

No: 2506/2022/KBC/BB-DHDCD

*Bac Ninh, June 25<sup>th</sup>, 2022*

**MEETING MINUTES**  
**THE 2022 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

- Corporation Name** : **Kinh Bac City Development Holding Corporation - JSC**
- Address** : Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh
- Business registration certificate** : Business Registration Certificate No. 23.00.233993 first issued on 27/03/2002, the 17<sup>th</sup> change on 12<sup>th</sup> October 2021, issued by Department of Planning and Investment of Bac Ninh Province.
- Meeting time** : Starting at 9:00 AM, 25<sup>th</sup> June 2022.
- Meeting location** : Kinh Bac Building - Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh
- Content of meeting** : According to the agenda of the 2022 Annual General Meeting of Shareholders approved by the General Meeting of Shareholders.
- Voter eligibility report** : Number of Attendees: **133** (including shareholders and their authorized representatives)  
Number of Shareholders authorized: **16**  
Representing: **364.905.942** shares, which are equivalent to **364.905.942** votes (Each ordinary share has one vote), accounting for: **63,3835%** of the total number of votes of all shareholders of the Corporation
- Participants** : All shareholders named in the list of shareholders finalized on May 19<sup>th</sup> 2022 provided by Vietnam Securities Depository (VSD).
- Chairman of the Meeting** : Mrs Nguyen Thi Thu Huong – Member of BOD cum Chef Executive Officer
- Secretary of the Meeting** : Ms Tran Thi Thu Ha – Head of the Secretary Committee

## PART A. MEETING OPENING

### I. Declaring the reason and the meeting opening

The Meeting performed the following procedures:

- Singing National Anthem;
- Declaring reasons for the opening;
- Introducing the participants of the Meeting: Members of BOD, Executive Board, Supervisory Board, Advisory partner - FPT Securities and shareholders of the corporation.

### II. The legitimacy and validity of the Meeting

Mr Nguyen Hong Quan - Head of Shareholders Eligibility Committee announced the voter eligibility report at the meeting as follows:

Total number of voting shares of the Company: **575,711,167** shares.

At **9:01** am on June 25<sup>th</sup>, 2022:

**Number of Attendees: 113** (including shareholders and their authorized representatives)

**Number of Shareholders authorized: 13**

**Representing: 364,527,997 shares, which are equivalent to 364,527,997 votes (Each ordinary share has one vote), accounting for: 63.3179% of the total number of votes of all shareholders of the Corporation**

Pursuant to the Law on Enterprises, the Charter on organization and operation of Kinh Bac City Development Holding Corporation, **the Meeting was eligible to proceed.**

### III. Introducing the Presidium, Secretary Committee and voting on the members of the Vote Counting Committee

The Organizing Committee introduced the members of the Presidium:

#### The Presidium:

- Mr Dang Thanh Tam - Chairman of the BOD (attended online meeting);
- Mrs Nguyen Thi Thu Huong - Member of the BOD, CEO
- Mr Huynh Phat - Member of the BOD
- Ms Dang Nguyen Quynh Anh - Member of the BOD
- Ms Nguyen My Ngoc - Deputy General Manager
- Mr Pham Phuc Hieu - Deputy General Manager

Pursuant to Power of Attorney No. 2206/2022/KBC/UQ dated June 22th 2022 of Mr. Dang Thanh Tam - Chairman of the Board of Directors authorized Mrs Nguyen Thi Thu Huong – Member of BOD cum Chef Executive Officer, to be the Chairman, manage the General Meeting and issue the Minutes and Resolutions of the 2022 AGM.

**Mrs Nguyen Thi Thu Huong – Chairman of the Meeting** introduced the members of the Secretary Committee and the Vote Counting Committee:

#### The Secretary Committee of the Meeting:

- Ms Tran Thi Thu Ha - Head of the Secretary Committee
- Ms Nguyen Thi Thuy Anh - Member
- Mr Luu Hai Vu - Member

**The Vote Counting Committee:**

- Mr Mai Tuan Dung - Head of the Vote Counting Committee
- Ms Nguyen Bich Ngoc - Member
- Mr Nguyen Duc Giang - Member

**Mrs Nguyen Thi Thu Huong – Chairman of the Meeting** consulted with the Meeting to vote on the members of the Vote Counting Committee.

**The Meeting approved on the members of the Vote Counting Committee.**

**PART B. THE MEETING PROGRESSION**

**I Voting on the Content of the Meeting and the Code of Conduct and Voting regulations of the meeting**

The Meeting listened to Mr. Luu Hai Vu – The representative of the Secretary Committee presenting the Agenda of the meeting and the Code of Conduct and Voting regulation at the 2022 Annual General Meeting of shareholders.

Details of the document have been sent to shareholders/representatives of shareholders attending the meeting.

**The Meeting approved on the Agenda of the Meeting and the Code of Conduct and Voting regulations of the meeting.**

**II The reports and submissions at the Meeting**

1. The Meeting listened to representatives of Board of Directors, Supervisory Board and Executive Board of the corporation presenting reports and submissions at the meeting as follows:

- Mr. Dang Thanh Tam – Chairman of the Board of Directors reported on the performance in 2021 and the proposed plan for 2022 of the Board of Directors according to Report No: 01/2022/KBC/BC-HDQT
- Mrs. Nguyen Thi Thu Huong – Member of the Board of Directors, CEO reported on the business performance in 2021 and the operating plan for 2022 of the Executive Board according to Report No: 02/2022 /KBC/BC-BTGDD
- Mrs. Nguyen Bich Ngoc – Head of Supervisory Board reported on supervisory activities in 2021 of Supervisory Board according to Report No: 03/2022/KBC/BC-BKS
- Ms. Dang Nguyen Quynh Anh –Member of the Board of Directors presented the submission No. 2506-1/2022/KBC/TT-HDQT to the 2022 Annual General Meeting of Shareholders and submission No. 2506-2/2022/KBC/TT-HDQT approving the transaction policy between related parties.

2. Immediately after the presentation of reports and submissions, the General Meeting conducted voting through online form (electronic voting) and voted directly into the ballot box.

3. At the meeting, Mrs. Nguyen Thi Thu Huong – Chairman of the Meeting moderated the 2022 AGM to discuss issues related to business activities in 2021, plan for 2022 and other contents under the authority of the General Meeting of Shareholders.

The Presidium received questions from shareholders sent online and asked directly at the General Meeting. On behalf of the Board of Directors and Executive Board of the Corporation, Mr. Dang Thanh Tam - Chairman of the Board of Directors answered questions from shareholders regarding the following issues:

- The development potential of KBC, the plan to continue to expand industrial park projects, the goal of increasing equity to meet the requirements for selecting the investors of large projects

and the selection criterias of the big investors. Currently, the Corporation is looking for partners and foreign investment funds who want to stick with the Corporation for a long time to privately issue 150 million shares according to the resolution approved by Extraordinary General Meeting of Shareholders.

- The problems caused by the Law on Planning, adjusting the local planning in the localities affect most of the expansion investment projects. At the same time, he also mentioned the advantages of Decree No. 35/2022/ND-CP regulating the management of industrial parks and economic zones.

In addition, some shareholders expressed their confidence in KBC after hearing the CEO's report on the Corporation's investment attraction recently, for example in Quang Chau Industrial Park, which expanded its scale to 90 ha, has already had investors in the high-tech field who are willing to rent out the entire area of the project.

4. The vote counting results for each content were reported at the General Meeting by Mr. Mai Tuan Dung - Head of the Vote Counting Committee.

The total number of shareholders attending the meeting (online, in person or authorizing) according to the results of Voter Eligibility Committee updated to 10:42 am on June 25<sup>th</sup>, 2022 was:

Number of Attendees: **133**

Number of Shareholder authorized: **16**

Representing: **364,905,942** shares, being equivalent to **364,905,942** votes (Each ordinary share has one vote), account for: **63.3835%** of the total number of votes of all shareholders of the Corporation

- Total voting ballots issued: **133** representing for: **364,905,942** votes, account for: **100.0000%** on total number of votes of attending shareholders.
- Total voting ballots counted: **118**, representing for: **364,759,307** votes, account for: **99.9598%** on total number of votes of attending shareholders.
- Total shareholders did not cast the vote: **15**, representing for: **146,635** votes, account for: **0.0402%** on total number of votes of attending shareholders.

## 5. Detailed vote counting results for each content:

### 5.1. Approved Report on the performance in 2021 and the proposed plan for 2022 of the Board of Directors (Report No. 01/2022/KBC/BC-HDQT)

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **117** voting ballots, representing: **364,758,707** votes, accounting for: **99.9597%** the total number of votes attending the meeting.

Dis-approval: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

No-opinion: **1** voting ballots, representing: **600** votes, accounting for: **0.0002%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

**Thus, the Meeting approved Report on the performance in 2021 and the proposed plan for 2022 of the Board of Directors with 99.9597% approval.**

**5.2. Approving Report on the business performance in 2021 and the operating plan for 2022 of the Executive Board ( Report No. 02/2022/KBC/BC-BTGD)**

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **116** voting ballots, representing: **364,758,607** votes, accounting for: **99.9596%** the total number of votes attending the meeting.

Dis-approval: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

No-opinion: **2** voting ballots, representing: **700** votes, accounting for: **0.0002%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

**Thus, the Meeting approved Report on the business performance in 2021 and the operating plan for 2022 of the Executive Board with 99.9596% approval.**

**5.3. Approving Report on supervisory activities in 2021 of Supervisory Board (Report No. 03/2022/KBC/BC-BKS)**

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **117** voting ballots, representing: **364,758,707** votes, accounting for: **99.9597%** the total number of votes attending the meeting.

Dis-approval: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

No-opinion: **1** voting ballots, representing: **600** votes, accounting for: **0.0002%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

**Thus, the Meeting approved Report on supervisory activities in 2021 of Supervisory Board with 99.9597% approval.**

**5.4. Approving the 2021 Financial Statements of Kinh Bac City Development Holding Corporation, which were audited in accordance with the prescribed accounting standards by Ernst & Young Vietnam Co., Ltd.**

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **117** voting ballots, representing: **364,759,207** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Dis-approval: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting..

No-opinion: **1** voting ballots, representing: **100** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

**Thus, the Meeting approved the 2021 Financial Statements of Kinh Bac City Development Holding Corporation, which were audited in accordance with the prescribed accounting standards by Ernst & Young Vietnam Co., Ltd. with 99.9598% approval.**

**5.5. Approving the business performance of corporation in 2021 and Report on stocks issuance plan to increase charter capital from owner's equity as the annual GMS No. 1004/2021/KBC/NQ-DHDCD dated 10th April 2021 and the distribution of profits after tax in 2021 (section IV, Submission No. 2506-1/2022/KBC/TT-HDQT)**

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **116** voting ballots, representing: **364,758,507** votes, accounting for: **99.9596%** the total number of votes attending the meeting.

Dis-approval: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

No-opinion: **2** voting ballots, representing: **800** votes, accounting for: **0.0002%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

**Thus, the Meeting approved the business performance of corporation in 2021 and Report on stocks issuance plan to increase charter capital from owner's equity as the annual GMS No. 1004/2021/KBC/NQ-DHDCD dated 10th April 2021 and retain profits after tax in 2021 for reinvestment with 99.9596% approval.**

**5.6. Approving the selection of the independent auditing company to audit the 2022 financial statements (section VI, Submission No. 2506-1/2022/KBC/TT-HDQT)**

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **109** voting ballots, representing: **356,832,397** votes, accounting for: **97.7875%** the total number of votes attending the meeting.

