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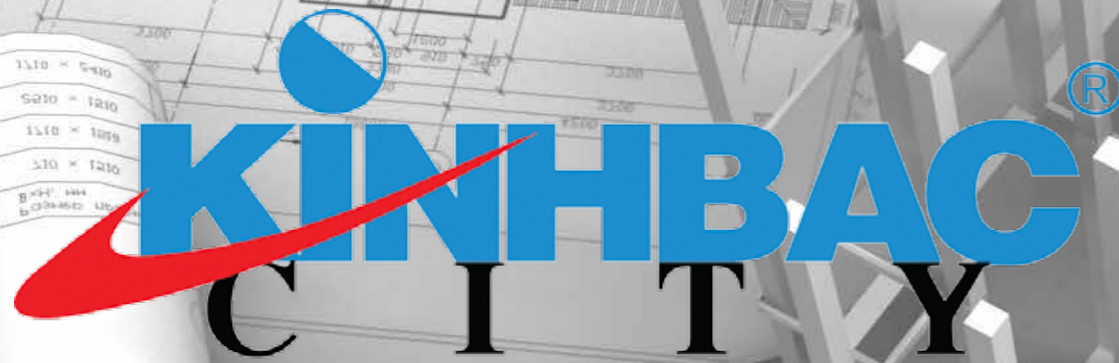
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ANNUAL REPORT 2014



LEADING WITH SAIGON INVEST GROUP

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION - CTCP

STOCK CODE: KBC

Dear Shareholders and Investors.
KinhBacCity Holding Development Corporation(KBC)
is pleased to submit to you our Annual Report 2014. With
many endeavours, we are presenting the most comprehensive
picture of KBC. This report focuses on analyzing significant
details and important information in our performance with
authenticity, accuracy, transparency and easy- accessibility.
Once again, we respectfully request the honor shareholders
and investors to consider this report as a handbook since you
want to insight KBC.
Sincerely,
BOARD OF INVESTOR RELATIONS KBC

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ABBREVIATIONS

BOD: Board of Directors
 BOM: Board of Management
 EZ: Economic Zone
 FDI: Foreign Direct Investment
 GSM: General Shareholders Meeting
 IP: Industrial Park
 KBC: Kinh BacCity Holding Development Corporation
 JSC: Joint Stock Company
 SB: Supervisory Board
 UA: Urban area





Canon Factory
Que Vo Industrial Park - Bac Ninh

GENERAL INFORMATION

- Business name in Vietnamese: **TỔNG CÔNG TY PHÁT TRIỂN ĐÔ THỊ KINH BẮC – CTCP.**
- Business name in English: **KINHBAC CITY DEVELOPMENT HOLDING CORPORATION**
- Abbreviation: **KINHBAC CITY GROUP**
- Business Registration Certificate No: 2300233993 issued by Bac Ninh Plan and Investment Department on March 27th, 2002, the fifteenth amended on January 30th, 2015.
- Charter capital: **4.757.111.670.000 VND**
- Address: Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam.
- Tel: 0241 3634034 Fax: 0241 36340355
- Website: <http://www.kinhbaccity.com>
- Stock code: **KBC**



MESSAGE FROM THE CHAIRMAN OF BOARD OF MANAGEMENT

“KBC believed that focusing on core values development, debt-restructuring plan and investment portfolio management would promote us to overcome all the challenges ahead toward achieve sustainable development on the new growth process.”



Dear Honoured Shareholders, Customers and Investors!

Firstly, on behalf of BOM and whole employees of KinhBac City Development Holding Corporation, I would like to express my sincerely thanks to the shareholders, customers, partners and investors who have paid attention to KBC, followed our company development path even in ups and downs periods. I wish all honored guests and your family the best wishes on good health and prosperity. Year 2014 remarked our 12 years of working and dedicating for development with many undeniable achievements. It can be seen that KBC had overcome the most difficult period. KBC believed that focusing on core values development, debt-restructuring plan and investment portfolio management would promote us to overcome all the challenges ahead, and achieve sustainable development on the new growth process.

In the context of stable macroeconomic with many improvements, there are both opportunities and challenges for Vietnam enterprises in general and for KBC in particular. Indeed, capital market improved significantly, hence KBC could access capital credit resources from commercials banks with lower interest rates after 3 years we did not borrow any new loan. Furthermore, FDI flow in Vietnam reached 21.92 billion USD, higher 19% than government's plan. In which South Korea is the national leader with their total capital investment 7.32 billion USD, accounting for 32.6 % of total FDI into Vietnam. Especially, 100% FDI

customers of KBC in 2014 is from South Korea. Their total registered capital accounted for 4.52% total FDI of South Korea into Vietnam, investing specific on Hai Phong and Bac Ninh Province. As a result, total contracts values gained in 2014 is 1.323,5 billion dong.

With the other field, real estate market is recovering that expressed in increasing number of successful improved transactions in every segment and liquidity. In Hanoi, it is estimated that over 10.000 successful transactions, was double last year figure. In Ho Chi Minh City, there are nearly 9,000 successful transactions, increasing by 35% while inventory decreased by 39,47% compared with 2013 numbers. Remittance inflows continuously “poured in” this area, FDI capital invested in real estate achieved \$2.54 billion, nearly 3 times as much as 2013 number. It is notable for real estate market that is “Leverage Policy”, real estate market received supporting information from new law, and decrees in 2015.

In addition, Vietnam stock market in recent years albeit suffered strongly by psychological problems such as Vietnam East Sea or oil price decline.... it has improved significantly in many aspects, for example market capitalization increased by 172 trillion dong compared to the end of 2013, market liquidity also improved remarkably, capital mobilization through the stock market remained at high level. In which, KBC successfully raised 1.200 billion dong from the stock market in 2014, that helped KBC accelerate the process of restructuring.

Apart from external factors, KBC appreciated business administrations foundation for important renovation in the past years:

- Consistently following development core business goal of industrial park, attracting FDI in high technology field in order to minimize environment pollution. In particular, KBC has endeavored to shape an image of high quality industrial parks, with professional services. KBC always tries our best to create the most favorable conditions for customers in developing their production, bringing benefits not only to enterprises but also to society. In 2014, thanks to effective marketing strategy and customer relation policy, KBC has generated remarkable results, including a new leasing land area up to 88.3 ha, sold 7 factories with total area of 37.743m² and 4 factories under -construction with total area of 14.000m². These figures confirmed again our strong recovery.

- Restructuring investment portfolio, toward core values: Up to December 31st, 2014, KBC has transferred successfully some inefficient investments, at the same time, increased our ownership at a potential Industrial Parks in Hue City. KBC has been established a innovative management system which focuses on financial and cash flow forecasting and managing more effectively.

- Minimizing financial expenses: In the past few years, financial expenses nearly occupied our profits. Thus, in 2014, KBC simultaneously implemented restructuring matured bonds, share

private placement in order to deduct liabilities, convertible bond private placement that would reduced debt pressure as total debt decreased by 25% . It is expected to decline strongly in the up coming years.

- Building trustworthy relationships with shareholders, investors, customers, partners and government agencies is important goal. We are profoundly aware that cooperation, support and confidence from banks, partners, shareholders and investors is vital motivation for stronger development since KBC has prospered impressively after a long crisis period.

Although upcoming difficulties still remain, our result is concrete evidences to confirm that KBC would overcome the most difficult stage. During 12 years of establishment and development, KBC has gained not only proud achievement but also great lessons, practical experience toward sustainable development in the future. The solidarity of all people in Company creates overall strength for the system in transformation and renovation, catching the post-crisis development.

Thanks and best regards,

Chairman of BOM
Đặng Thành Tâm

VISION – MISSION - GROWTH ORIENTATION

VISION

Within the next 20 years, KBC will be the leader Industrial Park developer in Vietnam; attracting high technology FDI capital at highest level among the country, developing urban areas – industry park – services complex system with modern standard, perfect, quality and friendly investment environment in national wide.

MISSION

KBC overcomes all challenges to transform the pristine and poor land into industrial parks and urban areas which are filled by high- tech factories without environment pollution.

GROWTH ORIENTATION

Short-term goals:

- Restructuring: transfer non-core-business investments.
- Developing core business: constructing and investing in infrastructure in Trang Due Industrial Park, Quang Chau Industrial Park, Nam Son Hop Linh Industrial Park, and Phuc Ninh Urban Area ... ; diversified business plan, attracting high-technology group from Korea, Taiwan, Japan ...; preparing available products and services to satisfy tenants' demand (subleased land and factory for lease and selling)
- Mobilizing and allocating capital more efficiently, enhancing financial capability and financial indicators significantly.
- Maintaining sustainable growth
- Ensuring annual dividend for shareholders after restructuring

Medium-term and long-term development strategy

- After successful reorganization, KBC will promote potential industrial parks in Central and South market, simultaneously deploy Urban areas projects that meet accommodations demands of Industrial Park and employees; expand Industrial Park's land in the developing areas such as Hai Phong City, and Ho Chi Minh City.
- Building diversity customer network and maintaining good relationships to catch up changes in policies when The Trans-Pacific Partnership and Free Trade Agreement between Vietnam – EU have been signed.
- Developing Kinhbaccity brand name that reach international level, always be the leader in the field of management and development Industrial Park- Urban areas.

The objectives for environment, society and community contribution

- KBC contributes significantly in the process of Vietnam 's promotion about investment policies into oversea through promotion of investment program, economic forum in the region and in the world;
- KBC is a significant factor contributing to the annual plan of Vietnam's FDI attraction in our field;
- KBC creates thousands jobs for local workers, contributes budgets for province where our projects have developed, promotes industrialization and modernization of the country.
- KBC always tends to attract enterprises in the field of high-technology and less-pollution.
- KBC implemented social works such as conditioning lakes, local parks and so on which create green, clean and beautiful environment.

CORE VALUES

Experience in our field

As one of the first Industrial Park developers, Mr. Dang Thanh Tam – KBC Chairman of BOM has established a solid foundation for KBC development. Within nearly 20 years experience in management and development Industrial Park, his business model is proved through many successes and reputation. Therefore, our recent IP development path recently can be seen as a typical efficiency one in this industry because of short investment duration, high gross profit margin, and FDI investors' appreciation as one of their best choices for their investment plans in Vietnam..

Large land bank

In our business model, acquiring land is the most important property to complete long-term development goals. For instance, our current land bank is up to 4,500ha for Industrial Park development and 1,300 ha for Urban Area development. In which, nearly 2,500ha belongs to KBC and our subsidiaries, accounting for nearly 8% total operating Industrial Park area in nationwide. In the unfavorable conditions, which developing new industrial Park is tightening and

limiting by government, KBC land bank is the most precious property to create the great value in the future..

Diversified services and products

With the purpose of serving customers in the best way, KBC attempt to provide consult diversified choices for their investment plan and a wide range of products and services to satisfy even the hardest request of customers. Firstly, with wide range of geological locations with 14 IPs through out Vietnam, KBC could reach the first line in attracting FDI investment, especially the big international group such as Canon, Foxconn, LG Electronics... Secondly, in order to satisfy the small and medium enterprises, most of whom are vendors of these big groups, ready-built factories and offices are potential because the product shortens initial investment period (reduce construction phase for a standard factory) and reduce risks in research market phase (renting factories period requires 3 years instead of leasing land for 50 years before the investor can insight market). Moreover, maintenance infrastructure operation in IPs achieved high efficiency that

ensures landscape to keep in modern, clean and amicable with environment. Supporting services to complete supply chain and serve manufacturing such as financial services, security, power, water utilities, etc. are provided fully for investors by KBC and our partners.

Kinhbaccity brand-name

Kinhbaccity Brand-name has built reputation in not only Vietnam but also oversea with many investors awareness (both FDI and FII). Apart from competitiveness on services and products, Kinhbaccity is well-known because of KBC's ability to attract FDI during last 12 years. Thus, when most of the large corporations have start researching market and investment plans in Vietnam, Kinhbaccity brand is always on top of investors' mind.

Investor Relations and Customer Relations

The relation with investors in recent years has been concentrated on answering all the questions from investors, shareholders and customers about Company situation. For customers, KBC will provide and support free services to Korea tenants with market researches about local policies,

regulations, supply network and their industry prospect in Vietnam.

High-quality human resources and efficiency management system

Through development period, we have built professional, highly quality and rich experienced personnel in the field of business investment and development in Industrial Park, especially of attracting FDI. Responsibility, loyalty and solidarity spirit are the mainstream in our corporate culture. Thanks to efficiency human resources policies, most of staffs and managers always accompany with KBC in prosperous as well as in difficult period.

With purpose of developing above core values as our important competitive advantage, Kinhbaccity has been build a solid foundation for sustainable development and emerged as a leader in the field of developing Industrial Park inclusive the most difficult period.



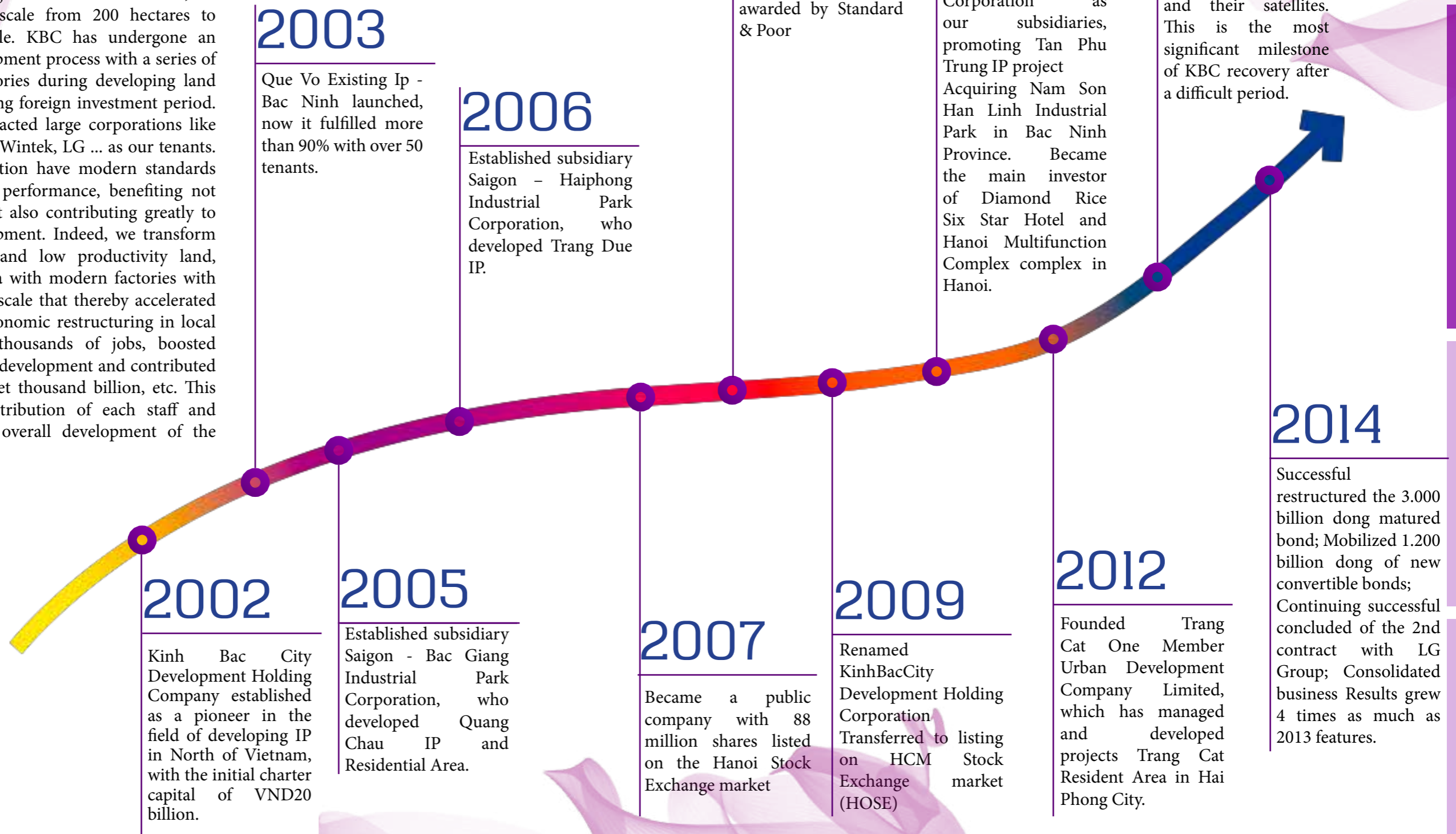
LG Factory
Tràng Duệ IP - Hải Phòng

OVERVIEW



MILESTONES ON THE 12 YEARS DEVELOPMENT

During 12 years of establishment and development, KBC has successfully built a model of high-tech and low rate of environment pollution industrial zone. As one of the first developers of high-tech IP in the north, all of our IPs has scale from 200 hectares to 500 hectares scale. KBC has undergone an emotional development process with a series of value creation stories during developing land bank and attracting foreign investment period. Each IPs has attracted large corporations like Canon, Foxconn, Wintek, LG ... as our tenants. The IPs in operation have modern standards and enjoy stable performance, benefiting not only for KBC but also contributing greatly to the social development. Indeed, we transform the agricultural and low productivity land, into complex area with modern factories with large production scale that thereby accelerated the process of economic restructuring in local society, created thousands of jobs, boosted ancillary services development and contributed to the state budget thousand billion, etc. This is the main contribution of each staff and Corporation for overall development of the country.



MESSAGE

OVERVIEW

BUSINESS RESULT

VIEWPOINTS OF MANAGEMENT

MESSAGE

OVERVIEW

BUSINESS RESULT

VIEWPOINTS OF MANAGEMENT



April 2014 successful issued 100 million shares for debt clearing.

21 Jul 2014, President Truong Tan Sang visited and worked in Trang Due IP - Haiphong

28 Aug 2014 The Management Board of Hai Phong Economic Zone granted investment certificates for Phase 2 of Trang Due IP, with scale 214ha.

6 Sep 2014 KBC sponsored program "Fairy-tale moon" on VTV2, contributing to heart surgery charity program for poor children who suffered congenital heart disease.

From 18 to 24 Sep, 2014 KBC and SHP jointed seminar investment promotion in Gumi City and Seoul meeting 50 enterprises in Korea

28 Oct 2014 Signing a land lease contract with CP Group - Thailand whose food processing projects worth \$300 million. This is the sudden growth in Tan Phu Trung IP, 2.3 times as many as 2013's result.

6 Oct 2014 Vietinbank signed credit contracts that funded for projects Phase 2 Trang Due - Haiphong construction, a remarkable milestone after 3 years KBC hardly accessed banks' credit resources.

8 Oct 2014 Held meeting with Incheon Vision Association (South Korea) to discuss about investment opportunities in Vietnam

Nov 2014 Implemented convertible bond private placement, mobilizing capital from stock market.

18 Dec 2014 Signed the principle land lease contract between KBC-LG-SHP for expansion of LG phase 2 with nearly 40 hectares.





THE TYPICAL AWARDS

- 23 Aug 2014: Saigon-Hai Phong IP Corporation was honored by competitive flags for Leading Unit by Government in the field of investment and infrastructure development in industrial park and attracting foreign investment.
- Continuously received Merit awarded by the Chairman of Bac Ninh Province and the title for The outstanding labor unit.
- KBC honored with second-class Labor Medal in 2012 by the President of the Socialist Republic of Vietnam.
- 2010: Vietnam National Branding, ASEAN Enterprise, Vietnam Gold Star TOP 100
- 2004-2014: KBC received 9 consecutive times, awarding for The Excellent Leading Flag by the Government





LINES OF BUSINESS AND LOCATIONS

Our core business is investing in infrastructure in industrial park. The entire Group have dedicated to build an effective business models for industrial parks that could meet renovation demand of the country and contribute to the industry movement in particular region. The ongoing and sustained process of creating core values for the dominant business along with appropriate business models has turned agricultural and low productivity land into the most developed industrial areas in the North.





During the process of formation and development, the Group's leaders have persistently pursued to fulfill our IP by high tech corporations that targeted of a modern and less pollution IP. With a new industrial park development, we endeavour to attract several large international corporations, later their vendors and satellites would follow them investing to our area. This model is a key of success for our industrial park that can maintain intensive technologies investment as well as get high occupancy rates in the short term.

Leasing industrial land for 50 years operation is the largest promotion in the total revenue of the Group. This product usually meets large corporations' demand. Besides, in order to reduce

investment risks for FDI investors, KBC has successfully developed ready-built factory for rent and sales. Each standard factory has over 5,000m², accompanied by an office and suitable sub-works that are appropriate to begin manufacturing immediately. This product currently attracts great concern, moreover it has gross profit margin about 50%.

Additionally, the ancillary services in industrial park include electric power supply, water supply, sewage treatment, management and maintenance of infrastructures, etc. that are appreciated and improved because these services will bring annual sustainable revenues and guarantee to offset costs for corporate management.

Focusing on our strengths, KBC

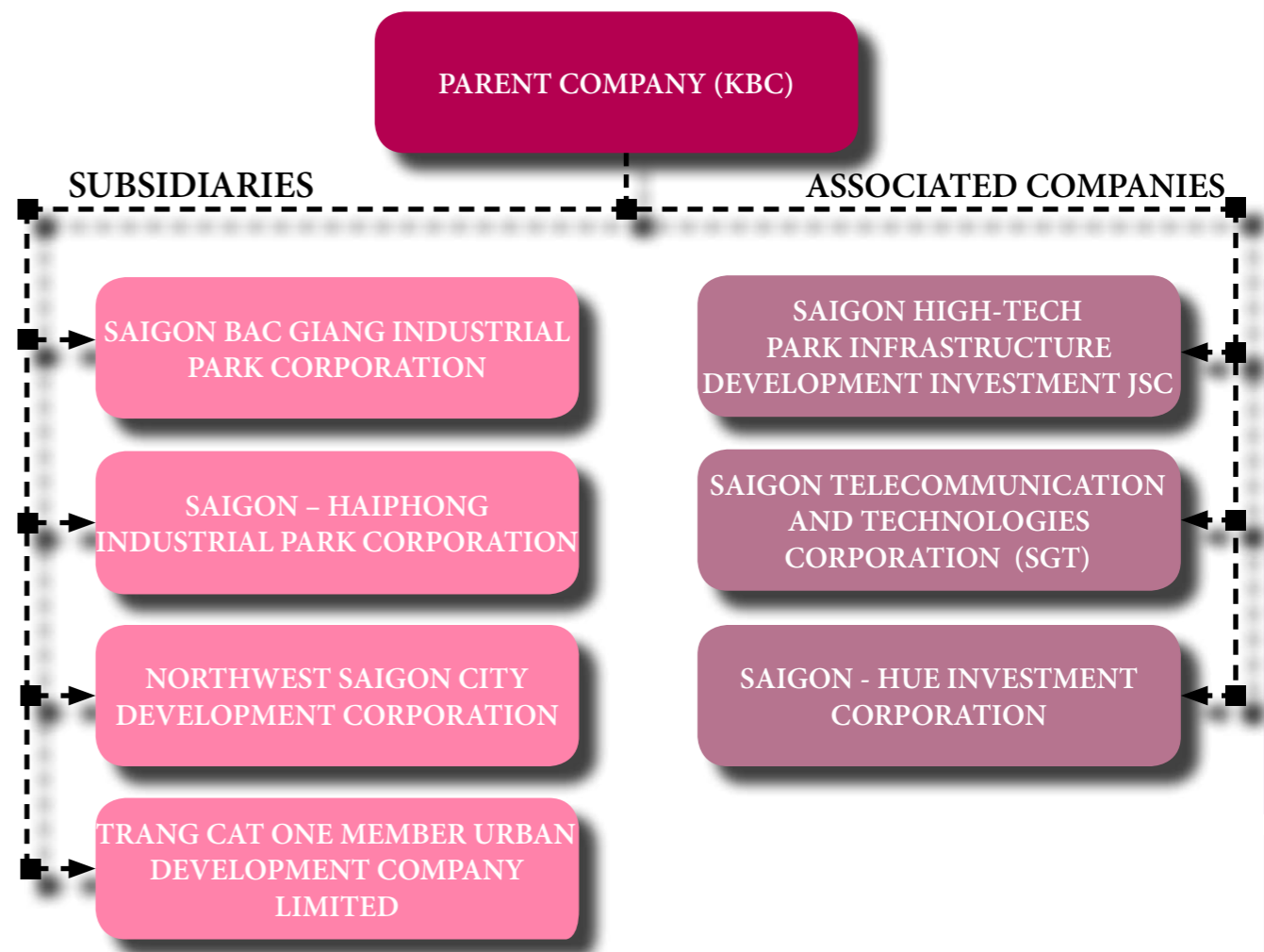
constantly builds new business plan for the least developed IPs in land bank availability. Up to now, our total land bank is nearly 4,500 hectares for industrial park development that belongs to KBC and its subsidiaries, associated companies and companies in the long-term portfolio, including 14 industrial parks allocated widely from the north to the south. Each IP has scale from 200 hectares to 500 hectares, enjoy strategic positions in the particular region, takes advantage of terrain combine with strengths of the local economy and geopolitical region. In recent years, KBC has made important steps to expanding and promoting the central and the south market.

