



KINH BAC CITY DEVELOPMENT HOLDING CORPORATION

ANNUAL REPORT 2021

ANNUAL REPORT 2021



KINH BAC CITY DEVELOPMENT HOLDING CORPORATION

HEAD OFFICE

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20 Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam

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LIST OF ABBREVIATIONS

RE: Real Estate	KBC: KinhBac City Development Holding Corporation
FDI: Foreign Direct Investment Capital	HOSE: Ho Chi Minh Stock Exchange
IP: Industrial Park	SHP: Sai Gon - Hai Phong IP Corporation
UA: Urban Area	SBG: Sai Gon - Bac Giang IP Corporation
SM: Stock Market	SCD: Sai Gon - Tay Bac City Development Corporation
JSC: Joint Stock Company	SBV: State Bank Of Vietnam
BOD: Board Of Directors	AGM: Annual General Meeting
CEO: Chief Executive Officer	

PREAMBLE

Dear Shareholders, Investors, Customers and Partners.

KBC is a Corporation with its own characteristics, each customer who has chosen us chooses to follow the same path with us until the end of the "lifetime" of the Corporation; each Partner who has chosen us until now still chooses us such as Banks, Financial Institutions, Investment Funds, Contractors etc; Most of the shareholders, long-term investors have been familiar with us since KBC was listed and especially some foreign investment funds from investors have become blockholders and advisors for the Corporation.

We would like to thank for the companionship of our Shareholders, Investors, Customers and Partners during the past 20 years. We have forged very close bonds and understood each other very well. Together, we have shared opportunities for cooperation and development, and together we have overcome those turbulent and difficult years. In the end, we all realized that if we go together until today, everyone is a winner.

As you all know, KBC is a pioneer in the field of sustainable FDI attraction over the past 20 years, attracting hundreds of multinational corporations to invest in Vietnam, with 90% of customers being High-tech Corporation, contributing to Vietnam billions of USD each year, in 2021 alone, KBC attracted more than 3 billion USD, which is a significant contribution to the national foreign exchange reserve and the process of industrialization and modernization of the country.

In 2022, we are ready to close the achievements of the past 20 years to embrace new opportunities and new challenges ahead when the investment and development of IP is being invested by many other corporations. Therefore, KBC must determine that from creating new projects to planning strategies to attract customers and large investors, we must raise the level of management, meet more stringent conditions, improve financial capability, grow capital scale, use the cash flow efficiently, etc. Those are the key issues we want to show you so that we are ready to move forward together.

Therefore, all previous published annual reports are integral documents with the 2021 Annual Report.

On behalf of KinhBac City Development Holding Corporation (KBC)

General Director

Nguyen Thi Thu Huong



KINH BAC CITY DEVELOPMENT HOLDING CORPORATION (KBC) WOULD LIKE TO THANK ALL DEAREST SHAREHOLDERS, INVESTORS, CUSTOMERS, PARTNERS, FINANCIAL INSTITUTIONS AND INDIVIDUALS WHO HAVE BEEN ACCOMPANYING KBC ON OUR DEVELOPMENT JOURNEY FOR THE PAST 20 YEARS.

PART 1

CORPRATION INFORMATION

20 Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam



1. GENERAL INFORMATION

➤ **Corporation name:**

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

In English: KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

Abbreviation: KINHBAC CITY CORPORATION

➤ **Enterprise Registration Certificate number:** 2300233993, issued by Bac Ninh Department of Plan and Investment on 27th March 2002, 17th amended on 12th October 2021

➤ **Charter Capital:** VND 5,757,111,670,000

➤ **Equity as at December 31, 2020:** VND 16,171,359,131,559

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

➤ **Tel.:** 0222 3634034

Fax: 0222 3634035

➤ **Website:** <http://www.kinhbaccity.vn>

➤ **Stock Symbol:** KBC

Legal representative: Mr. Dang Thanh Tam

2. 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 socio-economic 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 corporations 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 is 5,215.8 hectares, accounts for 4.22% of IP land bank of the whole country, increasing 10.7% compared to 2020 due to the establishment of the new land bank in Long An, Hung Yen and Hochiminh City.

Regarding the UA, currently, KBC owns a land bank of 1,177.7 hectares of UA land from the North to the South, meeting many different needs of investors. Each KBC's IP has an average size of over 200ha.

It is expected that in 2022 the Corporation will continue to complete the establishment of large projects in strategic locations to meet the diverse needs of investors in terms of area and location in some provinces such as Long An, Hung Yen, Tien Giang, Hai Duong, Vung Tau, in which the legal procedures for projects in Long An and Tien Giang are quite favorable.

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

- Being a Private Corporation which has consistently received 15 eminent emulation flags from the Government, initial share capital increased from VND 20 billion to VND 5,757.1 billion, equity reached over VND 16,171.3 billion on 31st December 2021.
- Becoming a public corporation in 2007 with 88,000,000 shares initially listed on the Hanoi Stock Exchange at 18/12/2007, re-listed on the Ho Chi Minh Stock Exchange in 18/12/2009. The number of common shares - the current outstanding shares is 575,711,167. Capitalization shares up to 22nd March 2022 reached VND 31,434 billion, which has increased 73% compared to that in 2020.
- 2012 was the most difficult year for KBC with a negative business result of VND 483.9 billion. The stock price dropped to the lowest level of VND 4,800/share. The recovery has started from the end of 2013 until now.
- Being the most successful corporation in Vietnam in debt restructuring and foreign investment divestment process in the period 2014-2015. After successfully restructuring, potential investors continued to invest in KBC's IPs such as LG, satellites of Samsung, satellites of Apple and Korean, Chinese and Hong Kong enterprises; simultaneously, credit institutions and investment funds have approached to continue to grant new credit limits to the corporation and to explore investment opportunities.
- In 2017, for the first time, KBC opened for sale the Phuc Ninh UA project in Bac Ninh within the subzone of 6.27ha and 22ha; For the first time, Corporation bond products listed on HOSE.

➤ 2018 marked a year of strong growth in investment attraction based on the positive effects from the transition wave of investment from China, Japan, Hongkong, Taiwan into Vietnam. As a result, Que Vo IP in Bac Ninh province and Trang Due IP in Hai Phong city have reached an occupancy rate about 97%, the rate of the growth is over 30% in each IP.

➤ In 2019, KBC closed the first pages of history in the process of establishment, development and foundation construction: It was the filling of 100% of the first Que Vo IP; Que Vo Expanded IP in Bac Ninh has scale of 611ha, with a business cycle completion time of 12 -15 years; Trang Due 1 IP, Trang Due 2 IP in Hai Phong have a scale of 402 hectares, with a business cycle completion of 5-8 years and also the closing the first pages of history of a subsidiary held 86.54% by KBC which is Saigon - Hai Phong IP Joint Stock Company.

➤ 2020 was a year affected by negative economic growth globally, it was almost impossible for foreign investors to come to Vietnam to complete the signing of land lease contracts leading to business results of the Corporation suffered a decline, profit after tax only reached 30.1% compared to 2019. However, the outstanding achievement in 2020 was that the Corporation completed the legal procedures of Nam Son Hap Linh IP, completed the payment of land rent for the Trang Cat - Hai Phong UA project with an area of 584.9 hectares and with the total payment to the state budget reaching VND 3,500.4 billion.

HIGHLIGHTS ON BUSINESS ACTIVITIES OF THE CORPORATION IN 2021

THE YEAR CONTINUOUSLY AFFECTED BY THE GLOBAL PANDEMIC

➤ 2021 was a year when Vietnam continued to be affected by the global pandemic. The provinces and cities where KBC's IPs are operating such as Bac Ninh, Bac Giang, Ho Chi Minh City, Hai Phong, etc. were all blocked, the prolonged social distance significantly affected the implementation of the business plan that KBC had set out, but compared to 2020, KBC's business results grew very strongly. Total revenue in 2021 was equal to 181.6% compared to that of 2020, total profit after tax in 2021 was equal to 319.8% compared to that of 2020.

➤ Quang Chau IP was a highlight in 2021 of the Corporation, which achieved 56.6 hectares of leasing thanks to attracting most of the investors in the high-tech field, accounting for 39.5% of the Corporation's total revenue and already occupied 96.78% of the area with a scale of 426 hectares. At the same time, the legal procedures of expanded Quang Chau IP with a scale of 90ha is being completed to put it into business in 2022.

➤ In 2021, the Corporation successfully arranged more than VND 8,685 billion to meet the Corporation's new project development strategy through the successful issuance of 100 million private shares since 2025, earning more than 3,408.2 billion dong; Successfully issued VND 1,500 billion of bonds to the public; Successfully issued VND 2,400 billion of individual bonds; Successfully signed 02 credit contracts with Vietinbank Que Vo with a credit limit of VND 1,376.8 billion to invest in infrastructure project of Nam Son Hap Linh IP.



AWARDS

KBC is a public corporation with no state ownership. During 20 years of operation and development, up to now, the Corporation and its subsidiaries have been awarded 02 Second-class Labor Medals, 02 Third-class Labor Medals, 15 excellent emulation flags leading by the Government, 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, 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.**



2.151 224	PHÁT TRIỂN ĐÔ THỊ KINH BẮC (KBC)
2.217 835	ĐẦU TƯ NAM LONG (NLG)
2.248 530	CHỨNG KHOÁN TP.HCM (HCM)
2.487 711	TỔNG CTCP ĐẦU TƯ PHÁT TRIỂN XÂY DỰNG (DIG)
2.606 371	GEMADEPT (GMD)
3.755 740	DƯỢC HẦU GIANG (DHG)
4.367 1.257	CHỨNG KHOÁN SSI (SSI)
4.419 905	CTCP ĐẦU TƯ DỊCH VỤ TÀI CHÍNH HOANG HUY (TCH)
4.532 1.153	NHÀ KHANG ĐIỂN (KDH)
4.542 304	TỔNG CÔNG TY IDICO (IDC)
5.026 3.919	TẬP ĐOÀN ĐẦU TƯ ĐỊA ỐC NO VA (NVL)
5.229 186	TỔNG CTCP KHOAN & DỊCH VỤ KHOAN DẦU KHÍ (PVD)
5.551 1.605	TỔNG CTY CỔ PHẦN XNK & XÂY DỰNG VIỆT NAM (VCG)
5.640 1.628	CƠ ĐIỆN LẠNH (REE)
5.659 1.428	VICOSTONE (VCS)

In addition, KBC is always evaluated as one of the enterprises with very good investor relations activities: won the award for the best annual report for many years, was once 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 and hundreds of foreign investment funds have been exposed to KBC.

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 years 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, Organisation 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.



Mrs. 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. Mrs. 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".



CORE VALUES

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

Experiences in investing and developing IPs

Being one of the pioneers in the field of constructing and developing IPs, Mr. Dang Thanh Tam - Chairman of KBC, laid the strong foundation for the development of KBC. Been managing and developing IPs for 25 years, he has successfully constructed his own IP business model.

Looking back on the first moments when Mr. Dang Thanh Tam arrived in Kinh Bac - Bac Ninh in the early 2000s - 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 organizations, he has carried out the mission of promoting Vietnam's policies to attract investment abroad. Initially, he achieved some success in his career at Tan Tao 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. After 20 years of construction and development, the Corporation has filled nearly 05 IPs, creating a strong **KINH BAC CITY** brand that is known not only in the country but also abroad.

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

Creating large land bank

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

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

Up to now, KBC is managing **5,215.8** hectares of land for IP development, accounting for nearly 4.22% of the total IP land area of the country and **1,177.7** hectares of land for developing UAs and residents. In which, there are **1,013** hectares of IP land in 4 IPs (100% filled) and 1 IP with the area of 426 hectares (96.78% filled). These IPs still bring significant fixed revenue for the Corporation including fee for infrastructure management, supply of clean water and wastewater. **KBC is proceeding to expand its IP and UA land bank in Hung Yen, Hai Duong, Tien Giang, Long An and Vung Tau.**

Diverse products and services satisfy all customers' strict requirements

By setting customers' interests as privilege, KBC provides appropriate products and perfect services to satisfy all customers, even the hardest ones. With 22 existing IPs strategically located across the country, KBC is holding the leading position in attracting FDI, especially large international corporations such as Canon, Foxconn, LG, JA Solar, Goertek, Fuyu, Luxshare, Jufeng, etc.

In order to meet the needs of SMEs which are also satellites of big 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 environmentally friendly. 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.

- 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 City;

- In 2019, KBC has put Trang Due - Hai Phong UA into business, meeting the housing needs for foreign experts, investors, and people in Hai Phong.

The trademark of Kinhbaccity

The **KINHBACCITY** trademark has built an attractive reputation with not only domestic but also foreign investors (both FDI and FI). Thanks to the ability to attract FDI and the competitiveness of services and products with businesses in the same industry, KINHBACCITY is always chosen by FDI enterprises when planning to invest in Vietnam. Besides, the rate of ownership of KBC shares of foreign investors updated at 22nd March 2022 is 18.26%.

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 investor except in the case of force majeure.

Developing human resources and management system effectively

KBC has built a management apparatus, professional staff who are qualified and experienced in the field of business investment and IP development, especially those who have the ability to approach and persuade FDI enterprises to invest in KBC's IPs. The high spirit of responsibility, loyalty and solidarity are the focal points in building Corporation culture. Thanks to the effective human resource management policies, the Corporation's staff always attach and accompany with the Corporation during both the prosperity and difficulties, gradually building **KINHBACCITY CORPORATION** to become one enterprise with sustainable development and maintain the leading position in the field of IP development even in the most difficult times.

Especially, KBC usually does not lay off personnel, does not 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 developing the process of industrialization and modernization for the locality;
- Being a connector between enterprises with local authorities; bringing the image of Vietnam, Vietnamese enterprises, Vietnam's investment policies to international investors;
- Creating different products with high competitiveness for enterprises; Knowing how to turn difficulties into opportunities, even in crisis years when the economy goes down.



 **20** Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam

2. LINES OF BUSINESS AND LOCATION

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

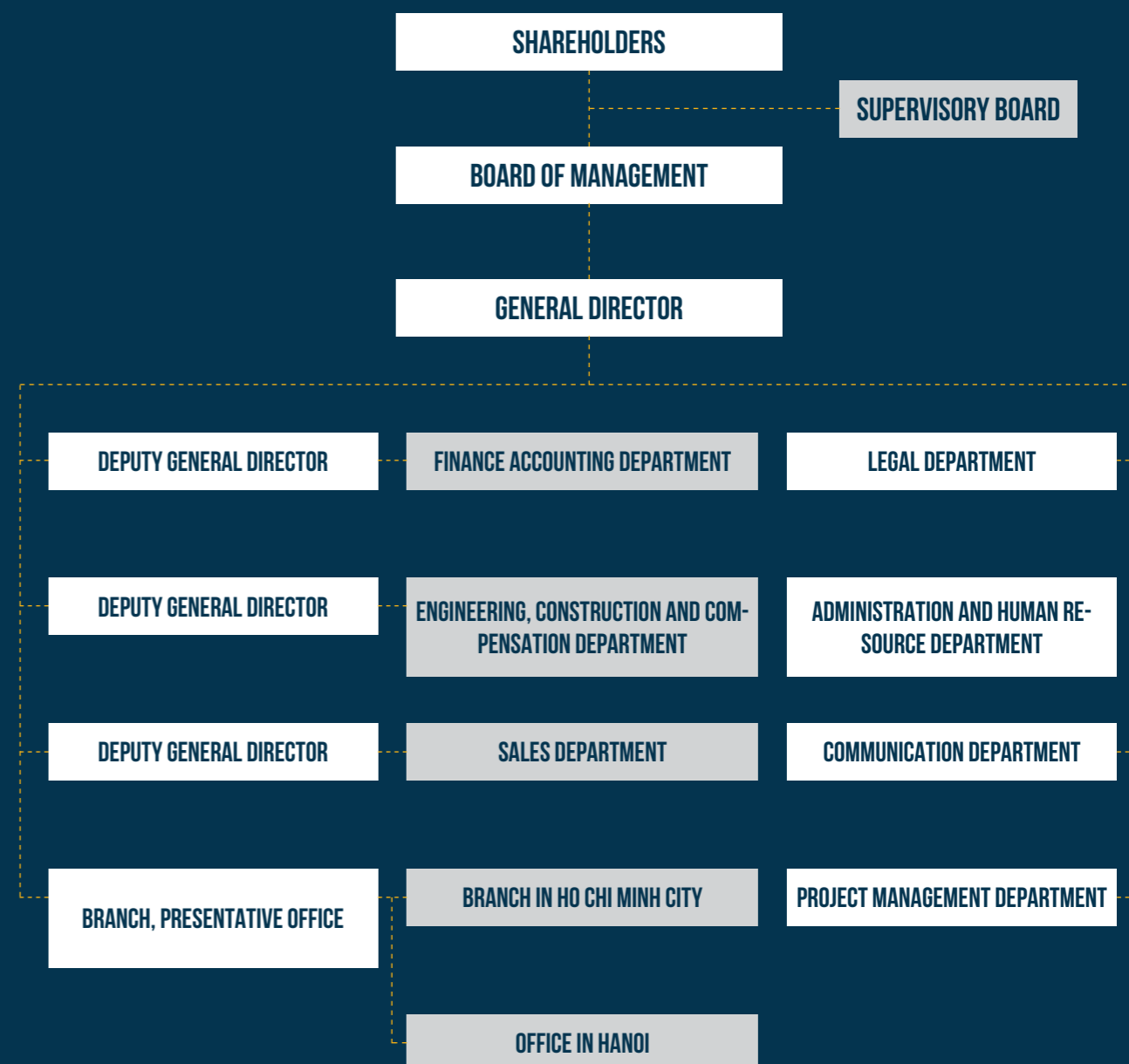
> Types of Service products accounting for more than 10% of the Corporation's revenue

SERVICE PRODUCTS	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2020	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2021
1. Land leasing revenue	62.3%	68.7%
2. Revenue from real estate transfer		11.6%
3. Revenue from supply of clean water, electricity, waste-water treatment, warehouse rental service fee	15.6%	
4. Financial revenue	12.7%	

> Business area accounting for more than 10% of the Corporation's revenue

BUSINESS AREA	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2020	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2021
1. Revenue in Bac Ninh		26.1%
2. Revenue in Bac Giang	22.8%	39.5%
3. Revenue in Hai Phong	10.5%	14.8%
4. Revenue in Cu Chi - Ho Chi Minh City	45.8%	18.5%

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 2021, the Corporation possessed these following direct and indirect subsidiaries:

NO.	COMPANY NAME	VOTING RATE (%)	INTEREST RATE (%)	HEAD OFFICE	MAIN ACTIVITIES
DIRECT SUBSIDIARIES					
1	Saigon - Bacgiang IP JSC	92.5	88.06	Quang Chau IP, Quang Chau commune, Viet Yen dist., Bac Giang province	Investment, building and trading real estates
2	Saigon - Haiphong IP JSC	86.54	86.54	Trang Due IP, Le Loi commune, An Duong dist., Hai Phong city	Investment, building and trading real estates
3	Saigon - Taybac Urban Development Holding JSC	74.3	72.44	Tram Bom, 22 Highway, Tan Phu Trung commune, Cu Chi dist., Ho Chi Minh City	Investment, building and trading real estates
4	Trang Cat Urban Development One Member Limited Company	100	100	Bai Trieu, Trang Cat commune, Hai An dist., Dinh Vu - Cat Hai Economical Zone, Hai Phong	Investment, building and trading real estates
5	NGD Investment One Member Limited Company	100	100	No. 100, An Trach st., Quoc Tu Giam wd., Dong Da dist., Hanoi	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Limited Company	100	100	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	70	68.65	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
INDIRECT SUBSIDIARIES					
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

In 2021, the Corporation has established 04 new subsidiaries, in which:

- 02 subsidiaries under direct control by the parent company are: Hung Yen Investment And Development Corporation and Vung Tau Investment Corporation Joint Stock Company.
- 02 indirect subsidiaries are Long An Development Invest Joint Stock Company and Bao Lac Spirituality Park Joint Stock Company.

INFORMATION ABOUT ASSOCIATED COMPANIES

As of December 31st 2021, the Corporation possessed these following direct and indirect associated companies:

NO.	COMPANY NAME	OWNER-SHIP RATE (%)	ADDRESS	MAIN ACTIVITIES	CHARTER CAPITAL (VND BILLION)
DIRECT ASSOCIATED COMPANIES					
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	423.5
2	Scanviwood JSC	34%	565 An Duong Vuong st., An Lac wd., Binh Tan dist., Ho Chi Minh City	Producing household furniture for export	7.2
INDIRECT ASSOCIATED COMPANIES					
3	Le Minh Xuan 2 IP JSC	22.02%	20 Phung Khac Khoan, Dakao Ward, District 1, Ho Chi Minh City	Investing in real estate, land use rights, or renting	583
4	Saigon - Nhonhoi IP JSC	35.35%	Lot A2 -01, N3 road, Nhon Hoi IP, Quy Nhon, Binh Dinh	Investment, construction, business in IPs, UAs, tourist areas, etc.	540
5	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	112.5

In 2021, the Corporation has added 03 associate companies, of which: The Corporation and its Subsidiaries have increased their ownership rate in the Saigon Nhon Hoi IP JSC; The subsidiary completed the procedures for owning shares in Le Minh Xuan 2 IP JSC and established a new Saigontel Long An Co., Ltd.