Dis-approval: **3** voting ballots, representing: **1,922,930** votes, accounting for: **0.5270%** the total number of votes attending the meeting.

No-opinion: **6** voting ballots, representing: **6,003,980** votes, accounting for: **1.6453%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes

attending the meeting.

**Thus, the Meeting approved the selection of the independent auditing company to audit the 2022 financial statements with 97.7875% approval.**

**5.7. Approving the total remuneration payment for the Board of Directors, the Supervisory Board, the salary, bonuses for the Head of Supervisory Board and the salary report of the Executive Board (Section VII Submission No. 2506-1/2022/KBC/TT-HDQT)**

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **117** voting ballots, representing: **364,759,207** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Dis-approval: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting..

No-opinion: **1** voting ballots, representing: **100** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

**Thus, the Meeting approved the total remuneration payment for the Board of Directors, the Supervisory Board, the salary, bonuses for the Head of Supervisory Board and the salary report of the Executive Board with 99.9598% approval.**

**5.8. Approving the plan to pay remuneration, salary, bonus and operating expenses to the Board of Directors, Supervisory Board and Specialized Head of Supervisory Board in 2022 (Section VIII Submission No. 2506-1/2022/KBC/TT-HDQT)**

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **117** voting ballots, representing: **364,759,207** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Dis-approval: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting..

No-opinion: **1** voting ballots, representing: **100** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

**Thus, the Meeting approved the total remuneration payment for the Board of Directors, the Supervisory Board, the salary, bonuses for the Head of Supervisory Board and the salary report of the Executive Board with 99.9598% approval.**

**5.9. Approving the amendment and supplementation of the Charter of Organization, Internal Regulations on Corporate Governance, Working Regulation of the Board of Directors (Section IX Submission No. 2506-1/2022/KBC/TT-HDQT)**

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **116** voting ballots, representing: **364,747,207** votes, accounting for: **99.9565%** the total number of votes attending the meeting.

Dis-approval: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting..

No-opinion: **2** voting ballots, representing: **12,100** votes, accounting for: **0.0033%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

**Thus, the Meeting approved the amendment and supplementation of the Charter of Organization, Internal Regulations on Corporate Governance, Working Regulation of the Board of Directors with 99.9565% approval.**

#### **5.10. Approving the policy of transactions between related parties (Submission No. 2506-2/2022/KBC/TT-HDQT)**

**The AGM voted on the above content and the results are as follows:**

Valid: **118** voting ballots, representing: **364,759,307** votes, accounting for: **99.9598%** the total number of votes attending the meeting.

Approval: **96** voting ballots, representing: **349,489,637** votes, accounting for: **95.7753%** the total number of votes attending the meeting.

Dis-approval: **18** voting ballots, representing: **13,965,070** votes, accounting for: **3.8270%** the total number of votes attending the meeting.

No-opinion: **4** voting ballots, representing: **1.304.600** votes, accounting for: **0.3575%** the total number of votes attending the meeting.

Invalid: **0** voting ballots, representing: **0** votes, accounting for: **0.0000%** the total number of votes attending the meeting.

**Thus, the Meeting approved the policy of transactions between related parties with 99.7753% approval.**

### **PART C. VOTING ON THE MINUTES AND RESOLUTION OF THE MEETING**

Ms Tran Thi Thu Ha – Head of the Secretary Committee presented the Minutes and Draft of Resolutions of the 2022 Annual General Meeting of shareholders.

**The Meeting agreed and approved on the Minutes and Draft of Resolution.**

This Minutes was drafted at 11:50 am on June 25<sup>th</sup> 2022.

The meeting concluded at 12:05 pm on the same day.

**CHAIRMAN OF THE MEETING**

**SECRETARIES**

**(Signed)**

**(Signed)**

**NGUYEN THI THU HUONG**

**TRAN THI THU HA**

No.: 2506/2022/KBC/NQ-DHDCD

Bac Ninh, 25th June 2022

**RESOLUTION**

**THE 2022 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

***Pursuant to:***

- *Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June 17th 2020, amended and supplemented by Law No. 03/2022/QH15 approved by the National Assembly of the Socialist Republic of Vietnam on January 11th, 2022 and guiding documents;*
- *Securities Law No. 54/2019/QH14 passed by the National Assembly of the Socialist Republic of Vietnam dated November 26th, 2019;*
- *Charter on organization and operation of Kinh Bac City Development Holding Corporation;*
- *2022 AGM's Meeting minutes of Kinh Bac City Development Holding Corporation No: 2506/2022/KBC/BB-DHDCD dated 25th June 2022.*

The 2022 Annual General Meeting of Shareholders (AGM or GMS) of Kinh Bac City Development Holding Corporation discussed and voted for approval of these following issues:

**ARTICLE 1: APPROVING THE REPORT ON THE PERFORMANCE IN 2021 AND THE PROPOSED PLANS FOR 2022 OF THE BOARD OF DIRECTORS**

GMS approved GMS the Report No. 01/2022/KBC/BC-HDQT on the performance in 2021 and the proposed plan for 2022 of the Board of Directors which was proposed in the meeting and attached to this resolution.

***Approving votes counted: 364,758,707 voting shares, at the rate of 99.9597% shares that had the voting right which participated in the AGM.***

**ARTICLE 2 : APPROVING THE REPORT ON BUSINESS PERFORMANCE IN 2021 AND OPERATING PLAN FOR 2022 OF THE EXECUTIVE BOARD.**

GMS approved the Report No. 02/2022/KBC/BC-BTGD on the business performance in 2021 and the operating plan for 2022 of the Executive Board which was proposed in the meeting and attached to this resolution.

***Approving votes counted: 364,758,607 voting shares, at the rate of 99.9596% shares that had the voting right which participated in the AGM***

**ARTICLE 3: APPROVING THE REPORT ON SUPERVISORY ACTIVITIES IN 2021 OF SUPERVISORY BOARD**

GMS approved the Report No. 03/2022/KBC/BC-BKS on supervisory activities in 2021 of Supervisory Board which was proposed in the meeting and attached to this resolution.

*Approving votes counted: 364,758,707 voting shares, at the rate of 99.9597% shares that had the voting right which participated in the AGM*

**ARTICLE 4: APPROVING THE 2021 FINANCIAL STATEMENTS OF KINH BAC CITY DEVELOPMENT HOLDING CORPORATION AUDITED BY ERNST & YOUNG VIETNAM CO., LTD**

GMS approved the 2021 Financial Statements of Kinh Bac City Development Holding Corporation were audited in accordance with the prescribed accounting standards by Ernst & Young Vietnam Co., Ltd. at section IV, Submission No. 2506-1/2022/KBC/TT-HDQT which was proposed in the meeting and attached to this Resolution.

*Approving votes counted: 364,759,207 voting shares, at the rate of 99.9598% shares that had the voting right which participated in the AGM*

**ARTICLE 5: APPROVING THE BUSINESS PERFORMANCE OF THE CORPORATION IN 2021 & REPORT ON STOCKS ISSUANCE PLAN TO INCREASE CHARTER CAPITAL FROM OWNER'S EQUITY AS THE ANNUAL GMS NO. 1004/2021/KBC/NQ-DHDCD DATED 10TH APRIL 2021 AND THE DISTRIBUTION OF PROFITS AFTER TAX IN 2021.**

GMS approved the business performance of corporation in 2021 and Report on stocks issuance plan to increase charter capital from owner's equity as the annual GMS No. 1004/2021/KBC/NQ-DHDCD dated 10th April 2021 and retain profits after tax in 2021 for reinvestment at section V Submission No. 2506-1/2022/KBC/TT-HDQT which was proposed in the meeting and attached to this Resolution.

*Approving votes counted: 364,758,507 voting shares, at the rate of 99.9596% shares that had the voting right which participated in the AGM*

**ARTICLE 6: APPROVING THE SELECTION OF THE INDEPENDENT AUDITING COMPANY IN 2022**

GMS approved the selection of the independent auditing company to audit the 2022 financial statements at Section VI Submission No. 2506-1/2022/KBC/TT-HDQT which was proposed in the meeting and attached to this Resolution.

*Approving votes counted: 356,832,397 voting shares, at the rate of 97.7875% shares that had the voting right which participated in the AGM*

**ARTICLE 7: APPROVING REMUNERATION PAYMENT FOR BOARD OF DIRECTORS, SUPERVISORY BOARD, THE SALARY - BONUS OF THE HEAD OF SUPERVISORY BOARD AND THE SALARY REPORT OF THE EXECUTIVE BOARD**

GMS approved the total remuneration payment for the Board of Directors, the Supervisory Board, the salary, bonuses for the Head of Supervisory Board and the salary report of the Executive Board at Section VII Submission No. 2506-1/2022/KBC/TT-HDQT which was proposed in the meeting and attached to this Resolution.

*Approving votes counted: 364,759,207 voting shares, at the rate of 99.9598% shares that had the voting right which participated in the AGM*

**ARTICLE 8: APPROVING THE PLAN OF REMUNERATION, SALARY, BONUS AND OPERATION EXPENSES FOR BOD, BOS IN 2022**

GMS approved the plan to pay remuneration, salary, bonus and operating expenses to the Board of Directors, Supervisory Board and Specialized Head of Supervisory Board in 2022 at Section VIII Submission No. 2506-1/2022/KBC/TT-HDQT which was proposed in the meeting and attached to this Resolution.

*Approving votes counted: 364,759,207 voting shares, at the rate of 99.9598% shares that had the voting right which participated in the AGM*

**ARTICLE 9: APPROVING THE ALTERING, SUPPLEMENTING THE CORPORATION'S CHARTER; INTERNAL REGULATION ON CORPORATE GOVERNANCE; WORKING REGULATION OF BOD**

GMS approved on the amendment and supplementation of the Charter of Organization, Internal Regulations on Corporate Governance, Working Regulation of the Board of Directors at Section IX Submission No. 2506-1/2022/KBC/TT-HDQT and Appendix of amendments to those documents (Attached to the report) which was proposed in the meeting and attached to this Resolution.

*Approving votes counted: 364,747,207 voting shares, at the rate of 99.9565% shares that had the voting right which participated in the AGM*

**ARTICLE 10: APPROVING THE TRANSACTION POLICY BETWEEN RELATED PARTIES**

GMS approved the policy of transactions between related parties to ensure smooth governance and business activities of the Corporation, avoid omissions related to the implementation of business operation plans; development strategy; capital transfer plan, investment cooperation between companies in the same system; administrative activities; Reporting and disclosure obligations on the stock market of the Corporation, detailed in the Submission No. 2506-2/2022/KBC/TT-HDQT which was proposed in the meeting and attached to this Resolution.

*Approving votes counted: 349,489,637 voting shares, at the rate of 95.7753% shares that had the voting right which participated in the AGM*

The following Resolution takes effect from 25th June 2022. The GMS assigns the Board of Directors, the Management Board and relating parties are responsible for executing the Resolution.

**Recipients:**

- The shareholders;
- SSC, Stock Exchange;
- Members of Board of Directors;
- Members of Executive Board;
- Members of the Board of Supervisors;
- Admin.

