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Bac Ninh, June 2nd, 2023

REPORT TO THE GENERAL MEETING OF SHAREHOLDERS

About Business Results in 2022 and Business Plans for 2023 of
Kinh Bac City Development Holding Corporation (**KBC**)

Dear Our Valued Shareholders!

Hereafter, the Executive Board would like to report to all Shareholders on the business performance in 2022 and the business plan for 2023 of the Corporation as follows:

I. BUSINESS PERFORMANCE IN 2022

1. Evaluation of annual business results 2022

+ Business results of the Corporation

Unit: Billion VND

Items	2021 <i>Re- presentation</i>	2022	Changes
Net revenue from sales of goods and rendering of services	4,245.82	950.27	22.38%
Revenue from long-term lease of land	3,035.93	656.98	21.4%
Revenue from real estate transfers	514.58	353.33	68.66%
Sales of factories	310.6	-	0.00%
Revenue from clean water supply, wastewater treatment, service fees, warehouse rental, etc	384.71	387.17	100.64%
<i>Revenue deducted from real estate transfer (*)</i>	-	<i>-447.21</i>	-
Revenue from financial activities	169.54	339.65	200.34%
Other income	5.37	21.33	397.21%
Profits in associates	411.67	2,186.82	531.21%
Total revenue	4,832.40	3,498.07	72.39%
Total profit after tax	1,351.69	1,576.53	116.63%
Profit after tax of parent company	1,094.88	1,526.35	139.41%

() Subsidiaries of the Corporation have recorded a deduction from revenue related to the transaction of returning land plots of Trang Due urban area from the previous year.*

The Corporation's total consolidated revenue in 2022 reached **3,498.07** billion VND, equals to 72.39% of 2021, equals to 35.69% of the plan. In which, revenue from core business activities includes: Land leasing, factory leasing, sale of real estate and related services reached **957.27** VND, equals to 22.38% of 2021, accounting for **957.27** billion VND, accounting for 27.17% of the Corporation's total revenue. Profit in associates reached **2,186.82** billion VND, 5.3 times higher than in 2021, accounting for 62.52% of total revenue. Consolidated profit after tax in 2022 of the Corporation reached **1,576.53** billion VND, equals to 116.63% of 2021, equals to 35.03% of the plan. Profit after tax of the parent company reached 1,526.35 billion VND, equals to 139.41% of 2021.

+ Revenue – Profit of parent company and the consolidated corporation

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

In 2022, KBC signed agreement principles to lease land up to 107 ha in Quang Chau Industrial Park and Nam Son Hap Linh Industrial Park with a total value of nearly 3,540 billion VND. However, the land plots have not been handed over to customers to record business results in 2022 because foreign investors have not completed the procedures for granting Investment Registration Certificates. Therefore, despite not meeting the plan, 2022 is still a remarkable year when KBC made great efforts to successfully negotiate a series of large value contracts to bring in cash flow and record significant revenue for 2023.

Unit: Billion VND

Items	Parent company	Consolidated Corporation
Net revenue from sales of goods and rendering of services	145.16	950.27
Revenue from long-term lease of land	9.81	1,010.31
Revenue from water supply, wastewater treatment, service fees, warehouse rental, factory sale, etc.	135.35	387.17
<i>Revenue deducted from real estate transfer</i>	-	<i>(447.21)</i>
Cost of goods sold and services rendered	96.83	684.52
Gross profit from sales of goods and services rendered	48.33	265.75
Gross profit margin (%)	0.33	0.28
Revenue from financial activities	1,473.19	339.65
Other income	0.34	21.33
Profits in associates	-	2,186.82
Total revenue	1,618.69	3,498.07
Total profit after tax	610.75	1,576.53
Profit attributable to shareholders of parent company		1,526.35

In 2022, considering the revenue structure of the Corporation, the following factors are

considered noteworthy:

Revenues from main business activities, finance, and profits from associates fluctuated strongly. In which, revenue from services of providing clean water, treating wastewater, and leasing warehouses are stable sources of income. Specifically, revenue from these services reached 387.17 billion VND, accounting for 11.07% of total revenue, equivalent to 2021. It is expected that this revenue will increase sharply in the coming years when businesses in the industrial parks is no longer free for infrastructure and a number of new clean water supply plants come into operation. KBC does not have to buy outside clean water supply services, which will generate significant growth in revenue compared to the current one.