In particularly, last 2 years KBC's main business focuses primarily in Bac Ninh

and Hai Phong. Total revenue from main business activities accounted for 95% of total revenue in 2013 and 88% in 2014. In term of geology, revenues from Bac Ninh and Hai Phong province in 2014 accounted for 87.8% of net consolidated sales.

In addition, KBC also developed some residential and urban areas in order to satisfy accommodation needs of workforce in our developed industrial park. This model has achieved many successes in Asia countries such as Thailand and Singapore, thus, our land bank 1,300 hectares for future development of urban areas is expected to grow in the near future.

THE GOVERNANCE MODEL



LEADING WITH SAIGON INVEST GROUP

BOARD OF MANAGEMENT

Mr. Dang Thanh Tam - Chairman

He was born in 1964, graduated engineer Maritime University in Haiphong. He also achieved a Bachelor of Laws, Bachelor of Business Administration and Diploma of Business Management of Henley College - UK.

From 1988 to 1996, he worked at a shipping company in Saigon, then became CEO of Tan Tao Group (ITA) since 1997. Thanks to the success of launching Tan Tao Industrial Park 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 build foundation for the Que Vo Industrial Park here. After 5 years in operation, this IP has reputation in the northern region, which is one of success and his enormous contribution to Bac Ninh province. Thanks to profound experience and long-term vision, he has constantly developed and expanded several industrial parks from north to south. Additionally, he was fluent in several foreign languages, profoundly understand macro policies and investment environment, domestic and international law, hence he also plays an important role in business organizations, economic consultant and international Forum. Currently, Mr. Dang Thanh Tam also is a Member of Parliament term XIII.

His share ownership rate on 18 Mar, 2015: 12.83%

Ms. Nguyen Thi Thu Huong - Board member and CEO

Ms. Nguyen Thi Thu Huong was born in 1971. She held a Doctorate of Science in Economics and a Masters in Business Administration. She uses English and Chinese language fluently. With more than 10 years along with Group development, Ms. Nguyen Thi Thu Huong closely followed and understood every strengths and weaknesses of the Group, then manipulated "KBC ship" to overcome the crisis wave past years. Prior experience in the diplomatic field, she is a spearhead in promoting investment relations with large corporations as well as controlling operations in each industrial park. As the CEO, she has shown her important role in renovations and improvements in management system over the years. Directly taking in charge of internal governance and external policy of

the Corporation, Ms. Huong emphasized on responsibility in working, discipline and solidarity between workers as the most critical part of development.

Her share ownership rate on 18 Mar 2015 0.06%

Mr. Huynh Phat - Independent Board Member

Mr. Phat Huynh was born in 1966 and gained a BA in finance and accounting. Mr. Phat has joined Board of Management since 14 June 2013 as an independent member. With specialized knowledge in the field of finance and accounting as well as 12 years of experience working in the field of industrial park development, he regularly makes valuable and objective suggestions on many aspects in every decision of BOM.

His share ownership rate on 18 Mar, 2015: 0%

Mr. Ngo Manh Hung - Board Member

Mr. Ngo Manh Hung was born in 1964, has qualified as engineer. Mr. Hung is valued graft of BOM due to many years of his experience in construction of industrial parks from the north to the south of Vietnam. At the same time, he also maintains several managerial positions at prominent IP in the Group.

His share ownership rate on 18 Mar, 2015: 0.05%

Mr. Pham Phuc Hieu - Board Member and Deputy General Director

Mr. Pham Phuc Hieu was born in 1978, appointed Deputy General Director of Finance and Chief Accountant since 8 Dec 2012, appointed Board member since 26 Apr 2014. Currently, he is also the KBC representative to authorized disclose information. Mr. Pham Phuc Hieu graduated Bachelor of Banking and Finance. He has been working in KBC more than 10 years, experienced through financial stewardship at KBC and member companies, so he had good foundation in financial sector as well as business traits and specialized activities of the Group. His qualifications and experience has confirmed him as an important member in leader board to help KBC overcome a difficult period and towards sustainable development.

His share ownership rate on 18 Mar, 2015: 0.05%

SUPERVISORY BOARD

Mrs. Nguyen Thi Chung Thuy - Head of Board

Mrs. Nguyen Thi Chung Thuy was born in 1978, held a BA in Accounting. Joined the Group since 2003, Mrs. Thuy has experienced many important positions at companies in the Group. With high sense of responsibility, insight the structure and operation of the Corporation, Ms. Thuy has performed outstanding tasks of the Supervisory Board for many years.

Her share ownership rate on 18 Mar 2015: 0.01%

Mr. Phan Anh Tuan - Board Member

Mr. Phan Anh Tuan was born in 1975, graduated a Master. He worked as lecturer in Foreign Trade University from 1997 to 2006, after that he constantly held managerial positions as Investment Director, Directors in many companies and investment funds in financial sector. He was elected member of the KBC's Supervisory Board since 26 Apr 2014, replacing Mr. Bui Ngoc Quan. With expertise and experience in the financial sector, Mr. Phan Anh Tuan always raises valuable comments in every decision of the Supervisory Board as well as advices solutions for the Corporation leader board.

His share ownership rate on 18 Mar, 2015: 0%

Ms. Le Thi Thu Hang - Board Member

Ms. Le Thi Thu Hang was born in 1967, has a Bachelor in Accounting. She participated in Corporation since 2010 and always had positive contributions for management apparatus.

Her share ownership rate on 18 Mar 2015: 0%

BOARD OF DIRECTORS

Ms. Nguyen Thi Thu Huong - CEO

Mr. Pham Phuc Hieu - Deputy General Director in Finance

Mr. Phan Anh Dung - Deputy General Director in Technology

Mr. Phan Anh Dung, born 1969, is the deputy general director in charge of project development and construction techniques. As a experienced manager of residential areas, especial in construction and housing field, he had previously served as technical director of KBC and was appointed Deputy General Directors since 1 June 2011. Mr. Phan Anh Dung holds a MBA and engineering degree.

His share ownership rate on 18 Mar, 2015: 0.002%

Ms. Nguyen My Ngoc - Deputy General Director in Sales and Marketing

Ms. Nguyen My Ngoc, born in 1972, has a bachelor in foreign language and a bachelor in banking and finance. Ms. Ngoc has many years working in some foreign companies, so she is fluent in Chinese language and English. With experience, cultural understanding and high sense of responsibility, Ms. Ngoc has successfully completed the role of Sales Director for many years in KBC. As a result, Mrs. Ngoc was appointed Deputy General director in charge of Sales and marketing of Group since 2 Feb 2015. Joined the Group since 2008, Mrs. Ngoc is an important factor in the leader board because of her deeply insight of the business prospects.

Her share ownership rate on 18 Mar 2015: 0%

CHANGES IN PERSONNEL IN 2014

No	Name of members	Position	Reason of changes	Date
1	Ngô Tuấn Dũng	Deputy General Director	Resigned	28 Mar 2014
2	Bùi Ngọc Quân	Member of Supervisory Board	Resigned	26 Apr 2014
3	Phan Anh Tuấn	Member of Supervisory Board	Appointed	26 Apr 2014
4	Phạm Phúc Hiếu	Member of BOM	Appointed	26 Apr 2014
5	Nguyễn Mỹ Ngọc	Member of BOD	Appointed	2 Feb 2015



LIST OF SUBSIDIARIES

No	Name	Voting right %	Interest right %	Head office	Main activities	Contributed capital (VND)
1	Saigon - Bacgiang Industrial Park Corporation	59.5	59.5	Quang Chau Industrial Park, Quang Chau commune, Viet Yen district, Bac Giang province	Investment, building and trading real estates	119,000,000,000
2	Sai Gon - Hai Phong Industrial Park Corporation	86.54	86.54	Trang Due Industrial Park, Le Loi commune, An Duong district, Hai Phong city	Investment, building and trading real estates	468,000,000,000
3	Northwest Saigon City Development Corporation	60.52	60.52	Tram Bom, National Road No. 22, Tan Phu Trung, Cu Chi, Ho Chi Minh City	Investment, building and trading real estates	662,066,314,000
4	Trang Cat One Member Urban Development Company Limited	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, in Dinh Vu - Cat Hai Economical Zone, Hai Phong.	Investment, building and trading real estates	1,500,000,000,000



LIST OF ASSOCIATED COMPANIES

No	Name	Ownership rate %	Head office	Main activities	Charter Capital (bil dong)
1	Saigon - Hue Investment Corporation	28.14%	No 15 Nguyễn Huệ Street, Huế City	Infrastructure investment and development, industrial and civil construction.	350
2	Saigon Telecommunication & Technologies Corporation	21.48%	46 Quang Trung Software Park, Ward Tan Chanh Hiep, District 12, Ho Chi Minh City	Investing and trading computer, electronic equipment, materials, telecommunication and post equipment	740
3	Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	27.44%	6-1, Ree Building, 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City	Infrastructure investment and development	300





HUMAN RESOURCES



Parent's Company: Labour structure classified by qualification is as follows:

Qualification	Amount (people)	Rate
Post graduated	11	6.8%
Graduated university	53	32.9%
Colleague and vocational training	20	12.4%
Technical workers	21	13.0%
Security and guards	56	34.7%
Total	161	100%

The number of staff in Holding Company accounted on 31st Dec 2014 is 161 people. The number of total staff in Group accounted on 31st Dec 2014 is 362 people, decreasing by 6% in comparison with 2013's figure

Recruitment and allocation policy

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. Accounting to 31st Dec 2014, total number of employees in Parent company is 161 people, down by 47 people in comparison with 2013, mainly due to reduction in security and guards section while Company outsourced this services. Current personnel structure of the Corporation is mainly graduated staff and technical workers, accounting for 66%. Company oriented to recruit talents according to specified criteria and properly arranged at sufficient position to promote maximum workers' capacity. KBC always creates a favorable working environment for individual's career development, at the same time accumulates and builds potential and professional workforce for long-term. Managers and administrations also focus on specialized training about professional management.

Salary and Bonus:

Salary, bonus and welfare are important issues in HR policies that are built-in balance with the development of Company. Firstly, KBC fully implemented social insurance policy, health insurance and

unemployment insurance according to Labor law for all employees. In 2014, employees were rewarded 15 months 'salary instead of 14 months' salary as the previous year because of stunning business result. In addition, Company also considered extra bonus, based on individual's contribution and department's result. Currently, average income of workers and employees in Corporation (consolidated) reached 10.986 million VND / person / month, up 22% compared to 2013

Allowances, social insurance and vacation:

KBC fully implemented social insurance policy, health insurance and unemployment insurance under Labor law for all employees. In addition, employees receive allowances depending on the nature of their work such as: responsibility allowance, allowance to support other departments and concurrent allowances, lunch, travel, phone allowances... With the aim of ensuring the health for employees, Company held kitchen with fresh products (farming in small area of Que Vo IP) in scale of head office. In term of vacation, every year Company organizes a short vacation for entire employees, as well as numerous meetings to team building. Trade union activities also play more important role in all activities of employees. At KBC, human resources is the most valuable assets that guarantee for Corporation's development and growth.

SHAREHOLDERS' CAPITAL STRUCTURE

Items	At the recod date of 18 March, 2015
Total issued shares	475,711,167
Preferred shares	0
Treasury shares	5,950,978
Outstanding shares in circulaion	469,760,189
Total outstanding shares	475,711,167
Freely tranferable shares	291,493,014
Restricted shares	184,218,153

Par value of outstanding share: VND10.000/share

Changes in contributed equity

Within 2014, KBC conducted the private placement of 100 million shares in order to deduct liabilities for 5 units, including the individuals and organizations. Until March 18, 2015 such shares are still restricted to transfer.

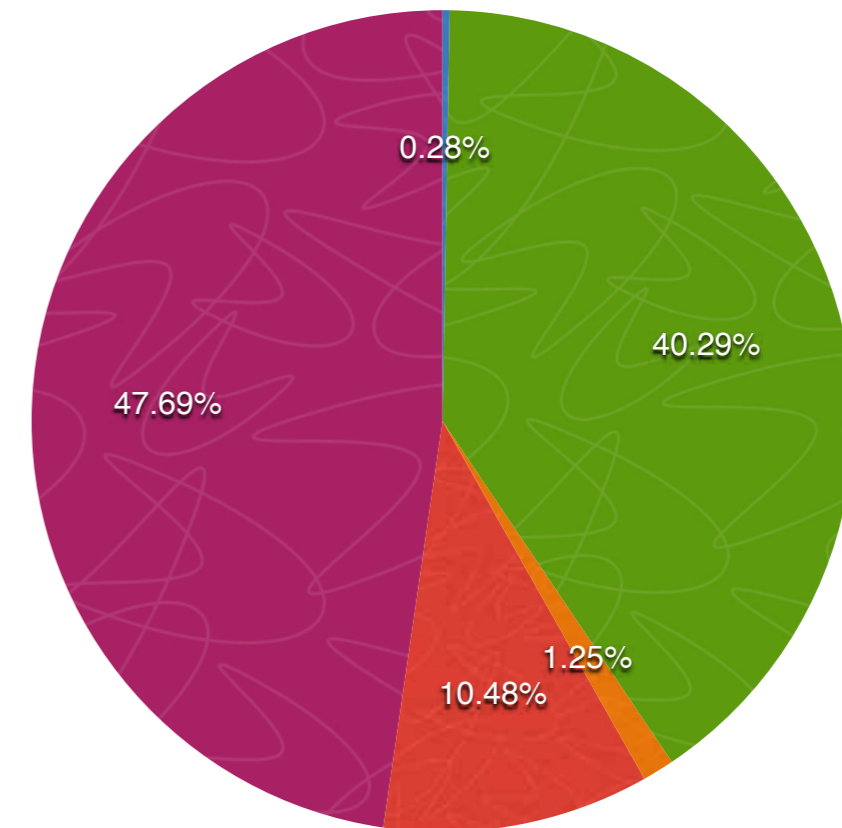
Events occurring after 31 Dec 2014: On January 14, 2014, KBC completed the issuance of 1,200 billions convertible bonds. This is a private placement for some strategic investors including 2 foreign institutions and 3 domestic organizations. Until January 23, 2014, such bondholders decided to convert the entire 1,200 billions dong values of bonds into shares with price 15.000VND per shares. Therefore, KBC's equity increased 800 billions VND, reaching to 4,757,111,670,000 VND.

Transaction treasury share:

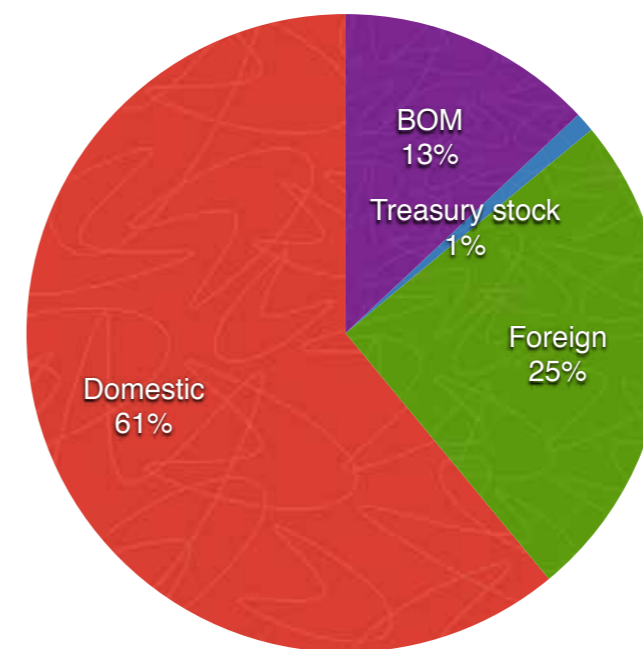
No transaction of treasury share in year.

SHAREHOLDERS STRUCTURE

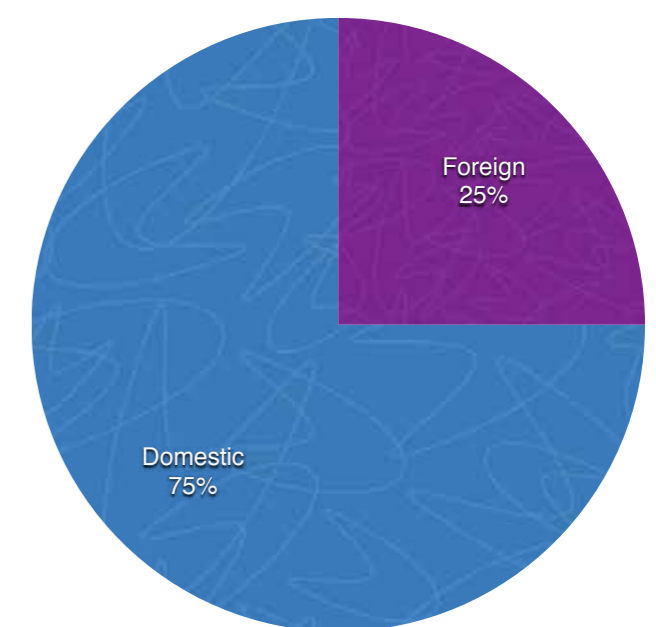
- State shareholders
- Fouding shareholders
- Major shareholders (>5%)
- Treasury stock
- Potential shareholders
- Other shareholders



KINDS OF OWNERSHIPS



KINDS OF OWNERSHIPS



DEVELOPMENT PROSPECTS

Vietnam economy in 2014 witnessed more satisfactory factors than last year, for examples economy growth rate recovered stably and the financial market had many positive changes. Vietnam has gradually become a potential destination for many foreign investors in worldwide because of our stable economy and political situation, and geological advantages, gold proportion of population. With purposes of promoting integration as a core of national development, our GDP growth rate in 2015 expected to reach 6.5%, and financial markets including stock market will get significant development, etc. Such factors open chances for the Company to pursue a sustainable development following macroeconomic development trend.



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Economic development index

2014 is the year that Government has completed many targets, pushing macroeconomic indexes. GDP increased stably around 5.98%, much higher than our initial plan while the inflation rate stayed in low level at 4%, which are the lowest level in Asia Pacific area.

The financial and monetary market were stable, especially interest rate fell massively so enterprises could access the preferred capital resource. At the same time, exchange rate policy also creates faith for investors, promoting FDI flow in Vietnam. With respect of KBC, some brand-name banks are proposing to fund for KBC's projects with average interest rate of 10%/year, which is also adjusted according to mobilization rate.

Integration Process – Diversification on Diplomatic Partners

In 2014 Vietnam's FDI flow reached 21.92 billions USD, there are 101 nations and territories investing for 17,768 projects. The most attractive field is processing and manufacturing industry, accounting for 70.7% of the total registered investment capital; followed by the real estate field accounting for 13% of the total registered investment capital. In term of partner, Korea is the biggest foreign investors in Vietnam with total registered capital accounting for 14.9%. FDI situation is the most important macro factor affecting to our development prospect because we targeted on FDI corporations as the dominant customer. Currently, KBC become the highlight of attracting FDI corporations in Vietnam thanks to many advantages from Vietnam prospect general and from our long-term strategy. For example, various locations of IP through out Vietnam, diversified products and services along with benefits for customer, profound experience and ability to build wide range network with Korea, Japan and Taiwan customers who are the hugest investors of Vietnam for long term.

In 2015 and upcoming years, the ability of attracting FDI is assessed to be higher when some important trade agreements such are

TPP, Vietnam – EU and the Bilateral Free Trade Agreement between Vietnam and Korea are promoted positively in 2015. In addition, Vietnam and Custom Unions of Russia – Kazakhstan – Belarus have just completed the negotiation on FTA. Vietnam will also officially joint ASEAN Economic Community in this year. All such international integration events shall create strong motivation for commercial and investment growth, thereby promoting the economic growth and simultaneously improving Vietnam ability in term of integration.

Accordingly, the experts evaluate Vietnam as one of the most profitable nation in TPP Agreement that leads to significant increase in FDI capital. Especially, the high-tech field led by Europe – America Nations will see the considerable impact to our FDI investment structure. KBC extremely expects momentum from such integrated agreements to Vietnam's economy in general and to our business in particular. Recognizing this investment trend, KBC's IPs have prepared the infrastructure to catch the opportunities. In the first quarter of 2015, KBC has received many interests from USA investors as the sign of capital movement before TPP Agreement.

International perspective:

The promotion for national credit of Vietnam by the reputable international credit rating institutions, such as Fitch increasing from B+ to BB-, Moody increasing from B2 to B1, confirms the investor's faith in stable economy and effective financial policies of central government.

Economic expert, Head of Cumberland Investment Fund (USA), Bill Witherell forecasted that Vietnam's GDP growth rate next years will range from 6% to 7% due to increase in FDI capital, which also promotes national export, when he answered the reporters in New York (USA). He also pointed out that FDI with favorable investment environment were playing the main role for economic growth and national development in Vietnam. Indeed, relatively low manufacturing expenses in Vietnam are critical motivation for Western companies as well as the investors from Japan, Korea and China making investment decisions. Actually, many high tech

giants have been moving their production line into Vietnam because of its competitive labor cost, and stable political environment.

Recently, American Chamber of Commerce in Singapore has rated Vietnam to be the second one in attractive nations with American enterprises. The institution also appreciated remarkable improvement of Vietnam investment environment after each year, especially after Vietnam renovation in many sectors such as tax, customs law, foreign investment attraction and

insurance. Hence, such factors have gathered the attraction of international investors, according to expert's evaluation.

Based on general background, as the leading enterprise in developing IP targeted FDI corporations, KBC acknowledges that the improvements in 2014 has built stable foundation to gradually address our existing difficulties and propose the new business plan that would meet investors' expectation.



Opportunities Challenges Risks

General speaking, Vietnam economy and KBC business in 2014 overcame many difficulties and unexpected changes to reach the significant results. Therefore, KBC BOM always focuses on macroeconomics situation and financial, stock and real estate market to adjust business plan punctually that could take advantages of market, overcome the challenges as well as limit potential risks.

EXTERNAL FACTORS

Political factors

Tightening in real estate and IP projects management: In 2012, The Prime Minister issued the Decision No 07/CT-TTG on March 2nd, 2012 that requested limiting new establishment of the unnecessary IPs. On March 19th, 2015, at the meeting of the orientations and tasks for the new period, Mr. Hoang Trung Hai – Deputy Prime Minister stated that “Resolutely cutting partly and fully which IPs was inefficient and failed to attract the investment. Simultaneously, putting the investment projects into the full infrastructure area in order to accelerate the occupancy and improve each IP- EZ’s operational efficiency.” At the same time, Mr. Hoang Trung Hai recognized positive results of operating IPs and EZs for years since IPs and EZs have played their leading role in the national development of economy – society. In that context, KBC always followed up the State’s policies, which related to management and development IP. Actually, such tightening policies have created both the opportunities, challenges and risks for our business as follow:

- Due to the support policies for potential IPs, our well-known IPs such as Trang Due IP in Haiphong city enjoyed the best conditions to develop and expand by the Government and related authorities. Currently, Trang Due IP project is proposing the dossier expansion more 800 hectares to Government and managerial organizations. Such an opportunity is critical for our increase land bank plan in the tightening period.
- Currently, KBC and its subsidiaries, associated companies are co-managing 14 IPs with the total area of 4,500ha and the compensated area reaching 73%. With such land bank, the asset would create the added value,

being the biggest advantage of KBC because IP expansion became more difficult than ever and the compensation price increased from 2 to 4 times as much as our approximate former price of 100,000VND/m². Besides, KBC also meets unexpected challenges and risks. Although, Vietnam economy has recently seen the prosper signs, apart from KBC’s core IPs, IPs of KBC’s associated companies in provinces such as Can Tho, Binh Phuoc,...are under inefficient operation. Therefore, in 2014, KBC revised our portfolio and their divested which projects undeveloped or delayed, even this action decrease our total land bank. In order to avoid risks from withdrawn such projects, KBC rebuilt development plan that synchronous invests for total projects in the whole nation to provide more choices of locations for the customers.

