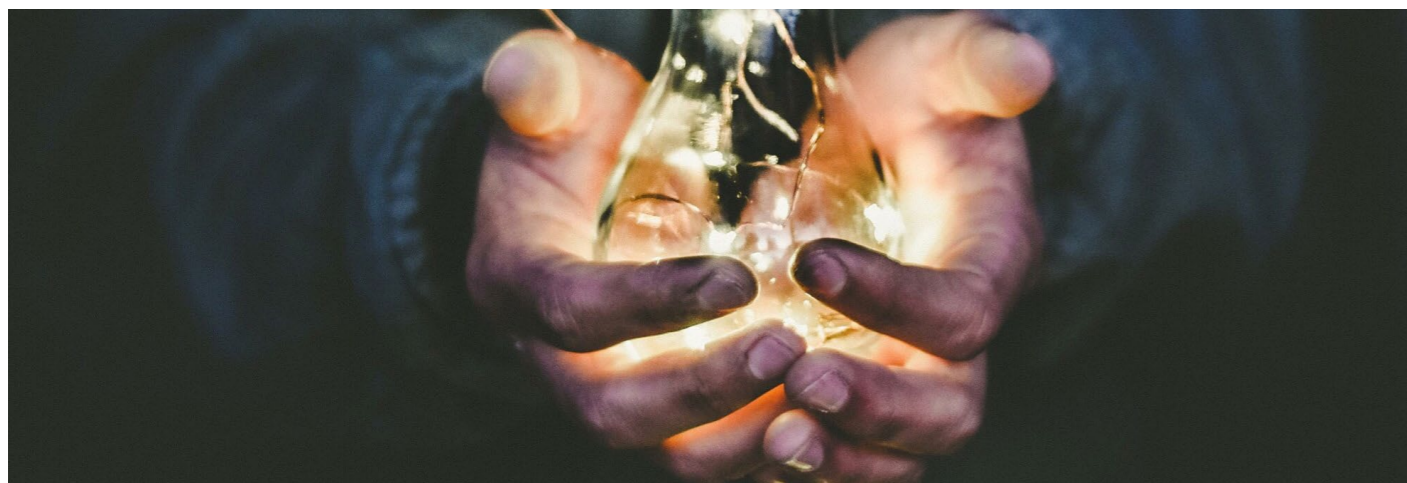
❑ **Activities of independent member of BOD**

Currently, KBC has 01 independent member of the BOD which is Mr. Huynh Phat - one of 5 members of the BOD (in accordance with Article 26 of the Charter approved by the General Meeting of Shareholders: The number of BOM independent members is determined by the method of rounding down).

With his role, Mr. Huynh Phat fully participated in all meetings of the BOD in 2019. In the decisions of the BOD, Mr. Huynh Phat participated in independent opinions before other Board members, along with considering and solving problems to reach agreement.

❑ **Board members with corporate governance training certificates in the year:**

Because the members of the BOD often have to go on business trips, they cannot arrange the time to attend the courses directly to coincide with the training schedule of the Training Agency. However, the members of the BOM always update, clearly understand the regulations on corporate governance for listed companies. The Board will try to arrange time to attend courses on corporate governance.



BOARD OF SUPERVISORS

a. Members of the Board of Supervisors

NO.	MEMBERS	POSITION	OWNERSHIP RATE	NOTE
1	Ms. Nguyen Bich Ngoc	Head	0%	Appointed on April 21st 2017 for the period of 2017-2022
2	Ms. The Thi Minh Hong	Member	0%	
3	Mr. Tran Tien Thanh	Member	0%	

b. Activities of Board of Supervisors

In 2019, the Board of Supervisors of Kinh Bac Urban Development Corporation has carried out the main tasks including:

