



## KINH BAC CITY DEVELOPMENT HOLDING CORPORATION

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KINH BAC CITY DEVELOPMENT HOLDING CORPORATION

ANNUAL REPORT 2022



# KBC - WHERE FDI AND MONEY CONVERGE

# ANNUAL REPORT 2022





# Preamble

**The Board of Directors - Kinh Bac City Development Holding Corporation (KBC)** would like to thank all Executive Board of the Corporation, its subsidiaries, associates, all employees, Valued Customers, Partners, Agencies, Banks and Financial Institutions, Esteemed Shareholders, Investors, Organizations and Individuals has been accompanying KBC for two decades.

Entering the new business decade, KBC has been attracting institutions and individuals who have the same Vision and Mission to build **KINHBAC CITY** brand to develop more and more sustainably, contribute many values for KBC, KBC' shareholders and society, etc.



**Mr. Dang Thanh Tam - Chairman  
and Ms. Nguyen Thi Thu Huong - General Director**



**Representatives of Board of Directors, Executives  
Board and Leaders of Member Company**

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## LIST OF ABBREVIATIONS

<b>RE:</b> Real Estate	<b>BOS:</b> Board of Supervisors
<b>FDI:</b> Foreign Direct Investment Capital	<b>CEO:</b> Chief Executive Officer
<b>IP:</b> Industrial Park	<b>KBC:</b> Kinh Bac City Development Holding Corporation
<b>UA:</b> Urban Area	<b>HOSE:</b> Ho Chi Minh Stock Exchange
<b>SM:</b> Stock Market	<b>SHP:</b> Saigon - Haiphong IP Corporation
<b>JSC:</b> Joint Stock Company	<b>SBG:</b> Saigon - Bacgiang IP Corporation
<b>BOD:</b> Board of Director	<b>SCD:</b> Northwest Saigon City Development Corporation
<b>BOM:</b> Board of Management	<b>Social Housing:</b> SH

## VISIONS, MISSIONS, CORE VALUES



### A. VISIONS

Becoming the leading Corporation in Vietnam in providing space for working, living modernly, sustainably.

### B. MISSIONS

KBC has contributed for society an environment for working, living with Green, Clean, Beauty, Free Chimney, No Environment Pollution through providing space for building factories inside the Green and Modern Industrial Park where high-tech, multi-national corporations in the world have been coming to Vietnam to invest and build factories.

KBC has contributed to provide for society dream houses in the new residential areas for expatriates working in the industrial park, for workers, residents, and so on.

KBC has contributed to provide standard, innovative company governance procedures which can be applicable for many other enterprises with large scale to operate smoothly, decrease errors, meet management agency's requirements and current legal regulations, to maximum values for shareholders and create the harmonious and creative working environment for employees.

### C. CORE VALUES

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

- ▶ Diversified and competitive products, services which meet customers' need and the very detailed requirements of each customer;
- ▶ Attract, connect, serve diverse customer networks from many countries and territories all over the world in the field of high technology industry, biotechnology, electronics, machine building, precision machinery.
- ▶ Provide Vietnam's investment policies to international investors during the past 20 years, increasingly affirming the leading ability to attract FDI, concentrating on high technology corporations, multinational corporations.
- ▶ Create hundreds of thousands jobs for people from high school level, contributing to budget's provinces and cities where KBC develops in particular, and procedures for industrialize and modernize building of country in general.

# PART I

## CORPORATION INFORMATION



### 1. GENERAL INFORMATION

- ▶ **Corporate name in Vietnamese:** TỔNG CÔNG TY PHÁT TRIỂN ĐÔ THỊ KINH BẮC - CTCP
- ▶ **Corporate name in English:** KINH BAC CITY DEVELOPMENT HOLDING CORPORATION
- ▶ **Abbreviation:** KINHBAC CITY GROUP
- ▶ **Enterprise Registration Certificate number:** 2300233993, issued by Bac Ninh Department of Plan and Investment on 27th March 2002, 18th amendment on July 5, 2022.
- ▶ **Charter Capital:** VND 7,676,047,590,000
- ▶ **Equity as at December 31, 2022:** VND 17,845,519,292,086
- ▶ **Address:** Lot B7, Que Vo IP, Phuong Lieu commune, Que Vo district, Bac Ninh province, Viet Nam
- ▶ **Tel.:** 0222 3634034      **Fax:** 0222 3634035
- ▶ **Website:** <https://www.kinhbaccity.vn>
- ▶ **Share Code:** KBC
- ▶ **Legal Representative:** Mr. Dang Thanh Tam

## DEVELOPMENT PROGRESS

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

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

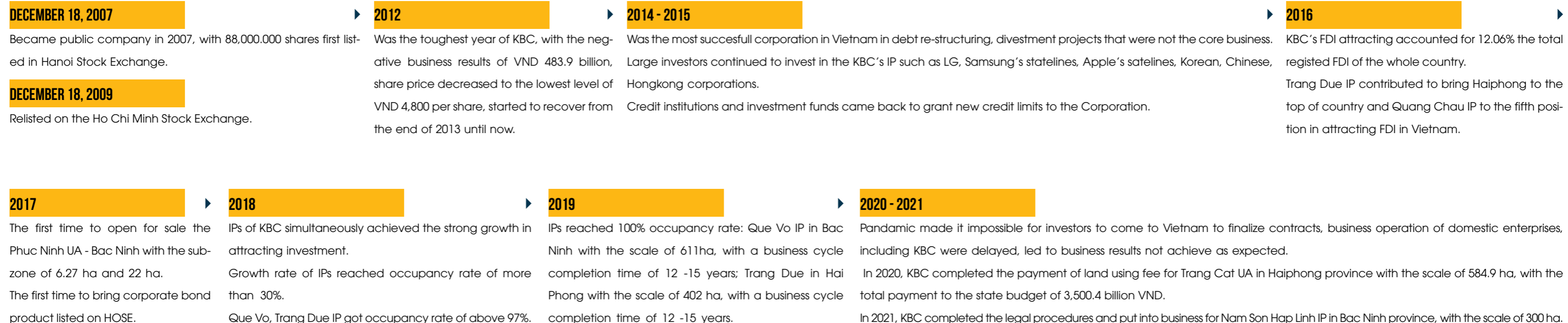
KBC and investors but also contribute significantly to the development of society.

As of December 31, 2021, KBC's IP land bank was 6,386.54 ha, accounted for 5.19% IP land bank of the whole country, increasing by 22.45% compared to 2021, due to the establishment of the new land bank in Long An, Hung Yen and Hochiminh City. With the current size of land bank, KBC ensure to meet many different demands in case of location for investors.

Currently, KBC owns 1,262.8 ha of residential area from North to South, increasing by 7.23% compared to 2021, and the area of projects which are used to build factory directly is 78.9 ha.

It is expected that in 2023, the Corporation is going to complete the establishment of big projects in Hai Phong, Long An, Hung Yen, Hai Duong in order to meet diverse needs of investors in case of area, location.

### DURING THE 20 YEARS OF FORMATION AND DEVELOPMENT, KBC HAS GROWN SIGNIFICANTLY IN BOTH SCALE AND QUALITY, AND HAS EXPERIENCED NUMEROUS MEMORABLE MILESTONES:



**KBC IS PRIVATE CORPORATION WHICH CONTINUOUSLY HONORED TO ACHIEVE 16 EMULATION FLAGS FOR EXCELLENT LEADING GOVERNMENT, HAVING GROWTH RATE IN CAPITAL SINCE ITS ESTABLISHMENT IN 2002, FROM 20 BILLION VND TO 7,676.05 BILLION VND. AS AT DECEMBER 31, 2022, OWNER' EQUITY REACHED 17,845.52 BILLION VND, TOTAL ASSETS REACHED 34,906.51 BILLION VND.**

## 2022 IMPRINTS – DEVELOPMENT OF NEW PROJECTS – ATTRACTING LARGE INVESTORS

The world reopened, the wave of shifting production lines to Southeast Asia countries to avoid the supply chain disruption has occurred. In particular, Vietnam became one of the notable destinations due to cheap labour resources and incentives for foreign investment. Taking advantage from this wave, KBC signed many contract principles on land lease with big value in 2022, with the total area of land that hadn't recognized in 2022 reaching 107 ha.

### ▶ **Quang Chau, Bac Giang IP was a highlight in 2022**

With the total area signed and leased was 77.4 ha with the total value of 2,460 billion dong. In particular, Ingrasys (Singapore) Pte, the subsidiary of Foxconn Corporation of Taiwan signed contract with the total areas of 49.6 ha for "Fulian precise technology factory" project with the total amount above 1,624 billion dong. Currently, this project was granted investment registration certificate on January 2, 2023 at Bac Ninh, and expect to come into operation from forth quarter of 2023.

### ▶ **2022 is the year of expanding land bank (1,255.8 ha), the biggest expansion ever.**

- On March 18, 2022, the Prime Minister approved "Decision on investment policy on construction and infrastructure business of Tan Tap - Long An IP" with the scale of 654 ha and the total investment of 9,910.7 ha.

- On April 19, 2022, the Prime Minister approved "Decision on investment policy on construction and infrastructure business of Loc Giang - Long An IP" with the scale of 466 ha and the total investment of 5,198.2 ha, ect.

- On November 18, 2022, People's Committee of Long An province approved decision on policy for the Resettlement Area Project serving for Loc Giang IP with the scale of 31 ha and the total investment capital of 443.7 billion dong.

- On November 4, 2022, the Prime Minister approved Decision on Investment Policy for construction and infrastructure business for expanded Quang Chau IP in Bac Giang province, with the total scale of 90 ha and total investment capital of 996 billion dong. At the same time, on December 5, 2022, the People's Committee approved Decision on adjusting plan expanded Quang Chau IP with the ratio of 1/2,000. With the advantages of available clear land bank, the project immediately attracted Ingrasys (Singapore) Pte. Ltd to sign land lease contract with the area of 49.6 ha.

### ▶ **Increase the ownership rate at Saigon - Danang Investment Corporation (SDN)**

In the year, the ownership rate of KBC in SDN increased to 48%, this transaction helped KBC to gain 2,182.3 billion dong in profit in associates due to difference between net asset value of SDN and purchase price. This transaction has opened opportunities for expanding business of the Corporation in Da Nang.

### ▶ **KBC completed the sale of treasury shares and issuing shares from owner's equity.**

All 5,950.78 million treasury shares were sold successfully with the average price of 56,246 dong per share, earning nearly 334.72 billion dong; at the same time, KBC used 1,918.9 billion from surplus equity and undistributed profit to issue 191,893,592 shares to increase charter capital, bringing the total number of outstanding shares to 767,604,759 shares.

### ▶ **Organizing successfully 03 General Meeting of Shareholders**

In 2022, the Company successfully organized General Meetings of Shareholders as follows: the First Extraordinary General Meeting of Shareholders dated February 10, 2022, the General Meeting of Shareholders dated June 25, 2022 and the Second Extraordinary General Meeting of Shareholders on December 28, 2022.



## AWARDS

KBC is a public corporation with no state ownership, during 21 years of operation and developments, the Corporation and its subsidiaries have been awarded 02 Second-class Labor Medals, 02 Thirdclass Labor Medals, 16 excellent emulation flags leading by the Government (of which, there was 01 emulation flag in 2022), have been awarded Certificates of Merit and prestigious ratings by authorities at all levels and prestigious rating organizations at home and abroad, for example:

- ▶ Awarded Certificate of Merit by the Minister of Planning and Investment for achievements in the construction and development IPs in Bac Ninh and in Hai Phong.
- ▶ Awarded Certificates of Merit from Chairman of People's Committees of provinces and cities such as: Bac Ninh, Hai Phong, Long An... for many outstanding achievements and positive contributions to the socio-economic development of the provinces; As a typical enterprise in the field of IP infrastructure investment, attracting FDI, contributing to the State budget, creating jobs for local workers, and actively participated in social work such as the prevention of Covid-19 pandemic in Bac Ninh, Bac Giang, Tien Giang, etc.
- ▶ Received Certificate of Merit from Bac Ninh Public Security and Bac Ninh Department of Labor, War Invalids and Social Affairs for outstanding achievements in Technical Sports Festival of fire fighting and rescue profession technique manoeuvres in the Que Vo IP; achieved excellent achievements in occupational safety and hygiene.
- ▶ KBC has won many awards such as: Vietnam National Brand Award, ASEAN Excellent Enterprise, Vietnam Gold Star, etc.
- ▶ Been in the list of 50 best listed companies in Vietnam announced by Forbes for 3 consecutive years
- ▶ In 2022 Chairman of Bac Ninh People's Committee granted Certificate of Merit to Kinh Bac City Development Holding Corporation due to having many outstanding achievements in fulfilling obligation to the state budget in 2021; Also, Director of General of Taxation Department awarded Certificate of Merit to the individuals in Executive Boards, Chief Accountant who fulfilled excellent tax obligations in 2021 and obeyed legal regulations in tax; its subsidiaries still received Certificate of Merit, emulation flags in leading Government for their achievements in building and developing IPs.

In addition, KBC is always evaluated as one of the enterprises with very good investor relations activities, was one of the 15 enterprises that received the Certificate of Merit from the Chairman of the State Securities Commission for many consecutive years of winning the Best Annual Report Award; According to Vietstock.vn survey, KBC is rated as one of the listed companies with good Investor Relations (IR) activities. Most investment funds and securities companies are satisfied when they contact KBC to share information and share investment opportunities such as SSI, HSC, Ban Viet, MBS, KIS securities companies; investment funds such as Dargon Capital, Vinacapital, ect. In 2022, KBC was listed in top 15 Annual Report with the largest charter capital and top 10 enterprises having excellent corporate governance in the VCLA2022 final.

Especially, on March 10, 2023, Vietnam Real Estate Electronic Magazine (Realtimes) and Vietnam Real Estate Research Institute (VIRES) organized the Third Annual Spring Real Estate Forum and Ceremony of leading brand in Real Estate in 2022-2023. 2022 is the second year in a row that KBC honored to be in the top 10 best IP developers.



**Mr. Pham Phuc Hieu - Deputy Director General of KBC received Campaign Medal on top 10 best Industrial Park Developers.**



**MR. DANG THANH TAM - the Chairman of KBC** received a number of Labor Medal Awards (the first grade, the second grade and the third grade), was held the Title of National Emulation Fighter, awarded 03 Certificates of Merit from the Prime Minister of the Socialist Republic of Vietnam. He received the Certificate of Merit and medal recognition of significant contributions to the development of Japan - Vietnam relation from Mr. Mitsuo Sakaba - Ambassador of Japan in Vietnam on the occasion of 76th birthday and 20-year coronation of the Japanese Emperor, and became the only businessman in Vietnam to receive this prestigious award ever. He was also awarded a lot of merits from ministries, branches, Committees of provinces and cities, Organisations and Associations. For many years, he was recognised as a basis Emulation Fighter and accredited the Honour of

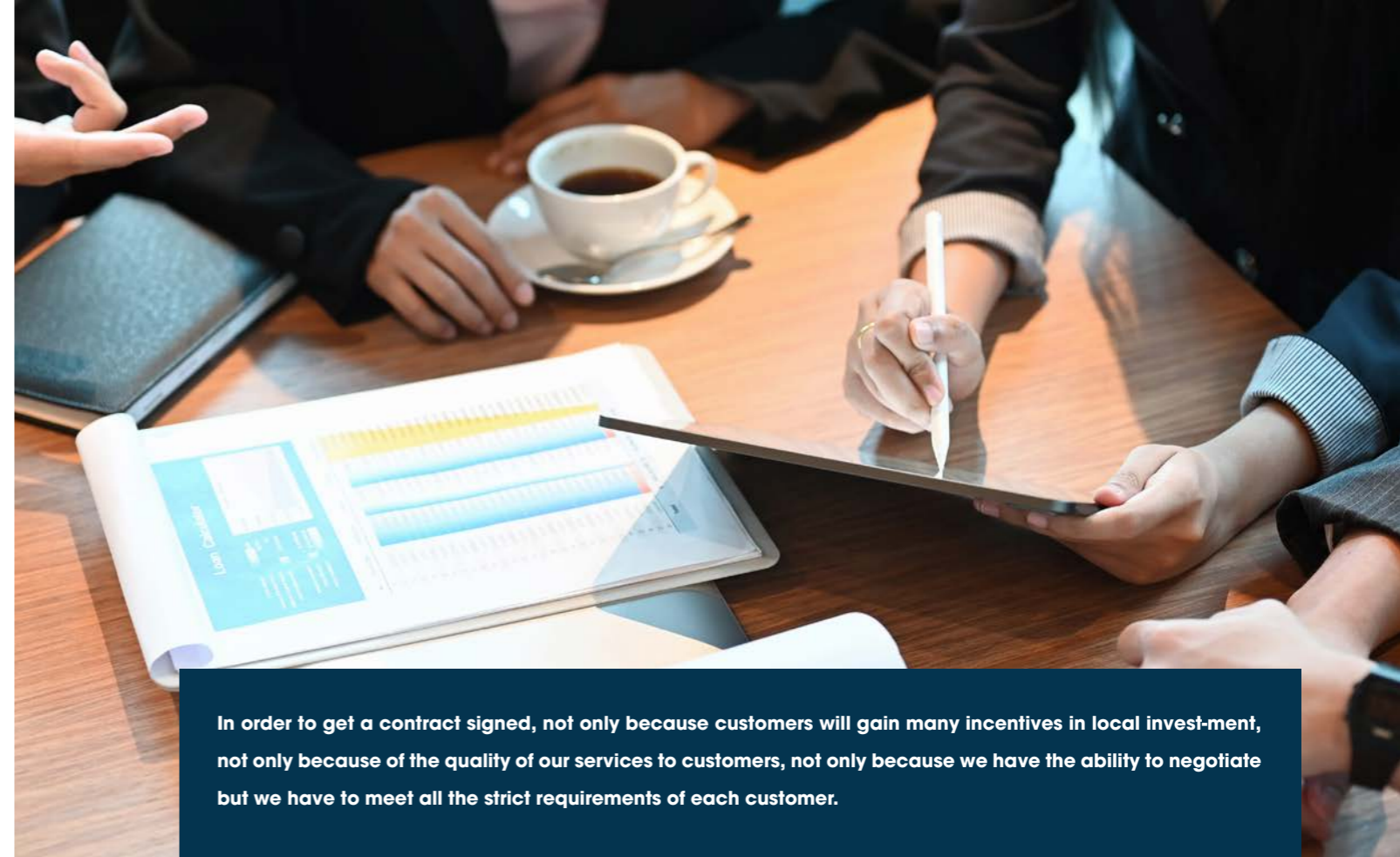
Provincial Emulation Fighter in 2008. From 2003 till now, he constantly received Vietnam Typical Entrepreneur Awards and Thanh Giong Cup. He served as co-chairman of the Vietnam-Japan Business Forum (Approved by Prime Minister to be established) and Vice Chairman of the Economic Development Cooperation Vietnam - Laos - Cambodia. He was appointed as a member of official business Advisory Council of APEC (ABAC), a member of the senior Advisory Council of post-WTO action plan of the Government. Also, he is a member of the strategic advisory partner of the World Economic Forum (WEF GCC Partner member advisory board); he was honoured as one of the outstanding entrepreneurs awarded "Ernst & Young - The Vietnam Entrepreneurs Spirit 2011". Moreover, he used to be a member of the 8th National Assembly of Vietnam.

**MS. NGUYEN THI THU HUONG - Member of the Board of Directors cum General Director**, during nearly 20 years of accompanying KBC, she has

been recognized and awarded Medals by authorities and social organizations, specifically such as: Second-class Labor Medal, Third-class Labor Medal of the President of the Socialist Republic of Vietnam; Many times received Certificates of Merit from the Prime Minister, the Ministry of Planning and Investment; Awarded the title of Provincial Emulation Fighter; Awarded the Certificate of Merit by the Chairman of the People's Committee of Bac Ninh province for many consecutive years; Received many Certificates of Merit from the Management Board of IPs, Bac Ninh Provincial Labor Confederation, Certificates of Merit from the General Department of Taxation and the Tax Department of Bac Ninh Province, etc. Ms. Nguyen Thi Thu Huong was once honored to be the participating representative in the "Asia-Pacific Young Leaders Conference"; "Asian Women Entrepreneurs Conference" held in Korea. In 2021, she was honored with the title of "Typical Vietnamese Businesswoman - Golden Rose Cup".



In 2022, she was granted the Certificate of Merit for her contribution to the cities and provinces and good implementation on legal policies by the Chairman of People's Committee of Hai Phong City, Bac Ninh Province, Minister of Finance, Director General of Taxation Department.



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

## CORE VALUES

### EXPERIENCES IN INVESTING AND DEVELOPING IPS

Being one of the pioneers in the field of constructing and developing IPs, Mr. Dang Thanh Tam - Chairman of KBC, laid the strong foundation for the development of KBC. He has 26 years of experience in creating, managing and developing IPs, successfully building his own IP business model.

Looking back on the first moments when Mr. Dang Thanh Tam arrived in Kinh Bac - Bac Ninh in the early 2000s - a poor area with weak economy and low agricultural productivity. Thanks to his foresight into the country's development, diplomacy talent and connection with international institutions, he has carried out the mission of promoting Vietnam's investment policies to attract investment abroad. Initially, he achieved some success in his career at Tan Tao IP - Ho Chi Minh City, he made a bold decision about building his own career in a strange city, with a small initial capital, he met many difficulties in the process of raising capital, building trust and credibility with associates, authorities, and multinational corporations.

Now KBC entered to 21 years of building and development, has attracted hundreds of large corporations all over the world coming to Vietnam, 05 IPs reached occupancy rate of 100% in Bac Ninh, Bac Giang, Hai Phong, creating KINH BAC CITY brand that is well known internationally, grow stronger.

Therefore, KBC's industrial development model is now considered to be an effective example of the industry, KBC is always one of the first choices of FDI enterprises when planning to invest into Vietnam. Large corporations choose KBC's IPs to build their factories because they not only take advantage of local incentives, the quality of our services to customers, our talent at negotiating, but also we always meet strict requirements of each customers. For example, Canon corporation of Japan, they raised requirements that we had never met, such as their proposal to take samples of soil and industrial groundwater for testing whether to meet environmental standard of Vietnam and Japan before signing the contract.



## CREATING LARGE LAND BANK

KBC always come to areas with weak economy, low agricultural productivity, the areas that localities call for investment. KBC's investment projects have changed the face of poor rural areas, contributing on creating jobs, significantly improving people's income, the development of each project has created tens of thousands of stable jobs. KBC actively support the training to improve people's qualifications to meet requirements on labour qualifications, and be eligible to work in high tech enterprises. The success of KBC's IPs has made the increase in the revenue for local budget, improving the material and spiritual life of local people.

KBC has built image and trust to the local authorities and local people, turning poor land, low agricultural productivity to prosperous IPs. Therefore, during the formation and development, KBC has been supported by many localities which are under planning development on industry across the nation to create land bank and attract FDI for localities.

Up to now, KBC are managing 6,386.54 ha of land for IP development, accounts for 5.19% of total IP land area of the country and 1,262.8 ha land for developing UAs and residents. Besides, the Corporation start to develop some special projects with the scale of 78.9 ha. They are invested by the Corporation as an investor to produce headphones, nozzles for agricultural machinery engines, factories for lease, joint-venture to build social houses.

Of the total 6,386.54 ha IP land, 04 IPs with the area of 1,013 ha reaching the occupancy rate of 100% and 01 IP with the area of 426 ha reaching the occupancy rate of 95.89% still bring fixed revenue including fee for infrastructure management, supply of clean water, wastewater.

KBC is proceeding to expand its IPs and UA land bank in Hai Phong, Hung Yen, Hai Duong, Quang Ninh, Tay Ninh, Vung Tau and Tien Giang.

## DIVERSE PRODUCTS AND SERVICES, SATISFY ALL CUSTOMERS' STRICT REQUIREMENT

By setting customers' interests as privilege, KBC provides appropriate products and perfect services to satisfy all customers, even the hardest ones. Now, with 24 IPs and industrial clusters located in strategy location across the country, KBC always hold the leading in attracting FDI, especially large international corporations such as Canon, Foxconn, LG, JA Solar, Goertek, Fuyu, Luxshare, Jufeng, Ingrasys, etc.

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

Infrastructure maintenance activities in the IP have achieved high efficiency, keeping the landscape of the IP always modern, clean and friendly with the environment. Ancillary services in the IP always fully meet the needs of businesses such as financial services, security, electricity and water, etc. which are fully provided by KBC and its partners for investors to form a closed and convenient supply chain.

Associated with IP development, KBC has deployed and developed UA from the available land bank, the model of IPs associated with UA development has been the direction throughout KBC since the beginning of IP development. With the motto of business development associated with social responsibility and sustainable development, KBC aims to build social houses to ensure stable life of employees.

- ▶ In 2017, KBC started to put Phuc Ninh - Bac Ninh UA into business to meet the needs of houses, houses for rent, commercial real estate investment in Bac Ninh;
- ▶ In 2019, KBC put Trang Due UA in Hai Phong city into business, to meet the needs of houses for expatriates, investors and people in Hai phong.
- ▶ In 2022, KBC joint venture to invest in social house project at Nenh town, Bac Giang province.