4. DEVELOPMENT ORIENTATION

Major short-term goals

➤ Developing core business areas: 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, Trang Cat Grand Project, specifically:

- Nam Son Hap Linh IP - Bac Ninh: Continue to compensate and complete the infrastructure in phase 2, complete the construction of clean water and wastewater treatment plants, etc. The project will be a bright spot in the Corporation's business activities in 2022.
 - Quang Chau IP - Bac Giang: Fill 100% of the area of 426 hectares in 2022, complete legal procedures in parallel with investment in infrastructure construction and attract customers to Quang Chau IP to expand its scale of 90ha.
 - Tan Phu Trung IP: Focus on building an appropriate business strategy to create a solid, experienced and prestigious financial foundation to deploy IP and UA projects in Long An from 2022.
 - Trang Cat IP: Deploy infrastructure construction to put into operation and business from 2022
 - Trang Due IP: Continue to open and sell new batches, simultaneously implement legal procedures, invest in infrastructure and attract investment in Trang Due IP to expand its scale of 687 hectares.
 - Phuc Ninh IP: Focus on completing legal procedures, quickly handing over to investors who have booked, and recording revenue in 2022; Continue to invest in and build technical infrastructure for the area that has been handed over in the field; Carry out the work of compensation and site clearance for the remaining area of the project; Invest in building a system of regulating reservoirs to ensure water drainage; constructing low-rise housing projects in areas where infrastructure has been completed; Invest in the construction of a number of public works such as kindergartens, schools, and kindergartens.
 - Deploying investment and business development in an industrial cluster in Long An with a scale of 219.8 hectares of IPs and 43.52 hectares of social housing areas invested by subsidiaries of the Corporation.
 - Implementing investment and business development of industrial clusters in Hung Yen with the scale of 225 ha of IP invested by subsidiaries of the Corporation.
- Continuing to accelerate the completion of procedures for establishing new IPs and UAs in Hung Yen, Long An, Tien Giang, Hai Duong and Vung Tau, etc.
- Cooperating in investment and business development with member companies and potential partners at home and abroad, etc. Deploying diversified business plans, attracting high-tech corporations from Korea, Taiwan, Hong Kong, Singapore, Japan, China, the United States, etc.
- Preparing products and services suitable to investors' needs (land available for lease, factories ready for sale and lease, maximum investor support services).
- Mobilizing and using 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 are the three most important goals to maintain the position and enhance the reputation of the business.

- Taking the lead, implementing projects to establish a number of new projects in Hung Yen, Hai Duong, Long An, Tien Giang, Vung Tau provinces and continuously surveying other areas in line with development orientation sustainability of KBC to increase land bank.
- Developing potential IPs and UAs in the central and southern regions and at the same time implementing UA development projects to meet the needs of social development; Expanding a number of UAs and IPs projects in potential areas such as Hai Phong, Bac Giang, Bac Ninh, etc.
- Developing a new customer network, diversifying products to meet all customer needs;
- Building and developing the international brand KINHBACCITY, always being the leading enterprise in the field of management and development of IPs - UAs.
- Focusing 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 making an underdeveloped country to become a developing country, a steaming destination of many foreign investors;
- Being a corporation with significant contribution in the FDI calling annually of Vietnam in the field of industrial urban real estate and aiming at less-pollution FDI enterprises.
- Indirectly creating thousands of jobs for workers; contributing to budget the provinces and 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.

5. SWOT ASSESSMENT

STRENGTHS

- A suitable timing of establishment when we can meet the first wave of FDI to Vietnam;
- A synchronous infrastructure which fulfils all the operational criteria of IPs;
- A convenient location for traffic: All IPs and UAs of KBC are located along the important highways, convenient to travel to seaports and airports;
- The advantage of KBC brand: through domestic and foreign marketing programs, KBC was known by investors as the biggest company in IP and infrastructure development in Vietnam;
- Having many large corporations in the field of electronics and high technology invested in KBC's IPs, thereby attracting many satellite businesses to invest.
- Investor support services: KBC provides services to assist investors in carrying out pre-investment and post-investment procedures.
- Utilities services in the IP: in the IP, there are convenient services for investors such as Customs office, warehouse, bank.
- Especially, IPs and UAs in Hai Phong are located on "two-corridors-and-one-economic-belt" between Vietnam and China, in Dinh Vu - Cat Hai Economic Zone with many tax incentives such as: Corporation income tax, value added tax, personal income tax, import tax, special consumption tax...
- Human Resource: Our Sales Department is the convergence of staffs who are good at foreign languages such as English, Chinese, Korean, Japanese, etc. who are able to communicate, solve problems and create good impression for investors.
- Being prestigious with state agencies, local authorities and being trusted by many provinces and cities in its ability to attract FDI enterprises to develop IPs.

WEAKNESSES

- The product is not suitable for all investors: the land plots in the IP are quite large, which is limited for projects that need to use a small land area (under 1,000 m²). Large factories are not suitable for small and medium projects, which leads to opportunity losses in this market.
- Restrictions on industries that are attracted to IPs: in IPs, industries with potentially polluting emissions are restricted.
- Workers: The number of suitable skilled labours is not enough for the needs of enterprises.
- Tax incentives: Apart from Trang Due IP, other IPs of KBC are located in the developed economic zones so they do not follow the preferential tax policies according to the new law.
- Short-term supply is limited: Currently, there are 04 KBC's IPs with a total area of 1,013ha which have been filled. In 2021, there will be 01 more Quang Chau IP with an area of 426 ha filled with a rate of 96.78%.
- The procedure for approving large-scale IPs can take many years.

OPPORTUNITIES

- KBC is always considered the first choice of satellite companies of large corporations such as Foxconn, LG, Samsung, JA Solar, Goertek, Fuyu, etc. which have already invested in IPs of KBC.
- Catching the wave of FDI inflows from Japan, China, Hong Kong, Taiwan, EU into Vietnam.
- Benefited from the State's policies and orientations to attract FDI, attracting FDI is confirmed to be an important part of the economy and is encouraged for long-term development. Selectively attracting FDI, encouraging linkages with domestic enterprises, enhancing Vietnam's position in the global value chain on the principle of multilateralization and diversification, and ensuring the independence of the economy and national security. The

Politburo issued Resolution No. 50-NQ/TW dated August 20, 2019 on orientations to perfect institutions and policies, and improve the quality and efficiency of foreign investment cooperation until the end of 2030. This resolution continues to open up great opportunities in the long term for businesses like KBC to develop.

- The revised Investment Law (2020) officially came into effect, adding regulations allowing the Prime Minister to apply special incentives to create mechanisms and policies that are attractive enough to promptly attract rapid change in FDI flows in the current context. Accordingly, it is allowed to apply a maximum incentive of 50% in comparison with the highest level in accordance with the current Law. The Law also amends and supplements industries and professions with investment incentives to ensure selective and qualified foreign investment attraction.

➤ Vietnam has been highly appreciated by the world in many aspects: Being the only Southeast Asian country to achieve 5 action goals of the United Nations to ensure sustainable development; Asia's power index ranking increased sharply; The diplomatic index, the index of economic competitiveness and the defense network, and the national brand of Vietnam also increased. With a strong national brand, Vietnam has affirmed its position for foreign investors; considered by foreign investors as a "magnet" - with good investment policies, investment in education is increasingly high quality and diversified, skilled workers in Vietnam are increasing;

➤ Vietnam has become the leading destination in Southeast Asia for manufacturing and an attractive place for multinational corporations, especially US corporations. At the same time, Vietnam's deeper and more effective integration with the world economy through important trade agreements is also a plus point for our country's brand value.

➤ International organizations such as IMF, WB, and ADB are quite optimistic about the prospect of Vietnam's economic recovery and development in 2022. GDP growth rate will reach 6.5% - 6.8%. In 2022, Vietnam continues to implement a number of new FTAs such as CPTPP, EVFTA, in which Vietnam gets higher incentives than partners; Many domestic enterprises and FDI enterprises

have accumulated experience in trading with partners of new FTAs, and have prepared conditions to expand bilateral relations in the new context.

➤ The national administrative reform is in the process of strong reform, the state apparatus is streamlined, compact and more efficient, and the division and hierarchy between agencies which are horizontal and vertical will be improved, the contingent of civil servants and state employees will be required to meet higher requirements for the implementation of constructivist and digital government.

➤ Currently, Vietnam has signed 15 free trade agreements and 2 agreements are under negotiation. The "RCEP" Agreement, which came into effect from January 1, 2022, opens up many great opportunities for Vietnam in general and businesses like KBC in particular with a very long way to go.

THREATS

➤ Higher investment costs lead to higher rental rates, which will be difficult to attract specific investment projects.

➤ Difficulties in attracting investment without tax incentives.

➤ The changing of macro policy in the process of IPs development management.

➤ Choosing investors that do not pollute the environment, do not use outdated technology, etc.

➤ KBC's available land bank for sale has been reduced by 1,439 ha since 04 IPs in Bac Ninh and Hai Phong have been filled 100% and 01 IP in Bac Giang has been filled with 96.78%, which is a challenge for KBC in the short term.

➤ The transformation in investment structure of FDI enterprises is taking place aggressively; The view of the Government is to attract FDI selectively in technology, environmental protection, investors who are willing to connect with domestic enterprises, etc. That is also a challenge for KBC.



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

Risks from changes in management policy of IP investment activities:

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

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

In recent years, the Ministry of Planning and Investment and the Government have always considered the main mission of continuing to improve the business and investment environment, and improve the operational efficiency and management of IPs, economic zones, promptly handle difficulties and problems related to investment, construction, environment and land issues, seize new opportunities opened up when implementing trade-investment agreements, bilateral and multilateral investment and research to complete the legal basis for building and deploying new models of economic zones and IPs, implement the project of special administrative-economic units after being approved by the competent authority. The Ministry of Government has approved Resolution No. 50-NQ/TW dated August 20, 2019 on orientations to perfect institutions and policies, and improve the quality and efficiency of foreign investment cooperation by 2030. This is the first time after 30 years of FDI attraction in Vietnam that there is a thematic resolution on FDI attraction, considering FDI attraction as an important economic component, contributing to the development of the country. Thus, the risk of management policy will tend to be minimized.

However, in 2022, KBC will still have to wait for the approval process and complete legal procedures for the extended Trang Due project, the expanded Quang Chau IP project and new established projects in the provinces are still lengthy due to regulatory approval processes.

Risks from changes in monetary policies

This is the type of risk that real estate businesses in general and KBC in particular will suffer first, when credit is tightened, real estate enterprises will be squeezed first; Interest rates for real estate businesses are always at the highest level. KBC has experienced these risks, in the period of 2011 - 2014, KBC had almost no access to any credit sources. In this context, KBC had to rely entirely on internal sources, revenue from business activities, many commercial real estate projects has to stop (partly due to inability to arrange credit sources, partly when credit interest rates increase and the real estate market is in trouble, the business also wants to choose a solution to suspend project construction).

In the period of 2015 - 2016, the risk of monetary policy almost did not happen, KBC could easily get access to credit sources, interest rates at 9.5% - 10%/year.

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

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

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

Thus, it can be seen that, in the past 10 years, the SBV has issued and has adjusted policies to encourage or limit funding for real estate business depending on the risk management requirements of the whole banking system set as well as developments of real estate market. However, from a market perspective, the policy changes somewhat and is relatively fast (about every two years). Facing the constantly changing monetary policy, KBC is always ready to balance capital from business activities, issue bonds, maintain good credit relations with big banks such as Viettinbank, BIDV, etc. KBC had no difficulty in attracting capital in 2019.

In the year 2020 - 2021, due to the impact of the epidemic, the monetary policy was loosened, the deposit interest rate in the market was low, the capital was abundant, the Government directed banks to support enterprises in debt extension, interest rate reduction, etc. However, in order to access capital, businesses had to comply with strict regulations on lending. With its efforts and prestige, in the past two years, KBC has successfully issued bonds to the public and private investors to meet the capital needs of the Corporation.

However, some new decrees such as Circular 16/2021/TT-NHNN or Draft amendments to Decree 153/2020/ND-CP, etc., related to the issuance of Corporation bonds, from 2022 will cause difficulties for enterprises wishing to raise capital through the form of bond issuance, such as restricting bond purchasers to be credit institutions; squeeze bond purposes; enterprises must hire more credit rating agencies for each bond, etc.

Risks from attracting FDI

From KBC's perspective, attracting FDI in Vietnam is the most important factor that impacts the business operating status of the Corporation.

In the year 2020 - 2021, Vietnam was obviously the center of the world despite being significantly affected by the Pandemic, which hindered the direct meeting with investors to sign contracts or hand over land. However, according to forecasts, the demand for FDI investment in Vietnam in the coming years will continue to decrease. In 2021, the total registered FDI capital into Vietnam reached 31.15 billion USD, up 9.2% compared to 2020; FDI capital in 2021 was estimated at 19.74 billion USD, down 1.2% compared to 2020, in which:

➤ **About partners:** Singapore was the leading country with a total investment capital of over 10.7 billion USD (*notably as an investment partner through the purchase of large-capital shares*), accounting for 34.4% of the total investment capital in Vietnam. South Korea ranked second with nearly 5 billion USD (*notably the leading partner in the number of new investment projects and expanded direct investment projects in 2021*), accounting for 15.9% and Japan ranked third with a total registered investment capital of nearly 3.9 billion USD, accounting for 12.5%.

➤ **Regarding FDI attraction,** Hai Phong surpassed Long An to take the lead in the whole year with a total registered investment capital of over 5.26 billion USD, accounting for 16.9% of total registered investment capital and nearly 3.5 times higher compared to the same period in 2020. Long An ranked second with over 3.84 billion USD, accounting for 12.3% of the total investment capital of the country. Ho Chi Minh City ranked third with nearly 3.74 billion USD, accounting for nearly 12% of total investment capital.

Up to now, KBC has always been a Corporation that closely follows the trend of FDI inflows into Vietnam to seize investment opportunities and minimize risks related to FDI attraction of the Corporation. Specifically, in early March 2022, Saigontel, a member of the Corporation, had a transformation when it was ready to cooperate with VinaCapital and Aurous Company (Singapore) in the project of an industrial-urban complex of 2.5 billion USD in Bac Giang.

According to experts, 2022 is the year the Regional Comprehensive Economic Partnership (RCEP) comes into effect and many important free trade agreements (FTAs) of Vietnam continue to implement the roadmap as committed, Vietnam's economic openness is getting bigger and bigger to the world. The preferential tariff policies will further promote large international corporations to move to Southeast Asia, including Vietnam.

Vietnam's own advantage is that the Politburo passed Resolution 50-NQ/TW in 2019, which has laid a new foundation for Vietnam's FDI attraction strategy, aiming at high-quality FDI sources. From June 2020, Vietnam has established a special working Corporation to attract large projects with high technology and many innovative elements. The main task of the Corporation is to design new policies to attract multinational corporations, including those that want to diversify investment locations and production plants after the pandemic. Some corporations have moved part of their operations from China to Vietnam, such as Apple, Intel, Nike, Qualcomm, Universal Alloy Corp., Asics, Hoya, Kyocera, Nintendo, and Shin-Etsu Chemical.

Therefore, Vietnam in general and enterprises managing and investing in IPs like KBC in particular are facing great opportunities to attract foreign investors to invest directly in projects or buy shares.

The mission of the Government of Vietnam and businesses is to continue to improve infrastructure, train high-quality human resources, meet labor and environmental standards, ensure political stability, and establish supply chains which have the capacity to endure risks such as epidemics and natural disasters in order to be always ready for the race to attract high-quality FDI with Indonesia, Malaysia, Thailand, and Singapore with the goal that Vietnam ranks second in attracting high-quality FDI after Singapore. Thus, in terms of FDI attraction, we see more opportunities than risks, countries and businesses which take advantage of the opportunity to move factories and establish an unbroken supply chain in the current global trend will be the winning nation, the winning businesses.

FDI REGISTRATION 2019 - 2021

(USD billion)

	NATION					FIELD		
	SINGAPORE	KOREA	JAPAN	USA	CHINA	PROCESSING, MANUFACTURING ENGINEERING	ELECTRONIC, MECHANICAL ENGINEERING	REAL ESTATE
2021	10.71	4.95	3.89	0.73	2.92	18.12	5.71	2.63
2020	8.99	3.94	2.36	0.36	2.45	13.60	5.14	4.18
2019	4.50	4.13	4.13	0.46	4.06	24.56	1.01	3.87

Source: wchart.vn

Risks from ineffective management of cash flow

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

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

In 2018 - 2021, KBC all completed the capital arrangement plan, and there was no risk of cash flow management.

Regarding the expected cash flow in 2022, due to the characteristics of State budget management, each new project established in different provinces needs to establish its own company to manage. Therefore, the arrangement of capital for KBC must be based on the needs of the whole Corporation. It is estimated that in 2022, the Corporation's capital will need 10,000 billion VND to implement a series of large-scale projects managed by KBC or through its subsidiaries, affiliates and other partners managed through capital contribution, joint venture, investment cooperation, etc.

That is a pressure for KBC in the short term that we would like to note to our investors. However, in the long term, this is a beneficial plan to have products available to satisfy customers in the future.

Other risks

The operating IPs may not avoid risks such as: The phenomenon of causing environmental pollution from enterprises in the IP, encountering natural disasters (storms speeding up the roofs of factories); fire and explosion (fire in a factory in an IP); the strike that stops the production and business activities of enterprises in the IP, causing security instability; Companies operating in IPs have gone bankrupt; the epidemic causing the global purchasing ability to decline, affecting the import and export activities of FDI enterprises.

PART 2

BUSINESS PERFORMANCE IN 2021

20 Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam



In 2021, the world economy continued to face many difficulties due to the impact of the epidemic, but since the fourth quarter of 2021, the economies have gradually recovered and adapted to the impact of the epidemic. In particular, Vietnam is also a country capable of responding to the pandemic, the vitality of businesses in the harsh conditions of the pandemic has become a prominent highlight of Vietnam's economic picture in 2021. The most outstanding features in the Vietnamese economy in 2021 can be recorded as:

- Nearly 160 thousand newly enterprises were established and returned to operation; The agricultural sector acted as the backbone of the economy; Vietnam's import and export turnover reached a new record, with a total value of 668.5 billion USD, up 22.6% compared to 2020;
- **Foreign investment attraction (FDI) is also a highlight reflecting the attractiveness of the Vietnamese market to foreign investors.** In 2021, the total registered FDI capital into Vietnam reached 31.15 billion USD, up 9.2% compared to 2020; Realized FDI in 2021 is estimated at 19.74 billion USD, falling by 1.2% compared to 2020.

"The pandemic has directly affected FDI enterprises, especially the southern key economic region, where many of the country's leading FDI enterprises are concentrated, but in this difficult time, leading investors of the US, Korea, EU... still affirm their commitment to continue investing in Vietnam"

- Digital economy development is considered the highlight of Vietnam's economy in 2021; Protecting health, implementing social security for the people, while maintaining production and business to ensure revenue for the state budget, are central goals and also the highlights in the economic picture of Vietnam in 2021. According to the General Statistics Office's report dated December 29, 2021, the estimated total state budget revenue in 2021 reached VND 1,523.4 trillion, equaling 113.4 percent of the yearly estimate (an increase of 180.1 trillion VND).

Thus, the world economy in general and Vietnam's economy in particular are still operating in the "new normal" way and it is important for each country and each business to adapt and seize the opportunities, take full advantage of the situation, and use its own strengths to the maximization effectively.

Vietnam's GDP growth in 2021 which reached 2.58% reflected a 6.02% decrease in the impact of the pandemic in the third quarter of 2021 because many provinces and cities across the country were in a state of prolonged lockdown, not covered by vaccine, not ready to adapt to the Pandemic. However, from the fourth quarter of 2021, the whole economy joined hands to realize the "dual goal" of both fighting the epidemic and doing an excellent job of preventing and fighting the epidemic, and at the same time, economic growth brought GDP growth in the fourth quarter of 2021 by 5.22%.

With a strong national brand, Vietnam has affirmed its international position and reputation, becoming the leading destination in Southeast Asia for manufacturing and an attractive place for multinational corporations.

So far, Vietnam has a strategic partnership with 17 countries, has ratified and effectively implemented the Free Trade Agreement between Vietnam and the European Union (EVFTA); has participated in the signing of the Regional Comprehensive Economic Partnership (RCEP), has taken part in more than 500 bilateral and multilateral agreements in many fields. 71 countries have already recognized Vietnam as a market economy.



