



No. 01/2025/KBC/BC-HDQT

Bac Ninh, June 06th, 2025

REPORT TO THE GENERAL MEETING OF SHAREHOLDERS

On the business performance in 2024 and plans for 2025 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 2024 as follow:

I. GENERAL ASSESSMENT OF KINH BAC CITY DEVELOPMENT HOLDING CORPORATION’S OPERATION RESULTS IN 2024

Amid ongoing global economic uncertainties, where challenges continued to outweigh advantages, Vietnam's economy in 2024 had maintained a positive trajectory. The macroeconomic environment remained stable, inflation was kept below target levels, and social welfare was effectively upheld. These factors have positioned Vietnam as a bright spot in terms of economic growth both regionally and globally. Specifically:

- ✓ Vietnam's GDP for the whole year grew by 7.09% compared to 2023; The average Consumer Price Index (CPI) was controlled at 3.63%; Lending interest rates decreased and credit growth reached 15.08%, enabling companies to access capital and expand production and business;
- ✓ The 2024 Land Law passed by the National Assembly has cleared up obstacles and streamlined many procedures, helping State agencies and companies operate more effectively and transparently in the market;
- ✓ Total foreign direct investment (FDI) in Vietnam reached about USD 38.23 billion, FDI capital realized in 2024 reached USD 25.35 billion, which is an increase of 9.4% compared to 2023 and the highest implementation level ever.

Although the macroeconomic situation has positive insights, the positive impact of the macro on the operations of enterprises in general and KBC in particular has been delayed. The BOD of the Corporation would like to report to Shareholders on the operations in 2024 as follows:

1. Regarding business activities

The Corporation’s consolidated business performance in 2024:

- ✓ Total consolidated revenue reached **VND 3,292.59 billion**, equivalent to 54.34% of 2023 and to 36.58% of the business plan;

- ✓ Consolidated profit after tax reached **VND 423.03 billion**, equivalent to 18.81% of 2023 and to 10.58% of the business plan.

Of which, net revenue from sales and services reached **VND 2,775.77 billion**, equals to 49.4% of 2023, revenue from selling social housing in Nenh town, Bac Giang & Trang Due, Hai Phong reached **VND 909.55 billion**, which is 8.68 times higher than in 2023. However, business results have not achieved the set plan because some projects expected to record revenue in 2024 have not yet resolved legal procedures and site clearance, etc.

2. Regarding investment activities

In 2024, the total value of direct investment in Industrial Parks and Urban Areas, social housing projects, etc. of the Corporation was **VND 3,926.92 billion**, equals to 2.55 times compared to 2023; Investment activities to contribute capital of subsidiaries to other companies were **VND 100 billion**.

3. Regarding financial management

As of December 31st, 2024, the actual outstanding debt at financial institutions, including principal and interest, amounted to **VND 9,743.6 billion**, an increase of 68.6% compared to 2023 to supplement financial resources for the implementation of a series of new projects. In particular, in 2024, the Corporation successfully issued **VND 1,000 billion** of private bonds to restructure debt.

Total principal and interest paid during the year amounted to **VND 5,340.5 billion** and there was no outstanding debt at PVcombank. The ratio of actual debt/total assets was 21.8%, which is a very safe debt ratio for a large-scale real estate business like KBC.

4. Regarding corporate governance

KBC consistently strives to comply with corporate governance regulations for listed companies, ensuring that information provided to the stock market is transparent, clear, and timely. The Corporation regularly participates in exchange programs and updates information with regulatory authorities such as the State Securities Commission (SSC), Ho Chi Minh City Stock Exchange (HSX), Ministry of Finance and other regulatory agencies, etc.

However, the Corporation could not avoid shortcomings in 2024, Bac Ninh Provincial Tax Department issued Decision No. 4763/QĐ-XPHC on Administrative Violations dated December 20th, 2024 with a total administrative fine of VND 91.73 million. Immediately after receiving this penalty decision, The Corporation has fully remitted the aforementioned amount to the State Budget.