Changes in tax policy and land rental have caused the inadequacies for the IP developers as an out of control risk. Currently, most of KBC’s IP are exempted from the annual land rental for first 11 years and particularly Trang Due IP is free from land rental for whole life of project. Up to now, there is only Que Vo IP are meeting problems with land rental. The new policy will cause the difficulties to developers because if they choose lump-sum payment, it will be the huge financial pressure that no enterprise can’t bear; or if the developers choose the annual payment, they are not allowed to sublease land lot for tenants for the whole project period. This is the main inadequacy between policy and reality, affecting significantly on our business. In order to settle such issue, KBC in particular has submitted our solution such as extending land rental payment deadline, considering the form of annual land rental payment; adjusting the suitable land rental price ... to Bac Ninh province local government and related organizations. Currently, KBC’s proposals have submitted to the Government by Ministry of Finance for consideration.

Changes on regulations and standard price of land compensation: In every province, there have been many changes since the early development of Que Vo and Trang Due IP. Although our competitive advantages based on implementing compensation soon with lower price than current one many times (only

30% - 50% of compensation price stipulated in Bac Ninh province and Ho Chi Minh city in 2014) that caused low cost of goods sold and reasonable selling price, huge and fast changes of compensation price also impacted our long-term development plan which target to expand the new IPs. For example, the current compensation price in Bac Ninh province is 439,000VND/m² which is 4 times as much as our former price. In case of developing the new IP in Bac Ninh province, our costs will climb, therefore, the land sublease price must reach 90USD per square meter to gain effectiveness. This is such a challenge for KBC in making investment decision on the IP if compensation expense is too high.

Social factors

The human resource for IP development has been the dominant interest of foreign investors in Vietnam in general and in KBC's IPs in particular. With the Northern provinces, to settle the qualified human source issue, KBC endeavors to support for foreign manufacturer in the field of labor recruitment both in the local region and in neighboring provinces. In addition, due to vocational training programs

and other promotions for education from government, proportion of high-quality human resources gradually improved that could satisfy demand of FDI factories. Mr. Duong Quoc Trong, Head of General Office For Population – Family Planning (Ministry of Health) said that with over 90 millions people, in which, over 62 millions people are in the labor age, accounting for 69% population, Vietnam is in the period of “golden population structure” - the unique opportunity in the history to promote and develop the society – economy. The period of “golden population” (the age from 10 – 24) will last to 2040 that huge human resource is critical for the industrialization, modernization and protection, development of the nation.

The promotion investment policy for IP developing that is quite different from provinces to provinces is also one of the decisive factors affecting investment attraction of each IP. Typically, promotion policies and tax exemption in Trang Due IP, currently belongs to Dinh Vu – Cat Hai Economic Zone, promoted the its occupancy process in short period. (The local infrastructure system is another factor in investment process.

Thanks to a strategic location and sophisticated infrastructure system of Level 1 City, provinces such as Bac Ninh and Haiphong have become the center of investment attraction.) Investment promoting policies for tenants as well as support for developer in clearance phase in some provinces are inappropriate, leading to delay in conducting the projects and implementing sales, then many developers even have to give up. These factors create both opportunities, challenges and even risks for the our Company.

Economic factors

Lower interest rate and supportive monetary policies in 2014 have given KBC an opportunity to implement restructuring plan successfully for the matured bond, values amount of 3,000 billions VND. In addition, KBC has been approved the new credit limit by the banks with lower interest rate than the former credit contracts to reinvestment in our IP projects. From our Company's view, the successful orientation of government has supported for enterprises' recovery and then contributed to restructuring the economy process.

FDI structure in 2014 concentrated on manufacturing, processing and high-tech that brought a huge chances to KBC. With the target customers is FDI technology manufactures, KBC's business result depends largely on this investment trend. In detail, 2014, there are 774 projects registered new capital in the field of manufacturing and processing, accounting for 71.6% of total FDI. In which, the expanded projects of Samsung and LG, this marked the investment shift from China into Vietnam, facilitating for KBC to attract their vendors. Their total investment capital calculating until the end of 2014 is 10 billions USD of Samsung and 1.5 billions USD of LG. Especially, LG Electronics's Project is one of KBC's typical tenants in the period of 2013 – 2014. Accordingly, the vendors of two huge groups have the special interest in investment into KBC's IPs due to the favorable location, convenient transportation to their main factory, good incentives and investment support. Currently, Korea is the leading investors in Vietnam with total newly registered capital and additional capital of 7.32 billions USD in 2014, accounting for 36.2% total FDI, hence

Korean investors are also KBC's strategic customers. However, it might cause the potential correspondent risks due to the dependency on some huge customers. Therefore, KBC's Sale and Promotion Department consciously expands and diversifies customer range, particularly Japan, Taiwan and USA market in the next period.

Real estate market last year is assessed still in difficult period despite of some positive signs. The supply is considered higher than demand, while new projects are continuously added. However, the market liquidity has progressed comparing with 2013 situation. In the first quarter of 2015, according to Ministry of Construction, the successful transaction of real estate in Hanoi and Ho Chi Minh reaches respectively 4,250 and 3,950 transactions, which are 3 times as much as the number of same period in 2014. Since the beginning of 2015 and especially after Lunar New Year, real estate trading market has operates lively, with the various offers from new projects from the North to South of Vietnam, proving considerable positive changes in market. The experts also expected that in this year, real estate would be the attractive investment channel for foreign capital. Especially in the next period, while Vietnam joins the TPP as well as Free Trade Unions, the market would create more opportunities.

Taking such advantages, KBC has recently implements Phuc Ninh New Urban area project in Bac Ninh province in the first quarter of 2015. We hope that commercial real estate line in 2015 also generates significant revenue for KBC.

INTERNAL FACTORS

Competitiveness:

National competition ability that evaluates about conditions for fast and sustainable national economy development is the most interest of the State in 2014. Last year, government emphasized renovation tasks and improvements in business environment that receive interest and assessment from the foreign investors. On 3rd Sep 21014, the Global Competitiveness Report 2014 issued by WEF ranked Vietnam at 68th out of 144 countries and in Southeast Asia, Vietnam ranked at 6th, after Singapore, Malaysia, Thailand, Indonesia and Philippine. WEF recognized that



most of these emerging economies had to face with shortage of infrastructure, connection and integration in the region, bureaucracy and corruption and low market effectiveness. Apart from traditional competitors such as China, Thailand, Indonesia, currently Vietnam must compete with the emerging one such as Laos, Myanmar and Cambodia. On the other hand, comparing with the other economies in the region, in general, Vietnam is appreciated by the FDI enterprises about lower risk of asset seizure; stable policy; higher participating ability in policy establishment; and low tax (according to VCCI). This is not only Vietnam advantages but also KBC favorable environment while our business depend mainly on the situation of FDI attraction.

Zooming in Bac Ninh Province and Haiphong City, where KBC gathers the most success are within top 5 of the highest investment attraction provinces. The evaluation built mainly based on investment incentives and promotions, geological and economical location among supply chain. In order to improve competitiveness during investment attraction process, KBC always provides full information not only about our IPs in the whole nation but also investment environment, and supportively completes the necessary legal procedures for tenants.

Main Competitors:

In the IP real estate market, KBC defined our main competitors based on their market segmentation.

Sublease segmentation	land	Main competitors
High price (100-250\$/m ²)		VSIP, Nomura, Amata
Average price (60-80\$/m ²)		Viglacera, Song Da 10 JSC & Song Da Infrastructure Construction JSC,
Low price (từ 30-60\$/m ²)		IDICO, HUD, and local developers

Excepting some foreign and integrated enterprises, KBC is the best developer in term of FDI attraction due to reasonable price, high satisfactory tenants and appropriate land bank for huge corporations. For example, according to

LG requirements, KBC and Hai Phong People's Committee transferred Trang Due IP into Economic zone so that tenants in the IP shall enjoy more incentive policy than other IPs.

Furthermore, the competitive products including infrastructure in IP, factory, office and other services in the IP. Currently, in comparison with competitors, KBC are providing the diversified products range in IP including land for subleasing ready-built factory and office for leasing, factory for selling, services of electricity, water for supply, sewage treatment and infrastructure management... In the recent period, KBC especially concentrates on developing factory and office for lease in the IP in that to meet the demand of small investors as a step in niche market when some developers such as VSIP always have more available infrastructure or some IPs near Hanoi also developed the similar products. More important, we always recognize competitiveness as a chance to develop and complete our products and services.

Financial and cash flow management:

The former lessons suggested that financial – cash flow management is the challenge for many enterprises in general and for KBC in particular. Therefore, capital mobilization and allocation plan are carefully revised and considered by BOM, ensuring the targeted profitability rate as well as capital preservation in case of recession and difficulty. In 2015, through the stock market, banks or financial institutions, Financial Department intend to attract new capital from the organizations who interested in our share and bond placement. KBC ensures that mobilized capital will be allocated in reinvestment properly, in timely manner and effectively

Human resources management

In order to gain success during the recent decade, the human resources is one of KBC core values. Through out the difficult time, the core personnel is nearly remained as a foundation for to our long-term development. Therefore, KBC always focuses on building loyalty in every staff for long time as well as recruiting more skillful, high qualification ones. KBC always tries to create the favorable working environment, adequate facilities, satisfactory income and long-term accumulation for each staff.

SOCIAL RESPONSIBILITY

The existence and development of any enterprise cannot be separated from the social movement. Acknowledging the responsibilities of a typical enterprise, KBC is always proud of our contributions to general development. During the recent years, KBC has attributed to the regional, national development. Indeed, setting target at FDI attraction in hi-tech field also accelerates the process of restructuring economy, improves national technology level, creates thousands of jobs for local people, and develops the new services sector nearby the IP. Reviewing Que Vo after 12 years development, we can confirm about values contributed to Bac Ninh province. Beginning as the agricultural land with low capacity, nowadays Que Vo is prosperous with hundreds of factories, attracting thousands of labor from neighboring provinces, modern landscape with national roads, green open space, various services and raising average GDP per capital in province.

For the main business activities, KBC also aims to the green value. 90% of KBC's customers are the hi-tech enterprises with less exhausted fume and population, and currently some of them is developing the biochemical technology friendly with environment. In the KBC's IP, wasted water treatment system is in plan since the establishment in order to control general quality of releasing water for the whole IP. Currently, the wasted water treatment factory in the IPs has the capacity of 10,000m³/day-night, which has satisfy capacity of all factories. At the same time, treated water meets the Vietnam standard before discharging to the nature lakes and rivers.

For social activities, KBC positively participates and contributes for the social programs with long-term value such as education and environment protection. For example, KBC funded the scholarship for students, invested in the university with non-profitable purpose, constructed the public work such as Trung Van lake in Hanoi.





BUSINESS PERFORMANCE

In 2014, results of our business have considerably improved compared to both 2013 figures and our plan. Net consolidated profit reached 311.9 billion dong, nearly double our target. At the same time, core business also developed significantly thanks for the 2nd contract with LG and contracts with the LG vendors, ready-built factories boost sales in Que Vo IP and growth leasing land revenue in Tan Phu Trung IP. In 2014, total leased area in IPs of Group is approximately 88.3 hectares; the total floor area of sold factory is 19.680 m2.

Furthermore, financial and investment restructure plan has succeed and completed major goals, enhancing Group capability in main business line of developing IPs.



1. Business Performance

Unit: billion VND

Items	2013	2014	% changes (2014/2013)
Revenue from sale of goods and rendering of services	1,072.8	1,069	99,7%
- Revenue from lease of land and infrastructures	726.2	742.9	102%
- Revenue from sale of factories and from warehouse, building and office lease	308.6	265.1	86%
- Revenue from supply of clean water, electricity, service, water treatment supply	35.4	60.9	173%
- Other revenue	2.4	-	0%
Financial income	38.5	143.9	374%
Other incomes	19.8	0.79	4%
Total income	1,131.1	1,213.7	107%
Total profit after tax	78.8	311.9	396%
Net profit after tax belongs equity holders of the parent	72.5	325.6	450%

In the context of stable economy, 2014 is the period of both opportunities and challenges for Vietnamese enterprises in general and for KBC in particular. Because of depending largely on annual FDI level in Vietnam, our core business were promoted as total FDI in Vietnam 2014 continued growing to 21.92 billion dollars, 19% higher than government plan. In details, KBC's consolidated revenues in 2014 got 1,213.7 billion dong completed 68% plan and equivalent 107% of 2013 figure. The consolidated profit achieved 311.9 billion dong, by 195% of the plan and by 396% of last year profit. Equity holder of the parent company benefit reached 325.6 billion, by 450% over the year 2013 number.

It is also noteworthy that revenue from services in our IPs this year saw a considerable increase, equivalent to 173% result of 2013. The main reason for this increase is due to KBC has started charging annual infrastructure maintenance fee and management fee for tenants in Que Vo IP

after long period of exemption. This will be annual stable revenues when KBC conducted with 100% corporates in our IPs. For example, the total leased area of both Que Vo Existing and Que Vo Expanding IPs is 3.065.400 m2 while management fee and infrastructure fee is VND10,500 / m2 / year, thus total fee income per year of these IPs is estimated at 32.2 billion dong.

Other factors affecting the after-tax earnings of KBC has also improved significantly. For instance, the financial cost of KBC fell to 292.2 billion dong, only by 77% of last year cost; share of losses from associated companies decreased to 513.9 million dong, only by 3% of 2013 figure.

Based on that advances and business prospects, in the upcoming years, BOD commits to improve Company's financial situation, increase profitability of Company and enhance benefits of shareholders.

2. Business Performance compared to plan

Unit: billion VND

Items	2014 Performance	2014 Target	% complete
Total revenue	1,213.7	1,800	67%
Total profit after tax	311.9	160	195%

In 2014, although KBC nearly doubled profit after tax target, total consolidated revenue only completed 67% of target. The main reason for this phenomenon is difference in revenue structure between performance and plan. At the beginning of 2014, BOD expected that total revenue could reach \$ 1.800 billion through both core business revenue and transferring some energy projects, in which revenue from transferring some investment is estimated at 673 billion dong (including capital recovery of project Sai Gon Binh Dinh Power – 483 billion dong and of project SGI-Lao Hydro-power - 190 billion dong). However, in the end, these projects were still in progress of negotiating, transferring and completing procedures, thus it is impossible to recognize revenue.

Thus, our revenue from core business actually still got the target. Our main business activities

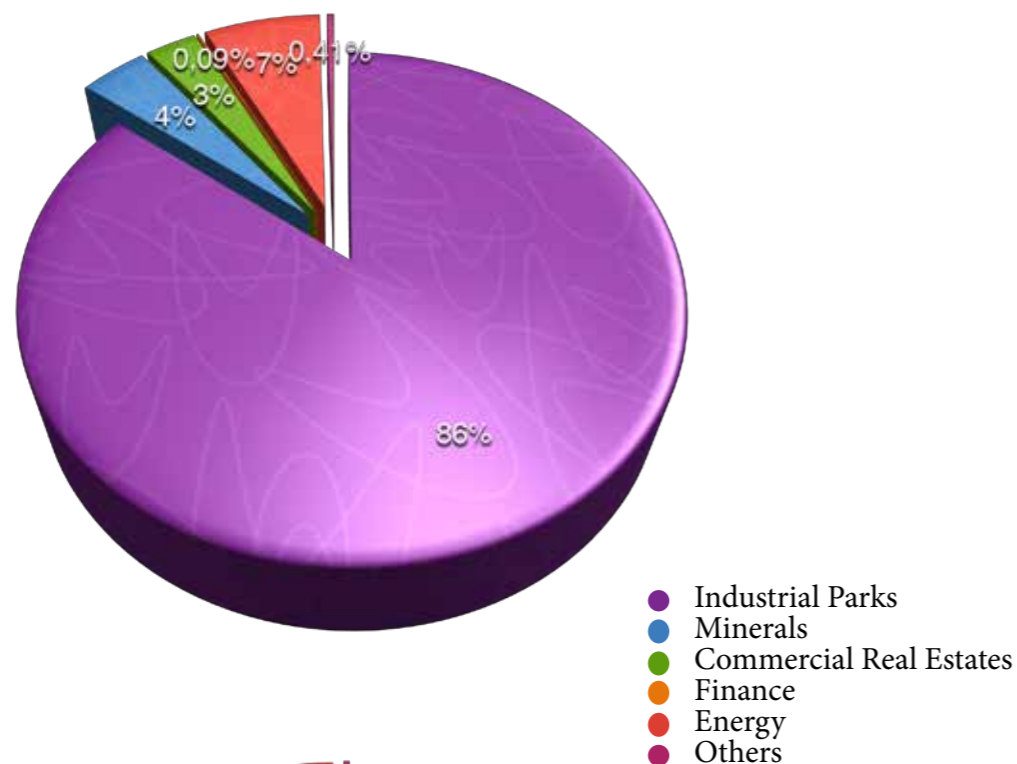
remained and developed because KBC successfully signed several large contracts, which enjoyed high gross profit margin, reaching 55%. Growth in gross profit margin is due to increase in land rental price from 60 \$ per m2 to 70 \$ per m2, while the cost of goods sold remained thanks for available infrastructure in our IPs. Some valuable contracts include the 2nd contract LG about leasing nearly 40 hectares, leasing land contracts with Dongyang 6.7 hectares, with Youngbo Vina 3.2 hectares, selling factories contract with AAC Technology worth 61 billion dong... In addition, interest expenses decreased significantly because of current lower interest rates and reduced principal balance. It is the main reasons that net profit after tax was twice times as target and 4 times as much as 2013 results.

3. Investment Situation

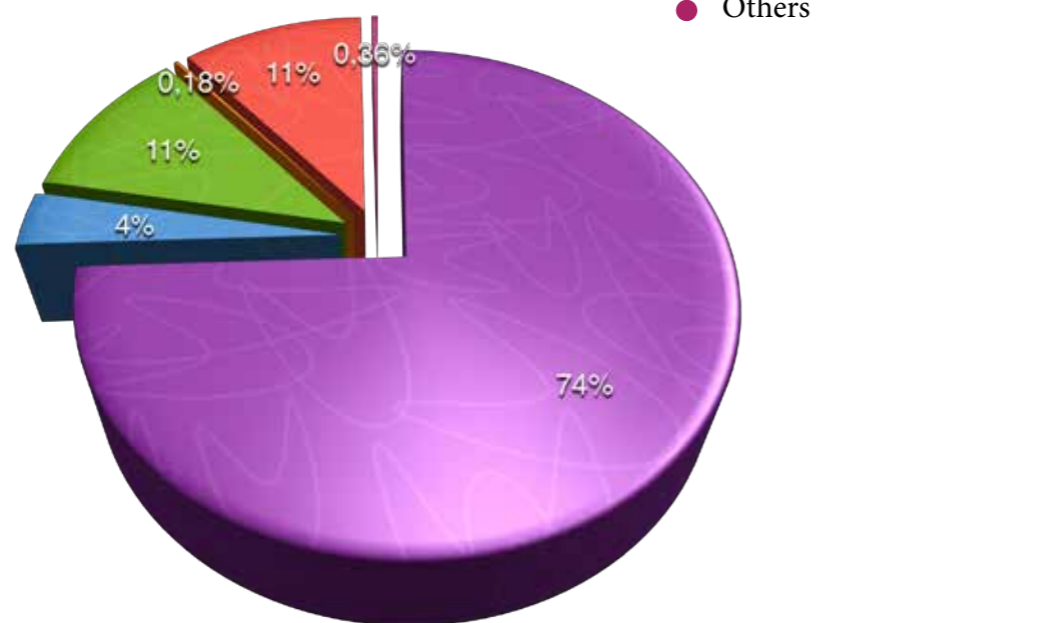
2014 saw a considerable change in KBC's investment portfolio as Company continuously implemented many transfer non-core projects agreements and eliminations of non-profitable projects such as: Song Tranh 4 Hydro-power Factory, Saigon-Binh Thuan Power, Tan Ky Cement, Saigon - Can Tho IP, Saigon - Binh Phuoc IP... At the same time, the company also completed M&A strategy with Saigon - Chan May IP in Hue City as our associates. These activities made our investment structure better following Group development orientation, which focused on core business.

The below charts compare KBC's investment structure in 2013 and in 2014.

2014



2013



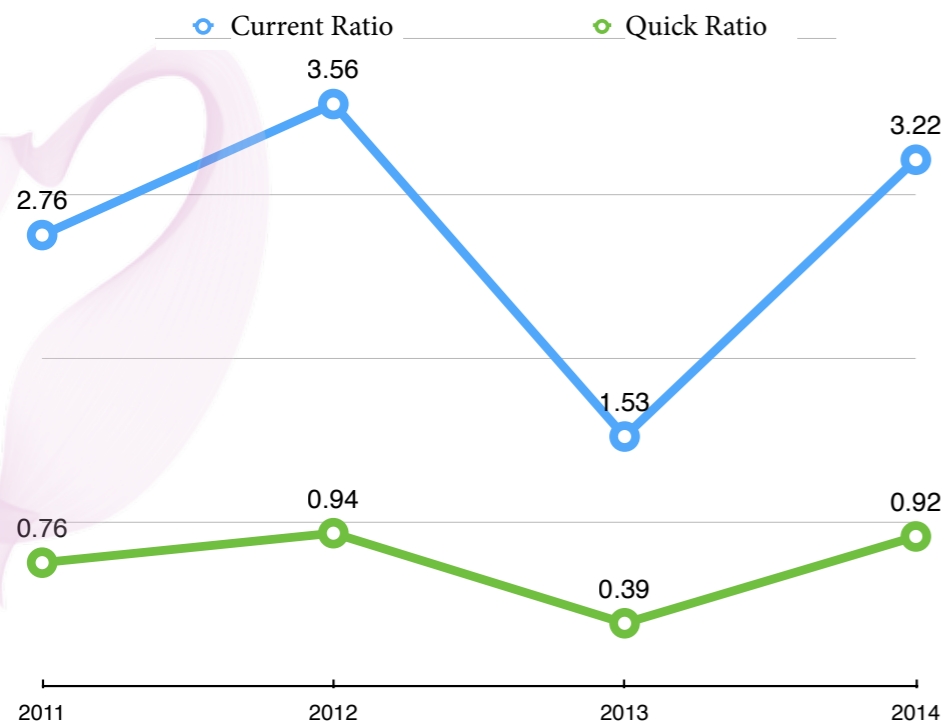
The total investment accumulated to 31 Dec, 2014 reached 9,444 billion dong, in which investment related to IPs accounted for 86%, equivalent to 8,145 billion dong. The other investment segments reduced their proportion.

4. Financial Status

Item	Unit	2012	2013	2014
Liquidity		Times		
Current ratio		3.6	1.53	3.22
Quick ratio		0.9	0.39	0.92
Capital structure		Times		
Liabilities/Total asset		0.59	0.61	0.52
Liabilities/Total equity (1)		1.75	1.88	1.26
Liabilities/Total equity (2)		1.44	1.55	1.09
Operating Capacity		Times		
Inventory turnover ratio		0.03	0.08	0.06
Net revenue/Total asset		0.02	0.09	0.08
Profitability		%		
Profit after tax/ Gross revenue		-171.98%	7.35%	29.18%
ROE (1)		-12.16%	1.95%	5.81%
ROE (2)		-10.09%	1.79%	6.06%
ROA		-4.11%	0.63%	2.39%
Gross profit margin		38.32%	46.19%	54.97%

Source: Consolidated Financial Statements 2014

LIQUIDITY



KBC current financial situation is absolutely better than period of expanding investment and economy crisis. It likes a picture with more light color after restructuring. Indeed, liquidity indicators 2014 improved considerably while the Company short-term debt fell sharply. The main reason is KBC has restructured 3,000 billion dong matured debt in 2014. This debt was paid partly and the rest was transferred to short-term debt into long-term debt.