**ON BEHALF OF GENERAL MEETING OF  
SHAREHOLDERS**

**CHAIRMAN**

**(Signed)**

**NGUYEN THI THU HUONG**

No.:01/2022/KBC/BC-HDQT

*Bac Ninh, June 03rd 2022*

## **REPORT TO THE GENERAL MEETING OF SHAREHOLDERS**

On the business performance in 2021 and plans for 2022 of the Board of Directors

**Dear our valued shareholders,**

Hereafter, The Board of Directors (BOD) respectfully report to the shareholders about the operation results of the Corporation and the Board of Directors in 2021 as follow:

### **I. GENERAL ASSESSMENT OF KINH BAC CITY DEVELOPMENT HOLDING CORPORATION'S OPERATION RESULTS IN 2021:**

#### **1. On the business activities:**

As you all know, in 2021, although the forecast was believed that the Covid Pandemic would be controlled, economies would recover, in reality, the world economy continued to face many difficulties due to the impact of the pandemic spreading at a rapid pace. In Vietnam, the close guidance of the Government, the drastic intervention of ministries, branches, local authorities and the unremitting efforts of the business community did contribute to stabilizing production activities as well as people's lives in the fourth quarter of 2021. As a result, despite the global slowdown, Vietnam's economy still maintained a positive GDP growth rate of 2.58% in 2021.

One of the bright spots in Vietnam's economic in 2021 is FDI attraction. According to the General Statistics Office, FDI into Vietnam in 2021 reached USD 31.12 billion, increasing 9.2% compared to 2020. This shows that foreign investors are placing great trust in investing in Vietnam. In which, KBC attracted more than USD 3 billion for Vietnam, investors mainly come from high-tech corporations expanding production scale concentrated in Hai Phong and Bac Giang. KBC also has recorded a number of business results as follows:

- Total revenue of the Corporation reached VND 4,420.9 billion, equaling 179.1 % compared to 2020, accounting for 67.0% of the plan.
- Consolidated profit after tax of the Corporation reached VND 953.8 billion, equaling 298.2% compared to 2020 and equivalent to 47.7% compared to the plan. The interests of shareholders of the parent company reached VND 782.3 billion, equal to 349.2 % compared to 2020.

Although the revenue and profit targets of the Corporation did not meet the requirements in the plan, the activities of attracting investment and establishing new projects in the context of general difficulties of the economy are very encouraging. The main reasons are

that the 2021's business plan was set with the expectation that the pandemic would be controlled in 2021, trade activities would take place in the context of the new normal, but in reality, the impact of Covid pandemic was even more serious in 2021 comparing to 2020, causing many major cities and provinces in Vietnam, especially those where the KBC's industrial parks are operating, to be blocked and experienced prolonged social distance. Therefore, despite not reaching the business target, 2021 is still a year where the Corporation made every effort to maintain business growth over the same period in the context of general difficulties of the economy.

**2. On the investment activities:**

In 2021, the total value of direct investment in industrial zones and urban areas 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 affiliates reached VND **3,242** billion (mainly capital contribution to Trang Cat Urban Development Limited Company, Hung Yen Investment and Development Joint Stock Company, Long An Investment and Development Joint Stock Company); Investment activities to contribute capital of subsidiaries to other companies were VND **1,937.4** billion (including capital contribution to Saigon - Nhon Hoi Industrial Park Joint Stock Company, Le Minh Xuan 2 Industrial Park Investment Joint Stock Company), Saigontel Long An Co., Ltd; Long An Investment Development Joint Stock Company, etc.).

**3. On the financial activities:**

The Board of Directors recognized the efforts of the Executive Board in generating cash flows from core business activities, arranging capital sources to fully pay due debts and supplementing capital for business investment activities. During the year, the Corporation paid VND **3,308.5** billion for new loans of total VND **4,640.5** billion. The total outstanding principal and actual interest of the Corporation as of December 31<sup>st</sup>, 2021 was VND **8,458.2** billion, the ratio of actual debt to total assets is 27.73%, which is a safe debt ratio for a business operating in large-scale real estate industry like KBC.

**4. On the Corporate governance:**

KBC always complies with regulations on Corporate governance applied to listed companies. The Corporation frequently participates in information exchanging and updating seminars with State authorities such as State Securities Commission, Ho Chi Minh Stock Exchange, Tax department, Ministry of Finance, etc.

On investor relations activities, KBC always actively publishes information and updates on business activities on the Corporation's website, the mass media and updates directly the administrative and business activities for organizations and individuals who are interested in KBC; always be ready to respond to concerns of Shareholders and Investors when required.

**5. On External Affairs:**

In 2021, the members of the Board of Directors and the Executive Board directly worked with agencies and departments of provinces such as Hai Phong, Hung Yen, Hai Duong, Long An, Vung Tau, Tien Giang, etc. to promote the establishment of new projects and land fund.

The members of the Board of Directors and the Executive Board attended both online and face-to-face conferences to attract FDI into Vietnam in 2021 such as: Attending online seminars on business dialogue and on investment – trade connection, trade cooperation

forums between Vietnam and potential businesses of countries such as Korea, Japan, Taiwan, China, India, Europe organized by the Ministry of Planning and Investment and the Ministry of Industry and Trade; joining the delegation of Vietnamese enterprises to the US and Japan to sign Memorandums of Understanding and Minutes of Business Cooperation.

## **II. ACTIVITIES OF THE BOARD OF DIRECTORS IN 2021:**

Pursuant to the provisions of law and the Corporation's Charter, the Board of Directors performed in accordance with its functions, duties and powers in supervision, direction and in parallel with the Executive Board in making decisions to deal with issues related to business operations plans approved by the 2021 Annual General Meeting of Shareholders and other concerns. The following are the contents that the Board of Directors would like to report to the 2022 Annual General Meeting of Shareholders.

### **1. Remuneration, operating expenses and other benefits of the Board of Directors**

Details of remuneration, operating costs and other benefits of the Board of Directors and each member of the Board of Directors are presented in detail in the General Submission of the Annual General Meeting of Shareholders 2022.

### **2. Meetings, Resolutions, Decisions of the Board of Directors**

In 2021, the Board of Directors held 38 meetings and issued 52 resolutions and decisions of the Board of Directors approving issues on business plan, investment, bond issuance, transactions with related parties, corporate governance, etc.

Meetings of the Board of Directors were convened and organized in accordance with regulations and in the correct order to ensure that the number of members of the Board of Directors participating and the voting contents reached a high consensus rate. The Resolutions were issued in a timely manner to create conditions for the Executive Board to implement to bring benefits to the Corporation.

### **3. Transactions between the Corporation and related parties**

All transactions between the Corporation and related parties were carried out in accordance with the provisions of the Enterprise Law, the Securities Law, the Corporation's Charter and other guiding documents.

In which, all transactions between the Corporation and related parties approved by the Board of Directors were disclosed in accordance with regulations and listed in the Report on Corporate Governance in 2021 and explained in the 2021 audited financial statements.

### **4. Activities of independent member of the Board of Directors and assessments on the activities of the Board of Directors**

The Board of Directors has 01 independent member, Mr. Huynh Phat, out of a total of 05 BOD members. Mr. Huynh Phat has successfully completed his role as an independent member of the Board of Directors for the term 2017 - 2022. In 2021, Mr. Huynh Phat participated in all meetings of the Board of Directors, and his opinions were guaranteed to be independent, control conflicts of interest, protect the interests of the Corporation and Shareholders. In which, when assessing the activities of the Board of Directors in 2021, independent member has the following general comments:

- The Board of Directors worked with a sense of responsibility and transparency in governance, strictly complying with regulations for public companies. The Board of

Directors made timely and flexible decisions to respond to changes in production and business methods due to the impact of the Covid Pandemic.

- The Board of Directors discussed, approved and agreed to issue resolutions according to its authority to implement the management and business activities of the Corporation. In addition, the Board of Directors always directed promptly and closely monitored the activities of the Board of Directors in the implementation of the set strategic business objectives.

#### **5. Supervision activities on Executive Board and Managers:**

The Board of Directors highly appreciates effort from the Executive Board on deploying business plan in 2021, investing and developing projects, arranging capital for the Corporation. The Board of Directors suggests the Executive Board to be more proactive on the deployment of infrastructure of projects that the Corporation is managing, creating available products to meet investors' needs, setting up Investment promotion programs in both direct and online methods; Making detailed plans, commanding departments to promote the establishment of new projects in the provinces: Hai Phong, Hung Yen, Hai Duong, Long An, Vung Tau, Tien Giang, etc; Balancing and using cash flow reasonably, improving the management of risks related to investment and business activities of the Corporation.

The Board of Directors acknowledges the successful completion of the following important tasks that the Executive Board implemented in accordance with the resolutions and directions of the Board of Directors.

- Investment in infrastructure in Nam Son Hap Linh Industrial Park; Quang Chau Industrial Park, Tan Phu Trung Industrial Park; Phuc Ninh Urban Area, Trang Due Urban Area, etc
- Successfully holding the 2021 Annual General Meeting of Shareholders on April 10, 2021.
- Timely adjustment on business methods due to the impact of the Covid epidemic outbreak in Bac Ninh, Bac Giang, Hai Phong and Ho Chi Minh City.
- Completing capital arrangements through credit loans with Vietinbank; the issuance of private bonds, bonds to the public, and the listing of bonds on the HNX in accordance with regulations.
- Completing the private offering of 100 million shares with total net proceeds from the offering of VND 3,408.2 billion, increasing KBC's charter capital from VND 4,757.1 billion to VND 5,757.1 billion.
- Organizing and supervising the strict implementation of the financial reporting regime.
- Supervising the implementation of resolutions issued by the Board of Directors and the General Meeting of Shareholders.
- Working with state agencies in provinces and cities to promote the completion of legal procedures for projects of Phuc Ninh, Trang Cat, Trang Due expansion, Quang Chau expansion, etc.

- Organizing meetings and negotiations with foreign investors in the form of online/in-person.
- Closely supervising the risk management of investment and business activities, cash flow management and appropriate financial planning.

**6. Sub-committees under the Board of Directors:** None

**7. Contents to be reported at the nearest General Meeting of Shareholders**

The Board of Directors has made a full report on the contents related to the private placement of shares and the issuance of bonds in 2021 at the nearest General Meeting of Shareholders, the 1st Extraordinary General Meeting of Shareholders of 2022 held on February 10<sup>th</sup>, 2022.

**III. PROPOSED OPERATING PLAN FOR THE YEAR 2022**

In 2022, the Board of Directors continues the development orientations for the Corporation as follows:

1. Maintaining the Corporation model, the members of the Corporation cooperate to invest and share benefits to develop the model of Industrial Park - Urban Area - Service across the country. In which, KBC will strongly develop residential real estate, entertainment real estate, tourism, international convention center to create a harmonious and sustainable development, especially to meet the demand for real estate investment of multinational corporations when investing in Vietnam or being an investment customer in KBC's industrial park.
2. Promoting investment and developing a diversified customer network in the spirit of "sincerity, trust, responsibility - harmonized benefits, shared risks". Prioritizing international cooperation, focusing on attracting direct investment from high-tech - innovative corporations in the world; Attracting indirect investment from Organizations/Corporations from the United States, Korea, Japan, Taiwan, Hong Kong, Singapore in accordance with the development cooperation orientation with countries of the Vietnamese Government.
3. The parent company and its member companies will merge and increase the ownership rate in projects entering the business cycle to increase benefits for Shareholders.
4. Improving the corporate governance to achieve the Sustainable Development Goals (SDGs) and ensure smooth and efficient operations, healthy development, and compliance with legal regulations.
5. Developing dynamic and high-quality human resources. Developing regulations and policies to create a foundation to maximize the human factor.

