

**“LASTING GROWTH
PROSPEROUS FUTURE”**

**ANNUAL REPORT
2020**

PREAMBLE

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LIST OF ABBREVIATIONS

RE: Real Estate
FDI: Foreign Direct Investment Capital
IP: Industrial Park
UA: Urban Area
SM: Stock Market
JSC: Joint Stock Company
BOD: Board of Directors
CEO: Chief Executive Officer
KBC: Kinh Bac City Development Holding Corporation
HOSE: Ho Chi Minh Stock Exchange
SHP: Saigon - Haiphong IP Corporation
SBG: Saigon - Bacgiang IP Corporation



KinhBac City Development Holding Corporation - JSC (KBC) would like to thank all Shareholders, Investors, Customers, Partners, Financial Institutions and Individuals who have been accompanying KBC on its development journey for the past 19 years.

Dear Shareholders, Investors, Customers and Partners.

We are ready with a solid foundation, ready to turn a new page, ready to take sustainable development steps to welcome Prosperity in the future.

Vietnam in general and KBC in particular have been preparing the necessary premises and factors to be ready to receive the new wave of investment shift, becoming an important production base of the world. In particular, KBC has been preparing a large industrial park land fund and adequate infrastructure, located in strategic locations to meet the diverse needs of investors in terms of area, location along with other solutions include:

In parallel with developing the existing land bank, KBC still does not forget to plan and prepare plans, increase investment expansion and develop large projects to increase land fund in some provinces such as Long An, Hai Duong, Hung Yen, Vung Tau, etc.; Cooperate with strategic partners for mutual development in the fields of supporting industrial park development such as logistics, warehouses, logistics; Implement a series of large-scale projects in Hai Phong, Hung Yen and Long An.

Promoting investment; attracting selective investment; contributing ideas to the authorities to improve the business investment environment and communicate investment policies and investment incentives of Vietnam to investment groups around the world; always creating outstanding, different and effective points; actively connecting with existing investors who have expansion needs and foreign investors who plan to invest in Vietnam; implementing clear and effective branding and development strategies.

In order to build KBC's brand for sustainable development, prestige, and maintain its No. 1 position in the field of attracting FDI investment and developing IPs as today, KBC's Board of Directors has always focused on quality factors of construction products, financial capacity, long-term brand vision.

Therefore, all published annual reports are integral documents with the 2020 Annual Report.

On behalf of KinhBac City Development Holding Corporation - JSC (KBC)

CEO

Nguyen Thi Thu Huong



PART I BUSINESS INFORMATION

1. GENERAL INFORMATION

□ Business name:

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

In English: **KINHBAC CITY DEVELOPMENT HOLDING CORPORATION**

Abbreviation: **KINHBAC CITY GROUP**

- Enterprise Registration Certificate number: 2300233993, issued by Bac Ninh Department of Plan and Investment on 27th March 2002, 16th amended on 25th June 2019.
- Charter Capital: 4.757.111.670.000 VND
- Equity as at December 31, 2020: 10.652.995.127.729 VND
- Address: Lot B7, Que Vo IP, Phuong Lieu commune, Que Vo district, Bac Ninh province, Viet Nam
- Tel.: 0222 3634034 Fax: 0222 3634035
- Website: <http://www.kinhbaccity.vn>
- Stock Symbol: KBC

2. DEVELOPMENT PROGRESS

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

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

As of December 31, 2020, KBC's IP land fund has been created is 4,713 hectares, down 11% compared to 2019 due to the transfer of shares in Saigon Hue Investment Joint Stock Company, which is the investor of the IP and the Saigon - Chan May tax-free zone (660 ha), and increased the land fund won in Long An to 219.8 ha, accounting for nearly 5% of the country's IP land area.

Regarding the UA, currently, KBC owns a land fund of 917.9 hectares of UA land from the North to the South, meeting many different needs of investors. Each KBC's IP has an average size of over 200ha.

However, in the fourth quarter of 2020 and the beginning of 2021, KBC has been strengthening the development of large projects in strategic locations to meet the diverse needs of investors in terms of area and location in some provinces such as Long An, Hai Duong, Hung Yen, and Vung Tau with the land fund of IPs and UAs expected to increase significantly from 2021.



Been through 19 years of formation and development, KBC has grown significantly in both scale and quality, and has experienced numerous memorable milestones:

- Being a private corporation which has consistently received 13 eminent emulation flags from the Government, initial share capital increased from VND 20 billions to VND 4.757,1 billions, equity reached over VND 10.652,9 billion on 31st December 2020.
- Becoming a public corporation in 2007 with 88.000.000 shares initially listed on the Hanoi Stock Exchange at 18/12/2007, re-listed on the Ho Chi Minh Stock Exchange in 18/12/2009. The number of common shares is 469.760.189, the number of outstanding shares is 469.760.189. Capitalization shares up to 30th March 2021 reached VND 18.133 billions which is 2.5 times more than that in 2019.
- 2012 was the most difficult year for KBC with a negative business result of VND 483,9 billion. The stock price has dropped to the lowest level of VND 4.800/share. The recovery has started from the end of 2013 until now.
- Being the most successful corporation in Vietnam in debt restructuring and foreign investment divestment process in the period 2014-2015. After successfully restructuring, potential investors continued to invest in KBC's IPs such as LG, satellites of Samsung, satellites of Apple and Korean, Chinese and Hong Kong enterprises; simultaneously, credit institutions and investment funds have approached to continue to grant new credit limits to the corporation and to explore investment opportunities.
- In 2017, for the first time, KBC opened for sale an urban area project Phuc Ninh urban in Bac Ninh within the sub-zone of 6,27ha and 22ha; Put corporate bonds listed on HOSE.
- 2018 marked a year of strong growth in investment attraction based on the positive effects from the transition wave of investment from China, Japan, Hongkong, Taiwan into Vietnam. As a result, Que Vo IP in Bac Ninh province and Trang Due IP in Hai Phong city have reached an occupancy rate about 97%, the rate of the growth is over 30% in each IP.
- In 2019, KBC closed the first pages of history in the process of establishment, development and foundation construction: It was the filling of 100% of the first Que Vo Industrial Park, Que Vo Expanded Industrial Park in Bac Ninh has scale of 611ha, with a business cycle completion time of 12-15 years; Trang Due 1 Industrial Park, Trang Due 2 Industrial Park in Hai Phong have a scale of 402 hectares, with a business cycle completion of 5-8 years, also closed the first pages of history of a subsidiary held 86.53% by KBC which is Saigon - Hai Phong Industrial Park Joint Stock Company.