Considering the parent company, the parent company's revenue in 2022 reached 1,618.69 billion VND, equals to 134.18% of 2021, profit after tax reached 610.75 billion VND, which is 10.52 times higher than the 2021. The reason for this sudden profit growth is mainly due to the fact that in the period KBC recorded dividend income distributed from subsidiaries.

+ Cost factors

In 2022, KBC's total financial, selling and administrative expenses were 1,105.77 billion VND, decreased 54.10 billion VND and equals to 95.24% of 2021. Of which interest expense was 522,86 billion VND, increased 8.79% of 2021; selling expenses and other related expenses were 57.10 billion VND, equals to 17.74% of 2021, this cost decreased sharply, confirming that KBC used the cash flow economically and effectively; In addition, administrative expenses increased by 8.38% of 2021 due to the Corporation's salary increase for employees. Thus, in 2022, it can be seen that KBC always managed its cash flow well, still ensured a better life for its employees, and continued to share social responsibilities in the context of macroeconomic difficulties.

Unit: VND Billion

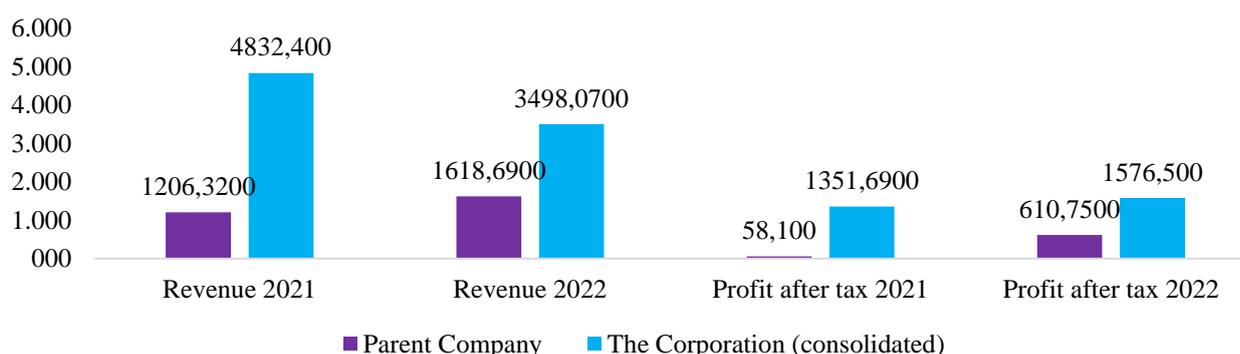


Chart of Revenue – Profit of Parent Company and the Corporation in 2021 -2022

2. Project investment activities in 2022

As at December 31st 2022, the Corporation was owning and co-managing projects with a total land fund of 6,386.54 ha of industrial park land, 1,262.8 ha of urban area land and 78.9 ha of housing projects, machinery, factories and social housing concentrated in all three regions of the North - Central - South. In which, in 2022, the Corporation's industrial park land fund increased by 1,255.8 hectares, an increase of 23.37% of 2021, mainly concentrated in Long An and Bac Giang.

In 2022, the total value of direct investment in KBC's projects was 1,768.89 billion VND, increasing by 23.17% of 2021, the key investments are as follows:

- Nam Son - Hap Linh Industrial Park has invested 247.51 billion VND to invest in infrastructure, build a clean water factory and a wastewater treatment plant.
- Quang Chau Industrial Park has invested 222.4 billion VND to build infrastructure, perform land compensation, build a clean water plant phase 3 with a capacity of 10,000m³/day and night, build a clean water plant phase 4 with a capacity of 12,000m³/day and a wastewater treatment plant phase 3 with a capacity of 10,000m³/day.
- Trang Due Industrial Park and Urban Area have invested 70.32 billion VND to complete the infrastructure.
- Tan Phu Trung Industrial Park has invested 171.57 billion VND to perform land compensation and build infrastructure (ground levelling, road construction, water supply and drainage, lighting electricity, trees, etc.).
- Joint venture with Evergreen Bac Giang Investment Sustainable Development Joint Stock Company to implement the Nenh Town Social Housing Project, which has invested 348.59 billion VND.
- Trang Cat Urban Area has increased investment costs by 434.35 billion VND including interest capitalization and leveling of about 80 ha.
- Tan Tap Industrial Park has invested 128.15 billion VND in project establishment costs and other expenses.