## KINHBAC CITY TRADEMARK

KINHBAC CITY trademark has built an attractive reputation in Vietnam and internation. Thanks to ability to attract FDI, and the competitiveness of services and products with business in the same industry, KINHBAC CITY trademark is always chosen to learn by FDI enterprises when planning to invest in Vietnam. Besides, the rate of ownership of foreign shareholders as at December 31, 2022 was 19.56%.

## INVESTOR RELATIONSHIP

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

## DEVELOPING HUMAN RESOURCES AND MANAGEMENT SYSTEM EFFECTIVELY

KBC has built a management apparatus, professional, qualified and experienced staffs in the field of business investment and IP development, especially been able to approach, promote FDI enterprises investing in KBC's IPs. Responsibility, loyalty and solidarity are focal points in building Corporation culture. Thanks to effective human governance policies, Corporation's employees always attach and accompany with the Corporation during both prosperity and difficulties, gradually building KINHBAC CITY GROUP to become one of the enterprises with sustainable development and leading in IP development, especially tough times. **Especially, KBC often do not lay off personal, and cut down salary in any difficult times.**

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

- ▶ Satisfying the wishes of the locals; contributing a significant part in creating jobs for local people; contributing to the process of industrialization and modernization for locality;
- ▶ Being a connector between enterprises with local authorities; bringing image of Vietnam, Vietnam's investment policies to foreign investors.
- ▶ Creating different products with high competitiveness for enterprises; knowing how to turn difficulties into opportunities, even in crisis years, economic decline.
- ▶ Timely capital arrangement, effective cash flow management.

## 2. LINES OF BUSSINESS AND LOCATION

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

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

### Main business sectors:

- ▶ Trading in Real estate, land use rights belonging to owners, users or renters, business code: 6810
- ▶ Building houses, business code: 4101
- ▶ Construction of other civil engineering works, business code: 4299

### Registered products/services:

Construction consulting. Design of construction works. Architectural design of civil and industrial works. Design of interior and exterior for works. Industrial, civil construction, traffic. Construction for electrical works up to 35 KV. Production: construction materials, interior decoration, concrete structures, iron and steel structures. Production, processing, setting up steel frame. Business on ho-tels and restaurant. Bussiness and construction of golf courses. Domestic and abroad investment consulting. Bidding consulting. Technology transferring and scientific and technology consulting. Good delivery services. Entertainment services and other public utilities. Commercial services. Elec-tronic and Informative Services. Trading: machinery, equipment, spare parts, supplies, raw materials, construction materials, interior decoration goods, alcohol and beverages, computer, electrical and electronic equipment. Delivery services, transporting import and export by sea, by air, by rail, by road. Services as a forwarding agent, transporting import and export goods by sea, by air, by rail, by road. Warehouse rental services, loading and unloading, storing and packing goods. Inland container Depot - ICD (only operating with Ministry of Finance's permission). Planting and exploiting industrial crops: rubber tree, cashew, coffee, and other industrial crops. Trading, processing wood and manufacturing and trading wood products. Producing and processing all kinds of paper and pulp for domestic and export consumption; mineral exploration and extraction. Investing, participating in association, joint venture to build energy, hydro-electric and thermal power projects. Trading, distributing electrical equipment. Financial investment (including joint venture activities, association with other companies, trading shares on the market). Electricity retail business. Construction of traffic works (bridges, highways, culverts, etc), exploiting, water filtering, providing water for daily life, industrial activities and other purposes.

### Types of service products accounting for 10% revenue of the Corporation

SERVICE PRODUCTS	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2022	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2021
1. Land leasing revenue	18.78%	62.82%
2. Revenue from real estate transfer *		10.65%
3. Revenue from supply of clean water, electricity, wastewater treatment, warehouse rental service fee, etc	11.07%	
4. Revenue from associates	62.52%	
5. Financial revenue	10.00%	

(\*) In 2022, the actual revenue from real estate transfer accounted for 10.1%, but it was deducted due to the return of land lot of Trang Due residential area sold last year.

### Business area accounting for 10% of the Corporation's revenue

BUSINESS AREA	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2022	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2021
1. Revenue in Bac Ninh		26.1%
2. Revenue in Bac Giang		39.5%
3. Revenue in Hai Phong **		14.8%
4. Revenue in Hai Phong	21.23%	18.5%
5. Revenue in Da Nang	62.82%	

(\*\*) In 2022, the actual revenue from real estate transfer accounted for 10.1%, but it was deducted due to the return of land lot of Trang Due residential area sold last year.



### 3. MANAGEMENT MODEL, BUSINESS ORGANIZATION AND MANAGEMENT APPARATUS

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



## INFORMATION ABOUT SUBSIDIARIES

As of December 31st 2022, the Corporation possessed these following direct and indirect subsidiaries:

NO.	COMPANY NAME	VOTING RATE (%)	INTEREST RATE (%)	HEAD OFFICE	MAIN ACTIVITIES
<b>DIRECT SUBSIDIARIES</b>					
1	Saigon - Bac Giang IP Corporation	92.5	88.06	Quang Chau IP, Quang Chau commune, Viet Yen dist., Bac Giang province	Investment, building and trading real estates
2	Sai Gon - Hai Phong IP Corporation	86.54	86.54	Trang Due IP, Le Loi commune, An Duong dist., Hai Phong city	Investment, building and trading real estates
3	Northwest Saigon City Development Corporation.	74.3	72.44	Tram Bom, 22 Highway, Tan Phu Trung commune, Cu Chi dist., Ho Chi Minh City	Investment, building and trading real estates
4	Trang Cat Urban Development One Member Limited Company	100	100	Bai Trieu, Trang Cat commune, Hai An dist., Dinh Vu - Cat Hai Economical Zone, Hai Phong	Investment, building and trading real estates
5	NGD Investment One Member Limited Company	100	100	No. 100, An Trach st., Quoc Tu Giam wd., Dong Da dist., Hanoi	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Limited Company	100	100	Lot B7, Que Vo IP., Phuong Lieu commune, Que Vo dist., Bac Ninh province	Investment, building and trading real estates
7	Kinh Bac - Da Nang Investment One Member Co., Ltd.	100	100	61A Nguyen Van Cu Str., Hiep Hoa Bac Wd., Lien Chieu Dist., Da Nang City, Viet Nam	Investment, building and trading real estates
8	Tien Duong Urban Development JSC	51	51	No. 100, An Trach st., Quoc Tu Giam wd., Dong Da dist., Hanoi	Investment, building and trading real estates
9	Hung Yen Investment And Development Corporation	95	93.65	No. 537 Nguyen Van Linh Street, Le Loi Ward, Hung Yen City, Hung Yen Province	Construction and real estate business
10	Vung Tau Investment Corporation Joint Stock Company	74.52	74.52	LK 28, Hang Dieu 1 Street, Ward 10, Vung Tau City, Ba Ria-Vung Tau Province	Construction and real estate business
<b>INDIRECT SUBSIDIARIES</b>					
11	Tan Phu Trung- Long An IP One Member Limited Company	100	72.44	88 Tran Phong Sac St., 4 ward, Tân An city, Long An province, Viet Nam	Consulting, construction and real estate business
12	Bac Giang- Long An IP One Member Limited Company	100	88.06	489E Provincial Road 824, Quarter 5, Duc Hoa Town, Duc Hoa District, Long An Province	Construction and real estate business
13	Tan Tap industrial infrastructure Limited Company	100	86.54	531E Quarter 5, Duc Hoa Town, Duc Hoa District, Long An Province	Consulting, construction and real estate business
14	Long An Investment and Development Joint Stock Company	60	56.77	Lot 6A, Road No. 3, Tan Duc IP, Duc Hoa Ha Commune, Duc Hoa District, Long An Province	Construction and real estate business
15	Bao Lac Spirituality Park Joint Stock Company	65	56.25	Ngo Xa village, Long Chau commune, Yen Phong district, Bac Ninh province	Funeral service activities
16	Quang Yen Electronics company limited	100	86.54	NA8-2 Lot, high-class factory and factory project complex in Dam Nha Mac area, Lien Vi commune, Quang Yen town, Quang Ninh province.	Producing communication equipment, electronic components and consumer electronic products
17	Quang Yen Manufacturing industry company	100	86.54	NA8-1 Lot, high-class factory and factory project complex in Dam Nha Mac area, Lien Vi commune, Quang Yen town, Quang Ninh province.	Manufacture of engines and turbines (except for aircraft, automobile, motorcycle and motorcycle engines)

## In 2022, new KBC' subsidiaries were established as follows:

- ▶ Newly established 02 companies controlled by KBC, namely Quang Yen Electronics company limited and Quang Yen Manufacturing industry company.
- ▶ Increasing the ownership rate in Hung Yen investment and development corporation from 60% to 85%, resulting the voting rate of KBC up to % 95%, interest rate up to 93.65%.

## INFORMATION ABOUT ASSOCIATED COMPANY

As of December 31st 2022, the Corporation possessed these following direct and indirect associated companies:

NO.	COMPANY NAME	OWNER-SHIP RATE (%)	ADDRESS	MAIN ACTIVITIES	CHARTER CAPITAL (VND BILLION)
<b>DIRECT ASSOCIATED COMPANY</b>					
1	Saigon Telecommunication & Technologies, JSC	21.48%	Lot 46 Quang Trung Software Park, Tan Chanh Hiep wd., District 12, Ho Chi Minh City	Investing and trading infrastructure and telecommunication equipments	159
2	Scanviwood JSC	34%	565 An Duong Vuong st., An Lac wd., Binh Tan dist., Ho Chi Minh City	Producing household furniture for export	10.7
3	Sai Gon - Da Nang Investment Corporation	48%	61A Nguyen Van Cu, Hoa Hiep Bac ward, Lien Chieu district, Da Nang City	Trading in real estate, land use right or renting	96
<b>INDIRECT ASSOCIATED COMPANY</b>					
4	Le Minh Xuan 2 Industrial park investment corporation	22.02%	20 Phung Khac Khoan, Dakao Ward, District 1, Ho Chi Minh City	Investing in real estate, land use rights, or renting	116.6
5	Saigon - Nhonhoi industrial park corporation	35.35%	Lot A2 -01, N3 road, Nhon Hoi IP, Quy Nhon, Binh Dinh	Investment, construction, business in IPs, UAs, tourist areas, etc.	540
6	Saigontel Long An company limited	21.63%	Lot 6A, Road No. 3, Tan Duc IP, Duc Hoa, Long An	Investment in construction and business of IP infrastructure	111.3

In 2022, the Corporation has added 01 associate, namely Saigon-Danang Investment Corporation through the increase in the ownership rate in the company from 19,5% to 48%.

## 4. DEVELOPMENT ORIENTATION

### MAJOR SHORT-TERM GOALS

Accelerating infrastructure investment and business development in Nam Son Hap Linh IP, expanded Quang Chau IP, Tan Phu Trung IP, Phuc Ninh UA, and Trang Due UA; expanded Trang Due 3 IP; Hung Yen industrial cluster; Long An industrial cluster; Tan Tap IP, Loc Giang IP, Trang Cat UA and Social Housing projects, specifically:

- ▶ **Nam Son Hap Linh IP - Bac Ninh:** Be going to complete infrastructure to hand over land as soon as possible to customers who have signed principal agreements with the area of 92.7 ha.
- ▶ **Quang Chau IP and expanded Quang Chau IP - Bac Giang:** Be going to complete infrastructure to hand over land as soon as possible to customers who have signed principal agreements with the area of 77.4 ha.
- ▶ **Tan Phu Trung IP - Loc Giang IP:** Tan Phu Trung IP: focus on building a breakthrough business plan to accumulate financial resources to ensure financial capacity to deploy Loc Giang IP which was approved investment policy in 2022, with the total investment capital of 5,198.2 billion dong. At the same time, plans are developed to arrange capital through banks, or financial institutions to deploy Loc Giang IP, creating available products for the coming year.
- ▶ **Trang Cat urban area:** Continue to deploy ground leveling and build infrastructure to be ready to put into operation, exploitation, or business cooperation.
- ▶ **Trang Due urban area:** continue to hand over 83 vilas, equivalent to 1.27 ha; planning capital arrangement and implementing construction procedures for Social Housing sub-project within Trang Due urban area.
- ▶ **Phuc Ninh urban area:** Focus on completing legal procedures, quickly handing over to investors who have booked, and recording revenue in 2023. At the same time, capital arrangement is going to plan to continue compensate, building infrastructure for the project.
- ▶ **Make a plan to arrange capital for site clearance, infrastructure investment and business for projects as follows:** Tan Tap IP with the scale of 654 ha which was approved the investment policy in 2022; Long An industrial cluster with the scale of 219.8 ha; Hung Yen industrial cluster with the scale of 225 ha; Tan Phu Trung residential area with the scale of 47.3 ha; Loc Giang Resettlement area with the scale of 31 ha; Resettlement area in the Long An industrial cluster with the scale of 43.52 ha.
- ▶ **Cooperate in investment and business development** with member companies and potential partners at home and abroad, etc. Deploy diversified business plans, attracting high-tech corporations from Korea, Taiwan, Hong Kong, Singapore, Japan, China, the United States, etc.
- ▶ **Prepare products and services suitable to investors' needs** (land available for lease, factories ready for sale and lease, maximum investor support services).
- ▶ Mobilize and use capital effectively, improving financial capacity, maintaining the growth rate of revenue and profit.

### MEDIUM-TERM AND LONG-TERM DEVELOPMENT STRATEGY

The Corporation always takes 3 goals as a guideline for the Corporation's development: **product quality, financial capacity and long-term brand vision** which are the three most important goals to maintain the position and enhance the reputation of the business.

- ▶ Leading, implementing, and establishing new projects in Hai Phong, Hung Yen, Hai Duong, Quang Ninh, Tay Ninh, Vung Tau, Tien Giang province and continuing to survey other suitable area which fit to KBC's sustainable development orientation to increase land bank.
- ▶ Developing potential IPs and Urban areas in the southern region (Hai Phong, Bac Ninh, Bac Giang, Hung Yen, Quang Ninh, Hai Duong, v.v); in the central (Hue, Da Nang, etc) and the northern region (Ho Chi Minh city, Long An, Tien Giang, Vung Tau, etc). In parallel with the development of IP and urban areas, the Corporation is ready to simultaneously implement social housing project and resettlement areas to meet the needs of sustainable development of the country;
- ▶ Developing a new customer network, diversifying products to meet all customer needs;
- ▶ Building and develop the international brand KINHBAC CITY, always being the leading enterprise in the field of management and development of IPs - UAs.
- ▶ KBC focuses on closely following the trend of FDI inflows into Vietnam by fields, partners and locations to set up new projects and develop new types of investment.

### THE ENVIRONMENTAL, SOCIAL AND COMMUNITIVE OBJECTIVES

- ▶ Being a corporation that contributes significantly in the process of promoting Vietnam's investment policies to the world through some programs of promoting investment, economic forums in the region and in the world;
- ▶ Being an enterprise that has created one of the IP development models - successfully attracting FDI, contributing to the process of building industrialize-modernize for country, being attractive destination of many foreign investors.
- ▶ Being a corporation with significant contribution in the FDI attracting plan of Vietnam every year in the field of IP and UA; always towards FDI enterprises to invest in high-tech projects, reducing environmental pollution.
- ▶ Indirectly creating thousands of jobs for people; contributing to the budget of provinces, cities where KBC's projects are located; constructing public works such as regulating lakes, parks, bridges, and schools for provinces and cities to create a green, clean and beautiful living environment. In addition, KBC has started to deploy Social housing project for people and low-incomes to create conditions for people to stabilize their lives, ensuring business performance associated with social responsibilities.



**Strengths**

- ▶ Established at the proper time to welcome the wave of FDI into Vietnam.
- ▶ Synchrononous infrastructure, fully meeting operational creteria of IPs.
- ▶ Convenient location for traffic: KBC’s IP located along the important highway, convenient to travel to seaports and airports.
- ▶ The advantage of brand: through domestic and foreign investment promotion, KBC has known as the biggest company in the IP development in Vietnam by investors.
- ▶ Having large corporations in the field of electronics, high-tech investing in the KBC’s IPs, hence, attracting sateline enterprises.
- ▶ Investor support services: KBC provides investor support services in implementing pre-investment and post investment procedures.
- ▶ Utilities service in the IPs, such as custom office, warehouse, bank.
- ▶ Human resources: Our sale department is the convergence of staffs who are good at foreign languages such as English, Chinese, Korean, Japanese, etc, who are able to communicate, sove problems and create good impression for investors.
- ▶ Being prestigious with state agencies, local authorities, being trusted by many provinces and cities in its ability to attract FDI enterprises to develop IPs.
- ▶ Leasing price at IPs at the beginning of 2023 in Vietnam is still lower than countries in the region, especially, 20-36% lower than in Indonesia and Thailand

**Weaknesses**

- ▶ The products are not suitable for all investors: land plots in the IPs are quite large which is limited for projects that need to use a small land area (under 1,000 m2). Factories with large area are not suitable for small and medium projects, which lead to opportunity losess in this market.
- ▶ Restriction on industries that are attracted in IPs: At IPs, there are restrictions on industries that are able to cause potential polluting emissions.
- ▶ Workers: Skilled labours are still not meet the needs of FDI enterprises in the IPs.
- ▶ Tax incentives: Currently, almost IPs found in new IPs are located in developing economic zones, thus, they do not enjoy tax incentives like before.

**Opportunities**

- ▶ KBC is always considered as the first choice of sateline enterprises and plan for expanding scale of large corporations such as Foxconn, LG, SamSung, JA Solar, Goertek, Fuyu, ect which invested KBC’s IPs.
- ▶ Catching the wave of FDI inflows from Japan, China, Hongkong, Taiwan, EU, etc into Vietnam.
- ▶ Benefited from policies and orientations on FDI attractions of Vietnam, FDI attraction is confirmed to be an important part of the economy and is couraged for long-term development. Selective FDI attraction, encouraging linkage to domestic enterprises, enhance Vi-etnam’s position to the global value chain on the principal of multilateralization, diversity, ensuring the dependence of the economy, ensuring national security.

The Resolution No.50-NQ/TW dated August 20, 2019, issued by Poliburo, on the orientations to perfect institutions, policies, enhancing quality, effectiveness of foreign investment cooperation till 2030, continuing to open great opportunity in the long-term for enterprises like KBC to develop.

- ▶ The Revised Investment Law 2020 which officially came into effect has added regulations allowing the Prime Minister to apply special incentives to create mechanisms and policies that are enough attractions for FDI flows which are rapidly shifting in the current context. Ac-cordingly, it allows to apply a maximum incentive of 50%, compared to the highest level in accordance with the current law. The law is also amended and added sectors and professions with investment incentives to attract selective and quality foreign investment attraction.
- ▶ Vietnam has been highly appreciated by the world in many aspects: being the only Souththst Asian country which achived 5 action goals of United Nation on sustainable development; sharply increasing in ranking on power index; increasing in diplomatic index, economic competitiveness index; defense nework index, national brand index. With the increase of national brand, Vietnam has affirmed its position to foreign investors, is considered by foreign investors as a “magnet” which has good investment policies, quality and diversified educa-tion investment, increasing in skilled labour.
- ▶ Vietnam has become the leading destination in Southest Asia in production and attracted multilateral corporations, especially US corporations. At the same time, Vietnam’s deeper and more effective intergration with the world economy through important trade agreement is also a plus point for our country’s brand value.
- ▶ Vietnam which is always ready to make friends with other countries has advantages to harmonize, connect trade with other countries in the context of world war, natural

disasters, epidemics, price storm, etc. Enterprises like KBC are considered as necessary link in the process of stabilizing and economic development of Vietnam, as well as world economy.

**Threats**

- ▶ Higher investment costs and limited supply lead to higher renting price, making it difficult to attract specific investment projects.
- ▶ Changing macro policies during the process of IP development management.
- ▶ Ready land bank sharply decreased: Currently, 4 KBC’ IPs with the total area of 1,013 ha are 100% occupied, 01 IP with the area of 426 ha is 95.89% occupied. IPs which are in busi-ness have customers to sign principal contracts. Hence, the ready area will be decreased rapidly from 2024 if land bank which are ready to sublease is not developed in 2022 and encounters difficulites in the process of applying for project approval and difficulty in accessing capital financing for projects if the marco policies still challenge like 2022.
- ▶ The transformation in investment structure of FDI enterprises is taking place aggressively; the view of the Government is to attract FDI selectively in technology, environment protection, investors who are willing to connect to domestic companies, not using outdated technology, etc, this is also a challenge for KBC.
- ▶ The context of world economy in 2022 unpredictable changed and there is no positive sign in the beginning of 2023, dramatical increase in interest rate and inflation happening all around the world lead to cautious sentiment from investors, that is challenge for FDI registered and disbursment in Vietnam may be delayed.

## 6. SOME TYPES OF RISKS THAT AFFECT THE CORPORATION

### Risks from changes in management policy of IP investment activities

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

KBC experienced these types risks mentioned above. All problems have been resolving by KBC. In order to handle all kinds of risks related to policy, KBC have to make explanation report, persuading, giving suggestion to authorities, pointing out benefits, losses causing effects to Government and investors due to constant policy changes. By efforts, persistence to protect enterprise' s point of view, KBC overcome all kinds of policy risks.

In recent years, Ministry of Investment and Planning and the Government always pay attention to central task continuing to enhance business-investment environment, improve operational efficiency and management activities to IPs, urban areas, promptly resolve difficulties, related to issues on investment, construction, environment, land, take new opportunities when implementing bilateral and mulateral trade-investment agreements, research and complete legal basic for building, deploying new IPs, UAs, implementing special administrative-economic unit projects after being approved by competent authorities. The Poliburo approved Resolution No 50-NQ/TW dated April 20, 2019 about orientation on perfect institutions, policies to improve the quality and efficiency for foreign investment cooperation to 2030. It is the first time after 30 years of attracting FDI of Vietnam, Vietnam has a professional Resolution on attracting FDI, considering FDI attraction as an important part of economy, contributing to the development of the country. Therefore, policy risk will tend to be decreased.

In 2022, besides the projects approved the investment policy by the Government such as expanded Quang Chau IP with the total area of 90 ha, Tan Tap IP with the area of 654 ha, Loc Giang IP with the area of 466 ha, there is Trang Due 3 which has the long journey for approval, from 2016 until now. Although it has been supported by the Government and People's Committee of Hai Phong city, company has completed explanation process to the authorities, but it was still waiting for the approval of investment policy for the Hai Phong Master Plan. However, on March 31, 2023, the Government approved the investment policy for Hai Phong Master Plan on the Decision No. 323/QĐ-TTG. This is the important step so that Trang Due 3 IP is expected to be approved in Quarter 3/ 2023.

### Risks from changes in monetary policies

This kind of risk that real estate enterprise in general and KBC in particular will suffer first, when credit is tightened, real estate enterprises will be squeezed first; loan interest for real estate businesses usually reach at the highest level. KBC experienced kinds of these risks, **in the period of 2011-2014**, KBC almost didn't have access to any credit capital. In this situation, KBC had to self-financed from business operation revenue, many commercial real estate projects had to be delayed (due to partly be enable arrange credit capital, partly due to high interest rate and difficulties in real estate market, the company wanted to opt to temporarily suspend projects construction).

**In the period from 2015-2016**, risks from monetary policies nearly was almost non-existent, it was easy for KBC to access credit capital with the interest rate from 9,5% to 10% per year.

**In the period from 2017-2019**, although some policies such as Decree No 06/2016/TT-NHNN (amending some articles of Circular No 36/2014/TT-NHNN); Circular No 19/2017/TT-NHNN; Circular No 16/2018/TT-NHNN took effect, leading to increase risk coefficient on real estate lending risk, adjusting to decrease in short-term capital ratio on medium and long term lending, ect, basi-cally reducing in capital inflow into the real estate market.

In the past, both of above ratio changed many times. Risk coefficient to real estate business lending was regulated to 100% in accordance with the Decision No 457/2005/QĐ-NHNN. In 2010, it was increased to 250% in the Circular No 13. 2010/TT-NHNN, then in 2014, it was reduced to 100% in the Decree No 36/2014/TT-NHNN. In 2016, State Bank of Vietnam issued Circular No 06/2016/TT-NHNN, in which, risk coefficient to real estate business lending maintained to 150% until 2016, then raised to 200% since January 1, 2017.

Therefore, it can be seen that State Bank of Vietnam issued, amended policies in the direction of encouraging or restricting capital for real estate business activities depending on requirements for risk management for entire bank system as well as changes in the real estate market. However, from the market perspective, policy changes were relatively rapid (one time in every two years). In the face of constantly changing monetary policy, KBC was ready to balance capital from business activities, issuing kinds of bonds to raise capital when the market is favorable, maintaining good credit relations to large banks such as Vietinbank, BIDV, VPbank, ect.

**In the period of 2019-2021**, KBC did not face difficulties in attracting capital due to loosened monetary policy, low interest rate in the market, abundant capital source, diverse capital source. By effort, and prestige, KBC successfully issued bonds to the public and private to meet capital need.

However, 2022 is the tough year to capital market, it can be said that it was the most difficult year in the last 2 decades. Policies on macro-management, monetary, and rising interest rate, ect caused most enterprises to be tightened for sudden raising capital channels which were issuing bonds, issuing shares, credit capital loan, ect. The scarcity of cash flow in the economy caused enterprises in general, especially real estate companies in specific to be unable to pay their bond due. New issued policies such as Circular No 65/2022/ND-CP amending, supplementing Circular No 153/2020/ND-CP, ect related to issuing enterprise bond, were difficult to implement due to restriction on capial use purpose, more requirements on business credit rating tasks while in Vietnam, there are several credit rating companies, it is certainty to ensure demand for credit rating of thousands of enterprises when the regulations take into effect. Regconizing the difficulites in policy, Government issued Circular No 08/2023/ND-CP dated March 5, 2023 to remove some difficulties for conditions when issuing bond, but it has not made the market warm again.