HIGHLIGHTS ON BUSINESS ACTIVITIES OF THE GROUP IN 2020 - THE YEAR AFFECTED BY THE GLOBAL PANDEMIC

- In 2020, most of the global economies are in recession and negative growth, the Group has made great efforts to negotiate to sign land sublease contracts with foreign investors in any form with a total area of up to 150 hectares, the total value is over 150 million US dollars; In particular, Nam Son Hap Linh Industrial Park - Bac Ninh has been approved the adjusted Investment Certificate and attracted a series of customers to sign a Memorandum of Understanding. Besides, Quang Chau - Bac Giang Industrial Park continues to attract Foxconn Group to expand investment on a large scale to move Macbook and iPad production lines to Vietnam. This will be a great advantage for KBC to enhance its brand reputation with international investors, with provincial governments in the process of business development, setting up new projects in 2021 and the following years to come.
- Tan Phu Trung Industrial Park is a highlight in 2020 of the Group that has leased 36.2ha, attracting most of the domestic investors in the fields of electricity, pharmaceuticals, logistics, etc.
- The Group has completed important legal procedures for the Nam Son Hap Linh Industrial Park Project, Phuc Ninh Urban Area, and completed the infrastructure of Trang Due Urban Area. These are the knots that have been removed so that in 2021 the Group is expected to record trillions of VND in revenue from these projects.
- Contribution to the state budget for 2020 is also an important highlight of the Group. Specifically, the total amount paid to the state budget is VND 3,760.5 billion. In which, Trang Cat One Member Limited Liability Company, 100% owned by KBC, has contributed VND 3,500.4 billion to the State Budget, helping Hai Phong City exceed the target of paying thousands of billion VND to the state budget. Therefore, the Trang Cat Urban Area Project almost completed the compensation and payment of land use fees and was handed over the current status of land in the field to the Company to carry out the implementation procedures and invest in the construction of the project's infrastructure to put it into operation and business. This is a large urban area in Hai Phong that will make a great contribution to the development of the City and bring great benefits to shareholders in the years to come.

AWARDS

KBC which is a public and completely non-government owned corporation, received 13 Emulation Flags from the Government for the excellence, have been rewarded by multiple authorities and assessment organisations, such as:

- Consecutively, KBC received many Certificates of Merit from the Chairman of Bac Ninh People's Committee and the Title of Outstanding Labor Collective up to 2020;
- In 2012, KBC was very honoured to receive Labor Medal Award (the second grade) from the President of the Socialist Republic of Vietnam;
- The Title of Outstanding Enterprises awarded by Bac Ninh People's Committee for the renewal-20-year-journey of Bac Ninh;
- Being the typical enterprise investing in IP infrastructure contributes to attracting foreign investment, developing technical and social infrastructure of Bac Ninh province;
- The enterprise has typical achievements in fulfilling its obligation to pay a large budget to the state every year;
- The Certificate of Merit by the Minister of Planning and Investment for its contribution to the construction and development of IPs in Bac Ninh province and Hai Phong city;
- The Chairman of Bac Ninh City People's Committee awarded the Certificate of Merit to KBC for many contributions to the construction of flower gardens and the physical training and sports area of Bac Ninh city for children;
- Director of Bac Ninh Province Public Security Department awarded the Certificate of Merit for KBC for outstanding achievements in fire fighting and rescue profession technique manoeuvres, and fire protection forces in Que Vo IP;
- Director of Bac Ninh Department of Labor, War Invalids and Social Affairs awarded the Certificate of Merit for KBC with excellent achievements in the work of occupational safety and hygiene;
- Certificate of Merit from the Chairman of Hai Phong City People's Committee for the unit with outstanding achievements, contributing positively to the socio-economic development of the city;
- KBC has won many awards such as Vietnam National Brand Award, ASEAN Excellent Enterprise Award, Vietnam Gold Star Award, etc.
- Continuously awarded Certificate of Merit by Long An Provincial People's Committee in 2019 and 2020.
- For 2 consecutive years, KBC has entered the list of 50 best listed companies in Vietnam announced by Forbes

In addition, KBC is always evaluated as one of the enterprises with very good investment relations: For many years, it has won the award for the best annual report, was once among 15 enterprises that received the Certificate of Merit from the Chairman of the State Securities Commission for consecutive years of winning the Best Annual Report Award; According to Vietstock.vn survey, KBC is rated as one of the listed companies with good Investor Relations (IR) activities. Most investment funds and securities companies are satisfied when they contact KBC to share information and share investment opportunities such as SSI, HSC, Ban Viet, VietinbankSC, MBS, KIS; Investment funds such as Dargon Capital, Vinacapital and hundreds of foreign investment funds have been exposed to KBC.

Mr. Dang Thanh Tam - the Chairman of KBC received a number of Labor Medal Awards (the first grade, the second grade and the third grade), was held the Title of National Emulation Fighter, awarded 03 Certificates of Merit from the Prime Minister of the Socialist Republic of Vietnam. He received the Certificate of Merit and medal recognition of significant contributions to the development of Japan - Vietnam relation from Mr. Mitsuo Sakaba - Ambassador of Japan in Vietnam on the occasion of 76th birthday and 20-year coronation of the Japanese Emperor, and became the only businessman in Vietnam to receive this prestigious award ever. He was also awarded a lot of merits from ministries, branches, Committees of provinces and cities, Organisation and Associations. For many years, he was recognised as a basis Emulation Fighter and accredited the Honour of Provincial Emulation Fighter in 2008. From 2003 till now, he constantly received Vietnam Typical Entrepreneur Awards and Thanh Giong Cup. He served as co-chairman of the Vietnam-Japan Business Forum (Approved by Prime Minister to be established) and Vice Chairman of the Economic Development Cooperation Vietnam - Laos - Cambodia. He was appointed as a member of official business Advisory Council of APEC (ABAC), a member of the senior Advisory Council of post-WTO action plan of the Government. Also, he is a member of the strategic advisory partner of the World Economic Forum (WEF GCC Partner member advisory board); He was honoured as one of the outstanding entrepreneurs awarded " Ernst & Young - The Vietnam Entrepreneurs Spirit 2011 ". Moreover, he used to be a member of the 8th National Assembly of Vietnam.