VIETNAM'S INTERNATIONAL POSITION AND PRESTIGE HAVE BEEN INCREASINGLY AFFIRMED THROUGH THE BUSINESS TRIP OF PRESIDENT NGUYEN XUAN PHUC AND THE HIGH-RANKING VIETNAMESE DELEGATION AT THE UNITED NATIONS SECURITY COUNCIL IN NEW YORK FROM 21ST TO 24TH OF SEPTEMBER, 2021.

Therefore, Vietnam in general and KBC in particular have been preparing the necessary premises and factors to be ready to receive the new wave of investment transformation, becoming an important production base of the world.

Specifically, KBC has been preparing large-scale IP land banks and adequate infrastructure in strategic locations to meet the diverse needs of investors in terms of area and location with solutions including Developing existing land bank, establishing new IP and UA projects in some provinces such as Long An, Hung Yen, Tien Giang, Hai Duong, Vung Tau, etc. In 2021, projects in Long An, Hai Phong and Bac Giang have developed detailed infrastructure investment plans; The industrial cluster project in Hung Yen with a scale of 225 hectares received the Decision approving the policy at the end of December 2021, and immediately there were some foreign investors expressed their need to invest in IP in these new locations.

1. THE SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES IN 2021

TARGET	2021	2020	CHANGES
Net sales of goods and services	4,246.0	2,150.9	197.4%
Revenue from land leasing	3,035.9	1,537.3	197.5%
Revenue from real estate transfer	514.6	196.2	262.3%
Revenue from factory leasing and sales	310.6	33.1	938.4%
Revenue from warehouse rental, supply of clean water, electricity, wastewater treatment, non-services	384.9	384.3	100.2%
Financial revenue	169.5	313.7	54.0%
Other revenue	5.4	3.5	154.3%
Total revenue	4,420.9	2,468.1	179.1%
Total profit after tax	953.8	319.8	298.2%
Profit belongs to the shareholders of the parent company	782.3	224.0	349.2%

In 2021, the Corporation's total consolidated revenue reached VND **4,420.9** billion, equaling 179.1% compared to 2020, equaling 66.98% of the plan. In which, revenue from core business activities including: Land leasing, factory leasing, sale of real estate and related services reached VND **4,246.0** billion, equaling 197.4% compared to 2020, accounting for 96% of the Corporation's total revenue. The Corporation's consolidated profit after tax in 2021 reached VND 953.8 billion, equaling 298.2% compared to 2020, equaling 47.7% of the plan. The interests of shareholders of the parent company reached VND 782.3 billion, equal to 349.2% compared to 2020.

Total amount of financial, selling, administrative and other expenses of the Corporation in 2021 was VND **1,291.8** billion, 2.3 times higher than 2020. Of which interest expense was VND 541.3 billion, 2.7 times higher than in 2020 due to the Corporation's increase in debt; Administration expense was VND 428.5 billion, 1.6 times higher than 2020 because during the year, the Corporation increased its contribution to social responsibility, established diplomatic relations, and maintained the Corporation's sustainable development; selling expenses and other expenses to promote relations and establish a sales network were VND 321.9 billion, 5.9 times higher than 2020. Thus, in the context of the economy facing difficulties, the business still tries to allocate the necessary costs to ensure the lives of its employees, to share increased social responsibility and to strengthen diplomatic relations in order to improve society's trust to the Corporation.

PERFORMANCE SITUATION COMPARED TO THE PLAN

Unit: VND Billion

SECTOR	THE 2021 PLAN	PERFORMANCE IN 2021	COMPLETION RATIO
Total revenue	6,600	4,420.8	66.98 %
Profit after tax	2,000	953.8	47.7 %

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

Although the company's revenue and profit performances did not reach the targets of 2021, the activities of attracting investment and establishing new projects in the context of general economic difficulties was encouraging. In 2021 alone, the Corporation attracted more than USD 3 billion to Vietnam from high-tech corporations expanding production scale concentrated in Hai Phong, Bac Giang.



Foxconn Singapore PTE Ltd is a major investor in KBC's IPs. The company was awarded the investment certificate on January 18th 2021 for Fukang Technology Factory project in Quang Chau - Viet Yen - Bac Giang IP. Project is to move production lines of Macbook and iPad to Vietnam.

Thus, KBC becomes a prestigious and reliable address for Eagles to nest.



KBC has significantly contributed to the development of Hai Phong city, persisted for many years to negotiate and attract LG Corporation and satellites to invest in Trang Due IP in Hai Phong from 2013 until now, promoting Hai Phong UAs with development services thanks to housing demand and using the services of Korean experts coming to work in Hai Phong.



Mrs. Nguyen Thi Thu Huong - General Director of KBC and representatives of the Corporation's leaders received decisions to approve investment policies for projects: Kim Dong industrial cluster, Chinh Nghia industrial cluster and Dang Le industrial cluster with a total registered capital of over USD 1 billion.



Mrs. Nguyen Thi Thu Huong - General Director of KBC and Mr. Robert Harold Hughes - Chairman of ACI Capital Co., Ltd. exchanged a Memorandum of Understanding on investment cooperation in Hung Yen province with an investment value of USD 1 billion.

2. HUMAN RESOURCE ORGANISATION

BOARD OF DIRECTOR (BOD)

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 which is one of his success and enormous contribution to Bac Ninh province. Thanks to his profound experience and long-term vision, he has constantly developed and expanded the IPs from north to south. Additionally, he understands macro policies, domestic and international law, hence he also plays an important role in our business organisations, economic consultant and international forums. Moreover, Mr. Dang Thanh Tam also was a Congressman of Assembly in the XIII term.

The number and percentage of his share ownership up to 31/12/2021: 85,250,000 shares (14.96%)

MRS. NGUYEN THI THU HUONG - MEMBER OF BOD AND GENERAL DIRECTOR

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. Along with the development of the Corporation, Mrs. Nguyen Thi Thu Huong has closely followed every strengths and weaknesses of the Corporation, then “directed KBC ship” to overcome the crisis wave in the previous years. Within her prior experience in the diplomatic field, she is a spearhead in promoting investment and relations with large corporations as well as in controlling the operation in each IP. As the CEO, she has shown her important role in the renovation and improvement in management system over the years. Directly taking in charge of internal governance and external policy of the Corporation, Ms. Hung emphasized on responsibility in working, discipline and solidarity between workers as the most critical part of development.

She was awarded a Second-class and Third-class Labor Medals from the President of the Socialist Republic of Vietnam; Many Certificates of Merit from the Prime Minister, the Ministry of Planning and Investment; The title of Provincial Emulation Fighter; For many consecutive years, she was awarded the Certificate of Merit by the Chairman of the People’s Committee of Bac Ninh province; Received numerous Certificates of Merit from the Management Board of IPs, Bac Ninh Provincial Labor Federation, Certificate of Merit from the General Department of Taxation and the Tax Department of Bac Ninh Province, etc.

Mrs. Nguyen Thi Thu Huong was once honored to be a representative to participate in “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”.

The number and percentage of her ownership share up to 31/12/2021: 299,478 shares (0.053%)

MR. NGUYEN VINH THO - MEMBER OF BOD

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

The number and percentage of his share ownership up to 31/12/2021: 0 share (0%)

At the 1st Extraordinary General Meeting of Shareholders of 2022 held on February 10, 2022, the General Meeting of Shareholders elected the BOD for the term 2022 -2027, whereby Mr. Nguyen Vinh Tho is no longer a member of the BOD of KBC since February 10th 2022.

MR. PHAM PHUC HIEU – MEMBER OF BOD

Mr. Pham Phuc Hieu was born in 1978 and appointed to be the Deputy General Manager in Finance and the Chief Accountant since December 8th 2012, appointed to be a Board member since April 26th 2014. Currently, he is also authorised to announce information of KBC. Mr. Pham Phuc Hieu graduated from Bachelor of Banking and Finance. He has been working in KBC more than 15 years as a financial manager at KBC and member companies. Thus, he has good foundation in financial sector as well as trait business activities of the Corporation. His qualifications and experience has confirmed him as an important member in the Board. During his time as a member of the BOD, Mr. Pham Phuc Hieu has always excellently fulfilled his role, especially in controlling cash flow, directing and arranging capital for businesses.

The number and percentage of his share ownership up to 31/12/2020: 22,817 shares (0.004%)

At the 1st Extraordinary General Meeting of Shareholders of 2022 held on February 10, 2022, the General Meeting of Shareholders elected the BOD for the term 2022 -2027, whereby Mr. Pham Phuc Hieu is no longer a member of the BOD of KBC since February 10th 2022.

MR. HUYNH PHAT – INDEPENDENT MEMBER OF BOD

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

The number and percentage of his ownership share up to 31/12/2021: 0 share (0%)

At the 1st Extraordinary General Meeting of Shareholders of 2022 held on February 10, 2022, the General Meeting of Shareholders elected the BOD for the term 2022 - 2027, whereby Mr. Huynh Phat is no longer an independent member of the BOD, but he continues to be elected as a member of the BOD for the term 2022 - 2027.



BOARD OF MANAGEMENT

MS. NGUYEN THI THU HUONG - GENERAL DIRECTOR (INTRODUCED ABOVE)

MS. PHAM PHUC HIEU - DEPUTY GENERAL DIRECTOR IN FINANCE AND AUTHORISED ANNOUNCER (INTRODUCED ABOVE)

MR. PHAN ANH DUNG - DEPUTY GENERAL DIRECTOR IN TECHNOLOGY

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

The number and percentage of his share ownership up to 31/12/2021: 11,500 shares (0.002%)

MRS. NGUYEN MY NGOC - DEPUTY GENERAL DIRECTOR IN SALE

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

The number and percentage share ownership up to 31/12/2021: 0 share (0%)

THE NUMBER OF STAFF

The labour structure in the parent company

EMPLOYEE	AMOUNT (PEOPLE)	RATE
Post graduated	10	4.9%
Graduated	81	39.7%
College and vocational training	25	12.3%
Technical workers	16	7.8%
Security and guard	72	35.3%
Total	204	100%

- The total number of staff in Parent Company up to 31/12/2021 is 207 people, decreasing 1 person comparing to 2020.
- The total number of staff in Corporation up to 31/12/2021 is 531, remaining unchanged comparing to 2020.

THE POLICY OF RECRUITMENT AND ALLOCATION

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



SALARY, BONUS AND WELFARE REGIMES

Salary, bonus and welfare regimes are built in balance with the development of the business. KBC fully implements the payment of social insurance, health insurance and unemployment insurance for all employees. The total average income of KBC's employees in 2021 reached 18.9 million VND/person/month, a slight increase compared to 2020.

Employees are entitled to leave according to the Labor Law. The Company's employees are entitled to allowances depending on the nature of their work such as: Responsibility allowance, part-time allowance, lunch allowance, travel, telephone, monthly phone subscription fee, etc. To ensure the health of employees, the Corporation organizes a kitchen in the office with clean products that are directly prepared. Every year, the Corporation organizes medical examination for all employees at the reputable hospital; The Corporation has a football field, tennis court, basketball court, gymnasium, equipped with a treadmill, and has Yoga and Jumba teachers to improve the health of employees.

Before the pandemic, the Corporation often organized a vacation trip for all employees every year, as well as organized many collective activities. Trade union activities are also regularly organized, playing an important role in all activities of employees.

In 2021, the Corporation established the Covid-19 Prevention and Control Committee in collaboration with the Epidemic Prevention Department of the Management Board of the IP, which operated very effectively. At the same time, the Corporation established a specialized health department with specialized staff to take care of health care, organize periodical health checks for employees in the Corporation, organize screening tests and directly implement Covid prevention and control measures for employees, ensuring safety in production work. During the year, although the Covid epidemic situation was very stressful, many employees had to stay at home due to the lockdown period, but the Corporation still ensured to maintain the salary policy, adequate welfare regimes for employees, make sure no one had a salary reduction due to the epidemic. Especially, at the end of the year, the bonus that the company gave employees was from 3 to 5 months salary.



The company is autonomous in carrying out Covid testing for employees to ensure safety at work with a frequency of 2 times/week.

 **20** Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam

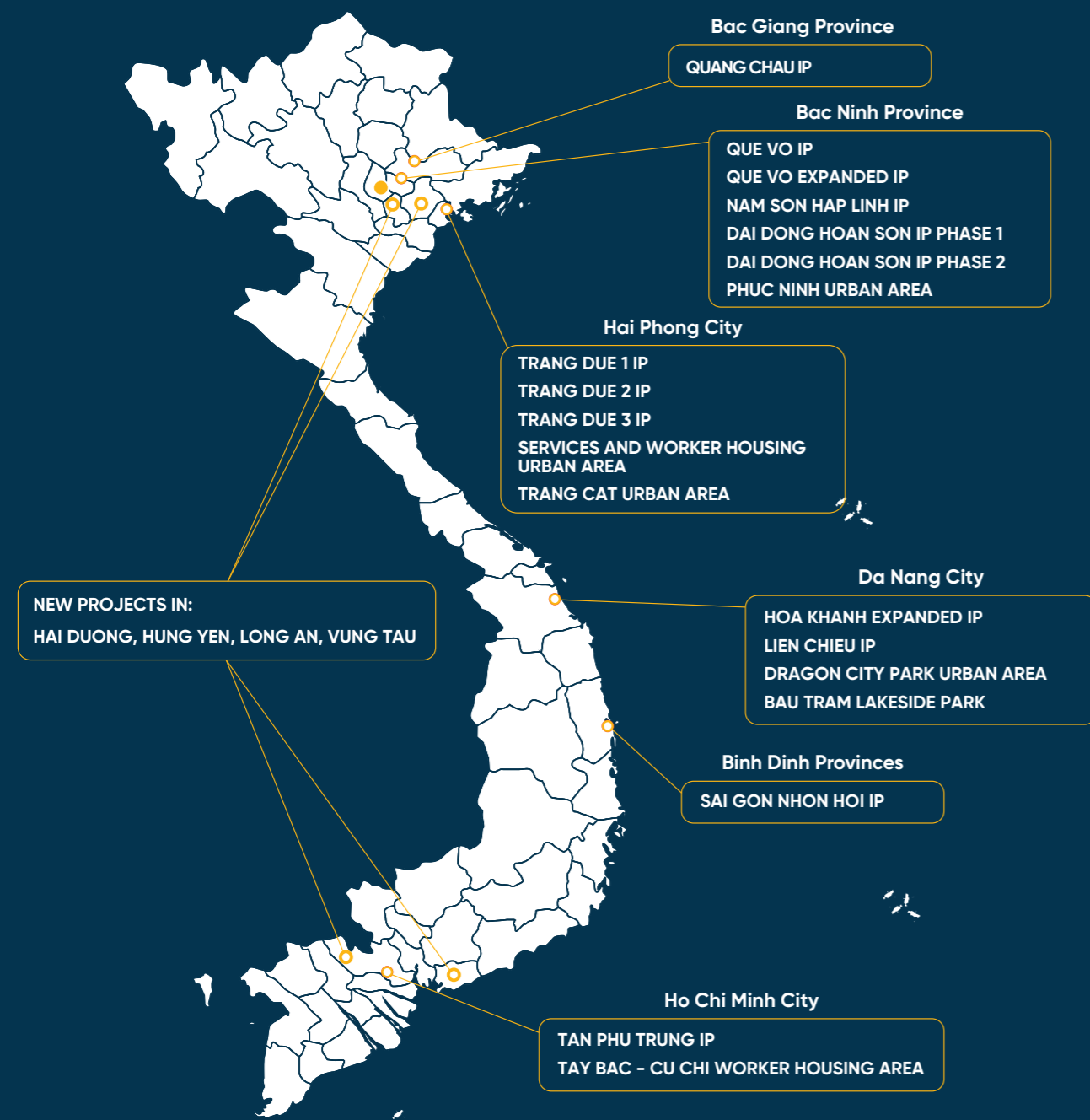


3. INVESTMENT SITUATION AND IMPLEMENTATION OF PROJECTS

LAND BANK OF THE CORPORATION

The total investment land bank which the Corporation currently owns is more than **5,215.8** ha of IPs and 1,177.7 ha of UA land, concentrated in the North - Central - South regions. Currently, KBC is setting up new projects in Hung Yen, Hai Duong, Long An, Tien Giang, Vung Tau with the total area expected to increase significantly from 2022 and the following years.

LOCATIONS OF KBC'S PROJECTS



GENERAL INVESTMENT SITUATION

In 2021, the total value of direct investment in IPs and UAs of the Corporation was VND **1,436.1** billion, equaling 31.79% compared to 2020; Investment activities from the parent company's own capital contribution to subsidiaries and associated companies was VND 3,242 billion (mainly capital contribution to *Trang Cat Urban Development One Member Limited Company, Hung Yen Investment and Development Corporation, Long An Investment and Development Joint Stock Company*); Investment activities to contribute capital of subsidiaries to other companies was VND 1,937.4 billion (including capital contribution to *Saigon - Nhon Hoi IP Joint Stock Company, Le Minh Xuan 2 IP Investment Joint Stock Company, Saigontel Long An Company Limited; Long An Investment and Development Joint Stock Company, etc.*). In which, direct investment expenditures in projects in 2021 were as follows:

- Trang Cat UA was invested VND 207.9 billion in infrastructure items and capitalized loan interest.
- Nam Son Hap Linh IP was invested VND 377.2 billion for compensation, leveling and construction of clean water and wastewater plants, the project has recorded revenue from 2021.
- Quang Chau IP was invested VND 260.3 billion for infrastructure construction, compensation, construction of clean water plant phase 3 with a capacity of 5,000m³/day and phase 3 wastewater treatment plant with a capacity of 10,000m³/day.
- Trang Due UA was invested VND 412.2 billion to complete the infrastructure, complete the commercial shophouses.
- Tan Phu Trung IP was invested VND 61.2 billion to compensate, build infrastructure (levelling, road construction, water supply and drainage, lighting, electricity, trees, etc.)
- Phuc Ninh UA was invested 37.8 billion VND to complete some infrastructure items.
- Long An projects wave been invested VND 52.9 billion.

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND LONG-TERM FINANCIAL INVESTMENTS OF THE PARENT COMPANY

The total value of the parent company's investment in the subsidiaries, calculated at book value and net value as at December 31, 2021 was VND 10,337.2 billion, increasing 43.5% compared to 2020 including VND 1,500 billion for Trang Cat Urban Development One Member Limited Company, VND 1,008 billion for Hung Yen Investment and Development Corporation Joint Stock Company, VND 540 billion for Long An Investment Development Joint Stock Company.

The total investment value of the Parent Company in association was 550.7 billion VND, increasing 27.9% due to the Company's exercising right to buy shares of Saigon - Nhon Hoi IP Joint Stock Company. The net value of the total investment portfolio in associates is VND 543.5 billion, the total provision value is VND 7.2 billion, equal to 2.2% of 2020.

Long-term financial investment which KBC owns less than 20% has a total investment value of VND 438.5 billion, falling down by 2.22% compared to 2020. KBC also makes a provision of VND 22.8 billion so that the total remaining net value was VND 415.6 billion.

OPERATION STATUS AND PROSPECTS OF THE PROJECTS

100% OCCUPIED PROJECTS

THE OCCUPANCY RATE OF INDUSTRIAL PARKS WILL REACH 100%													
IPs	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Que Vo IP	66%	81%	82%	83%	83%	89%	89%	93%	95%	96%	97%	97.5%	100%
Que Vo Expanded IP	4%	6%	21%	41%	43%	46%	58%	61%	63%	63%	67%	97.9%	100%
Trang Due 1 IP		4%	15%	32%	33%	33%	70%	92%	92%	99%	99%	99%	100%
Trang Due 2 IP									28%	64%	76.9%	96.2%	100%

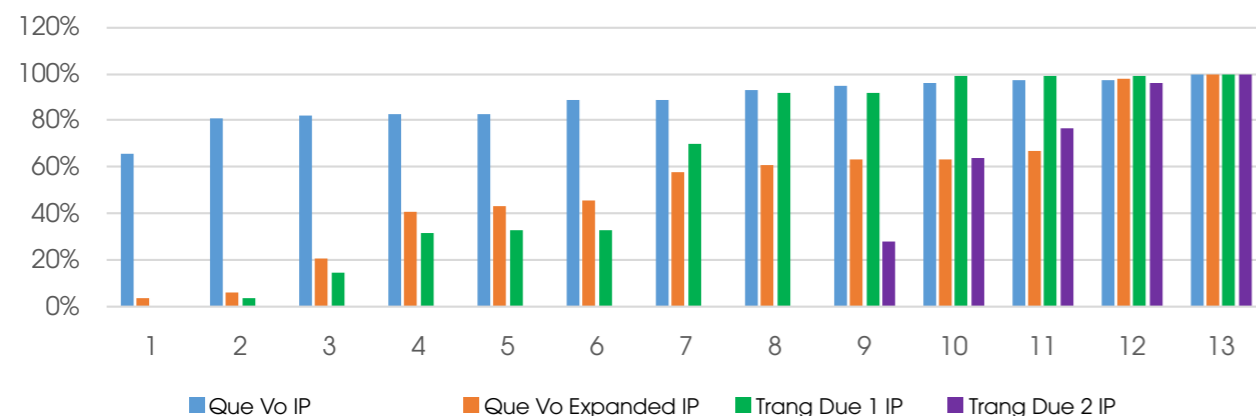
KBC has had the first 4 IPs since its establishment in 2002 with a total area of 1,013 hectares and was 100% filled in 2019, attracting more than 250 foreign investors mainly from Japan, Korea, China, Hong Kong, Taiwan, China, etc. include:

In Bac Ninh: Two Que Vo IPs have a total area of 611ha, including 70 ready-built factories with a standard area of 5,160 m²/unit. In which, the existing Que Vo IP has an area of 300 ha and has been in operation since 2003, the expanded Que Vo IP with an area of 311 ha has been in operation since 2006. Two IPs in Que Vo - Bac Ninh took about 12 years to be occupied over 90%;

In Hai Phong: Trang Due 1 IP has an area of 187.8 hectares, with 17 ready-built factories with an average area of 5,200 m²/unit, put into operation in 2008, took 7 years to reach occupancy rate of over 90%; Trang Due 2 IP has an area of 214.2 hectares, took only 4 years to reach the occupancy rate of over 90% and has no ready-built factories.