**Facing current pressure, KBC failed to implement plan for capital mobilization plan in 2022, but we made an effort to attract FDI flow to ensure the business activities.**





#### Risks from FDI attraction

For KBC, FDI attraction situation into Vietnam is the most important factor affecting the business performance of the enterprise. However, it is forecasted that the FDI into Vietnam in next coming years will continue to reduce. According to the data from Foreign Investment Department - Ministry of Planning and Investment, in 2022, the total FDI registered to Vietnam reached mostly 27.72 billion USD, equivalent to 89% compared to the same period of 2021. However, the disbursed FDI gained 22.4 billion USD, increased by 13.5% compared to the same period of 2021, in which:

- ▶ Principal partners: Partners from Singapore, Korean, Japan, Chian, Hongkong, Taiwan, ect. Among those, KBC has relationships with partners from the above countries.
- ▶ Local provinces attracting FDI: Hochiminh city is leading, followed by Binh Duong, Quang Ninh, ect. Therefore, only 01 IP of KBC in Hochiminh city took advantages in 2022, other areas has been delayed. However, in 2022, KBC started to develop projects in Quang Ninh, opening the new opportunities, meeting investors' requirements.

Until now, KBC has always been the Corporate following closely the FDI capital flow into Vietnam to seize investment opportunities, minimize risks related to FDI attraction of the Corporation. Vietnam's own advantage is that Politburo approved Resolution No. 50-NQ/TW in 2019 which set new foundation for FDI attraction strategy, targeting to high quality FDI. Some corporations have moved part of their operations from China to Vietnam, such as Apple, Intel, Nike, Qualcomm, Uni-versal Alloy Corp., Asics, Hoya, Kyocera, Nintendo and Shin-Etsu Chemical. Hence, Vietnam in general, enterprises about management and investment for IPs like KBC in particular are facing big opportunities to attract foreign investors to take part in direct investment or buy shares.

However, in 2022, world economy was full of volatility, many countries implemented tight monetary policy, high interest rate and high inflation as well as cautious sentiment from foreign investors in the period of fluctuated changes in foreign exchange, such as increase in 9% of USD but fell by 11% of Japanese Yen, compared to VND, causing to reduce in FDI investment of many big economies.

#### Risks from ineffective cash flow management

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

In 2017, Financial Department of KBC accessed financial domestic and foreign institutions to arrange capital for KBC's projects, approached investment funds for buying enterprise shares to re-structure old debt arising from 2009 and adding financial capacity for enterprise. KBC did not face any risks related to cash flow management in 2017.

In the period of 2018-2021, KBC completed the capital mobilization plan, did not experienced any risks from cash flow management.

In 2022, although KBC did not arrange capital mobilization plan, but we used all available financial resource to allocate cash flow for business investment activities, due debts payment.

#### Other risks

Operating IPs may not be avoided risks such as: air pollution from enterprises in IPs, natural disasters (storms causing factories' roofs damaged); fire and explosion (fire in factories in IPs); strike causing halt business and production activities of companies in IPs, making instable security; bankruptcy of operating enterprises in the IPs; diseases, wars causing global purchasing power, import and export activities for goods of FDI companies, ect.

Hence, to manage this risk, the Corporate always pay attention to factors affecting business results and labour safety to take appropriate handling measures to minimize damages. KBC often performs risk prevention activities such as: fully equipped with labor protection equipment, training for labour safety-fire prevention for employees, regularly inspecting and maintaining machinery and equipment, etc.



# PART II

## BUSSINESS PERFORMANCE IN 2022



Besides the unpredictable movements of domestic and foreign economy, especially difficulties from capital market, stock market, real estate market, etc, Vietnam's GDP gained 8.02%, compared to the previous year. In the world economic picture, Vietnam is still considered as "bright spot in terms of growth and stability" by the International.

The brightest point in Vietnam's economy in 2022 was inflation control at the low point of 3.15%; ensuring life, social security for people while in the context of other countries in the world struggled to cope with galloping inflation and "price storm".

The next bright spot helping Vietnam to stand in the better position than many other countries was due to inflow of foreign direct investment FDI into Vietnam. In particular, the total FDI registered to Vietnam in 2022 was 27.72 billion USD, reaching 89% compared to 2021 but the total disbursed FDI in 2022 gained 22,4 billion USD, increased by 13.5% compared to 2021, the highest in the last 5 years. Hence, Vietnam is still bright spot in the picture of FDI attraction in Southeast Asia. There-fore, Vietnam in general, KBC in particular has prepared the necessary premises and factors to continue to receive flow of new investment transformation, becoming an important production center in the world.

In particular, KBC has been preparing a huge-scale IP land bank and adequate infrastructure in strategic location in order to meet investors' diverse needs in terms of area, location, with the solution including: developing existing land bank, establishing new IP and UA new projects in some provinces such as Long An, Hung Yen, Hai Phong, etc. Specifically, after many years KBC did not had any project approved, in 2022, KBC has expanded large land bank. In particular, the Government approved Decision on investment policy and accepted investors for KBC's subsidiaries, as follows:

- ▶ On March 18, 2022, the Government approved Decision No 361/QĐ-TTg about "Investment policy and infrastructure business for Tan Tap IP, Long An province with the scale of 654 ha", Long An Development Invest Joint Stock Company is the investor for the project.
- ▶ On April 19, 2022, the Government approved Decision No 490/QĐ-TTg about "Investment policy and infrastructure business for Loc Giang IP, Long An province, with the scale of 466 ha", Northwest Saigon City Development Corporation is the investor for the project.
- ▶ On November 4, 2022, the Government approved Decision No. 1320/QĐ-TTg about "Investment policy and infrastructure business for expanded Quang Chau IP, Bac Giang province", Saigon - Bac giang Industrial park JSC,.

### TOÀN CẢNH BỨC TRANH FDI VÀO VIỆT NAM NĂM 2022

Năm 2022, tổng vốn đầu tư trực tiếp nước ngoài (FDI) của Việt Nam đạt gần 28 tỷ USD. Vốn đầu tư đăng ký mới tuy giảm song số dự án đầu tư mới tăng lên, vốn đầu tư điều chỉnh cũng tăng. Đặc biệt, số vốn đã giải ngân được khoảng 22,4 tỷ USD, tăng 13,5% so với cùng kỳ năm 2021.

- Tổng vốn đăng ký: gần 28 tỷ USD (Giảm 11% so với năm 2021)
- Tổng vốn thực hiện: hơn 22 tỷ USD (tăng 13,5% so với năm 2021)

#### Top 3 ngành kinh tế "hút" FDI nhất:



NGÀNH CÔNG NGHIỆP  
CHẾ BIẾN, CHẾ TẠO  
Gần 17 tỷ USD



BẤT ĐỘNG SẢN  
4,45 tỷ USD



SẢN XUẤT, PHÂN PHỐI ĐIỆN  
Hơn 2,2 tỷ USD

## 1. THE SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES 2021

Currency: Billion VND

INDICATORS	2021 (Re-present)	2022	CHANGES
<b>Net revenue from sale of goods and rendering services</b>	<b>4,245.82</b>	<b>950.27</b>	<b>22.38%</b>
Revenue from sub-lease land	3,035.93	656.98	21.64%
Revenue from transferring real estate	514.58	353.33	68.66%
Revenue from sold of factories	310.6	-	0.00%
Revenue from providing clean water, electricity, water treatment, service fees, warehouses, etc.	384.71	387.17	100.64%
Revenue deductible from transferring real estate (*)	-	-447.21	-
<b>Financial income</b>	<b>169.54</b>	<b>339.65</b>	<b>200.34%</b>
<b>Other income</b>	<b>5.37</b>	<b>21.33</b>	<b>397.21%</b>
<b>Profit from associates</b>	<b>411.67</b>	<b>2,186.82</b>	<b>531.21%</b>
<b>Total revenue</b>	<b>4,832.40</b>	<b>3,498.07</b>	<b>72.39%</b>
<b>Total profit after tax</b>	<b>1,351.69</b>	<b>1,576.53</b>	<b>116.63%</b>
<b>Total profit after tax of parent company</b>	<b>1,094.88</b>	<b>1,526.35</b>	<b>139.41%</b>

According to the audited consolidated financial statement in 2022

(\*) The Corporation's subsidiary recorded a reduction in revenue related to the return of a lot land in Trang Due UA from previous year.

In 2022, the total consolidated revenue of the Corporation reached 3,498.07 billion VND, equivalent to 72.39%, compared to 2021, equivalent to 35.69% compared to the plan. In which, revenue from core business operation including: sublease land, sale of real estate and related services gained 957.27 billion VND, equaling 22.38% compared to 2021, accounting for 21.17 % total revenue. The profit of associates was 2,186.82 billion VND, 5.3 times higher than in 2021, accounting for 62.52% of total revenue. The consolidated profit after tax of the Corporation in 2022 were 1,576.53 billion VND, equivalent to 139.41% compared to 2021.

The total expense for finance, administration and other expenses of the Corporation in 2022 were **1,105.77 billion VND**, equaling 95.34% compared to 2021. In which, loan interest expense was 522.87 billion VND, equivalent to 108.79% compared to 2021; administration expenses were 464.46 billion VND, equaling to 108.38% compared to 2021. Besides, expenses from sale of goods and other related expenses were only 75.1 billion VND, equivalent to 17.74% which was the sharp-ly reduction, compared to 2021, fitting in business situation of the Corporation in the year.

## PERFORMANCE SITUATION COMPARED TO THE PLAN

Currency: Billion VND

INDICATORS	THE 2022 PLAN	PERFORMANCE IN 2022	COMPLETION RATIO
Total revenue	9,800	3,498.07	35.69 %
Profit after tax	4,500	1,576.56	35.03 %

In 2022, revenue and profit targets did not reach the set plan. However, the Corporation signed series of principal agreements for sub lease land with great value, but revenue had not been recognized in the year since foreign investors hadn't been granted investment licences, so land had not been handed over to investors. However, investment attraction activities in 2022 were assessed to be quite positive, large investors in IPs have continuously expanded their business plan.

On March 3, 2022, Goertek Technology Vina company limited - one of major partners of KBC was granted the investment certificate for investment project to expand factory manufacturing electronic equipment, network equipment and multimedia audio products at Que Vo IP with the scale of nearly 566 million USD. The project after being put into operation is expected to contribute to create many jobs, increasing in state budget revenue, contributing to the socio - economic development of Bac Ninh province.

On August 15, 2022, at Saigon - Bac giang industrial park corporation - KBC's subsidiary signed MOU with Foxconn Corporation on subleasing land at expanded Quang Chau IP in Bac Giang province with total estimated capital of more than 300 million USD, it is expected to create jobs for above 30,000 labors and bring many added values to local development.

On November 4, 2022, the Prime Minister signed the Decision for approval for investment policy for construction investment and infrastructure business project at expanded Quang Chau with the scale of 90 ha. After that, on January 2, 2023, "Fulian precision technology factory" project of Ingrasys (Singapore) Pte.Ltd (Singapore) under Foxconn was granted investment registration certificate with the scale of 49.6 ha at expanded Quang Chau IP.



## 2. HUMAN RESOURCE ORGANISATION

### BOARD OF DIRECTOR (DOB), PERIOD OF 2022 -2027

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

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

From 1988 to 1996, he worked at a shipping company in Saigon, then became the CEO of Tan Tao Corporation (ITA) since 1997. Thanks to the success of launching Tan Tao IP during Asian crisis years, he was well-known as a pioneer in the field of IP development. In 2002, he came to Bac Ninh, an undeveloped area to create a foundation for the initial development of Que Vo IP. After 5 years in operation, this IP gained reputation in the northern region, those become one of his success and enormous contribution to Bac Ninh province. Thanks to his profound experience and long-term vision, he has constantly developed and expanded IPs from North to South. He understands macro policies and domestic and international law, hence, he plays an important role in our business organisations, economic consulting and international forum. Moreover, Mr Dang Thanh tam was also a Congressman of Assembly in the XIII term.

**The number and percentage of his share ownership as at December 31, 2022 was 138,666,665 shares, accounted for 18,06% total share.**

#### ▶ MRS. NGUYEN THI THU HUONG - MEMBER OF BOD AND CEO

Mrs. **Nguyen Thi Thu Huong** was born in 1971. Mrs. Huong was elected as a member of the Board of Directors on April 27, 2012. She held a Doctorate of Science in Economics and a Master in Business Administration. She can use English and Chinese language fluently. She served for KBC from the beginning of its establishment, Mrs. Nguyen Thi Thu Huong has followed closely the strengths and weakness of the Corporation, thereby steering the Corporation go through the crisis. She experienced in the diplomacy area, took an important role in promotion for investment relation with large corporations, as well as in controlling the business operation at each IP. On the position of Board of Director, she has expressed her important role in the company's development process. When directly managing the departments, she is in charge of both internal administration and external affairs, Ms. Huong always focuses on the spirit of high responsibility and discipline, and solidarity among staffs as the most important part in the development of the company. When directly managing departments, she is in charge of both internal administration and external affairs of the Corporation, Ms. Huong always focuses on the spirit of high responsibility and discipline, and solidarity among staffs as the most important part in the development of the company. She has been awarded the Prime Minister's Labor Medals, certificates of merit, titles of provinces and cities, management agencies and organizations. She is the "Golden Rose" bringing many benefits to the company, employees, partners, and society.

**The number and percentage of her ownership share as at December 31, 2022 was 399,304 shares, accounted for 0,052% total shares.**

#### ▶ MR. HUYNH PHAT - INDEPENDENT MEMBER OF BOD

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

**The number and percentage of his ownership share up to 31/12/2022 was 0 share, account-ed for 0% total number of share outstanding.**

#### ▶ MR. LE HOANG LAN - AN INDEPENDENT MEMBER OF BOD

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

**The number and percentage of his ownership share up to 31/12/2022 was 0 share, account-ed for 0% total number of share outstanding.**

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

Ms. **Dang Nguyen Quynh Anh** was born in 1996, was appointed as a member of BOD on February 10, 2022. She gained bachelor degree in economy at University of Texas at Austin. Ms. Quynh Anh has good knowledge, well-trained, detailed way of working, considering as the seed of KBC's leaders in the future, contributing to the process of helping KBC to connect with foreign partners.

Besides, Ms. Quynh Anh is the chairman of Vinatex-Tan Tao investment corporation, one of the main shareholders of KBC.

**The number and percentage of his ownership share up to 31/12/2022 was 13,333,333 share, accounted for 1.737% total number of share outstanding.**

**The number and propotion of shares representing Vinatex-Tan Tao investment corporation as at December 31, 2022 was 39,239,852 shares, accounted for 5.11% total share outstanding.**

**In 2022, KBC organized the first extraordinary General Meeting of Shareholders on February 10, 2022 to report on the end of term 2017-2022 of BOD and implemented the election of members for BOD for the term 2022-2027, in which:**

- ▶ Mr. Dang Thanh Tam, Ms. Nguyen Thi Thu Huong and Mr. Huynh Phat are re-elected
- ▶ Mr. Le Hoang Lan and Ms. Nguyen Quynh Anh are newly elected
- ▶ Mr. Nguyen Vinh Tho and Mr. Pham Phuc Hieu are dismissed.

## BOARD OF MANAGEMENT

### ▶ MS. NGUYEN THI THU HUONG - CEO (INTRODUCED IN MEMBERS OF BOD SECTION)

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

Mr. Pham Phuc Hieu was born in 1978 and appointed to be the Deputy General Manager in Finance and the Chief Accountant since December 8, 2012. He is authorized to disclosure information of KBC. He was member of BOD from April 26, 2014 to February 10, 2022. Mr. Pham Phuc Hieu gained Bachelor degree in finance - banking, Master of business administration. He has been working for KBC since 2004, experienced many financial management position at KBC and its member companies. Therefore, he had good foundation in financial and business activities of the Corporation. Time, qualifications, experience has confirmed that Mr. Pham Phuc Hieu is one of the important and indispensable member in the leaders of the Corporation.

**The number and percentage of his ownership share up to 31/12/2022 was 30,422 share, accounted for 0.004% total number of share outstanding.**

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

Mr. Phan Anh Dung was born in 1969, is the Deputy General Director in charge of construction technique of the Corporation. As person having extensive experience in project management for residential housing as well as managing and monitoring technical issues, he had previously served as technical director of KBC and was appointed to be the Deputy General Director from June 1, 2011. Mr. Phan Anh Dung gained Master of business administration and engineering degree.

**The number and percentage of his ownership share up to 31/12/2022 was 15,333 share, accounted for 0.002% total number of share outstanding.**

### ▶ MS. NGUYEN MY NGOC - DEPUTY GENERAL DIRECTOR IN SALE

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

**The number and percentage of his ownership share up to 31/12/2022 was 0 share, accounted for 0% total number of share outstanding.**

## THE NUMBER OF STAFF

### The labor in the parent company

EMPLOYEE	AMOUNT	RATE
<b>Classification by level</b>		
Post-graduation	11	4,90%
University	84	39,70%
College and vocational training	26	12,30%
Technical workers	17	7,80%
Security and guard	72	35,30%
<b>Total</b>	<b>210</b>	<b>100%</b>
<b>Classification by gender</b>		
Female	38	18,1%
Male	172	81,9%
<b>Total</b>	<b>210</b>	<b>100%</b>

- ▶ The total number of staff in Parent company as at December 31, 2022 was 207, increasing in 06 peoples compared to 2021.
- ▶ The total number of staff in the Corporation as at December 31, 2022 was 554, increasing 6 people compared to 2021.

### Human resource development and effective governance system

KBC built management apparatus, professional, well-training staffs experiencing in the field of business investment and IP development, especially KBC is able to approach, promote FDI companies investing in KBC's IPs. Responsibility, royalty and solidarity are the criterias to build up corporate culture. Due to effective human governance policies, the Corporation's staffs always be harmony to each other, accompany the Corporation in both prosperous and difficult period, gradually building **KINHBAC CITY GROUP** to become one of the sustainable development enterprises, always maintain the leading position in the IP development even in the most difficult times. **Especially, KBC does not often cut down personnel, does not cut salary in any tough period. From 2022 until now, KBC has been implementing the strategy to attract well-training human resources, hiring series of positions to build up a succession team for the sustainable development of the Corporation in new century.**

**The wealth of senior personnel is the core part that has helped KBC successfully in different IPs. We have done everything to:**

- ▶ Satisfy needs of the local people; contributing a significant part in creating jobs for local people; contributing the development process for industrialization of locality.
- ▶ Be the bridge between enterprises and local authorities; bringing Vietnam's image, Vietnam's company, Vietnam's investment policy to foreign investors;
- ▶ Create differentiated products that are competitive; knowing how to turn difficulties into opportunities, even in years of crisis and economic downturn;
- ▶ Timely arrange capital and effective cash flow management.

### Recruitment policy and personnel usage

Issued based on the principal of efficiency and fairness, ensuring to allocate right person for right position, gaining the highest efficiency. Recruitment motto of the Corporation is to attract talented employees, recruiting right person according to the prescribed standards and regulations, arranging right jobs so that employees could express their capacity, their strength. KBC always give opportunities to each individual to develop their career as well as build up professional team for the Corporation.

### Salary, bonus and allowance regimes

Salary, bonus, welfare regimes are built in balance with the development of the enterprise. KBC fully implement regimes on social insurance payment, health insurance payment, unemployment insurance payment for entire employees. The average income of KBC's employee in 2022 reached 21.8 million VND per people per month, increasing in 15.6% compared to 2021.

Employees are entitled to be on leave according to the Labor law. The Corporation's staffs are entitled to allowance depending on the specific jobs such as: responsibility allowance, part-time allowance, lunch allowance, travel, telephone, phone prescription every month, etc. In order to ensure staffs' health, the Corporation organizes lunch at the dining hall with the clean products, every year, the Corporation organizes regular health checking for staffs at reputable hospital; the Corporation has football field, tennis field, basketball field, well-equipped gym, a Yoga teacher, a Jumba teacher; the Corporation has own health care department that timely advises health for employees, etc.

Every year, the Corporation organize a vacation tour for entire employees, as well as arrange collective activities. Union activities are frequently organized, taking the important role in connecting and building the solisarity for staffs.

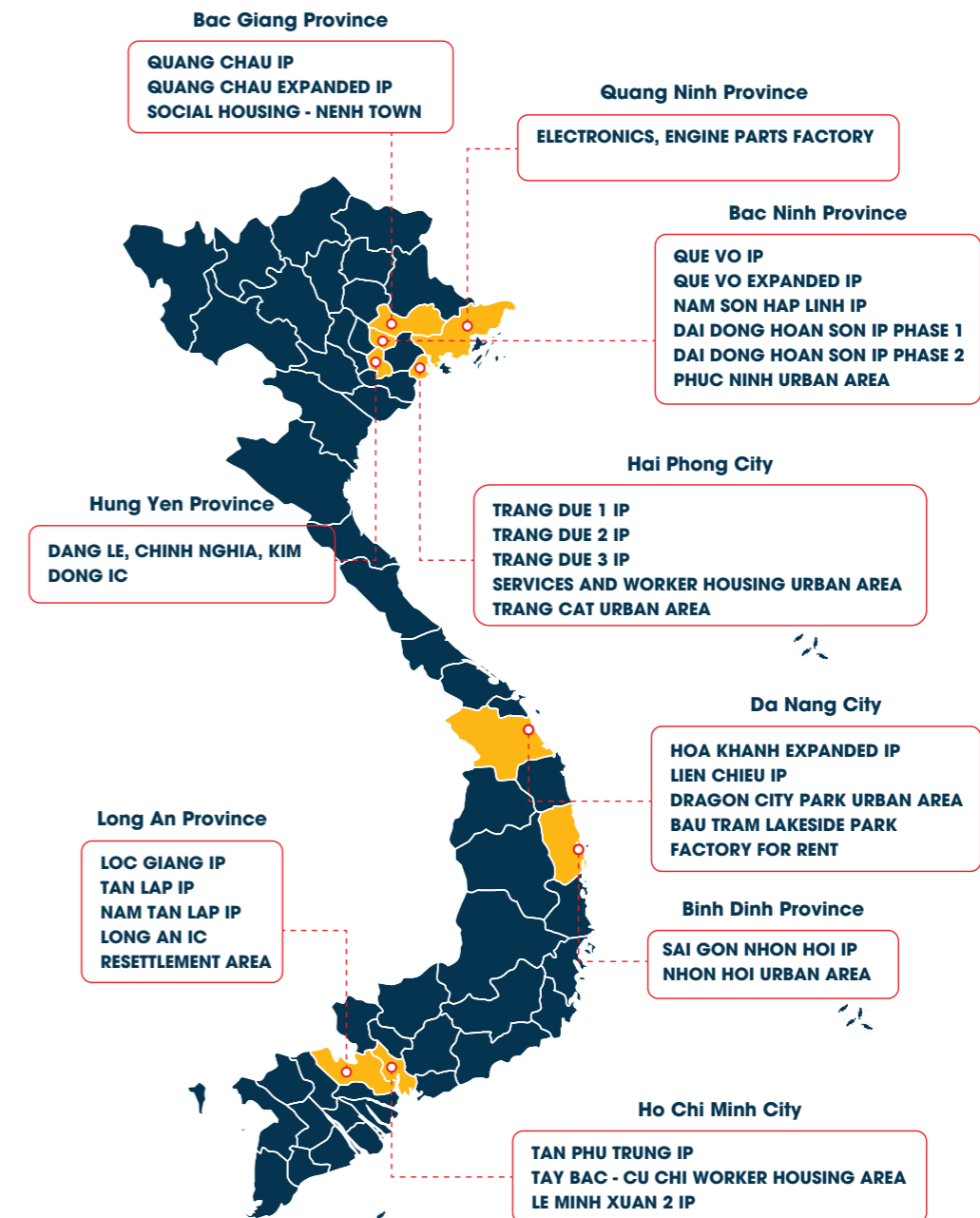
The Corporation always ensure to maintain salary, bonus policy, edequate welfare regimes for employees. Especially, in the tough period of economy 2020-2022, the Corporation still ensures that no one had a reduction in salary or personnel. Every year, the bonus for employees reach from 3 to 5 times of month's salary.



## 3. INVESTMENT AND IMPLEMENTATION SITUATION OF PROJECTS

### Land bank of the Corporation

Currently, the total land bank of the Corporation are more than 6,386.54 ha of IP land, 1,262.8 ha of UA land and 78.9 ha from other projects in 3 regions from North - Central - South. In aparallel with the development of existing projects, KBC has expanding new projects in Hung Yen, Hai Duong, Quang Ninh, Tay Ninh, Vung Tau, Tien Giang, ect.