CORE VALUES

EXPERIENCES IN INVESTING AND DEVELOPING IPS

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

Looking back on the first moments when Mr. Dang Thanh Tam arrived in Kinh Bac - Bac Ninh in the early 2000s, an poor area, weak economy, low agricultural productivity. Thanks to his foresight in the country's development, diplomacy talent, and contact with international organizations, he has carried out the mission of promoting Vietnam's policies to attract investment abroad. Initially, he achieved some success in his career at Tan Tao Industrial Park - Ho Chi Minh City, he made a bold decision about building his own career in a strange city, with a small initial capital, he met many difficulties in the process of raising capital, building trust and credibility with associates, authorities, and multinational corporations. After 19 years of construction and development, the first IPs have completed 100% occupancy, creating a strong KINHBAC CITY brand known not only in the country but also abroad.

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

IN ORDER TO GET A CONTRACT SIGNED, NOT ONLY BECAUSE CUSTOMERS WILL GAIN MANY INCENTIVES IN LOCAL INVESTMENT, NOT ONLY BECAUSE OF THE QUALITY OF OUR SERVICES TO CUSTOMERS, NOT ONLY BECAUSE WE HAVE THE ABILITY TO NEGOTIATE BUT WE HAVE TO MEET ALL THE STRICT REQUIREMENTS OF EACH CUSTOMER.

CREATING LARGE LAND BANK

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

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

Up to now, KBC is managing 4.713 hectares of land for IP development, accounting for nearly 5% of the total IP land area of the country and 917,9 hectares of land for developing UAs and residents. In which, there are 1,013 hectares of IP land in 4 IPs which have been filled 100% but still bring significant fixed revenue for the group including fee for infrastructure management, supply of clean water and wastewater. **KBC is proceeding to expand its IP and UA land bank in Hung Yen, Hai Duong, Long An and Vung Tau.**

DIVERSE PRODUCTS AND SERVICES SATISFY ALL CUSTOMERS' STRICT REQUIREMENTS

By setting customers' interests as privilege, KBC provides appropriate products and perfect services to satisfy all customers, even the hardest ones. With 19 existing IPs, strategically located across the country, KBC is holding the leading position in attracting FDI, especially large international corporations such as Canon, Foxconn, LG, JA Solar, Goertek, Fuyu, Luxshare, Jufeng, etc.

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

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

Besides developing IPs, KBC deployed and developed UA from the existed land bank. The integrated model has been the consistent vision of KBC since the beginning. However, it was not until 2017 that KBC has brought UA product into market to meet the demands of housing, leasing and commercial real estate investing in Bac Ninh Province; In 2019, KBC has brought Trang Due UA to business, meeting the housing needs for foreign experts, investors and people in Hai Phong city.



THE TRADEMARK OF KINHBACCITY

The trademark of KINHBACCITY has built an attractive reputation with not only domestic but also foreign investors (both FDI and FII). Thanks to the ability to attract FDI and the competitiveness of services and products with businesses in the same industry, KINHBACCITY is always chosen by FDI enterprises when planning to invest in Vietnam. The rate of ownership of KBC shares of foreign investors updated at 30th March 2020 is 21.25%.

INVESTOR RELATIONSHIP

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

DEVELOPING HUMAN RESOURCES AND EFFECTIVE MANAGEMENT SYSTEM

KBC has built a management apparatus, professional staff who is qualified and experienced in the field of business investment and IP development, especially able to approach and promote FDI enterprises to invest in KBC's IP. The spirit of responsibility, loyalty and solidarity are the focal points in building corporate culture. Thanks to the effective human resource management policies, the Group's staff always attaches and accompanies with the Group during both the prosperity and difficulties, gradually building KINHBACCITY GROUP to become one enterprise with sustainable development and maintain the leading position in the field of IP development even in the most difficult times. Especially in 2020, many businesses had to cut staff and cut wages, but KBC did not cut staff and the average salary even increased by 19.7%.

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

- Satisfying the wishes of the locals; contribute a significant part in creating jobs for local people; contribute to developing the process of industrialization and modernization for the locality;
- Being a connector between enterprises with local authorities; bring the image of Vietnam, Vietnamese enterprises, Vietnam's investment policies to international investors;
- Creating different products with high competitiveness for enterprises; Knowing how to turn difficulties into opportunities, even in crisis years, the economy goes down.



2. LINES OF BUSINESS AND LOCATION

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

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

▣ Types of Service products accounting for 10% of the Group's revenue

SERVICE PRODUCTS	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2020	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2019
1. Land leasing revenue	62,3%	69,4%
2. Revenue from real estate transfer		16,4%
3. Revenue from supply of clean water, electricity, wastewater treatment, warehouse rental service fee	15,6%	
4. Financial revenue	12,7%	