Through the above data, Investors/Shareholders can see that for the first IP, KBC took about 12 years to fill over 90%, for the next IPs to fill over 90%, it only takes an average of about 6 years. Normally, 10% of the remaining area of industrial zones can be filled in for 1 year - 5 years, because the Company reserves the land bank to build factories for rent to meet the needs of small-scale investors or for the need to expand factories of corporations that have invested in the IP. The annual stable income source until the end of the project's life cycle of the IPs is 100% filled from service revenue, infrastructure management, clean water supply and wastewater treatment revenue. In 2019, the total service revenue of these 4 IPs is about 150 billion VND/year. However, this service revenue will continue to increase in the coming years as enterprises in the IP no longer receive free infrastructure. According to the current unit price, the service revenue of 04 above-mentioned IPs is estimated at about 250 billion VND/year in the coming years. Thus, the success of these first IPs has spreaded the brand KINH BAC CITY CORPORATION widely over Vietnam and in the world in the field of development and management of IPs which affirms the foresight of the founder, Mr. Dang Thanh Tam and the Board of Directors of the Corporation.

The 100% filling process at KBC's IPs from 2007-2019



KEY PROJECTS OF PARENT COMPANY

NAM SON HAP LINH IP



Nam Son Hap Linh IP - Bac Ninh has been put into business since 2021, there are already customers' factories under construction

Nam Son Hap Linh IP in Bac Ninh has been granted an adjusted investment registration certificate, with a total area of 300 hectares, commercial land area is 204.1 hectares, has compensated 191 hectares. The project has a favorable geographical position adjacent to the National Highway 18B, 15km from Samsung factory, is convenient in traffic connection with seaports and airports, is a destination that many investors are interested in with high demand and is likely to be fully filled within the next 3 years. As of December 31, 2021, this IP was invested VND 1,154 billion, in which VND 377.2 was used to compensate for the construction of a clean water plant, a wastewater plant and IP infrastructure. The total value of investment in this IP is VND 776.8 billion, achieved an increase of 69.7% compared to 2019. In 2021, the project started to record revenue for 30 hectares, total revenue reached VND 802.4 billion.

Implementation plan in 2022: Continuing to compensate, to improve infrastructure, to complete clean water and wastewater treatment plant, etc. The project will record significant revenue in 2022, which is expected to be about 80ha.

PHUC NINH URBAN AREA



Phuc Ninh UA has already attracted people to move in, it is being continuously constructed and completed infrastructure, creating products to welcome the new housing trend.

Phuc Ninh - Bac Ninh New UA Project, invested by KBC, has been granted an Investment Registration Certificate, with a total area of 114.55 hectares of which commercial land area is 44.5 hectares, and the total investment is VND 4,891.79 billion, the project is expected to be completed in 2025. Currently, the specific completion schedule of the project is as follows:

- About 88.2 ha has been compensated for site clearance; handing over in he filed 74.38 ha of land in the filed has been handed over, land use fees of nearly 17.1 ha of commercial land have been paid.
- Implementing leveling construction on the entire area of 74.38ha, handed over in the field, and completing the construction of technical infrastructure for 28.87ha including: Road system, rainwater, sewage, power supply, lighting, landscaping, etc.
- Constructing a reservoir with an area of 3.2ha, building a flower garden in the green lot CX-34 with an area of 5,184m².
- Implementing construction of 161 villas and adjoining villas in which 102 villas have been completed.
- Being granted land use right certificates for 121 land lots.
- The project was opened for sale in a 6.27 ha sub-zone and a 22ha sub-zone in 2017, attracting hundreds of interested investors and signed purchase agreements.

As of December 31, 2021, the total area booked was 9.9 ha, the total area recorded in the past revenue was 2.57 ha. The total value of the Booking Agreements, excluding VAT, signed was VND 1,666.3 billion, the total amount receivable was VND 1,074.9 billion, the total revenue recorded in the previous year was VND 338.5 billion. In 2021, the project invested VND 37.8 billion to complete, build villas, compensate, capitalize loan interest, etc.

Development plan in 2022: Focusing on completing legal procedures to hand over to investors who have booked, and realizing revenue in 2022; Continuing to compensate, deploy investment and build technical infrastructure of the project; Continuing to invest in and build infrastructure and construction items of the project in accordance with the approved planning.

DIPLOMATIC CORPS URBAN AREA PROJECT - HANOI

The project has a total area of 20,000 m² in the developing area located on Pham Van Dong street in Hanoi, right next to Hoa Binh Park. In 2017, the company set up a subsidiary, NGD Investment One Member Limited Company to manage project. The project is in the process of finding partners for development cooperation.

THE PARENT COMPANY'S FINANCIAL SITUATION

As of December 31, 2021, the parent company's total assets reached VND 20,201.5 billion, increasing by 34.7% compared to 2020; Loan balance of short-term and long-term loans is VND 6,721.2 billion, increasing by 29.4% compared to 2020, of which: (1) Borrowing from related parties is VND 1,976.2 billion, this loan arises from the parent company borrowing from subsidiaries which is the amount that will be offset by the parent company and subsidiaries against dividends, profits from business cooperation, debts of the subsidiary to pay the parent company in the future, etc.; (2) The interest payable to Pvcombank is VND 872.6 billion, which has been extended by Pvcombank, starting from January 1, 2026.

The parent company's total revenue in 2021 reached VND 1,206.1 billion, equaling 211.3% compared to 2020, profit after tax reached VND 58.1 billion, equaling 133.3% compared to 2020. Profit growth was lower than revenue growth due to the Corporation's increase in debt for newly established projects, resulting in interest expense incurred during the year of VND 536.8 billion, equal to 213.5% compared to 2020.



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: IP and IP Real Estate Sales
- Charter capital: VND 6.630 billion
- KBC's current holding rate: 100%
- TCC is the investor of Trang Cat IP and Services Project with a total area of 584.9 ha, in which 582 ha has been compensated. Total infrastructure investment is expected to be more than VND 11,328.8 billion. The total investment value is VND 7,406.8 billion, an increase of VND 208.8 billion compared to 2020 mainly due to the capitalization of loan interest. The project has basically been completed paying land use fees and compensation, building an un-derground tunnel leading from Hanoi - Hai Phong highway to the project.
- In 2021 TCC increased its charter capital by VND 1,500 billion to VND 6,630 billion, the project has been handed over and approved for land grading.

Project development plan in 2022: This is a key project of KBC, which has started land grading and deploying infrastructure to put into business in 2022.

SAIGON - HAIPHONG IP JOINT STOCK COMPANY (SHP)

- Address: Trang Due IP, Le Loi Commune, An Duong District, Haiphong City, Vietnam
- Chartered capital: VND 416 billion
- Business line: IP and UA Real Estate Sales
- The voting rate and holding ratio of KBC in SHP is currently 86.54%.

SHP is the investor of Trang Due IP and IP project which belongs to Dinh Vu - Cat Hai - Hai Phong economic zone, has the highest preferential policy in Vietnam. Investors in IPs will 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, 50% of income tax exemption for employees working in IPs, etc.

In 2019, the two IPs 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 such as LG Electronics, LG Display, Dongjin Techwin Vina, Asia Plastic J.S.C, Haengsung Electronic, Heesung Electronics, Innotek etc. After the 2 IPs are filled, some big investors no longer have a free term for infrastructure services in the next 5 years, then the total assumed service revenue according to the current unit price that the project can earn is estimated at over VND 100 billion/year. Since 2019, the Corporation has started to record revenue from the Trang Due IP Project. The project has an area of 42.08 hectares, equivalent to 22.6 hectares of commercial land, has been granted a Land Ownership Certification, has completed building 93 shophouses, has completed infrastructure, the total land area recorded revenue is 10.46 hectares.

As of December 31, 2021, the project invested VND 869.19 billion to complete infrastructure and pay land use fees. The project recorded revenue for 2021 as VND 514.6 billion, equivalent to 4.55 hectares.

In addition, in 2021, the Corporation also contributed investment capital to 2 subsidiaries, Bao Lac Spiritual Park Joint Stock Company, to invest in a project to build a 25ha concentrated burial cemetery in Bac Ninh, the total invested capital is VND 65 billion, the project is carrying out the procedures to change the use purpose; and contributed capital of VND 220 billion to Tan Tap Industrial Infrastructure Development Co., Ltd. for the project of Tan Tap Industrial Complex with an area of 71.2 hectares in Long An, the project is preparing for site clearance and putting into operation.

Furthermore, in 2021 the Corporation invested in affiliated companies with a total investment capital of VND 1,056 billion. In which, the Corporation invested VND 112.5 billion in Nam Tan Tap IP under Saigontel - Long An Co., Ltd. with an area of 164ha, prepared for site clearance and put it into operation; and invested VND 583 billion in the project of Le Minh Xuan 2 IP with an area of 319.77 hectares and currently the legal procedures are being completed.

As at December 31, 2021, the Corporation's total assets reached VND 5,643.61 billion, equaling 141.62% compared to 2020; Total revenue in 2021 reached VND 710.32 billion, equal to 220.5% compared to 2020 mainly due to the sale of 4.55 hectares of UA and revenue from providing water and wastewater treatment services, infrastructure connection, etc. in the IP. Profit after tax reached VND 57.82 billion, equal to 74% compared to 2020; The total principal loan balance of credit institutions as at December 31, 2021 was VND 141.75 billion, equaling 55.73% compared to 2020.



Trang Due IP Hai Phong has completed the infrastructure, opened for sale phase 3

Development plan in 2022: SHP will complete the transfer of 100% of shophouses and villas in UAs. At the same time, SHP will make effort to complete legal procedures in parallel and to hand over land to investors who are in need of renting land in the extended Trang Due IP project with a scale of 687 hectares and other IP-UA projects that the Corporation has invested and contributed capital in Long An. In July 2021, SHP and EVERGREEN Company were approved as the investor of a social housing project for workers in the new IP of Nenh town - Bac Giang province with an area of 0.32 hectares and a total capital contributed VND 390.76 billion. It is expected to start construction in the first quarter of 2022 and put into operation in the fourth quarter of 2022.

SAIGON - BAC GIANG IP JOINT STOCK COMPANY (SBG)

- Address: Quang Chau IP, Quang Chau commune, Viet Yen district, Bac Giang province
- Business line: IP Infrastructure
- Registered capital: VND 220 billion
- KBC's current ownership rate: 92.1%; Interest rate: 88.06%



QUANG CHAU IP - BAC GIANG PROVINCE

SBG is the investor of Quang Chau IP and UA project: (1) Quang Chau IP is located in Viet Yen district, Bac Giang province, with a total area of 426 ha, total commercial land area is 303.7 ha, 96.8% is filled, the remaining commercial land area is 9.77 ha, the land area obligated to compensate is over 13.5ha. The project is conveniently located adjacent to Bac Ninh province, about 10km away from Que Vo IP and on the traffic axis between many large production areas. This IP has attracted many foreign corporations, typical businesses invested in Quang Chau IP such as: Nichirin Viet Nam Co.,Ltd, Umec Vietnam, Crystal Viet Nam, JA Solar, ZYF, Luxshare ICT, Samkwang Vina, HIQ Vinav.v. **From 2016 up to now Quang Chau IP has obviously been successful in attracting investment.**

In 2021, despite being affected by the pandemic, Quang Chau - Bac Giang IP attracted USD 670 million in FDI from big investors such as Ja Solar PV, Jufeng New Materials, Foxconn, the company recorded revenue for 56.6 ha.

In 2021, SBG has directly invested in projects of VND 260.3 billion for compensation, land grading and completion of the infrastructure system as well as investing in the construction of a clean water plant phase 3 with a capacity of 10,000 m3/day and phase 3 wastewater treatment plant with a capacity of 10,000 m3/day; Investment in capital contribution to Bac Giang - Long An IP One Member Limited Company (BG-LA) was 176.9 billion VND. The total accumulated amount of capital contributed to BG - LA Company was VND 200 billion, currently the project is preparing a compensation and construction plan.

As at December 31, 2021, the Corporation's total assets reached VND 3,281 billion, increasing by 12.6% compared to 2020; Total revenue reached VND 1,870 billion, 5.1 times higher than in 2020, profit after tax reached VND 1,040 billion, 10.5 times higher than 2020; The total principal loan balance of credit institutions as of December 31, 2021 was VND 0. The long-term interest balance at PVcombank is VND 258.6 billion, which is extended for the repayment period from 2025 to 2030.

Development plan in 2022: Existing Quang Chau IP will complete the infrastructure and fill 100% of the area in 2022; Continuing to complete legal procedures in parallel with investing, attracting investment in the expanded Quang Chau IP of 90 hectares and the CCN industrial cluster in Long An.

SAIGON - TAYBAC DEVELOPMENT HOLDING, JSC (SCD)

- Address: Tram Bom, National Road 22, Tan Phu Trung commune, Cu Chi district, HCMC
- Business line: IP Infrastructure
- Chartered capital: VND 500 billion
- KBC's current ownership rate 74.3%, Benefit - Cost ratio 72.44%



Tan Phu Trung IP with complete infrastructure

SCD is the investor of Tan Phu Trung IP project in Cu Chi district, 25km from the center of HCMC with a total area of 542 hectares, commercial land area is 314 hectares, occupancy rate is 68.59%. The remaining commercial land area is 97.67 hectares, the land to be compensated for is 33.2ha. In addition, SCD is also the investor of a 47.7 ha worker housing project. This real estate project aims to provide housing needs for daily life for the labor force in the IP which is expected to be 7,800 people.

In 2021, the IP invested VND 61.2 billion to implement infrastructure construction items (land grading, road construction, water supply and drainage, lighting, trees, preparing documents to establish a new project, etc.). The project recorded revenue for 21.93 hectares of industrial land. In addition, the company also contributed VND 420 billion to increase the ownership rate in Saigon - Nhon Hoi IP Joint Stock Company.

As at December 31, 2021, the company's total assets reached VND 2,346 billion, equaling 96.8% compared to 2020; Total revenue in 2021 reached VND 819.6 billion, equaling 70.6% compared to 2020, profit after tax reached VND 222.5 billion, equaling 55.9% compared to 2020; Credit balance was 0.

Development plan in 2022: Tan Phu Trung IP has many advantages in terms of location, available land for lease, meeting customer needs. This IP will focus on building an appropriate business strategy, maintaining growth and completing 100% of the project's compensation. In addition, the Company plans to complete legal procedures to prepare to invest in Loc Giang urban industrial zone project; Hau Nghia - Duc Hoa UA, Huu Thanh - Duc Hoa urban industrial zone in Long An.

SAIGONTEL JOINT STOCK COMPANY (SGT)

- Address: Lot 46, Quang Trung Software Park, Tan Chanh Hiep Ward, District 12, Ho Chi Minh City, Vietnam
- Registered capital: VND 740 billion
- Business line: Investing in infrastructure, building and leasing IPs; Distribution of information technology products; Television services; Telecommunication services.
- KBC's current ownership rate: 21.48%

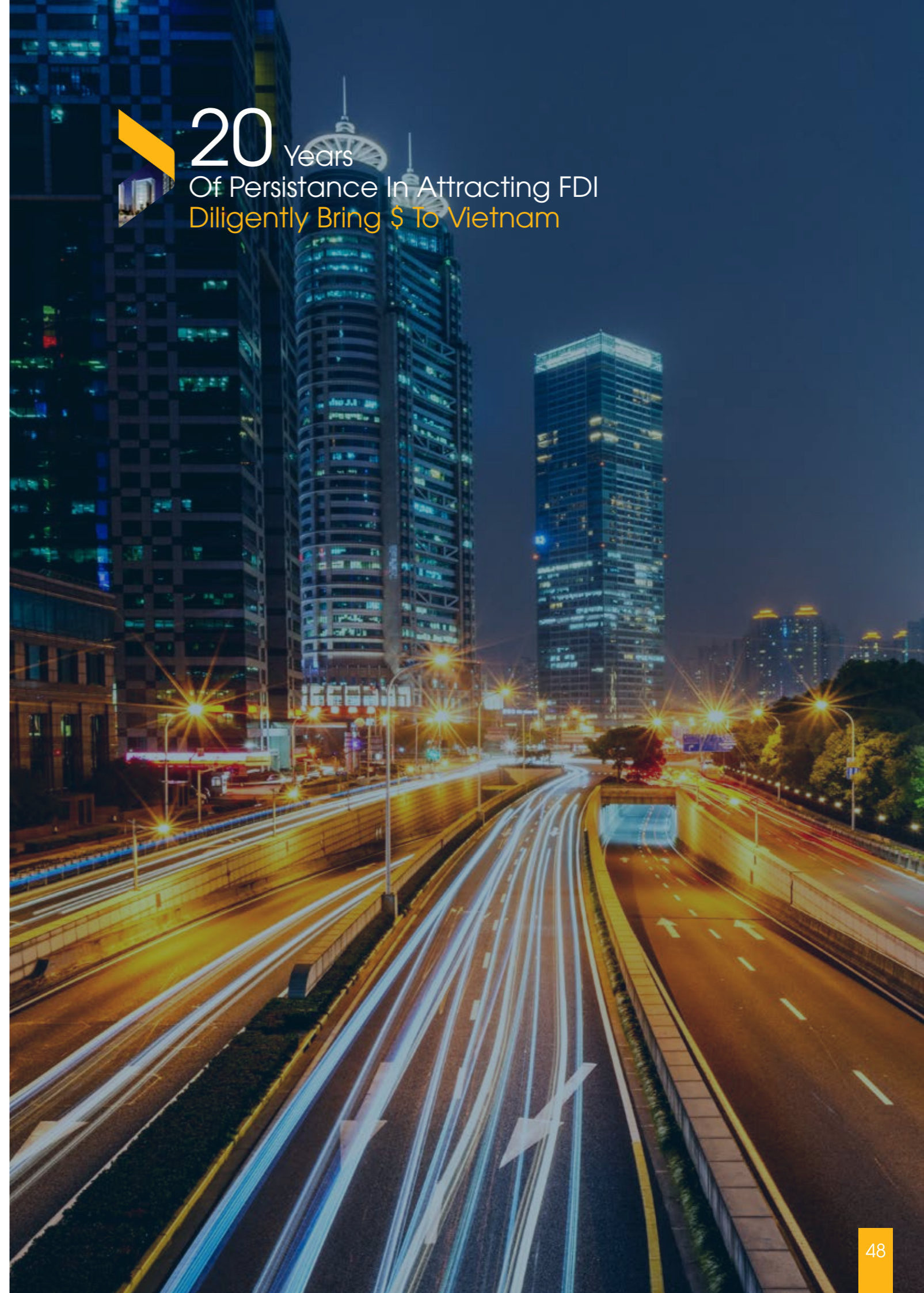
SGT's main business is real estate IPs, UAs, smart buildings. Currently, SGT is the investor of prominent projects such as: Dai Dong Hoan Son IP - Bac Ninh with a scale of 400ha, which is the main project that brings revenue and profit for SGT. This project has been filled 100% of phase 1 with an area of 268ha, phase 95.81ha has compensation process reaching 68%, ground grading process reaching 44% and is now being put in operation. Besides, SGT also implements the project Saigontel Central Park - Bac Giang; SAIGON ICT TOWER Building - TP. HCM, etc.

In addition, in the year 2020 - 2021, SGT was a dynamic company of the Corporation in investment promotion, established a series of new projects in Bac Giang, Long An, Vung Tau, Thai Nguyen, etc. Business results in 2021 improved significantly with sales reaching VND 706.6 billion, equal to 150.3% compared to 2020, profit after tax reached VND 67.9 billion, 5.3 times higher than in 2020.