CAPITAL STRUCTURE

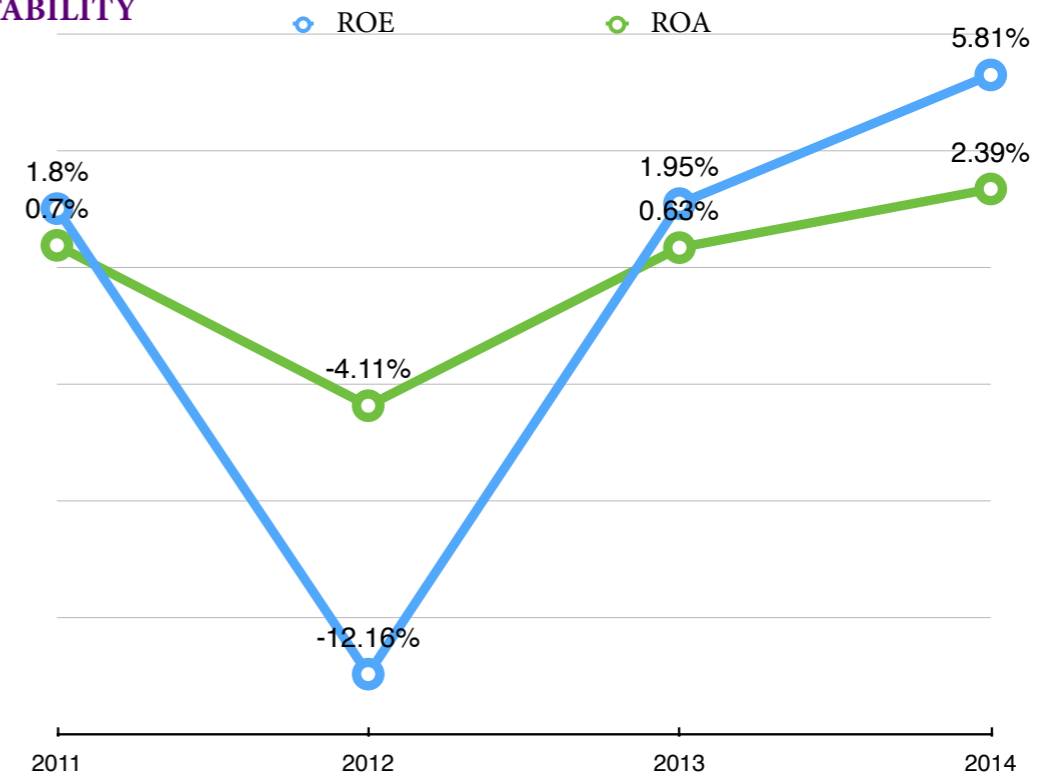
Last 3 years, KBC did not have any new debt with commercial banks, just developed based on the intrinsic financial capacity. Furthermore, thanks to successful restructuring plan, debt ratios gradually improved, matching common level of a typical large-scale real estate business. Ending 2014, liabilities on equity ratio of KBC also went down sharply because our retained earnings increased 30% and issued share capital increase 1,000 billion dong. The second liabilities on equity (equity includes the minority interests) dropped more significantly compared to 2013 figures, from 1.55 to 1.09 times. This is the safety standard for the Group's capital structure, mitigating risks in liquidity and managing financial risks better. This also reduced interest expenses for Company, increased earnings after taxes and interests and contributed on shareholders benefit.

OPERATING CAPACITY

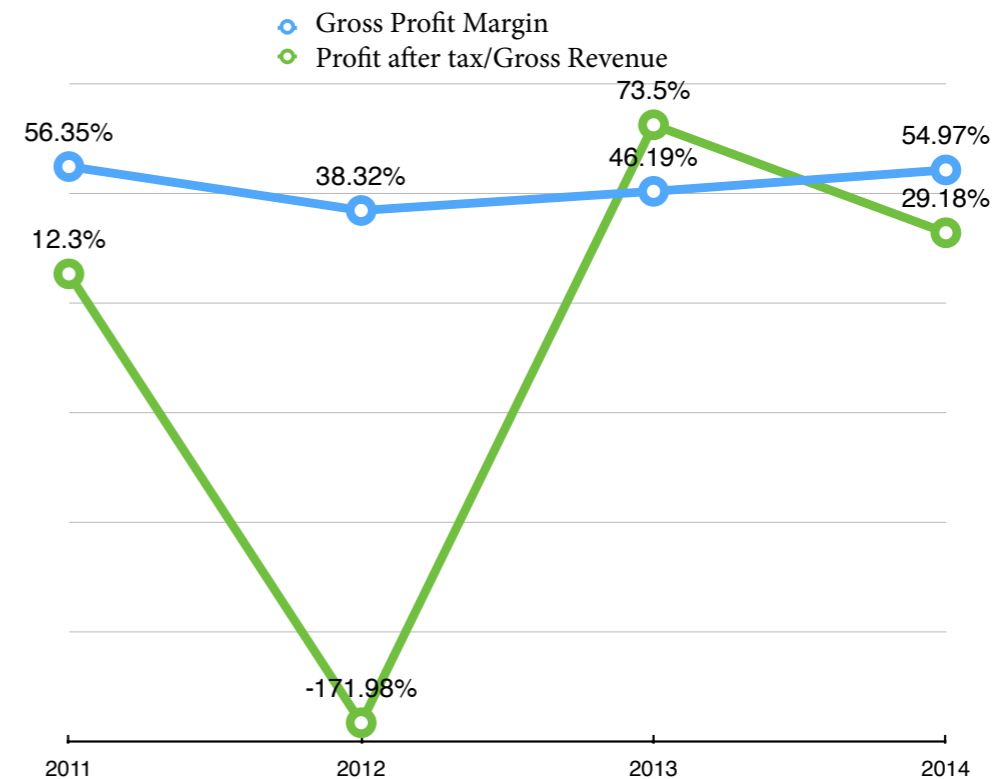
KBC barely evaluates the operational capacity under inventory turnover ratio. In fact total investment in our projects in 2014 estimated 163.8 billion dong, while cost of goods sold recorded in the year 487,6 billion dong, equivalent to 2,89 times as much as total value of investments. It means that Company's inventory actually sold fast while output is nearly 3 times as much as input. However, due to accounting records principles, inventory value in financial statement pushed up by capitalizing borrowing costs, 203 billion dong in 2014. Therefore, assessing only inventory turnover under formula would not describe substantive reductions in inventory of KBC during this year.

Additionally, net sales on total assets index also slightly decrease. Total assets increased by 4.1% while revenue from core business is only as 98.7% much as 2013 number. Indeed, on 23th December, 2014, KBC obtained 900 billion dong from issuing convertible bond that has not yet been put into reinvestment in order to make profit in period.

PROFITABILITY



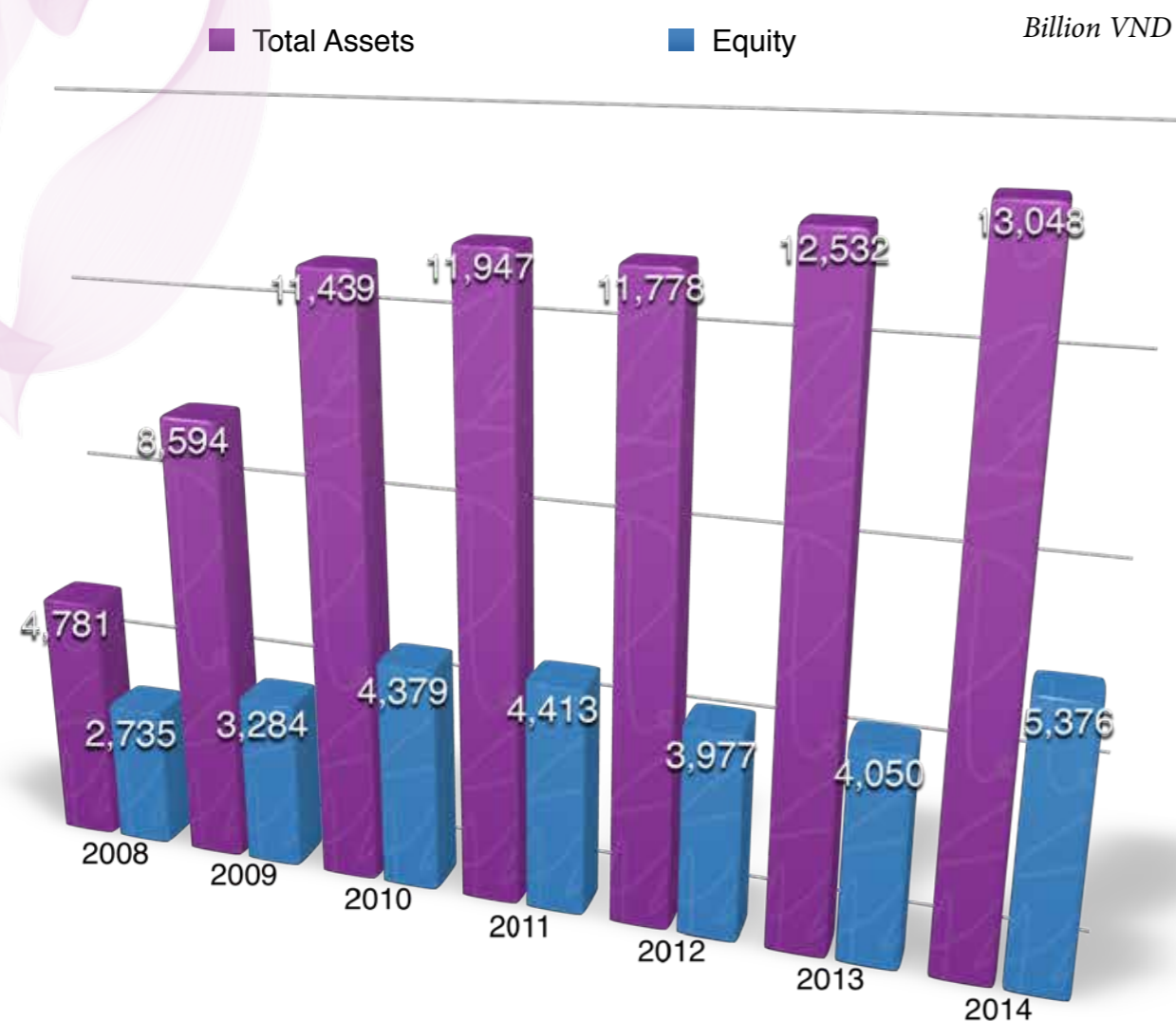
PROFITABILITY



All the indicators of profitability recovered strongly for last 4 years. Overall, the gross profit margin remained at a high level over the years, especially 2014 figure reached the highest level at 55%. It is also our competitive advantages at this time since huge amount of clear land in our IPs enjoyed low compensation cost, while land rental price continuously increased over the years. In particular, average rental rates in 2014 is \$ 60 - \$ 65 / m², and 2015 rate will increase at least \$72- \$75 / m², up from 8 to 10%. In addition, the indicators of return on equity (ROE) and on total assets (ROA) were 2-3 times as much as 2013 numbers and reached the highest level for last 4 years.



TOTAL ASSETS AND OWNERS' EQUITY



At the end of 2014, total assets increased by 4.1% and owner equity rose by 32.7%. The main reason for over 30% increase of owners' equity is the issuance of 100 million shares, equivalent to 1,000 billion dong that raised owners' equity to 3,957,111,670,000 dong and 33% increase in retained profit. After that, owner equity after 31st Dec, 2014 has just went up 1,177.4 billion dong (including 800 billion dong in equity capital and 377.4 billion in surplus capital). During 12 years of establishment and development, starting with an initial size of 20 billion dong, KBC equity now has grown 268.8 times. It's also 6 times as much as equity scale at IPO period.

LIABILITIES STRUCTURE

Liabilities	Value at 31 st Dec, 2014 (VND)	Proportion
Total liabilities	6,792,340,509,760	100%
1. Loans	3,152,871,193,863	46.42%
Loans with commercial banks	3,024,781,596,475	44.74%
Borrowings from related parties and others	128,089,597,388	1.68%
2. Liabilities would transfer into equity	900,000,000,000	13.25%
Convertible bond	900,000,000,000	13.25%
3. Liabilities create future revenue and re-investment	1,076,896,256,224	15.85%
Accrued expenses (cost of goods sold accruals)	617,851,226,058	9.10%
Advances from customers	408,858,439,492	6.02%
Unearned revenue	5,616,285,654	0.08%
Deposit for renting factories	44,570,305,020	0.66%
4. Other payables (less pressure to pay)	1,662,573,059,673	24.48%
Payable for suppliers	55,676,320,830	0.82%
Payables for employees	1,606,801,500	0.02%
Severance allowances	951,967,962	0.01%
Other Accrued expenses (accrued interest expenses 782.4 billion has been extended matured date to 2019 and other expenses)	805,781,371,131	11.86%
Other payables	240,332,662,093	3.54%
Bonus and welfare fun	7,134,279,309	0.11%
Statutory obligations	167,497,455,109	2.47%
Deferred tax liabilities (expenses are anticipated that would be allocated for the entire project life cycle)	383,592,201,739	5.65%

On 31 Dec 2014, total liabilities in Consolidated financial statements is 6,792,340,509,760 dong, which decreased by 825,223,668,197 dong in comparison with 2013 figure. 60% of total liabilities relates to loans and borrowings. In which, Company also has 900 billion VND convertible bond, which has not yet converted to share, thus it is recorded in short-term debt. However, the bonds were converted into shares (liabilities transformed into capital) on 23 Jan 2015. As a result, it is possible to say that actual liabilities of KBC in 2014 decreased by 1,725 billion dong.

During last 3 years, KBC completely borrowed any new loan from banks. Most of loans in current liabilities is 3,000 billion dong matured loans in 2014, including 2.700 billion dong KBC's loans and 300 billion dong subsidiaries' loans. At the end of 2014, these loans are restructured by bank, extending repayment term from next 3 to 5 years, so they were transferred from current to non-current liabilities.

Of the total 6,792 billion dong liabilities, actual consolidated loans and borrowings of KBC with banks is 3,024 billion dong (in which, of the parent company was 2,291 billion dong). During the year, the parent company has paid for principal 1,170

billion dong and for interest and related fees 236 billion dong. According to restructuring plan, in 2015, KBC has to pay 838 billion for principal and 102 billion for interest. Updating on 30th Mar, 2015, we paid 56 billion dong.

The other items in liabilities apart from loans with banks would not push pressure on debt repayment of Company. For example: (1) advances from customers is 408 billion dong (these deposits from customers will also generate revenue for KBC in near future, with the assumption that these deposits accounted for 40% value of contracts, total future revenue would be more than 1,000 billion VND). (2) Accrued expenses is 1,423 billion, in which mainly is (a) recorded accruals for the cost of the goods sold 617.8 billion equivalent to revenue in year according to accounting records while actually this amount shall be used for re-investment; (b) accrued interest expenses 782.4 billion dong generated from our current loans and borrowings that banks agreed to extend payment period until 2019. (3) Deferred income tax liabilities 383 billion, is also an accrued item, because Company recognizes revenue 1 times upon, however payable tax divided for whole project life cycle, around 40 years.



5. The typical projects

5.1. KinhBacCity Development Holding Corporation - Parent Company:

In 2014, total revenue of the parent company from operating activities was 487.6 billion dong and from financial activities was 129 billion dong. Profit after tax reached 192.5 billion, compared with loss 61.5 billion dong in 2013, it is significant improvement in our business and management system. Two main projects contribute for our achievement is Que Vo Existing and Que Vo Expanding with two line of products, sublease land and lease/sell ready-built factories.

Main projects

- Que Vo Industrial Park has total area 611 hectares, in which Que Vo Existing with 300 ha launched since 2003 and Que Vo Expanding with 311 ha operated since 2006. These two first and typical projects created value and brand name for KinhBacCity in the North of Vietnam. With their strategic locations in the center of economic area in the North and convenient transportation, these Ips have attracted many international corporations such as Canon, Foxconn, Tokyo Ink, VS Industry, many Taiwanese and Korean companies ...etc. with total investment reached to 22.5 billion US dollars. Also, these IPs also saw our success in ready-built factories products for rent and sales. This line of products has meet FDI

companies demands, who are often satellite and vendor companies, because it reduces investment risk and shortens their investment schedule when they start investing in Vietnam. Up to now, all 39 ready-built factories and offices have sold that brought total revenue estimated more than 1,500 billion dong.

In 2014, Que Vo Existing IP leased 3.5 hectares of land for new contracts, sold 19,680 m2 floor area of ready-built factories attached 4.9 hectares of land (land around building that attached sales with factories). Especially, despite of being under construction, 4 factories in lot G10 with total surrounding land 14,000 m2 sold for a FDI investor. At the same time, Que Vo Expanding IP leased new 13 hectares land. Selling and leasing factories activities here is also very lively and attractive, total factory's floor area sold in 2014 is 37,743 m2. KBC has just also signed a new contract, which leased 3 under-construction factories for 2015-2018 period in total floor area 15,000 m2 in Lot L and K in this IP.

To sum up, the total value of signed contracts in 2014 in these 2 IPs reached 419 billion dong. In addition, the number of investors and customers, who visit and search for an investment opportunity, not only increases in scale, but also increasingly diversifies in business line and nationality.



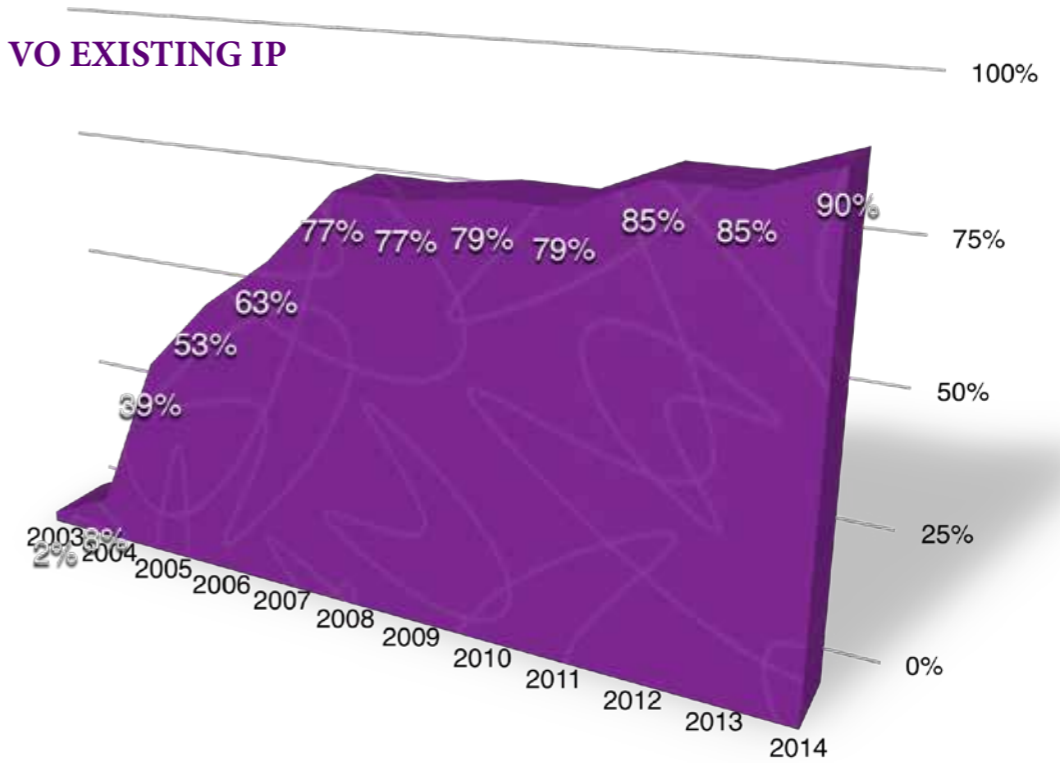


Factories in Que Vo IP

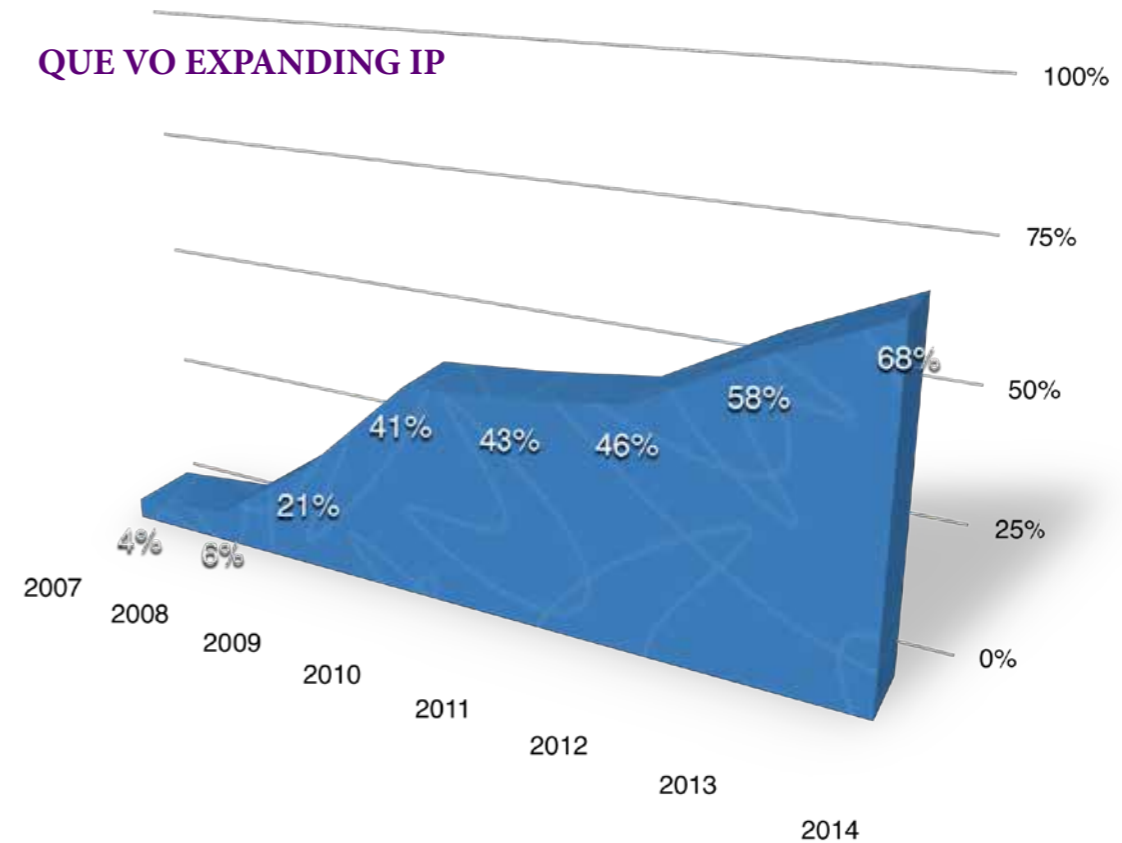
Current occupancy rate: QV Existing 90%; QV Expanding 68%
Business plan 2015: Focus on ready-built factory line for renting and selling. Up to March 2015,

Company is building 10 factories in Que Vo Expanding IP with total expected investment 140 billion dong.