Above is the business report in 2021 and proposed plan in 2022 of the Board of Directors.  
**We sincerely submit to the General Meeting of Shareholders for discussion and approval.**

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN**

**Recipients:**

- The shareholders;
- Members of Board of Directors;
- Members of the Board of Supervisors;
- Members of Executive Board;
- Administration Office.

**(Signed)**

**DANG THANH TAM**

No: 02/2022/KBC/BC-BTGD

Bac Ninh, 03rd June 2022

## **REPORT TO ANNUAL GENERAL MEETING OF SHAREHOLDERS**

About Business Results in 2021 and Business Plans for 2022 of

Kinh Bac City Development Holding Corporation

### **Dear our Valued Shareholders!**

Kinh Bac City Development Holding Corporation (KBC) would like to express our greatest gratitude for your presence at the 2021 Annual General Meeting of shareholders.

As you all know, in 2021, the Vietnam's economy in general, and enterprises in particular, especially KBC, were directly affected by the prolonged blockade and social distance. However, KBC overcame the harsh conditions of the pandemic and continued to carry out the mission of attracting FDI into Vietnam. In 2021, KBC attracted more than USD 3 billion, making a significant contribution to foreign exchange reserves of the nation and the process of industrialization and modernization of the country.

On that basis, the Executive Board would like to report to all shareholders on the operation situation of KBC in 2021 and the business plan in 2022 as follows:

### **I. BUSINESS PERFORMANCE IN 2021**

#### **1. Evaluation of annual business results 2021**

##### **Business results of the Corporation:**

*Unit: Billion VND*

<b>Items</b>	<b>2021</b>	<b>2020</b>	<b>Changes</b>
<b>Net revenue from sales of goods and rendering of services</b>	<b>4,246.0</b>	<b>2,150.9</b>	197.4%
Revenue from long-term lease of land	3,035.9	1,537.3	197.5%
Revenue from real estate transfers	514.6	196.2	262.3%
Sales of factories	310.6	33.1	938.4%
Revenue from supply of clean water, electricity, management services, waste water treatment supply, etc	384.9	384.3	100.1%
<b>Revenue from financial activities</b>	<b>169.5</b>	<b>313.7</b>	54.0%
<b>Other income</b>	<b>5.4</b>	<b>3.5</b>	154.3%
<b>Total revenue</b>	<b>4,420.9</b>	<b>2,468.1</b>	179.1%
<b>Total profit after tax</b>	<b>953.8</b>	<b>319.8</b>	298.2%
<b>Profit attributable to shareholders of parent company</b>	<b>782.3</b>	<b>224.0</b>	349.2% <sup>1</sup>

Completing the fiscal year 2021, KBC's Industrial parks have overcome the condition of having to work in the largest blockade areas in the country such as Bac Ninh, Bac Giang, Ho Chi Minh City, etc. KBC still achieved business results which strongly grew comparing to 2020. Specifically, the Corporation's total consolidated revenue reached VND **4,420.9** billion, equaling 179.1 % compared to 2020. In which, revenue from core business activities includes: Land leasing, factory leasing, real estate sales and related services reached VND **4,246.0** billion, equaling 197.4% compared to 2020, accounting for 96% of the Corporation's total revenue. Consolidated profit after tax in 2021 of the Corporation reached VND **953.8** billion, equaling 298.2% compared to 2020, equaling 47.7% of the plan. The profit of shareholders of the parent company reached VND **782.3** billion, equaling 349.2 % compared to 2020.

**Revenue – Profit of parent company and the consolidated corporation:**

*Unit: Billion VND*

Items	Parent company	Consolidated Corporation
<b>Net revenue from sales of goods and rendering of services</b>	<b>1,152.4</b>	<b>4,246.0</b>
Revenue from long-term lease of land	907.8	3,035.9
Revenue from real estate transfers		514.6
Revenue from supply of clean water. electricity. management services. waste water treatment supply, etc	152.8	384.9
Revenue from sales of factories	91.8	310.6
<b>Cost of goods sold and services rendered</b>	<b>489.4</b>	<b>1,778.9</b>
<b>Gross profit from sales of goods and services rendered</b>	<b>663.0</b>	<b>2,467.0</b>
<b>Gross profit margin (%)</b>	<b>57.5 %</b>	<b>58.1%</b>
<b>Revenue from financial activities</b>	<b>51.2</b>	<b>169.5</b>
<b>Other income</b>	<b>2.5</b>	<b>5.4</b>
<b>Total revenue</b>	<b>1,206.1</b>	<b>4,420.9</b>
<b>Total net income</b>	<b>58,1</b>	<b>953,8</b>
<b>Profit attributable to shareholders of parent company</b>		<b>782,3</b>

Thus, in 2021, the Corporation's industrial land leasing business 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, 2.6 times higher than 2020. Factory sales reached VND 310.6 billion , accounting for 7% of total revenue, 9.4 times higher than that of 2020. Revenue from services of providing clean water, wastewater treatment, and warehouse leasing reached VND 384.9 billion, accounting for 8.7% of total revenue, equivalent to 2020, this is the only source of revenue maintaining the stability of the Corporation and this revenue will increase very well in the coming years when the enterprises in the industrial park no longer receive free infrastructure and a number of new clean water supply plants are completed, KBC will not have to buy out the service of providing clean water, which will create a significant increase in revenue compared to the present.

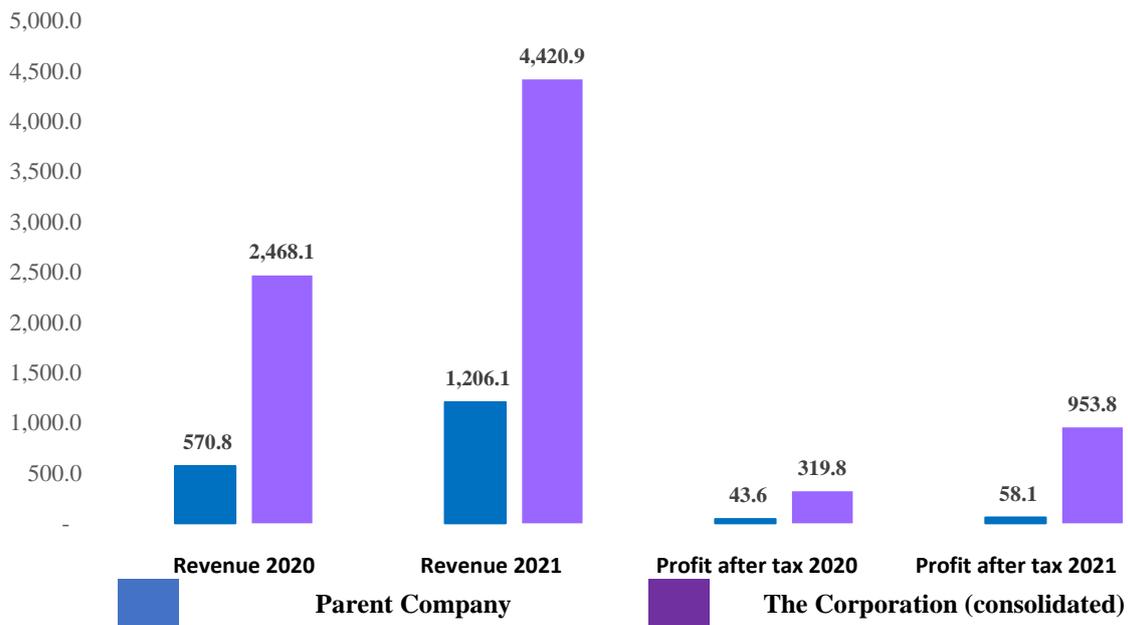
However, the total revenue of the Corporation only reached 66.98% of the plan, the profit after tax of the Corporation reached 47.7% of the plan. The main reason is that the 2021 plan was set out with the expectation that the pandemic would be controlled in 2021, trade activities would be normal, but the impact of the pandemic in 2021 were still be severe, causing many major cities and provinces in Vietnam, especially those where KBC's industrial parks are operating, to be blocked and separated for a long time. Therefore, despite not achieving the business targets, 2021 was still a year where the Corporation made every effort to maintain strong business growth compared to the previous year in the context of general difficulties of the economy.

Regarding urban real estate business: In 2021, Trang Due Urban Area continued to record significant revenue of VND 514.6 billion. For Phuc Ninh Urban Area, KBC is trying very hard together with the Government to complete the legal procedures for the project, to completely solve the outstanding problems for this project in the near future.

#### **Cost factors affecting the profit 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, which was 2.3 times higher than that of 2020. Of which, interest expense was VND 541.3 billion, which was 2.4 times higher than in 2020 and was a factor affecting the profit of the Corporation due to the use of leverage in new projects at the initial stage of establishment; selling expenses and other related expenses were VND 321.9 billion, increasing by 5.8 times higher than in 2020, the rise of this expense was in line with revenue growth; In addition, the management expense increased by 58.3% compared to 2020, which was also considered a reasonable cost because KBC raised its social responsibility sharing, established diplomatic relations to maintain the sustainable development of the Corporation.

## Chart of revenue and profit growth of Parent Company and the Corporation 2020 -2021



### 2. Investment activities in projects in 2021

The Corporation currently owns and co-manages projects with a total land fund of 5,215.8 ha of industrial zone land and 1,177.7 ha of urban area concentrated in all three regions of the North - Central – South of Vietnam. In particular, the newly expanded land fund in 2021 was considered a bright spot in the year, including: Le Minh Xuan 2 Industrial Park - Ho Chi Minh City (319.77 ha), industrial cluster in Hung Yen (225 ha) and some other locations.

The total value of direct investment in industrial zones and urban areas of the Corporation in the year was 1,436.1 billion VND, equal to 31.79% compared to 2020. Specifically, KBC focused on implementing infrastructure investment in infrastructure projects following projects:

- Trang Cat urban area has invested VND 207.9 billion in infrastructure items and capitalized loan interest.

- Nam Son - Hap Linh Industrial Park has invested VND 377.2 billion for compensation, leveling and construction of clean water and wastewater plants, the project has recorded revenue since 2021.

- Quang Chau Industrial Park has invested VND 260.3 billion for infrastructure construction, compensation, construction of clean water plant phase 3 with a capacity of 5,000 m<sup>3</sup>/day and wastewater treatment plant in phase 3 with a capacity of 10,000 m<sup>3</sup>/day and night.

- Tan Phu Trung Industrial Park has invested VND 61.2 billion to compensate, build infrastructure (levelling, road construction, water supply and drainage, lighting, electricity, trees, etc.)

- Trang Due urban area has invested VND 412.2 billion to complete the infrastructure, complete the commercial townhouses.

- Phuc Ninh urban area has invested VND 37.8 billion to complete some infrastructure items.

- Other projects have invested VND 52.9 billion.