The meeting to report the progress of Saigontel's projects in Long An province

20 Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam



4. FINANCIAL STATUS

a. Financial status in 2021

Unit: VND

TARGET	2021	2020	CHANGES
Total Asset	30,603,980,042,503	23,785,878,249,949	128.7%
Equity	16,171,359,131,559	10,652,995,127,729	151.8%
Total Revenue	4,420,904,999,310	2,468,142,872,477	179.1%
Gross profit	1,490,501,288,470	452,299,963,305	329.5%
Profit	1,363,902,491,603	453,172,376,342	301.0%
Net Income	953,834,003,830	319,813,966,112	298.2%
Earn/share (EPS)	1,586	477	332.5%

> Causes of changes in assets and equity

As at December 31, 2021: Total assets/capital of the whole Corporation reached VND 30,603.9 billion, a net increase of VND 6,818.1 billion, equivalent to 28.7% compared to 2020. The main reason for the changing of total size of assets is the increase of accumulated undistributed profit & the successful issuance of 100 million individual shares to increase charter capital with the issuing price of VND 34,096/share, earning VND 3,408.2 billion.

> Causes of changes in revenue - profit

In 2021, the Corporation's total consolidated revenue reached VND **4,420.9** billion, equaling 179.1% compared to 2020, equaling 66.98% of the target. The Corporation's consolidated profit after tax in 2021 reached VND 953.8 billion, equaling 298.2% compared to 2020, equaling 47.7% of the target.

Thus, the Corporation did not accomplish the 2021 target due to The fact that when the plan was approved under the expectation of Vietnam and the world's success in pandemic reducing in 2021. However, the reality of the pandemic affected the Vietnam economy badly. Therefore, with the business results that the Corporation achieved in 2021, The result in 2021 compared to 2020 is undoubtedly remarkable.

b. Financial indicators

INDICATORS	2021	2020
1. Solvency		
+ Short-term liquidity ratio: (Short-term assets/Liability)	3.94	3.07
+ Quick ratio: (Short-term assets - Inventory)/Liability	2.18	1.42
2. Capital structure		
+ Debt ratio/Total assets	0.47	0.55
+ Debt ratio/Equity	0.89	1.23
3. Operational capacity		
+ Inventory turnover (Cost of goods sold/Average inventory)	2.69	2.9
+ Net revenue/Total assets	139%	9.0%
4. Profitability		
+ Net profit/Gross revenue	22.5%	14.9%
+ Net profit/Total revenue	21.6%	13.0%
+ Net profit/Equity	5.9%	3.0%
+ Net profit/Total assets	3.1%	1.3%
+ Gross profit/Net revenue	35.1%	21.0%

SOLVENCY

KBC's solvency ratios improved significantly in 2021. Short-term ratio of 3.94 times was a positive improvement compared to 2020 of 3.07 times. Quick ratio of 2.18 times also improved very positively compared to 2020 of 1.42 times. Quick ratios did improve and ensured the ability to pay debts due.

CAPITAL STRUCTURE

As at December 31, 2021, KBC's total assets financed by a capital structure consisted of 47% debt and 53% equity. The capital structure ratio in 2021 also improved positively compared to 2020, which is still a good ratio for a large-scale real estate business like KBC (*this index actually improves when the total real debt loans to financial institutions account for only 27.73% of total assets*).

OPERATIONAL CAPACITY

Due to the characteristics of IP products, the business cycle usually lasts for decades. Therefore, the inventory turnover according to accounting estimates as in the above table has excluded the inventory value of Trang Cat UA (because it has not been put into operation for many years). The inventory turnover ratio in 2021 is better than in 2020.

PROFITABILITY

Profitability indexes increased sharply compared to 2020, due to improved business results from the handover of land areas in Quang Chau and Nam Son Hap Linh IPs.

SHAREHOLDERS STRUCTURE - CHANGES OF OWNER'S INVESTMENT CAPITAL

NUMBER OF SHARES BY LIST OF SHAREHOLDERS FINDED ON JANUARY 10, 2022
AND UPDATING INFORMATION ABOUT THE COMPLETION OF TREASURY SHARES FROM FEBRUARY 16, 2022 - MARCH 16, 2022

ITEMS	QUANTITY OF SHARES
Total issued shares	575,711,167
Quantity of common stock	575,711,167
Preferred stock	0
Treasury stock	0
Outstanding share	575,711,167
Free transfer stock	475,711,167
Restricted transfer stock	100,000,000



Shareholders attending the 1st Extraordinary General Meeting of Shareholders in 2022

SHAREHOLDER STRUCTURE

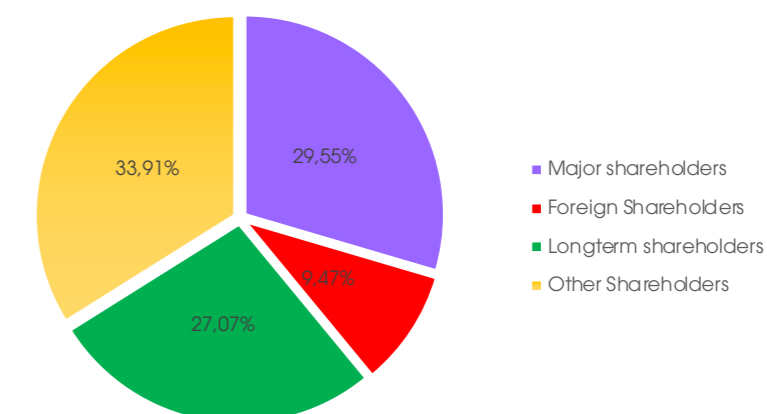
SHAREHOLDER STRUCTURE ACCORDING TO SHAREHOLDERS LIST ON 10/01/2022
(Ownership ratio is based on the number of issued stocks including treasury shares)

TYPES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	QUANTITY OF SHARES	RATE
Domestic	477,818,165	83.0%	78.62%
Individual	25,649	359,815,970	62.5%
Organisation	107	118,002,195	20.5%
Foreign	91,942,024	15.97%	20.10%
Individual	225	930,998	0.16%
Organisation	101	91,011,026	15.81%
Total outstanding shares		569,760,189	98.97%
Treasury shares	1	5,950,978	1.03%
Total	26,083	575,711,167	100.00%

SHAREHOLDERS CLASSIFICATION ACCORDING TO THE LIST OF SHAREHOLDERS AS OF JANUARY 10, 2022 AND NUMBER UPDATING ABOUT OUTSTANDING SHARES AFTER SELLING TREASURY SHARES

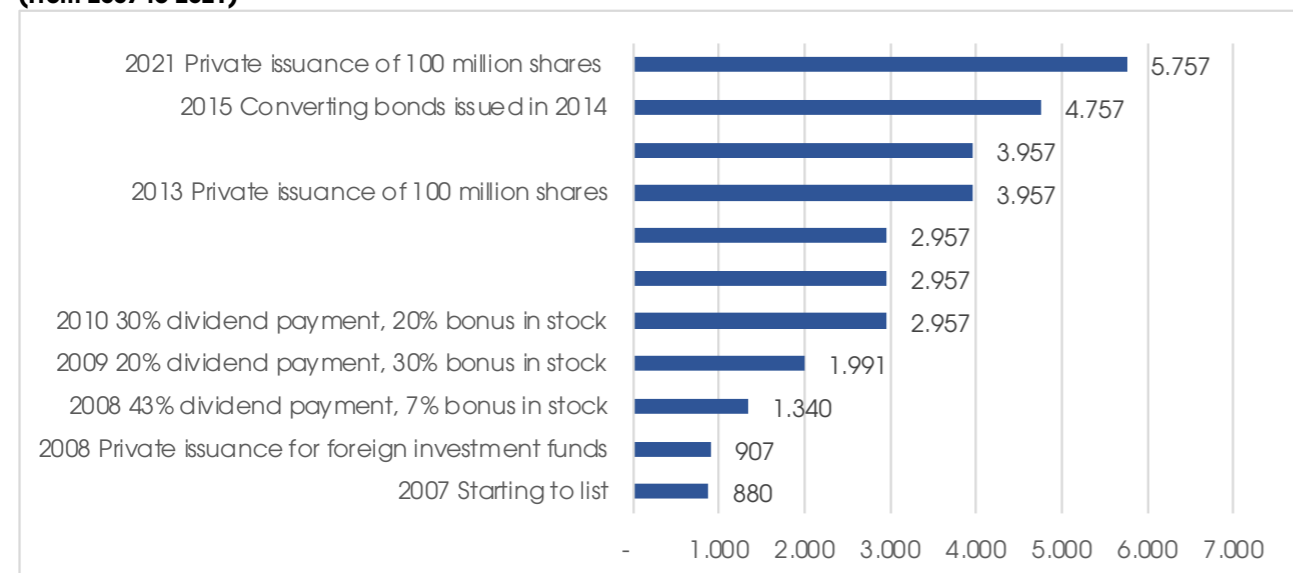
SHAREHOLDER NAMES	QUANTITY (SHARE)	RATIO (%)
Outstanding shares	575,711,167	29.55%
Blockholders	170,144,570	29.55%
Mr. Dang Thanh Tam (Chairman)	85,250,000	14.81%
Kinh Bac Investment and Consultant Corporation	47,464,270	8.24%
Major shareholder - Dragon Capital	37,430,300	6.50%
Foreign shareholders	54,511,724	9.47%
Long-term shareholders	155,836,443	27.07%
Other shareholders	195,218,430	33.91%

SHAREHOLDER CLASSIFICATION CHART



THE PROGRESS OF CAPITAL CONTRIBUTION ADJUSTMENTS OF THE OWNERS

(From 2007 to 2021)



In 2021, KBC issued additional 100,000.00 shares by private placement method for professional investors; The selling of treasury shares took place from February 16, 2022 to March 16, 2022 and KBC did not issue other types of securities that change the share capital.

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

6.1 ISSUES THAT HAVE BEEN BEING CONSIDERED AND REVISED BY THE CORPORATION

- For many years, we have not been able to find a consultant to prepare an environmental and social impact report that can provide appropriate indicators to release a sustainable development report for the model of the Corporation, as well as in accordance with regulations applicable to listed companies
- In project investment activities and business activities, we always comply with all environmental regulations in Vietnam for each project. During the construction process, the Occupational Safety Committee established by the Corporation is responsible for ensuring environmental sanitation, making sure that all materials used must comply with construction standards and decrees on construction promulgated by the State". In business activities, most of our customers are investors in the field of high technology, no chimney, minimizing environmental pollution.
- We used to hire an ERM consultant (www.erm.com) to prepare an independent socio-environmental assessment report in 2017. Through this report, we have met the sustainable development requirement to be granted a loan from the German Bank for Re-construction. However, the environmental and social perspective of this organization did not meet the requirements to prepare a listed company's sustainability report according to the guidelines.
- Since the content related to the social environment impacting was included in the Annual Report, we have only presented statistical methods for a few measurable indicators, such as consumption of electricity, water, labor policy, social responsibility, etc.
- We do not measure criterias such as: Total direct and indirect greenhouse gas (GHG) emissions; total raw materials used (since we are the infrastructure developer of IPs through the form of hiring contractors, we do not manage in detail the volume of construction materials, etc.).

➤ We do not recycle materials used to manufacture the Corporation's main products and services; We do not use recycled and reused water, all used water is discharged into the centralized wastewater treatment system of the IP. The IP does not use recycled and reused water. Wastewater after treatment meets column A of QCVN 40/2011/BTNMT.

➤ **As a Private Corporation, the principle of "Saving" is number 1:** 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, the Corporation can save selling costs while still effectively implement the Corporation's marketing and communication strategies; The personnel apparatus is not cumbersome; arranges labor with the right people in the right jobs, shortens internal processes to make decisions at the right time, etc. Using company assets such as cars, computers and printers efficiently. Energy saving initiatives are just a small factor in the "saving" items of the Corporation, right from the design and operation stages, the consulting - design department have to choose the most economical option to save money:

"IPs are always focused on building in a friendly and sustainable way, the electricity and water system are designed reasonably from the beginning; Energy-saving electrical equipment are used such as: energy-saving led light bulbs; in the future the IPs will aim to use power supply measures such as solar energy to supply street light equipment; during construction, IPs focus on using environmentally friendly materials, locally available materials; For office block, we highly take notice of limiting the use of electricity and equipment during peak hours, using low-energy equipment, turning off devices when not in use, set the air conditioner temperature at an appropriate level, limit use paper in printing when not needed, actively use 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 the authorities. However, at the seminars we have not been able to access green projects that are suitable for our core business; We also have never been able 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 choose suitable projects to approach.



6.2 COLLECTED AND ACHIEVED CRITERIAS BY THE CORPORATION

6.2.1 Energy consumption

Direct and indirect energy consumption

In KBC's IPs, investors buy electricity directly from EVN, which the Corporation does not manage directly; Total direct electricity consumption in 2021 in the IP is as follows: Quang Chau IP was 2,960,525 KWH, Que Vo IP was 3,995,633 KWH, Trang Due IP was 1,514,436.47 KWH, Tan Phu Trung IP was 1,766,382 KWH. Most of the electricity consumption increased compared to 2020, except for Tan Phu Trung IP, which is slightly reduced due to the long-term social distancing in Ho Chi Minh City in 2021.

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 the IPs is underground water.**

In Que Vo IP, there are currently 02 clean water supply plants with a maximum capacity of 9,000 m³/day, average consumption of 8,500 m³/day, in addition, the IP also replenishes the water source of the Bac Ninh Clean Water Joint Stock Company with an average flow of 1,500 m³/day, the total amount of water consumed in Que Vo IP in 2021 is 6,089,610 m³. Of which 50% of clean water usage has to be bought from outside to meet the demand for clean water supply for enterprises in the IP; Regarding wastewater treatment, there are 02 wastewater treatment plants with a maximum capacity of 6,000m³/day and night each. The total amount of wastewater treated by this IP in the year is 4,813,909 m³.

In 2021, the Company built a clean water plant and a waste treatment plant to meet the needs of businesses in the IP, which is expected to come into operation in 2022.

In Quang Chau IP, there are 03 clean water plants with a total capacity of 15,000 m³/day and one more clean water plant is being built with a capacity of 12,000 m³/day, in addition, the Company also outsources water from Habac Construction and Providing Water Company Limited and Bac Giang Water Infrastructure Investment Joint Stock Company with the capacity to supply of 10,000 m³/day and night. Currently, the consumption of clean water in the whole IP is 4,727,821m³, an increase of 12.8% compared to 2020, an average of 12,952 m³/day; Regarding wastewater treatment, there are 02 wastewater plants and 1 factory about to be officially put into operation with a total capacity of 19,000 m³/day. The average treatment volume is 8,500 m³/day.

In Trang Due IP: Currently there are 02 clean water treatment plants with a total capacity of up to 10,000m³/day combined with the use of additional clean water sources of Haiphong Number Two Water Business Joint Stock Company (Vat Cach Water Plant) to meet the needs of using clean water of enterprises in Trang Due IP, and individuals and organizations in Trang Due UA. The total amount of clean water consumed by enterprises in the IP in 2021 was 1,803,671m³. In which, the amount of clean water that Trang Due clean water treatment plant provided to customers is 1,618,900 m³;

Regarding wastewater treatment, SHP Company has cooperated with 2 wastewater treatment companies which are Quoc Viet Environmental Science and Technology Co., Ltd and Posbee Green Environment Joint Stock Company with a total capacity of 2 wastewater treatment plants in Trang Due IP of 8,000m³/day. Both factories have been licensed by the Ministry of Natural Resources and Environment to discharge waste, ensuring that they can handle the amount of wastewater generated by Trang Due IP. The total amount of wastewater treated for the entire Trang Due IP in 2020 was 2,149,724.4 m³

In Tan Phu Trung IP, there is a clean water supply plant with a maximum capacity of 3,000m³/night. In 2021, the total amount of clean water supplied to investors was 1,040,911 m³ with an average of 2,852m³/ night; there is 01 wastewater treatment plant with a capacity of 4,000 m³/day, the total amount of treated wastewater in 2021 was 759,525 m³, the average wastewater treatment volume was 2,081m³/day.

6.2.3 Policies related to labours

a. Number of labours and average salary:

As at December 31, 2021, the total number of employees at the parent company was 204 people, decreased by 1 person compared to 2020; The total number of employees of the Corporation was 531 people, unchanged from 2020. The average salary of employees at the parent company (KBC) was VND 18.9 million/person/month, the average salary the average of employees at subsidiaries in Bac Giang province was VND 8.8 million/person, in Hai Phong was VND 11.3 million/person, in Cu Chi, Ho Chi Minh City was VND 11.8 million/person/month. The labor structure is presented in the section Number of employees/HR organization of this report.

b. Labour policies aiming to ensure the health, safety and welfare of the labours.

- Insurance: Applying social insurance, health insurance, unemployment insurance, and allowance.
- Health care: Organizing a general health check for all leaders and employees at least once a year. The Corporation has a football field, tennis court, basketball court, gym, equipped with a treadmill, yoga and jumba teachers to improve the health of employees.
- In 2021, the Corporation established a Covid-19 Prevention and Control Department and a specialized Medical Department to take care of staff's health, organize periodic health checks for employees in the Corporation, organize screening tests and directly implement Covid prevention and control measures for employees, ensure safety in production.
- Maternity leave and Child-care leave: Implementing maternity leave for female employees and annual employees in accordance with current labor laws; Implementing the maternity leave regime for female employees in accordance with the current provisions of the labor law: The time off is still entitled to fully-paid salary according to the labor contract.
- Pensions: According to the law on social insurance.
- Welfare regimes are clearly defined in the Labor Regulations of the Corporation such as International Children's Day and Mid-Autumn Festival bonuses for children of employees, and bonus for national holidays on May 1, September 2, and New Year's bonuses; Bonus from 2 to 3 months salary on Lunar New Year. The total number of salary that staff/employees received 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 8/3 and the anniversary of the establishment of the Women's Union on October 20 every year.



Sports and entertainment area for employees at Que Vo IP, Bac Ninh

c. Labour training

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 inter-internal training when experts in the Corporation often share experiences and work instructions from a team of senior personnel.

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

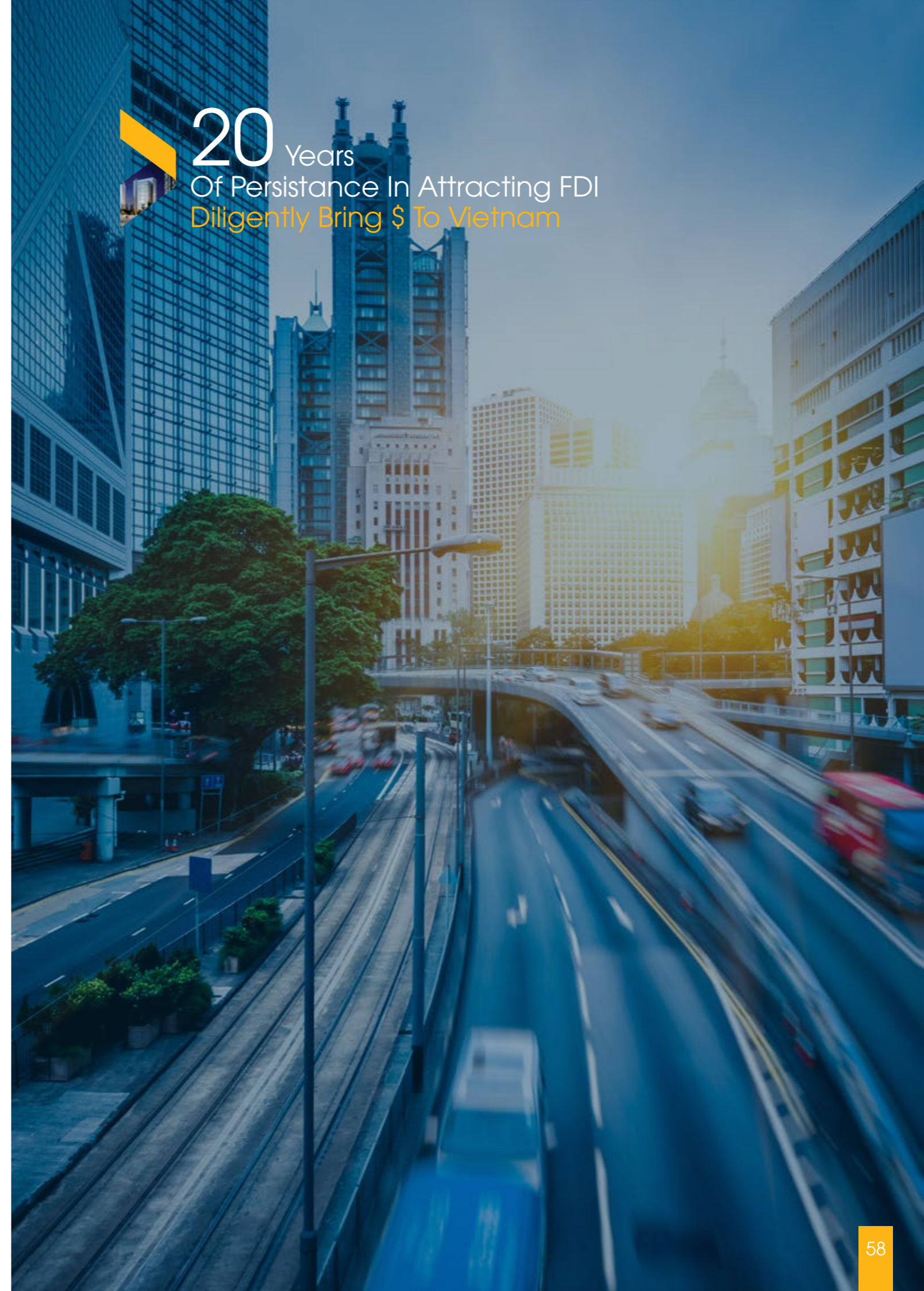
Most of the Corporation's full-time employees participate in annual training courses organized by governing bodies to update policies and legal regulations; Training courses on security, insurance, tax, regulations for public companies, fire prevention and rescue programs. In addition, programs to develop soft skills in communication, contract drafting, customer care, participation in investment promotion conferences, investor relations conferences are all focused on by the Corporation and KBS also sends staff to attend regularly. These practices above are focused on training regularly every year.