- ▶ The Board of Supervisors has checked and reviewed the reports of the BOM, the Resolutions of the BOM, supervised the investment situation of projects, the implementation of plans and objectives of the BOD which were passed in the meeting; Business and production plan 2019. Based on the Resolutions of the General Meeting of Shareholders, the Resolution of the BOD, the implementation plan of the BOM, the Board of Supervisors also made recommendations for the BOD and the BOM.
 - ▶ Monitoring financial management activities and preparing financial statements to ensure the truthfulness and reasonableness of financial data given; Exchanging information with the independent auditor appointed in the auditing process of financial statements;
 - ▶ Reviewing and evaluating the internal management and management activities of the BOD, members of the BOD, members of the BOM and leaders based on the criteria of interests of shareholders and the Group;
 - ▶ Reviewing and evaluating the coordination of activities of departments in the process of managing and operating businesses;
 - ▶ Supervising the implementation of resolutions of the General Meeting of Shareholders and Resolutions of the BOD; Closely supporting the BOD and the BOM to implement the Resolutions.
 - ▶ The Board of Supervisors has 3 members, including 01 Chief of Board of Supervisors and 02 Supervisors. The Supervisors are independent, do not hold managerial positions, do not work in the Accounting and Auditing department of the Corporation.
 - ▶ In 2019, the Board of Supervisors conducted 4 meetings. The Board of Supervisors has closely coordinated with the BOD and the BOM in the process of managing all activities of the company.
- In the course of operation, the Board of Supervisors has been facilitated by the BOD and the BOM to perform its tasks. The Board of Supervisors has received all the resolutions of the BOM, reports on the production and business situation of the BOM; Quarterly, semi-annual financial statements, annual financial statements. In 2019, the Board of Supervisors has not received any feedback from the Company's Shareholders regarding the direction and administration activities of the BOM, the BOD and other managers.

3. TRANSACTIONS, EXPENSES BENEFITS OF BOD, BOM AND BOARD OF SUPERVISORS

▣ Salary and benefits

- ▶ Remuneration for the Board of Supervisors: **VND 150.000.000** (in words: One hundred and fifty million Vietnamese dong)
- ▶ Salary - Rewards of the Head of the Board of Supervisors: **VND 208.332.000** (in words: Two hundred eight million three hundred thirty-two thousand Vietnamese dong)
- ▶ Remuneration for the BOD: **VND 777.777.775** (in words: Seven hundred seventy-seven million seven hundred seventy-seven thousand seven hundred seventy-five Vietnamese dong)
- ▶ Salary - Rewards of the General Director: **VND 6.425.499.000** (in words: Six billion four hundred twenty-five million four hundred ninety-nine thousand Vietnamese dong), including **VND 100.000.000** (in words: One hundred million) of remuneration paid to the CEO concurrently as a member of the BOD.
- ▶ Salary - Rewards of Deputy General Directors and Chief Accountant: **VND 5.080.124.000** (in words: Five billion, eighty million, one hundred and twenty-four thousand dong), including **VND 100.000.000** (in words: One hundred million dong) of remuneration of Mr. Pham Phuc Hieu for concurrently holding the position of member of the Board of Directors.

▣ **Benefits:** Equipped with shuttle cars, mobile phones, payment of monthly fees, payment of business expenses, etc.

▣ Stock transaction of Insiders/related persons/major shareholders

NO.	TRANSACTORS	INSIDERS/RELATED PERSONS/MAJOR SHAREHOLDERS	SHARES OWNERSHIP AT THE BEGINNING PERIOD		SHARES OWNERSHIP AT THE ENDING PERIOD	
			Quantity	Rate	Quantity	Rate
1	Kinh Bac Investment Consultant JSC	Major shareholder	44.656.290	9,51%	44.571.290	9,49%
2	Nguyen Quang Minh	Internal shareholders related	7.170	0,002%	170	0,000036%

▣ Transactions with related parties

NO.	NAME OF ORGANIZATION/ INDIVIDUAL	RELATION WITH THE COMPANY	TYPE AND TIME OF TRANSACTION	NO. OF RESOLUTION/ DECISION OF GENERAL MEETING OF SHAREHOLDERS/BOM... APPROVED (DATE OF ISSUANCE, IF ANY)	QUANTITY, STOCK HOLDING RATE AFTER TRADING
1	Mr. Nguyen Vinh Tho	Member of BOD	Receive remuneration for the BOM in 2018	Resolution No. 0201/2019 / KBC / NQ-HDQT on approving remuneration of the BOD in 2018	
2	Mr. Huynh Phat	Independent member of BOM	Receive remuneration for the BOD in 2018	Resolution No. 0201/2019 / KBC / NQ-HDQT on approving remuneration of the BOD in 2018	
3	Ms. Nguyen Thi Thu Huong	Member of BOM, General Director	Receive monthly salary in 2018	According to the labor contract & Resolution No. 0201/2019/ KBC / NQ-HDQT on approval of remuneration of the BOD in 2018	299.478 (0,06%)
4	Mr. Pham Phuc Hieu	Member of the BOD/ Deputy General Director / Person authorized by CBTT	Receive monthly salary in 2019, payment of expenses of business trip	According to labor contract & Resolution No. 0201/2019/KBC/ NQ-HDQT on approval of remuneration of the BOD in 2018	22.817 (0,005%)
5	Ms. Nguyen My Ngoc	Deputy General Manager	Receive monthly salary, payment of expenses of guest cost	Under the labor contract; according to KBC's regulations on financial management	
6	Mr. Phan Anh Dung	Deputy General Manager	Receive regular expenses	According to the labour contract	11.500 (0,002%)
7	Ms. Nguyen Bich Ngoc	Head of Board of Supervisory	Head of Board of Supervisory: receive monthly salary of 2018 and members receive remuneration from the Board of Supervisory in 2018	According to the labor contract for TBKS / Resolution No. 0201/2019 / KBC / NQ-HDQT on approval of remuneration of the Board of Supervisory	
8	Ms. The Thi Minh Hong	Member of the Board of Supervisory			
9	Mr. Tran Tien Thanh				
10	Trang Cat Urban Development One Member Company Limited	KBC's subsidiary	Converting receivable debts into contributed capital	Resolution No. 0901/2019 / KBC / NQ-HDQT	