### **3. Implementation of investment attraction in 2021 and prospects in 2022**

#### **• Implementation in 2021:**

In the context of the epidemic and prolonged social distancing, the Executive Board completed signing contracts and recorded revenue in most of the industrial zones and urban areas in operation: Specifically, Trang Due Hai Phong Urban Area successfully implemented the 3rd round of sales, continued to record revenue for 4.55 ha; Nam Son – Hap Linh Industrial Park recorded revenue for 30 hectares, Quang Chau Industrial Park recorded revenue for 56.6 hectares; Tan Phu Trung Industrial Park recorded revenue for 21.93 ha. Especially during the year, the Corporation and its subsidiaries increased their ownership rate in the Industrial Park - Nhon Hoi A Urban Area - Quy Nhon City, Binh Dinh province from 10% to 35.35 %. This is the strategy of the Board of Directors throughout the past 20 years, when a project begins to enter the accelerated business phase, the Corporation will increase the ownership ratio to create added value for shareholders. In 2021, Nhon Hoi A Industrial Park recorded revenue for 33.5 hectares, the current occupancy rate of this IP is 31.5% on an area of 394 hectares, the remaining commercial land area is 168,17 ha and 236 ha of urban land. This is a land fund for industrial zones and urban areas that are available and has the advantage of attracting investment at a fast rate in the last 2 years.

#### **• Investment attraction prospect in 2022**

Entering 2022, FDI inflows into Vietnam are expected to prosper again thanks to the Government's attractive investment attraction policies and the reopening of the economy. In the first 3 months of 2022, realized FDI capital was estimated at USD 4.42 billion, increasing 7.8% over the same period, which is the highest rate for 1st Quarter in the past 5 years, in which real estate business activities reached USD 350.3 million, accounting for 7.9%.

In addition, foreign investors registered to contribute capital, purchase shares, and contributed capital in the first quarter of 2022 reached USD 1.63 billion, increasing 102.6% over the same period. In which, for the form of capital contribution and shares

purchase by foreign investors, the investment capital in real estate business reached USD 992.9 million, accounting for 60.9% of the value of capital contribution.

In particular, during the Prime Minister's visit to attend the ASEAN-US Special Summit in May 2022, many major US investment projects in Vietnam will be opened up in important Vietnamese fields such as: infrastructure development, supply chain, energy, digital economy, effective development of capital market, stock market and real estate.

Thus, it can be seen that Vietnam has many advantages compared to other countries in the world in promoting outstanding economic development because we are becoming an important partner with many countries, a safe investment destination for foreign investors. Therefore, the most important thing at this time is that Vietnam needs to focus on human resources to make the right decisions, create a favorable and timely legal corridor to lead Vietnamese businesses in general and KBC in particular to develop sustainably by attracting direct investment capital flows into infrastructure, attracting capital flows to participate in buying shares of enterprises to diversify forms of arrangement. capital.

As an enterprise that depends on Vietnam's macro and foreign policies, KBC has seen great opportunities for businesses, but besides that, the business has not been able to avoid difficulties in the process of implementing our business plans, especially difficulties in the application of policies and regulations have slowed down the implementation of KBC's business plans.

#### 4. Financial situation

##### Key Financial indicators:

Indicators	2021	2020
<b>1. Liquidity</b>		
+ Short-term liquidity ratio (Current assets/Current liabilities)	3.94	3.07
+ Quick ratio (Current assets - Inventory)/Current Liabilities	2.18	1.42
<b>2. Capital structure</b>		
+ Debt ratio/Total assets	0.47	0.55
+ Debt ratio/Equity	0.89	1.23
<b>3. Operational capacity</b>		

+ Inventory turnover (Cost of goods sold/Average inventory)	2.69	2.9
+ Net revenue/Total assets	13.9 %	9.0%
<b>4. Profitability</b>		
+ Profit after tax/Net revenue	22.5%	14.9%
+ Profit after tax/Total revenue (*)	21.6%	13.0%
+ Profit after tax/Equity	5.9%	3.0%
+ Profit after tax/Total assets	3.1%	1.3%
+ Profit from business activities/Net revenue	35.1%	21.0%

In general, KBC's financial ratios have significantly improved when compared to 2020. Short-term and quick ratios both increased sharply, ensuring the ability to pay debts due. Up to now, KBC has always paid debts on time, with no overdue debts.

As of December 31st, 2021, the structure of KBC's total assets included: Debt accounted for 47%, equity accounted for 53%. The ratio of Debt to Assets and Equity decreased significantly compared to 2020, which affirms that KBC's financial strength and debt solvency were increasingly secure and solid (this index actually will improve when the total debt actually borrowed from financial institutions accounts for only 27.73% of total assets).

Due to the nature of business activities, the cycle often lasts for decades. Therefore, the inventory turnover according to accounting estimated as in the table above excluded the inventory value of Trang Cat urban area (because it has not been put into operation). The inventory turnover ratio in 2021 is better than in 2020.

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

#### **KBC's Debt Status:**

As of December 31st, 2021, the Corporation's total liabilities was VND **14,432.6** billion with 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, mainly arising from Pvcombank's loans of Trang Cat Urban Development One Member Limited Liability Company.

Of the VND **14,432.6** billion in liabilities, the actual debt and interest of the whole Corporation was VND **8,458.2** billion, increasing 24.02% compared to 2020. Of which,

the interest payable to Pvcombank was VND **1,430.8** billion will start to be paid from January 1st, 2026.

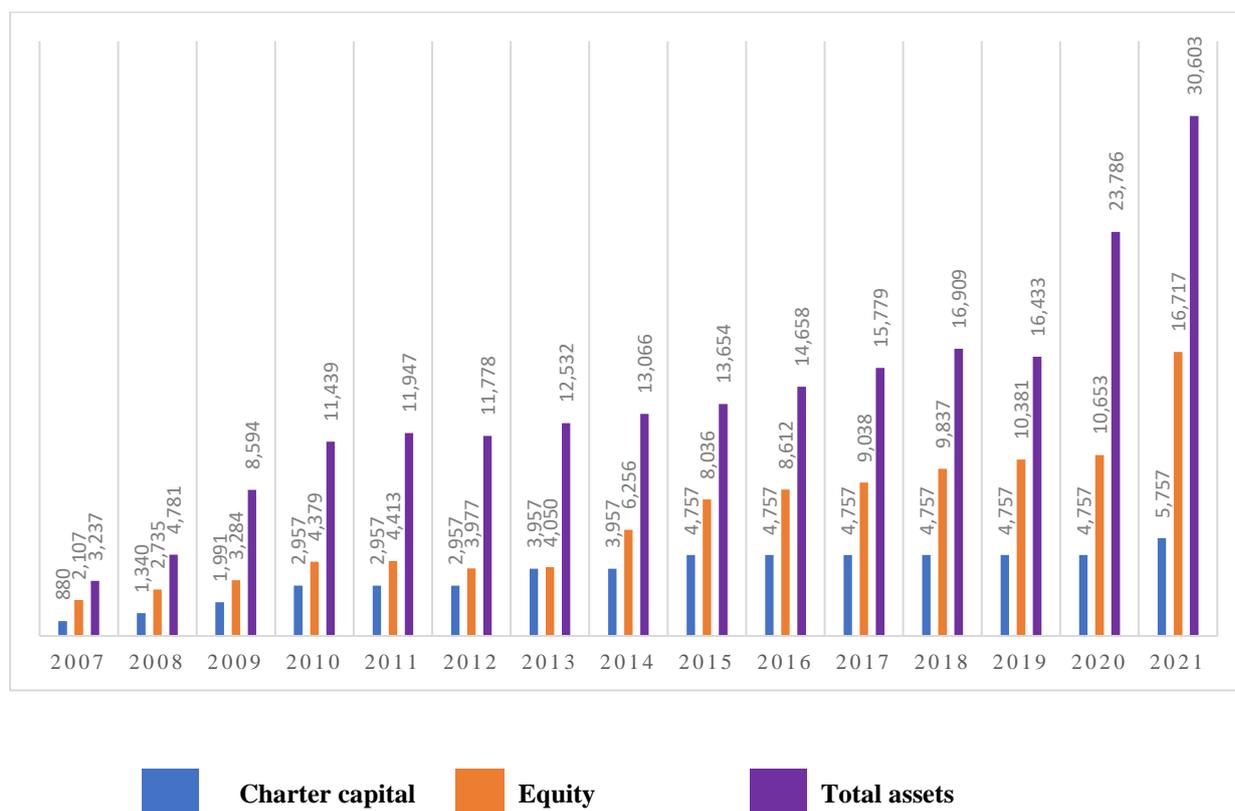
During the year, the Corporation paid the principal debt of VND **3,308.5** billion, borrowed VND **4,640.5** billion in new loans (in which through private placement of bonds and bonds to the public with a total value of VND 3,900 billion). .

Thus, the actual debt of the Corporation including principal and interest was VND **8,458.2** billion, the ratio of actual debt/total assets was 27.73%; Actual debt/equity ratio was 52.47%. This is a safe debt ratio for a large-scale real estate business like KBC.

The Corporation has no bad debt; is unaffected by exchange rate differences and by interest spreads (all KBC's interest rates are consistent with the general market interest rate for real estate loans). KBC's current loan interest rate is from 8.5% to 11%.

#### Size of capital and assets:

##### Capital and asset chart since listing until now



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

## **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, Ho Chi Minh City, Tax Department, Ministry of Finance, etc.

Regarding investor relations, KBC always proactively publishes updated information about the company's operations on the Corporation's website and other mass media. KBC is always ready to provide information accurately, in accordance with the law and timely 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 of December 31st, 2021 of the parent company was 207 people, a net decrease of 01 person compared to 2020.
- The total number of employees of the Corporation as of December 31st, 2021 was 531 people, remaining unchanged compared to 2020.

In the difficult conditions in 2021, many businesses had to close, reduced wages, cut personnels, but KBC still maintained normal operations, did not reduce wages, did not cut personnel. This motto is considered as the traditional motto of KBC ever since.

#### **+ Policy on recruitment and use of personnel:**

Issued based on the principles of efficiency and fairness, KBC wants 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 staff 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 employees in 2021 will reach 18.9 million VND/person/month, a slight increase compared to 2020.

Employees are entitled to leave according to the Labor Code. Employees of the Company are entitled to allowances depending on the nature of their work such as: Responsibility allowance, part-time allowance, travel, telephone, 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. In 2021, the Corporation established the Covid-19 Prevention and Control Committee to coordinate with the Epidemic Prevention Department of the Industrial Park Management Board, which worked very effectively. At the same time, KBC established a specialized health department with specialized staff to take charge of testing and screening and directly implement Covid-19 prevention and control measures for staff, ensuring the safety of employees. entirely in productive labor. Although, during the year many officials had to work from home, KBC still ensured to maintain its salary policy and adequate welfare regimes for employees. Especially, at the end of fiscal year 2021, the company still rewards employees at a high level of 3-to-5-month salary.

### **3. Social responsibilities**

In 2021, the Corporation spent more than VND 157 billion to implement and support social activities such as: Gratitude Fund; Fund for the poor; Study Promotion Fund in Bac Ninh; Supporting the Covid epidemic prevention fund for many provinces and cities; Supporting flood victims in the Central region; Support the program of Tet reunion, warm spring love, etc..