QUE VO EXISTING IP



QUE VO EXPANDING IP

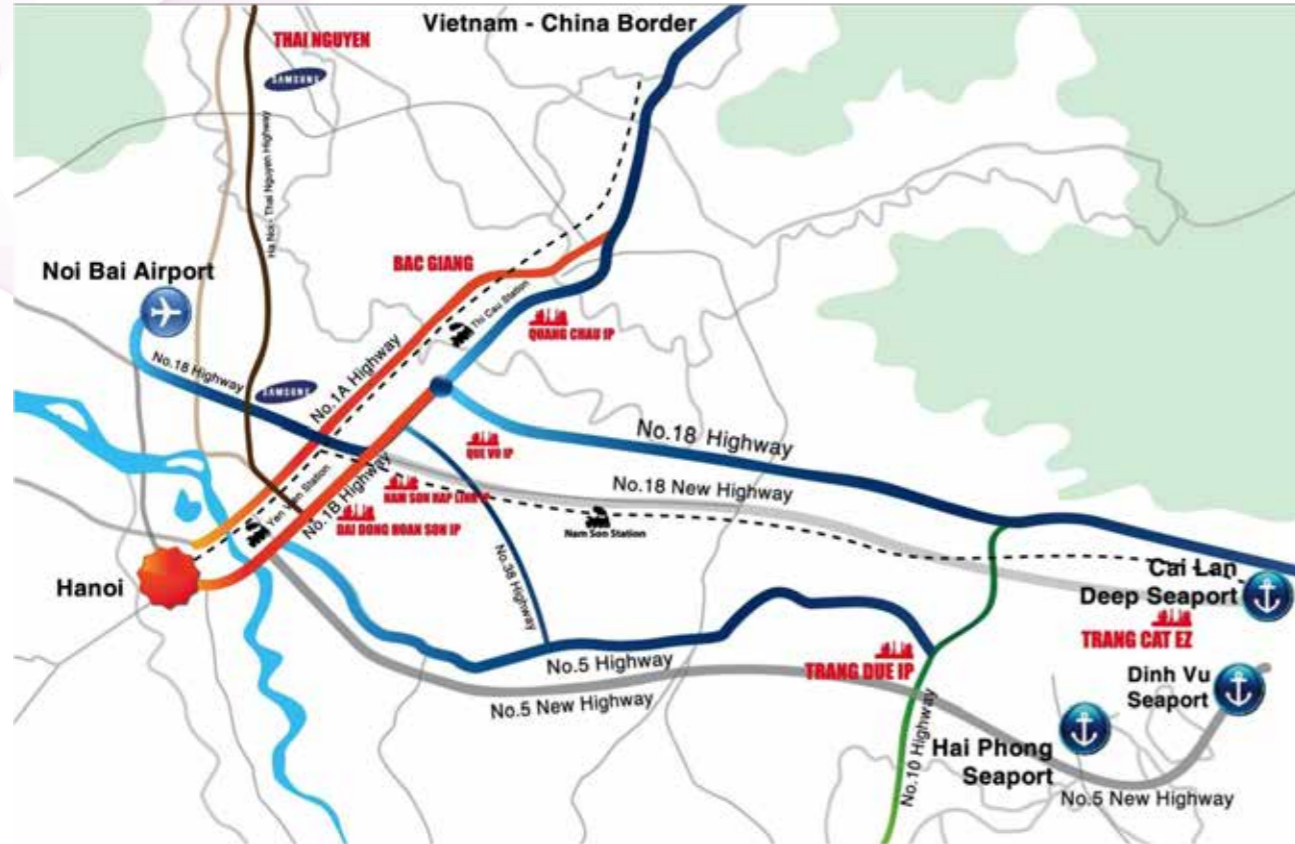


• Nam Son Hap Linh Industrial Park

With total area 402 hectares, located in the Industrial Zone in Bac Ninh province is the potential IP because current industrial park capacity Bac Ninh province is scarce while demand constantly increase. In term of property, the IP has available 100 ha land compensated

with low price, ready for sales in 2015.

Business plan 2015: Nam Son Hap Linh IP will concentrate on allocating financial resources for facilitating and constructing in scale of 100 hectares clear land. Its targeted customer is Samsung vendors with increasing demand.



KHU CÔNG NGHIỆP IGS - NAM SON HAP LINH - BẮC NINH
BẢN ĐỒ QUY HOẠCH TỔNG MẶT BẰNG SỬ DỤNG ĐẤT



• The commercial real estate projects

In Hanoi, KBC has 02 giant projects, which are Diamond Rice 6 Star Hotel with scale 40,000 m2 located in the new center of the capital - Pham Hung street and Hanoi Multi-function Complex in Diplomatic Compound with total area of 20,000 m2 in gold position of development - Pham Van Dong Street, located next to Hoa Binh Park. Currently, both two projects are in the process of adjustment architectural plans. Moreover, because real estate market in high-end segment has no signs of recovery, KBC do not planning to invest more in the short term for these projects in order to limit our risks in allocating resources.

KBC invested Phuc Ninh new urban area with total scale of 136 ha in downtown of Bac Ninh Province. Indeed, with its favorable geographical location at downtown and thorough infrastructure standard in surrounding area, as well as accommodations demand for workers and professionals in neighbor IPs, real estate transactions around this project are growing. This project one of key project in 2015 plan because it enjoys many competitive advantages in favorable environment. Actually, by the end of 2014, the entire project completed 55% compensation equivalent area of 75 hectares and payment for land use right of 17.13 hectares of commercial land. At the same time, we also constructed 7.000 m2 center road, leveled 129,000 m2 area and built coarsely 16 villas. Take advantage of opportunities, from 30 Mar 2015 KBC officially launched back the project in scale 6.27 hectares to create land with infrastructure products available to sell at the end of 2015.



Phuc Ninh urban area construction site on April 2015



SUBSIDIARIES



a. Saigon - Haiphong Industrial Park Corporation (SHP)



Address: Trang Due Industrial Park, Le Loi commune, An Duong District, Hai Phong City, Vietnam

Charter capital: 416 billion dong

Main business lines: IPs and urban area developer

KBC ownership: 86.54%

In 2014, SHP increased their contributed capital from 200 billion dong to 416 billion dong by dividend payments for the existing shareholders and issuance shares for employees from retained profit source. Therefore, the percentage KBC holding fell from 90% in 2013 to 86.54% at the end of 2014. In term of business results, SHP revenue achieved 451.3 billion dong from core business operations and 1.2 billion dong from financial activities. Gross profit margin got 67% that is the highest ratio in our group. Therefore, net profit of SHP reached 232 billion dong, in which benefits belongs to the parent company was 216 billion dong.

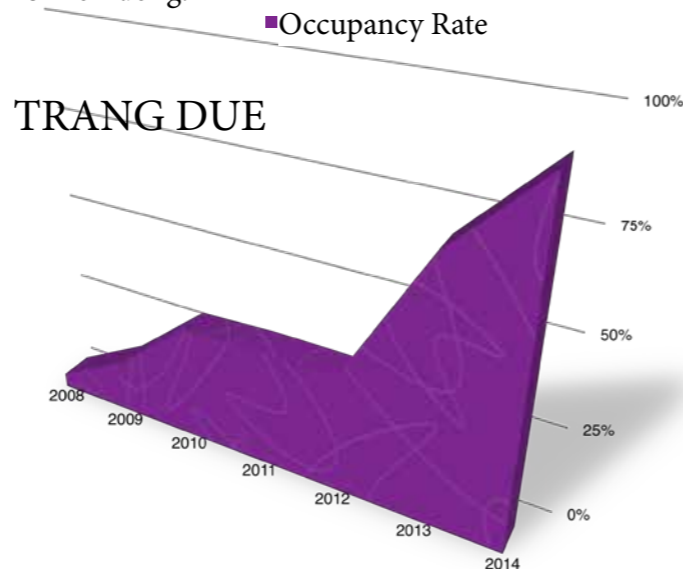
Main project: Trang Due Industrial Park

SHP has gained many successes in this IP thanks for South Korean FDI investment flow in Hai Phong City in 2014. Among 5 large IPs in Hai Phong, Trang Due with numerous outstanding advantages such as belongs to Dinh Vu - Cat Hai Economic Zone with highest tax incentives in Vietnam, convenient transportation, reasonable prices and good relationships with agencies and local government, becomes a highlight of attraction FDI high-tech investment. In last year, as major contract was the 2nd contract with LG Electronics Corporation, upgrading their total leasing area to 80 hectares. It is possible that the whole 186 hectares of Trang Due Stage 1 was fulfilled, in which the entire factories and offices with total floor area 78,137 m2 were sold. Recently,

there is only 10 hectares saleable remaining.

The success of Trang Due also remarks Group's recovery after long period of recession. As Trang Due has belonged to Dinh Vu - Cat Hai Economic Zone, Haiphong City since 2013, our tenants could receive maximum tax incentives including exemption corporate income tax for 15 years, 100% VAT tax and 50% personal income tax for employees, free 100% land rental for ultimate investors and other preferential policies and supports of Haiphong local government. Actually, Trang Due has attracted various large investors from South Korea such as LG Electronics, Dongjin Techwin Vina, Asia Plastic J.S.C, etc. In the coming years, the investment flow from Korea to Vietnam in general and to Trang Due in particular is expected to be stronger and stronger than ever. In order to catch this investment trend, BOM of Group and SHP took the first step for building relationships with Incheon Vision Association with more than 1,000 members as our potential customer group for next 5 years.

Account to 31st Dec, 2014, Trang Due attracted more than 1.8 billion dollars FDI investment. Total leased land area of the IP in 2014 was around 55 hectares; the occupancy rate reached 95% of Phase 1. Total investor in Trang Due IP is 33 now. *Business plan in 2015:* SHP will focus on completing infrastructure for Trang Due stage 2 with a total area of 214 ha. Vietinbank has financed this project with credit package up to 700 billion dong that was signed on 10th June, 2014. Updating to Mar, 2015, Trang Due Stage 2 compensated for resident equivalent 80 hectares, constructed center roads lasts 840 m. Additionally, for the first days of 2015, we have signed leasing land contract 10 hectares with Haeng Sung Group, worths more than 160 billion dong.





b. Saigon Bac Giang Industrial Park Corporation (SBG)

Address: Quang Chau Industrial Park, Quang Chau commune, Viet Yen district, Bac Giang province

Main business line: Developing infrastructure in IP

Charter capital: 220 billion VND

KBC ownership: 59.5%

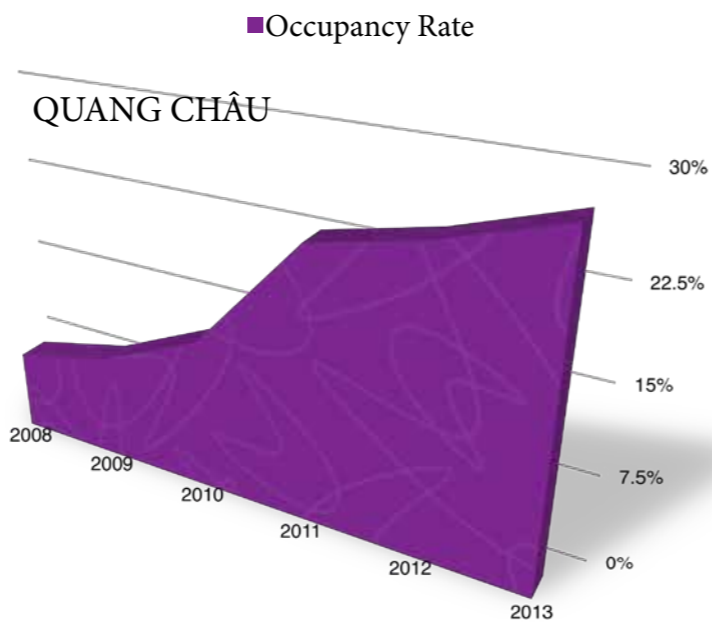
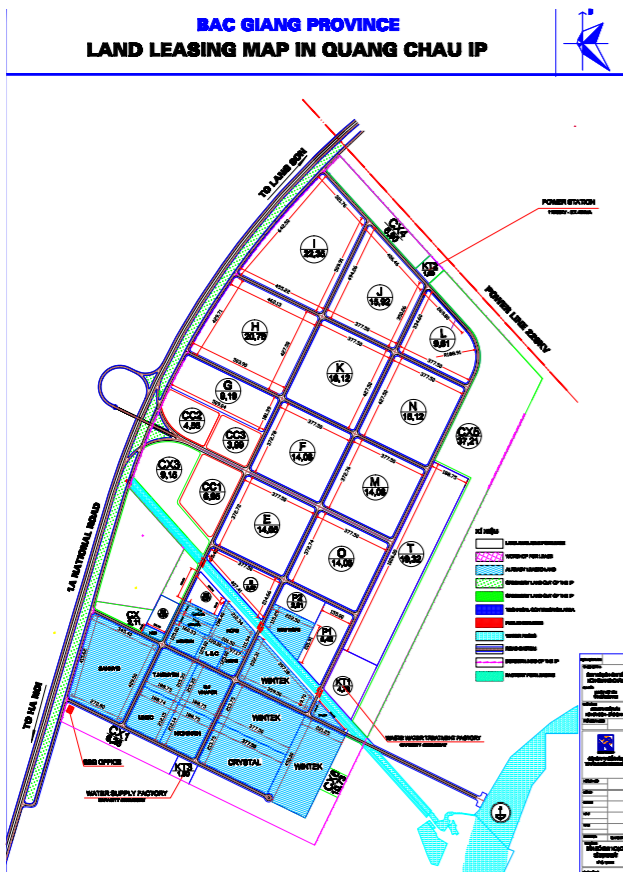
SBG is the main investor of project Quang Chau Industrial Park and Urban Area. In 2014, most of their revenue came from services for existing tenants, only 19.5 billion dong. However, its financial expenses were 71.2 billion dong that

led to its loss 68.1 billion dong.

Total assets accounting at 31st Dec 2014 reached 1,081 billion dong.

Recognizing these difficulties and challenges in business, BOM of Group and SBG, at the beginning 2015, has reviewed and adjusted the entire business strategy and management system with the purpose that taking Quang Chau Industrial Park as the highlight of Group in business plan in 2015. Targeted result of this IP for 2015 is expected to 70 ha new leased land. By the end of the first quarter, 2015, this project has seen many positive changes from sales activities when we are trying our best to attract huge investors and initially generate some agreements.

Main project: Quang Chau Industrial Park
It is located in Viet Yen Commune, Bac Giang province, with total area of 426 hectares. With conveniently transportation located nearby Bac Ninh Province and strategic position in the cross



point among giant industrial areas, it is a promising project. The typical tenants of Quang Chau Industrial Park are Wintek Corporation, UMEC Vietnam, Vietnam's Crystal ... The number of their tenants currently is 11 corporations. In long-term, Quang Chau continues targeting at Korean enterprises, Samsung's vendors, Taiwan and US corporations who would take advantage

of TPP in advance, etc. Current occupancy rate is around 28%, hence the IP has over 200 hectares saleable land which are fully compensated, ready to push on sales and 11.250 m2 floor area of ready-built factory to rent.



c. Northwest Saigon City Development Corporation (STB):

Address: Tram Bom Hamlet, Highway 22, Tan Phu Trung Commune, Cu Chi District, HCM City

Main business line: Investment in industrial parks

Charter capital: 500 billion dong

KBC ownership: 60.52%

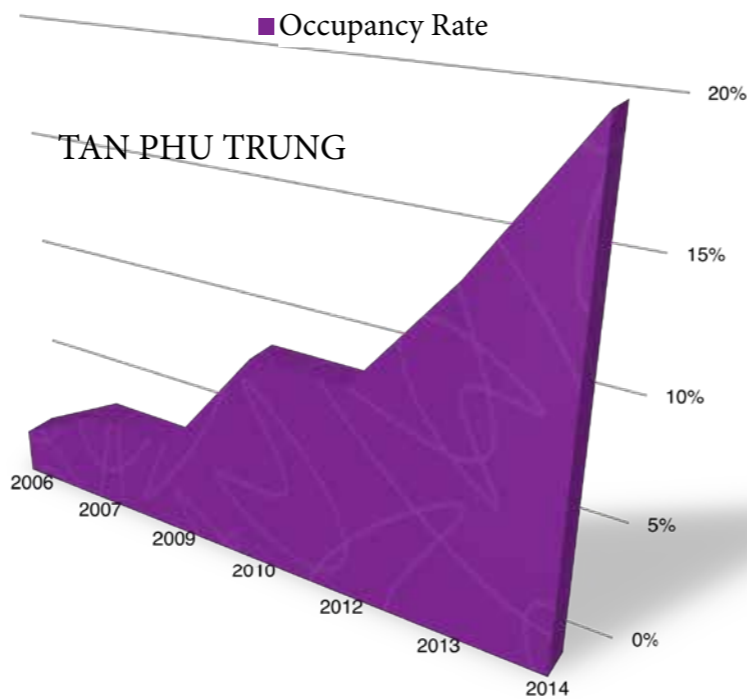
Northwest Saigon City Development Corporation became a subsidiary of KBC since 2010. The company is investing and developing Tan Phu Trung IP in Cu Chi District, HCM City. Merging STB as a subsidiary remarked our expansion to the south market. Major customers Tan Phu Trung IP is manufacturing and processing corporations, in which many Vietnamese enterprises.

Year 2014 saw many significant improvements in Tan Phu Trung sales thanks for changes in their business strategies to meet market demand. Indeed, Tan Phu Trung IP leased 16.7 hectares of land, the total contract value reached 213.5 billion dong in period. However, recorded revenue in 2014 of STB was just 110 billion dong according to progress and their profit after tax

gained only 16.7 billion dong due to high interest expenses.

Since STB's business strategy and plan followed Group's orientation, they gain remarkably results, improved competitiveness and reputation. As of 31st Dec, 2014, STB total assets reached 1,282 billion dong, went up 10% than last year.

For 2015 development, STB has approved business plan that targets leasing 30.74 hectares of land and expects recorded revenue 255 billion



dong. Their target customers, besides traditional clients, focus on Samsung's vendors because Samsung Corporation has just been licensed for their 1.4 billion USD project, producing electronic products in HCM city. It is expected to open and promote a new development trend for the neighboring industrial zone.

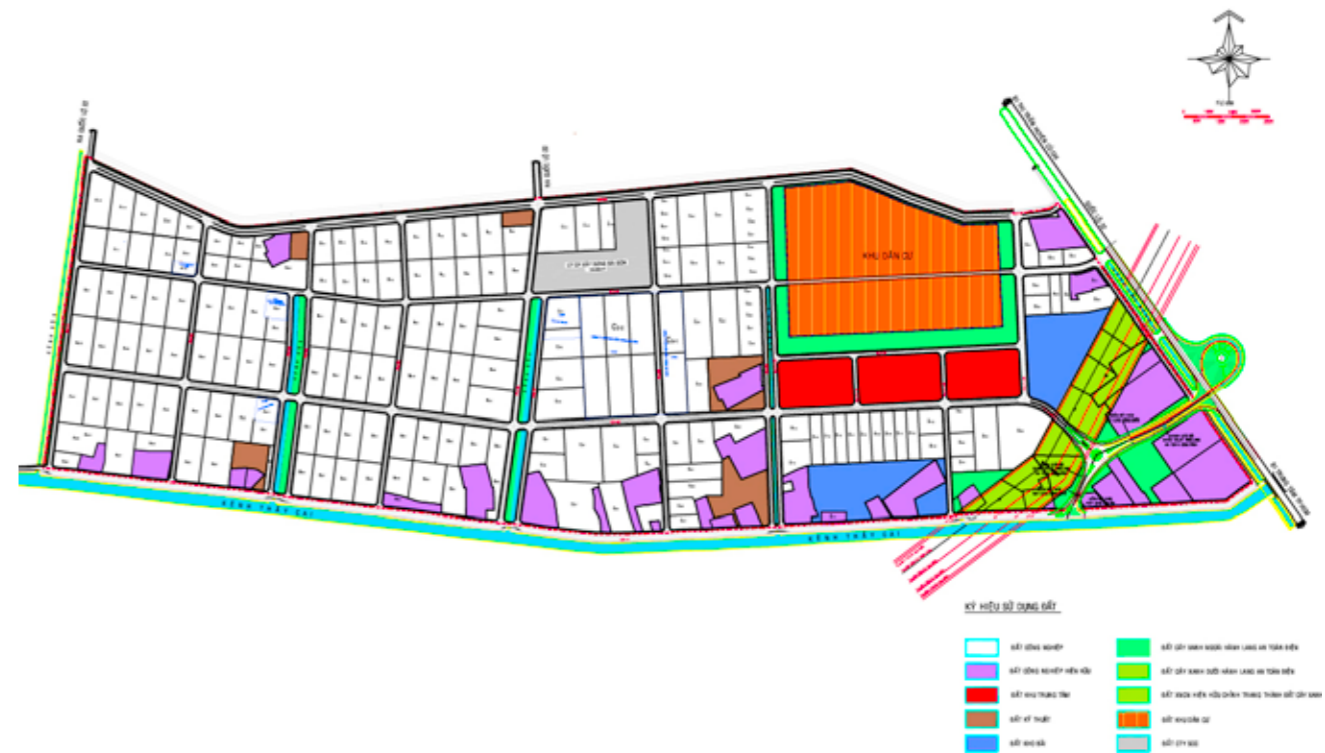
Main Project

Tan Phu Trung IP in Cu Chi District, Ho Chi Minh City with a total area of 542 hectares, located 25 km from the city center. Over the years, the industrial park experienced sluggishness mostly due to the non-uniform development among neighborhood provinces around Ho Chi Minh City. Until 2014, with improvement in strategy, business target and management system, the IP

has made the leap. Apart from IP investment, STB also invested houses for workers with scale 47.36 hectares. This real estate projects aimed at providing accommodations for labor force in the IP, expected 7,800 people.

The current occupancy rate reached 20% and their total tenants in Tan Phu Trung IP were 27 enterprises. This industrial park has 162 hectares compensated area, in which 30 hectares have completed infrastructure available for rent immediately. It is the advantage of the Tan Phu Trung IP that they always have available asset to lease, meeting customer demand and catching the new wave of investment.

OVERALL MAP OF TAN PHU TRUNG INDUSTRIAL PARK



d. Trang Cat One Member Urban Development Company Limited(TCC):

Address: Bai Trieu Area, Trang Cat ward, Hai An District, Dinh Vu – Cat Hai Economic Zone, Hai Phong City

Main business line: Sales of real estate and industrial park infrastructure

Charter capital: 1.500 billion

KBC ownership: 100%

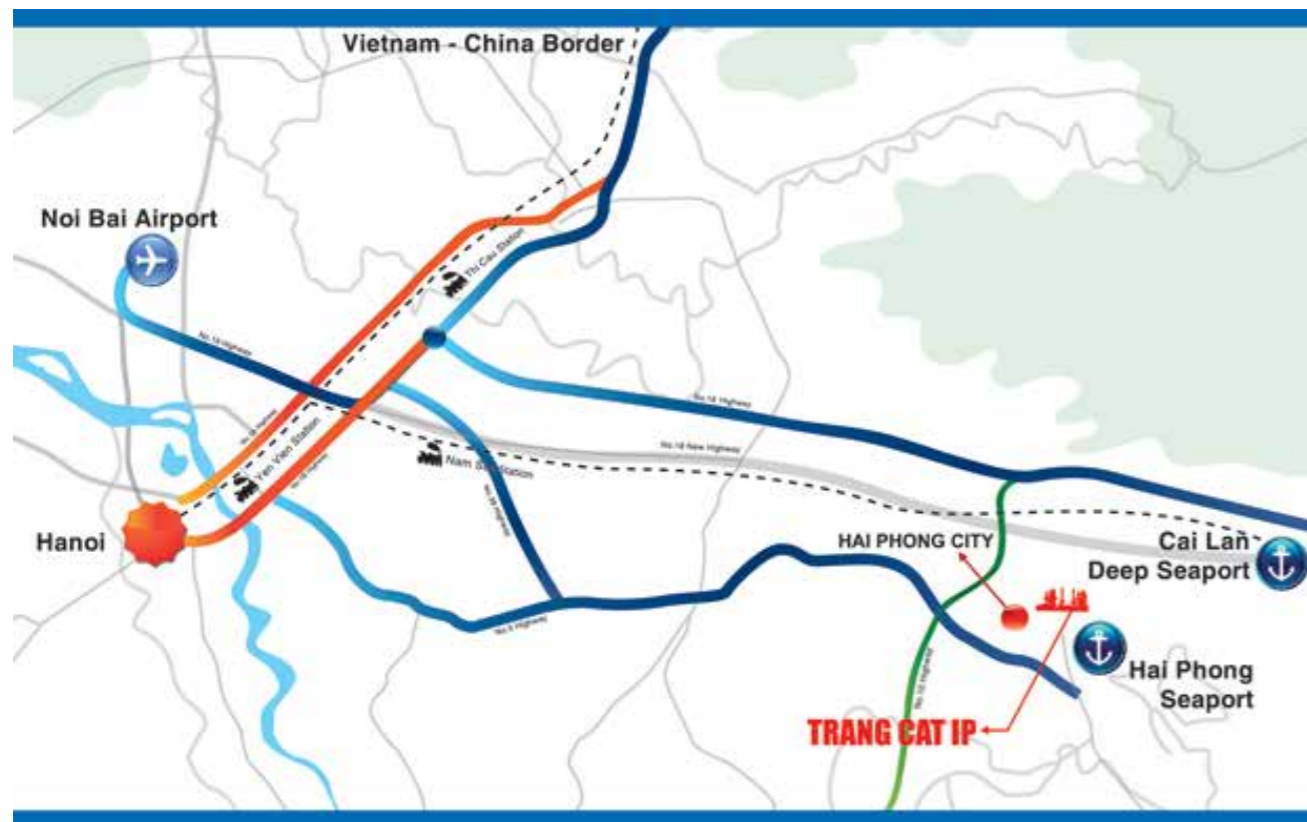
TCC is implementing and investing on Trang Cat Residential Area in Dinh Vu- Cat Hai EZ. It is a large-scale project that KBC is developing a detailed plan to build infrastructure as long as new No 5 highway Ha Noi - Hai Phong will go into operation in late 2015.