NO.	NAME OF ORGANIZATION/ INDIVIDUAL	RELATION WITH THE COMPANY	TYPE AND TIME OF TRANSACTION	NO. OF RESOLUTION/ DECISION OF GENERAL MEETING OF SHAREHOLDERS/BOM... APPROVED (DATE OF ISSUANCE, IF ANY)	QUANTITY, STOCK HOLDING RATE AFTER TRADING
11	Sai Gon - Hai Phong IP Joint Stock Company	KBC's subsidiary and KBC's internal person holds the position of a member of the BOD of SHP	KBC pays principal and interest Receive capital and income from business cooperation Other interest	Loan agreement 07 / HDVV / SHP-KBC / 2018 & 01 / HDVV / SHP-KBC / 2015 Resolution No. 0911/2018 / KBC / NQ-HĐQT about borrowing capital from Saigon Hai Phong Industrial Zone Joint Stock Company; Resolution No. 1010/2018 / KBC / NQ-HĐQT on business cooperation & Contract No. 01 / HDHTKD / KBC-SHP / 2018 01 / HDVV / SHP-KBC / 2015, 02 / HDVV / SHP-KBC / 2015, 03 / HDVV / SHP-KBC / 2015, 04 / HDVV / SHP-KBC / 2016, 06 / HDVV / SHP-KBC / 2017.	
12	Saigon - Bac Giang IP Joint Stock Company	KBC's subsidiary and the insider of KBC is also a member of the BOD/BOM of SBG	KBC transfer money for business cooperation Lending / Borrowing / receiving back loan / interest Loan repayments and interest Receive capital and income from business cooperation Receive cash dividends from SBG	HD 02 / HDHTKD / KBC-SBG / 2019 HD 03 / HDVV / SBG-KBC / 2019 & 01 / HDVV / KBC-SBG / 2019 HD 01 / HDVV / SBG-KBC / 2018 and 02 / HDVV / SBG-KBC / 2019 (HD 01 / HDHTKD / KBC-SBG / 2018 and 02 / HDHTKD / KBC-SBG / 2019 Resolution number: 0210/2018 / KBC / NQ-HĐQT; 1302/2019 / KBC / NQ-HĐQT; 2203/2019 / KBC / NQ-HĐQT 1710/2019 / KBC / NQ-HĐQT.	
13	Kinh Bac - Da Nang Investment One Member Company Limited	KBC's subsidiary	Capital contribution to subsidiaries Loans	According to the Company's Charter Resolution No. 1012/2019 / KBC / NQ-HĐQT	
14	Tien Duong Urban Development Joint Stock Company	KBC's subsidiary	Capital contribution to subsidiaries	According to the Company's Charter	
15	Saigon Telecommunication Technology Joint Stock Company (SGT)	KBC's affiliated company	Pay for Internet service fees in 2019	Service contract	
16	Saigon - TayBac City Development Corporation (SCD)	KBC's subsidiary	Lending to SCD; and loan from SCD; Receive dividends from SCD	Resolution No. 2511/2019 / KBC / NQ-HĐQT; 2111-2 / 2019 / KBC / NQ-HĐQT	
17	Vinatex Tan Tao Investment Joint Stock Company	Related company	Receive capital support	Resolution No. 0312/2019 / KBC / NQ-HĐQT	

Details of transactions have been published in the financial statements of the first quarter, the second quarter, the third quarter, the fourth quarter and the 2019 report.