## **III. BUSINESS PLAN FOR 2022**

### **1. Key business investment plans**

In 2022, the Corporation will accelerate the implementation of investment in infrastructure construction projects: Expanded Quang Chau Industrial Park, Nam Son Hap Linh Industrial Park, Tan Phu Trung Industrial Park, Expanded Trang Due Industrial Park, Phuc New Urban Area Ninh, Trang Due Urban Area, Trang Cat Urban Area, industrial clusters in Long An, Hung Yen to create available products to meet the needs of investors. The specific goals are as follows:

- Nam Son Hap Linh Industrial Park - 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 the Memorandums of Understanding. The project is expected to recognize revenue in 2022 for 80 hectares.

- Quang Chau Industrial Park & Expanded Quang Chau Industrial Park - Bac Giang: Continue to fill 100% of the existing Quang Chau Industrial Park area; Accelerate the completion of legal procedures in parallel with infrastructure investment and attract customers for Quang Chau Industrial Park to expand to 90ha.
- Tan Phu Trung Industrial Park: Continue to compensate 100% of the project area in 2022, with the advantages of available land fund, limited supply in the area, large investor demand, this IP will be proposed with greater qualified customers with high profitability, create a solid financial foundation - experience - high reputation to continue implementing new projects in Long An.
- Expanded Trang Due Industrial Park: Complete legal procedures, in parallel with implement infrastructure investment and attract investment in this IP.
- Trang Due urban area: Continue to open for sale in the 4th phase, transfer 100% of adjacent and villa lots in 2022.
- Trang Cat urban area: Focus on deploying infrastructure construction to put it into operation and business in 2022.
- Phuc Ninh urban area: 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.
- Projects in Long An - Hung Yen: The Corporation will develop a parallel development strategy: Just complete legal procedures, at the same time develop plans for site clearance, infrastructure investment, revenue collection, attract investors into industrial clusters in Long An with a 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 urban area; Hau Nghia - Duc Hoa urban area, Huu Thanh - Duc Hoa urban industrial zone in Long An; Tan Phuoc 2 Industrial Park in Tien Giang; Increase the size of projects in Hung Yen; Projects in Hai Duong and Vung Tau..

## **2. Capital arrangement plan:**

In 2022, the Corporation is expected to arrange a capital of about VND 10,000 billion to invest in infrastructure of old and new projects and supplement business capital for the Company through various arrangements. capital advantage.

## **3. Plan for revenue and profit in 2022:**

The Corporation's consolidated business plan for 2022 has been approved by the 1st Extraordinary General Meeting of Shareholders in 2022 on February 10<sup>th</sup> 2022 and the Board of Directors has no plan to change, specifically as follows:

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

**Recievers:**

- *Shareholders;*
- *BOD members;*
- *Executive Board members;*
- *Supervisory Board members;*
- *Admin*

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

**(Signed)**

**NGUYEN THI THU HUONG**

## **REPORT TO THE GENERAL MEETING OF SHAREHOLDERS**

About the supervisory activities in 2021 of the Supervisory Board

### **Dear our valued Shareholders!**

The Supervisory Board would like to report to the Annual General Meeting of Shareholders in 2022 on the activities of the Supervisory Board in 2021 and some recommendations as follows:

### **I. ACTIVITIES OF THE SUPERVISORY BOARD IN 2021**

#### **1. Number of Supervisory Board members**

The Board of Supervisors for the term 2017 - 2022 of the Corporation includes 03 members who have completed their tasks and ended their term on February 10th, 2022. The specific member list is as follows:

- Mrs. Ngoc Nguyen Bich – Head of the Board
- Mrs. Hong The Thi Minh – Member
- Mr. Thanh Tran Tien – Member

In addition, also at the 1st Extraordinary General Meeting of Shareholders in 2022 on February 10th, 2022, the above members were re-elected to the Supervisory Board for the term 2022 - 2027 of the Corporation .

#### **2. Summary of meetings of the Supervisory Board and self-assessment reports of the Supervisory Board members:**

In 2021, the Supervisory Board held 04 meetings with the following contents:

- Evaluate the results of the Corporation's quarterly, 6-month and the full year financial reporting tasks for the year 2021.
- Approve the reports on monitoring activities of the Corporation and submitting to the General Meeting of Shareholders for approval at the end of the term 2017-2022
- Monitor and evaluate the implementation of the Resolution of the Annual General Meeting of Shareholders 20 21.

Under the direction and assignment of the Head of the Supervisory Board, all members

of the Supervisory Board attended all 04 meetings in the year, each member actively monitored and inspected with the activities of the Board of Directors, Executive Board and specialized departments of the Corporation relating to his/her field. The Supervisory Board members self-assessed that they have fulfilled their functions and duties in accordance with the provisions of law and the Corporation's Charter.

### **3. Activities of the Supervisory Board in 2021:**

In 2021, the Supervisory Board performed the main tasks following:

- Checking and reviewing the transaction data related to production and business activities, corporate governance activities; reviewing the contents and plans approved by the General Meeting of Shareholders and the Board of Directors. Based on the Resolutions of the General Meeting of Shareholders, the Resolutions of the Board of Directors, the Supervisory Board also made recommendations to the Board of Directors and the Executive Board.
- Monitoring financial management activities and preparing financial statements to ensure the truthfulness and reasonableness of the presented financial data; Exchanging information with the appointed Independent Auditor during the audit of the Financial Statements.
- Reviewing and evaluating the operation and internal management of the Board of Directors, members of the Board of Directors, members of the Executive Board, and leaders based on the criterias of the interests of shareholders and the Corporation.
- Reviewing and evaluating the coordination of activities of departments in the process of business management and administration.
- Supervising the implementation of the Resolutions of the General Meeting of Shareholders, the Resolutions of the Board of Directors; Closely supporting the Board of Directors and Executive Board in implementing the Resolutions.

## **II. SUPERVISION AND ASSESSMENT OF THE OPERATION OF THE**

## **CORPORATION**

### **1. Business results and key financial indicators as of December 31st, 2021**

#### **1.1. Business activities of the Parent Company:**

- Total revenue: VND **1,206.1** billion, equals to **211.3%** of 2020
- Total profit after tax: VND **58.1** billion, equals to **133.4%** of 2020
- Total assets: VND **20,201.5** billion, equals to **134.7%** of 2020
- Total equity: VND **10,525.4** billion, equals to **149.1%** of 2020

#### **1.2. Consolidated business results of the Corporation:**

- Total revenue: VND **4,420.9** billion, equals to **179.1 %** of 2020 and **66.98 %** of the bussiness plan.
- Total after tax profit: VND **953.8** billion, equals to **298.2%** of 2020 and **47.7%** of the business plan .
- Benefits for shareholders of the Parent Company: VND **782.3** billion, equals to **349.2%** of 2020
- Total assets: VND **30,603** billion, equals to **128.7%** of 2020.
- Equity: VND **16,171.3** billion, equals to **151.8%** of 2020.

The Supervisory Board confirms that the above business results of the Corporation have been checked with their truthfulness, legality and appropriation according to the current Financial statements regime. All data are guaranteed to be truthful and precise.

### **2. Results of monitoring the financial performance of the Corporation**

- The Corporation's financial activities in 2021 were transparent and fully complied with the provisions of law and the Corporation's Charter.
- Cash flow, capital and asset management process of the Corporation ensured the highest safety and minimized risks for the business.
- The financial statements (with or without the assessment of the independent auditor) all reflected transparently, precisely and rationally the Corporation's financial situation.
- The financial statements were issued and disclosed periodically in accordance with the regulations on information disclosure for listed companies.

### **3. Monitoring results for members of the Board of Directors, members of the Executive Board and Managers.**

- The Board of Director conducted managing activities according to plan. The members of the Board of Directors and the Executive Board were all assigned clear tasks to ensure the pace of work. The work results were promptly organized by the Board of Directors

and the Executive Board and were reported or adjusted in accordance with reality.

- Managers properly and fully performed their functions, tasks and assigned powers, ensuring professionalism and efficiency in their work. Based on the results, the managers reported periodically or irregularly to the Executive Board, promptly asking for opinions and solutions.

#### **4. Assessment on the coordination between the Supervisory Board, the Board of Directors and the Executive Board**

The Board of Directors, the Supervisory Board and the Executive Board closely cooperated together. All the Board of Directors' Resolutions rightness and execution process were supervised closely.

#### **5. Other problems**

- The Supervisory Board reviewed and replied to the draft documents submitted to the 2022 Annual General Meeting of Shareholders.
- Remuneration, operating costs and other benefits of the members of the Supervisory Board are mentioned in the detailed reports at the Annual General Meeting of Shareholders in 2022.
- Transactions between the Corporation and related parties, the Supervisory Board has no opinion different from the content reported by the Board of Directors.

#### **6. Some suggestions**

- The Supervisory Board recommends that the Board of Directors and the Executive Board should request relevant departments to speed up investment in infrastructure construction and complete legal procedures for projects such as Phuc Ninh Urban Area, Trang Cat Urban Area; Expanded Trang Due Industrial Park, expanded Quang Chau Industrial Park ;
- Promoting the establishment of new projects in the provinces of Hai Phong, Hung Yen, Hai Duong, Long An, Vung Tau and Tien Giang to expand the business scope.
- The Supervisory Board recommends and proposes to the General Meeting of Shareholders to approve the list of independent auditing organizations mentioned in the Report of the Annual General Meeting of Shareholders in 2022 to implement the audited financial statements in 2022 for the Corporation.

Above is the 2021 report of the Supervisory Board submitted to the General Meeting of Shareholders for consideration and approval. The Board of Supervisors sincerely thank Shareholders, the Board of Directors, the Board of Management for the supporting and cooperating during the last term.

*Recipients :*

- *Shareholders*
- *The Board of Directors*
- *The Supervisory Board*
- *The Executive Board*
- *Administrative office*

**ON BEHALF OF THE SUPERVISORY  
BOARD HEAD**

(signed)

**NGUYEN BICH NGOC**

No.: 2506-1/2022/KBC/TT-HDQT

Bac Ninh, June 25th, 2022

## SUBMISSIONS

### THE 2022 ANNUAL GENERAL MEETING OF SHAREHOLDERS

***Pursuant to:***

- *Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June 17<sup>th</sup>, 2020, amended and supplemented by Law No. 03/2022/QH15 approved by the National Assembly of the Socialist Republic of Vietnam on January 11<sup>th</sup> 2022 and guiding documents;*
- *Securities Law No. 54/2019/QH14 passed by the National Assembly of the Socialist Republic of Vietnam dated November 26<sup>th</sup>, 2019;*
- *Charter on organization and operation of Kinh Bac City Development Holding Corporation passed by the General Meeting of Shareholders on February 10<sup>th</sup> 2022;*
- *2021 Audited Financial Statements of Kinh Bac City Development Holding Corporation audited by Ernst & Young Co., Ltd.*

**Dear Our valued Shareholders!**

The Board of Directors (BOD) of Kinh Bac City Development Holding Corporation would like to send our respectful greetings to Shareholders.