3. Implementation of investment attraction in 2022 and prospects in 2023

+ Implementation in 2022

The total area of industrial land for lease in 2022 and recorded revenue was 43.44 ha. In which, it was mainly recorded from Tan Phu Trung Industrial Park for 16.9 ha, Nhon Hoi A Industrial Park for 16.6 ha, etc.

In particular, the Corporation increased its ownership rate in Saigon - Da Nang Investment Corporation from 19.5% to 48%. After the transaction, KBC recorded the difference between the net asset value and the original cost of this investment as 2,182.34 billion VND. This was the strategy of the Board of Directors with the goal of increasing the ownership ratio to create added value for shareholders as well as expand the investment and development prospects in the central Vietnam.

+ Investment attraction prospect in 2023

A series of land lease agreements up to 107 ha in Quang Chau Industrial Park and Nam Son- Hap Linh Industrial Park with a total value of nearly 3,540 billion VND signed in 2022 were officially signed Land lease contracts in early 2023 to record and collect revenue right at the beginning of 2023, helping the Corporation to ensure cash flow for business activities, make payment on time and buy back all outstanding bonds as at December 31st 2022, including the land sublease contract for an area of 45.1 ha in Quang Chau Industrial Park with the newly legal entity to invest in Vietnam of Foxconn Group.

KBC had a good start in 2023, on February 15th 2023 KBC continued to sign a memorandum of understanding on the sublease of 62.7 ha of land in Nam Son - Hap Linh Industrial Park with Goertek Group. Currently, KBC is also working with a number of large investors who want to invest in the Corporation's projects in Long An (Phuoc Vinh Dong 1~4, Loc Giang Industrial Park), Hung Yen (Kim Dong - Chinh Nghia - An Thi industrial clusters), Hai Phong (Trang Due 3 Industrial Park).

In addition, in the first months of 2023, KBC continuously co-organized, chaired, and participated in a series of investment promotion conferences and seminars including: China Electronic Industries Investment Promotion Conference in Bac Ninh on March 28th 2023; Conference on investment connection of Chinese electronics (telephone) industries in Bac Ninh on April 12th, 2023; Investment promotion conference with Taiwanese electronic enterprises in Bac Ninh on April 17th, 2023; Participating in the event "Meet Korea in the North of Vietnam in 2023" in Bac Ninh on May 17th -18th, 2023 and a series of investment events held in Vietnam by agencies and central ministries to promote Vietnam's investment environment and attract investment from China, Taiwan, India, France, the Netherlands, Australia, etc.

Thus, it can be said that although the macroeconomic context of 2023 has not clearly reflected positive signs, within KBC's business area, we also can see many positive signals. Provinces such as Bac Ninh, Long An, etc are all committed to strong administrative reform, building a safer, more attractive, transparent and favorable investment environment; At the same time, it is expected that FDI enterprises are willing to share information, strategic vision, enrich themselves and contribute to the sustainable development of the province. Therefore, KBC forecasts that 2023 is a promising year in attracting FDI of Vietnam in general and of KBC in particular.

4. Financial situation

The indicators of short-term liquidity ratio and quick payment ratio decreased sharply compared to 2021 due to a significant increase in debts transferred from long-term to short-term (mainly bonds due in the first 6 months of 2023 with a total value of 2,900 billion VND). Meanwhile, 2022 is a difficult year in terms of cash flow from all channels for most businesses due to the influence of macroeconomic policies (difficulty in issuing new shares, bonds, difficulty in accessing to financial resources, bank loans, shortfall in cash flow from operating activities, etc.). However, KBC still ensures short-term debt repayment capacity and cash flow from business activities of signed land lease agreements ensures the ability to pay debts due in the first 6 months of 2023. As at the end of May 2023, KBC has completed the payment on time and repurchased all the outstanding private placement bonds with a total value of 2,400 billion VND, and early redeemed a part of the publicly issued bonds with a value of 342.72 billion VND out of a total of 750 billion VND that KBC offered to buy back before maturity.