Corporation and subsidiaries all implement social responsibility in 2021:

In 2021, the Corporation has spent more than VND 157 billion to implement and support social activities such as gratitude fund, fund for the poor, scholarship in Bac Ninh; Covid-19 supporting and preventing fund; flood-victims supporting fund in the Central region; Tet reunion supporting fund, etc.



In early 2022, KBC signed a sponsorship project with an investment of VND 350 billion to make an intersection connecting provincial road 390 Hai Duong with Hanoi - Hai Phong highway



20 Years
Of Persistence In Attracting FDI
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PART 3

ASSESSMENT REPORT FROM THE BOM

20 Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam

1. ASSESSING REVENUE AND PROFIT OF PARENT COMPANY AND CONSOLIDATION

ITEMS	PARENT COMPANY	CONSOLIDATION
Net revenue from sales and services	1,152.4	4,246.0
Revenue from leasing land	907.8	3,035.9
Revenue from transferring real estate		514.6
Revenue from providing clean water, electricity, waste water treatment, service fees, selling warehouses, etc.	152.8	384.9
Revenue from selling factories	91.8	310.6
Gross profit from sales and services	489.4	1,778.9
The ratio of gross profit and services/sales revenue	663.0	2,467.0
Revenue from financial operations	57.5 %	58.1%
Other revenues	51.2	169.5
Total revenue	2.5	5.4
Total net income	1,206.1	4,420.9
Profit attributable to shareholders of parent company	58.1	953.8
Gross profit from sales and services		782.3

Revenue structure chart

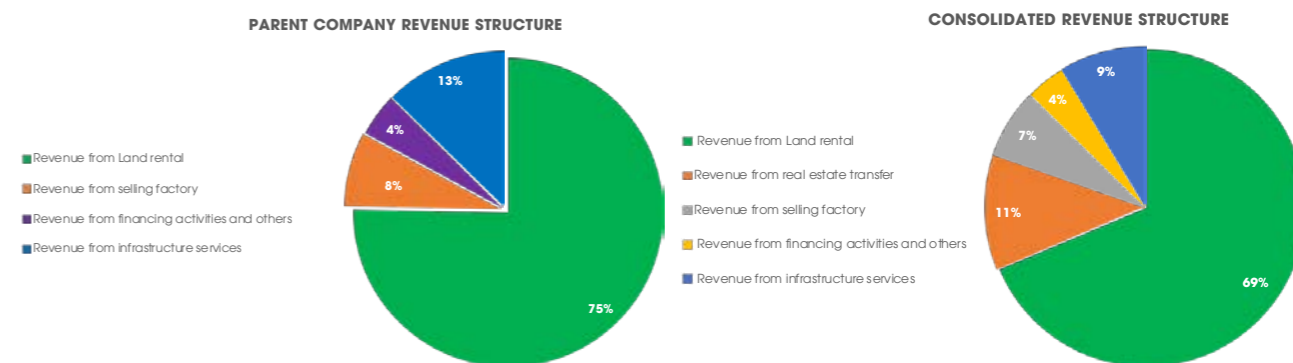
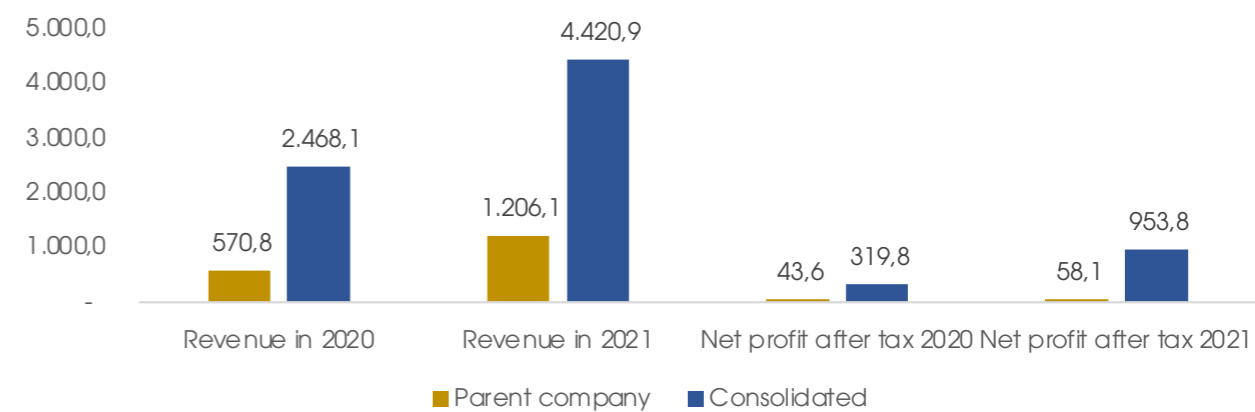


Chart of revenue and profit of the parent company and the Corporation 2020 - 2021



In 2021, the Corporation's industrial land leasing business alone reached VND 3,035.9 billion, accounting for 68.7% of total revenue, equaling 197.5 % compared to 2020. Real estate investment activities reached VND 514.6 billion, accounting for 11.6% of total revenue, equaling 262.3% compared to 2020. Factory sales reached 310.6 billion dong, accounting for 7% of total revenue, 9.4 times higher than that of 2020. Revenue from services of providing clean water, wastewater treatment, and leasing warehouses reached VND 384.9 billion, accounting for 8.7% of total revenue, equivalent to 2020, which is a stable source of revenue to maintain the growth. This revenue will increase very well in the coming years when businesses in the IPs no longer receive free infrastructure and a number of new clean water supply plants are completed, the Corporation will not outsource the service of providing clean water, which will generate significant revenue growth compared to the current situation.

However, the Corporation's total revenue only reached 66.98% of the plan, the Corporation's profit after tax reached 47.7% of the plan. The main reason is because the 2021 plan was set under the expectation that the pandemic could be controlled in 2021, trade activities would take place in the context of the new normal, but in 2021 the impact of the pandemic was even more serious than that in 2020, causing many major cities and provinces in Vietnam, especially those where KBC's IPs were operating, to be blocked by social distance policy for a long period. Therefore, despite not achieving the plan, 2021 was still a year that the Corporation made great efforts to maintain business growth over the same period in the context of general difficulties of the economy.

Regarding urban real estate business: In 2021, Trang Due IP continued to record significant revenue of VND 514.6 billion. For Phuc Ninh IP, the Corporation has been trying very hard together with the Government to complete the legal procedures for the project, this project is also a reason for delaying the Corporation's plan or revenue recognition, reducing investors' expectations. Therefore, the Board of Directors of the Corporation makes concentrating efforts to completely solve the backlog for this project in the coming time.

Cost factors affect the profitability of the Corporation

In 2021, the Corporation's total financial, selling and administrative expenses were VND 1,291.8 billion, an increase of VND 553.2 billion, 2.3 times higher than 2020, of which interest expenses were 541.3 billion VND, 2.4 times higher than in 2020. This was a striking factor affecting the Corporation's profit when the Corporation increased the use of leverage on new projects in the early stages of establishment; selling expenses and other related expenses were VND 321.9 billion, 5.8 times higher than in 2020, this expense went up in line with revenue growth, so it was considered as a reasonable expense in the business context with many competitors and the Corporation had to successfully sign contracts through many organizations and individuals; In addition, the management expense increased by 58.3% compared to 2020, which were also considered an acceptable expense because the Corporation increased its social responsibility sharing and outsourcing costs to establish diplomatic relations, maintained the Corporation's sustainable development. Thus, in the context of economic difficulties, businesses still try to allocate costs to ensure that employees' lives are maintained, social responsibility sharing increases and diplomacy relationships are strengthened to enhance the trust of society and partners with the Corporation.

THE PROGRESS OF THE CORPORATION IN 2021

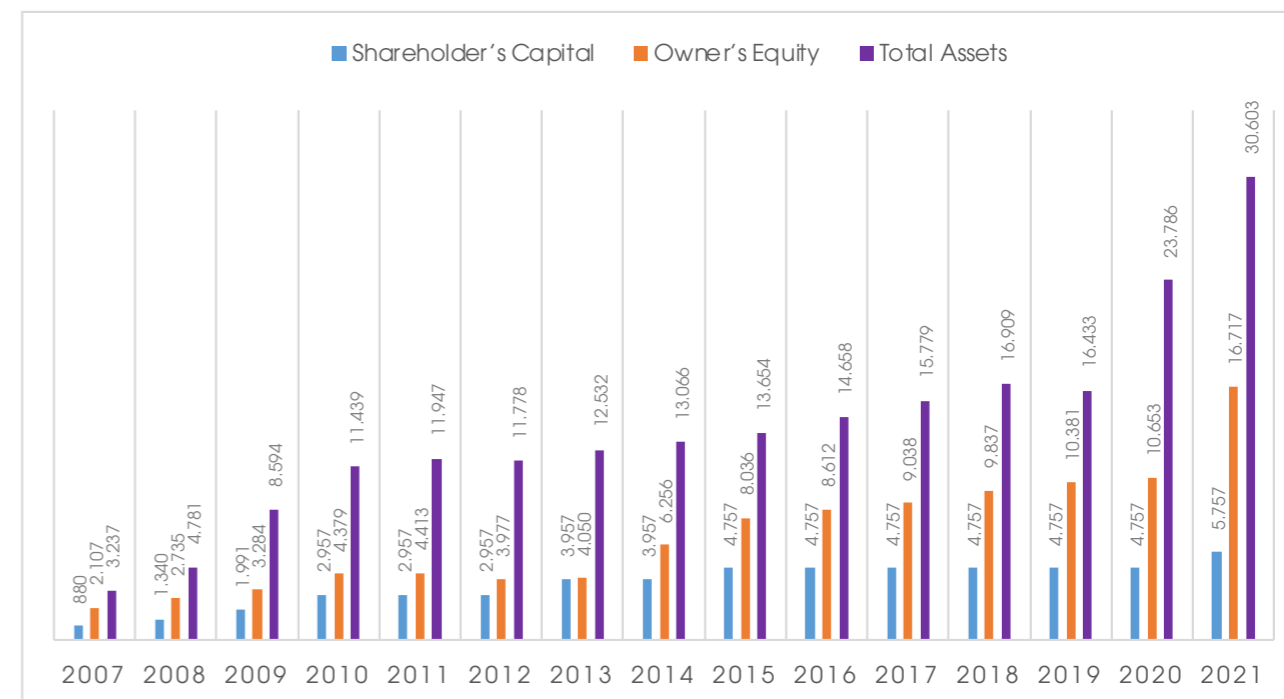
- KBC has put Nam Son Hap Linh IP into business after many years of investment;
- The Corporation has been approved by Hung Yen province - a new investment area of the Corporation, to invest in an industrial cluster with a scale of 225ha and it is expected that the size of the area in Hung Yen province will continue to increase.

2. ASSESSMENT OF THE FINANCIAL STATUS

Assets and Equity Status

As at December 31, 2021: The Corporation's total assets/capital reached VND **30,603.9** billion, an increase of 28.7% compared to 2020. The main reason for the change in total assets was due to the fact that accumulated undistributed profit increased and the Corporation successfully issued 100 million individual shares at the price of VND 34,096/share, with a total net income of VND 3,408.28 billion.

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



Liabilities Status

- As at December 31, 2021, the Corporation's total liabilities were VND **14,432.6** billion, a net increase of VND **1,299.7** billion compared to 2020. The main reason was due to the company's increase in long-term debt and Pvcombank's interest debt increased, mainly arising from Pvcombank's loans of Trang Cat Urban Development One Member Limited Company that were not paid in 2021.
- Of the VND **14,432.6** billion of liabilities, the actual debt and interest of the whole Corporation was VND **8,458.2** billion, an increase of 24.02% compared to 2020. Of which, the interest payable to Pvcombank which is VND **1,430.8** billion will start to be paid from January 1, 2026.
- During the year, the Corporation paid off its principal debt of VND **3,308.5** billion and borrowed VND **4,640.5** billion (*private placement of bonds and bonds to the public with a total value of VND 3,900 billion*).
- Thus, the actual debt of the Corporation including principal and interest was VND **8,458.2** billion, the ratio of actual debt to total assets was 27.73%; Actual debt/equity ratio was 52.47%. This is a safe debt ratio for a large-scale real estate enterprise like KBC.
- The Corporation has no bad debt; is unaffected by exchange rate differences; unaffected by interest spreads (*all KBC's interest rates are consistent with the general market interest rate for real estate loans*). Current loan interest rate from 8.5% to 11%.

3. DEVELOPMENT PLAN FOR 2022

Key business investment plans

In 2022, the Corporation will accelerate investment in infrastructure construction of expanded Quang Chau IP Nam Son Hap Linh IP, Tan Phu Trung IP, expanded Trang Due IP, Phuc Ninh New UA, and Trang Due UA, Trang Cat UA, industrial clusters in Long An, Hung Yen to create available products to meet the needs of investors. The specific goals are mentioned as follow:

- **Nam Son Hap Linh IP - Bac Ninh:** Continue to compensate and complete the infrastructure, complete the clean water plant, waste water treatment, etc. to hand over the land to the investor who signed a memorandum of understanding. The project is expected to recognize revenue in 2022 for 80 hectares.
- **Quang Chau IP & expanded Quang Chau IP - Bac Giang:** Continue to fill 100% of the existing Quang Chau IP; Accelerate the completion of legal procedures in parallel with infrastructure investment and attract customers for Quang Chau IP to expand to 90ha.
- **Tan Phu Trung IP:** Continue to compensate 100% of the project area in 2022, with the advantage of available land bank, limited supply in the area and large investor demand, this IP will be concentrated with business strategies to take advantage of their advantages, choose quality customers that bring high profitability, create a solid financial foundation - experience - high reputation to continue implementing new projects.
- **Expanded Trang Due IP:** In parallel, complete legal procedures, implement investment in infrastructure and attract investment in Trang Due IP to expand to 687 hectares.
- **Trang Due UA:** Continue to open for sale in phase 4, transfer 100% of adjacent and villa lots in 2022.
- **Trang Cat UA:** Focus on deploying infrastructure construction to put it into operation and business in 2022.
- **Phuc Ninh UA:** Focus on completing legal procedures to hand over to investors who have booked, and realize revenue in 2022; 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.
- **Focus on projects in Long An - Hung Yen:** The Corporation will develop a parallel development strategy: complete legal procedures, and at the same time develop plans for site clearance and infrastructure investment, attract investors to industrial clusters in Long An with the scale of 219.8 ha and 43.52 ha social housing area; The industrial cluster in Hung Yen has an area of 225 hectares.
- **Complete legal procedures for other projects such as:** Loc Giang IP; Hau Nghia - Duc Hoa IP, Huu Thanh - Duc Hoa urban industrial zone in Long An; Tan Phuoc 2 IP in Tien Giang; increase the scale of projects in Hung Yen; projects in Hai Duong and Vung Tau.

Capital arrangement plan

In 2022, the Corporation expects to arrange capital from VND 10,000 billion to invest in infrastructure of old and new projects established in Hung Yen, Long An, Hai Duong, Tien Giang and provide business capital for businesses through credit and Corporation bond issuance.

Revenue and profit plan for 2022

Based on the results of FDI attraction in 2021 and Vietnam's FDI attraction prospect in 2022; Based on the macro economy situation; Based on the land lease and workshop demands of potential customers who have been negotiating with KBC; Based on the investment promotion programs of KBC; Based on investors' interest in commercial real estate products at KBC's IP etc. KBC's Board of Directors sets the Corporation's consolidated revenue and profit plan in 2022 as follows:

- Total consolidated revenue is: VND **9,800** billion
- Total consolidated profit after tax is: VND **4,500** billion

4. IMPROVEMENTS ON ORGANIZATIONAL STRUCTURE AND MANAGEMENT POLICIES

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

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

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

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

In addition to environmental protection activities, the Board of Directors believes that KBC has well fulfilled its responsibilities to the local community in 2021 such as granting scholarship, the fund for the poor, storms and floods in the Central region; sponsoring the program "Tet reunion - Bac Ninh", "Warm spring of love - Hai Duong"; supporting disadvantaged families in Tan Lap - Long An; sponsoring medical equipment, supporting Covid prevention programs for Hai Duong, Bac Ninh and Hai Phong provinces; sponsoring furniture installation for the National Innovation Center; restoring, embellishing monuments, etc.

Regarding employees, the Board of Directors believes that employees at KBC are guaranteed a decent and stable income, suitable to the average of society, equipped with modern and adequate working equipment, rewarded promptly for individuals and collectives with outstanding achievements at work. However, there are still some limitations such as: KBC does not deduct investment and development funds, bonus and welfare funds, has not issued ESOP for employees, etc

PART 4

ASSESSMENT REPORT OF BOD ON THE OPERATION OF THE CORPORATION

 **20** Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam

1. ASSESSMENT OF BOD ON ACTIVITIES OF THE CORPORATION

BUSINESS ACTIVITIES

In 2021, the BOD acknowledged that BOM did make huge effort in implementing business plans in the context of the epidemic and prolonged social distancing, completing the signing of contracts and recording revenue in most of operating IP and UA: Specifically, Trang Due Hai Phong IP has successfully opened the third sale, continuing to record revenue for 4.55ha; Nam Son Hap Linh IP recorded revenue for 30 hectares, Quang Chau IP recorded revenue for 56.6 hectares; Tan Phu Trung IP recorded revenue for 21.93 ha. Especially in the year, the Corporation and its subsidiaries increased the ownership rate in Nhon Hoi A IP - IP - Quy Nhon City, Binh Dinh from 10% to 35.35 %. This is the strategy of the BOD throughout the past 20 years, when a project begins to enter the accelerated business phase, the Corporation will increase its ownership ratio to create added value for shareholders. In 2021 Nhon Hoi A IP has recorded revenue for 33.5 ha, the current occupancy rate of this IP is 31.5% on an area of 394 ha, the remaining commercial land area is 168.17 ha and 236 ha of urban land are being leveled. This is the land bank of IP and UA that is ready and has the advantage of attracting investment at a fast rate in the last 2 years.

In addition, the BOD highly appreciated that the increasing formation of land bank of the Corporation in 2021 in new areas such as Le Minh Xuan 2 IP - Ho Chi Minh City (319.77 ha), Hung Yen industrial cluster (225 ha), etc. has raised the land bank of the Corporation under management and development to 5,215.8 hectares of industrial land, an increase of 10.7% compared to 2020 and 1,177.7 hectares of urban land, an increase of 22.1% compared to 2020 mainly due to conversion a part from the IP to Nhon Hoi A UA with a scale of 236 hectares.

HERE ARE SOME TARGETS THAT KBC HAS RECORDED IN 2021

The Corporation's operation results in 2021 are as follows:

- The Corporation's total revenue reached VND 4,420.9 billion, equaling 179.1 % compared to 2020, equaling 66.98% of the plan.
- The Corporation's consolidated profit after tax reached VND 953.8 billion, equaling 298.2% compared to 2020, equaling 47.7% of the plan. Profit attributable to shareholders of parent company reached VND 782.3 billion, equal to 349.2 % compared to 2020.

Although operation results in 2021 did not perform as planned, the BOD positively evaluated the business efforts that the Corporation has made.

FOREIGN AFFAIRS

In 2021, the members of the BOD and the BOM directly worked with agencies and departments of provinces such as Hai Phong, Hung Yen, Hai Duong, Long An, Vung Tau, Tien Giang, etc. to urge progressively the establishment of new projects and new land bank.