## Investment situation in 2022

Direct investment activities in projects, the total investment value in the year was 1,769.89 billion VND, an increase of 23.17% compared to 2021. Some key investments were as follows:

- ▶ 247.51 billion VND was invested in Nam Son Hap Linh IP for infrastructure, clean water and waste water factories.
- ▶ 222.4 billion VND was invested in Quang Chau IP for infrastructure, compensation, building clean water plant phase 3 with a capacity of 10,000 m3 per day, building clean water plant phase 4 with a capacity of 12,000 m3 per day, wastewater treatment factory phase 3 with a ca-pacity of 10,000 m3 per day.
- ▶ 70.32 billion VND was invested in Trang Due IP and UA for infratruture completion.
- ▶ 171.57 billion VND was invested in Tan Phu Trung IP for compensation, infrastructure build-ing (levelling, buiding road, wa-ter supply and drainage, electricity, tree, ect).
- ▶ Joint venture with Evergreen Bac Giang investment sustainable development Joint Stoct Com-pany to implement project for Social Housing in Nenh town, there was 348.59 billion VND invested in the project.
- ▶ Trang Cat UA has increased in investment expense by 424.35 billion VND including interest capitalization and levelling of 80 ha.
- ▶ 128.15 billion VND was invested in Tan Tap IP for project establishment expenses and other expenses.

### Capital contribution activites and business cooperation of the Corporation was 2,306.48 billion VND, including:

- ▶ Capital contribution activites and business cooperation of the Parent Company in its subsidiar-ies and its associates was 704.87 billion VND (primarily contributing capital into Sai Gon - Da nang investment corporation, Hung Yen investment and development corporation, Saigon Telecommunication and technologies corporation), investment cooperation in Trang Due 3 IP in 2022 was 775 billion VND.
- ▶ Capital contribution activites and business cooperation of its subsidiaries into other companies was 865.61 billion VND (primarily business cooperating in Saigon - Nhonhoi Industrial park corporation, Quang Yen Electronics company limited, Quang Yen manufacturing industrial company limited, ect).

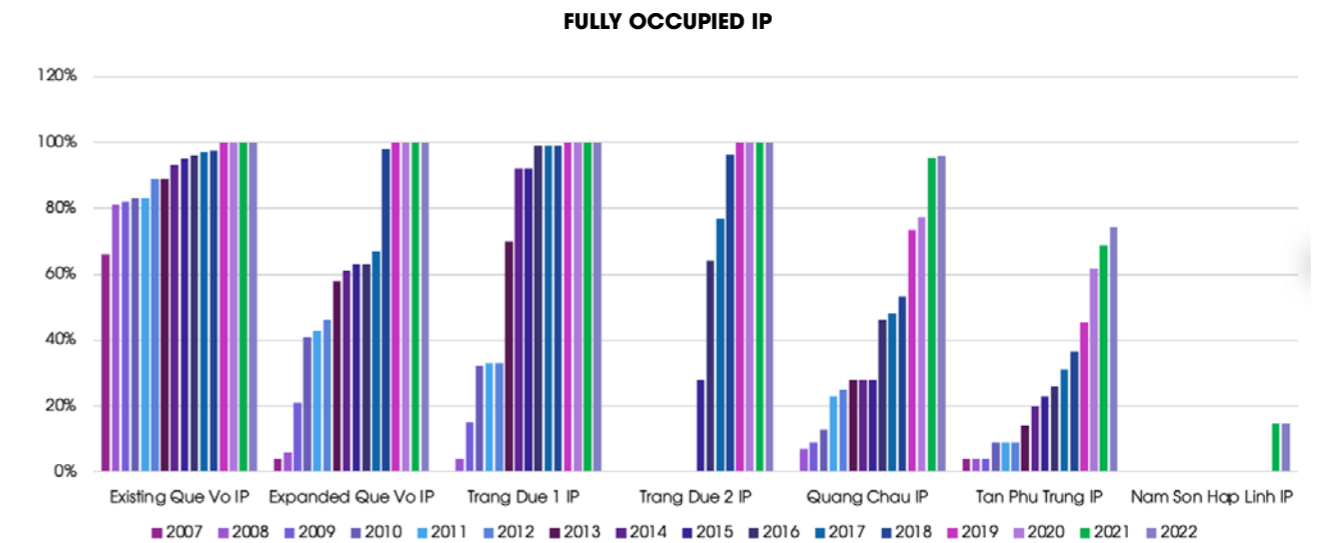
### Investments in its subsidiaries, its associates and long-term financial investments of the Parent Company.

The total investment value of the Parent Company in its subsidiaries calculated at book value and net value as at December 31, 2022 was 10,787.12 billion VND, an increase by 4.35%, compared to 2021. This is due to primarily increase by 450 billion VND in capital contribution of the Corporation in Quang Yen Manufacturing industry company limited.

The total investment value of the Parent Company in its associates calculated at cost was 805.7 billion VND, increasing by 46.3%. This is mainly because the Corporation got the transfer of shares of Saigon-Danang investment corporation with the val-ue of 57 billion VND, implementing the right to purchase SGT shares of Saigon telecommunication and technologies corpora-tion with the value of 158.97 billion VND. The net value of investment in its associates was 699.27 billion VND, the total provision value was 106.4 billion VND, 14.77 times higher than in 2021 mainly due to the reduce in price of SGT shares.

For the long-term financial investments, KBC owns below 20%, with the total investment value of 399.5 billion VND, a reduction by 9.76% compared to 2021 due to the change in investment poforlios at Saigon - Danang investment corporation to its asso-ciates, making provisions of 22.8 billion VND, leading the remaining of net value of 373.48 billion VND.

## OPERATION STATUS AND PROSPECTS OF THE PROJECTS



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Existing Que Vo IP	66%	81%	82%	83%	83%	89%	89%	93%	95%	96%	97%	97.5%	100%	100%	100%	100%
Expanded Que Vo IP	4%	6%	21%	41%	43%	46%	58%	61%	63%	63%	67%	97.9%	100%	100%	100%	100%
Trang Due 1 IP	0%	4%	15%	32%	33%	33%	70%	92%	92%	99%	99%	99%	100%	100%	100%	100%
Trang Due 2 IP									28%	64%	76.9%	96.2%	100%	100%	100%	100%
Quang Chau IP		7%	9%	13%	23%	25%	28%	28%	28%	46%	48%	53.2%	73.5%	77.3%	95.4%	95.9%

KBC has first 4 IPs since its establishment in 2002, with the total area of 1,013 ha, was 100% occupied in 2019, attracting more than 250 foreign investors, mainly from Japan, Korea, Hongkong, Taiwan, China, ect, including:

- ▶ **In Bac Ninh:** 2 Que Vo IPs with the total area of 611 ha, and 70 ready-built factories with the standard area of 5,160 m2/ unit. The existing Que Vo IP has the area of 300 ha, taking into operation since 2003, the expanded Que Vo IP has the area of 311 ha, taking into operation in 2006. It took about 12 years to be 90% occupied;
- ▶ **In Hai Phong:** Trang Due 1 IP has the area of 187.8 ha, 17 ready-built factories with the average area of 5,200 m2/unit, taking into operation since 2008, took 7 years to get the occupancy rate of over 90%; Trang Due 2 IP has the area of 214.2 ha, only took 4 years to be 90% occupied and there is no ready-built factory.

Through the data above, it can be seen that, KBC took about 12 years so that the first IP was above 90% occupied, for the next IPs, they took about 6 years to be 90% occupied. Normally 10% area of the remaining IPs, they took 1 to 5 years to be fully occupied since the Company reserved land bank to build factory to be leased, meeting small-scale investors' need, or meeting need of factory expanding of corporations invested in IPs.

- ▶ **In Bac Giang:** Quang Chau IP has the area of 426 ha, was 95.89% occupied, expecting to be fully occupied in 2023.

Fully occupied IPs always create stable income every year till ending of life circle of projects, including income from services, infrastructure management, providing clean water, wastewater treatment. In 2022, the total service income for these 5 IPs reached 387.17 billion VND. However, the service income will continue to increase in the coming years when enterprises in IPs no longer receive free infrastructure fee and become stable revenue, ensuring the operation activities of the Corporation.

## KEY PROJECTS OF PARENT COMPANY

### ▶ NAM SON HAP LINH IP



Nam Son Hap Linh IP in Bac Ninh province put into operation since 2021, has attracted large-scale customers invested in, factories have been building and some factories has started trial operation.



Nam Son Hap Linh in Bac Ninh has the total area of 300 ha, saleable area of 204.1 ha. 191 ha has been compensated, there is the remaining of 108.3 ha to be compensated. Revenue of 30 ha was recognized. The project has a favorable geographical location adjacent National Highway 1B, 15 km from Samsung factory, convenient to connect to seaports, airports, has the destination that many in-vestors are interested in. There is likely to be fully occupied in the next time.

As at December 31, 2022, IP has been invested 1,326.1 billion VND, including 247.51 billion VND was invested in 2022 for compensation, building for clean water plant, wastewater factory and IP infrastructure. The project has been completing the construction of clean water plant, waste water treatment system to meet the demand for clean water supply and waste water treatment for Nam Son Hap Linh IP and providing part of clean water demand for Que Vo IP.

**Plan for 2023:** Focus on compensation, infrastructure completion and put the clean water plant and wastewater treatment plant into operation to ensure conditions for revenue recognition for the area that was signed principal agreement, as well as continue to attract investments into the project. This is considered as key project, contributing to KBC's business plan of 2023.

### ▶ PHUC NINH UA



**Phuc Ninh UA has already inhabited, the site is under constructing, infrastructure completion, creating products to catch new waves.**

Phuc Ninh UA in Bac Ninh province invested by KBC, was granted an investment registration certificate, has the total area of 114.55 ha, saleable area of 44.5 ha, with the total investment capital of 4,891.79 billion VND. The project is expected to be completed in 2025. Currently, the completion schedule of the project are as follows:

- ▶ 88.2 ha has been compensated for site clearance; 74.38 ha has been handed over; land use fee was paid for 17.1 ha.
- ▶ Implementing ground levelling for the area of 74.38 ha, completed technical infrastructure construction for 28.87 ha including: system for roads, rainwater, waste water, power supply, lightning, landscaping, etc.
- ▶ Be implementing construction for infrastructure system such as roads, water supply, rainwater drainage, wastewater drainage, power supply, lightening, trees, landscaping on the area of 20.3 ha of the technical infrastructure package 2 in Phuong Vy and Thi Cau area.
- ▶ Constructing conditioning lake with the area of 3.2 ha, flower garden building in the green lot CX-34 with the area of 5184 m2.
- ▶ Implementing the construction for 150 villas and townhouses, of which 150 villas and town-houses have been completed.
- ▶ 121 land lots have been granted land use right.
- ▶ The Project was opened for sale for 6.27 ha sub-area and 22 ha sub-area in 2017, attracting hundreds of investors to sign purchasing agreement.

As at December 31, 2022, the total area that booked was 12 ha, the total area that recognized revenue was 2.51 ha. The total value of booking agreements, excluding VAT was 1,591 billion VND, total amount to be receivable was above 1,234 billion VND, revenue recognized was 345.85 billion VND. In 2022, the Project incurred negligible investment expenses.

**Development plan for 2023:** Focusing on completing legal procedures to hand over lands to investors who have made reservations, to recognize revenue in 2023; continuing to compensate, deploy investment and build infrastructure for the project; continuing invest and build infrastructure and work items of the project in accordance with approved plan of handed over area.

## ► DIPLOMATIC CORPS PROJECT - HANOI

The Project has the total area of 20,000 m<sup>2</sup> in the developed area in the Capital, located on Pham Van Dong Street, Hanoi, next to Hoa Binh park. In 2017, the Company established the subsidiary which is NGD invest sole member Company limited to manage and develop the project. The project is looking for partners to cooperate.



## FINANCIAL SITUATION OF PARENT COMPANY

As at December 31, 2022, the total assets of the Parent Company reached 22,727.07 billion VND, increased by 11.25%, compared to 2021; short term and long term loan outstanding balance was 6,799.89 billion VND, increased by 16.27% compared to 2021, including:

- Outstanding balance for bank loan was 190.64 billion VND, outstanding balance for bond was 3,900 billion VND (of which, 2,900 billion VND will be due before June 2023). The company ensure sufficient sources to pay loans on time. Updated at the time of this report, quarter I/2023, KBC already completed payments on time and early redemption all private placement bonds, with the total value of 2,400 billion VND.
- Outstanding balance for loans to related parties was 2,701.88 billion VND, this transaction was to transfer business capital from subsidiary to the parent company to ensure all corporation's activities smoothly. This transaction evaluated that the investment activities of parent company in its subsidiaries are effective, this loan is often offset against subsidiaries' annual dividends to be paid to shareholders which includes parent company, or benefits allocated from cooperation contracts between parent company and its subsidiaries, mostly not causing pressure to repay the parent company. We would like to emphasize this issue to press and investors to understand and have the realistic and true perspective on the transfer of capital between the corporation and its subsidiaries instead of simple loan.

The total revenue of the parent company in 2022 reached 1,618 billion VND, equalling to 134.18% compared to 2021, profit after tax was 610.75 billion, 10.52 times higher than in 2021. The reason for sudden increase in profit was mainly from dividends from its subsidiaries.

## PROJECTS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

### TRANG CAT URBAN DEVELOPMENT ONE MEMBER LIMITED COMPANY (TCC)

- Address: Bai Trieu Area, Trang Cat Ward, Hai An District, Dinh Vu - Cat Hai Economic Zone, Hai Phong City
- Business line: Infrastructure and Real Estate Sales for IP and UA
- Charter capital: 6.630 billion VND
- KBC's current holding rate in TCC: 100%

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

Total infrastructure investment is expected to be more than 11,328.8 billion VND. The total invested value is 7,841.17 billion VND, increasing 434.35 billion VND compared to 2021, which mainly because the project has completed the land grading of nearly 80 hectares and has capitalized on loan interest.

**Project development plan in 2022:** This is a key project of KBC, which shall be continued land grading and deploying infrastructure to put into business or business cooperation.



## SAI GON - HAI PHONG INDUSTRIAL PARK CORPORATION (SHP)

- ▶ Address: Trang Due IP, Le Loi Commune, An Duong District, Haiphong City, Vietnam
- ▶ Charter capital: 416 billion VND
- ▶ Business line: Real Estate Sales for IP and UA
- ▶ The currently voting rate and holding ratio of KBC in SHP is 86,54%.

SHP is the investor of Trang Due IP and UA project which belong to Dinh Vu - Cat Hai - Hai Phong economic zone and has the highest preferential policy in Vietnam. Investors in IPs shall receive maximum tax incentives such as: income tax exemption for 4 years, 50% reduction of payable tax for the next 9 years, income tax rate of 10% for the first 15 years, exemption of import tax for imported goods as prescribed by the law, 50% of income tax exemption for employees working in IPs, etc. In 2019, two IPs including Trang Due 1 and Trang Due 2 with a total area of 402 hectares, were 100% filled, attracting 73 foreign investors. Some big investors can be mentioned as LG Electronics, LG Display, Dongjin Techwin Vina, Asia Plastic J.S.C, Haengsung Electronic, Heesung Electronics, Innotek, etc. After 2 IPs are filled, SHP's annual revenue comes from clean water supply, wastewater treatment and infrastructure management services. In 2022, the service revenue of this IP reached 82.07 billion VND and is estimated to reach over 100 billion VND/year in the coming years when investors no longer receive free infrastructure fee.

Since 2019, the Company has started realizing revenue from the Trang Due UA Project. The project has an area of 42.08 hectares, with 22.6 hectares of commercial land and realized revenue of 12.22 hectares. The project has been granted certificate of land use rights, has completed and 93 commercial townhouses, and is completing the last 28 villas.

Within the scope of Trang Due UA project, there is also a social housing project with a total

investment of 1,594 billion VND with a scale of 12,037m<sup>2</sup> of floor space, 10 15-floor apartment buildings, 01 basement under construction procedures to meet stable housing needs for workers of Trang Due IP.

In 2022, SHP also joined a partnership with EVERGREEN Bac Giang Investment Sustainable

Development Joint Stock Company to invest and construct the project "Social housing for workers in the New Urban Area of Nenh Town, Viet Yen district, Bac Giang province" according to the investor approval decision No.776/QD-UBND dated 27/07/2021 of the People's Committee of Bac Giang province. In which, SHP has to contribute 390.76 billion VND, accounting for 85% of the capital. As at 31/12/2022, the current status of the Nenh Town Social Housing Project is as follows:

- ▶ Total investment of the project: 2,298.58 billion VND;
- ▶ Total invested value: 348.58 billion VND.
- ▶ Project progress: Completing land and construction procedures; completing construction and putting them into use from the fourth quarter of 2021 to the end of the fourth quarter of 2023; putting them into operation from the fourth quarter of 2023 until the end of the project implementation period.
- ▶ Current status of the project: The project is implementing construction of 5 social housing buildings on plot CT.1, already has 3 topping-out buildings and is under completion (building No. CT1-1; CT1-2; CT1-3) and 2 buildings CT1-4; CT1-5 are under structural and raw construction.



The topping-out ceremony of the social housing project in Nenh town - Bac Giang province

In addition, during the year, SHP continued to invest in Trang Due Industrial Park and Urban Area with a cost of 70.32 billion VND and established 02 subsidiaries named Quang Yen Electronics Company Limited, which specializes in manufacturing wireless headphones and speakers for mobile phones and Quang Yen Manufacturing Industry Company Limited, which specializes in manufacturing engine nozzles and agricultural machines in Dam Nha Mac area, Quang Ninh province, Vietnam, with a total capital contribution into two companies of 97.95 billion VND.

As at December 31, 2022, the company's total assets reached 6,791.04 billion VND, equaling 120.33% compared to 2021; Total revenue in 2022 reached 455.52 billion VND, equal to 69.84% compared to 2021, mainly due to the sale of 4.25 hectares of urban land and revenue from providing water and wastewater treatment services, infrastructure connection, etc. However, in 2022, SHP incurred a transaction to return 2.48 hectares of commercial and service land of the urban area, equivalent to a reduced revenue of 447.21 billion VND, resulting in a loss after tax of 325.37 billion VND. The total principal outstanding balance at credit institutions As at 31/12/2022 is 671.58 billion VND, 4.74 times higher than in 2021.

### Development plan in 2023:

- ▶ Completing procedures to hand over the last 83 villas for revenue recognition.
- ▶ Handing over and putting into use 5 buildings of lot CT.1 and building another 5 buildings of lot CT.2 of the social housing project in Nenh town - Bac Giang province.
- ▶ Completing legal procedures in parallel with implementing compensation plans, building infrastructure for Trang Due 3 Industrial Park project with a scale of 687 hectares and Long An industrial cluster projects.
- ▶ Starting the groundbreaking of the social housing project in Trang Due urban area, implementing the construction investment plan and arranging capital.

## SAI GON - BAC GIANG INDUSTRIAL PARK CORPORATION (SBG)

- ▶ Address: Quang Chau IP, Quang Chau commune, Viet Yen district, Bac Giang province
- ▶ Business line: IP Infrastructure
- ▶ Registered capital: 220 billion VND
- ▶ Voting right rate: 92,5%, Effective interest rate: 88,06%



**Quang Chau Industrial Park with modern factories filled at a rapid rate**

SBG is the investor of Quang Chau Industrial Park and Quang Chau Expanded Industrial Park, located in Viet Yen district, Bac Giang province. The project has an advantageous location to Bac Ninh province, about 10 km from Que Vo Industrial Park and is located on the traffic axis between many large production zones. From 2017 to now, Quang Chau Industrial Park, Bac Giang province has always been a typical industrial park in the system of KBC's industrial park projects in terms of quick filling industrial land lease areas as well as high rate of FDI investors attracting.

- ▶ **Quang Chau IP:** has a total area of 426 ha, total commercial land area is 306.91 ha, has filled 95.89% of commercial land area, remaining area is 12.62 ha, land area to be compensated is over 11, 99 ha. This industrial park has attracted many large foreign corporations such as: Nichirin Viet Nam Co., Ltd, Umec Vietnam, Crystal Martin Vietnam, JA Solar, ZYF, Luxshare - ICT, Samkwang Vina, HIQ Vina, etc.
- ▶ **Quang Chau Expanded IP:** has a total area of 90 ha, commercial land area is 67.40 ha, land area to be compensated is 38.1 ha. On 04/11/2022, Quang Chau Expanded Industrial Park was approved by the Prime Minister for investment policy. Right after that, the project attracted a big investor, Ingrasys (Singapore) Pte.Ltd with the demand for leasing land area of 49.6 ha with the total contract value of 1,624 billion VND. On 02/01/2023, Bac Giang Provincial People's Committee granted the Investment Registration Certificate for "Fullian Precision Technology Factory" of investor Ingrasys (Singapore) Pte.Ltd. This event demonstrated the ability to attract investment as well as the fast filling rate at the Quang Chau Expanded Industrial Park.

In 2022, SBG corporation directly invested in projects worth 224.4 billion VND for the following items: compensation, ground leveling, road construction; the infrastructure system completion (electricity, water supply, trees); investing in building a clean water plant in phase 3 with a capacity of 10,000 m3/day; wastewater treatment plant phase 3 with a capacity of 10,000 m3/day; clean water plant phase 4 with a capacity of 12,000m3/day, etc. In addition, SBG corporation also contributed capital for a business cooperation with Sai Gon - Nhon Hoi Industrial Park Corporation with the value of 300 billion VND.

As at 31/12/2022, the company's total assets reached 4,405 billion VND, increasing 12.3% compared to 2021; Total revenue reached 182 billion VND, equal to 9.7% compared to 2021; Profit after tax reached 143 billion VND, equal to 13.8% compared to 2021, mainly due to revenue/profit recognition from clean water supply and wastewater treatment services; The total principal balance for credit institutions is 300 billion VND and the long-term interest loan balance at PVcombank is 276.1 billion VND, which is extended for repayment from 2025 to 2030.

## Development plan in 2023:

- ▶ **Quang Chau IP:** completing infrastructure to reach 100% filling rate in 2023.
- ▶ **Quang Chau Expanded IP:** Quickly completing the infrastructure and site clearance to hand over the land area to investors who have signed the Agreements, continuing to attract investment so that this IP can reach the filling rate of 100% as soon as possible. Thus, affirming SBG's IP project implementation capacity is the basis for continuing to establish new projects this year.
- ▶ **Long An Industrial Cluster:** Continue to complete relevant legal procedures, and at the same time making plans for site clearance, infrastructure investment and investment attraction.

## NORTHWEST SAIGON CITY DEVELOPMENT CORPORATION (SCD)

- ▶ Address: Lot 46, Quang Trung Software Park, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City, Vietnam
- ▶ Business line: Infrastructure real estate business in industrial park
- ▶ Charter capital: 500 billion VND
- ▶ Voting right rate: 74,3%, Effective interest rate: 72,44%



**Tan Phu Trung Industrial Park with complete infrastructure**

SCD was established as the investor of Tan Phu Trung Industrial Park and Tan Phu Trung Industrial Park Residential Project in Cu Chi District, which is 25 km from the center of Ho Chi Minh City. In 2022, the Company was approved some projects for industrial parks and resettlement areas in Long An province, in which:

- ▶ Tan Phu Trung IP has a total land area of 542 ha, commercial land area is 314 ha, the filling rate is 74.28%, the remaining commercial land area 80.77 ha, land to be compensated is 33.2 ha.
- ▶ Tan Phu Trung residential area has a scale of 47.3 ha, has been compensated 100% of land area. The purpose of the project is to meet the housing needs for the labor workforce in the industrial park, which is expected to be 7,800 people.
- ▶ On 19/04/2022, SCD was granted the investment policy by the Government and is the investor of Loc Giang Industrial Park Project in Long An province with a scale of 466 ha, of which 326.5 ha is commercial land area, the project is continuing to approve the 1/200 planning and make plan for compensation and infrastructure construction investment
- ▶ On 08/11/2022, SCD was granted the investment policy and approved as the investor by Long An Provincial People's Committee for Loc Giang Resettlement Area Project with a scale of 31 ha, the project is implementing the legal procedures and construction investment plans.

In 2022, SCD invested 219.43 billion VND in Tan Phu Trung IP and Loc Giang IP projects. In which, Tan Phu Trung IP was invested 171.57 billion VND for infrastructure construction items (ground filling, road construction, water supply and drainage, lighting, trees, preparing documents to establish a new project, etc). During the year, SCD recorded revenue for 16.9 ha of industrial land.

As at 31/12/2022, the company's total assets reached 2,868.21 billion VND, equaling 121.67% compared to 2021; Total revenue in 2022 reached 742.73 billion VND, equaling 90.62% compared to 2021, profit after tax reached 309.15 billion VND, equaling 136.7% compared to 2021; Credit balance was 0.

#### Development plan in 2023:

- ▶ Tan Phu Trung IP: focusing on building a breakthrough business plan, speeding up the filling of the IP to accumulate financial resources to ensure the financial capacity to deploy the new IP.
- ▶ Loc Giang IP: with a total investment of 5,198.2 billion VND, it must take advantage of its own capital and develop plans to arrange capital through banks or financial institutions to deploy investment in Loc Giang IP and make products available in the coming years.
- ▶ Together with IP development, the Company also focuses on arranging capital to deploy Long An industrial cluster, Tan Phu Trung residential area and Loc Giang resettlement area.