□ **Implementing regulations on corporate governance:** The company has complied with regulations on corporate governance.

□ **Investor relations activities**

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

KBC's shareholder relations and investor relations activities are always appreciated by KBC. We are ready to answer all questions, listen to all suggestions of Shareholders and Investors. Every year, KBC directly contacts hundreds of investment funds.

Thus, it can be said that KBC always tries its best to provide, update information for shareholders, investors promptly, accurately and transparently. We are looking forward to sharing information with shareholders and investors, as well as receiving comments that contribute to the better development of the Group. Therefore, when there is any concern about the situation of the Company, we respect your shareholders and investors to contact us via email.

Email: kinhbac.kbc@gmail.com



PART 6: CONSOLIDATED FINANCIAL STATEMENTS

Ernst & Young Viet Nam Limited
 8th Floor, CornerStore Building
 16 Phan Chu Trinh Street – Hoan Kiem District – Ha Noi – S.R of Vietnam
 Tel: 84 24 3831 5100 & Fax: 84 24 3831 5090

Reference: 60774739/21041563 – 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 30 March 2019 and set out on pages 6 to 61, which comprise the consolidated balance sheet as at 31 December 2019, and the consolidated income statement and 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 these consolidated financial statements 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, and for such internal control as management determines is necessary to enable the preparation and presentation of the 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 auditor considers 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 2019, 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)

(Signed)

Bui Anh Tuan

Deputy General Director

Audit Practising Registration

Certificate No. 1067-2018-004-1

Hanoi, Vietnam

30 March 2020

Nguyen Thu Hang

Auditor

Audit Practising Registration

Certificate No. 3342-2020-004-1

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION**B01-DN/HN****CONSOLIDATED BALANCE SHEET**

as at 31 December 2019

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
100	A. CURRENT ASSETS		13.912.174.569.312	14.862.290.720.411
110	I. Cash and cash equivalents	4	652.005.005.791	224.080.823.490
111	1. Cash		550.470.450.445	219.037.572.851
112	2. Cash equivalents		101.534.555.346	5.043.250.639
120	II. Short-term investments		2.874.095.600	2.955.261.620
121	1. Held-for-trading securities	5	7.490.461.369	7.490.461.369
122	2. Provision for held-for-trading securities	5	(6.616.365.769)	(6.535.199.749)
123	3. Held-to-maturity investments	5	2.000.000.000	2.000.000.000
130	III. Current accounts receivable		5.493.191.454.059	5.842.379.074.106
131	1. Short-term trade receivables	6.1	1.353.873.386.238	1.767.072.395.482
132	2. Short-term advances to suppliers	6.2	2.442.883.530.085	2.081.854.507.943
135	3. Short-term loan receivables	7	391.712.488.097	180.662.930.631
136	4. Other short-term receivables	8	1.312.056.030.289	1.820.123.220.700
137	5. Provision for doubtful short-term receivables	6.3	(7.333.980.650)	(7.333.980.650)
140	IV. Inventories	9	7.547.758.770.653	8.592.831.569.175
141	1. Inventories		7.547.758.770.653	8.592.831.569.175
150	V. Other current assets		216.345.243.209	200.043.992.020
151	1. Short-term prepaid expenses	10	77.403.089.347	58.851.780.787
152	2. Value-added tax deductible	10	136.394.905.445	54.195.425.437
153	3. Tax and other receivables from the State	16	2.547.248.417	86.996.785.796

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2019

B01-DN/HN

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
200	B. NON-CURRENT ASSETS		2.520.815.233.389	2.047.441.497.367
210	I. Long-term receivables		127.852.712.252	600.969.000.000
215	1. Long-term loan receivables	7	1.000.000.000	700.000.000
216	2. Other long-term receivables	8	126.852.712.252	600.269.000.000
220	II. Fixed assets		253.726.902.238	157.072.716.796
221	1. Tangible fixed assets	11	253.543.017.869	156.823.493.258
222	Cost		485.477.345.872	353.091.930.379
223	Accumulated depreciation		(231.934.328.003)	(196.268.437.121)
227	2. Intangible fixed assets		183.884.369	249.223.538
228	Cost		365.975.500	327.975.500
229	Accumulated depreciation		(182.091.131)	(78.751.962)
230	III. Investment properties	12	432.718.621.923	134.161.149.871
231	1. Cost		476.439.458.160	173.618.450.871
232	2. Accumulated depreciation		(43.720.836.237)	(39.457.301.000)
240	IV. Long-term assets in progress		822.034.811.714	194.108.847.448
242	1. Construction in progress	13	822.034.811.714	194.108.847.448
250	V. Long-term investments	14	861.080.542.019	947.733.067.355
252	1. Investments in associates, jointly controlled entities	14.1	434.925.286.015	516.941.269.318
253	2. Investment in other entities	14.2	448.500.200.000	448.500.200.000
254	3. Provision for long-term investments	14.2	(22.344.943.996)	(17.708.401.963)
260	VI. Other long-term assets		23.401.643.243	13.396.715.897
261	1. Long-term prepaid expenses	10	23.401.643.243	13.396.715.897
270	TOTAL ASSETS		16.432.989.802.701	16.909.732.217.778