In 2014, TCC suffered 1.9 billion dong loss due to management costs.

Main Project: Trang Cat Residential Area

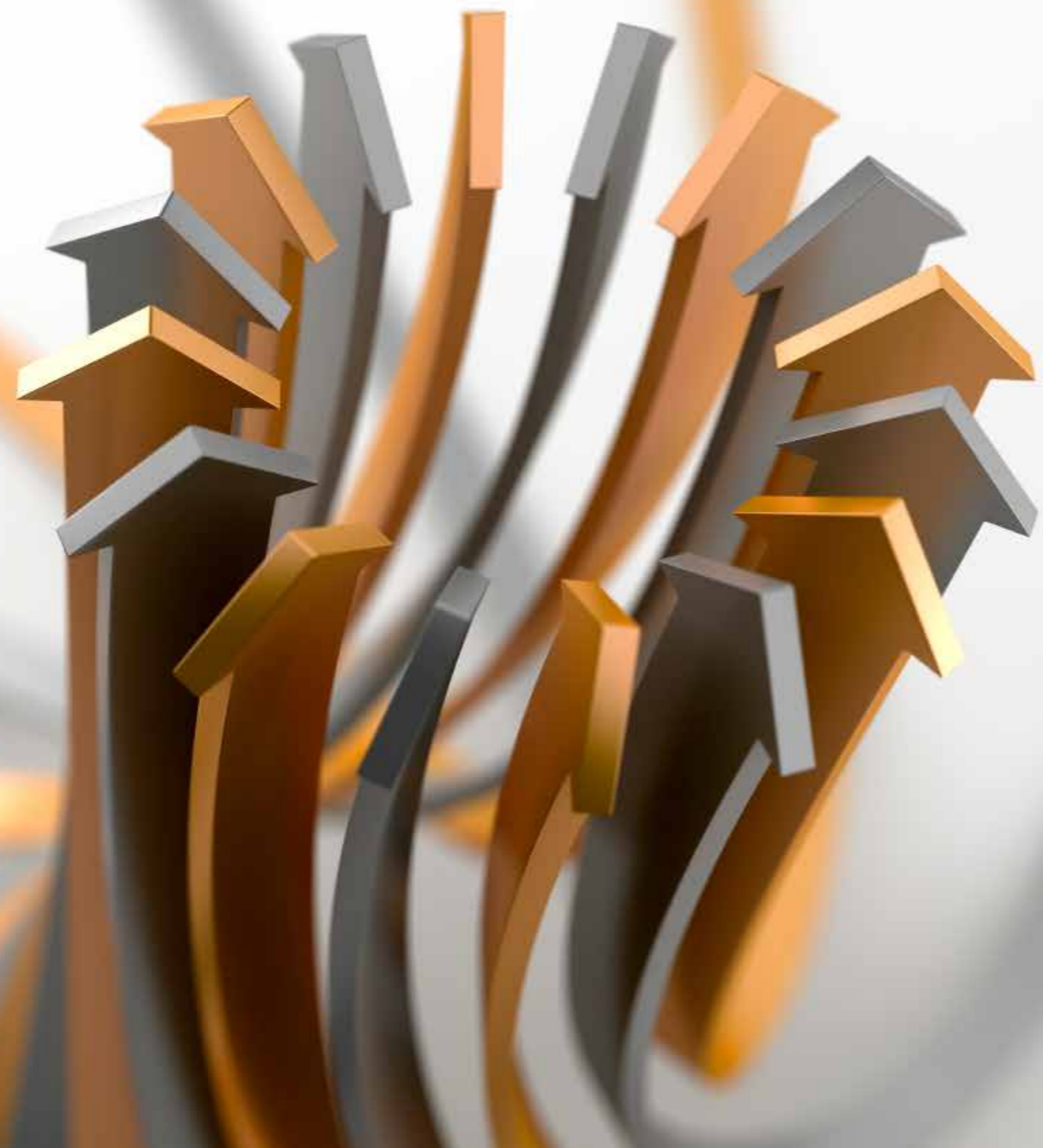
Total expected investment: 6.3 billion VND (Six thousand three hundred billion dong)

The company's total assets of 3.430 billion. In which, inventory and cost of construction in progress of this project are 3,180 billion, primarily compensation costs for 90% of total land. Currently, Trang Cat Residential Area scale has 581 hectares, in which 540 hectares compensated. We appreciate its development prospect because of its convenient transportation while the new No 5 high way is expected to open to traffic along with Haiphong City development for next 10 years. At this time, Trang Cat is located right next to the new road, promising a strategic location in terms of traffic and landscape.



Trang Cat Urban Area





ASSOCIATED COMPANIES

a. Saigon - Hue Investment Corporation (SGH)

Address: No. 15 Nguyen Hue, Hue City

Charter capital: 350 billion VND

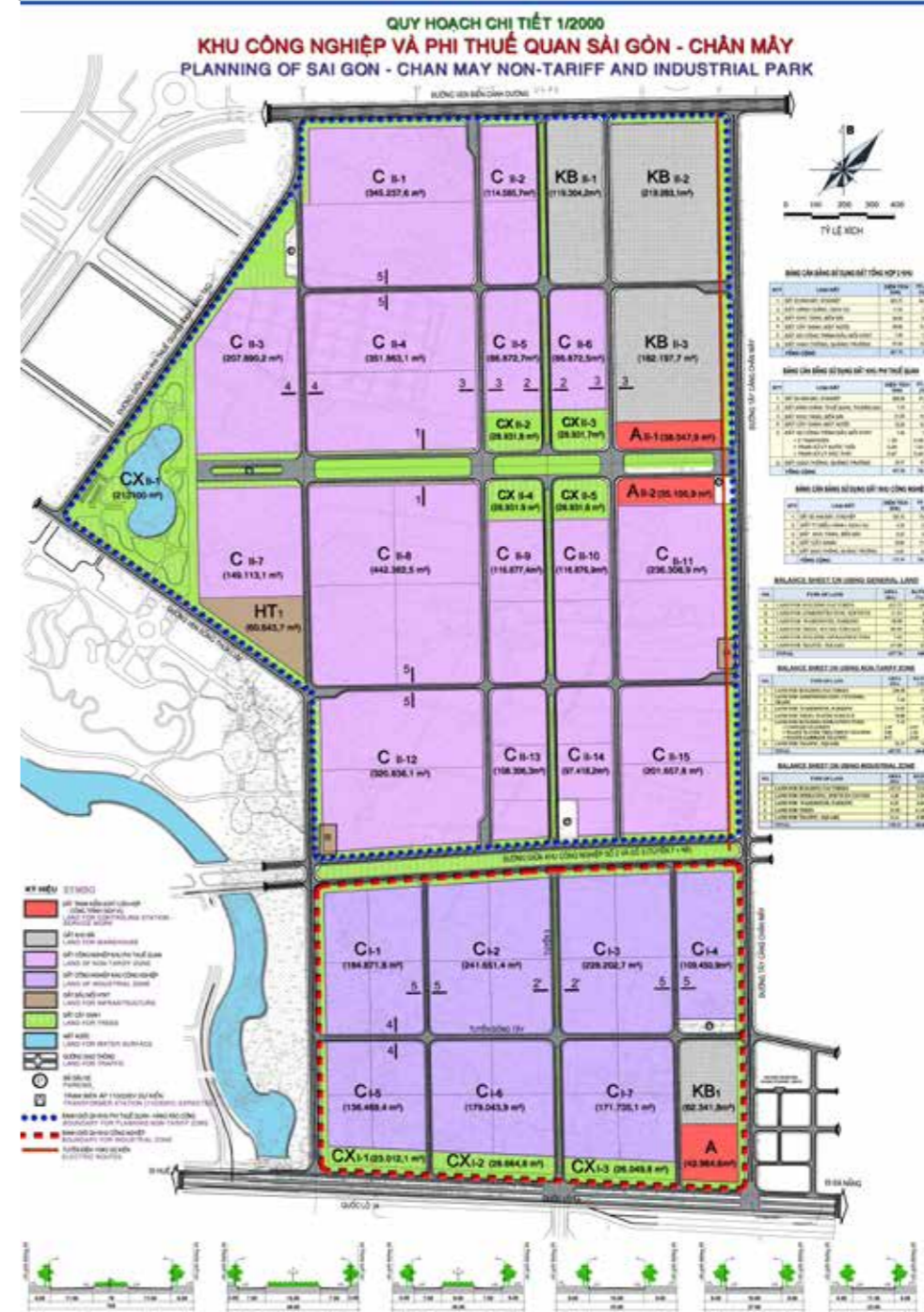
Main business: Investing, constructing infrastructure inside and outside IPs, residential area, houses for workers; constructing industrial and residential projects, transportation and electric power project up to 35 kV.

KBC ownership 28.14%

In 2014, KBC completed purchasing 21.36% more SGH stock to raise our ownership to 28.14%, thus the company upgraded from a long-term portfolio to associated company.

Major projects: Sai Gon Chan May Industrial Park and non-tariff zone.

This project has total area of 650 hectares, located in Loc Tien and Loc Vinh, Phu Loc District, Thua Thien Hue Province. It is only 50 km from the city center of Hue, 32 km from Da Nang city center and near both the airport and seaport that make favorable position for the project. Moreover, it is located in Chan May Lang Co EZ, hence, tenants will enjoy many preferential tariff exemptions for both corporate and workers, similar to Trang Due IP. Currently, the project compensated 73.24 hectares, built 7 factories with total area 25.515 m2. In fiscal year 2014, its net loss after tax of SGH was 287 million dong, the loss affecting Group result is 97.7 million dong.



b. Saigon Telecommunication and Technologies Corporation (SGT)

Address: Lot 46, Quang Trung Software Park, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City.

Charter capital: 740 billion VND

Main business: trading computers, electronic equipment, telecommunications equipment; trading and installing transmission equipment, connector, and protection service for information technology; technical consulting in computer science; designing and installing computer systems, developing industrial parks, residential area, building transportation, roads, bridges and irrigation.

KBC ownership 21.48%

Main Project: Dai Dong Hoan Son Industrial

Park in Bac Ninh province with total area 268 hectares for phase 1. Its occupancy rate reached 90%. Currently 11 hectares of land remaining is for ready-built factories development in order to lease and sale. Thanks to its strategic location, only 18 kilometers from Hanoi and located next to Highway 1B, the IP has attracted many prestigious Japan investors such as Hayakawa, YG Tech, Tabuchi Electric ...

In 2014, SGT has actively changes to gain success from good business results in Dai Dong Hoan Son Industrial Park under the management of their North-branch company. Profit after tax achieved 52.7 billion dong and their profit contribution to the Group result was 11.3 billion dong

THE LAND - MAP OF
DAI DONG - HOAN SON INDUSTRIAL PARK



c. Saigon High-tech Park Infrastructure Development Investment Joint Stock Company

Address: Lot 6-1, REE Building, 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City.

Charter capital: 300 billion VND

KBC ownership: 27.44%

Main business activities: infrastructure investment and development; leasing and selling

office, trading centre and apartment buildings; consignment and trading agent; civil and industrial construction; development of road and drainage system; investment, management and construction consulting; brokerage; providing custom declaration services; restaurant, hotel, resort, travel businesses.

In 2014, the company lost 74.1 million dong, loss affecting KBC's is 21.1 million dong.





MANAGEMENT VIEW

REPORT OF BOARD OF DIRECTOR

1. Evaluating business performance:

Overall, year 2014 was a tremendous growth that created turning points for KBC, resulting in consolidated revenue reached 311.9 billion VND, approximately doubled to our plan and quadrupled of 2013's result. This superb result was achievement of many effort from BOD and employees of KBC for long period.

Highlights in 2014 have to remind to the success in attracting FDI with major projects successfully concluded. It is possible to say that status of FDI attraction into KBC's IPs followed the trends of FDI in Viet Nam. For instance, Korea is the largest investor in Viet Nam with total accumulative registered capital of 37.72 billion US dollars, accounting for 14% of total FDI in Vietnam, while the new foreign tenants in KBC's IPs in 2014 were mostly Korean investors, typically as LG phase 2, the vendors of LG and Samsung other small and medium enterprises, etc.

Excepting success of subleasing land with infrastructure in industrial parks segment, ready-built factories for sale and lease also gained achievements with sold out totally 100% of built factories and under-construction factories in Que Vo IPs.

To sum up, Que Vo Existing IP with scale of 310 ha gained total revenue since the launch 1,135.7 billion VND, occupied 90% while the revenue Que Vo Expand IP with the size of 300 ha but just in trading on 250 ha, achieved 2,134.6 billion VND, 68% fulfilled. Trang Due IP (Phase 1) has scale of 186 ha, occupied 95%, reached total revenue 2,075.5 billion VND, Tan Phu Trung IP with 590 ha, occupied 20%, gained 777.9 billion VND and Quang Chau IP has scale of 420 ha, filled 28%, had total contracts valued 595.6 billion VND. These figures shows increasing added-value of industrial park because comparing between Que Vo Existing IP and Que Vo Expanded IP with the same scale, the later one has just fulfilled 68% but brought double revenues to the former. Thus, KBC's IPs bring long-term

economic efficiency for the group and keep potential growth.

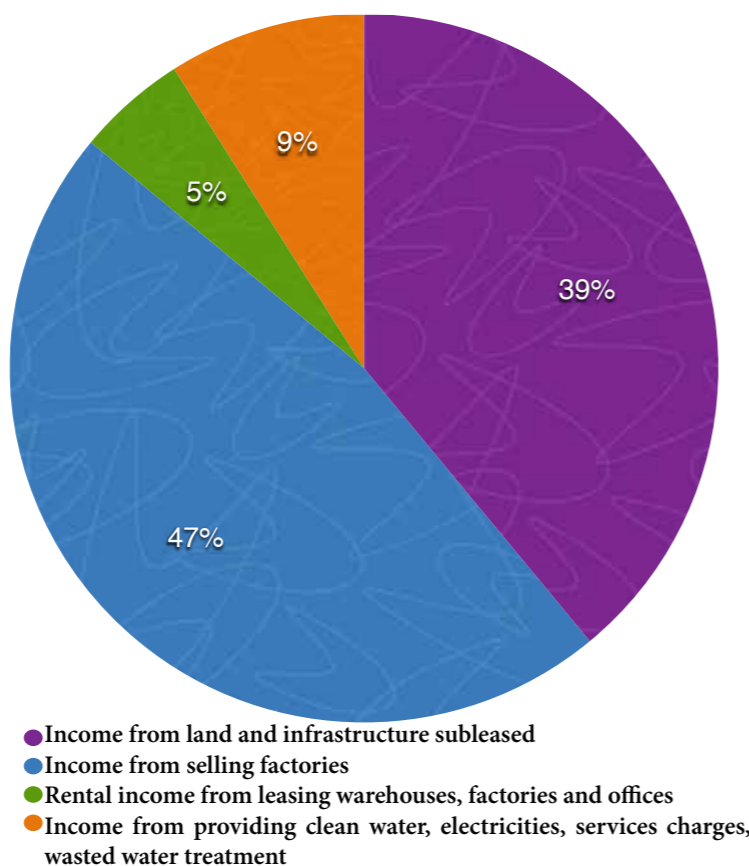
In addition, ancillary services grew as an important factor in the Group's revenue. Along with providing clean water services, wasted water treatment services, the maintenance and repair in industrial parks that also got the high appreciation from customers have generated annual fixed revenues for businesses from charging fees (the current price of \$ 0.5 / m2 / year). In 2014, revenues from these services reached 60.99 billion VND, increase 1.7 times as much as 2013 revenue.

2014 Revenue Structure in Parent company

In 2014, selling ready-build factories in parent company prevails in the revenue structure. For example, two Que Vo IPs of KBC sold 57,423 m2 floor area of factories and leased new 3 factories under construction. Recognizing potential growth of this product line in Que Vo IP, KBC is building more 10 factories with scale of 87, 630 m2 area.

In comparison with the same period in 2013, revenue from factory sales operation increased 14% while revenue from land subleased operation

REVENUE STRUCTURE OF PARENT COMPANY



grew by 35%. At the same time, revenues from services and management fees, which began to charge on operating tenants in the industrial parks since recent years grew rapidly by 63% over the same period. Revenues from financial activities of the parent company reached 129 billion VND, increased 7 times as much as the same period.

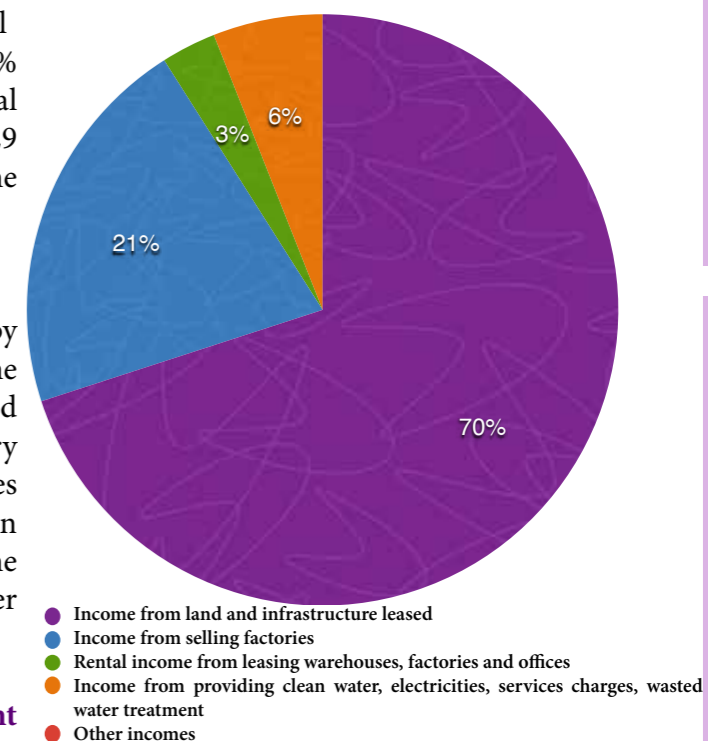
Revenue structure in 2014 - Consolidated

Total consolidated revenues decreased slightly by 1% than 2013 revenue. Main revenues still came from subleasing land activities, which represented over 70% of total revenues. Revenues from factory sale operations accounted for 21%. Revenues from management fees and supportive services in the industrial zones grew tremendously over the same period of last year, increased by 72% over the same period in 2013 result.

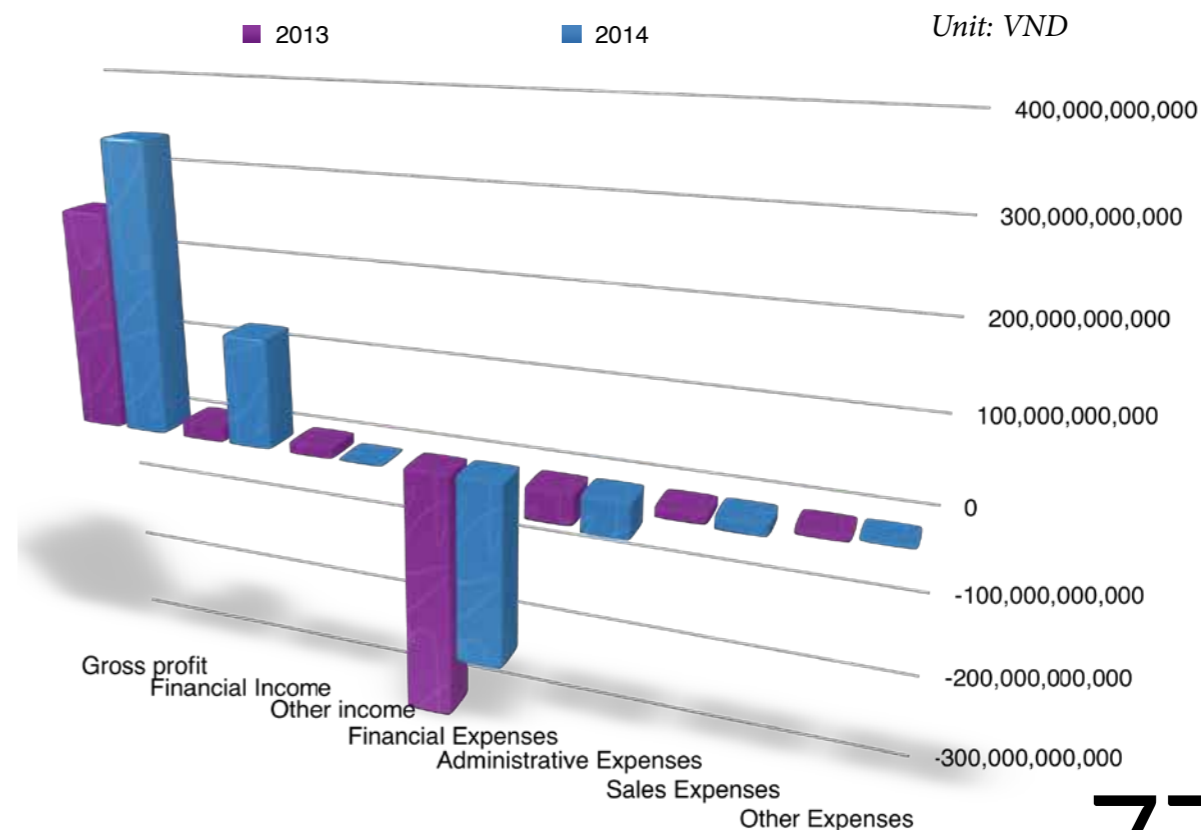
Factors impacted on net profit of parent company

General speaking, such factors impacted on net profit improved in a positive way. Financial expenses in which are mostly interest expense decreased by 25% compared to 2013 since KBC has successfully implemented the debt restructuring plan, reducing principal balance and interest rate. Financial structure of KBC in

CONSOLIDATE REVENUE STRUCTURE 2014



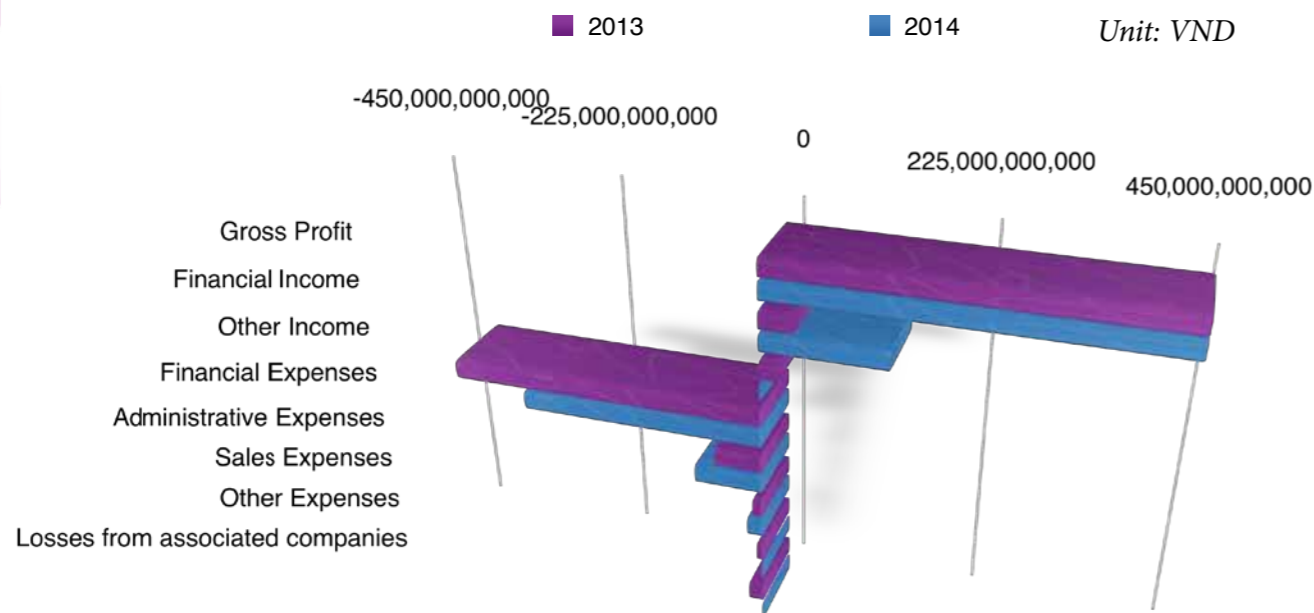
2015 and the next years will be more healthy and stronger as KBC will do our best prepay debts which have been already been restructured. In addition, administration and sales costs remained steady rate, matching respectively 8% and 2% of total revenues



COST STRUCTURE INFLUENCED ON NET PROFIT OF PARENT COMPANY

Factors influenced on net profit – Consolidated

Factors affecting net profit mainly caused by high gross margin and growth in financial income, which increased 3.7 times as much as last year figure. Financial income growth is due to Company performed extreme divestment non-core investments according to long-term strategy. In addition, consolidated financial expenses fell to only 77% of 2013 number since the restructuring plan approved, reducing pressure on the business activities of the Group. Cost of sales and administration has no extreme change over the years. More prosper than is affecting of associated companies' operations after renovation portfolio of associated companies loss decreased only equal to 3% of their loss in 2013, that confirmed significant improvements in these companies for 2014.