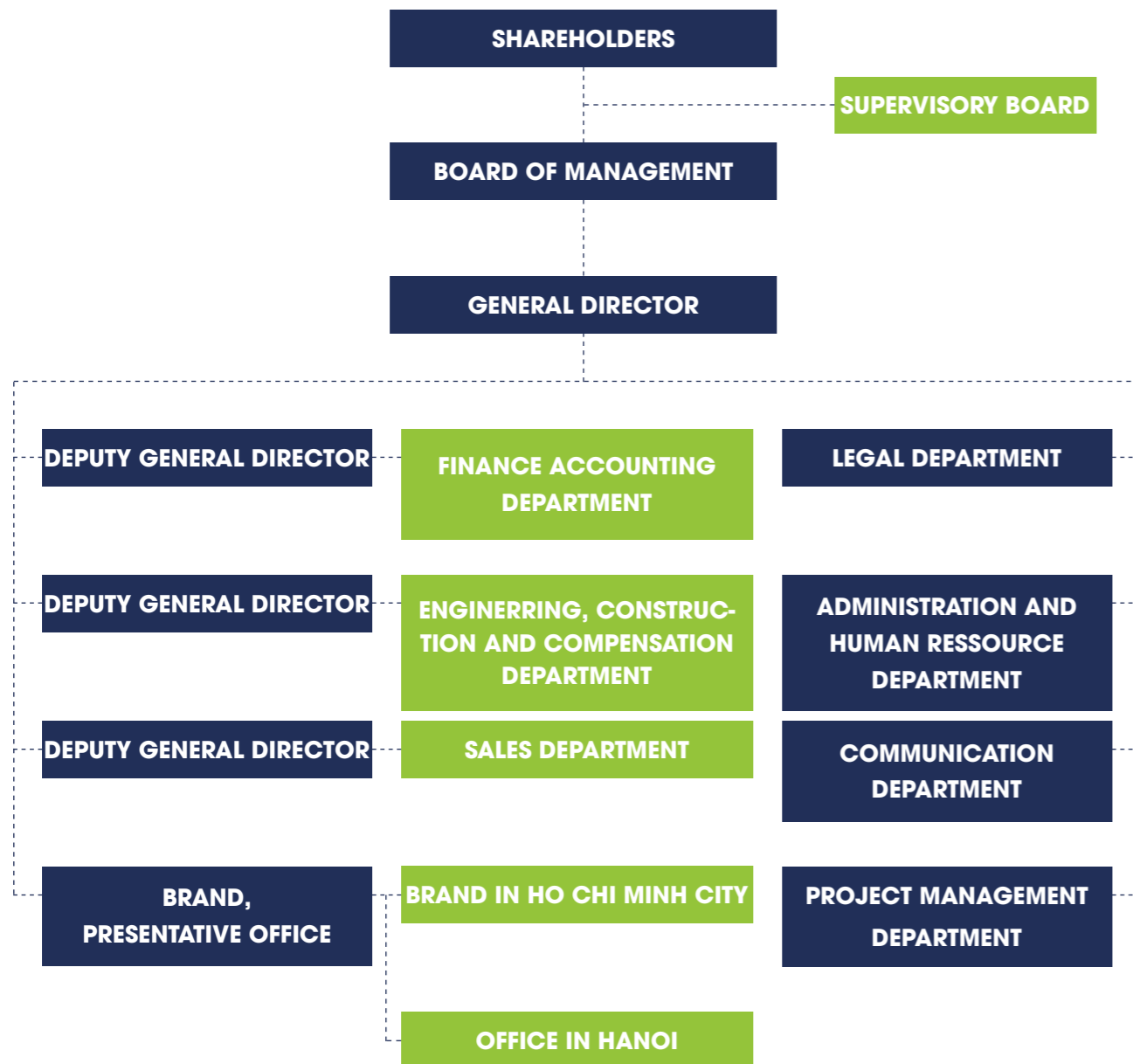
▣ Business area accounting for 10% of the Group's revenue

BUSINESS AREA	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2020	ACCOUNT FOR OVER 10% OF TOTAL REVENUE IN 2019
1. Revenue in Bac Ninh		16,2%
2. Revenue in Bac Giang	22,8%	38,3%
3. Revenue in Hai Phong	10,5%	26,3%
4. Revenue in Thua Thien Hue	10,5%	
5. Revenue in Cu Chi - Ho Chi Minh city	45,8%	19,2%



3. MANAGEMENT MODEL, BUSINESS ORGANIZATION AND MANAGEMENT APPARATUS

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



INFORMATION ABOUT SUBSIDIARIES

On December 31st 2020, the Company possessed these following subsidiaries:

NO.	COMPANY NAME	VOTING RATE (%)	INTEREST RATE (%)	HEAD OFFICE	MAIN ACTIVITIES
1	Saigon - Bacgiang IP,- JSC	92,1	88,6	Quang Chau IP, Quang Chau commune, Viet Yen dist., Bac Giang province	Investment, building and trading real estates
2	Saigon - Haiphong IP,- JSC	86,54	86,54	Trang Due IP, Le Loi commune, An Duong dist., Hai Phong city	Investment, building and trading real estates
3	Saigon - Taybac Development Holding,,JSC	74,3	72,44	Tram Bom, 22 Highway, Tan Phu Trung commune, Cu Chi dist., Ho Chi Minh City	Investment, building and trading real estates
4	Trang Cat Urban Development One Member Limited Company	100	100	Bai Trieu, Trang Cat commune, Hai An dist., Dinh Vu - Cat Hai Economical Zone, Hai Phong	Investment, building and trading real estates
5	NGD Investment One Member Limited Company	100	100	No. 100, An Trach st., Quoc Tu Giam wd., Dong Da dist., Hanoi	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Limited Company	100	100	Plot B7, Que Vo IP, Phuong Lieu commune, Que Vo dist., Bac Ninh province	Investment, building and trading real estates
7	Kinh Bac - Da Nang Investment One Member Co., Ltd.	100	100	61A Nguyen Van Cu Str., Hiep Hoa Bac Wd., Lien Chieu Dist., Da Nang City, Viet Nam	Investment, building and trading real estates

INFORMATION ABOUT SUBSIDIARIES (CON.)

On December 31st 2020, the Company possessed these following subsidiaries:

NO.	COMPANY NAME	VOTING RATE (%)	INTEREST RATE (%)	HEAD OFFICE	MAIN ACTIVITIES
8	Tien Duong Urban Development JSC	51	51	No. 100, An Trach st., Quoc Tu Giam wd., Dong Da dist., Hanoi	Investment, building and trading real estates
SUBSIDIARIES OF LEVEL 2					
9	Tan Phu Trung- Long An IP One Member Limited Company (i)	100	72,44	88 Tran Phong Sac St., 4 ward, Tân An city, Long An province, Viet Nam	Consulting, construction and real estate business
10	Bac Giang- Long An IP One Member Limited Company (ii)	100	88,06	489E Provincial Road 824, Quarter 5, Duc Hoa Town, Duc Hoa District, Long An Province	Construction and real estate business
11	Tan Tap industrial infrastructure Limited Company (iii)	100	86,54	531E Quarter 5, Duc Hoa Town, Duc Hoa District, Long An Province	Consulting and real estate business

(i) This company was established under the Enterprise Registration Certificate No. 1101916111 issued by the Department of Planning and Investment of Long An Province on April 26, 2019. This company is indirectly held by the Saigon - Taybac Development Holding., JSC.;

(ii) This company was established under the Enterprise Registration Certificate No. 1101916513 issued by the Department of Planning and Investment of Long An Province on May 6, 2019. This company is indirectly held by the Saigon - Bacgiang IP.,JSC.;

(iii) This company was established under the Enterprise Registration Certificate No. 1101916545 issued by the Department of Planning and Investment of Long An Province on May 6, 2019. This company is indirectly held by the Saigon - Haiphong IP.,JSC.