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2019

B01-DN/HN

Currency: VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
300	C. LIABILITIES		6.051.858.701.629	7.072.374.423.221
310	I. Current liabilities		4.067.458.297.616	3.932.877.663.286
311	1. Short-term trade payables	15.1	370.592.050.524	226.117.852.340
312	2. Short-term advances from customers	15.2	414.280.990.286	447.181.815.119
313	3. Statutory obligations	16	129.306.628.591	301.989.007.085
314	4. Payables to employees		215.919.868	17.270.450
315	5. Short-term accrued expenses	17	1.634.889.249.478	1.244.817.157.545
318	6. Short-term unearned revenues		4.718.340.907	2.908.239.931
319	7. Other short-term payables	18	702.391.584.903	498.434.960.926
320	8. Short-term loans	19	804.035.305.750	1.204.306.000.581
322	9. Bonus and welfare fund		7.028.227.309	7.105.359.309
330	II. Non-current liabilities		1.984.400.404.013	3.139.496.759.935
333	1. Long-term accrued expenses	17	909.879.723	1.051.174.838.754
336	2. Long-term unearned revenue		4.791.738.286	4.919.362.408
337	3. Other long-term liabilities	18	35.126.202.093	135.158.057.007
338	4. Long-term loans	19	1.121.897.918.268	1.282.864.916.172
341	5. Deferred tax liabilities	27.3	820.722.697.681	664.427.617.632
342	6. Long-term provisions		951.967.962	951.967.962

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2019

B01-DN/HN

Currency: VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
400	D. OWNERS' EQUITY		10.381.131.101.072	9.837.357.794.557
410	I. Capital		10.381.131.101.072	9.837.357.794.557
411	1. Share capital	20.1	4.757.111.670.000	4.757.111.670.000
411a	- Shares with voting rights		4.697.601.890.000	4.697.601.890.000
	- Treasury shares		59.509.780.000	59.509.780.000
412	2. Share premium	20.1	989.064.430.000	989.064.430.000
415	3. Treasury shares	20.1	(364.466.650.000)	(364.466.650.000)
418	4. Investment and development fund	20.1	2.223.693.823	2.223.693.823
421	5. Undistributed earnings	20.1	4.099.263.633.258	3.650.661.947.305
421a	- Undistributed earnings by the end of prior years		3.180.901.758.305	2.904.506.892.048
421b	- Undistributed earnings of current year		918.361.874.953	746.155.055.257
429	6. Non-controlling interests	21	897.934.323.991	802.762.703.429
440	TOTAL LIABILITIES AND OWNERS' EQUITY		16.432.989.802.701	16.909.732.217.778

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2019

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
01	1. DRevenue from sale of goods and rendering of services	22.1	3.209.906.030.157	2.491.178.878.521
02	2. Deductions	22.1	-	-
10	3. Net revenue from sale of goods and rendering of services	22.1	3.209.906.030.157	2.491.178.878.521
11	4. Cost of goods sold and services rendered	23	(1.363.156.822.246)	(1.022.343.984.750)
20	5. Gross profit from sale of goods and rendering of services		1.846.749.207.911	1.468.834.893.771
21	6. Finance income	22.2	79.931.901.053	91.568.246.480
22	7. Finance expenses	24	(222.620.542.221)	(193.894.216.853)
23	- In which: Interest expenses		(195.685.878.594)	(200.751.707.293)
24	8. Shares of profit of associates, joint-ventures	14.1	420.531.832	13.853.555.230
25	9. Selling expenses	25	(141.910.414.455)	(142.014.567.928)
26	10. General and administrative expenses	25	(171.879.898.648)	(164.858.434.955)
30	11. Operating profit		1.390.690.785.472	1.073.489.475.745
31	12. Other income		8.431.503.757	3.372.202.651
32	13. Other expenses		(34.947.379.751)	(29.634.276.464)
40	14. Other loss		(26.515.875.994)	(26.262.073.813)
50	15. Accounting profit before tax		1.364.174.909.478	1.047.227.401.932
51	16. Current corporate income tax expenses	27.1	(167.120.965.198)	(193.422.721.494)
52	17. Deferred tax expenses	27.3	(156.295.080.051)	(44.898.206.944)
60	18. Net profit after tax		1.040.758.864.229	808.906.473.494
61	19. Net profit after tax attributable to shareholders of the parent		918.361.874.953	746.155.055.257
62	20. Net profit after tax attributable to non-controlling interests		122.396.989.276	62.751.418.237
70	21. Basic earnings per share	29	1.955	1.588
71	22. Diluted earnings per share	29	1.955	1.588