The members of the BOD and the BOM attended online and in-person conferences to attract FDI into Vietnam in 2021 such as: Attending online seminars on business dialogue, connecting investment promotion - trade, trade cooperation forums between Vietnam and potential businesses of countries such as Korea, Japan, Taiwan, China, India, and Europe organized by the Ministry of Planning and Investment and the Ministry of Industry and Trade; Joining the delegation of Vietnamese businesses accompanied by the Prime Minister and the President to the US and Japan to sign Memorandum of Understanding and business cooperation.

CORPORATION GOVERNANCE ACTIVITIES

KBC always complies with the regulations on Corporation 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 Securities Commission, HOSE, Tax Department, Ministry of Finance, etc.

Regarding investor relations, KBC always actively publishes updated information about the Corporation's operation in the media. During the year, the Corporation is always contacted by foreign investment funds, to exchange business information to find out investment opportunities in both online and in-person meetings. Investment funds are provided with detailed information as desired by the Corporation.

DEVELOPMENT OF LABOR RESOURCES

The BOD appreciated the policies of KBC on recruiting talented people; especially, the policy has focused on not only recruiting qualified and experienced cadres from large corporations but also recruiting and training newly graduated workers. The internal training is top priority, ensuring the goal of sustainable development, avoiding the crisis of human resources. In particular, KBC always maintains the agreements with employees, does not reduce personnel or wages even when the economy or the Corporation faces difficulties and crisis, which is a strength to retain employees of the Corporation. In 2021, the average total income of KBC staff reached 18.9 million VND/person/month.

RESPONSIBILITY FOR ENVIRONMENTAL ACTIVITIES

The BOD appreciated KBC's responsibility for the environment, KBC is a Corporation focusing mainly on attracting high-tech companies, reducing environmental pollution; KBC has always concentrated on building stable infrastructure, clean water supply plants, treating waste water, regularly maintaining and planting trees, beautifying the landscape around IPs. KBC always ensures the stable operation of hundreds of companies in the IPs.

2. ASSESSMENT OF BOD ON THE OPERATION OF BOM

The BOD highly appreciated the efforts of the BOM in implementing business plans for 2021 such as implementing investment and developing projects, and arranging capital for the Corporation, especially in completing procedures, increasing the ownership rate of new IPs, creating a new land bank for the Corporation.

The BOD highly appreciates the recommendations of the BOM. The BOD positively evaluated the initiatives, straightforward comments and handling of unusual situations of the BOM during the implementation of the plans assigned by the BOD in order to develop the business.

The BOD proposed the BOM to be more active in implementing the infrastructure of the projects that the Corporation is managing, creating available products to promptly meet the needs of investors, setting up programs investment promotion in both in-person and online forms, making detailed plans, directing departments to promote the establishment of new projects in the province of Hung Yen, Hai Duong, Long An, Tien Giang, etc.; balancing and using cash flow reasonably, improving risk management related to investment and business activities of the Corporation.

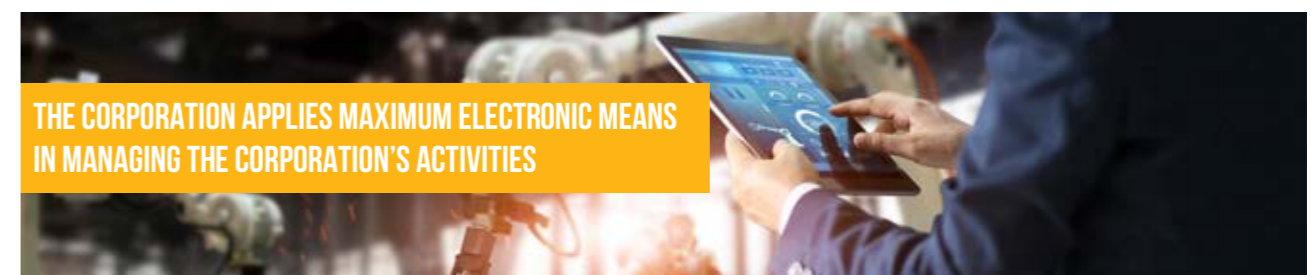
SPECIFIC TASKS IN 2021 WHICH THE BOD HAS CLOSELY WORKED WITH THE BOM INCLUDE:

- Organizing and supervised the implementation of the Corporation's projects: Infrastructure investment in Nam Son Hap Linh IP; Quang Chau IP, Tan Phu Trung IP; Phuc Ninh UA, Trang Due UA, etc.
- Presiding over, directed and successfully organized the 2021 Annual General Meeting of Shareholders on April 10, 2021
- Being together with the BOM adjusted business activities due to the impact of the Covid-19 outbreak in Bac Ninh, Bac Giang
- Completing the private placement of 03 Corporation bonds (KBCH2123001; KBCH2123002, KBCH2124003) with an issuance value of VND 2,400 billion and 01 bond issuance to the public (KBC2021.AB - code KBC121020) listed on HNX with a total value of VND 1,500 billion.

- Completing signing with Vietinbank a loan of VND 1,300 billion to invest in Nam Son Hap Linh IP.
- Completing the private placement of 100 million shares with total proceeds from the offering of VND 3,408.2 billion, brought KBC's charter capital up from VND 4,757.1 billion to VND 5,757.1 billion.
- Organizing and supervised the strict implementation of the financial reporting regime.
- Supervising the implementation of resolutions issued by the BOD and the General Meeting of Shareholders.
- Working with BOM and state agencies in the provinces and cities to promote the completion of legal procedures for the projects of Phuc Ninh, Trang Cat, Trang Due expansion, Quang Chau expansion, etc.
- Collaborating with the BOM to conduct meetings and negotiate with foreign investors in the form of online, in-person.
- Closely supervising risk management, investment and business activities, cash flow management and appropriate financial planning.

3. PROPOSALS OF BOD FOR 2022

- Approving and supervise investment and business plans for key projects such as: Nam Son Hap Linh IP, Expanded Quang Chau IP, Tan Phu Trung IP, Expanded Trang Due IP, Cluster Long An industry, Hung Yen; Trang Due IP, Phuc Ninh UA and Trang Cat UA.
- Leading the implementation of plans to establish new projects in Hai Duong, Long An, Hung Yen, Tien Giang, Vung Tau, etc.
- Assigning the BOM to make plans to balance cash flows, mobilize capital, develop appropriate and balanced financial plans for investment activities and pay due debts.
- Strengthen supervision of risk management, ensuring safe and improving financial indicators.
- Maintaining and building a team of experts to regularly update news, macro-economic situation, financial situation, changes in policies so that the BOD and BOM can promptly issue strategies and policies new to the actual situation.
- Strengthen advertising and trade promotion, welcome and work with foreign investment corporations.
- Assigning the Board of Directors to focus on implementing active shareholder relation, regularly monitor changes in ownership of major shareholders. Perform the timely and accurate disclosure of information to the authorities, shareholders and investors well.
- Building and developing a team of professional, qualified, experienced and enthusiastic personnel who actively participate in training courses to improve Corporation governance capacity in accordance with the regulations of the listed company. Continue to develop the salary and bonus policy and improve the remuneration regimes for employees, create a professional, safe and comfortable working environment, and encourage the creativity of employees.



**THE CORPORATION APPLIES MAXIMUM ELECTRONIC MEANS
IN MANAGING THE CORPORATION'S ACTIVITIES**

PART 5

CORPORATION GOVERNANCE

20 Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam

ADMINISTRATIVE SUBCOMMITTEE: None

ACTIVITIES OF BOD IN 2021

In 2021, the BOD of KBC joined hand with the BOM to find solutions for issues related to business production activities and investment in IPs and Uas and to arrange funding sources for projects of the Corporation, specifically as follows:

- The BOD actively participated in foreign affairs, directly contacted with foreign corporations who expected to invest directly in Vietnam, indirect investment funds, closely monitored the attraction of FDI enterprises in key IPs such as Quang Chau IP, Nam Son Hap Linh IP, Tan Phu Trung IP, Nhon Hoi A IP, etc.
- Attracting Dragon Capital investment fund, other investment funds and individuals to buy shares in the private issuance of 100 million shares.
- Supervising the operation of investment plans and building infrastructure to attract investment in projects of Nam Son Hap Linh IP, Quang Chau IP, Tan Phu Trung IP, Trang Due IP; performing and completing legal procedures for Phuc Ninh UA; Trang Cat UA, etc.
- The BOD actively participated in executing the plans to increase the ownership rate of members of the Corporation in some IPs such as Le Minh Xuan 2 IP - Ho Chi Minh City, Nhon Hoi A IP - Binh Dinh, etc.
- Working with agencies and departments of Hung Yen, Hai Duong, Long An, Vung Tau, Tien Giang and some other provinces and cities to promote the accomplishment of legal procedures to establish new projects. During the year, the Corporation was identified as the investor of Hung Yen industrial cluster, Nam Tan Tap IP - Long An, etc.
- Closely supervising the risk management of investment and business activities, cash flow management and appropriate financial planning to ensure financial indicators at a safe level.
- Closely monitoring the plan to arrange capital to invest in projects, pay due debts in 2021.
- Directing the preparation and organization of the Annual General Meeting of Shareholders in 2021
- Conducting the implementation of the Corporation's programs and actions to develop projects in a sustainable, environmentally friendly, responsible manner to the local community; ensuring benefits, dynamic and modern working environment for employees.



LIST OF RESOLUTIONS APPROVED BY BOD IN 2021

NO.	RESOLUTION/DECISION NO.	DATE	CONTENTS	PASS RATE
1	0401/2021/KBC-HDQT	04/01/2021	Approving the total remuneration of the BOD, the Board of Supervisors and the salary of the Head of the Board of Supervisors.	100%
2	0401-1/2021/KBC-HDQT	04/01/2021	Decision of the Chairman of the BOD approving the remuneration in 2020 for members of the BOD and the Board of Supervisors	
3	2201/2021/KBC-HDQT	22/01/2021	Plan to hold the Annual General Meeting of Shareholders in 2021	100%
4	2201-1/2021/KBC-HDQT	22/01/2021	Approving the expected business plan for 2021 and the draft document of the 2021 AGM	100%
5	2501/2021/KBC/NQ-HDQT	25/01/2021	Investment in construction and business of technical infrastructure in Binh Giang IP, Hai Duong province.	100%
6	2801/2021/KBC/NQ-HDQT	28/01/2021	Appointment of person in charge of Corporation governance and cum company secretary	100%
7	0302/2021/KBC/NQ-HDQT	03/02/2021	Contributing capital and appointing a representative to manage the capital contribution to Hung Yen Investment and Development Corporation	100%
8	0802/2021/KBC/NQ-HDQT	08/02/2021	Approving the plan to issue bonds KBCH2123001	100%
9	0802/2021/KBC/NQ-HDQT	08/02/2021	Contributing capital to establish Long An Investment and Development Corporation	100%
10	1002/2021/KBC/NQ-HDQT	10/02/2021	Approving the investment project to build a wastewater treatment plant with a capacity of 9.000 m3/day, Nam Son IP - Hap Linh, Bac Ninh province	100%
11	1902/2021/KBC/NQ-HDQT	19/02/2021	Mortgage of assets to secure the bond obligation KBCH2123001	100%
12	2202/2021/KBC/NQ-HDQT	22/02/2021	Contributing capital to establish Vung Tau Investment Corporation	100%
13	0103/2021/KBC/NQ-HDQT	01/3/2021	Promulgating the Regulation on Internal Audit	100%
14	0903/2021/KBC/NQ-HDQT	09/3/2021	Approving loan to Saigon - Hai Phong IP Joint Stock Company	100%
15	2203/2021/KBC/NQ-HDQT	22/3/2021	Approving the plan to issue bonds to the public in 2021 (KBC2021.AB)	100%
16	2203-1/2021/KBC/NQ-HDQT	22/3/2021	Approving registration documents for KBC2021.AB bond offering to the public in 2021	100%
17	2603/2021/KBC/NQ-HDQT	26/3/2021	Approving loan to Saigon - Bac Giang IP Joint Stock Company	100%
18	3103/2021/KBC/NQ-HDQT	31/3/2021	Approving capital borrowing from Long An Investment and Development Corporation	100%
19	1204/2021/KBC/NQ-HDQT	12/4/2021	Promulgating Regulations on Information Disclosure	100%
20	1204-1/2021/KBC/NQ-HDQT	12/4/2021	Approving the debt restructuring, capital advance and debt repayment agreement with PVcombank	100%
21	1105/2021/KBC/NQ-HDQT	11/5/2021	Approving capital borrowing from Hung Yen Investment and Development Corporation	100%
22	1705/2021/KBC/NQ-HDQT	17/5/2021	Approving the bond issuance plan KBCH2130002	100%
23	0107-1/KBC/NQ-HDQT	01/7/2021	Approval of capital borrowing from Vietinbank - Que Vo branch to invest in a project to build a clean water treatment plant with a capacity of 19.000 m3/day and night in Nam Son IP - Hap Linh, Bac Ninh province.	100%
24	0607/2021/KBC/NQ-HDQT	06/7/2021	Approving loans to Subsidiaries	100%
25	0607-01/2021/KBC/NQ-HDQT	06/7/2021	Approving early redemption of KBCbond01-2017 bonds	100%
26	0707/2021/KBC/NQ-HDQT	07/07/2021	Approving investment projects on construction and business development of technical infrastructure; building factories for sale and rent in Nam Son - Hap Linh IP, phase 2	100%
27	1607/2021/KBC/NQ-HDQT	16/7/2021	Approving the implementation of the plan to offer private shares in 2021	100%

NO.	RESOLUTION/DECISION NO.	DATE	CONTENTS	PASS RATE
28	1607-1/2021/KBC/NQ-HDQT	16/7/2021	Approving the plan to ensure the issuance of shares to meet the foreign ownership ratio	100%
29	1607-2/2021/KBC/NQ-HDQT	16/7/2021	Approving registration documents for private placement of shares in 2021	100%
30	1607-3/2021/KBC/NQ-HDQT	16/7/2021	Approving the plan to increase capital from equity as of December 31, 2020 in the audited financial statements of the parent company with the implementation ratio 3:1	100%
31	1608/2021/KBC/NQ-HDQT	16/8/2021	Approving the policy of increasing charter capital of the subsidiary	100%
32	1608-01/2021/KBC/NQ-HDQT	16/8/2021	Approving the adjustment and addition of a number of contents in the plan of private placement of shares in 2021	100%
33	1608-02/2021/KBC/NQ-HDQT	16/8/2021	Approving registration documents for private placement of shares in 2021	100%
34	1309/2021/KBC/NQ-HDQT	13/9/2021	Approving the supplement and clarification of a number of contents related to the plan for the private placement of shares in 2021	100%
35	2309/2021/KBC/NQ-HDQT	23/9/2021	Approving the investment project to build a wastewater treatment plant with a capacity of 6.000 m3/day in the expanded Que Vo IP, Bac Ninh province.	100%
36	2709/2021/KBC/NQ-HDQT	27/9/2021	Approving price for private placement of shares and issues related to private placement in 2021	100%
37	0610/2021/KBC/NQ-HDQT	6/10/2021	Approving the results of the private placement of shares in 2021	100%
38	1110/2021/KBC/NQ-HDQT	11/10/2021	Issuing the 23rd Amendment to the Corporation's Charter	100%
39	1110-1/2021/KBC/NQ-HDQT	11/10/2021	Approving a loan from Vietinbank- Que Vo IP Branch to invest in Nam Son IP - Hap Linh Phase 2	100%
40	1310/2021/KBC/NQ-HDQT	13/10/2021	Approving early redemption of KBCH2022003 Bonds	100%
41	0110/2021/KBC/NQ-HDQT	26/10/2021	Approving the increase of charter capital of subsidiaries	100%
42	2610/2021/KBC/NQ-HDQT	26/10/2021	Approving capital borrowing from Saigon - Bac Giang IP Joint Stock Company	100%
43	0211-1/2021/KBC/NQ-HDQT	02/11/2021	Approving the bond issuance plan KBCH2124003	100%
44	0211-2/2021/KBC/NQ-HDQT	02/11/2021	Approving the use of collateral for the bond KBCH2124003	100%
45	0911/2021/KBC/NQ-HDQT	09/11/2021	Approving capital borrowing from Saigon - Bac Giang IP Joint Stock Company	100%
46	1011-1/2021/KBC/NQ-HDQT	10/11/2021	Adjustment of the content of the project of investment in construction and business of technical infrastructure in Que Vo IP, Bac Ninh province	100%
47	1011-2/2021/KBC/NQ-HDQT	10/11/2021	Adjustment of the content of the project of investment in construction and business of infrastructure, factory of Que Vo IP, Bac Ninh province	100%
48	0612/2021/KBC/NQ-HDQT	06/12/2021	Approving the implementation of the plan to issue shares to increase share capital from owner's equity and related issues	100%
49	0912-1/2021/KBC/NQ-HDQT	09/12/2021	Approving the business cooperation at Trang Due IP Project expansion with Saigon - Hai Phong IP Joint Stock Company	100%
50	0912-2/2021/KBC/NQ-HDQT	09/12/2021	Approval of increasing charter capital contribution to Saigon - Nhon Hoi IP Joint Stock Company (SNP)	100%
51	2012/2021/KBC/NQ-HDQT	20/12/2021	Organizing the 1st Extraordinary General Meeting of Shareholders in 2022	100%
52	3012/2021/KBC/NQ-HDQT	30/12/2021	Investing in construction and business of technical infrastructure in Tan Phuoc IP 2	100%

ISSUES APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS HAVE NOT BEEN IMPLEMENTED BY BOD:

According to the resolution of the 2021 Annual General Meeting of Shareholders No: 1004/2021/KBC/NQ-DHDDD dated April 10, 2021, the General Meeting of Shareholders approved the plan as follows:

+ About the business plan:

- Total expected consolidated revenue: Scenario was VND **6,600** billion
- Expected total consolidated profit after tax: VND **2,200** billion

However, the business results for 2021 of the Corporation approved by the General Meeting of Shareholders did not achieve the target, the reasons for this are explained in **Parts 3** and **Part 4** of this report.

+ About the plan to increase capital from equity as of December 31, 2020 in the parent company's financial statements.

The BOD implemented the Resolution No. 0612/2021/KBC/NQ-HDQT dated December 6, 2021 and submitted the issuance documents to the Securities Commission. However, according to the guidance of the Securities Commission, the expected issuance volume must be approved by the General Meeting of Shareholders, the new BOD proposed an incomplete 3:1 issuance ratio. Therefore, the BOD held the 1st Extraordinary General Meeting of Shareholders in 2022 on February 10, 2022 to consult the General Meeting of Shareholders on this matter and issued BOD Resolution No. 2103-1/2022/KBC/NQ-HDQT dated March 21, 2022 approving the implementation of the issuance plan to increase capital from equity sources. All issuance documents have been submitted to the State Securities Commission and made immediately after the approval of the Securities Commission.

ACTIVITIES OF INDEPENDENT MEMBER OF BOD

Currently, KBC has 01 independent BOD member, Mr. Huynh Phat, 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).

In his role, Mr. Huynh Phat fully participated in 100% of the BOD's meetings in 2021. In the decisions of the BOD, Mr. Huynh Phat raised independent opinions before other members of the Board of Directors to review and resolve issues to reach consensus.

BOARD MEMBERS WITH CORPORATION GOVERNANCE TRAINING CERTIFICATES IN THE YEAR:

The BOD have not been granted Corporation governance certificates, because the members often have to go on business trips, thus, they cannot arrange time to attend direct courses of the training agency because the working schedule coincides with the school schedule. However, the members of the Board of Directors always update and understand the regulations on Corporation governance for listed companies and the Corporation is very satisfied as they overcome this problem with courses organized by the management agency through online method.

In 2021, members of the BOD - Corporation's secretary participated in online courses organized by the Management Agencies such as: Workshop on "Improving Corporation governance capacity in Vietnamese listed companies"; "Implement the set of CG principles according to best practices"; "Report on survey and recommendations towards building green capital markets".

BOARD OF SUPERVISORS

a. Members of the Board of Supervisors

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

b. Activities of Board of Supervisors

In 2021, the Board of Supervisors of Kinh Bac Urban Development Corporation carried out the main tasks including:

- The Board of Supervisors checked and reviewed the reports of the BOM, the Resolutions of the BOM, supervised the investment situation of projects, the implementation of plans and objectives of the BOD which were passed in the meeting; Business and production plan 2021. Based on the Resolutions of the General Meeting of Shareholders, the Resolution of the BOD, the implementation plan of the BOM, the Board of Supervisors also made recommendations for the BOD and the BOM.
- Monitoring financial management activities and preparing financial statements to ensure the truthfulness and reasonableness of financial data given; Exchanging information with the independent auditor appointed during the auditing process of financial statements;
- Reviewing and evaluating the internal management and management activities of the BOD, members of the BOD, members of the BOM and leaders based on the criteria of interests of shareholders and the Corporation;
- Reviewing and evaluating the coordination of activities of departments in the process of managing and operating businesses;
- Supervising the implementation of resolutions of the General Meeting of Shareholders and Resolutions of the BOD; Closely supporting the BOD and the BOM to implement the Resolutions.
- The Board of Supervisors has 3 members, including 01 Chief of Board of Supervisors and 02 Supervisors. The Supervisors are independent, do not hold managerial positions, do not work in the Accounting and Auditing department of the Corporation.
- In 2021, the Board of Supervisors conducted 4 meetings. The Board of Supervisors closely coordinated with the BOD and the BOM in the process of managing all activities of the Corporation.