INFORMATION ABOUT ASSOCIATED COMPANY

NO.	COMPANY NAME	OWNERSHIP RATE (%)	ADDRESS	MAIN ACTIVITIES	CHARTER CAPITAL (VND BILLION)
1	Saigon Telecommunication & Technologies, JSC	21,48	46 Quang Trung Software Park, Tan Chanh Hiep wd., District 12, Ho Chi Minh City	Investing and trading infrastructure and telecommunication equipments	423,5
2	Scanviwood JSC	34	565 An Duong Vuong st., An Lac wd., Binh Tan dist., Ho Chi Minh City	Producing household furniture for export	7,2

From 31st December 2020, *Saigon-Hue Development Investment JSC* is no longer an associated company of KBC because KBC has transferred all shares in this company.



4. DEVELOPMENT ORIENTATION

Main short-term goals

- ❑ Developing core business areas: Accelerating infrastructure investment and business development in Nam Son Hap Linh IP, Quang Chau IP, Tan Phu Trung IP, Phuc Ninh Urban Area, and Trang Due Urban Area; Trang Due 3 IP, Trang Cat Grand Project, specifically:
 - ✓ Nam Son Hap Linh IP - Bac Ninh: Continue to compensate and complete the infrastructure, build a clean water plant, treat wastewater, etc. to hand over the land to the investor who signed a memorandum of understanding. The project will record significant revenue in 2021.
 - ✓ Quang Chau IP - Bac Giang: continue to compensate the remaining 20 hectares of land and convert another 90 hectares from the urban area to the industrial zone, build a number of factories to prepare available products to meet the needs of investors surveying.
 - ✓ Tan Phu Trung IP: focus on building an appropriate business strategy to maintain the minimum sales speed as in previous years and complete 100% project compensation. In addition, the Company is expected to deploy industrial parks and UAs in Long An.
 - ✓ Trang Cat urban area: Deploy to build infrastructure to put into operation, exploitation and business.
 - ✓ Trang Due urban area: complete a number of items of telecommunications system, green landscape, wastewater treatment station and conduct new sales.

- ✓ Phuc Ninh urban area: Complete legal procedures to hand over to investors who have reserved, and record revenue in 2020; deploy investment and construction of technical infrastructure for the area that has been handed over in the field; Perform compensation and site clearance work for the remaining area of the project; Invest in building a system of regulating reservoirs to ensure water drainage; construct low-rise housing projects in areas where infrastructure has been completed; Invest in the construction of a number of public works such as kindergartens, schools and kindergartens; Continue to open the project for sale.
- ✓ Deploying investment and business development of 219.8 ha of industrial zone, 43.52 ha of social housing area by the Group's subsidiaries won the bid in early 2020 in Can Giuoc Long An. This is a very convenient location near Long An port and Hiep Phuoc port in Ho Chi Minh City.
- ✓ Implementing investment and development of Trang Due 3 Industrial Park with a scale of 687 ha.
- ❑ KBC will also focus on building worker and social housing on the land fund that is now ready.
- ❑ Completing the procedures for establishing new IPs and UAs in Hung Yen, Hai Duong, Long An, Vung Tau, etc.
- ❑ Cooperation in investment and business development with member companies and domestic and international potential partners, etc. Deploying diversified business plans, attracting high-tech corporations from Korea, Taiwan, Hong Kong, Singapore, Japan, China, the United States, etc.
- ❑ Preparing products and services suitable to investors' needs (land available for lease, factories ready for sale and lease, maximum investor support services).
- ❑ Mobilizing and using capital effectively, improving financial capacity, maintaining the growth rate of revenue and profit.



MEDIUM-TERM AND LONG-TERM DEVELOPMENT STRATEGY

No matter how strong the development orientation is, the Group always takes 3 goals as a guideline for the Group's development: product quality, financial capacity and long-term brand vision are the three most important goals to maintain the position and enhance the reputation of the business.

- KBC takes the lead, implements projects to establish a number of new projects in Hung Yen, Hai Duong, Long An, Vung Tau provinces and continuously surveys other areas in line with development orientation sustainability of KBC to increase land bank.
- Developing potential IPs and UAs in the central and southern regions and at the same time implementing urban development projects to meet the needs of social development; Expanding a number of urban and IPs projects in potential areas such as Hai Phong, Bac Giang, Bac Ninh, etc.
- Developing a new customer network, diversifying products to meet all customer needs;
- Building and developing the international brand KINHBACCITY, always being the leading enterprise in the field of management and development of IPs - UAs.
- KBC focuses on closely following the trend of FDI inflows into Vietnam by fields, partners and locations to set up new projects and develop new types of investment.

THE ENVIRONMENTAL, SOCIAL AND COMMUNITIVE OBJECTIVES

- Being a corporation that contributes significantly in the process of promoting Vietnam's investment policies to the world through some programs of promoting investment, some economic forums in the region and in the world;
- Being an enterprise that has created one of the IP development models - attracting FDI very successful, contributing to the process of making an underdeveloped country to become a developing country, a steaming destination of many foreign investors;
- Being a corporation with significant contribution in the annual attracting FDI of Vietnam in the field of industrial urban real estate and aiming at less-pollution FDI enterprises.
- Being a corporation that creates thousands of jobs for the unemployed, contributes to budgets of provinces and cities where KBC projects are located, contributes to the cause of industrialisation and modernisation of the country and contributes to social works such as conditioning lakes, local parks and so on which create a green, clean and beautiful environment.



5. SWOT

STRENGTHS

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

WEAKNESSES

- The product is not suitable for all investors: the land plots in the IP are quite large, which is limited for projects that need to use a small land area (under 1,000 m²). Large factories are not suitable for small and medium projects, which has lost opportunities in this market.
- Restrictions on industries that are attracted to IPs: in IPs, industries with potentially polluting emissions are restricted.
- Workers: The number of suitable skilled labours is not enough for the needs of enterprises.
- Tax incentives: Apart from Trang Due IP, other IPs of KBC are located in the developed economic zones so they do not follow the preferential tax policies according to the new law.
- 04 IPs of KBC with a total area of 1,013ha have been filled, limited supply to be ready to meet the needs of investors, especially in 2020.
- The approval procedure for large-scale IPs like KBC can take a long time, it can take 2 years or more, etc.