COST STRUCTURE INFLUENCED ON CONSOLIDATED NET PROFIT

Additionally, consolidated cost allocating under operating factors revealed that cost of land development (acquiring land), construction and infrastructure investment, factories and service supply accounted for 52% of the total cost. The cost of outsourced services accounted for 37.04%, while labor costs and asset depreciation made up 5% of the total cost; no expenses for consolidated loss provision arising during the year. Thus, in comparison with 2013, most kind of costs decreased relatively that motivated net profit margin from 7,35% in 2013 to 29,18% in 2014.



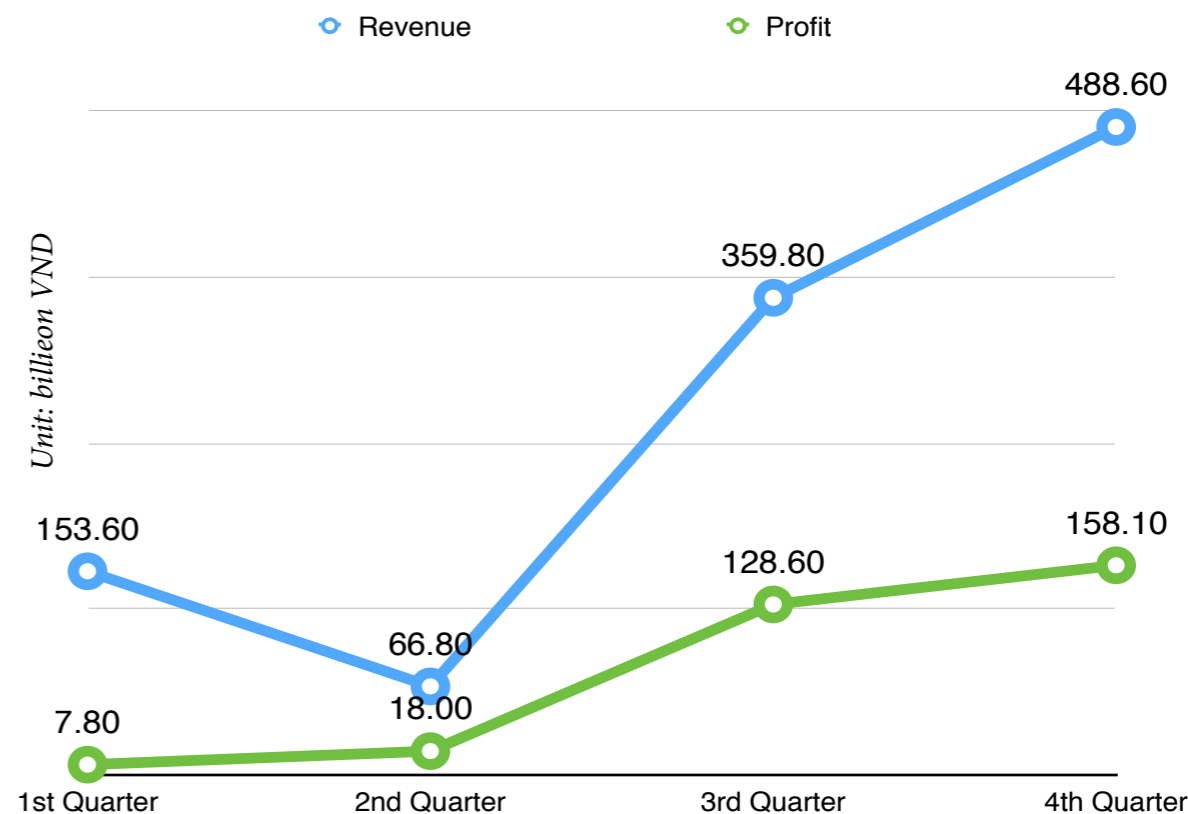
Growth of revenues and profits over the quarters in 2014

Growth of revenues and profits of Company over the quarters in 2014 reflects industry characteristics. Normally, time frame for a small and medium scale contract of 1ha - 5ha, for new customers, from signing the memorandum to handovering land takes from 3 to 6 months. Therefore, appropriate point of time to recognize revenue is often in Quarter 3 and Quarter 4 every year.

In 2014, apart from Trang Due IP and Que Vo IP achieving the excellent investment attractions of the Group, Tan Phu Trung IP (belong to the subsidiaries) and Dai Dong Hoan Son IP (belong to the associated companies) achieved outstanding results through the comprehensive changes in business strategies. On the other hand, Quang Chau IP albeit has many advantages of huge land bank with standard infrastructure in strategic position, it hardly attracted any more investors during 2014. Therefore, since early 2015, Group BOD has convened an urgent meeting with

all leaders and professional managers to renovate business strategies for Quang Chau IP. The BOD committed that Quang Chau Industrial Park will sign several major contracts in 2015, the total expected areas can successfully concluded in this year approximately 70 ha.

In addition, a number of IPs, which belongs to our associated companies or under our long-term investments have not yet been progressed for 2014. For these IPs, BOD tends to reorganize and reevaluate, then build particular development strategies for each area. The most potential IPs will be increased gradually the percentage of ownership in order to put into direct exploitation as soon as possible. Such IPs are not capable of development due to unexpected changes in local attraction FDI policies, overvalued compensation costs, etc, the Board of Directors will consider to propose capital withdrawal plan. Alternative choice will focus on expansion projects in the developing industrial zones such as Trang Due IP.



GROWTH IN REVENUE AND PROFIT OF COMPANY OVER THE QUARTERS

2. Financial status

a. Assets and owner's equity

Asset status:

The parent company total asset reached 9,267,691,733,660 VND, increased 3.05%

The consolidated total asset reached 13,048,822,042,246 VND, increased 4.1%

Short and long-term trade receivables of the parent company was 735.1 billion (current receivables are 273.3 billion, long-term receivables deadline on 31st Dec 2016 are 461.7 billion). Consolidated receivables in short-term and long-term amounted 1172.3 billion dong (short-term receivables 710.6 billion dong, long-term receivables 461.7

billion dong). Compared with 2013, total trade receivables increased by 19.2%. Thus, this cash flow will guarantee for KBC capacity in both short and long term to implement the investment plan and the payment of matured debts.

Provision account for parent company increased by 30 billion dong, mainly due to a subsidiary Company Saigon - Bac Giang IP suffered losses 68.1 billion dong. However, overall consolidated provision expenses in 2014 decreased by 22% compared to 2013, was 93.8 billion. It is possible that this factor also improved the value of total consolidated assets.

billion VND

Provision	2014	2013
Provision for short term investment	4.9	5.4
Provision for doubtful debts	19.3	18.3
Provision long term investment	69.6	95.3
Total	93.8	119.0

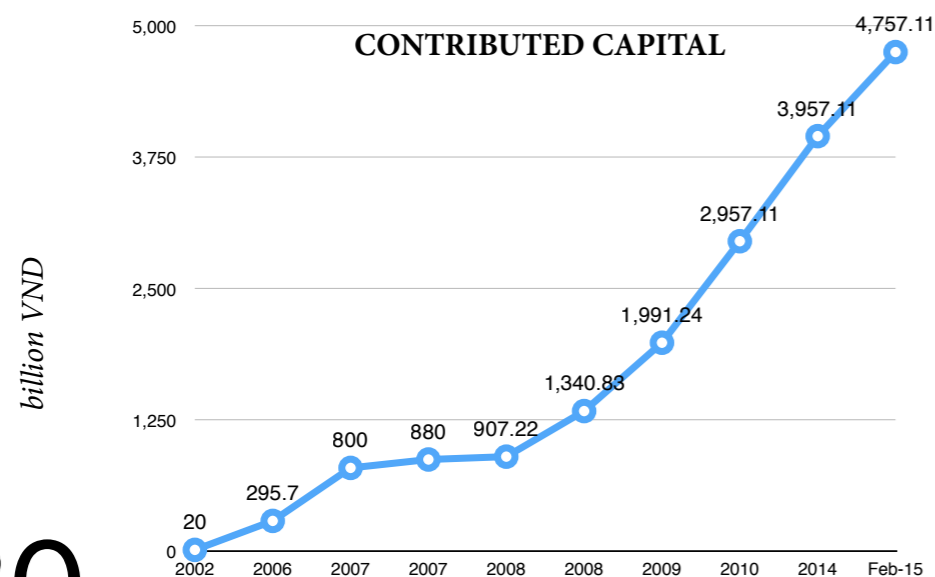
Owners' equity status:

Accounted to 31 Dec 2014, total consolidated owners' equity is 5,376,097,657,684 dong, raised by 32.7% compared with the same period of 2013. The main reason for this remarkable increase is mainly that new issued share capital valued 1.000 billion VND for issuing 100 million private shares to convert debts of some organizations and individuals. Therefore, at the end of 2014, issued share capital reached 3,957,111,670,000 VND. Additionally, retained profit in the year increased 325 billion VND, which rose by 38.5%, is also

an important factor contributing to the owner's equity increase.

The process of increasing contributed capital of KBC from the establishment day

In past 10 years, KBC conducted 1 time increasing contributed capital from founders, 3 times issuing shares for dividend payment and bonus for existing shareholders, 1 time issuing for both existing shareholders and strategic shareholders and 3 times private placement for strategic shareholders.



In 2014, KBC successfully issued convertible bonds, worth 1.200 billion VND to strategic shareholders. The General Meeting of Shareholders approved this plan on 26 Oct 2014. Until 23 Jan 2015, the total convertible bonds were converted into 80 million of new shares at a conversion price of 15,000 VND

/ share. As a result, up to now, KBC's share capital has increased to VND 4,757,111,670,000. Cash flow from bond placement used for the purpose of restructuring the debts and investing in the developing industrial parks in our portfolio.



b. Debt situation

In 2014, BOD targeted to restructure 3,000 billion VND matured corporate bond (mainly issued in 2009). In particular, matured bonds of Parent company are 2,700 billion VND, of Northwest Saigon City Development Corporation (subsidiary company) are 300 billion VND. Thanks to government policies about supporting enterprises and promising prospects of our business, KBC successfully negotiated with bondholders about main features of debt restructuring plans, extension bond term extra 2 to 3 years. For example, the

bonds of Vietinbank and BIDV extended payment term to 2017, the bonds of PVcombank extended term to 2019, and bonds of NCB extended to 2019. In 2014, at the Parent company, due to the good business results and successful issuance of convertible bonds, KBC paid 1,170 billion VND of principal debt and 236 billion VND of interest and related fees. Therefore, the debt ratios and credit ratings of KBC has been significantly improved. Bank loans and ratio of bank loans/ owner's equity has shown significant improvement over the years by the following figures:

Unit: VND

Items	2012	2013	2014
Consolidated loans and borrowing with banks	3,860,741,980,348	3,729,789,823,342	3,024,781,596,475
Parent Company loans and borrowing with banks	3,022,183,160,138	2,935,358,446,908	2,291,902,222,232
Consolidated D/E	0.80	0.76	0.48
Parent Company D/E	0.92	0.91	0.52

Consolidated D/E = Consolidated loans and borrowing with banks / (Owners' equity + Minority Interest)
Parent Company D/E = Parent Company loans and borrowing with banks / Owners' equity (Parent Company Financial Statements)



3. Development plans in 2015

a. Business plan

- Invest in infrastructure, and build ready-built factories in Quang Chau IP, Que Vo IP (Expanding area), Nam Son Hap Linh IP, Trang Due Hai Phong IP and Phuc Ninh urban area.
- Quang Chau IP focus on comprehensive changes in business strategy, providing appropriate product strategy to attract targeted customer.
- Nam Son Hap Linh IP expect to arrange funds for infrastructure development, which could put into sales within area of 100ha clear land since customers' demand who are mainly Samsung's vendors saw potential and development in short-term.
- Trang Due IP concentrate on infrastructure investment and compensation for phase 2. Especially, we will push up submitting the expanded projects more 800 hectares nearby current Trang Due IP. Because demand for leasing land in current Trang Due has exceeded their area, we intend to put expansion project into operation right after 2015 if it is approved.
- Tan Phu Trung IP with huge land full of available infrastructure is the competitive advantage. Therefore, in 2015, this IP will change strategy to attract investment, especially FDI (vendors of Samsung in the South), in order to promote reputation and market share of KBC in southern regions as well as build solid foundation for longer development of some other IPs in the south, which belongs to the Group.
- Phuc Ninh New Urban area invests in

infrastructure construction quickly, taking advantage of the real estate market uptrend. Right in Quarter 1, this urban area officially restarted to for phase 1 (6.27 ha). It is expected to put land and houses in sales at the end of 2015.

- Establish and carry out foreign investment promotion campaign overseas to attract FDI into KBC's IPs. Our important groups of customer in 2015 target to South Korea, Taiwan, Japan, and USA (waiting for trade agreements TPP, Vietnam • EU). These campaigns will spread our reputation that KBC become one of the best choice for investors' plan in Viet Nam.
- Establish relationships and corporate with foreign investment funds and institutions, who have the financial capacity and experience in the field of real estate, to deploy several large-scale projects.
- Continue divesting the non-core investments: Negotiate with some foreign investment groups to transfer some projects such as house for workers, energy projects, etc.

b. Capital allocation plan:

At present, many large financial institutions are keen to bankroll for the projects which are under execution of KBC. BOD considers the proposals to choose the optimal capital mobilization plans, with the cheapest cost in order to invest infrastructure in Ips and continue debt restructuring plan. According to plan, in 2015 we have intension of lending about 600 billion VND to build 10 factories in Que Vo IP, construct infrastructure for Nam Son hap Linh IP and Quang Chau IP.

In 2015, KBC continues seeking for financial institutions and investment funds to implement plans of 1,200 par value of share private placement according to the resolution of GSM No. 2610/2014 / KBC-NQDHDCD dated October 26, 2014 approved to continue rapidly reducing debts and enhancing Company's financial capability.

c. Targeted revenue and profit in 20145

Based on the outlook for FDI attraction in Viet Nam in 2014 and expectation FDI in 2015; Based on the potential demand for leasing land and factory (the number of customer has negotiated with KBC in Q4/2014 and Q1/2015); Based on executed investment promotion plans of KBC in overseas etc., BOD highly appreciates the business prospects in 2015 and submit to GSM consolidated profit and revenue plan of the Corporation in 2015 as follows:

- Total consolidated revenue: 1,979 billion VND
 - Total consolidated profit after tax: 739 billion VND
- Revenue is mainly from Trang Due IP, Quang Chau IP, Que Vo IP (Expanding area) and Tan Phu Trung IP

4. Renovations in management policy

On the way of building core values, Board of Executive (BOM and BOD) always strive to improve organizational structure in order to bring the highest efficiency in business operations. KBC is a leading enterprise in the IP real estate, especially in northern areas because of our wide range of products that wait in front for investment trends. We highly appreciate creativeness in providing services and products that could meet various needs. In order to meet the difficult requirements of our FDI customers, we focused on specializing in the supply chain. The departments in charge of specific sectors like engineering, security, designing, planning and construction combine to create the IP model, which not only has beautiful landscape but also is multi-functional for manufacturers. In recent years, Corporation promoted the specialization process when outsourced some IP services including security and protection services to professional suppliers.

Marketing and promotion activities also are synchronous in the group. Customers visiting KBC will be introduced to the

business models and products of all the IPs in the group. Additionally, we support and provide freely survey and information about market characteristics and prospects as well as their relevant supply chain. KBC has always tried to support FDI enterprises in completing and filling all legal procedures in order that they can quickly stabilize production activities.

Moreover, recently, thanks to many efforts and internal renovations, KBC has been highly appreciated by banks, investment funds, financial investors both domestic and foreign, thus they willing to bankrolling capital for our new projects and participate as major shareholders of KBC. Conversely, we welcome 2-ways information gate for investors who have interest and wish to cooperate in our new and long-term projects. In 2014, KBC met and exchanged information with 60 investment funds both domestic and foreign, participated in many investment promotion programs in Singapore and South Korea.

REPORT OF BOARD OF MANAGEMENT

1. Rights and responsibilities of BOM:

Pursuant to the Article 25 of the Company charter, the 17th amendment, BOM of KBC takes in charge of orienting and supervising Company operations, controlling management structure and monitoring the Company's administration and legal management that comply with law. Furthermore, BOD shall report to GSM about new activities, significant changes, and large-scale

plans that affected on the long-term strategy of the company.

2. Members of BOM

In 2014, BOM of KBC maintained operating under the Company's Charter provisions with four members until 26 Apr 2014. The number of members increased into 5 members according to the election result in GSM 2014 :

No.	Members	Position	Meeting Attendance	Percentage	Ownership rate
1	Đặng Thành Tâm	Chairman	25	100%	12,83%
2	Huỳnh Phát	Member	25	100%	0%
3	Nguyễn Thị Thu Hương	Member	25	100%	0,06%
4	Ngô Mạnh Hùng	Member	25	100%	0,05%
5	Phạm Phúc Hiếu	Member	16	100%	0,005%

3. BOM main activities

In 2014, BOM cooperates with BOD to implement resolutions for Company's problems in business production activities, investments in IPs and matured debts as follows:

- Planning, monitoring and promoting production and sale activities in 2014. BOD adjusted the business plan that is appropriate to market changes and seizes the favorable opportunities.
- Conducting preparation and organizing Annual General Meeting of Shareholders in 2014.
- Implementing 100 million shares private placement for debt clearing
- Negotiating and completing restructuring plan of matured bond in 2014. Actively capital mobilizing to repay partly principles and interests to related banks.
- Developing mobilizing capital plans through issuing bonds and shares to address Company debt and capital sources issues. With the consent of GSM, BOD actively implemented plans of private placement convertible bonds.
- Expanding trade promotion and marketing activities, focusing on market segments of high tech FDI enterprises from South Korea; in particular pushing up Trang Due 2 progress to handover land for LG 2nd contract on time with scale of nearly 40 hectares. Furthermore,

we kept on looking for new investors for the key industrial parks such as Que Vo, Quang Chau, Tan Phu Trung and Trang Due IP.

- Revising and improving management systems in order to enhance and synchronous service quality within the group, expanding markets segment and heightening market share.
- Restructuring investments portfolio that concentrated on industrial park business, including divest from non-core investments, enhance ownership rate in the potential industrial parks, toward effectively and efficiently manage investment portfolio.
- Strictly monitoring and controlling risk management process with investment activities, core business, cash flow management and financial plan in context of remaining difficult and unusual changes of economy; Ensuring financial ratios at a safe level, remaining balance between cash flow financing for core business investment and for debt repayment in 2014.
- Caring about working environment and promotion; increasing bonuses and salary, allowances for all employees.

BOM has no sub-boards



LIST OF BOM'S RESOLUTION IN 2014

No	No of Resolutions	Date	Content
1	0201/2014/KBC/NQ-HĐQT	2 Jan 2014	About: Approve the remaining investment in Que Vo Existing and Que Vo Expanded IP.
2	0201/2014/KBC/NQ-HĐQT/02	2 Jan 2014	About: Approve 2014 business plan (for the 2014 AGM).
3	2802/2014/KBC/NQ-HĐQT	28 Feb 2014	About: Approve debt restructuring plan in 2014 at PVCom Bank
4	2803/2014/KBC/NQ-HĐQT	28 Mar 2014	About: Mr. Ngo Tuan Dung resigned Deputy General Director of Kinhbaccity Development Holding Corporation
5	2803/2014/KBC/NQ-HĐQT/02	28 Mar 2014	About: Approve debt restructuring plan in 2014 for KBCbond001
6	3103/2014/KBC/NQ-HĐQT	31 Mar 2014	About: Approve criterias to select offered subjects in prive placement and the list of subjects to be offered.
7	104/2014/KBC/NQ-HĐQT	1 Apr 2014	About: Approve business cooperation with CHOLIMEX MEI JSC.
8	0804/2014/KBC/NQ-HĐQT	8 Apr 2014	About: Organizing 2014 AGM and elected Board Member for 2012-2017 term.
9	1904/2014/KBC/NQ-HĐQT	19 Apr 2014	About: Changing business registration and Company charter of KinhBacCity Development holding Corporation.
10	0705/2014/KBC/NQ-HĐQT	7 May 2014	About: Changing additional listed 100 million share of private placement and changing registration records of listed shares, stock code KBC
11	0805/2014/KBC/NQ-HĐQT	8 May 2014	About: Approve adjustment plans for bond marturity and some terms and conditions of KBCbond001 issued on 08 May 2009
12	1005/2014/KBC/NQ-HĐQT	10 May 2014	About: Approve construction plan of factories in Lot G10, E3 in Que Vo IP, Bac Ninh.
13	1606/2014/KBC/NQ-HĐQT/ST4	16 June 2014	About: Approve the transfer of 5.13 million Song Tranh 4 Hydropower JSC shares for Mrs. Hoang Thi Kim Hien.
14	1606/2014/KBC/NQ-HĐQT/DONV	16 June 2014	About: Approve the transfer of 2,000,000 Namviland shares for Mr.Hoang Minh Huong.

15	0207/2014/KBC/NQ-HĐQT	02 July 2014	About: Approve bank loans with Vietinbank - Que Vo Industrial Park Branch.
16	0307/2014/KBC/NQ-HĐQT	03 July 2014	About: Adding Article 2 of Resolution No. 0805 BOD / 2014 / KBC / NQ-HDQT issued on 08 May 2015
17	1507/2014/KBC/NQ-HĐQT	15 July 2014	About: Approve acquisition plan with Saigon Hue Corporation
18	1808/2014/KBC/NQ-HĐQT	18 Aug 2014	About: Approve the tranfer of shares to CHOLIMEX MEI JSC
19	2608/2014/KBC/NQ-HĐQT	26 Aug 2014	About: Nominating a representative to the capital contribution in Saigon – Danang Investment Corporation
20	2909/2014/KBC/NQ-HĐQT/SGH	29 Sep 2014	About: Approve the acquisition of shares Saigon Hue Investment Corporation.
21	1711/2014/KBC/NQ-HĐQT	17 Nov 2014	About: Implementing private placement of convertible bonds plan, capital usage and repayment from the issuance of convertible bonds plan and the list of offered investors buying bonds.
22	0311/2014/KBC/NQ-HDQT	03 Nov 2014	About: Approve adjustment plans for bond marturity and some terms and conditions of bond at PVcombank
23	2811/2014/KBC/NQ-HDQT	28 Nov 2014	About: Approve adjustment plans for bond marturity and some terms and conditions of KBCbond005 issued on 28 Dec 2009
24	1212/2014/KBC/NQ-HĐQT	12 Dec 2014	About Adjusting private placement of convertible bonds plan
25	18/12/2014/KBC/NQ- HĐQT	18 Dec 2014	About: Approve the list of investors buying convertible bonds and Issued Convertible Bonds Date

In 2014, all members of the BOD participated in the administration training programs in Company

4. Assessment of administration in 2014

KBC focused on transparency and highly efficiency in managerial solutions in 2014 to quick response with market changes and contribute to sustainable values strategy of the Corporation. On the scale of Corporation and its subsidiaries, the managerial system is specialized for streamlining and enhancing efficiency of human resources. BOM and BOD has directed to build job descriptions and specific working processes to each department and individuals with aims to professionalize supply chain processes as well as improve assessment both effectiveness and risk more and more exactly. Besides, Company always participates in new training programs, exchanges and updates information not only with authorities and organs such as State Securities Commission of Vietnam, HOSE, local tax departments, but also

6. Share transactions of internal shareholders:

No	Subjects	Relationship with Internal Shareholders	The number of share at the beginning of period		The number of share at the end of period		Reason for increase or decrease
			Amount	Percent **	Amount	Percent ***	
1	Nguyễn Thị Kim Thanh	Wife of Chairman	12,272,770	4.24%	4,252,770	0.91%	Sell
2	Đặng Thị Hoàng Phượng	Sister of Chairman	2,907,649	1%	2,907,649	0.62%	Sell
3	Đặng Nguyễn Quỳnh Anh (*)	Daughter of Chairman	0	0%	10,000,000	2.13%	Buy
4	Đặng Quang Hạnh	Brother of Chairman	168,750	0.06%	0	0%	Sell
5	Đặng Thành Tâm	Chairman	101,250,000	34.24%	60,250,000	12.83%	Sell
6	KinhBac Investment and Consultant Corporation	Major shareholder	0	0%	71,368,500	15.19%	Buy
7	Group: Vietnam Enterprises Investments Limited and Grinling International Limited	Major shareholder	0	0%	29,150,333	6.21%	Buy
8	ERIKOISSIJOITUSRA HASTO ELITE (MUTUAL FUND ELITE (NON-UCITS))	Major shareholder	9,105,840	3.14%	30,914,430	6.58%	Buy

(*) Share transaction of Ms. Đặng Nguyễn Quỳnh Anh occurred from 12 Feb 2014 to 12 Mar 2014

(**) Percentage of ownership at the beginning of period recorded at 1 Apr 2014, closing list of shareholders date. At this point, the percentage calculated based on total outstanding number 289,760,189 shares in circulation.

