

No: 1108/2022/KBC-CK

Bac Ninh, August 11th 2022

EXTRAORDINARY INFORMATION DISCLOSURE

- To:**
- State Securities Committee;
 - Ho Chi Minh Stock Exchange;
 - Hanoi Stock Exchange;
 - Shareholders.

1. Name of organization: Kinh Bac City Development Holding Corporation

- Securities code: KBC
- Bond code: KBC121020
- Address: Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam
- Tel: (0222) 3634034
- Fax: (0222) 3634035
- E-mail: info@kinhbaccity.vn
- Website: <http://www.kinhbaccity.vn>

2. Content of disclosure:

Pursuant to the current regulations on information disclosure on the securities market, Kinh Bac City Development Holding Corporation (KBC) would like to clarify the recent news so that our valued Management Agencies, Shareholders and Investors shall understand as below:

2.1 Regarding advances to leaders and employees:

One of the consequences of the China-US trade war is the trend of shifting investment locations to Southeast Asian countries. In particular, Vietnam is always the top concern for foreign investors due to its stable political-economic situation and open investment mechanism. Seizing this opportunity, KBC's leaders made an action plan, focused all financial and human resources to expand the land fund in order to catch this wave of investment transformation. After a period of efforts to implement this plan, KBC has achieved some encouraging results such as being recognized as the investor of Tan Tap industrial clusters (71.2 ha); Phuoc Vinh Dong 2 Industrial Park (49.1 ha); Phuoc Vinh Dong 4 Industrial Park (49.8 ha); Tan Tap Industrial Park (654 ha); Loc Giang Industrial Park (466 ha) in Long An province; Dang Le, Chinh Nghia and Kim Dong Industrial Clusters in Hung Yen province (225 ha); Expanded Trang Due Industrial Park (687 ha). Especially, KBC is currently preparing the necessary procedures to start the construction of the Quang Yen Electronics factory project with an area of 33.06 hectares in Quang Ninh province. In order to achieving these positive results, apart from promoting internal strength, an open legal policy also contributes significantly to KBC's success. Specifically, on the basis of the provisions of the law and the Corporation's internal management regulations, KBC and its member units have advanced to employees to perform the compensation and land clearance operations, receive the transfer of land use rights of people in the localities where KBC plans to implement the projects. These are regular operations serving the Corporation's activities, which are performed in

accordance with the law and strictly comply with the Corporation's internal governance regulations.

2.2 Regarding business results in the second quarter of 2022:

With a long-term development strategy which brings sustainable benefits to all Shareholders, in addition to the development and expansion plan of the above land fund, the Board of Directors of the Corporation always adopts the policy towards expanding existing industrial parks across the country, processing more investments to increase ownership in potential industrial parks that KBC has invested in, thus, expanding the land fund. Realizing this policy, in the first six months of 2022, KBC purchased an additional 28.5% share capital of Saigon - Da Nang Investment Corporation (SDN) (Previously, KBC held 19.5% of capital shares of SDN), raising the total share capital owned to 48% and SDN became an affiliated company of KBC. The increase in KBC's ownership ratio in investment companies, with support from KBC, will ensure that the companies' projects are strongly implemented in the coming time.

SDN is the investor of Lien Chieu Industrial Park (289 ha), Expanded Hoa Khanh Industrial Park (133 ha), Bau Tram Lake Side urban project (46 ha), Dragon City urban project (78 ha) and other residential and social housing projects. SDN is a company operating in the same industry as KBC since its establishment. We have foreseen the potential development of projects at SDN for at least the next 3-5 years and evaluate this as an investment that will bring great benefits to KBC's shareholders.

In parallel with the implementation of a long-term, sustainable development strategy, aiming to maximize profits for the benefit of all Shareholders, KBC and its subsidiaries are always aware of the importance of complying with the laws and regulations on internal management of each enterprise. All actions must be taken in accordance with legal procedures, standards and conventions. Typically, according to Accounting Standard No. 11 – Business Combinations and Accounting Standard No. 07 - Accounting for investments in associates and other relevant regulations.

According to the content of the Standard:

Investments are accounted for using the equity method from the date the investee becomes a joint venture or associate. When acquiring an investment, the difference between the cost of the investment and the investor's share of the fair value of the investee's net identifiable assets is accounted for as follows:

a) Goodwill arising from the acquisition of an investment in a joint venture or associate is included in the carrying amount of the investment. Enterprises are not allowed to gradually allocate this goodwill.

b) The difference of the investor's share of the fair value of the investee's net identifiable assets that is greater than the cost of the investment is recognized immediately as income when determining the investor's ownership in the business results of the joint venture or associate in accordance with the period of acquisition of the investment.

Therefore, as at June 30, 2022, based on the results of SDN's valuation reports from reputable valuation organizations and on a prudent basis, KBC recorded it in the Consolidated financial statements for Quarter II/2022 as other income from this transaction at VND 2,397 billion (Please find Note 29 – Consolidated Financial Statements for Quarter II/2022).

3. This information was published on the company's website on August 11th 2022 at the link <http://www.tinhbaccity.vn>.

We hereby certify that the information provided is true and correct and we bear the full responsibility to the law.

Thank you!

Attachments:

- *As above*
- *KBC Admin*

**On behalf of KINH BAC CITY DEVELOPMENT
HOLDING CORPORATION - JSC
ĐÔ THỊ KINH BẮC – CTCP
Authorized person to disclose information
Deputy General Manager**

(signed and stamped)

Pham Phuc Hieu