#### LONG AN DEVELOPMENT INVEST JOINT STOCK COMPANY (LADIC)

- ▶ Address: Lot 6A, Road No. 3, Tan Duc IP, Duc Hoa Ha Commune, Duc Hoa District, Long An province, Vietnam
- ▶ Charter capital: 1,500 billion VND
- ▶ Business line: Construction and real estate business
- ▶ Voting right rate: 60%, Effective interest rate: 56.77%

LADic was established on 18/02/2021 by KBC as a founding shareholder. On 18/03/2022, the company was quickly granted the investment policy of The construction investment and infrastructure business project in Tan Tap IP, Long An province with total area of 654 ha, commercial land area of 460.97 ha and 9,910.73 billion VND in total investment by the Government. As at 31/12/2022, the total investment cost for this IP was 128.15 billion VND. This is considered a promising project of the Corporation in the coming years as the project is urgently being implemented the detailed planning plan, compensation plan, infrastructure construction investment and investment attraction plan.



Perspective rendering of Tan Tap IP, Long An province

#### SAI GON - DA NANG INVESTMENT CORPORATION (SDN)

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



Dragon City Green Park Urban Area in Da Nang

SDN is the investor of the following projects: Hoa Khanh Expanded IP (132.6 ha, 100% infrastructure completion and 100% filling rate); Lien Chieu IP (289.4 ha, 55% filling rate, 7 ha of land to be compensated); Bau Tram UA (46.02 ha, in which 23.66 ha is commercial land and 22.5 ha of land has been sold); Dragon City Green Park UA (78.31 ha, in which 45 ha is commercial land, has completed the infrastructure and built villas, terraced houses, not recorded revenue, etc.); Residential area of Hoa Khanh Expanded IP (11 ha, in which phase 1 has 04 buildings to be handed over to customers in 2023, phase 2 is under construction). SDN's projects in Da Nang are located about 15km from the center of Da Nang city, about 13km from Da Nang international airport and have many newly developed UAs with advantageous transportation locations. In addition, SDN also owns 100% of the contributed capital in Phuoc Vinh Dong 1 industrial cluster in Long An province (49.7 ha, is completing legal procedures and investing in infrastructure construction).

On 30/06/2022, KBC received shares transfer from SDN's shareholders to increase the ownership rate, whereby SDN became an associate company of KBC. After the transaction, KBC recognized the difference between the net asset value of SDN and the original cost of KBC's investment in the Corporation's business results of nearly 2,182.34 billion VND. The net asset valuation was performed by Savills Valuation and Professional Services (s) Pte.Ltd and the audit firm Ernst and Young Vietnam Limited.

## SAIGON TELECOMMUNICATION & TECHNOLOGIES CORPORATION (SGT)

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

SGT's main business activities are real estates in IPs, UAs and smart buildings. Currently, SGT is the investor of projects such as: Dai Dong Hoan Son IP, Bac Ninh province with a scale of 400 ha, 100% filled in phase 1 with an area of 268 ha, and phase 2 with an area of 95.81 ha, compensation rate is 68%, ground filling rate is 44% and is attracting investment. Besides, SGT also has Saigontel Central Park project, Bac Giang province; SAIGON ICT TOWER Building in Ho Chi Minh City and factory projects for rent in Da Nang. Especially, SGT is implementing Nam Tan Tap IP project, Long An province with a scale of 244.74 ha funded by Vietinbank. This is a project that promises to bring benefits to SGT and to shareholders including KBC. SGT is a dynamic company of the Corporation in investment promoting, establishing a series of new projects in Bac Giang, Long An, Vung Tau, Thai Nguyen, etc.



Leaders of Long An province along with leaders of KBIZ, KOCHAM, SAIGONTEL and representatives of Korean businesses attended the conference



## 4. FINANCIAL STATUS

### a. Financial status in 2022

Unit: VND

INDICATORS	2021 (re-presented)	2022	CHANGES
Total assets	31,001,842,592,503	34,906,513,197,012	112.59%
Equity	16,569,221,681,559	17,845,519,292,086	107.70%
Liabilities	14,432,620,910,944	17,060,993,904,926	118.21%
Total revenue	4,832,573,845,882	3,498,070,377,998	72.39%
Gross profit	1,888,363,838,470	1,686,446,282,442	89.31%
Profit before tax	1,761,765,041,603	1,696,585,085,694	96.30%
Profit after tax	1,351,696,553,830	1,576,529,040,527	116.63%
EPS	1,665	1,993	119.70%

#### ► Causes of changes in assets and equity

**As at 31/12/2022:** Total assets/capital of the whole Corporation reached 34,906.51 billion VND, net increasing 3,904.67 billion dong and increasing 11.26 % compared to 2021. The main reason for the change in total size of assets is mainly due to the prepayment by KBC's customers and deposit of Land Lease Agreements in Quang Chau IP, Nam Son Hap Linh IP which led to a net increase of 1,254.31 billion VND. Net debt increased by 584.1 billion VND, payable expenses increased by 329.8 billion VND and equity increased by 1,276.29 billion VND due to an increase in profit after tax.

#### ► Causes of changes in Revenue - Profit

In 2022, the Corporation's total consolidated revenue reached 3,498.07 billion VND, equaling 72.39% compared to 2021, equaling 35.69% of the plan. The Corporation's consolidated profit after tax in 2022 reached 1,576.53 billion VND, equaling 116.63% compared to 2021, equaling 35.03% of the plan. The main reason for the increase in profit was that during the year the Corporation received the transfer of shares in Sai Gon - Da Nang Investment Corporation (SDN), which created the 2,182.33 billion VND difference between the net asset value of SDN and KBC's investment value. This difference was recognized in profit in affiliated companies.

### b. Financial indicators

INDICATORS	2021 (re-presented)	2022
<b>1. Solvency ratio</b>		
+ Current ratio (Short-term Asset/ Short-term debt)	3.94	2.59
+ Quick ratio (Short-term asset - Inventories)/ Short-term debt	2.18	1.44
<b>2. Capital structure ratio</b>		
+ Debt/ Total assets ratio (%)	46.55%	48.88%
+ Debt/ Owner's Equity ratio (%)	87.11%	95.60%
+ Actual Debt/ Total assets ratio (%)	22.75%	21.88%
<b>3. Operation capability ratio</b>		
+ Yearly inventory turnover (Cost of goods sold/ Average inventory)	0.15	0.06
+ Net revenue/ Average total assets	13.07%	2.74%
<b>4. Profitability</b>		
+ Profit after tax/ Net revenue ratio	31.83%	165.90%
+ Profit after tax/ Total revenue ratio	27.97%	45.07%
+ Profit after tax/ Total capital ratio	8.16%	8.83%
+ Profit after tax/ Total assets ratio	4.36%	4.52%
+ Profit from business activities/ Net revenue ratio	44.47%	177.47%

#### ► SOLVENCY

The indicators of short-term solvency and quick ratios decreased sharply compared to 2021 due to a significant increase in debts transferred from long-term to short-term (mainly because of bonds due in the first 6 months of 2023 with a total debt of 2,900 billion VND). Meanwhile, 2022 was a difficult year in terms of cash flow from all sources for most businesses due to the influence of macroeconomic policies (difficulties in issuing new shares, bonds, difficulties in accessing bank loans, shortfall in cash flow from operating activities, etc). However, financial ratios of solvency still ensure KBC's short-term debt solvency and cash flow from business activities of signed land lease agreements are enough for payment of debts due in the first 6 months of 2023. Updated until the end of Quarter 1/2023, KBC has completed the payment on time and early redeemed all outstanding privately-placed bonds with a total value of 2,400 billion VND.

#### ► CAPITAL STRUCTURE

As at 31/12/2022, KBC's total assets structure ratio was: 48.88% debt and 51.12% equity. The capital structure ratio in 2022 did not change much compared to 2021, which was a fairly balanced ratio structure between Debt - Capital - Assets. Particularly, KBC's Debt/Total Asset ratio was only 21.88%, which was a satisfying debt ratio compared to other companies in the same industry.

#### ► OPERATIONAL CAPACITY

Due to the characteristics of industrial products with a business cycle that often lasts for decades, the inventory turnover ratio does not reflect the business characteristics of the Corporation. However, there are also some projects of KBC with large inventory value that have existed since 2012 but have not been put into business such as Trang Cat UA, that has not been reopened for sale within the past 5 years such as Phuc Ninh UA. This is the reason why the inventory turnover ratio does not reflect the actual inventory turnover of KBC.

The Net Revenue/ Total Assets ratio in 2022 decreased sharply compared to 2021 which was explained in this report. It is expected that in 2023 this index will improve very quickly when a series of large contracts are recognized.

#### ► PROFITABILITY

Profitability ratios increased sharply compared to 2021, mainly due to the recognition of the income difference between the net asset value of Sai Gon - Da Nang Investment Corporation and the value of KBC's investment after the transfer. This is also one of the development strategies of KBC when implementing this transaction to increase the controlling rate in member companies and increase operational capacity, expand business in potential areas in the future.

## 5. SHAREHOLDERS STRUCTURE – CHANGE IN THE OWNER’S EQUITY

### NUMBER OF SHARES ACCORDING TO THE LIST OF SHAREHOLDERS FINAL-IZED ON 28/11/2022

ITEMS	NUMBER OF SHARES
<b>Total issued shares</b>	<b>767,604,759</b>
Number of common shares	767,604,759
Preferred shares	0
Treasury shares	0
<b>Outstanding shares</b>	<b>767,604,759</b>
Free-transfer shares	767,516,023
<b>Restricted shares</b>	<b>88,736</b>

### SHAREHOLDERS STRUCTURE

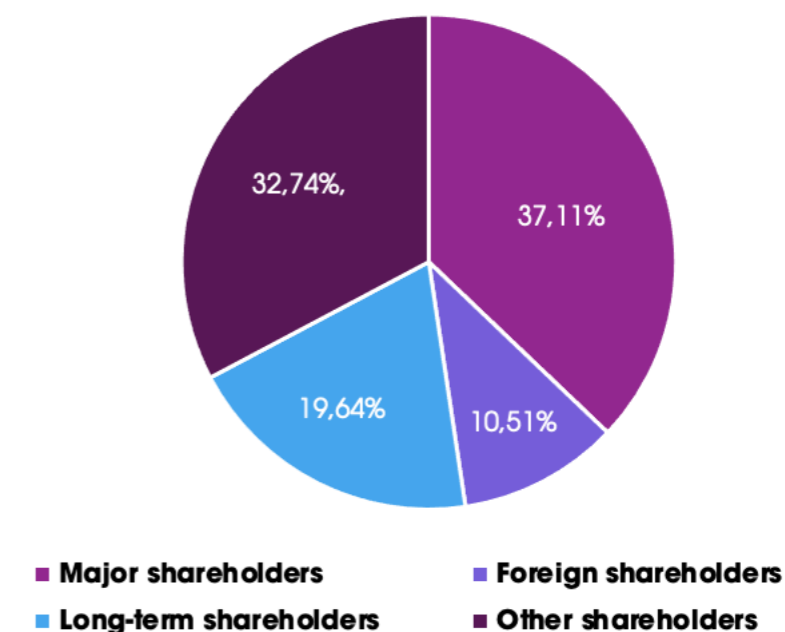
#### Shareholders structure according to the List of Shareholders finalized on 28/11/2022

SHAREHOLDER CLASSIFICATION	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	RATIO
<b>Domestic shareholders</b>		<b>644,977,182</b>	<b>84.0%</b>
Individuals	33,949	478,552,371	62.3%
Organizations	84	166,424,811	21.7%
<b>Foreign shareholders</b>		<b>122,627,577</b>	<b>16.0%</b>
Individuals	283	1,513,610	0.2%
Organizations	86	121,113,967	15.8%
<b>Total outstanding shares</b>		<b>767,604,759</b>	<b>100%</b>
Treasury shares	0	0	0.0%
<b>Total</b>	<b>34,402</b>	<b>767,604,759</b>	<b>100%</b>

### SHAREHOLDER CLASSIFICATION ACCORDING TO THE LIST OF SHAREHOLDERS FINALIZED ON 28/11/2022

SHAREHOLDER NAME	NUMBER OF SHARES	RATIO
<b>Outstanding shares</b>	<b>767,604,759</b>	<b>100%</b>
<b>Major shareholders</b>	<b>284,869,472</b>	<b>37.11%</b>
Dang Thanh Tam (Chairman of the BOD) <i>Updated on 31/12/2022, the number of shares held by Mr. Dang Thanh Tam is 138,666,665 shares, accounting for 18.06%</i>	135,638,865	17.67%
Kinh Bac Investment and Consultant Corporation	68,064,789	8.87%
Vinatex - Tan Tao Investment Corporation	39,239,852	5.11%
Group of major shareholders - Dragon Capital	41,925,966	5.46%
<b>Other foreign shareholders</b>	<b>80,701,611</b>	<b>10.51%</b>
<b>Long-term shareholders</b>	<b>150,731,776</b>	<b>19.64%</b>
<b>Other shareholders</b>	<b>251,301,900</b>	<b>32.74%</b>

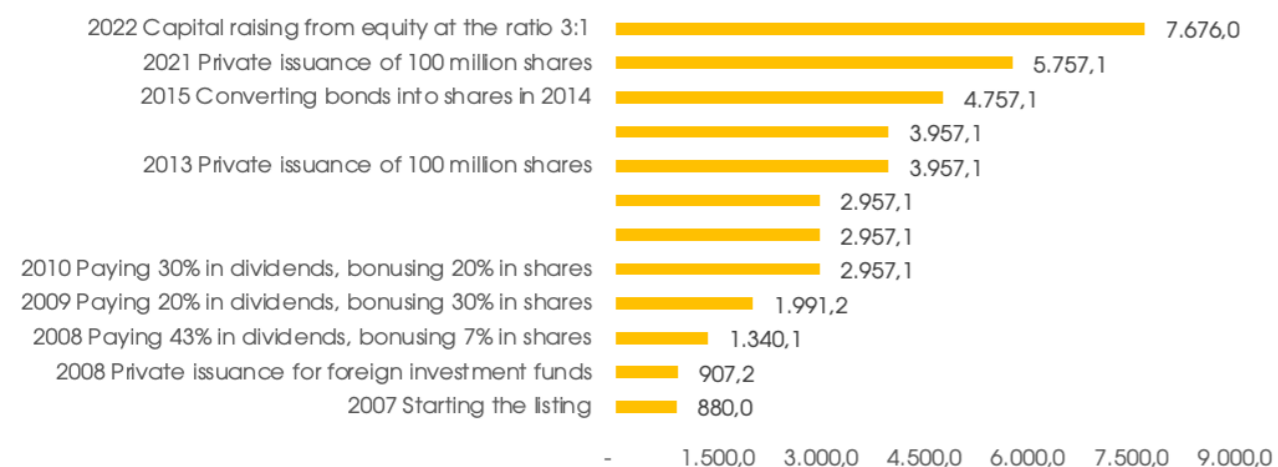
### SHAREHOLDERS CLASSIFICATION CHART



## OWNER'S CONTRIBUTION CAPITAL CHANGE THROUGH YEARS

(From the listing in 2007 to 2022)

Unit: Billion VND



## TRANSACTION OF TREASURY SHARES

In 2022, KBC sold treasury shares with the following information:

- ▶ Number of shares to be sold in 2022: 5,950,978 shares
- ▶ Execution time: from 16/02/2022 to 16/03/2022
- ▶ Average transaction price: 56,246/share
- ▶ Trading method: Order matching and/or auction
- ▶ Current number of treasury shares: 0 shares

## OTHER SECURITIES

- ▶ In 2022, KBC issued another 191,893,592 shares according to the share issuance plan to
- ▶ increase share capital from equity at the ratio of 3:1
- ▶ Issuance of other securities to change share capital: **None**

## 6. ENVIRONMENT – SOCIAL – GOVERNANCE (ESG) REPORT OF THE COMPANY

### 6.1 Issues considered and proposed by the Corporation.

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

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

We used to hire ERM consultant ([www.erm.com](http://www.erm.com)) to prepare an independent socio-environmental assessment report in 2017. Through this report, we met the sustainable development requirements to be granted a loan from the German Reconstruction Bank. However, the environmental and social perspective of this organization did not meet the target of making sustainability reports of listed companies according to the guidelines.

Since the content of impacts related to the social environment is included in the Annual Report, we have only presented statistical methods for a few measurable indicators, such as electricity and water consumption, policy labor, social responsibility, etc.

We do not measure criteria such as: Total direct and indirect greenhouse gas (GHG) emissions; total raw materials used (because we are the infrastructure developer of industrial parks through hiring contractors, we do not manage in detail the volume of construction materials, etc).

We do not recycle used materials; We do not use recycled and reused water, all used water is discharged into the centralized wastewater treatment system of the industrial parks. The industrial parks do not use recycled and reused water. Wastewater after treatment meets QCVN 40/2011/BTNMT column A.

**As a Private Corporation, our principle of “Saving” is number one:** For us, savings initiatives in investment and business are always considered a key factor to help businesses develop sustainably and get through difficult times specifically such as saving selling costs while still effectively implementing the Corporation’s marketing and communication strategies; The personnel apparatus is not cumbersome; arranging the right people in the right jobs, shortening the internal processes to make the right decisions at the right time, etc, efficiently using company assets such as cars, computers, printers. Energy saving initiatives are just a small factor in the “saving” items of the Corporation as right from the design and operation stage of the consulting - design department, we have to choose the most economical option to minimize costs:

**“ Industrial parks are always focused on being built in a friendly and sustainable way, the electricity and water systems are reasonably designed from the beginning; using energy-saving electrical equipment such as energy-saving led light bulbs. In the future the industrial parks will aim to use means of power supply such as solar energy to supply street light equipment; during construction, focusing on using environmentally friendly materials and locally available materials; For office blocks, limiting the use of electricity and equipment during peak hours, using low-energy equipment, turning off devices when not in use, setting air conditioner temperature at an appropriate level, limiting the use of paper in printing when not needed, actively using electronic documents to exchange work, etc.”**

**Regarding green capital market activities:** We have only approached the concept of “Green Bonds” through a number of seminars organized by authorities. However, at the seminars, we have not been able to access green projects that are suitable for our core business; We also have not had the opportunity to approach financial institutions that are willing to have abundant green capital. Therefore, we recommend that the authorities annually invite experts and economic consultants to come up with investment ideas in specific green fields to promote Vietnam’s sustainable development. On that basis, new businesses can consider and select suitable projects to approach.

## 6.2 Criteria that the Corporation has statitized and implemented

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

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

### 6.2.1 Energy consumption

#### Direct and indirect energy consumption

In industrial parks, investors buy electricity directly from EVN, without direct management by KBC; Total direct power consumption in 2022 in industrial zones is as follows: Quang Chau IP is 3,315,788 KWH, Que Vo IP is 3,724,969 KWH, Trang Due IP is 987,883 KWH, Tan Phu Trung IP is 1,690,415 KWH. Electricity consumption in industrial zones increased compared to 2021 as companies boost up production after the lockdown period.

### 6.2.2 Water consumption

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

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

- Total scale: 611 ha
- Total amount of clean water consumed in 2022: 5,602,829 m3, equalling 92% of that in 2021, average consumption: 15,350 m3/day and night.
- Clean water supply: 02 clean water plants with a maximum capacity of 9,000m3/day and night, reaching an estimated average consumption of 8,500 m3/ day and night.
- Additional water source: Buy additional clean water from Bac Ninh Clean Water Joint Stock Company, estimated at 45% - 50% of total water consumption.
- Waste water treatment: 02 wastewater treatment plants are in operation, each with a maximum capacity of 6,000m3/day and night.
- The total volume of treated wastewater in 2022 is 4,234,000m3, equaling 88% of that in 2021, the average wastewater treatment volume is 11,600m3/day and night.
- Under construction: 01 wastewater treatment plant with a capacity of 6,000m3/day and night in the Que Vo expanded Industrial Park, expected to be completed in the second quarter of 2023.

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

- Total scale: 300 ha (started attracting investment from 2021, factories are under construction)
- Clean water supply: 01 plant with a maximum capacity of 19,000m3/day and night, has completed the treatment area, is under construction of raw water pumping station and raw water pipeline, etc.
- Waste water treatment: 01 wastewater treatment plant with a maximum capacity of 9,000m3/day and night has been built, has completed construction and technology installation for phase 1 with a capacity of 6,000m3/day and night and is in the process of trial operation.
- Expected to come into operation: The wastewater plant will officially come into operation in the second quarter of 2023; The clean water plant will come into operation in the fourth quarter of 2023, meeting both the demand for clean water supply of Nam Son Hap Linh Industrial Park and a part of the demand of Que Vo Industrial Park.



Infrastructure of Nam Son Hap Linh Industrial Park is being completed

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

- Total scale : 516 ha
- Total amount of clean water consumed in 2022: 5,271,336 m3, equaling 114% of that in 2021, the average consumption is 14,442m3/day and night.
- Clean water supply: there are 03 clean water plants with a total capacity of 15,000 m3/day.
- Additional water sources: Buying clean water from Ha Bac Construction and Providing Water Company Limited and DNP - Bac Giang Water Infrastructure Investment Joint Stock Company, which is estimated to account for 10% of total water consumption.
- Waste water treatment: 02 wastewater treatment plants are in operation, 01 factory is about to go into official operation with a total capacity of 19,000 m3/day and night.
- The total volume of treated wastewater in 2022 was 3,942,000m3, equaling 127.06% compared to 2021, the average wastewater treatment volume is 10,800m3/day and night.
- Under construction: 01 clean water treatment plant with a capacity of 12,000 m3/day and night.



► **In Trang Due Industrial Park and Urban Area - Hai Phong province:**

- Total scale: 444.08 ha
- Total amount of clean water consumed in 2022: 1,978,134 m<sup>3</sup>, equaling 109.67% compared to 2021, the average consumption is 5,420 m<sup>3</sup>/day and night.
- Clean water supply: 01 clean water plant with a maximum capacity of 10,000m<sup>3</sup>/day and night.
- Additional water source: Buying clean water from Hai Phong Number 2 Water Business Joint Stock Company (Vat Cach water factory) with estimated ratio of 13.56% of total water consumption to meet demand for clean water use of enterprises in Trang Due Industrial Park and individuals and organizations in Trang Due Urban Area.
- Wastewater treatment: SHP has cooperated with 2 wastewater treatment companies, Quoc Viet Environmental Science and Technology Limited Company and Posbee Viet Nam Green Environment Joint Stock Company with a total capacity of 2 wastewater treatment plants concentrated in Trang Due Industrial Park is 12,000m<sup>3</sup>/day and night. Both factories have been licensed by the Ministry of Natural Resources and Environment to discharge waste, ensuring to meet the treatment requirements of the generated wastewater of Trang Due Industrial Park.
- The total amount of wastewater treated in Trang Due Industrial Park in 2022 is 2,493,761 m<sup>3</sup>, equaling 116% compared to 2021, the average wastewater treatment volume is 6,832.2 m<sup>3</sup>/day and night.

► **In Tan Phu Trung Industrial Park - Ho Chinh Minh City**

- Total scale: 542.6 ha
- Total amount of clean water consumed in 2022: 1,060,408 m<sup>3</sup>, equaling 100.02% compared to 2021, the average consumption is: 2,905 m<sup>3</sup>/day and night.
- Clean water supply: 01 clean water plant with a maximum capacity of 3,000m<sup>3</sup>/day and night is in operation.
- Waste water treatment: 01 clean water plant with a maximum capacity of 4,000m<sup>3</sup>/day and night is in operation.
- Total wastewater treatment flow in 2022 is: 800,590 m<sup>3</sup>, equaling 105.41% compared to 2021, average wastewater treatment volume is 2,193.34 m<sup>3</sup>/day and night.

**6.2.3 Policies related to employees**

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

As at 31/12/2022, the total number of employees at the parent company is 210 people - a net increase of 6 people compared to 2021; the total number of employees of the Corporation is 554 people - a net increase of 6 people compared to 2021. The average salary of employees at the parent company (KBC) is 21.8 million VND/person/month, salary level the average of employees at subsidiaries in Bac Giang province is 8.8 million VND/person/month, in Hai Phong is 17.2 million VND/person/month, in Cu Chi district - Ho Chi Minh City is 12.2 million VND/person/month. The labor structure has been presented in the Number of employees/HR organization section of this report.

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

- **Insurance:** Fully implement the payment regime of social insurance, health insurance, unemployment insurance, means-tested benefits for all employees. The company always completes the insurance obligation on time and does not delay insurance obligation.
- **Health care:** Aiming to increasingly improve the labor quality, ensure comprehensive health care for employees, and at the same time improve the remuneration regime so that employees can work and stay with the company more loyally. Every year, the Corporation organizes a health check at a reputable hospital for all employees; Based on the job characteristics, working position, health situation, working seniority, work efficiency and/or work performance of employees, the Corporation has a policy to purchase health care insurance for employees at Bao Viet Insurance Corporation. The Corporation has 01 football field, 02 tennis courts, 01 basketball court, 01 gym equipped with treadmills, yoga and jumba teachers to improve the health of employees and has an internal health department at the Corporation.
- **Maternity leave:** Implementing maternity leave for female employees and male employees in accordance with current labor laws; Implementing the maternity protection leave for female employees in accordance with the current provisions of the labor law: The time off is still entitled to full salary according to the labor contract.
- **Pension benefits:** According to the law on social insurance.
- **Reward and welfare:** The welfare regimes are clearly defined in the Labor Regulations of the Corporation such as: International Children Day bonus and Mid-Autumn Festival bonus for employees' children; national holiday bonuses such as 1/5, 2/9, New Year; Bonus from 3-to-5-month salary on Lunar New Year. The total number of months that staff/employees receive salary in the year is from 14 - 15 months, in addition, individuals/teams with excellent achievements will receive their own rewards. All officers and employees have lunch allowance, phone expenses, etc.
- **For female employees:** Gifts for female employees on the occasion of International Women's Day on March 08 and the anniversary of the establishment of the Women's Union on October 20 every year.