(***) Percentage of ownership at the end of period calculated at 18 Mar 2015, closing list of shareholders date. At this point, the percentage calculated based on total outstanding number 469,760,189 shares in circulation.

for specializing companies as Deloitte, Earnst & Young, ...

5. Salary, bonuses, allowances and other benefits

For the BOD: Total of remuneration and benefit fund of consolidated BOD was 6.57 billion VND. In particular, the remuneration and benefit fund of Parent company was 3.67 billion VND

For the BOM: Total remuneration in 2014 was 1.3 billion VND

Supervisory Board did not receive remuneration and salary.

In addition, members of Board of Executives entitled other benefits including: private car and phone usage, the social and health insurance, other types of insurance, periodic health examination and other allowances applied to their business trips.

7. Transactions with related parties:

Unit: VND

Related parties	Content	Amount
Mr.Đặng Thành Tâm	Advance	38.297.901.111
	Advance clearance	33.688.647.105
Other short-term receivables		
Saigon – Hue Investment Corporation	Interest-free loans	400.000.000
Saigon Telecommunication & Technologies Corporation	Other short-term receivable	31.492.687.097
Advance		
Mrs.Nguyễn Thị Thu Hương	Advance	3.960.772.420
Mr. Đặng Thành Tâm	Advance	6.638.125.088
Mrs. Nguyễn Chung Thủy	Advance	180.000.000
Mr. Phan Anh Dũng	Advance	110.000.000
Short-term loan		
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Short-term loan	112.330.830.000
Trade payable		
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Good purchases	17.160.000
Accrued expenses		
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Interest payable	235.894.743

8. Assessment with BOD activities

Undergoing a year of many challenges, BOM appreciated the performance of BOD who directed KBC to overcome the most difficult stage. Following BOM orientation, BOD allocated reasonably resources between re-investment and loan repayment, contributing to the overall success of the group. Each member of BOD performed well as a leader in their charge of professions as finance, sales and engineering. Therefore, they generated outstanding achievements as follows:

Regarding core business and investment

Outcome exceeded the targets that were BOM and GSM approved

Reinvestment projects in the key industrial parks carefully planned that satisfy market's needs. BOD manipulated to implement these projects quickly, promptly and at the same time promoted investment attraction to accelerate inventory cycles.

BOD also actively promoted brand promotion activities, marketing and sales, built customer relations with FDI enterprises, investor relations in Vietnam and overseas. Furthermore, BOD also regularly updated new trend in the market to adjust plan and provide the best services to customers

Regarding financing activities

BOM appreciated BOD endeavor in excellently allocating resource to funding for matured debt repayment activities. Moreover, raising capital and restructuring debt are also successful.

Regarding accounting regulations

Our financial statements complied with current accounting standards and regulations. Publicizing financial reports and disclosing periodic financial information fully implemented under requirements for a listed company.

In addition, BOD made great efforts to improve working environments to be more professional and high-quality.

9. Development plan for 2015

- Monitoring investment plans that BOD submitted, especially developing projects Nam Son Hap Linh IP and Phuc Ninh New Urban Area.
- Orienting and directing BOD plans for annual cash flow, mobilizing capital in balance between investment activities and financial restructuring.
- Strengthening on risk management and ensuring financial indicators at the industry average level or better. Supervising internal regulations of the Corporation, and formulating appropriate rewards and punishments.
- Building and maintaining a consultant team who regularly updates the macroeconomic situation, financial status, changes in policies for timely giving advices for Board of Executives in strategy adjustments.
- Developing and approving investment portfolio with the goal of core business. Accessing and negotiating with both domestic and international corporations to transfer some energy projects.
- Strengthening trade and investment promotion and sending representatives to meetings at

World Economic Forum, high-level economic conferences ...; Welcoming and working with foreign investors and financial institutions.

- Requiring BOD to develop investor relations activities, regular updating changes in ownership of major shareholders. Implementing publication activities with critical information to the relevant authorities, shareholders and investors promptly and accurately.
- Building and nurturing human resources that full of professional staffs with high qualifications, experience and enthusiasm; Participating in corporate governance training courses; Continuously improving salary, bonus and remuneration policies, creating a professional, safety and comfort working environment, encouraging the creativity of employees.

With the solid foundation of corporate culture, BOM will continue to uphold leadership role in strategic issues from short term to long term

SUPERVISORY BOARD REPORT

1. Members of Supervisory Board

No	Members	Position	% Ownership
1	Nguyễn Chung Thủy	Head	0.01%
2	Phan Anh Tuấn	Member	0%
3	Lê Thị Thu Hằng	Member	0%

On 26 Apr 2014, General Meeting of Shareholders appointed Mr. Phan Anh Tuan to be a member of Supervisory Board replacing Mr. Bui Ngoc Quan.

2. Performance in 2014

In 2014, Supervisory Board implemented the main tasks as following:

- Monitor financial management system and financial statements preparation to ensure honest and fair of given financial figures; Coordinating and updating information with appointed independent auditors about financial statements;
- Consider and evaluate internal management of BOD and BOM and their members, managers and leaders based on the highest benefits for shareholders and corporation;
- Consider and evaluate the operational coordination among departments and areas in management and business administration system;
- Attend at regular meetings or extraordinary of the BOD and BOM to supervise and consult;
- Supervise and control implementation General Shareholders' Meeting resolutions

Conclusion of Supervisory Board:

Business Results: From the point of Supervisory Board, we committed that announced business

results of Company were checked the correctness, legality and sufficient with current financial report regulations. The features and data ensured integrity and accuracy. Company's financial activities in 2014 are entirely transparent that complied with the law and the charter of Company

Financial management: Cash flow, equity and assets management process are guaranteed the highest level of safety, minimizing risk to the business. The financial reports (with or without the assessment of independent audit) described accurately Company's financial status in a transparent and reasonable view. The financial statements issued and published on time according to regulation for a listed company.

BOM performance: Overall, BOM led and managed Company operation according to approved plan and targets. Chairman and CEO clearly assigned tasks to Board members to ensure the progress. Task result regularly reported, then BOM and BOD would adjust and control in every stage through meetings.

The senior managers carried out their professional tasks and fully complied with their assigned duties and functions that ensure effectiveness and efficiency at work. Based on the actual performance, senior managers report regularly



or extraordinary to BOD to promptly consult and resolve current issues.

Coordination: Board of Management, Supervisory Board, Board of Directors had the close coordination in every activities. The Resolution of GSM and BOM are monitoring and controlling sufficiency and implementation process by Supervisory Board

3. 2015 development

The Supervisory Board commit to improve assessment process as well as coordinate with the BOM and BOD to gain the best review about business results, financial management, financial restructuring of the Group. Supervisory Board also committee to fulfill their role and their duties with honesty, transparency and prudence goals in order to provide for shareholders a comprehensive and accurate view about the Group's activities



Stock KBC- Investor relations activities

KBC is a stock converging influence of macroeconomic factors such as national economic growth and business world, economical and social policies and local incentives, land rights, monetary policy, FDI, interest rates, political and diplomatic relations between countries, etc. It possible to say that KBC stock followed the general development trend of the economy. We emphasize this trait to shareholders and investors to access and evaluate our performance in a comprehensive way.

Year 2014, KBC was appreciated by foreign institutional investors. Currently, 03 foreign institutions always maintain their ownership rate as the major shareholders of KBC, including Mutual Fund Elite Fund held 7.1% (reported on 6 Apr 2015); Deutsche Bank AG group held 5.17% (report on 27 Mar 2015) (this group of shareholders always maintain high ownership rate over the years); Group shareholders Vietnam Enterprise Investments Limited held 5.49%. In addition, some domestic institutions always own KBC shares from 3% to 4.9% over the years. Recognizing attention from major corporations and investors, KBC pledged our best efforts for sustainable growth, bringing benefits to shareholders, and create confidence for investors.

Investor relations in KBC always respected with the orientation: ready to answer any

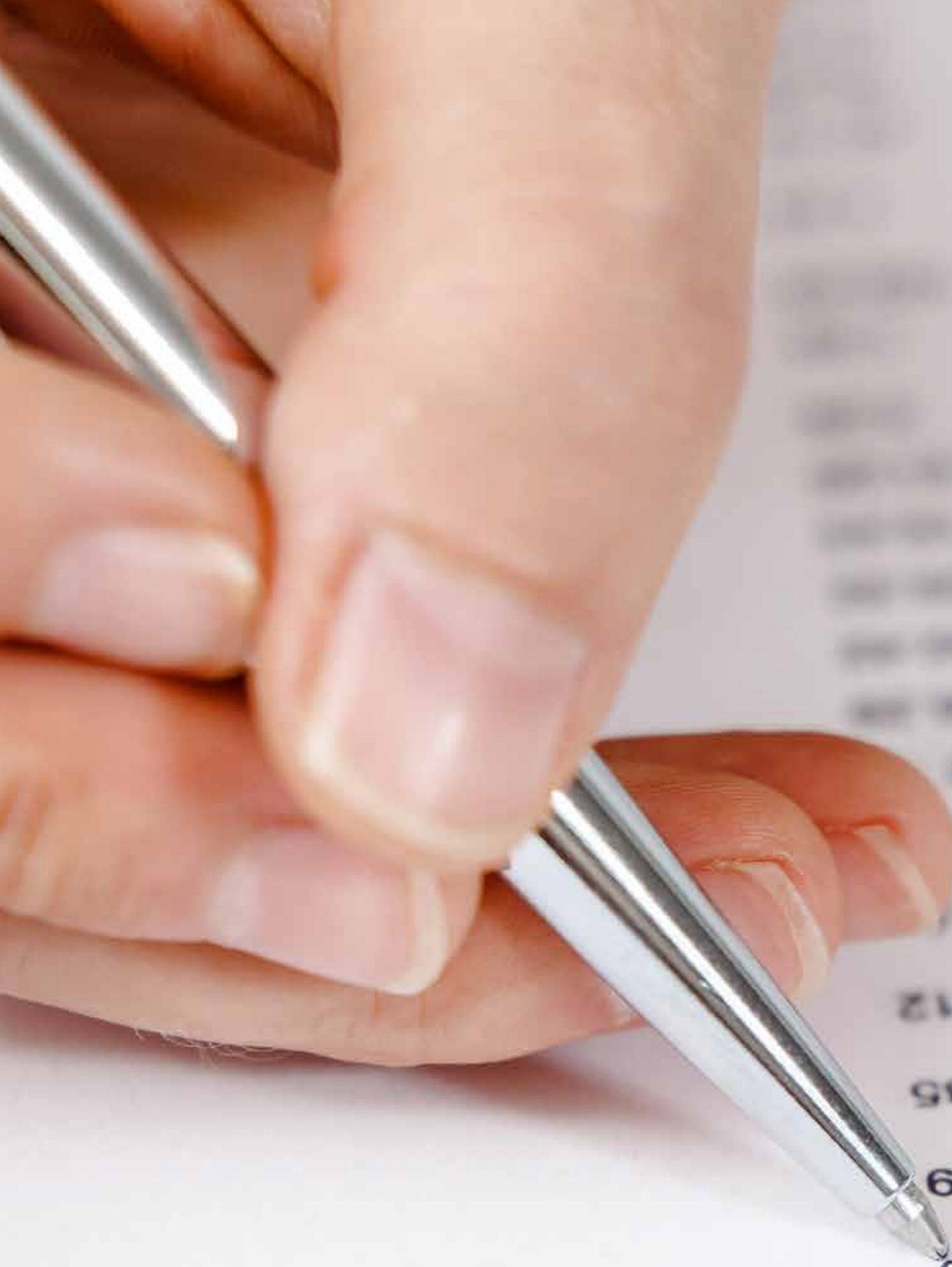
questions as well as listen to all suggestions from shareholders and investors for long-term improvement. In 2014, approximately 60 meetings with investment funds and analysts were held, in which 02 meetings with over 30 foreign and domestic investors and fund representatives took place in Hanoi and Hai Phong. In addition, KBC was repeatedly invited to the event “Business in Vietnam” in Singapore hold by Daiwa; on 26 Mar, 2015 KBC recently held a conference with the participation of 20 investors in our head office and simultaneous participated in Vietnam Access Day of Ban Viet Securities Company in Ho Chi Minh City

In conclusion, KBC always try our best to provide accurate, transparent and updated information to shareholders and investors. We look forward to sharing information with shareholders and investors, as well as receiving feedback for better development of Group. Hence, whenever you have any concern about the situation of the company, we respectfully request that shareholders and investors to contact us via official email:

Email: info@kinhbaccity.com; kinhbac.kbc@gmail.com



CONSOLIDATED FINANCIAL STATEMENTS



Reference: 60774739/16942208

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 27 March 2015 and set out on pages 6 to 63, which comprise the consolidated balance sheet as at 31 December 2014, 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 consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity'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 entity'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 2014, 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 consolidated financial statements.

Ernst & Young Vietnam Limited



Bui Anh Tuan
Deputy General Director
Certificate No.1067-2013-004-1

Hanoi, Vietnam

27 March 2015



Nguyen Quang Trung
Auditor
Certificate No.1938-2013-004-1

CONSOLIDATED BALANCE SHEET

as at 31 December 2014

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		10,649,032,690,560	9,989,721,218,349
110	I. Cash and cash equivalents	4	149,105,090,802	103,092,930,135
111	1. Cash		93,733,757,469	32,210,042,635
112	2. Cash equivalents		55,371,333,333	70,882,887,500
120	II. Short-term investments	5	2,497,416,000	2,060,368,200
121	1. Short-term investments		7,490,461,369	7,490,461,369
129	2. Provision for short-term investments		(4,993,045,369)	(5,430,093,169)
130	III. Current accounts receivable		2,830,013,504,121	2,367,769,666,320
131	1. Trade receivables	6.1	710,633,068,859	702,069,845,959
132	2. Advances to suppliers	7	1,334,536,831,350	1,482,397,884,873
135	3. Other receivables	8	804,193,496,379	201,597,419,361
139	4. Provision for doubtful debts	6.1,8	(19,349,892,467)	(18,295,483,873)
140	IV. Inventories	9	7,616,350,104,559	7,473,006,269,886
141	1. Inventories		7,616,350,104,559	7,473,006,269,886
150	V. Other current assets		51,066,575,078	43,791,983,808
151	1. Short-term prepaid expenses		2,588,293,334	47,960,000
152	2. Value-added tax deductible		3,269,129,928	3,137,979,582
154	3. Tax and other receivables from the State	10	8,655,756,459	10,350,865,367
158	4. Other current assets	11	36,553,395,357	30,255,178,859

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2014

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		2,399,789,351,686	2,542,618,067,494
210	I. Long-term receivables		461,843,137,391	282,133,824,327
211	1. Long-term trade receivables	6.2	461,757,137,391	281,833,824,327
218	2. Other long-term receivables	12	86,000,000	300,000,000
220	II. Fixed assets		375,591,958,648	390,486,548,846
221	1. Tangible fixed assets	13	138,923,585,647	144,314,562,464
222	Cost		241,743,465,160	225,389,150,811
223	Accumulated depreciation		(102,819,879,513)	(81,074,588,347)
227	2. Intangible fixed assets		-	1,039,958
228	Cost		72,075,500	69,765,625
229	Accumulated amortisation		(72,075,500)	(68,725,667)
230	3. Construction in progress	14	236,668,373,001	246,170,946,424
240	III. Investment properties	15	22,182,071,105	129,011,096,823
241	1. Cost		27,405,394,467	143,955,325,658
242	2. Accumulated depreciation		(5,223,323,362)	(14,944,228,835)
250	IV. Long-term investments	17	1,517,791,599,580	1,715,016,464,634
252	1. Investments in associates, jointly controlled entities	17.1	445,993,554,433	745,228,428,541
258	2. Other long-term investments	17.2	1,141,492,700,000	1,065,084,700,000
259	3. Provision for long-term investments	17	(69,694,654,853)	(95,296,663,907)
260	V. Other long-term assets		22,380,584,962	25,970,132,864
261	1. Long-term prepaid expenses	18	22,320,584,962	25,970,132,864
268	2. Other long-term assets		60,000,000	-
269	VI. Goodwill		-	-
270	TOTAL ASSETS		13,048,822,042,246	12,532,339,285,843



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CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2014

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		6,792,340,509,760	7,617,564,197,957
310	I. Current liabilities		3,302,950,406,511	6,520,855,395,714
311	1. Short-term loans and borrowings	19	998,211,850,989	3,304,410,886,400
312	2. Trade payables	20	55,676,320,830	393,777,044,013
313	3. Advances from customers	21	408,858,439,492	432,218,422,762
314	4. Statutory obligations	22	167,497,455,109	100,107,252,183
315	5. Payables to employees		1,606,801,500	26,396,001
316	6. Accrued expenses	23	1,423,632,597,189	1,229,257,881,172
319	7. Other payables	24	240,332,662,093	1,053,923,233,874
323	8. Bonus and welfare fund		7,134,279,309	7,134,279,309
330	II. Non-current liabilities		3,489,390,103,249	1,096,708,802,243
331	1. Other long-term liabilities	25	45,522,272,982	131,537,192,591
334	2. Long-term loans and debts	26	3,054,659,342,874	553,468,534,330
335	3. Deferred tax liabilities	34.3	383,592,201,739	403,616,704,539
338	4. Unearned revenue		5,616,285,654	8,086,370,783
400	B. OWNERS' EQUITY		5,376,097,657,684	4,050,480,428,177
410	I. Capital	27	5,376,097,657,684	4,050,480,428,177
411	1. Issued share capital		3,957,111,670,000	2,957,111,670,000
412	2. Share premium		611,603,430,000	611,603,430,000
414	3. Treasury shares		(364,466,650,000)	(364,466,650,000)
415	4. Investment and development fund		2,223,693,823	2,223,693,823
420	5. Undistributed earnings		1,169,625,513,861	844,008,284,354
439	C. MINORITY INTERESTS	28	880,383,874,802	864,294,659,709
440	TOTAL LIABILITIES AND OWNERS' EQUITY		13,048,822,042,246	12,532,339,285,843

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2014

OFF BALANCE SHEET ITEMS

ITEMS	Ending balance	Beginning balance
Foreign currency		
- United states dollar (US\$)	14,377	8,323

Vu Thanh Diu
Preparer

Pham Phuc Hieu
Chief Accountant

Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

27 March 2015



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CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2014

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	29.1	1,069,035,499,895	1,082,071,723,679
02	2. Deductions	29.1	-	9,250,302,351
10	3. Net revenue from sale of goods and rendering of services	29.1	1,069,035,499,895	1,072,821,421,328
11	4. Cost of goods sold and services rendered	30	481,366,165,270	577,261,858,138
20	5. Gross profit from sale of goods and rendering of services		587,669,334,625	495,559,563,190
21	6. Finance income	29.2	143,894,837,330	38,553,684,722
22	7. Finance expenses	31	292,150,961,413	378,719,932,836
23	- In which: Interest expenses		251,673,017,974	310,697,062,935
24	8. Selling expenses		17,688,233,075	10,586,285,411
25	9. General and administrative expenses		80,645,935,431	55,631,950,704
30	10. Operating profit		341,079,042,036	89,175,078,961
31	11. Other income	32	797,669,217	19,866,438,385
32	12. Other expenses	32	90,689,835	6,242,770,187
40	13. Other profit	32	706,979,382	13,623,668,198
45	14. Shares of loss from associates	17.1	(513,929,038)	(17,000,777,800)
50	15. Profit before tax		341,272,092,380	85,797,969,359
51	16. Current corporate income tax expense	34.1	49,327,460,540	53,482,443,447
52	17. Deferred income tax income	34.3	20,024,502,799	46,500,339,795
60	18. Net profit after tax		311,969,134,639	78,815,865,707
61	- Minority interests	28	(13,648,094,868)	6,316,813,807
62	- Equity holders of the parent	27.1	325,617,229,507	72,499,051,900
70	19. Earnings per share			
	- Basic	36	904	250
	- Diluted		903	250

Vu Thanh Diu
Preparer

Pham Phuc Hieu
Chief Accountant

Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

27 March 2015

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CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2014

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax		341,272,092,380	85,797,969,359
	Adjustments for:			
02	Depreciation and amortisation		32,881,714,180	34,248,291,291
03	Provision		(4,984,648,260)	53,867,805,419
04	Unrealised foreign exchange loss	31	3,588,622,690	360,698,030
05	Profit from investing activities		(130,804,474,566)	(3,655,459,465)
	Loss from reduction of ownership in subsidiary	31	35,333,255,565	-
06	Interest expense	31	251,673,017,974	310,697,062,935
08	Operating profit before changes in working capital		528,959,579,963	481,316,367,569
09	Increase in receivables		(130,370,442,798)	(361,314,931,082)
10	Decrease in inventories		19,927,631,511	157,252,243,773
11	Increase in payables		361,034,537,926	250,775,697,311
12	Decrease in prepaid expenses		1,109,214,568	14,923,105,083
13	Interest paid		(265,143,438,037)	(357,029,679,334)
14	Corporate income tax paid	34.2	(3,239,921,072)	(1,198,864,115)
15	Other cash inflow from operating activities		-	11,828,369,470
16	Other cash outflows from operating activities		(12,085,312,450)	(1,539,969,148)
20	Net cash flows from operating activities		500,191,849,611	195,012,339,527
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(24,291,863,634)	(21,490,844,804)
22	Proceeds from disposals of fixed assets and other long-term assets		227,272,727	-
25	Payments for investments in other entities		(839,226,983,978)	(87,300,000,000)
26	Proceeds from sale of investments in other entities		209,110,000,000	-
27	Interest and dividends received		5,112,285,445	3,200,005,709
30	Net cash flows used in investing activities		(649,069,289,440)	(105,590,839,095)

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CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 31 December 2014

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	Drawdown of borrowings		900,000,000,000	127,798,000,000
34	Repayment of borrowings		(705,109,371,518)	(183,686,392,758)
40	Net cash flows from/(used in) financing activities		194,890,628,482	(55,888,392,758)
50	Net increase in cash and cash equivalents		46,013,188,653	33,533,107,674
60	Cash and cash equivalents at the beginning of the year		103,092,930,135	69,559,822,461
61	Impact of exchange rate fluctuation		(1,027,986)	-
70	Cash and cash equivalents at the end of the year	4	149,105,090,802	103,092,930,135

Vu Thanh Diu
Preparer

Pham Phuc Hieu
Chief Accountant

Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

27 March 2015



SHAREHOLDERS AND INVESTORS MAY SEE FINANCIAL STATEMENTS ON OUR WEBSITE:

<http://www.kinbaccity.com> AND <http://www.hsx.vn>

THANK YOU



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