OPPORTUNITIES

- Planning to expand the scale of enterprises that have invested in KBC's IPs;
- Planning land lots and factories with areas suitable to the demand of investors;
- KBC is always considered the first choice of satellite companies of large corporations such as Foxconn, LG, Samsung, JA Solar, Goertek, Fuyu, etc.
- Catching the wave of FDI inflows from Japan, China, Hong Kong, Taiwan into Vietnam.
- Benefiting from the State's policies and orientations to attract FDI, attracting FDI is confirmed to be an important part of the economy and is encouraged for long-term development. Selectively attract FDI, encourage linkages with domestic enterprises, enhance Vietnam's position in the global value chain on the principle of multilateralization and diversification, and ensure the independence of the economy, ensuring national security. The Politburo issued Resolution No. 50-NQ/TW dated August 20, 2019 on orientations to perfect institutions and policies, and improve the quality and efficiency of foreign investment cooperation until the end of 2030. This resolution continues to open up great opportunities in the long term for businesses like KBC to develop.
- The revised Investment Law (2020) officially came into effect, adding regulations allowing the Prime Minister to apply special incentives to create mechanisms and policies that are attractive enough to promptly attract FDI flows which are rapidly changing in the current context. Accordingly, it is allowed to apply a maximum incentive of 50% in comparison with the highest level in accordance with the current Law. The Law also amends and supplements industries and professions with investment incentives to ensure selective and quality foreign investment attraction. The Government's orientation has also clearly set out that: This is a special preferential policy, Vietnam will try to take advantage of this to catch the shifting investment capital, making an important contribution to the implementation of socio-economic development goals for 2021 and the following years.
- In recent years, especially in 2020, Vietnam has been highly appreciated by the world in many aspects: Being the only Southeast Asian country to achieve 5 action goals of the United Nations to ensure sustainable development; According to the assessment results of Asia Power Index, Vietnam is also considered as the country with the strongest increase in rankings with 1.3 points. In which, the index of diplomatic influence increased by 3 places due to the good handling of the pandemic. Besides, the indicators of economic competitiveness and defense network of Vietnam also increased; According to Brand Finance (UK), an international brand valuation firm, in 2020, Vietnam's national brand value reached US\$319 billion, up 29% compared to that of 2019 - the fastest increase in the world. With a strong national brand, Vietnam has affirmed its position for foreign investors; considered by foreign investors as a "magnet" - with good investment policies, high quality and diversified education investment and skilled workers in Vietnam are increasing;

- Vietnam has become the leading destination in Southeast Asia for production and an attractive place for multinational corporations, especially from the US, to set up production plants to reposition supply in the context of the US-China trade war. At the same time, Vietnam's deeper and more effective integration with the world economy through important trade agreements are also a plus point for our country's brand value.
- Currently, Vietnam has signed 15 free trade agreements and 2 agreements are under negotiation. Particularly in 2020, Vietnam took on "double responsibility" when concurrently being a non-permanent member of the United Nations Security Council and the Chairman of ASEAN. Vietnam has become the founder of the world's largest free trade area "RCEP" signed on November 15, 2020; The EVFTA Agreement, after a decade of negotiations, was approved by the European Council on March 30, 2020, approved by the National Assembly of Vietnam on June 8, 2020, and took effect on August 1, 2020. The UKVFTA Agreement signed on December 29, 2020 takes effect temporarily from January 1, 2021 between Vietnam and the United Kingdom. That is a huge opportunity for Vietnam in general and businesses like KBC in particular with a very long road ahead.

THREATS

- Higher investment costs lead to higher rental rates, which will be difficult to attract specific investment projects.
- Difficulties in attracting investment without tax incentives.
- Macro policy changes in the process of managing the management of IPs development.
- Choosing investors that do not pollute the environment, do not use backward technology, etc.
- KBC's available land reduced due to the fact that 4 industrial parks in Bac Ninh and Hai Phong, equivalent to 1.013 ha, have fully occupied 100%, which is a challenge for KBC in the short term.
- In 2020 despite having many Memorandum of Understanding (MOU) with major investors, KBC's IPs have to complete legal procedures and invest in infrastructure, and there are not enough products available to hand over to customers. Although all legal procedures have been completed by the end of 2020, it is eligible to hand over land to customers who have signed a Memorandum of Understanding, but the total available area is not expected to meet all the needs of new customers in 2021 while the process of formulating and developing a new project takes 2-3 years or more.
- The transformation in investment structure of FDI enterprises is taking place strongly; The view of the Government is to attract FDI selectively in technology, environmental protection, investors who are willing to connect with domestic enterprises, etc. That is also a challenge for KBC.



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

RISKS FROM CHANGES IN POLICIES OF INVESTMENT AND BUSINESS ACTIVITIES IN IPS:

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

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

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

In 2020, KBC completed the procedure to adjust the area of Nam Son Hap Linh Industrial Park project from 425ha to 300ha with a time of about 2 years. In which, 100ha of Nam Son Hap Linh Industrial Park was converted into an urban area, in order to implement this urban area project, KBC will have to start from the beginning the procedures for establishing the project. It is also a risk that KBC has encountered since 2019, with every effort to handle the risk and completed by the end of 2020.

RISKS FROM CHANGES IN MONETARY POLICIES

This is the type of risk that real estate businesses in general and KBC in particular will suffer first, when credit is tightened, real estate enterprises will be squeezed first; Interest rates for real estate businesses are always at the highest level.

KBC has experienced these risks, in the period of 2011 - 2014, KBC has almost no access to any credit sources. In this context, KBC must rely entirely on internal sources, revenue from business activities, many commercial real estate projects must stop (partly due to inability to arrange credit sources, partly when credit interest rates increase and the real estate market is in trouble, the business also wants to choose a solution to suspend project construction).

In the period of 2015 -2016, the risk of monetary policy almost did not happen, KBC easily access credit sources, interest rates at 9,5% - 10%/year.

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

In the past, both of the above ratios have changed many times. The risk ratio for lending real estate business was set at 100% according to the Decision No. 457/2005/QD-NHNN of the SBV.

By 2010, it was increased to 250% according to Circular No. 13/2010/TT-NHNN, and after four years (2014), it was reduced to 100% according to Circular No. 36/2014/TT-NHNN. By 2016, the State Bank issued Circular No. 06/2016/TT-NHNN, which stipulates that the risk ratio for real estate lending will be kept at 150% by the end of 2016 and then to 200% since January 1st 2017.