During operation, the Board of Supervisors has been facilitated by the BOD and the BOM to perform its tasks. The Board of Supervisors has received all the resolutions of the BOD, reports on the production and business situation; Quarterly, semi-annual financial and annual financial statements. In 2019, the Board of Supervisors did not receive any feedback from the Company's Shareholders regarding the direction and administration activities of the BOM, the BOD and other managers.

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

The total remuneration expense of the BOD, BOS and the salary, bonus and allowances for the full-time of Head of BOS in 2021 was: VND **1,064,926,622** (One billion and sixty-four million, nine hundred and twenty-six thousand, six hundred and twenty-two dong), equal to 21.3% of the budget approved by the General Meeting of Shareholders according to the Resolution of the Annual General Meeting of Shareholders No:1004/2018/KBC/NQ-DHDCD dated April 10, 2018 for the BOD, BOS and the salary, bonus and allowance expenses for the full-time of Head of BOS in the period 2020-2022 (end of term of the BOD and BOS) is: VND 5,000,000,000 (Five billion dong)/year. **Below is a detailed table of total taxable income paid to the BOD, BOS, BOM and Chief Accountant in 2021 as follows:**

NO.	NAME	POSITION	REMUNERATION FOR THE BOARD OF SUPERVISORS / BOD (VND)	TOTAL INCOME OF THE HEAD OF THE BOARD OF SUPERVISORS, BOM (VND)	TOTAL PIT PAYMENT
1	Nguyen Bich Ngoc	Head of BOS	50,000,000	184,634,000	8,070,400
2	The Thi Minh Hong	Members	50,000,000		5,555,556
3	Tran Tien Thanh	Members	50,000,000		5,555,556
4	Dang Thanh Tam	Chairman of BOD			
5	Nguyen Thi Thu Huong	Member of BOD, General Director	100,000,000	5,835,434,000	2,857,787,700
6	Nguyen Vinh Tho	Member of BOD	340,000,000		377,777,778
7	Pham Phuc Hieu	Member of BOD, Deputy General Director, Chief Accountant, Person authorized to disclose information	100,000,000	2,100,500,000	931,961,700
8	Huynh Phat	Independent member of the BOD	100,000,000		11,111,111
9	Nguyen My Ngoc	Deputy General Director		1,628,142,000	623,768,850
10	Phan Anh Dung	Deputy General Director		1,458,834,000	532,602,950

BENEFITS: Equipped with shuttle cars, mobile phones, payment of monthly fees, payment of business expenses, etc

STOCK TRANSACTION OF INSIDERS/RELATED PERSONS/MAJOR SHAREHOLDERS: None

TRANSACTIONS WITH RELATED PARTIES

NO.	NAME OF ORGANIZATION/INDIVIDUAL	RELATION WITH THE COMPANY	TYPE AND TIME OF TRANSACTION	RESOLUTION/DECISION NO.
1	Nguyen Vinh Tho	Member of BOD	Receiving remuneration for the Board of Directors in 2020	According to Decision No: 0401-1/2021/KBC-HDQT on approving the remuneration of the Board of Directors in 2020
2	Huynh Phat	Independent member of the BOD	Receiving remuneration for the Board of Directors in 2020	According to Decision No: 0401-1/2021/KBC-HDQT on approving the remuneration of the Board of Directors in 2020
3	Nguyen Thi Thu Huong	Member of BOD, General Director	Receiving monthly salary, BOD remuneration in 2020	According to the Labor Contract & According to Decision No. 0401-1/2021/KBC-HDQT on approving the remuneration of the Board of Directors in 2020
4	Pham Phuc Hieu	Member of BOD, Deputy General Director, Chief Accountant, Authorized person to disclose information	Receiving monthly salary, BOD remuneration in 2020	According to the Labor Contract & According to Decision No. 0401-1/2021/KBC-HDQT on approving the remuneration of the Board of Directors in 2020
5	Nguyen My Ngoc	Deputy General Director	Receiving monthly salary	According to the Labor Contract
6	Phan Anh Dung	Deputy General Director	Receiving monthly salary	According to the Labor Contract

NO.	NAME OF ORGANIZATION/INDIVIDUAL	RELATION WITH THE COMPANY	TYPE AND TIME OF TRANSACTION	RESOLUTION/DECISION NO.
7	Nguyen Bich Ngoc	Head of BOS	Head of Supervisory Board: receive monthly salary and members receive remuneration of the Supervisory Board in 2020	According to the Labor Contract for Supervisory Board; According to Decision No: 0401-1/2021/KBC-HDQT on approving the remuneration of the BOS in 2020
8	The Thi Minh Hong	Members of BOS	Head of Supervisory Board: receive monthly salary and members receive remuneration of the Supervisory Board in 2020	According to the Labor Contract for Supervisory Board; According to Decision No: 0401-1/2021/KBC-HDQT on approving the remuneration of the BOS in 2020
9	Tran Tien Thanh			
10	Tran Thi Thu Ha	Person in charge of administration / Corporation's secretary	Receiving monthly salary	According to the Labor Contract
11	Saigon - Hai Phong IP Joint Stock Company	Subsidiary KBC owns 86.54%, and KBC's insider holds the position of a member of the Board of Directors of SHP	KBC lends to SHP Recording loan interest, loan interest in the period KBC transfers Business cooperation money	According to Resolution No: 0903/2021/KBC/NQ-HDQT According to Resolution No: 0607/2021/KBC/NQ-HDQT According to Resolution No: 1407/2020/KBC/NQ-HDQT According to Resolution No: 2907/2020/KBC/NQ-HDQT According to Resolution No: 0308-3/2020/KBC/NQ-HDQT According to Resolution No: 0912-1/2021/KBC/NQ-HDQT
12	Saigon - Bac Giang IP Joint Stock Company	KBC's sub-sidiary directly owns 59.5%, and KBC's insider holds the position of a member of the BOD/BOM of SBG	KBC lends to SBG KBC pays interest and principal to SBG KBC receives interest and principal from SBG KBC receives capital back from Business Cooperation Contract Get a loan from SBG	According to Resolution No: 2603/2021/KBC/NQ-HDQT According to Resolution No: 0607/2021/KBC/NQ-HDQT According to Resolution No: 1710/2019/KBC/NQ-HDQT According to Resolution No: 0805/2020/KBC/NQ-HDQT According to Resolution No: 3/2020/KBC/NQ-HDQT According to Resolution No: 2112/2020/KBC/NQ-HDQT According to Resolution No: 1105/2020/KBC/NQ-HDQT According to Resolution No: 2610/2021/KBC/NQ-HDQT According to Resolution No: 0911/2021/KBC/NQ-HDQT
13	Kinh Bac - Da Nang Investment One Member Company Limited	Subsidiary KBC owns 100%	KBC contributes capital to Kinh Bac - Da Nang Company	According to Resolution No: 2807/2020/KBC-HDQT
14	Hung Yen Investment and Development Corporation	Subsidiary KBC owns 60%	KBC contributes charter capital to Hung Yen Investment and Development Corporation; Get loan from Hung Yen Investment and Development Corporation KBC pays principal for Hung Yen Investment and Development Corporation	According to Resolution No: 0302/2021/KBC-HDQT According to Resolution No: 1105/2021/KBC-HDQT
15	Trang Cat Urban Development One Member Company Limited	Subsidiary KBC owns 100%	KBC contributes charter capital to Trang Cat Company	According to Resolution No: 0110/2021/KBC/NQ-HDQT
16	Saigon Telecommunications Technology Joint Stock Company (SGT)	A related organization of Mr. Dang Thanh Tam	Internet service fee payment	Service contract
17	Kinh Bac Investment and Consulting Joint Stock Company (KBI)	Major shareholder	KBI transfers money to KBC KBC transfers money to KBI KBC receives compensation documents, compensation fee invoices from KBI	Principle Contract No.: 02/2012/HDKT/KBC-KCN dated 12.12.201 and Appendices

Details of the transactions have been announced in the financial statements of Quarters and audited financial statements of 2021

IMPLEMENTING REGULATIONS ON CORPORATION GOVERNANCE: KBC has complied with regulations on Corporation governance

INVESTOR RELATIONS ACTIVITIES

KBC is a stock 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 between countries, environmental pollution, etc. It can be said that KBC is considered as a stock with movements similar to the general development trend of the economy. We want to emphasize this so that our shareholders and investors could have a comprehensive view about KBC.

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

Thus, it can be said that KBC always tries its 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 Group. Therefore, If there is any concern about the situation of the Corporation, shareholders and investors please contact us via email written below.

Email: kinhbac.kbc@gmail.com



PART 6

CONSOLIDATED FINANCIAL STATEMENTS

 **20** Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam



Building a better
working world

Ernst & Young Viet Nam Limited

8th Floor, CornerStore Building

16 Phan Chu Trinh Str. - Hoan Kiem Dist. - Ha Noi - Vietnam

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

Số tham chiếu: 60774739/22647288-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of KinhBac City Development Holding Corporation

We have audited the accompanying consolidated financial statements of KinhBac City Development Holding Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 18 March 2022 and set out on pages 6 to 66, which comprise the consolidated balance sheet as at 31 December 2021, 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 2021

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 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited

(Signed)

(Signed)

Bui Anh Tuan**Do Duc Hieu**

Deputy General Director

Auditor

Audit Practising Registration Certificate No. 1067-2018-004-1

Audit Practising Registration Certificate No. 4663-2018-004-1

Ha Noi, Vietnam

18 March 2022

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
100	A. CURRENT ASSETS		25,684,222,720,417	21,403,279,332,062
110	I. Cash and cash equivalents	5	2,562,478,285,805	1,049,757,121,957
111	1. Cash		728,220,230,961	889,890,633,358
112	2. Cash equivalents		1,834,258,054,844	159,866,488,599
120	II. Short-term investments	6	2,015,611,338,385	1,939,653,239,000
121	1. Held-for-trading securities		1,862,358,461,369	1,862,358,461,369
122	2. Provision for held-for-trading securities		(2,308,273,169)	(5,305,222,369)
123	3. Held-to-maturity investments		155,561,150,185	82,600,000,000
130	III. Current accounts receivable		9,345,615,937,801	6,637,765,390,090
131	1. Short-term trade receivables	7.1	1,927,952,983,605	1,384,869,373,085
132	2. Short-term advances to suppliers	7.2	2,877,319,303,149	2,701,142,324,970
135	3. Short-term loan receivables	8	2,304,099,614,559	925,080,022,356
136	4. Other short-term receivables	9	2,252,661,317,138	1,634,007,650,329
137	5. Provision for doubtful short-term receivables	7.3	(16,417,280,650)	(7,333,980,650)
140	IV. Inventories	10	11,515,237,946,621	11,533,861,446,985
141	1. Inventories		11,515,237,946,621	11,533,861,446,985
150	V. Other current assets		245,279,211,805	242,242,134,030
151	1. Short-term prepaid expenses	11	79,145,682,100	78,372,182,343
152	2. Value-added tax deductible	17	136,584,272,359	162,365,406,594
153	3. Tax and other receivables from the State	17	29,511,205,731	1,449,594,958
155	4. Other current assets		38,051,615	54,950,135

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

CURRENCY: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
200	B. NON-CURRENT ASSETS		4,919,757,322,086	2,382,598,917,887
210	I. Long-term receivables		1,489,805,463,863	181,755,869,861
215	1. Long-term loan receivables	8	1,061,473,000,000	140,910,000,000
216	2. Other long-term receivables	9	428,332,463,863	40,845,869,861
220	II. Fixed assets		248,553,074,644	256,277,089,070
221	1. Tangible fixed assets	12	248,491,102,971	256,126,185,538
222	Cost		561,147,793,219	530,008,517,295
223	Accumulated depreciation		(312,656,690,248)	(273,882,331,757)
227	2. Intangible fixed assets		61,971,673	150,903,532
228	Cost		448,175,500	448,175,500
229	Accumulated depreciation		(386,203,827)	(297,271,968)
230	III. Investment properties	13	190,776,437,679	393,841,913,682
231	1. Cost		255,288,287,858	479,236,688,645
232	2. Accumulated depreciation		(64,511,850,179)	(85,394,774,963)
240	IV. Long-term assets in progress	14	1,074,460,096,465	869,345,580,191
242	1. Construction in progress		1,074,460,096,465	869,345,580,191
250	V. Long-term investments	15	1,899,907,431,279	660,601,134,707
252	1. Investments in associates, jointly controlled entities	15.1	1,484,295,149,429	234,988,852,857
253	2. Investment in other entities	15.2	438,500,200,000	448,500,200,000
254	3. Provision for diminution in value of long-term investments	15.2	(22,887,918,150)	(22,887,918,150)
260	VI. Other long-term assets		16,254,818,156	20,777,330,376
261	1. Long-term prepaid expenses	11	16,254,818,156	20,777,330,376
270	TOTAL ASSETS		30,603,980,042,503	23,785,878,249,949

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

CURRENCY: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
300	C. LIABILITIES		14,432,620,910,944	13,132,883,122,220
310	I. Current liabilities		6,511,120,826,191	6,962,196,498,660
311	1. Short-term trade payables	16.1	152,213,471,055	155,402,318,840
312	2. Short-term advances from customers	16.2	514,339,547,221	894,453,239,637
313	3. Statutory obligations	17	149,301,926,097	454,343,617,554
314	4. Payables to employees		9,452,327,919	134,912,511
315	5. Short-term accrued expenses	18	1,527,000,062,915	1,043,936,809,354
318	6. Short-term unearned revenuesbles		2,303,464,821	4,327,075,364
319	7. Other short-term payables	19	2,634,535,163,959	2,856,054,333,594
320	8. Short-term loans	20	1,515,095,900,895	1,546,681,630,497
322	9. Bonus and welfare fund		6,878,961,309	6,862,561,309
330	II. Non-current liabilities		7,921,500,084,753	6,170,686,623,560
333	1. Long-term accrued expenses	18	1,430,816,612,872	1,134,633,021,863
336	2. Long-term unearned revenue		4,536,489,837	4,664,114,060
337	3. Other long-term liabilitiesc	19	11,455,085,747	35,537,754,956
338	4. Long-term loans	20	5,539,263,915,459	4,218,161,587,925
341	5. Deferred tax liabilities	29.3	934,476,012,876	776,738,176,794
341	6. Long-term provisions		951,967,962	951,967,962

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

CURRENCY: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
400	D. OWNERS' EQUITY		16,171,359,131,559	10,652,995,127,729
410	I. Capital		16,171,359,131,559	10,652,995,127,729
411	1. Share capital	21.1	5,757,111,670,000	4,757,111,670,000
411a	- Shares with voting rights		5,697,601,890,000	4,697,601,890,000
	- Treasury shares		59,509,780,000	59,509,780,000
412	2. Share premium	21.1	3,397,344,430,000	989,064,430,000
415	3. Treasury shares	21.1	(364,466,650,000)	(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	5,098,791,537,715	4,316,487,151,605
421a	Undistributed earnings up to end of prior year		4,316,487,151,605	4,092,454,317,117
421b	Undistributed earnings of current year		782,304,386,110	224,032,834,488
420	6. Non-controlling interests	22	2,280,354,450,021	952,574,832,301
440	TOTAL LIABILITIES AND OWNERS' EQUITY		30,603,980,042,503	23,785,878,249,949

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

CURRENCY: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
01	1. Revenue from sale of goods and rendering of services	23.1	4,245,981,967,388	2,150,962,555,356
02	2. Deductions	23.1	-	-
10	3. Net revenue from sale of goods and rendering of services	23.1	4,245,981,967,388	2,150,962,555,356
11	4. Cost of goods sold and services rendered	24	(1,778,965,961,226)	(1,461,933,537,631)
20	5. Gross profit from sale of goods and rendering of services		2,467,016,006,162	689,029,017,725
21	6. Finance income	23.2	169,544,625,558	313,705,232,896
22	7. Finance expenses	26	(541,392,222,505)	(230,242,153,241)
23	<i>In which: Interest expenses</i>		<i>(480,600,549,118)</i>	<i>(195,387,067,311)</i>
24	8. Shares of profit of associates, joint-ventures	15.1	13,806,296,572	2,674,783,347
25	9. Selling expenses	25	(189,915,851,874)	(52,216,721,860)
26	10. General and administrative expenses	25	(428,557,565,443)	(270,720,195,562)
30	11. Operating profit		1,490,501,288,470	452,229,963,305
31	12. Other income		5,378,406,364	3,475,084,225
32	13. Other expenses	27	(131,977,203,231)	(2,532,671,188)
40	14. Other (loss)/profit		(126,598,796,867)	942,413,037
50	15. Accounting profit before tax		1,363,902,491,603	453,172,376,342
51	16. Current corporate income tax expenses	29.1	(252,330,651,691)	(177,342,931,117)
52	17. Deferred tax (expenses)/ income	29.3	(157,737,836,082)	43,984,520,887
60	18. Net profit after tax		953,834,003,830	319,813,966,112
61	19. Net profit after tax attributable to shareholders of the parent		782,304,386,110	224,032,834,488
62	20. Net profit after tax attributable to non-controlling interests		171,529,617,720	95,781,131,624
70	21. Basic earnings per share	31	1,586	477
71	22. Diluted earnings per share	31	1,586	477

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

CURRENCY: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		1,363,902,491,603	453,172,376,342
	Adjustments for:			
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets	12, 13	75,692,369,658	88,966,487,664
03	Provision/(reversal of provisions)		6,086,350,800	(750,098,833)
05	Profits from investing activities		(183,178,967,433)	(311,769,791,444)
06	Interest expenses and bond issue costs	26	535,939,120,876	226,914,890,062
08	Operating profit before changes in working capital		1,798,441,365,504	456,533,863,791
09	Increase in receivables		(2,079,224,026,029)	(533,408,601,710)
10	Decrease/(increase) in inventories		337,195,019,142	(3,986,102,676,332)
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(529,907,612,028)	1,529,615,675,000
12	Decrease in prepaid expenses		3,749,012,462	2,204,752,798
13	Increase in held-for-trading securities		-	(50,000,000,000)
14	Interest paid		(440,603,786,324)	(228,078,425,083)
15	Corporate income tax paid	17	(321,939,769,128)	(103,803,906,725)
16	Other cash inflows from operating activities		16,400,000	-
17	Other cash outflows for operating activities		-	(165,666,000)
20	Net cash flows used in operating activities		(1,232,273,396,401)	(2,913,204,984,261)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(240,288,477,551)	(212,807,757,268)
22	Proceeds from liquidation and sale of fixed assets and other long-term assets		-	554,545,454
23	Loans to other entities and payments for purchase of debt instruments of other entities		(4,196,077,303,624)	(879,999,844,057)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		1,403,533,561,236	139,574,130,237
25	Payments for investments in other entities		(305,765,650,879)	(119,734,613,308)
26	Proceeds from sale of investments in other entities		75,000,000,000	437,680,503,419
27	Interest and dividends received		112,434,316,937	154,913,661,545
30	Net cash flows used in investing activities		(3,151,163,553,881)	(479,819,373,978)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

CURRENCY: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution and issuance of shares	21.1	4,583,280,000,000	-
33	Drawdown of borrowings		4,640,537,120,839	4,554,120,877,748
34	Repayment of borrowings		(3,308,557,056,786)	(701,225,653,343)
36	Dividend paid		(19,101,949,923)	(62,118,750,000)
40	Net cash flows from financing activities		5,896,158,114,130	3,790,776,474,405
50	Net increase in cash and cash equivalents for the year		1,512,721,163,848	397,752,116,166
60	Cash and cash equivalents at beginning of the year		1,049,757,121,957	652,005,005,791
70	Cash and cash equivalents at end of the year	5	2,562,478,285,805	1,049,757,121,957

(Signed)

(Signed)

(Signed)

Luu Phuong Mai**Pham Phuc Hieu****Nguyen Thi Thu Huong**

Preparer

Deputy General Director cum
Chief Accountant

General Director

18 March 2022

Shareholders and Investors may see Financial Statement
on Websites: www.kinhbaccity.vn and www.hsx.vn

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

Chairman of BOD

DANG THANH TAM

ANNUAL REPORT 2021



20 Years
Of Persistence In Attracting FDI
Diligently Bring \$ To Vietnam