As at December 31st, 2022, KBC's total assets were structured as: 48.88% debt and 51.12% equity. The capital structure ratio in 2022 did not change much compared to 2021, this is a fairly balanced structure ratio between Debt - Capital - Assets. Particularly, KBC's Debt/Total Asset ratio was only 21.88%, which is a very good debt ratio compared to other companies

in the same industry.

Other financial indicators all reflect a stable financial situation, below are details of key financial indicators of KBC.

+ **Key Financial indicators:**

Indicators	2021 <i>Re-presentation</i>	2022
1. Liquidity		
+ Short-term liquidity ratio <i>(Current assets/Current liabilities)</i>	3.94	2.59
+ Quick ratio <i>(Current assets - Inventory)/Current Liabilities</i>	2.18	1.44
2. Capital structure		
+ Debt/Total assets ratio (%)	46.55%	48.88%
+ Debt/Equity ratio (%)	87.11%	95.60%
+ Loan debt/Total assets ratio (%)	22.75%	21.88%
3. Operational capacity		
+ Inventory turnover <i>(Cost of goods sold/Average inventory)</i>	0.15	0.06
+ Net revenue/Total assets	13.07%	2.74%
4. Profitability		
+ Profit after tax/Net revenue	31.83%	165.90%
+ Profit after tax/Total revenue	27.97%	45.07%
+ Profit after tax/Equity	8.16%	8.83%
+ Profit after tax/Total assets	4.36%	4.52%
+ Profit from business activities/Net revenue	44.47%	177.47%

+ **Debt Situation**

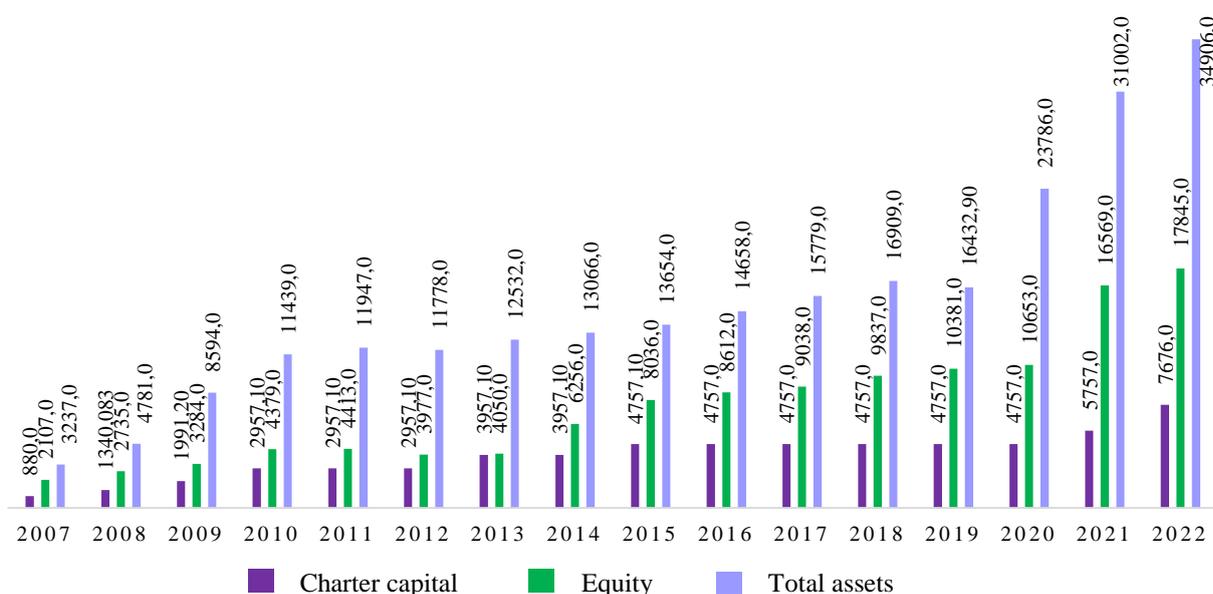
- As at December 31st 2022, KBC's total liabilities was **17,060.99** billion VND, increasing **2,628.37** billion VND compared to 2021. Of which, prepaid customers accounted for 47.7%, borrowing from banks accounted for 22.2%, payable to suppliers accounted for 11.4%, payable accounted for 8.4% of the total increase in liabilities. This is an optimistic Debt structure, largely due to customer prepayment.