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

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

In 2020, due to the impact of the epidemic in the first 4 months of the year, although deposit interest rates in the market were low and capital was abundant, the Government directed banks to support businesses in debt extension and reduction interest rates, etc. However, accessing new capital is quite difficult for credit activities and also for issuing bonds because financial institutions are afraid of the epidemic. With its efforts and prestige, at the beginning of May 2020, KBC only issued 01 Bond with a value of VND 200 billion. However, after the epidemic situation in Vietnam was under control, the situation of capital arrangement began to be easier but with the common lending interest rate maintained at about 10.5%, which is quite high compared to the initial interest rate from financial / credit institutions, which is also a disadvantage for businesses. During the year, KBC was one of the few listed companies that successfully issued bonds to the public and listed on the Ho Chi Minh City Stock Exchange.

RISKS FROM ATTRACTING FDI

To KBC, attracting FDI in Vietnam is the most important factor that impacts the business operating status of the Corporation.

In 2020, Vietnam is really the focus of the world in 2020, attracting FDI in 2020 reached 28.53 billion USD, equaling 75% over the same period; current actual capital reached 19.98 billion USD, equal to 98% over the same period. In which, Asia continues to be the largest FDI investor in 2020, led by Singapore, Korea, China, Hong Kong, and Taiwan. This has reflected a wave of supply chain restructuring that has helped Vietnam benefit from this process and this process will continue into 2021.

- According to the Ministry of Planning and Investment's data at the beginning of 2021, there have been 300 enterprises from countries and territories around the world that have plans to have investment expansion, new investment and do research on investment in Vietnam.

- In the trend of investment shifting in the world, Vietnam has become a bright candidate, internationally evaluated as an attractive destination because of its political stability, macro-economics, geographical location, conditions of land, environment and human resources.
- The infrastructure of industrial parks, export processing zones and economic zones throughout the country continues to be improved and upgraded. The Prime Minister also approved 19 coastal economic zones, with a total area of about 871 thousand hectares.

That is a huge advantage for Vietnam in general and businesses like KBC in particular, we do not see any risk in attracting FDI in 2021 and the coming years. However, because the epidemic situation around the world has not really improved, travelling between countries is still limited which is a risk and obstacle affecting the process of attracting FDI enterprises despite the demand for FDI enterprises to invest in Vietnam is huge.

RISKS FROM INEFFECTIVE MANAGEMENT OF CASH FLOW

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

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

In 2018, 2019, 2020 KBC all completed the capital arrangement plan, and there was no risk of cash flow management.

It is expected that in 2021 KBC's capital growth demand is quite large, the Group needs to arrange 5,000 billion VND to implement a series of large-scale projects. That is a pressure for KBC in the short term that we would like to note to our investors. But in the long run, it is a very good plan to have products ready to meet customers in the future, minimizing disadvantages such as supply and demand in 2020.

OTHER RISKS

The operating IPs may not avoid risks such as: The phenomenon of causing environmental pollution from enterprises in the industrial park, having natural disasters (storms speeding up the roofs of factories); fire and explosion (fire in a factory in an industrial park); the strike stopped the production and business activities of enterprises in the Industrial Park, causing security instability; Companies operating in industrial parks have gone bankrupt; the epidemic caused the global purchasing ability to decline, affecting the import and export activities of FDI enterprises, and even the epidemic could lead to a halt in domestic and foreign trade as affected by COVID-19 booming since the beginning of 2020 worldwide etc.



PART II BUSINESS PERFORMANCE IN 2020

In 2020, the world economy faced many difficulties. However, Vietnam is one of the lucky countries that still achieves the highest positive growth rate in the world with a GDP growth rate of 2.91%. This confirms the State's macroeconomic management policies, the efforts of businesses are great to help the economy both adapt to the circumstances and accelerate again. During the year, Vietnam has been highly appreciated by the world in many aspects: Being the only Southeast Asian country to achieve 5 action goals of the United Nations to ensure sustainable development; According to the assessment results of Asia Power Index, Vietnam is also considered as the country with the strongest increase in rankings with 1.3 points. In which, the index of diplomatic influence increased by 3 places due to the good handling of the pandemic. Besides, the indicators of economic competitiveness and defense network of Vietnam also increased; National brand in 2020 increased by 29% compared to 2019 etc.

With a growing national brand, Vietnam has become a leading destination in Southeast Asia for manufacturing and an attractive place for multinational corporations, especially those from the US that have the need to relocate factories to reposition supply amid the US-China trade war. At the same time, Vietnam's deeper and more effective integration with the world economy through important trade agreements is also a plus point for our country's brand value. Currently, Vietnam has signed 15 free trade agreements and 2 agreements are under negotiation. In 2020, Vietnam assumes a "double responsibility" when concurrently being a non-permanent member of the United Nations Security Council and the Chairman of ASEAN. Vietnam has become the founder of the world's largest free trade area "RCEP" signed on November 15, 2020;

In addition, the extremely important EVFTA Agreement, after a decade of negotiations, was approved by the European Council on March 30, 2020, approved by the National Assembly of Vietnam on June 8, 2020, and took effect on January 1, August 2020; In the context of countries restricting travel, between Vietnam and the United Kingdom signed the UKVFTA agreement on December 29, 2020, which will take effect temporarily from January 1, 2021

Therefore, Vietnam is really the focus of the world in 2020, attracting FDI in 2020 reaches 28.53 billion USD, equaling 75% over the same period; current actual capital reached 19.98 billion USD, equal to 98% over the same period. In which, Asia continues to be the largest FDI investor in 2020, led by Singapore, Korea, China, Hong Kong, and Taiwan. This has reflected a wave of supply chain restructuring and Vietnam is benefiting from this process. In particular, the real estate industry in Vietnam has become one of the areas that attract the most investors in 2020, creating strong confidence in the eyes of international investors

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

Specifically, KBC has been preparing a large industrial park land fund and adequate infrastructure, located in strategic locations to meet the diverse needs of investors in terms of area, location along with other solutions include: Developing existing land fund, establishing new IPs and UAs in some provinces such as Long An, Hai Duong, Hung Yen, Vung Tau, etc.; Promoting investment; Attracting selective investment; contributing ideas to authorities to improve the business investment environment and communicating investment policies and investment incentives of Vietnam to investment groups around the world; always creating outstanding, different and effective points; Actively connecting with existing investors who have expansion needs and foreign investors who plan to invest in Vietnam; Implementing clear and effective branding and development strategies.