**c. Employee training activities**

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

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

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

### 6.3 Social responsibility performances in 2022:

During the year, the Corporation supported and shared responsibilities with the amount of 80.3 billion VND for social activities in the provinces of Bac Ninh, Bac Giang, Hai Phong, Quang Ninh and Cu Chi - Ho Chi Minh City.

#### ▶ At the Corporation

such as: Bac Ninh Provincial Disaster Prevention and Control Fund; Fund for the poor; Study Promotion Fund, Hope Fund to support orphans, disabled, and terminally-ill children; Participating in financing the construction of an intersection connecting provincial road 390, Thanh Ha district with the Hanoi - Hai Phong highway, etc. In addition, the Corporation also actively participated in local support activities in the prevention of the Covid epidemic such as buying Covid treatment medicine (called Monupiravir) to donate to hospitals, helping people affected by the epidemic.

#### ▶ At subsidiaries

- Sai Gon - Bac Giang Industrial Park Corporation spent 5.8 billion VND to support the Trade Union of the Management Board against Covid-19's activities and support to give Tet gifts to the poor in Neh Town - Bac Giang province and contribute to the construction of a number of social works.

- Saigon - Hai Phong Industrial Park Corporation spent 12.9 billion VND to support the society to organize Bach Dang festival - Quang Yen town, Quang Ninh province; support mid-autumn gifts for children in Hong Phong and Le Loi communes - An Duong district, Hai Phong province and support Great National Unity Day, etc.

- Trang Cat Urban Development One Member Limited spent 31.3 billion VND to support the society to buy medical equipment to support Hai Phong Department of Health, support the poverty reduction fund in Hai An district - Hai Phong province and support the gratitude fund, the youth union, the traditional day of the People's Public Security, etc.

- Northwest Saigon City Development Corporation spent VND 4.3 billion to support the society.



# PART III

## REPORTS AND ASSESSMENTS OF THE BOARD OF MANAGEMENT

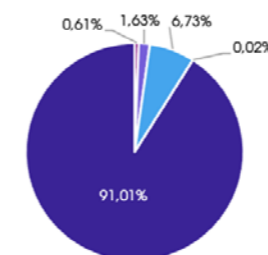
### 1. ASSESSMENT OF OPERATING RESULTS OF THE PARENT COMPANY AND CONSOLIDATED COMPANY

Unit: billion VND

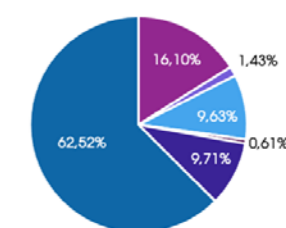
ITEMS	PARENT COMPANY	CONSOLIDATED COMPANY
<b>Net revenue from sales of goods and rendering of services</b>	<b>145.16</b>	<b>950.27</b>
Revenue from long-term lease of land	9.81	1.010.31
Revenue from water supply, wastewater treatment, service fees, warehouse rental, factory sale, etc.	135.35	387.17
Revenue deducted from real estate transfer	-	(447.21)
<i>Cost of goods sold and services rendered</i>	<i>96.83</i>	<i>684.52</i>
<b>Gross profit from sales of goods and services rendered</b>	<b>48.33</b>	<b>265.75</b>
<b>Gross profit margin (%)</b>	<b>0.33</b>	<b>0.28</b>
<b>Revenue from financial activities</b>	<b>1,473.19</b>	<b>339.65</b>
<b>Other income</b>	<b>0.34</b>	<b>21.33</b>
<b>Profits in associates</b>	<b>-</b>	<b>2,186.82</b>
<b>Total revenue</b>	<b>1,618.69</b>	<b>3,498.07</b>
<b>Total profit after tax</b>	<b>610.75</b>	<b>1,576.53</b>
<b>Profit attributable to shareholders of parent company</b>		<b>1,526.35</b>

Total revenue structure chart

PARENT COMPANY REVENUE STRUCTURE



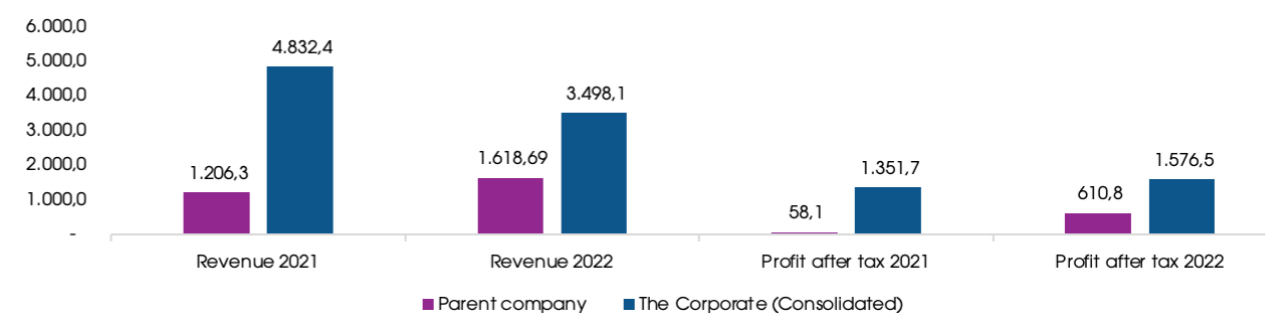
CONSOLIDATED REVENUE STRUCTURE



- Revenue from long-term lease of land
- Revenue from warehouse, factories and offices rental
- Revenue from clean water supply, wastewater treatment services, etc.
- Other revenues
- Revenue from financial activities

- Revenue from long-term lease of land and deduction
- Revenue from warehouse, factories and offices rental
- Revenue from clean water supply, wastewater treatment services, etc.
- Other revenues
- Revenue from financial activities
- Profit from associated companies

Chart of Revenue - Profit of Parent Company and the Corporation in 2021 - 2022



In 2022, the Corporation's industrial land leasing business alone reached 656.98 billion VND, accounting for 18.78% of total revenue, equaling 21.64% compared to 2021. Revenue from clean water supply, wastewater treatment and warehouse leasing services reached 387.17 billion VND, accounting for 11.07% of total revenue, equivalent to 2021, which is a stable source of income for the Corporation and this revenue will increase sharply in the coming years when enterprises in the industrial parks no longer enjoy free infrastructure fee and a number of new clean water supply plants come into operation, thus, the Corporation does not have to purchase clean water supply services. This will generate a significant revenue growth compared to the present. Revenue from real estate transfer reached 353.33 billion VND, but it was deducted due to the sales returned from the previous year's transaction of 447.21 billion VND, significantly reducing revenue and profit during the year.

Therefore, the Corporation's total revenue in 2022 only reached 35.69% of the plan, the Corporation's profit after tax reached 35.03% of the plan. The main reason is that most of the land lease agreements signed in 2022 have not yet recorded revenue, specifically:

During the year, the Corporation signed Minutes of Understanding to lease land up to 107 ha in Quang Chau Industrial Park and Nam Son Hap Linh Industrial Park with a total value of nearly 3,540 billion VND, estimated gross profit of about 1,800 billion VND but have not yet recorded in the business revenue in 2022 because some foreign investors have not yet been granted investment licenses, so the handover could not be carried out during the year, resulting in sales revenue of 107 hectares to be recorded in the year 2023. Therefore, despite not meeting the plan, 2022 is still a year that the Corporation made great efforts to successfully negotiate a series of contracts of great value to bring about results in 2023.

#### COST FACTORS AFFECT THE CORPORATION'S PROFIT

In 2022, the Group's total financial, selling and administrative expenses were 1,105.77 billion VND, decreasing 54.10 billion VND, equaling 95.24% compared to 2021. Of which, interest expense was 522.86 billion VND, increasing 8.79% compared to 2021; selling expenses and other related expenses were 57.10 billion VND, equaling 17.74% compared to 2021. These expenses decreased sharply, affirming that the Corporation always use cash flow economically and efficiently; In addition, management expenses increased by 8.38% compared to 2021 due to the Group's salary growth for employees. Thus, 2022 could be regarded that the Group always managed cash flow well, still ensure a better life for its employees and continue to share social responsibility in the context of macroeconomic difficulties.

#### ACHIEVEMENTS OF THE CORPORATIONS IN 2022

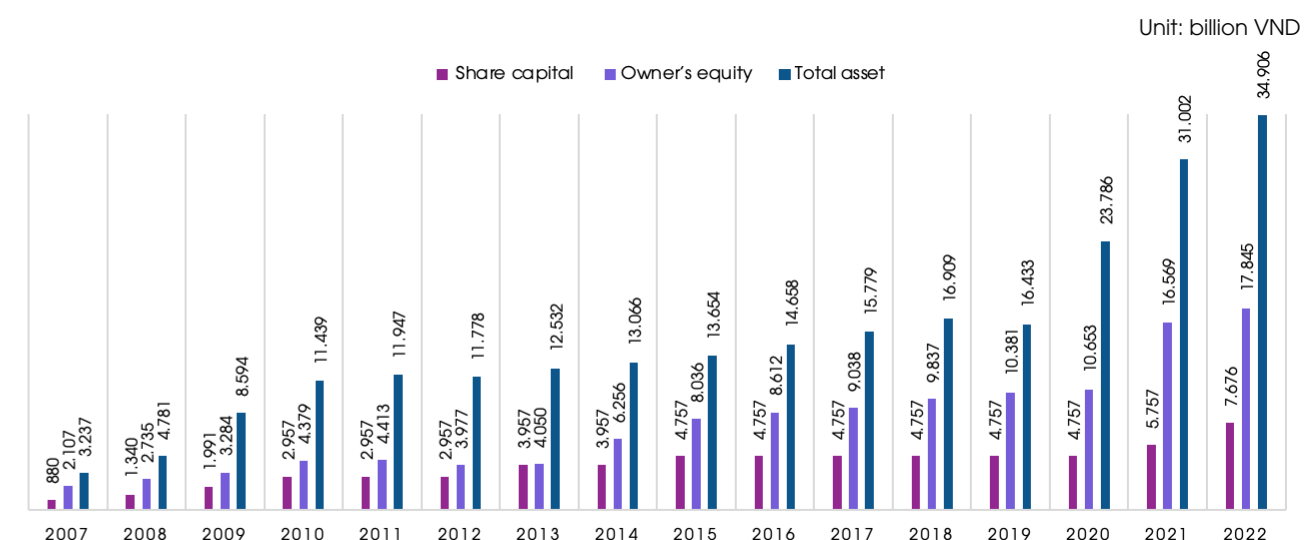
- ▶ Attracting large customers to Quang Chau Industrial Park and Nam Son Hap Linh Industrial Park which make these 2 IPs reach the estimated occupancy rate of 100% and 70% respectively.
- ▶ KBC's subsidiaries, Northwest Saigon City Development Corporation and Long An Development Invest Joint Stock Company, which were newly established in 2021, were awarded the investment policy decisions of the Prime Minister for 02 industrial parks including Tan Tap (654 ha) and Loc Giang (466 ha) in Long An.
- ▶ Improving corporate governance more methodically and professionally. All 100% of information disclosure and news posted on the Corporation's website are bilingual. Reviewing all the tasks related to corporate governance to develop a process implementation guideline, which is easy to understand, easy to apply in practice of the Corporation and reduces omissions according to regulations.
- ▶ Please find more contents presented in KBC's 2022 Imprint in this report.

## 2. FINANCIAL SITUATION

#### Assets and Equity status

As at 31/12/2022, the Group's Total assets/ Total equity and liabilities reached 34,906.51 billion VND, a net increase of 3,904.67 billion VND and of 11.26% compared to 2021. This increase of total assets was mainly because prepayment of deposits by KBC's customers in Quang Chau IP and Nam Son Hap Linh IP increased by 1,254.31 billion VND, net debt increased by 584.1 billion VND, payable expenses increased by 329.8 billion VND and equity increased by 1,276.29 billion VND due to growth in profit after tax.

Chart of Equity and Total Assets Growth since listing until now



#### Liabilities situation

- ▶ As at 31/12/2022, the Group's total liabilities was **17,060.99** billion VND - a net increase of **2,628.37** billion VND compared to 2021. In which, short-term advances from customers accounted for 47.7%, borrowing from banks accounted for 22.2%, payables to suppliers accounted for 11.4% and expense payables accounted for 8.4% of the total increase in liabilities. This is a positive debt structure, largely due to prepayment by customers.
- ▶ Of **17,060.99** billion VND of liabilities, the real debt and interest of the whole Corporation is **9,398.81** billion VND, increasing by 10.8% compared to 2021. In which, these debts are mainly **3,900** billion VND of bonds due to maturity, **3,356.92** billion VND of Bank loan and **1,760.35** billion VND of interest payable to PVcombank.
- ▶ Total actual debt of the Corporation including principal and interest is **9,398.81** billion VND, the ratio of actual debt/total assets is 26.93%; Actual debt/equity ratio is 52.67%. These are safe debt ratios for a large-scale real estate business like KBC and are almost unchanged compared to 2021.
- ▶ During the year, the Corporation paid principal and interest up to **1,955.32** billion VND in the context of no bonds issuing, no shares issuing to raise capital and difficulties in accessing credit sources. Until the last days of 2022, the Corporation only incurred a few small-scale bank loans.
- ▶ The Corporation has no bad debt; is unaffected by exchange rate differences and unaffected by interest difference (all KBC's loan interests are in line with the general level of real estate lending interest rate in the market). The current loan interest rates are from 8.9% to 14%, of which some loans incurred at the end of 2022 have an interest rate of 14% because the general interest rate level in the market has increased quite strongly at the end of the year.



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

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

During the year, the Corporation's Executive Board made important decisions on adding core personnel to build the Group to become stronger, more professional and more specialized. The Departments of Accounting, Communication, Administration - Human Resources, etc have re-recruited a series of new personnel. The Corporation is still looking for successors to become the core staff.

### 4. DEVELOPMENT PLAN IN 2023

The Corporation's key business plans in 2023 are as follows:

#### 4.1 Deploying a breakthrough business investment plan for industrial parks in operation:

Nam Son Hap Linh IP - Bac Ninh province, Quang Chau IP & Quang Chau Expanded IP - Bac Giang province and Tan Phu Trung IP - Ho Chi Minh City have an important role in contributing to the Revenue - Profit plan and accumulating financial resources to ensure the Corporation's strong financial capacity in 2023 in the context of macroeconomic and capital market difficulties. These IPs will focus on the following important tasks:

- ▶ **Compensation:** Focusing on completing compensation to reach 100% of the remaining area of these IPs. In which, the area to be compensated in IPs are: Nam Son Hap Linh Industrial Park - 108.3 ha; Quang Chau Expanded IP - 38.1 ha; Tan Phu Trung IP - 33.2 ha.
- ▶ **Infrastructure completion:** It is an important task of all the above-mentioned IPs to hand over the estimated land of nearly 170 ha as soon as possible to customers who have signed the Principle Agreement, ensuring the cash flow plan and recording revenue.
- ▶ **Completing and soon putting into use the system of new clean water and wastewater treatment plants which are under construction:** Currently, Trang Due IP, Quang Chau IP and Que Vo IP all have to buy clean water sources from outside to meet the demand for clean water of IPs. It is expected that in 2023 Quang Chau IP, Nam Son Hap Linh IP and Que Vo IP will be added with clean water plant and wastewater treatment systems to come into operation, which will meet 100% of the needs of companies in the IP, generating significant cash flow for the Corporation.
- ▶ **Investment attraction:** In addition to signed contracts, in 2023 the Expanded Quang Chau - Quang Chau IPs are expected to reach 100% occupancy rate; Nam Son Hap Linh IP and Tan Phu Trung IP aim to attract breakthrough investments to reach new agreements of land leasing from 30 ha to 50 ha for each IP.

#### 4.2 Developing new IPs and other projects that have just approved the investment policy

Currently, the Corporation is having newly approved IPs and industrial clusters which have just been granted investment policies and investor approvals including: In Long An province, there are Tan Tap IP with 654 ha, Loc Giang IP with 466 ha, Tan Tap and Phuoc Vinh Dong Industrial Clusters with 219.4 ha; In Hung Yen, there is Dang Le, Chinh Nghia, Kim Dong Industrial Clusters with 225 ha. These projects are all invested by subsidiaries, which are ready to focus on the following important tasks:

- ▶ **Completing legal procedures:** Continue to complete the necessary legal procedures to deploy and invest in infrastructure construction and put the projects into business.
- ▶ **Implementing the compensation plan:** This is the key task of these projects in 2023, it is necessary to arrange financial resources and coordination among the Company, the government and the people.
- ▶ **Arranging capital:** The total capital needs for the above projects is quite considerable, about 21,940 billion VND. It is expected that in 2023, the capital needs for the above projects are used to focus on compensation and infrastructure construction, etc. KBC's subsidiaries will take on important tasks in thriftily and efficiently using their own capital, proactively accessing capital from banks, financial institutions or investment cooperation, etc.
- ▶ **Investment attraction:** With the investment attraction capacity of the whole Corporation, these projects are having the advantage of being studied by large investors and are ready to sign land lease contracts in Vietnam when the projects are eligible for business.

In addition, KBC also has 2 projects: Quang Yen Electronics Company Limited and Agricultural Machinery Spare Parts Factory in Quang Ninh province with a total scale of more than 60.7 ha. The projects have started construction and are in the process of compensation for site clearance and ground leveling. This is a new direction of the Corporation to create opportunities for partners operating in the same field to participate in project development, shortening the time for project investment approval for partners.

#### 4.3 Completing legal procedures to implement Trang Due 3 Industrial Park project:

This is an important project of the Corporation. In 2022, Sai GO - Hai Phong Industrial Park Corporation - the project's founder actively explained and provided additional documents to the management agencies; Hai Phong City People's Committee also actively cooperated with the company to issue responses to relevant ministries. Currently, the project is in the final stage of implementing the investment policy approval procedure. The Corporation expects that the project will be approved for investment policy in the third quarter of 2023. Along with the implementation and completion of the procedures for approving the investment policy, Sai Gon - Hai Phong Industrial Park Corporation has actively taken initiative in financial resources, negotiated with people to be ready to immediately implement the compensation plan when the project is approved. It is expected that after the project is approved the investment policy, this will be the project with the fastest development speed of KBC.

#### 4.4 Investing in, selling and developing Urban Areas

Currently, the Corporation has 02 urban areas that have been put into business which are Trang Due Hai Phong Urban Area and Phuc Ninh Urban Area; 01 urban area under construction which is Trang Cat Urban Area, the key tasks of urban area projects in 2023 are as follows:

- ▶ **Trang Due Hai Phong Urban Area:** continue to complete 28 villas and hand over the last 83 villas, equivalent to 1.27 ha.
- ▶ **Phuc Ninh Urban Area:** focus on completing legal procedures to hand over to investors who have booked, and record revenue in 2023; Continue to compensate, deploy investment and build technical infrastructure of the project; Continue to invest in and build infrastructure and work items of the project in accordance with the approved planning on the handed over area.
- ▶ **Trang Cat Urban Area:** This is a key project of KBC, continuing to implement ground leveling and infrastructure construction to be ready for business or business cooperation.

#### 4.5 Deploying social housing and resettlement area projects

Currently, the Corporation has a land fund for social housing and resettlement area of more than 120 ha in Bac Giang, Hai Phong, Cu Chi - Ho Chi Minh City and Long An. In 2023, with the support of macro policies, the Corporation is deploying the investment plan to build social housing projects and resettlement areas to meet the housing needs for workers in IPs, labour workers, etc.

##### The key tasks in 2023 to develop social housing projects and resettlement areas are as follows:

- ▶ Handing over and putting into use 5 buildings of Lot CT.1 and deploying 5 buildings of Lot CT.2 of the social housing project in Nenh town - Bac Giang province with Sai Gon - Hai Phong Industrial Park Corporation as a project partner.
- ▶ Deploying investment plans to build and arrange capital for social housing projects in Trang Due urban area - Hai Phong with 3.13 ha, Tan Phu Trung residential area - Ho Chi Minh City with 47.3 ha; The resettlement area of Loc Giang - Long An with 31 ha; The resettlement area of Phuoc Vinh Dong and Tan Tap - Long An with 43.52 ha.

#### 4.6 Capital arrangement plan in 2023

Currently, the Corporation has a series of industrial parks, urban areas in Long An, Hung Yen, Hai Phong, etc. needed to be put into construction. However, the Board of Directors of KBC has implemented a strategy of prioritizing using all financial resources to pay on time and redeem all outstanding bonds and invest in newly approved large industrial parks of KBC and our subsidiaries. Therefore, the Corporation's reputation is increasing day by day when we always ensure benefits for Investors, partners, especially Banks and Bondholders. Therefore, even in the first quarter of 2023, banks, investment funds and a number of financial institutions continuously raised the issue of arranging capital for KBC while the economy is still having difficulties and the monetary policy is not loosened.

Currently, the Corporation is also implementing the most suitable plans to arrange capital to put projects into operation as planned.

#### 4.7 Revenue and profit plan for year 2023

Based on the results of FDI attraction in 2022 and the prospect of Vietnam's FDI attraction in 2023; Based on the macroeconomic situation; Based on the demand for leasing land and factories of potential customers who have been negotiating with KBC; Based on KBC's investment promotion programs; Based on investors' demand for commercial real estate products in KBC's urban areas, etc.; KBC's Board of Directors sets the Corporation's consolidated revenue and profit plan in 2023 as follows:

- ▶ Total consolidated revenue: **9,000** billion VND.
- ▶ Total consolidated profit after tax: 4,000 billion VND.

#### 5. EXPLANATION OF THE EXECUTIVE BOARD FOR AUDITOR'S OPINION: None

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

Towards the goal of sustainable development, the Board of Directors confirmed that KBC is increasingly improving its corporate governance, human resource management, business investment, etc to ensure environmental - social targets: Specifically

KBC continuously builds new factories to supply clean water and treat wastewater to promptly meet the needs of enterprises in the IP, in accordance with the standards of environmental assurance allowed in the field of investment and development of the IPs. In KBC's IPs, there is a company specializing in maintenance, road systems in the industrial parks, planting trees, collecting and transporting waste to designated places, regular lawn mowing, etc to ensure that the industrial parks are green, clean, beautiful, without chimneys and without environmental pollution.

Regarding employees, the Executives Board believes that employees at KBC are always guaranteed a decent and stable income, in line with the general level of society, are considered for a salary increase every 3 years, are entitled to receive a salary increase every 3 years, are given salary increase when inflation is high or when individuals have excellent achievements, are equipped with modern and adequate working equipment, and are promptly rewarded for individuals and teams with outstanding achievements at work.

Regarding governance activities, the company has carried out internal audit, participated in credit rating assessment, reviewed and standardized the work procedures related to corporate governance, etc. From that, the Corporation has continuously improved and supplemented the processes to put into application to operate the business better and better.

However, KBC still has some limitations such as not having investment and development funds, bonus and welfare funds, so it has not issued bonus shares for employees, does not sponsor intensive courses for employees, and does not have any funding for specialized training courses for employees, etc.

KBC has made significant contributions to the local community where KBC's IPs operate, such as: creating thousands of jobs, helping workers stabilize their lives; building urban areas with social housing near IPs, serving the housing needs of many people; annually implement social support programs in localities with difficulties; etc. In 2022, the Corporation spent a total of 80.3 billion VND on charity and supported activities in localities across the country.



**Que Vo Industrial Park - where KBC started the consecutive success**

# PART IV

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

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

#### Business activities

In 2022, the Board of Directors acknowledged the efforts of the Corporation's Executive Board to seize opportunities to complete the signing of a series of large contracts in the context of extremely difficult general economy. Although land lease agreements of up to 107 ha signed in 2022 were not recorded in business results, leading to KBC's failure to achieve the revenue & profit target in 2022 approved by the General Meeting of Shareholders, this is still considered as a great achievement in 2022.

The BOD especially appreciated the efforts of the Corporation's Executive Board in developing a new land fund for the Corporation to increase to 1,170.7 ha of industrial land; 85.1 ha of land for social housing; 60.7 ha of land for factory construction, mainly in Long An and Quang Ninh province.

During the year, KBC's core business results were mainly recorded from the leasing of 19.6 ha of land in Tan Phu Trung Industrial Park, 16.6 ha in Nhon Hoi A Industrial Park and revenue from clean water supply and wastewater treatment services, service fees, etc.

In addition, during the year KBC received the transfer of shares from Sai Gon - Da Nang Investment Corporation and recorded 2,182.3 billion VND from this transaction into the profit in the associates due to the difference between the net asset value of Saigon - Da Nang Investment Corporation and the purchase price. This is a transaction that really benefits shareholders when the Corporation has consolidated a valuable asset at low cost. This is the "special strategy" of the Corporation since its establishment that not all Shareholders or investors understand. KBC always joins hands in establishing projects with partners from the very beginning, although KBC's initial capital contribution rate is low, throughout the project development process, KBC's staff have participated in advising on investment and business activities of the project. Until the project grows big, KBC will easily merge into the Corporation.