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

B03-DN/HN

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2019

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		1.364.174.909.478	1.047.227.401.932
	Adjustments for:			
02	- Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets	11, 12	53.169.260.174	39.457.088.131
03	- Provisions/(reversal of provisions)		4.717.708.053	(21.952.306.313)
05	- Profits from investing activities		(79.048.576.222)	(91.546.563.432)
06	- Interest expenses	24	195.685.878.594	200.751.707.293
08	Operating profit before changes in working capital		1.538.699.180.077	1.173.937.327.611
09	- Decrease/(increase) in receivables		91.951.948.997	(949.635.634.140)
10	- Decrease/(increase) in inventories		1.045.072.798.522	(270.206.770.671)
11	- (Decrease)/increase in payables (other than interest, corporate income tax)		(646.068.358.097)	605.558.766.081
12	- Increase in prepaid expenses		(28.556.235.907)	(18.183.942.004)
14	- Interest paid		(281.891.887.623)	(207.096.211.688)
15	- Corporate income tax paid	16	(179.982.853.335)	(204.735.338.191)
16	- Other cash inflows from operating activities		-	22.100.000
17	- Other cash outflows from operating activities		(77.132.000)	-
20	Net cash flows from operating activities		1.539.147.460.634	129.660.296.998
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	- Purchase and construction of fixed assets and other long-term assets		(275.109.496.555)	(62.074.851.215)
23	- Loans to other entities and payments for purchase of debt instruments of other entities		(272.736.501.000)	(119.186.943.534)

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

B03-DN/HN

CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 31 December 2019

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
24	- Collections from borrowers and proceeds from sale of debt instruments of other entities		61.386.943.534	10.302.500.883
26	- Proceeds from sale of investments in other entities		374.174.889.081	6.780.000.000
27	- Interest and dividends received		37.623.194.668	9.372.322.513
30	Net cash flows used in investing activities		(74.660.970.272)	(154.806.971.353)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	- Drawdown of borrowings		1.139.988.384.144	911.900.329.277
34	- Repayment of borrowings		(1.721.560.467.364)	(1.157.584.310.677)
36	- Dividend paid	20.3	(454.990.224.841)	(9.656.028.235)
40	Net cash flows used in financing activities		(1.036.562.308.061)	(255.340.009.635)
50	Net increase/(decrease) in cash for the year		427.924.182.301	(280.486.683.990)
60	Cash and cash equivalents at beginning of year		224.080.823.490	504.567.507.480
70	Cash and cash equivalents at ending of year	4	652.005.005.791	224.080.823.490

(Signed)

(Signed)

(Signed)

Luu Phuong Mai
Preparer

Pham Phuc Hieu
Deputy General Director and
Chief Accountant

Nguyen Thi Thu Huong
General Director

30 March 2020

Shareholder and Investors may see Financial Statement on Website

www.kinhbaccity.vn and www.hsx.vn

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

Chairman

DANG THANH TAM



KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

HEAD OFFICE

Lot B7, Que Vo IP, Bac Ninh Province

Tel: (84-22) 363 40 34

Fax: (84-22) 363 40 34

www.kinhbaccity.vn

HO CHI MINH CITY BRANCH

20 Phung Khac Khoan Street

Dakao Ward, District 1, Ho Chi Minh City

Tel: (84-28) 2822 82 90

Fax: (84-28) 2822 82 91

REPRESENTATIVE OFFICE IN HA NOI

100 An Trach Street

Dong Da District, Ha Noi City

Tel: (84-24) 373 468 90

Fax: (84-24) 373 468 91