5. Regarding external affairs

In 2024, the members of the Board of Directors and the Executive Board directly worked with state agencies and departments of provinces such as Bac Ninh, Hai Phong, Hung Yen, Hai Duong, Thai Nguyen, Hau Giang, etc, to promote the establishment of new projects.

At the same time, members of the Board of Directors and the Executive Board had actively participated in numerous domestic and international conferences and seminars both in person and online to promote trade and attract FDI to Vietnam. These included events such as: Vietnam - China Business Opportunity Connection Conference, Korea - Vietnam Semiconductor Cooperation Conference in 2024, Vietnam - Thailand Investment Connection Conference in Hanoi, Vietnam - US Semiconductor Cooperation Connection Program, etc.

II. ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024

Pursuant to the provisions of law and the Corporation's Charter, the BOD had properly performed its functions, duties and powers with respect to activities of supervision, direction and in conjunction with the Executive Board in making recommendations and decisions to resolve issues approved by the first Extraordinary General Meeting of Shareholders in 2024 and the 2024 Annual General Meeting of Shareholders. The BOD would like to report to Shareholders the following contents.

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

Details of remuneration, operating expenses and other benefits of the BOD and each member of the BOD in 2024 are presented as below:

No.	Full name	Position	Remuneration of members of the BOD	Total income tax paid by KBC	Total expenses of the BOD
1	Dang Thanh Tam	Chairman of the BOD			
2	Nguyen Thi Thu Huong	Member of the BOD cum CEO	100,000,000	35,000,000	135,000,000
3	Huynh Phat	Member of the BOD	100,000,000	11,111,111	111,111,111
4	Le Hoang Lan	Independent member of the BOD	340,000,000	85,000,000	425,000,000
5	Dang Nguyen Quynh Anh	Member of the BOD	100,000,000	11,111,111	111,111,111
Total					782,222,222

2. BOD's Meetings and BOD's Resolutions and Decisions

In 2024, the BOD held 36 meetings and issued 43 Resolutions/Decisions approving issues on business plans; financial management plans including investment, capital contribution; transactions with related parties, corporate governance activities; etc. (Details of the meetings were disclosed in the 2024 Corporate Governance Report and the 2024 Annual Report of KBC).

All meetings of the BOD were convened and conducted in accordance with regulations and proper procedures, ensuring the number of members of the BOD participated. All issues were approved with a 100% voting rate. The number of Resolutions and Decisions exceeded the number of meetings held in 2024, demonstrating the Board's proactive and efficient operations, creating 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 Law on Enterprises, the Law on Securities, the Corporation's Charter and other guiding documents.

In which, all transactions between the Corporation and related parties approved by the BOD were disclosed in accordance with regulations and listed in the Report on Corporate Governance in 2024 and notes of in the 2024 Audited financial statements.

4. Activities of independent member of the BOD and assessment of independent member of the BOD on the activities of the BOD

Pursuant on the Assessment Report No. 0502/2025/KBC/BC-HDQT of the independent member of the BOD in 2024 dated February 5th, 2025 by Mr. Le Hoang Lan - Independent Member of the BOD, the BOD would like to report to the General Meeting of Shareholders as follows:

- The independent member participated in 36 meetings of the BOD, his opinions all ensured independence, controlled conflicts of interest, and protected the interests of the Corporation and Shareholders.
- The independent member provided contributions regarding the management and operation of the Corporation, business activities, human resources management, internal governance, and risk management, etc.
- The independent member highly appreciated the BOD's activities in 2024, highlighting a sense of responsibility, prompt and timely guidance, and close monitoring of the implementation of resolutions by the Executive Board. All BOD activities were conducted in accordance with the current Charter of the Corporation, Internal Governance Regulations, and legal provisions.
- Other related issues: The independent member of the BOD agreed with the BOD and Executive Board.