#### Here are some figures that KBC recorded in 2022

Business results of the Corporation in 2022 are as follows:

- ▶ Total revenue of the Corporation reached **3,498.07** billion VND, equaling 72.39% compared to 2021, equaling 35.69% of the plan.
- ▶ The Corporation's consolidated profit after tax reached **1,576.53** billion VND, equaling 116.63% compared to 2021, equaling 35.03% of the plan. The net profit after tax attributable to shareholders of the parent reached **1,526.35** billion VND, equaling 139.41% compared to 2021.

Although the business results in 2022 were as planned, The Board of Directors positively evaluated the business efforts that the Corporation has made as mentioned above.

**In addition, the investment activities and financial management during the year presented in this report were agreed and approved by the Board of Directors.**

## Foreign affair activities

In 2022, the members of the Board of Directors and the Executive Board directly worked with agencies and departments of provinces such as Hung Yen, Hai Duong, Quang Ninh, Tay Ninh, Vung Tau, Tien Giang, etc to promote the establishment of new projects.

The members of the Board of Directors and the Executive Board participated in seminars, conferences and business trips inside and outside to promote trade and attract FDI into Vietnam in 2022 through face-to-face and online forms such as:

### ▶ Attending conferences and seminars directly:

- Workshop on connection and cooperation between enterprises in Vietnam and Hong Kong - Guangdong - Macau (China) organized by Foreign Investment Department, Ministry of Planning and Investment; Hong Kong Economic and Trade Office; Chinese Chamber of Commerce in Hong Kong; Business Association of Guangdong - Hong Kong - Macau; Organized by Hong Kong - Vietnam Chamber of Commerce.
- Trade promotion conference with LGD satellites in Hai Phong IPs organized by Heza.
- Joining the delegation to promote investment in Ips of Hai Phong city in Korea organized by Hai Phong City Party Committee and Heza.
- Investment promotion conference with Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), Taiwan High Technology Promotion Cooperation Committee (ICT), Taiwan - Vietnam Economic and Culture Development Association (TVECEDA) in Hai Phong.
- ASEAN - US Summit (May 11-17, 2022) within the framework of Prime Minister Pham Minh Chinh's business trip with the Vietnamese delegation to the United States;
- Meeting Gumi Companies to visit and work in Bac Ninh province chaired by Bac Ninh Provincial People's Committee and Gumi City;
- Meeting with Vietnamese - Korean businesses in Hanoi organized by FIA and VCCI;
- Joining National Urban Real Estate Seminar in November 2022 in Hanoi organized by the Ministry of Construction;
- Workshop on attracting investment in Kanagawa - Japan in Hanoi organized by Kanagawa - Japan, JETRO, Kanagawa Prefectural Industry Promotion Center and Ministry of Planning and Investment of Vietnam;
- Vietnam - India business forum organized by VCCI;
- Vietnam real estate market update seminar organized by JLL;
- Meeting with Vietnamese - Indian businesses organized by the Indian Embassy and the Invest Global Investment Advisory Center (under the Vietnam's Association of Foreign Invested Enterprise - VAFIE);
- Workshop on development of eco-industrial parks in Vietnam in Ho Chi Minh City organized by the Ministry of Planning and Investment;
- Attending the APEC 2022 Summit in Thailand as a Member of the APEC Business Advisory Council.
- Participating in the Taiwan Investment Promotion Delegation in Vietnam in the fields of electronics, mechanical engineering and supporting industries in 2022 in Taipei City, Taiwan by the Ministry of Planning and Investment in collaboration with Viet Nam Economic and Culture Office in Taipei, Taiwan Electrical and Electronic Manufacturers' Association and Taiwan partner agencies.

### ▶ Attending the online conferences and seminars:

- Online seminar "Vietnam Real Estate Market Trends" organized by CBRE;
- Forum for high-level economic dialogue and Francophone business exchange in Hanoi;
- Meeting with Vietnamese - Australian enterprises;
- The 48th Japan - Asean Economic Conference organized by Keizai Doyukai (Japan Association of Corporate Executives).
- Online trade seminar **"VIETNAM - JAPAN INVESTMENT CONNECTION"** in Hanoi organized by Jetro, Asean - Japan center, and Vietrade - Ministry of Industry and Trade;
- Participating in the Workshop **"Welcoming the wave of supply chain shift in the electronics industry"** organized by Saigon Economic Newspaper.

## Labour resource development activities

The Board of Directors appreciated KBC's policies on recruiting talented people; especially the policy of focusing on recruiting qualified and experienced staff who are ready to recruit and train the newly-graduated. Internal training is given top priority, ensuring sustainable development goals, avoiding personnel crisis. In particular, KBC always maintains its agreements/contracts with employees, does not cut personnel, does not reduce wages even when the economy in general and the Corporation in particular face difficulties, which is a strength to retain employees of the Corporation. For example, 2022 was a difficult year for most businesses, but the average total income of KBC employees is 21.8 million VND/person/month, rising 15.61% compared to 2021.

## Social responsibilities

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







THE CORPORATION APPLIES MAXIMUM ELECTRONIC MEANS IN MANAGING OUR ACTIVITIES

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

The Board of Directors highly appreciated the efforts of the CEO and the Executive Board of the Corporation to jointly implement the business plans in 2022 such as: creating a large land fund, implementing investment and development projects, signing a series of important land lease agreements and creating huge cash flow for the Corporation.

The Board of Directors requested the Corporation's Executive Board to speed up the implementation of investment and construction of infrastructure projects under the management of the Corporation to create available products and promptly meet the needs of investors, organize both online and offline commercial promotion campaigns, create detailed plans, direct departments in the Corporation to promote the establishment of new projects in provinces such as Hung Yen, Hai Duong, Quang Ninh, Tay Ninh, Vung Tau, Tien Giang, etc ; balance and use cash flow reasonably, improve risk management related to investment and business activities of the Corporation.

## 3. PROPOSING OPERATION PLAN FOR 2023 OF THE BOD

- ▶ Approving and supervising the investment and business plans for key projects such as: Nam Son Hap Linh IP, Expanded Quang Chau IP, Tan Phu Trung IP, Trang Due 3 IP, Long An Industrial Clusters, Hung Yen, Trang Due Urban Area, Phuc Ninh Urban Area, Trang Cat Urban Area and social housing projects.
- ▶ Leading the implementation of projects to establish new projects in Hung Yen, Hai Duong, Quang Ninh, Tay Ninh, Vung Tau, Tien Giang, etc.
- ▶ Assigning the Corporation's Executive Board to make plans to balance cash flow, mobilize capital, develop appropriate and balanced financial plans for investment activities and pay due debts.
- ▶ Strengthening the supervision of risk management, ensuring safe and improved financial indicators.
- ▶ Maintaining and building a team of experts to regularly update information, macro-economic situation, financial situation and changes in policies so that the BOD and Executive Board can promptly issue new strategies and policies that are up-to-date to the actual situation.
- ▶ Enhancing advertising and trade promotion, welcoming and working with foreign investment corporations.
- ▶ Assigning KBC's Executive Board to focus on implementing good shareholder relations, regularly monitoring ownership changes of major shareholders and disclosing information timely and accurately to authorities, shareholders and investors.
- ▶ Building and developing a team of professional, qualified, experienced and enthusiastic personnel who actively participate in training courses to improve corporate governance capacity according to the standards of listed companies. Continuing to develop salary and bonus policies and improving remuneration regimes for employees, creating a professional, safe and comfortable working environment, and encouraging employee creativity.

# PART V

## CORPORATE GOVERNANCE

### 1. THE BOARD OF DIRECTORS

#### Members and structure of the BOD

NO.	MEMBERS OF THE BOD	TITLE	THE DATE BECOMING/CEASING TO BE THE MEMBER OF THE BOARD OF DIRECTORS	
			DATE OF APPOINTMENT	DATE OF DISMISSAL
<b>I. The BOD members for the term 2022 - 2027 approved by the General Meeting of Shareholders on 10/02/2022</b>				
1	Mr. Dang Thanh Tam	Chairman of the BOD/ Non-executive member of the BOD	10/02/2022	
2	Mrs. Nguyen Thi Thu Huong	Member of the BOD	10/02/2022	
3	Mr. Huynh Phat	Non-executive member of the BOD	10/02/2022	No longer an "independent" member from 10/02/2022
4	Mr. Le Hoang Lan	Independent Member of the BOD	10/02/2022	
5	Ms. Dang Nguyen Quynh Anh	Non-executive member of the BOD	10/02/2022	
<b>II. People who are no longer members of the BOD from 10/02/2022</b>				
1	Mr. Nguyen Vinh Tho	Non-executive member of the BOD	21/4/2017	10/02/2022
2	Mr. Pham Phuc Hieu	Member of the BOD	21/4/2017	10/02/2022

**Subcommittees of the BOD:** None

#### Activities of the BOD

In 2022, the Board of Directors of KBC paralleled with the Executive Board of the Corporation to make resolutions to solve problems related to production and business activities, investment in industrial parks and urban areas, and arrange funding sources for the Corporation's investment projects, specifically as follows:

- ▶ Organising and supervising the implementation of KBC's Projects such as: Investing in infrastructure of Nam Son - Hap Linh IP, Quang Chau IP, Tan Phu Trung IP, Investing in infrastructure for 22 ha of Phuc Ninh Urban area, Trang Due Urban area, Trang Cat Urban area, etc.
- ▶ Completing legal procedures, investing in infrastructure and putting into business the expanded Quang Chau Industrial Park .
- ▶ Proceeding the legal procedures in parallel with planning for infrastructure investment and attracting customers for IP projects such as Expanded Quang Chau IP, Trang Due IP, Industrial Clusters in Long An and Hung Yen.
- ▶ Organising and supervising successfully the First Extraordinary General Meeting of Shareholders in 2022 on 10/02/2022; The 2022 Annual General Meeting of Shareholders on 25/06/ 2022 and the Second Extraordinary General Meeting of Shareholders in 2022 on 28/12/2022.

- ▶ Cooperating with the BOM in assessing the macroeconomic situation within the nation and abroad, the policy of controlling and restructuring the domestic real estate credit in order to take timely actions to ensure the implementation of the 2022 business plan.
- ▶ Completing the transaction of selling all 5,950,978 treasury shares with the average price of 56,246 VND/share and 01 share issuance to increase share capital from equity with the total shares outstanding of 767,604,759 shares, resulting in an increase of KBC's charter capital from 5,757,111,670,000 VND to 7,676,047,590,000 VND.
- ▶ Organising and supervising strictly the implementation of financial reporting mechanism.
- ▶ Supervising the implementation of the Resolutions issued by the BOD and the General Meeting of Shareholders.
- ▶ Cooperating with BOM in working with state agencies in provinces to complete the legal procedures for projects that have been implemented by the Corporation, etc.
- ▶ Cooperating with BOM to conduct meetings and negotiate with foreign investors in both online and offline forms.
- ▶ Closely supervising the corporate governance, risk management on investment and business operations, cash-flow management and appropriate financial planning.

## Contents and results of the BOD's meetings in 2022

In 2022, the Board of Directors conducted 36 meetings, of which the percentage of BOD members attending and the approval rate reached 100%. The contents and results of these meetings are shown in the table below:

NO.	DATE	RESOLUTION/DECISION NO.	CONTENT	AP-PROV-AL RATE
1	04/01/2022	0401/2022/KBC/NQ-HĐQT	Approving the total remuneration of the BOD, BOS and salary for the Head of BOS for 2021	100%
		0401-1/2022/KBC/QĐ-CTHĐQT	Decision of the Chairman of the BOD approving the remuneration for the members of the BOD, BOS for 2021	
2	13/01/2022	1301/2022/KBC/NQ-HĐQT	Approving the end of the 2017-2022 term and the election of the the BOD and BOS for the 2022-2027 term	100%
		1301-1/2022/KBC/NQ-HĐQT	Approving the meeting agenda and draft documents of the First Extraordinary General Meeting of	100%
3	17/01/2022	1701/2022/KBC/NQ-HĐQT	Shareholders in 2022	100%
4	20/01/2022	2001/2022/KBC/NQ-HĐQT	Approving the plan to sell treasury shares	100%
5	25/01/2022	2501/2022/KBC/NQ-HĐQT	Approving the plan to sell treasury shares	100%
		2501-1/2022/KBC/NQ-HĐQT	Approving the report on Feasibility Reseach of the wastewater treatment plant project with a capacity of 9,000m3/day and night at Nam Son - Hap Linh IP	100%
6	07/02/2022	0702/2022/KBC/NQ-HĐQT	Approving the Construction Drawing for the wastewater treatment plant project with a capacity of 9,000m3/day and night at Nam Son - Hap Linh IP	100%
7	10/02/2022	1002/2022/KBC/NQ-HĐQT	Approving the list of candidates nominated, running for members of the BOD, BOS for the term 2022-2027 of the Corporation	100%
		1002-1/2022/KBC/NQ-HĐQT	Approving the appointment of the Chairman of the BOD of KinhBac City Development Holding Corporation for the term 2022-2027	100%
8	10/3/2022	1003/2022/KBC/NQ-HĐQT	Approving the capital lending to Kinh Bac - Da Nang Investment One Member Co., Ltd	100%
9	21/3/2022	2103-1/2022/KBC/NQ-HĐQT	Approving the implementation of the plan to issue shares to increase share capital from equity and other related issues	100%
10	02/4/2022	0204/2022/KBC/NQ-HĐQT	Approving the Construction Drawing of the bridge section - Investment project to build an interchange connecting the provincial road 390, Thanh Ha district with the Hanoi - Hai Phong highway	100%
11	04/4/2022	0404/2022/KBC/NQ-HĐQT	Approving the time extension for holding the Corporation's 2022 Annual General Meeting of Share-holders	100%
12	18/4/2022	1804/2022/KBC/NQ-HĐQT	Approving the changing of address of the Corporation's representative office in Hanoi	100%
13	27/4/2022	2704/2022/KBC/NQ-HĐQT	Approving the organization of the 2022 Annual General Meeting of Shareholders	100%
14	16/05/2022	1605/2022/KBC/NQ-HĐQT	Approving the designing work of the item: Returning irrigation canals under the Project of Construction Investment and Infrastructure Development of Nam Son - Hap Linh Industrial Park, Bac Ninh Province	100%
15	24/5/2022	2405/2022/KBC/NQ-HĐQT	Approving the agenda and draft documents for submission to the 2022 Annual General Meeting of Shareholders	100%
16	28/5/2022	2805/2022/KBC/NQ-HĐQT	Approving the construction drawing of the section - Investment project to build an interchange connecting the provincial road 390, Thanh Ha district with the Hanoi - Hai Phong highway	100%

NO.	DATE	RESOLUTION/DECISION NO.	CONTENT	AP-PROV-AL RATE
17	18/6/2022	1806/2022/KBC/NQ-HĐQT	Approving the change of legal representative of Kinh Bac - Da Nang Investment One Member Company Limited	100%
18	21/6/2022	2106/2022/KBC/NQ-HĐQT	Approving capital borrowing from Saigon - Bac Giang Industrial Park Corporation	100%
19	29/6/2022	2906/2022/KBC/NQ-HĐQT	Approving the increase in ownership rate at Saigon - Da Nang Investment Corporation	100%
		2906-1/2022/KBC/NQ-HĐQT	Approving the appointment of an authorized representative to manage the number of shares in Saigon - Da Nang Investment Corporation	100%
20	02/7/2022	0207/2022/KBC/NQ-HĐQT	Approving the update of charter capital and issuing the 26th Amendment of the Company's Charter	100%
21	04/7/2022	0407/2022/KBC/NQ-HĐQT	Approving the selection of an auditor for the 2022 financial statements	100%
		0407-1/2022/KBC/NQ-HĐQT	Amending, supplementing and issuing the Regulation on Information Disclosure of Kinh Bac City Development Holding Corporation	100%
22	25/7/2022	2507/2022/KBC/NQ-HĐQT	Approving the change of the head office's address of a subsidiary which is NGD Investment Co., Ltd	100%
23	14/10/2022	1410/2022/KBC/NQ-HĐQT	Approving the right to buy additional shares issued by Saigon Telecommunication and Technologies Corporation	100%
24	25/10/2022	2510/2022/KBC/NQ-HĐQT	Approving the addition of collateral for the Bond code KBCH2130002	100%
25	08/11/2022	0811/2022/KBC/NQ-HĐQT	Approving the organization of the Second Extraordinary General Meeting of Shareholders in 2022	100%
26	15/11/2022	1511/2022/KBC/NQ-HĐQT	Approving the addition of collateral for the Bond code KBCH2130002	100%
27	29/11/2022	2911/2022/KBC/NQ-HĐQT	Approving capital borrowing from Saigon - Bac Giang Industrial Park Corporation	100%
28	01/12/2022	0112/2022/KBC/NQ-HĐQT	Issuing internal control procedures on receivable - payable and cash management	100%
29	02/12/2022	0212/2022/KBC/NQ-HĐQT	Approving the agenda and drafted submissions for the Second Extraordinary General Meeting of Shareholders in 2022	100%
30	05/12/2022	0512/2022/KBC/NQ-HĐQT	Approving capital borrowing from Saigon - Bac Giang Industrial Park Corporation	100%
31	13/12/2022	1312/2022/KBC/NQ-HĐQT	Approving capital borrowing from Saigon - Bac Giang Industrial Park Corporation	100%
32	14/12/2022	1412/2022/KBC/NQ-HĐQT	Approving the Corporation's guarantee for the loan of its subsidiary, Saigon - Hai Phong IP Corporation	100%
33	16/12/2022	1612/2022/KBC/NQ-HĐQT	Approving capital borrowing from Saigon - Bac Giang Industrial Park Corporation	100%
34	22/12/2022	2212/2022/KBC/NQ-HĐQT	Approving the Corporation's collateral as guarantee for the loan of its subsidiary, Saigon - Hai Phong Industrial Park Corporation	100%
35	26/12/2022	2612/2022/KBC/NQ-HĐQT	Approving the use of collateral of the Corporation for debt repayment obligations of its subsidiary, Saigon - Hai Phong Industrial Park Corporation	100%
36	29/12/2022	2912/2022/KBC/NQ-HĐQT	Approving the shares transfer of Hung Yen Investment and Development Corporation and transactions between related parties	100%
		2912-1/2022/KBC/NQ-HĐQT	Approving capital borrowing from Subsidiaries	100%

KBC's corporate governance activities always comply with the regulations on corporate governance for listed companies, the information provided on the stock market is transparent, clear and timely. The company regularly participates in programs to exchange and update information with departments such as the State Securities Commission, Ho Chi Minh Stock Exchange, Tax Department, Ministry of Finance, etc.

Regarding investor relations, KBC always actively publishes updated information about the company's operation in the media. During the year, the Company was always contacted by foreign investment funds to exchange business information to find out investment opportunities in the form of online and offline. KBC always listens to the shares, answers all questions of investment funds quickly and accurately.

*During the year, KBC was reminded by the Ho Chi Minh City Stock Exchange (HSX) about: presenting the income of the Supervisory Board on the audited financial statements for 2021 and treasury stock trading method. Immediately after that, the Company made a full explanation to the HSX.*

#### Activities of the BOD's independent members

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

Mr. Le Hoang Lan was appointed by the General Meeting of Shareholders as a member of the Board of Directors at the 1st Extraordinary General Meeting of Shareholders in 2022 on 10/02/2022 for the term 2022-2027. In his role, Mr. Lan fully attended 100% of the BOD's meetings since 10/02/2022. In the decisions of the Board of Directors, Mr. Lan gave independent opinions before other members of the Board of Directors, together to consider and resolve issues to come to a consensus. Mr. Lan has fully complied with the rights and responsibilities of an independent member of the BOD.

Mr. Le Hoang Lan sent an independent assessment report No. 0102/2023/KBC/BC-HDQT dated 01/02/2023 on the activities of independent members of the Board of Directors and the activities of the Board of Directors in 2022 with the following basic contents:

- ▶ The BOD's independent member and other members attending the meetings of the Board of Directors in 2022: achieved 100% attendance rate, the meetings were convened in a timely manner, in accordance with the law as well as the current Charter of the Corporation.
- ▶ In addition to participating in a number of external activities with the Board of Directors, the independent member also implemented his own external program to connect KBC with domestic and international partners. For example, in the year, the independent member
- ▶ welcomed Mr. Tim Storer - an Australian Senator to Vietnam to exchange and introduce investment cooperation opportunities at the Corporation, to visit some prominent industrial parks such as Que Vo (Bac Ninh), Quang Chau (Bac Giang), Trang Due (Hai Phong), Hoa Khanh (Da Nang) and Chan May (Hue). At the same time, he met and listened to KBC's major shareholders who were foreign financial institutions and potential foreign financial partners.
- ▶ The independent member has given opinions on the management and operation of the Corporation in general, on business activities, on human resources, etc.
- ▶ The Board of Directors has objectively assessed the activities of the Board of Directors: All activities were carried out in accordance with the provisions of the current Charter of Kinh Bac City Development Holding Corporation, the Internal Management Regulations of the Corporation and the provisions of the law; The Board of Directors worked with a sense of responsibility and transparency in governance, strictly complied with regulations for public companies; Resolutions were issued according to their competence and disclosed according to regulations.
- ▶ Other issues: Agree with the Board of Directors and Executive Board.

#### The implementation of the Resolutions of the General Meeting of Shareholders in 2022

NO.	CONTENT OF APPROVAL	PERFORMANCE
<b>I Resolution of the First Extraordinary General Meeting of Shareholders in 2022 No.1002/2022/KBC/NQ-DHDCD dated 10/02/2022</b>		
1	Approving the business plan in 2022 - Total expected revenue: 9,800 billion VND - Total expected profit after tax: 4,500 billion VND	Revenue and profit after tax according to the audited financial statements of 2022 - Total revenue: 3,498.07 billion VND - Total NPAT: 1,576.53 billion VND
2	Approving the adjustment and supplement of the plan on Charter capital increase by issuing shares from Equity followed Resolution of the 2021 Annual General Meeting of Shareholders No. 1004/ 2021/KBC/NQ-DHDQT, Submission No. 1004-2/2021/KBC/TT-HDQT, Resolution No. 0612/2021/KBC/NQ-HDQT	On 28/06/2022, the Board of Directors completed the plan to issue 191,893,592 shares from equity to existing shareholders, and made the 26th amendment to the Corporation's Charter on 04/07/2022, the 18th change of business registration on 05/07/2022.
3	Approving the electing members of BOD and BOS in term 2022 - 2027	The General Meeting of Shareholders elected members of the BOD and BOS for the term 2022 - 2027
4	Approving the listing bonds that need to be listed	There are no bonds needed to be listed in 2022
5	Approving the issuing 150 million shares in Private placement of stock for charter capital increase	The General Meeting of Shareholders approved the cancellation of the Private placement of shares to increase charter capital in the Resolution of the General Meeting of Shareholders No. 28121/2022/KBC/NQ-DHDCD dated December 28th, 2022.
<b>II Resolution of the 2022 Annual General Meeting of Shareholders 2022 No: 2506/2022/KBC/NQ-DHDCD dated June 25th, 2022</b>		
1	The Executive Board did not change the consolidated business plan of the Corporation in 2022, which was approved by the 1st Extraordinary General Meeting of Shareholders in 2022 on 10/02/2022	Revenue and profit after tax according to the audited financial statements of 2022 - Total revenue: 3,498.07 billion VND - Total NPAT: 1,576.53 billion VND
2	Approving the selection of the independent auditing company in 2022	On July 5th, 2022, KBC announced the signing of an audit contract for the 2022 financial statements with Ernst & Young Vietnam Limited, which is the audit company approved by the GMS.
3	Approving remuneration payment for Board of Directors, Supervisory Board, the salary - bonus of the Head of Supervisory Board and the salary report of the Executive Board	Total expenses of the Board of Directors and Supervisory Board in 2022 are: 796,461,569 VND, equal to 15.9% of the limit approved by the General Meeting of Shareholders.
4	Approving the altering, supplementing the Corporation's Charter; Internal regulation on Corporate governance; Regulation of the BOD	On June 25th, 2022, KBC issued and disclosed the Corporation's Charter and the following regulations: - The 25th Amendment of the Corporation's Charter - Regulation of the BOD - Internal regulation on Corporate governance
5	Approving the policy of transactions between related parties for 2022 until the nearest Annual General Meeting of Shareholders in 2023	Disclosed the resolutions of the Board of Directors for transactions between related parties under the authority of the Board of Directors in accordance with the law
<b>III Resolution of the 2nd Extraordinary General Meeting of Shareholders in 2022, No. 28121/2022/KBC/NQ-DHDCD and No. 28122/2022/KBC/NQ-DHDCD dated December 28th, 2022</b>		
1	Approving the business plan in 2023 - Total expected revenue: 9,000 billion VND - Total expected profit after tax: 4,000 billion VND	These are the 2023 plans that are still in effect and are being implemented.
2	Approving the listing bonds	
3	Approving the plan of paying cash dividends for shareholders in 2023	
4	Approving the transaction policy between related parties arising in 2023 until the next General meeting of shareholders in 2024	
5	Approving the 100,000,000-share repurchase plan to reduce charter capital, and at the same time authorize the Board of Directors to decide all issues related to the share repurchase.	

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

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

In 2022, members of the BOD of the Corporation participated in direct/online seminars organized by regulatory agencies such as: Seminar on stock market and corporate bonds of the Ministry of Finance; "Consultation workshop on the promulgation of Regulations on environmental criteria and certification for green credit and green bond issuance projects by the Prime Minister"; "The Seminar on Report on Survey Results of the Implementation of Internal Audit in Vietnam and the Launching Ceremony of IIA Vietnam", etc.