- In **17,060.99** billion VND of liabilities, the real debt and interest of the whole Corporation was **9,398.81** billion VND, increasing 10.8% compared to 2021. Mainly of which was **3,900** billion VND in Bond, **3,356.92** billion VND in Bank loan, **1,760.35** billion VND in interest payable to PVcombank.
- Total Actual debt of the Corporation including principal and interest was **9,398.81** billion VND, the ratio of Actual debt to total assets was **26.93%**; Actual debt/equity ratio was **52.67%**. This is a safe debt ratio for a large-scale real estate business like KBC and was almost unchanged compared to 2021.
- During 2022, KBC made repayment of principal and interest up to 1,955.32 billion VND in the context of difficulty in accessing credit sources and did not issue bonds and shares to raise capital. Until the end of 2022, the Corporation only acquired a few small-scale bank loans.
- The Corporation has no bad debt; is unaffected by exchange rate differences; and is unaffected by interest difference (all KBC's loan interests are in line with the general rate of real estate lending interest rate in the market). The current loan interest rate is from 8.9% to 14%, of which some loans incurred at the end of 2022 have an interest rate of 14% because the general interest rate level in the market has increased quite strongly at the end of the year.

+ Size of capital and assets

As at **December 31st, 2022**, the Corporation's total assets/ capital resources reached 34,906.51 billion VND, a net increase of 3,904.67 billion VND equaling 11.26% compared to 2021. The net growth in total assets mainly due to prepayment of deposits by KBC's customers in Quang Chau Industrial Park, Nam Son Hap Linh Industrial Park by 1,254.31 billion VND, net debt increased by 584.1 billion VND, payable expenses increased by 329 0.8 billion VND and equity increased by 1,276.29 billion VND due to profit after tax.

Growth chart of Equity and Assets since listing in the stock market



II. CORPORATE MANAGEMENT & SOCIAL RESPONSIBILITIES

1. Corporate Governance

KBC always complies with the regulations on corporate governance for listed companies, the information provided on the stock market is transparent, clear and timely. KBC regularly participates in programs to exchange and update information from competent state management agencies such as the State Securities Commission, the Ho Chi Minh City Stock Exchange, Tax Department, Ministry of Finance, etc.

Regarding investor relations, KBC always actively publishes updated information about the company's operation on the Corporation's website and other mass media. KBC is always ready to provide information accurately, in accordance with the law and in a timely manner at the specific request of investors who are individuals/organizations by online and in person.

2. Personnel

+ Number of employees

- The total number of employees as at December 31st, 2022 of the parent company was 210 people, a net increase of 6 people compared to 2021.
- The total number of employees of the Corporation as at December 31st, 2022 was 554 people, a net increase of 6 people compared to 2021.

+ Policy on recruitment and use of personnel

Issued based on the principles of efficiency and fairness, the policy of KBC aims to ensure the right person for the right job with the highest efficiency. The Corporation's recruitment motto is to attract talented people, recruit the right people according to prescribed standards and arrange the right jobs to promote the capacity and forte of employees. KBC always creates all conditions for each individual to develop their career and develop a professional workforce for the Corporation.

+ Salary, bonus and allowance regime

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 staff in 2022 reached 21.8 million VND/person/month, increasing 15.6% compared to 2021.

Employees are entitled to leave according to the Labor Code. The Company's employees are entitled to allowances depending on the nature of their work such as: Responsibility allowance, part-time allowance, travel allowance, monthly phone subscription fee, etc.

The Corporation organizes a kitchen at the office, periodical health check-up at a reputable hospital for all employees; 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. Every year, KBC often organizes a vacation trip for all employees as well as many other team-building activities that play a role in connecting and building the solidarity of all employees of the Corporation.

The Corporation always ensures to maintain the salary and bonus policy, adequate welfare regimes for employees. Especially, in the difficult period of the 2020-2022 economy,

KBC still ensured that no one had a salary reduction and no staff reduction. Every year, the bonus level that the company rewards its employees is from 3 to 5 months' salary.