5. Supervision activities over the Executive Board and executive members

The BOD supervised the Executive Board and other executive members in the implementation of the resolutions of the General Meeting of Shareholders and the BOD, and in overseeing internal governance and operational activities. Thereby, the BOD highly appreciates the efforts of the Executive Board in actively and proactively implementing business plans in 2024, implementing investment and developing of projects, capital arrangement plans, appropriate cash flow circulation throughout entire system as well as complying with the rules and regulations of the Corporation and legal regulations. Specifically:

- Implement trade promotion activities, call for investment, implement investment and business plans approved by the General Meeting of Shareholders;
- Closely monitor risk management, enhancing cash flow management in the context of many unfavorable market conditions, prioritize financial resources for project implementation, debt restructuring, and successfully issue VND 1,000 billion in private bonds.
- Successfully hold the first 2024 Extraordinary General Meeting of Shareholders and the 2024 Annual General Meeting of Shareholders;
- Conduct and closely monitor financial reporting procedures; Supervise the implementation of resolutions issued by the BOD and AGM;
- Actively participate in seminars, conferences, and business promotion trips both domestically and internationally through direct and online channels.

6. The sub-committees under the Board of Directors:

In 2024, the Corporation has no sub-committees under the Board of Directors. However, on January 26th, 2025, the BOD issued Resolution No. 2601/2025/KBC/NQ-HDQT approving the establishment of the Environment, Social and Governance Subcommittee (“**ESG Sub-committee**”) with the aim of guiding the sustainable development of KBC in the future.

III. BUSINESS PLANS FOR 2025

1. Revenue and profit plan for the year 2025 of Kinh Bac City Development Holding Corporation

The BOD of the Corporation approved to maintain the revenue and profit plan for the year 2025 in the first 2025 Extraordinary General Meeting of Shareholders’ Resolution No. 0603/2025/KBC/NQ-DHDCD dated March 6th, 2025 and the Board of Directors’ Resolution No. 2905/2025/KBC/NQ-HDQT dated May 29th, 2025, detailed as follows:

- ✓ Total consolidated revenue is: VND **10,000** billion.
- ✓ Total consolidated profit after tax is: VND **3,200** billion.

2. Plan and direction of activities of the Board of Directors for the year 2025

- Assigning the Executive Board to implement investment and infrastructure construction, attract investment in the following projects: Nam Son Hap Linh IP, Tan Phu Trung IP, Trang Due 3 IP, Hung Yen IC; Trang Due Supporting IC; Loc Giang IP; Trang Cat Urban and Service Area; Trang Due Social Housing Project, Nenh Town Social Housing Project;
- Assigning the Executive Board to continue to make efforts to complete legal procedures & compensation plans and develop investment and business implementation plans for the projects: Phuc Ninh UA, expanded Trang Due UA; Tan Tap IP & RA, Kim Thanh 2 IP, IC & RA in Long An;
- The Board of Directors and the Executive Board established new projects: expanded Que Vo 2 IP- Bac Ninh, Binh Giang IP - Hai Duong; Phu Binh IP - Thai Nguyen; Song Hau 2 IP - Hau Giang and a number of other key projects in Bac Giang, Bac Ninh, Hung Yen etc;
- Assigning the Executive Board of the Corporation to make plans to balance cash flows, mobilize capital, developing appropriate and balanced financial plans for investment activities, paying due debts and ensuring safe financial indicators.
- Continuing to implement the plan to issue 250 million private shares;
- Maintaining and building a team of experts to regularly update news, macro-economic situation, financial situation, changes in policies so that the BOD and the Executive Board could make new strategies, new policy timely and in line with the actual situation.
- Strengthening advertising and trade promotion, welcoming and working with foreign investment corporations.
- Assigning the Executive Board to focus on implementing shareholder relations, regularly monitor changes in ownership of major shareholders; always reviewing and complying with timely and accurate information disclosure to authorities, shareholders and investors.
- Building and developing a team of professional, qualified, experienced and enthusiastic personnels who actively participate in training courses to improve corporate governance capacity according to the standards of listed companies, etc.

Above is the report on activities in 2024 and operation plan in 2025 of the Board of Directors of Kinh Bac City Development Holding Corporation.

The Board of Directors would like to submit to the General Meeting of Shareholders for consideration and approval!

Recipients:

- Esteemed shareholders;
- Members of Board of Directors;
- Members of Executive Board;
- Members of Board of Supervisors;
- Stored: Admin

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN

(signed)

DANG THANH TAM