The Board of Directors submits to the General Meeting of Shareholders (GMS) for consideration and approval on the following issues at the Corporation's Annual GMSs 2022:

**I. APPROVING THE REPORT ON THE PERFORMANCE IN 2021 AND THE PROPOSED PLANS FOR 2022 OF THE BOARD OF DIRECTORS**

The Report on the performance in and the proposed plan for 2022 of the Board of Directors are kindly submitted to the GMS for approval.

**II. APPROVING THE REPORT ON BUSINESS PERFORMANCE IN 2021 AND OPERATING PLAN FOR 2022 OF THE EXECUTIVE BOARD.**

The Report on the business performance in 2021 and the operating plan for 2022 of the Executive Board are kindly proposed to the GMS for approval. In particular, the Board of Directors maintained the business plan for 2022 which has already submitted at the 1st Extraordinary General Meeting of Shareholders in 2022 on February 10th,

2022 (consolidated plan for the Corporation) according to the following plan:

- ✓ Estimated consolidated revenue: VND **9,800** billion
- ✓ Estimated consolidated profit after tax: VND **4,500** billion

### **III. APPROVING THE REPORT ON SUPERVISORY ACTIVITIES IN 2021 OF SUPERVISORY BOARD**

Proposal to the GMS for approval of the Report on supervisory activities in 2021 of Supervisory Board.

### **IV. APPROVING THE 2021 FINANCIAL STATEMENTS OF KINH BAC CITY DEVELOPMENT HOLDING CORPORATION AUDITED BY ERNST & YOUNG VIETNAM CO., LTD**

The 2021 Financial Statements of Kinh Bac City Development Holding Corporation were audited in accordance with the prescribed accounting standards by Ernst & Young Vietnam Co., Ltd., including:

- (1) Report of the Executive Management Board;
- (2) Independently audited report;
- (3) The consolidated balance sheet as of December 31<sup>st</sup>, 2021;
- (4) Consolidated income statement in 2021;
- (5) Statements of cash flows;
- (6) Notes to the financial statements.

The BOD submits the above Financial Statements audited by Ernst & Young Vietnam Co., Ltd. to the GMS for approval.

### **V. APPROVING THE BUSINESS PERFORMANCE OF CORPORATION IN 2021 & REPORT ON STOCKS ISSUANCE PLAN TO INCREASE CHARTER CAPITAL FROM OWNER'S EQUITY AS THE ANNUAL GMS NO. 1004/2021/KBC/NQ-DHDCD DATED 10th APRIL 2021 AND DISTRIBUTION OF PROFITS AFTER TAX IN 2021.**

As of December 31<sup>st</sup>, 2021, the audited financial statements of Kinh Bac City Development Holding Corporation audited by Ernst & Young Vietnam Co., Ltd. recorded the 2021 business outcomes of the Corporation as follows:

*According to the consolidated financial statements:*

Total revenue in 2021:	<b>VND 4,420,904,999,310</b>
Revenue from business activities in 2021:	<b>VND 4,245,981,967,388</b>
Profit after tax in 2021:	<b>VND 953,834,003,830</b>
<i>In which, after-tax profit of the parent company's shareholders:</i>	<b>VND 782,304,386,110</b>

*According to the financial statements of the Parent Company:*

Total revenue 2021:	VND	1,206,322,206,997
Revenue from business activities in 2021:	VND	1,152,484,590,506
Profit after tax in 2021:	VND	58,074,648,793

**Report on stocks issuance plan to increase charter capital from owner's equity as the Annual GMS No. 1004/2021/KBC/NQ-DHĐCD dated 10<sup>th</sup> April 2021 and distribution of profits after tax in 2021.**

Dear Shareholders, according to the Resolution of GMS No. 1004/2021/KBC/NQ-DHĐCD, the Board of Directors has submitted to the General Meeting of Shareholders a plan to increase capital from equity at the ratio 3:1. On the basis of the Resolution, BOD issued the resolutions of the Board of Directors and implemented the plan as follows:

On December 6th, 2021, the Board of Directors issued the resolution No. 0612/2021/KBC/NQ-HĐQT to approve the implementation of the share issuance plan to increase capital from equity and other issues related to the issuance of shares, and at the same time, the Corporation submitted the issuance documents to the State Securities Commission.

On February 10th, 2022, the Corporation held the 1st Extraordinary General Meeting of Shareholders in 2022 to approve the amendments and supplements related to the issuance documents.

On March 21st, 2022, the Board of Directors issued the resolution No. 2103-1/2022/KBC/NQ-HĐQT to approve the implementation of the plan to issue shares to increase share capital from equity and other related issues, and at the same time, the Corporation submitted the issuance documents to the State Securities Commission.

On May 31st, 2022, the Corporation received Official Letter No. 3215/UBCK - QLCB dated May 27th 2022 from the State Securities Commission, which stated that the State Securities Commission had received all documents on the issuance of shares to increase capital from owner's equity according to Issuance Report No. 2103-2/2022/KBC-CP dated February 21st, 2022 of the Corporation.

On June 1st, 2022, the Corporation announced information on the implementation of the Share Issuance Plan and Announced The record date was June 22nd, 2022 to exercise the right to receive shares. The Corporation submitted a dossier to close the list of shareholders to exercise the right to receive shares to the Vietnam Securities Depository.

Thus, in 2022, the Corporation conducted a stock issuance at the ratio of 3:1 to existing shareholders from the accumulated surplus and undistributed profit after tax until December 31st, 2020. Therefore, the Board of Directors proposes to the General Meeting of Shareholders to retain the profit after tax in 2021 to reinvest, supplement business capital, and will continue to implement the plan to distribute accumulated profit

after tax to existing shareholders in right time.

## **VI. APPROVING THE SELECTION OF THE INDEPENDENT AUDITING COMPANY IN 2021**

To ensure the efficiency of the administration and management, the Board of Directors respectfully requests that the GMS authorize the Board of Directors selecting from the following auditing companies to audit the annual financial statements and review the semi-financial statements:

- (1) Grant Thornton Vietnam Co., Ltd
- (2) Ernst & Young Vietnam Co., Ltd (E&Y)
- (3) KPMG Vietnam Co., Ltd. (KPMG)
- (4) Deloitte Vietnam Co., Ltd. (Deloitte)
- (5) PWC Vietnam Co., Ltd. (PWC)

## **VII. APPROVING REMUNERATION PAYMENT FOR BOARD OF DIRECTORS, SUPERVISORY BOARD, THE SALARY - BONUS OF THE HEAD OF SUPERVISORY BOARD AND THE SALARY REPORT OF THE EXECUTIVE BOARD**

The Board of Directors reports to the GMS on the remuneration payment, taxed income for the **Board of Directors (BOD), Supervisory Board (SB), Executive Board (EB) and the Chief Accountant in 2021** as follows:

<b>No</b>	<b>Name</b>	<b>Position</b>	<b>Remuneration: member of the SB/ BOD (VND)</b>	<b>Total Income of the Head of SB, member of EB (VND)</b>	<b>Total Income Tax (VND)</b>
1	Nguyen Bich Ngoc	Head of the SB	50,000,000	184,634,000	8,070,400
2	The Thi Minh Hong	Member of the SB	50,000,000		5,555,556
3	Tran Tien Thanh	Member of the SB	50,000,000		5,555,556
4	Dang Thanh Tam	Chairman			
5	Nguyen Thị Thu Huong	Member of the BOD, CEO	100,000,000	5,835,434,000	2,857,787,700

6	Nguyen Vinh Tho	Member of the BOD	340,000,000		37,777,778
7	Pham Phuc Hieu	Member of the BOD, Deputy General Manager, 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 Manager		1,628,142,000	623,768,850
10	Phan Anh Dung	Deputy General Manager		1,458,834,000	532,602,950

Thus, the total remuneration for the Board of Directors, the Supervisory Board and the salary, bonuses, allowances for the Head of Supervisory Board in 2021 was: VND **1.064.926.622** (One billion, sixty four million, nine hundred twenty six thousand, six hundred and twenty two dong), equal to 21.3% of the limitation approved by the GMS under Resolution No.1004/2018/KBC/NQ-ĐHĐCĐ on April 10th,2018 for the Board of Directors, the Supervisory Board and the salary, bonuses, allowances for the Head of the Supervisory Board for the period of 2018 - 2022(until the end of term for the Board of Director, the Supervisory Board) is : VND **5,000,000,000** (Five billion VND/year)

#### **VIII.APPROVING THE PLAN OF REMUNERATION, SALARY, BONUS AND OPERATION EXPENSES FOR BOD, BOS IN 2022**

The Board of Directors would like to submit to the General Meeting of Shareholders for approval the plan to pay remuneration, salary, bonus and operating expenses to the Board of Directors, Supervisory Board and Specialized Head of Supervisory Board in 2022 as follows:

1. Number of members of the Board of Directors and Supervisory Board in 2022:

- Board of Directors: 05 members

- Supervisory Board: 03 members

2. The total cost of salary, bonus, remuneration and operating expenses of the Board of Directors and Supervisory Board for 2022 is: VND 5,000,000,000/year (Five billion VND/year).

3. The General Meeting of Shareholders authorizes the Board of Directors to base on the actual situation to decide on remuneration and bonus payments and to decide on salaries for members of the Board of Directors/ Supervisory Board to ensure that they would not exceed the total budget approved by the General Meeting of Shareholders and concurrently report to the Annual General Meeting of Shareholders in 2023.

## **IX. APPROVING THE ALTERING, SUPPLEMENTING THE CORPORATION'S CHARTER; INTERNAL REGULATION ON CORPORATE GOVERNANCE; WORKING REGULATION OF BOD**

The Board of Directors would like to propose the GMS to approve the amendment and supplementation of the Charter of Organization, Internal Regulations on Corporate Governance, Working Regulation of the Board of Directors as follows:

On January 11th, 2022, the National Assembly promulgated Law No. 03/2022/QH15, which amended a number of articles of the Enterprise Law No. 59/2020/QH14 and took effect from March 1<sup>st</sup> 2022. The amendment of Law aims to further improve the legal framework on corporate governance, and at the same time remove a number of difficulties and obstacles in the practice of enterprises.

On the basis of reviewing the Charter of Organization and Operation, Internal Regulations on Corporate Governance, Working Regulation of the Board of Directors, the Board of Directors of the Corporation found a number of provisions in these documents that should be considered, amended and supplemented in accordance with legal regulations and administrative and operating requirements.

Details of amendments and supplements to the Charter of Organization and Operation, Internal Regulations on Corporate Governance, and Working Regulation of the Board of Directors are presented in the Appendix attached to this Report. The provisions of the amended and supplemented Charter will take effect from the date of approval by the General Meeting of Shareholders.