## 2. SUPERVISORY BOARD

### Members of the Supervisory Board

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

### Activities of the Supervisory Board in 2022

In 2022, the Supervisory Board of Kinh Bac City Development Holding Corporation performed the main tasks including:

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

During their operation, the Supervisory Board was given all conditions by the Board of Directors and the Executive Board to perform its duties. The Supervisory Board has fully received the resolutions of the Board of Directors, reports related to business performance, quarterly and semi-annual financial statements, annual financial statements of the Corporation and participated in meetings convened by the Board of Directors related to the implementation of the Corporation's operational plans. In 2022, the Supervisory Board did not receive any complaints from the Corporation's Shareholders regarding the directing and operating activities of the Board of Directors, the Executive Board and other management ministries.

### Contents and results of Supervisory Board meetings in 2022

In 2022, the Supervisory Board conducted 06 meetings, 100% of the Supervisory Board members attended to approve the following contents:

NO.	DATE	SB'S MEETING MINUTES NO	CONTENT	APPROVAL RATE
1	12/01/2022	1201/2022/KBC/BB-BKS	The Supervisory Board held a meeting to submit to the General Meeting of Shareholders to end the 2017 - 2022 term	100%
2	25/01/2022	2501/2022/KBC/BB-BKS	Report on inspection and supervision results of the Supervisory Board in the fourth quarter of 2021	100%
3	10/02/2022	1002/2022/KBC/BB-BKS	Election of Head of Supervisory Board for the term 2022 - 2027	100%
4	26/04/2022	2604/2022/KBC/BB-BKS	Report on the results of inspection and supervision of the Supervisory Board in the first quarter of 2022	100%
5	27/07/2022	2707/2022/KBC/BB-BKS	Report on inspection and supervision results of the Supervisory Board in the second quarter of 2022	100%
6	26/10/2022	2610/2022/KBC/BB-BKS	Report on inspection and supervision results of the Supervisory Board in the third quarter of 2022	100%

## 3. TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SUPERVISORY BOARD

In 2022, the total remuneration of the Board of Directors, the Supervisory Board; Income of the Executive Board & Head of Supervisory Board; Personal income tax paid by KBC is as follows:

Unit: VND

NO.	FULL NAME	TITLE	REMUNERATION OF MEMBERS OF THE SB/ BOD	TOTAL INCOME OF HEAD OF SB, EB	TOTAL INCOME TAX PAID BY KBC	TOTAL EXPENSES OF THE BOD AND SB
1	Nguyen Thi Thu Huong	Member of the BOD cum CEO	100,000,000	6,567,001,000	3,280,139,000	111,111,111
2	Huynh Phat	Member of the BOD	100,000,000		11,111,111	111,111,111
3	Le Hoang Lan	Independent member of the BOD	100,000,000			100,000,000
4	Dang Nguyen Quynh Anh	Member of the BOD	100,000,000			100,000,000
5	Pham Phuc Hieu	Deputy General Director, Chief accountant, Person authorized to disclose information		2,365,000,000	1,020,538,462	
6	Nguyen My Ngoc	Deputy General Director		1,665,001,000	643,615,923	
7	Phan Anh Dung	Deputy General Director		1,181,782,000	383,421,077	
8	Nguyen Bich Ngoc	Head of SB	50,000,000	202,459,000	10,669,235	263,128,235
09	The Thi Minh Hong	Member of SB	50,000,000		5,555,556	55,555,556
10	Tran Tien Thanh	Member of SB	50,000,000		5,555,556	55,555,556
<b>Total</b>						<b>796,461,569</b>

Thus, the total expenses for remuneration of the BOD, SB and expenses for salary, bonus, allowances for the Head of SB in 2022 is **796,461,569** VND (In words: Seven hundred ninety six million four hundred sixty one thousand five hundred sixty nine dong), equaling 15.9% of the limit approved by the Annual General Meeting of Shareholders at Resolution No. 2506-1/2022/KBC/TT-HDQT which is **5,000,000,000** VND/ year.

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

**Share transactions by internal shareholders/ related persons in 2022:**

NO.	PERSON MAKING TRANSACTIONS	RELATIONSHIP WITH INTERNAL PERSONS	NO OF SHARES OWNED AT THE BEGINNING OF THE PERIOD		NO OF SHARES OWNED AT THE END OF THE PERIOD		REASON FOR INCREASE, DECREASE (BUY, SELL, CONVERT, REWARD, ETC)
			NO OF SHARES	RATIO	NO OF SHARES	RATIO	
1	Dang Thanh Tam	Chairman of the BOD of KBC	85,250,000	14.96%	138,666,665	18.06%	Receive bonus shares at the ratio 3:1 on 22/6/2022 Buy 25,000,000 shares from 15/11/2022 to 13/12/2022
2	Vinatex - Tan Tao Investment Corporation	Ms. Dang Nguyen Quynh Anh is the Chairman of the BOD; Mr. Dang Thanh Tam is the General Director of Vinatex - Tan Tao	20,987,390	3.65%	39,239,852	5.11%	Buy 5,000,000 shares from 17/06/2022 to 15/07/2022 Receive bonus shares at the ratio 3:1 on 22/6/2022 Buy 5,000,000 shares from 10/10/2022 to 31/10/2022

**Transactions between KBC and related parties**

NO.	NAME OF ORGANIZATION/INDIVIDUAL	RELATIONSHIP WITH THE COMPANY	TYPE OF TRANSACTION, TIME OF TRANSACTION WITH THE COMPANY	THE BOD'S RESOLUTION NO
1	Nguyen Vinh Tho	Member of the BOD (No longer a member of the BOD since 10/02/2022)	Receive remuneration for the BOD in 2021	Decision No. 0401-1/2022/KBC-HDQT approving the remuneration for the members of the BOD and BOS in 2021
2	Huynh Phat	Member of the BOD (No longer an independent member of the BOD since 10/02/2022)	Receive remuneration for the BOD in 2021	Decision No. 0401-1/2022/KBC-HDQT approving the remuneration for the members of the BOD and BOS in 2021
3	Nguyen Thi Thu Huong	Member of the BOD, CEO	Receive remuneration for the BOD in 2021 Receive salary, bonus	Decision No. 0401-1/2022/KBC-HDQT approving the remuneration for the members of the BOD and BOS in 2021 Labour contract
4	Pham Phuc Hieu	Deputy General Director/ Chief Accountant/ Person authorized to disclose information (No longer a member of the BOD since 10/02/2022)	Receive remuneration for the BOD in 2021 Receive salary, bonus	Decision No. 0401-1/2022/KBC-HDQT approving the remuneration for the members of the BOD and BOS in 2021 Labour contract
5	Nguyen My Ngoc	Deputy General Director	Receive monthly salary, bonus	Labour contract
6	Phan Anh Dung	Deputy General Director	Receive monthly salary, bonus	Labour contract
7	Nguyen Bich Ngoc	Head of SB	Receive remuneration for the SB in 2021 Receive monthly salary, bonus	Decision No. 0401-1/2022/KBC-HDQT approving the remuneration for the members of the BOD and BOS in 2021 Labour contract
8	The Thi Minh Hong	Member of SB	Receive remuneration for the SB in 2021	Decision No. 0401-1/2022/KBC-HDQT approving the remuneration for the members of the BOD and BOS in 2021
9	Tran Tien Thanh			
10	Tran Thi Thu Ha	Person in charge of corporate governance/ Company secretary	Receive monthly salary, bonus	Labour contract

NO.	NAME OF ORGANIZATION/ INDIVIDUAL	RELATIONSHIP WITH THE COMPANY	TYPE OF TRANSACTION, TIME OF TRANSACTION WITH THE COMPANY	THE BOD'S RESOLUTION NO
11	Saigon - Hai Phong Industrial Park Corporation (SHP)	A subsidiary directly owned 86.54% by KBC and KBC's internal person is a member of SHP's BOD	KBC repaid principle for the loan from SHP	Resolution No: 1407/2020/KBC/NQ-HDQT; 2907/2020/KBC/NQ-HDQT Loan Agreement No: 09/HDVV/SHP-KBC/2020; 10/HDVV/SHP-KBC/2020
			KBC transferred money for investment cooperation	Resolution No: 0912-1/2021/KBC/NQ-HDQT Investment Cooperation Contract dated 09/12/2021
			KBC received dividends from SHP	SHP's Resolution No: 2912/2022/NQ-DHDCD SHP's Announcement for the paying of dividends No. 3112.1/2022/TB-HDQT
12	Sai Gon - Bac Giang Industrial Park Corporation (SBG)	A subsidiary directly owned 59.5% by KBC and KBC's internal persons are members of SBG's BOD / Executive Board	KBC received the loan from SBG	Resolution No: 0911/2021/KBC/NQ-HDQT; 2106/2022/KBC/NQ-HDQT; 0512/2022/KBC/NQ-HDQT; 1312/2022/KBC/NQ-HDQT; 1612/2022/KBC/NQ-HDQT Loan Agreement No: 10/HDVV/KBC-SBG/2022; 11/HDVV/KBC-SBG/2022; 12/HDVV/KBC-SBG/2022; 13/HDVV/KBC-SBG/2022; 14/HDVV/KBC-SBG/2022; 15/HDVV/KBC-SBG/2022
13	Northwest Saigon City Development Corporation (SCD)	A subsidiary directly owned 60.52% by KBC and KBC's internal persons are members of SCD's BOD / Executive Board	KBC received dividends from SCD	Resolution No: 35/NQ-DHCD2020-SCD
14			KBC received money paid on behalf of SCD for social responsibility sponsorship activities	Contract No: 81/A/HDTCDX/2021SCD; 63/T3/STB Appendix No: 63/T3/STB and Other agreements
15	Trang Cat One Member Urban Development Limited Company (TCC)	A subsidiary owned 100% by KBC	KBC received the loan from TCC	Resolution No: 2912-1/2022/KBC/NQ-HDQT Loan Agreement No: 2912/2022/HDVV/TCC-KBC
16	Kinh Bac - Da Nang Investment One Member Company Limited (KB-DN)	A subsidiary owned 100% by KBC	KB-DN received loan from KBC	Resolution No: 1003/2022/KBC/NQ-HDQT Loan Agreement No: 1003-2022/HDVV/KBC-KBDN
17	Hung Yen Investment and Development Corporation (HYC)	A subsidiary directly owned 85% by KBC	KBC received the loan from HYC	Resolution No: 2912-1/2022/KBC/NQ-HDQT Loan Agreement No: 01/2022/TTHTV/HY-KBC
18	Tan Tap Industrial Infrastructure Development Limited Company (TT - LA)	KBC's controlling company	KBC received the loan from TT-LA	Resolution No: 2911/2022/KBC/NQ-HDQT Loan Agreement No: 01/HDVV/KBC-TT
19	Saigon Telecommunication & Technologies Corporation (SGT)	A related corporation of Mr. Dang Thanh Tam	Payment of internet service fees	Service contract No: 0112/14/HDDV/SGT-DDHS; 0713/14/HDDV/SGT-DDHS; 2608/2019/HDDV-SGT; 2911/2021/HDDV-SGT; 1805/2022/HDDV-SGT
20			Payment for the right to buy additional shares of SGT	Resolution No: 1410/2022/KBC/NQ-HDQT
21			Receive share transfer from other company	Resolution No: 2912/2022/KBC/NQ-HDQT Share transfer contract No: 2912/HDC-NCP/SGT-KBC/2022

### Evaluating the implementation of regulations on corporate governance

In 2022, KBC complied with the regulations on corporate governance in accordance with the law as well as the Corporation's internal regulations. Legal regulations were continuously updated and disseminated throughout the system, specifically as follows: The Corporation revised the Charter for the 24th, 25th, and 26th adjustments; changed the Business Registration when there was a change in Equity, updated and disclosed information about the Regulation on operation of the Board of Directors, Internal Regulation on Corporate Governance and Regulation on Disclosure information, etc. The Corporation's divisions worked closely together, ensuring that the Management of Operations, Finance and Risk were implemented flexibly and in a timely manner.

### Shareholder relation activities

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

The activities of shareholder relations and investor relations are always focused on by KBC. We are ready to answer all questions, listen to all suggestions of Shareholders and Investors. Every year, KBC contacts many investment funds via online/in-person form.

Thus, it can be said that KBC always tries our best to provide and update information for Shareholders and Investors in a timely, accurate and transparent manner. We look forward to sharing information with our shareholders and investors, as well as receiving suggestions for the better development of the Corporation. Therefore, If there is any concern about the situation of the Corporation, shareholders and investors please contact us via email.

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



KBC attended the Investors Conference



# PART VI

## AUDITED FINANCIAL STATEMENTS



**Ernst & Young Viet Nam Limited**

Floor 8, CornerStore Building

Reference: 60774739/66876299/HN

16 Phan Chu Trinh Street, Hoan Kiem, Ha Noi Viet Nam

Tel: 84 24 3831 5100 & Fax: 84 24 3831 5090

### 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 29 March 2023 and set out on pages 6 to 70, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

#### Management's responsibility

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

#### Auditors' responsibility

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

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

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



## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2022

CURRENCY: VND

**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 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

**Ernst & Young Vietnam Limited**

(signed and stamped)

(signed)

**Tran Phu Son**

Deputy General Director

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

Hanoi, Vietnam

29 March 2023

**Do Duc Hieu**

Auditor

Audit Practising Registration Certificate No. 4663-2023-004-1

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE (RESTATED)
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>27,674,080,297,628</b>	<b>25,684,222,720,417</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>1,683,149,405,060</b>	<b>2,562,478,285,805</b>
111	1. Cash		1,401,510,923,666	728,220,230,961
112	2. Cash equivalents		281,638,481,394	1,834,258,054,844
<b>120</b>	<b>II. Short-term investments</b>	<b>6</b>	<b>2,441,801,461,721</b>	<b>2,015,611,338,385</b>
121	1. Held-for-trading securities	6.1	1,862,358,461,369	1,862,358,461,369
122	2. Provision for held-for-trading securities	6.1	(6,226,144,519)	(2,308,273,169)
123	3. Held-to-maturity investments	6.2	585,669,144,871	155,561,150,185
<b>130</b>	<b>III. Current accounts receivable</b>		<b>10,895,901,944,840</b>	<b>9,345,615,937,801</b>
131	1. Short-term trade receivables	7.1	957,696,732,765	1,927,952,983,605
132	2. Short-term advances to suppliers	7.2	3,564,526,371,175	2,877,319,303,149
135	3. Short-term loan receivables	8	2,762,411,740,790	2,304,099,614,559
136	4. Other short-term receivables	9	3,654,794,506,950	2,252,661,317,138
137	5. Provision for doubtful short-term receivables	7.3	(43,527,406,840)	(16,417,280,650)
<b>140</b>	<b>IV. Inventories</b>	<b>10</b>	<b>12,330,243,270,680</b>	<b>11,515,237,946,621</b>
141	1. Inventories		12,330,243,270,680	11,515,237,946,621
<b>150</b>	<b>V. Other current assets</b>		<b>322,984,215,327</b>	<b>245,279,211,805</b>
151	1. Short-term prepaid expenses	11	61,178,577,357	79,145,682,100
152	2. Value-added tax deductible	17	207,965,514,065	136,584,272,359
153	3. Tax and other receivables from the State	17	53,764,932,028	29,511,205,731
155	4. Other current assets		75,191,877	38,051,615

## CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

CURRENCY: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE (RESTATED)
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>7,232,432,899,384</b>	<b>5,317,619,872,086</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>820,573,700,263</b>	<b>1,489,805,463,863</b>
215	1. Long-term loan receivables	8	148,423,703,957	1,061,473,000,000
216	2. Other long-term receivables	9	672,149,996,306	428,332,463,863
<b>220</b>	<b>II. Fixed assets</b>		<b>365,388,358,290</b>	<b>248,553,074,644</b>
221	1. Tangible fixed assets	12	365,333,606,633	248,491,102,971
222	Cost		722,494,036,438	561,147,793,219
223	Accumulated depreciation		(357,160,429,805)	(312,656,690,248)
227	2. Intangible fixed assets		54,751,657	61,971,673
228	Cost		448,175,500	448,175,500
229	Accumulated amortisation		(393,423,843)	(386,203,827)
<b>230</b>	<b>III. Investment properties</b>	<b>13</b>	<b>167,567,010,562</b>	<b>190,776,437,679</b>
231	1. Cost		255,584,291,494	255,288,287,858
232	2. Accumulated depreciation		(88,017,280,932)	(64,511,850,179)
<b>240</b>	<b>IV. Long-term assets in progress</b>	<b>14</b>	<b>1,169,797,985,814</b>	<b>1,074,460,096,465</b>
242	1. Construction in progress		1,169,797,985,814	1,074,460,096,465
<b>250</b>	<b>V. Long-term investments</b>	<b>15</b>	<b>4,697,431,764,453</b>	<b>2,297,769,981,279</b>
252	1. Investments in associates, jointly controlled entities	15.1	4,323,949,729,238	1,882,157,699,429
253	2. Investment in other entities	15.2	399,500,200,000	438,500,200,000
254	3. Provision for diminution in value of long-term investments	15.2	(26,018,164,785)	(22,887,918,150)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>11,674,080,002</b>	<b>16,254,818,156</b>
261	1. Long-term prepaid expenses	11	10,398,267,573	16,254,818,156
262	2. Deferred tax assets	29.3	1,275,812,429	-
<b>270</b>	<b>TOTAL ASSETS</b>		<b>34,906,513,197,012</b>	<b>31,001,842,592,503</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

CURRENCY: VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE (RESTATED)
<b>300</b>	<b>C. LIABILITIES</b>		<b>17,060,993,904,926</b>	<b>14,432,620,910,944</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>10,684,165,020,680</b>	<b>6,511,120,826,191</b>
311	1. Short-term trade payables	16.1	453,108,410,168	152,213,471,055
312	2. Short-term advances from customers	16.2	877,928,026,040	514,339,547,221
313	3. Statutory obligations	17	145,333,576,572	149,301,926,097
314	4. Payables to employees		105,757,133	9,452,327,919
315	5. Short-term accrued expenses	18	1,418,514,234,584	1,527,000,062,915
318	6. Short-term unearned revenues		1,069,455,000	2,303,464,821
319	7. Other short-term payables	19	3,829,774,766,541	2,634,535,163,959
320	8. Short-term loans	20	3,951,376,578,333	1,515,095,900,895
322	9. Short-term loans		6,954,216,309	6,878,961,309
<b>330</b>	<b>II. Non-current liabilities</b>		<b>6,376,828,884,246</b>	<b>7,921,500,084,753</b>
333	1. Long-term accrued expenses	18	1,760,346,557,414	1,430,816,612,872
336	2. Long-term unearned revenue		4,408,865,613	4,536,489,837
337	3. Other long-term liabilities	19	18,427,188,430	11,455,085,747
338	4. Long-term loans	20	3,687,089,342,314	5,539,263,915,459
341	5. Deferred tax liabilities	29.3	905,604,962,513	934,476,012,876
342	6. Long-term provisions		951,967,962	951,967,962

## CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

CURRENCY: VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE (RESTATED)
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>17,845,519,292,086</b>	<b>16,569,221,681,559</b>
<b>410</b>	<b>I. Capital</b>		<b>17,845,519,292,086</b>	<b>16,569,221,681,559</b>
411	1. Share capital	21.1	7,676,047,590,000	5,757,111,670,000
411a	- Shares with voting rights		7,676,047,590,000	5,697,601,890,000
	- Treasury shares		-	59,509,780,000
412	2. Share premium	21.1	2,743,529,570,000	3,397,344,430,000
415	3. Treasury shares	21.1	-	(364,466,650,000)
418	4. Investment and development fund	21.1	2,223,693,823	2,223,693,823
421	5. Undistributed earnings	21.1	5,646,308,490,449	5,411,370,039,775
421a	Undistributed earnings up to end of prior year		4,119,957,410,625	4,316,487,151,605
421b	Undistributed earnings of current year		1,526,351,079,824	1,094,882,888,170
420	6. Non-controlling interests	22	1,777,409,947,814	2,365,638,497,961
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>34,906,513,197,012</b>	<b>31,001,842,592,503</b>

## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

CURRENCY: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR (RESTATED)
01	1. Revenue from sale of goods and rendering of services	23.1	1,397,476,163,499	4,245,981,967,388
02	2. Deductions	23.1	(447,210,000,000)	-
10	3. Net revenue from sale of goods and rendering of services	23.1	950,266,163,499	4,245,981,967,388
11	4. Cost of goods sold and services rendered	24	(684,515,319,313)	(1,778,965,961,226)
20	5. Gross profit from sale of goods and rendering of services		265,750,844,186	2,467,016,006,162
21	6. Finance income	23.2	339,652,334,340	169,544,625,558
22	7. Finance expenses	25	(595,404,542,981)	(541,392,222,505)
23	<i>In which: Interest expenses</i>		<i>(522,875,219,589)</i>	<i>(480,600,549,118)</i>
24	8. Shares of profit of associates, joint-ventures	15.1	2,186,822,799,809	411,668,846,572
25	9. Selling expenses	26	(45,914,808,918)	(189,915,851,874)
26	10. General and administrative expenses	26	(464,460,343,994)	(428,557,565,443)
30	11. Operating profit		1,686,446,282,442	1,888,363,838,470
31	12. Other income		21,329,080,350	5,378,406,364
32	13. Other expenses	27	(11,190,277,098)	(131,977,203,231)
40	14. Other profit/(loss)		10,138,803,252	(126,598,796,867)
50	15. Accounting profit before tax		1,696,585,085,694	1,761,765,041,603
51	16. Current corporate income tax expenses	29.1	(150,202,907,959)	(252,330,651,691)
52	17. Deferred tax income/(expenses)	29.3	1,576,529,040,527	1,351,696,553,830
60	18. Net profit after tax		1,576,529,040,527	1,351,696,553,830
61	19. Net profit after tax attributable to shareholders of the parent		1,526,351,079,824	1,094,882,888,170
62	20. Net profit after tax attributable to non-controlling interests		50,177,960,703	256,813,665,660
70	21. Basic earnings per share	31	1,993	1,665
71	22. Diluted earnings per share	31	1,993	1,665

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022

CURRENCY: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR (RESTATED)
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>1,696,585,085,694</b>	<b>1,761,765,041,603</b>
	<b>Adjustments for:</b>			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets		76,156,349,325	75,692,369,658
03	Provision		34,158,244,175	6,086,350,800
05	Profits from investing activities		(2,527,061,223,118)	(581,041,517,433)
06	Interest expenses and bond issue costs	25	580,086,440,952	535,939,120,876
<b>08</b>	<b>Operating (losses)/profit before changes in working capital</b>		<b>(140,075,102,972)</b>	<b>1,798,441,365,504</b>
09	Increase in receivables		(1,510,937,176,511)	(2,079,224,026,029)
10	(Increase)/decrease in inventories		(815,005,324,059)	337,195,019,142
11	Increase/(decrease) in payables (other than interest, corporate income tax)		1,886,534,707,773	(529,907,612,028)
12	Decrease in prepaid expenses		23,823,655,326	3,749,012,462
14	Interest paid		(489,747,029,912)	(440,603,786,324)
15	Corporate income tax paid	17	(172,152,495,773)	(321,939,769,128)
16	Other cash inflows from operating activities		-	16,400,000
<b>20</b>	<b>Net cash flows used in operating activities</b>		<b>(1,217,558,766,128)</b>	<b>(1,232,273,396,401)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(1,217,558,766,128)	(1,232,273,396,401)
22	Proceeds from liquidation and sale of fixed assets and other long-term assets		590,909,091	-
23	Loans to other entities and payments for purchase of debt instruments of other entities		(2,998,289,485,397)	(4,196,077,303,624)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		2,949,996,617,187	1,403,533,561,236
25	Payments for investments in other entities		(665,969,230,000)	(305,765,650,879)
26	Proceeds from sale of investments in other entities		243,880,217,500	75,000,000,000
27	Interest and dividends received		221,052,868,860	112,434,316,937
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(523,224,707,549)</b>	<b>(3,151,163,553,881)</b>

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

CURRENCY: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR (RESTATED)
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution and issuance of shares	21.1	334,718,570,000	4,583,280,000,000
33	Drawdown of borrowings		1,992,468,191,731	4,640,537,120,839
34	Repayment of borrowings		(1,465,573,308,799)	(3,308,557,056,786)
36	Dividend paid		(158,860,000)	(19,101,949,923)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>861,454,592,932</b>	<b>5,896,158,114,130</b>
<b>50</b>	<b>Net (decrease)/increase in cash and cash equivalents for the year</b>		<b>(879,328,880,745)</b>	<b>1,512,721,163,848</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of the year</b>		<b>2,562,478,285,805</b>	<b>1,049,757,121,957</b>
<b>70</b>	<b>Cash and cash equivalents at end of the year</b>	<b>5</b>	<b>1,683,149,405,060</b>	<b>2,562,478,285,805</b>

(signed)

(signed)

(signed)

**Luu Phuong Mai**

Preparer

29 March 2023

**Pham Phuc Hieu**Deputy General Director  
cum Chief Accountant**Nguyen Thi Thu Huong**Deputy General Director  
cum Chief Accountant



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

**KINH BAC CITY DEVELOPMENT HOLDING CORPORATION**

**Chairman**

**DANG THANH TAM**

# **KBC - WHERE FDI AND MONEY CONVERGE**

# **ANNUAL REPORT 2022**