3. Social responsibilities

In 2022, the Corporation spent 80.3 billion VND to implement and support social activities in the provinces of Bac Ninh, Bac Giang, Hai Phong, Quang Ninh, and Ho Chi Minh City such as: Bac Ninh Provincial Disaster Prevention Fund; Fund for the poor; Study Promotion Fund in Bac Ninh; The Foundation hopes to support orphans, disabled, terminally ill children, etc.

III. BUSINESS PLAN FOR 2023

1. Tasks to implement business investment plans in key projects in 2023

- + Nam Son - Hap Linh Industrial Park: Continue to compensate and complete the infrastructure (108.3 ha), complete the clean water supplying plant, wastewater treatment plant, etc. to hand over the land to the investor signed a memorandum of understanding and ready the land fund to attract new investors.
- + Expanded Quang Chau Industrial Park: Focus on completing compensation and infrastructure with the remaining 38.1 ha and attracting investment to reach 100% occupancy rate.
- + Tan Phu Trung Industrial Park: Continue to compensate 100% of the project area (33.2 ha), with the advantage of available land fund, limited supply in the area, large investor demand, so This industrial park will take its advantages to attract high-quality customers with high profitability, create a solid financial foundation - experience - high reputation to continue implementing new projects in Long An.
- + Trang Due Industrial Park 3: Complete procedures for approval of investment policy for the project expected in the third quarter of 2023; Prepare financial resources to be ready to immediately implement the compensation plan when the project is approved.
- + Trang Due Urban Area: Continue to complete 28 villas and hand over the last 83 villas equivalent to 1.27 ha in 2023.
- + Trang Cat urban area: Focus on ground leveling and building infrastructure to be ready for business or business cooperation.
- + Phuc Ninh urban area: Focus on completing legal procedures to hand over to investors who have booked, and record revenue in 2023; Continue to compensate, deploy investment and build technical infrastructure of the project.
- + For social housing projects and resettlement areas: Implement construction investment plans and arrange capital for social housing projects in Trang Due urban area of 3.13 ha; Tan Phu Trung residential area; Resettlement Areas in Long An; Management and development of social housing project in Nenh town, Bac Giang by a Subsidiary Company named Saigon - Hai Phong Industrial Park Corporation which is a joint venture partner of the project.

- + In addition, KBC also has 2 projects: Quang Yen Electronic Factory, Agricultural Machinery Spare Parts Factory in Quang Ninh with a total scale of more than 60.7 ha. The project is in progress of site clearance compensation and leveling, which is expected to be the Corporation's new business strategy based on industrial park development.

2. Capital arrangement plan:

Currently, KBC has a series of industrial parks, urban areas in Long An, Hung Yen, Hai Phong, etc. should be put into construction. However, the Board of Directors of KBC has implemented a strategy of prioritizing financial resources to pay on time and buy back all outstanding Bonds as at December 31st, 2022, and invest in New large industrial zones approved for KBC and its subsidiaries. With the prestige of the Corporation when always ensuring benefits for Investors, partners, especially Banks and Bondholders, therefore, in the first quarter of 2023, banks, investment funds and a number of financial institutions continuously raised the issue of arranging capital for KBC in the context of the difficult economic situation while the monetary policy has not been eased. Currently, KBC is also implementing appropriate capital arrangement plans to put projects into investment and construction.

3. Plan for revenue and profit in 2022:

The Corporation's consolidated business plan for 2023 has been approved by the second Extraordinary General Meeting of Shareholders in 2022 on December 28th, 2022 and the Board of Directors has no plan to change, specifically as follows:

- + Total consolidated revenue is expected to be: **9,000** billion VND.
- + Total consolidated profit after tax is expected to be: VND **4,000** billion VND.

Recipients:

- The shareholders;
- Members of Board of Directors;
- Members of Executive Board;
- Members of Supervisory Board;
- Stored: Admin.

**KINH BAC CITY DEVELOPMENT
HOLDING CORPORATION
CHIEF EXECUTIVE OFFICER**

(Signed)

NGUYEN THI THU HUONG