### **Recipients:**

- The shareholders;
- Members of Board of Directors;
- Members of Supervisory Board;
- SSC, Stock Exchange;

**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**

**(Signed)**

**DANG THANH TAM**

**Appendix: AMENDMENTS AND SUPPLEMENTS TO THE CHARTER, INTERNAL REGULATIONS ON CORPORATE GOVERNANCE, WORKING REGULATIONS OF THE BOD - KINH BAC CITY DEVELOPMENT HOLDINGS CORPORATION**

*(Attached to the Annual General Meeting of Shareholders No.: 2506-12022/KBC/TT-HĐQT dated 25<sup>th</sup> June 2022)*

**Note:**

- *Anything not detailed in this appendix is unchanged*
- *The proposed changes in the section "Provision in current Charter/ Regulations" are the words in the form of underlines.*
- *The contents that need to be amended and supplemented in the section "Provision in the revised Charter/ Regulations" are bold content*

No.	Provision in the current Charter/ Regulation	Provision in the revised Charter/ Regulation	Reasons for correction
I	<b>THE ALTERING, SUPPLEMENTING THE CORPORATION'S CHARTER</b>		
1	<b>Article 21. Approval of the resolution of the General Meeting of Shareholders</b>	<b>Article 21. Approval of the resolution of the General Meeting of Shareholders</b>	
1.1	<p>3. The resolution on the following contents was adopted if it is represented by the number of shareholders from sixty five percent (65%) of the total number of votes or more of all shareholders agree <u>to attend meeting</u>, except for the case specified in Clause 1 and Clause 2 of this Article; Clause 1 Article 17 and Clause 9 Article 22 This Charter:</p> <ul style="list-style-type: none"> <li>a. Change industry, industry and business areas;</li> <li>b. Change of the company's organizational and management structure;</li> <li>c. Reorganization and dissolution of the Company;</li> <li>d. Types of shares and number of shares of each class right to offer;</li> <li>e. Investment project or transaction of buying and selling Company assets or the execution branch has a value greater than thirty five percent (35%) of the total asset value of the Company calculated according to the most recent audited financial statements.</li> </ul>	<p>3. The resolution on the following contents was adopted if it is represented by the number of shareholders from sixty five percent (65%) of the total number of votes or more of all shareholders agree <b>to attend and vote at the meeting</b>, except for the case specified in Clause 1 and Clause 2 of this Article; Clause 1 Article 17 and Clause 9 Article 22 This Charter:</p> <ul style="list-style-type: none"> <li>a. Change industry, industry and business areas;</li> <li>b. Change of the company's organizational and management structure;</li> <li>c. Reorganization and dissolution of the Company;</li> <li>d. Types of shares and number of shares of each class right to offer;</li> <li>e. Investment project or transaction of buying and selling Company assets or the execution branch has a value greater than thirty five percent (35%) of the total asset value of the Company calculated according to the most recent audited financial statements.</li> </ul>	<p>According to Article 148 of the Law on Enterprises, the conditions for a resolution of the General Meeting of Shareholders to be adopted are determined based on the percentage of votes of all shareholders attending the meeting. However, the identification of shareholders attending the meeting has not been clearly defined, so it actually happens that a shareholder who has registered and attended the General Meeting of Shareholders but leaves midway or does not vote in the ballot box or not vote online. This leads to problems in determining the number of shareholders attending the meeting to calculate the percentage of votes as prescribed in Article 148 above. Although it is only a technical problem, the above-mentioned problems are causing a great obstacle to the adoption of the resolution of the General Meeting of Shareholders.</p>
1.2	<p>4. Resolutions are passed when they are approved by the number of shareholders owns more than fifty percent (50%) of the total votes resolutions of <u>all attending shareholders</u> for the consent, except for cases specified in Clauses 2 and 3 of this Article and Clause 1 of Article 17 Corporation's Charter</p>	<p>4. Resolutions are passed when they are approved by the number of shareholders owns more than fifty percent (50%) of the total votes resolutions of <b>all attending and voting shareholders</b> for the consent, except for cases specified in Clauses 2 and 3 of this Article and Clause 1 of Article 17 Corporation's Charter</p>	<p>The Board of Directors proposed to amend the company's charter to be consistent with the provisions of Clause 5, Article 7 of Law No. 03/2022/QH15.</p>
2	<b>Article 30. Meetings of the Board of Directors</b>	<b>Article 30. Meetings of the Board of Directors</b>	

	<p>16. Meeting minutes of the Board of Directors</p> <p>b. The contents of the minutes of the Board of Directors meeting include the following main contents:</p> <p>...</p> <ul style="list-style-type: none"> <li>- Full name and signature of the chairperson and the minutes maker. In case the chairperson or minutes maker refuses to sign the minutes meeting but if signed by <u>all other members</u> of the Board of Directors who attend the meeting and have all the contents as prescribed the law and the Corporation's Charter, this minutes will still take effect.</li> </ul>	<p>16. Meeting minutes of the Board of Directors</p> <p>b. The contents of the minutes of the Board of Directors meeting include the following main contents:</p> <p>...</p> <ul style="list-style-type: none"> <li>- Full name and signature of the chairperson and the minutes maker. In case the chairperson or minutes maker refuses to sign the minutes meeting but if signed by <b>other members of the Board of Directors who attend the meeting and approve the minutes</b> and have all the contents as prescribed the law and the Corporation's Charter, this minutes will still take effect.</li> </ul> <p><b>The minutes of the meeting clearly state that the chairperson and the minutes-recorder refuse to sign the minutes of the meeting. The person who signs the minutes of the meeting is jointly responsible for the accuracy and truthfulness of the content of the minutes of the meeting of the Board of Directors. The chairperson, the person taking the minutes is personally responsible for damage caused to the enterprise due to the refusal to sign the minutes of the meeting in accordance with this Law, the Corporation's charter and other relevant laws.</b></p>	<p>According to Clause 2, Article 158 of the Law on Enterprises, if the chairperson or the person taking the minutes refuses to sign the minutes of the meeting of the Board of Directors, but if signed by all other members of the Board of Directors attending the meeting, the minutes will be valid. However, in fact, if a member does not agree to approve the meeting minutes, they will not sign the meeting minutes, leading to the minutes not having enough main contents as prescribed by the Law and not taking effect. This directly affects the authority to decide on the Board of Directors in corporate governance and administration.</p> <p>The Board of Directors proposed to amend the company's charter to conform to the provisions of Clause 6, Article 7 of Law No. 03/2022/QH15.</p>
<b>II</b>	<b>THE ALTERING, SUPPLEMENTING THE INTERNAL REGULATION ON CORPORATE GOVERNANCE</b>		
<b>1</b>	<b>Article 33. Provisions on order and procedures for holding meetings of the Board of Directors</b>	<b>Article 33. Provisions on order and procedures for holding meetings of the Board of Directors</b>	
	5. Record the minutes of the Board of Directors meeting:	5. Record the minutes of the Board of Directors meeting: <b>Proposed amendments as content in Section 2 Amendment to the corporation's charter mentioned above</b>	Amendment to be consistent with the provisions of the amended corporation's charter
<b>III</b>	<b>THE ALTERING, SUPPLEMENTING THE WORKING REGULATION OF BOD</b>		
<b>1</b>	<b>Article 18. Minutes of the BOD's meeting</b>	<b>Article 18. Minutes of the BOD's meeting</b>	
		<b>Proposed amendments as content in Section 2 Amendment to the corporation's charter mentioned above</b>	Amendment to be consistent with the provisions of the amended corporation's charter

Số: 2506-2/2022/KBC/TT-HĐQT

Bac Ninh, June 25th, 2022

## SUBMISSIONS

### THE 2022 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Approve on the transaction policy between related parties

***Pusuant to:***

- *Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June 17<sup>th</sup>, 2020, amended and supplemented by Law No. 03/2022/QH15 approved by the National Assembly of the Socialist Republic of Vietnam on January 11<sup>th</sup> 2022 and guiding documents;*
- *Securities Law No. 54/2019/QH14 passed by the National Assembly of the Socialist Republic of Vietnam dated November 26<sup>th</sup>, 2019;*
- *Charter on organization and operation of Kinh Bac City Development Holding Corporation passed by the General Meeting of Shareholders on February 10<sup>th</sup> 2022;*

**Dear Our valued Shareholders!**

The Board of Directors (BOD) of Kinh Bac City Development Holding Corporation would like to send our respectful greetings to Shareholders.

Kinh Bac City Development Holding Corporation and its Subsidiary company operating under the Corporation model include a group of companies: Parent company, Subsidiary companies, Affiliate companies which are related with each other through ownership of shares, or capital contribution, or through common key management members, or other connections.

To ensure smooth governance and business activities of the Corporation, avoid omissions related to the implementation of business operation plans; development strategy; capital transfer plan, investment cooperation between companies in the group; governance activities, obligations reporting and information disclosure on the stock market of the Corporation, the Board of Directors actively proposes to the General Meeting of Shareholders (GMS) to consider and approve the issues under the decision-making authority of the Board of Directors at the 2022 Annual General Meeting of Shareholders, as follows:

**I. Transaction objects**

1. **Transactions between the Corporation** and its Subsidiaries, the company in which the corporation holds the controlling right of more than fifty percent (50%), internal persons, their related persons and related persons of the corporation in accordance with current laws.
2. **Transactions between the corporation's internal person and their related persons** and the corporation, Subsidiaries, and companies in which the corporation holds a controlling interest of more than fifty percent (50%).
3. **List of related parties** which are Subsidiaries, Companies in which the corporation holds control over fifty percent (50%) listed in the latest Financial Statements and confirmed as related parties according to provisions of law arising after the issuance date of the latest financial statements (if any).
4. **The list of internal people and related persons of the internal person** is published in the most recent Corporate Governance Report of the Company and is added/ modified/ updated after the issue date of the Report of corporate governance (if any).
5. **The list of other related persons of the Corporation** is determined in accordance with current laws at the time of arising related transactions.

**II. Approving the types of contracts and transactions between related parties under the authority of the Board of Directors in accordance with the law listed below:**

- Transactions to serve the corporation's activities such as: Advances, administrative expenses, special events, sales expenses, salary and bonus payments, remuneration, dividends, etc.;
- Regular service transactions, buying - selling - renting - leasing of factories, offices, real estate, warehouses, raw materials, labor value, finished products, goods, inventories, equipments/ devices/ tools, etc. to serve the corporation's production and business;
- Transactions related to revenue and main income of the corporation: purchase and sale contracts, investment cooperation - business cooperation contracts, brokerage contracts, real estate orr factories rental contracts;
- Investment transactions in securities, bonds, investment trusts, deposits, pledges, use of collateral, etc.;
- Transactions of capital transfer, borrowing, lending, capital contribution, etc. between the Company and its subsidiaries, associates, which are related through ownership of shares, or contributed capital, or common key management members, or other associates.
- Payment transactions for receivables, payables and debts between related parties (related to production and business, management expenses, selling expenses, brokerage, ...)

- Internal persons and their related parties have the responsibility to be honest for transactions that bring benefits to themselves and must perform the obligation to report to the Board of Directors for consideration and approval.

III. The General Meeting of Shareholders unanimously approved for the Board of Directors to decide and direct relevant departments to discuss, negotiate and develop specific terms and conditions of contracts and transactions. Transactions mentioned in this report include the amendment, supplement, termination, replacement of such contracts and transactions.

IV. The General Meeting of Shareholders unanimously approved for the Board of Directors to decide and direct relevant departments to perform: (i) Periodically report related transactions in the Report on corporate governance with the types of contracts and transactions mentioned in this report; (ii) Other transactions that are listed according to Form Appendix V - Report on corporate governance in Circular 96/2020/TT-BTC dated November 16th, 2020; (iii) To fulfill the obligation to disclose information in accordance with the law on Resolutions independently issued by the Board of Directors for transactions with related parties.

**Recipients:**

- *The shareholders;*
- *Members of Board of Directors;*
- *Members of Supervisory Board;*
- *SSC, Stock Exchange;*

**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**

**(Signed)**

**DANG THANH TAM**