In 2020, KBC and its subsidiaries signed a series of land sublease contracts with a total area of up to 150 hectares, total value of over 150 million USD. The main fields of investment attraction are high technology and electronic technology; in which there are investment projects of famous large corporations in the world such as Foxconn that have made large-scale investments in Quang Chau Industrial Park - Bac Giang; Other large corporations will invest in Nam Son Hap Linh Industrial Park - Bac Ninh, etc. In particular, at present, Foxconn Group plans to move the production line of Macbook and iPad to Vietnam for production in Quang Chau Industrial Park. This will be a great advantage for KBC to enhance its brand reputation with international investors, with authorities of provinces in the process of business development and set up new projects in 2021 and the years to come.

However, only in 2020, due to the characteristics of KBC's customers being foreign investors, the travel of foreign investors is still limited. Therefore, KBC has not yet recorded all revenue from signed contracts in 2020, resulting in business results in the financial statements for 2020 not meeting the plan. However, in the business prospect of 2021, the Company is expected to grow more impressively thanks to the unfinished results from 2020 and positive signs from the beginning of 2021 to the present FDI capital attracted by KBC reached 1.23 billion USD (accounting for more than 50% of the national share). Below are the numbers that specifically describe KBC's business activities in 2020.

1. THE SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES IN 2020

Unit: Billion VND

TARGET	2019	2020	CHANGES
Net sales of goods and services	3.209,9	2.150,9	67,0%
Revenue from land leasing	2.288,4	1.537,3	67,2%
Revenue from real estate transfer	540,2	196,2	36,3%
Revenue from factory leasing and sales	100,2	33,1	33,0%
Revenue from warehouse rental, supply of clean water, electricity, wastewater treatment, non-services	281,1	384,3	136,7%
Financial revenue	79,9	313,7	392,6%
Other revenue	8,4	3,5	41,7%
Total revenue	3.298,2	2.468,1	74,8%
Total profit after tax	1.040,8	319,8	30,7%
Profit belongs to the shareholders of the parent company	918,3	224,0	24,4%

In 2020, the Group's total consolidated revenue reached VND 2,468.1 billion, equaling 74.8% compared to 2019, equaling 77.1% of the plan. In which, revenue from core business activities including: Land leasing, factory leasing, sale of real estate and related services reached VND 2,150.9 billion, equaling 67% compared to 2019, accounting for 87.1% of the Group's total revenue. The Group's consolidated profit after tax in 2020 reached VND 319.8 billion, equaling 30.7% compared to 2019, equaling 39.2% of the plan. The interests of shareholders of the parent company reached VND 224 billion, equal to 24.4% compared to 2019.

Total financial, selling and administrative expenses were VND 553.2 billion, up 3% compared to 2019. Of which interest expense was VND 195.3 billion, equivalent to 2019; selling expenses was VND 52.2 billion, down 63% compared to 2019; Administration expenses were VND 270.7 billion, an increase of 58% compared to 2019 because in the year the corporation considered increasing salaries and bonuses, increasing support costs, increasing social responsibility contributions to education and supporting pandemic prevention, floods, road construction, etc. and increased outsourcing expenses to establish diplomatic relations and maintain the Group's sustainable development. Thus, in the context of economic difficulties, the business still tried to allocate costs reasonably to ensure that employees' lives increase, share of social responsibility increases and strengthen the diplomatic relations to enhance society's trust in the Group during difficult times

PERFORMANCE SITUATION COMPARED TO THE PLAN

Unit: Billion VND

SECTOR	THE POSITIVE 2020 PLAN	PERFORMANCE 2020	COMPLETION
Total revenue	3.200	2.468,1	77,13%
Profit after tax	816	319,8	39,2%

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



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

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



KBC has contributed significantly to the feat of attracting Bac Ninh's FDI and created indirectly to create a vibrant real estate market in Bac Ninh.



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





2. HUMAN RESOURCE ORGANISATION

BOARD OF DIRECTOR (BOD)

MR. DANG THANH TAM - CHAIRMAN OF BOD

Mr. Dang Thanh Tam was born in 1964, was elected to be Chairman of the Board of Directors from the date of establishment of the Company, graduated as a marine engineer of Maritime University in Haiphong. He also achieved a Bachelor of Laws, a Bachelor of Business Administration and Diploma of Business Management of Henley College - UK. Also, his English is quite fluent. From 1988 to 1996, he worked at a shipping company in Saigon, then became the CEO of Tan Tao Group (ITA) since 1997. Thanks to the success of launching Tan Tao IP during Asian crisis years, he was well-known as a pioneer in the field of IP development. In 2002, he came to Bac Ninh, an undeveloped area to create a foundation for the initial development of Que Vo IP there. After 5 years in operation, this IP has reputation in the northern region, that is one of his success and enormous contribution to Bac Ninh province. Thanks to his profound experience and long-term vision, he has constantly developed and expanded the IPs from north to south. Additionally, he is fluent in several foreign languages, understands macro policies and investment environment, domestic and international law, hence he also plays an important role in our business organisations, economic consultant and international forums. Moreover, Mr. Dang Thanh Tam also was a Congressman of Assembly in the XIII term.

The number and percentage of his ownership share up to 31/12/2020: 85.250.000 shares (18,15%)

MS. NGUYEN THI THU HUONG - MEMBER OF BOD AND CEO

Ms. Nguyen Thi Thu Huong was born in 1971. Ms. Huong was elected as a member of the Board of Directors on April 27, 2012. She held a Doctorate of Science in Economics and a Master in Business Administration. She can use English and Chinese language fluently. With more than 10 years beside the development of the Corporation, Ms. Nguyen Thi Thu Huong has closely followed every strengths and weaknesses of the Corporation, then manipulated "KBC ship" to overcome the crisis wave in the previous years. Within her prior experience in the diplomatic field, she is a spearhead in promoting investment and relations with large corporations as well as in controlling the operation in each IP. As the CEO, she has shown her important role in the renovation and improvement in management system over the years. Directly taking in charge of internal governance and external policy of the Corporation, Ms. Hung emphasized on responsibility in working, discipline and solidarity between workers as the most critical part of development. She received a Labor Medal (the third grade) from the President of the Socialist Republic of Vietnam, a Certificate of Merit from the Prime Minister because of her achievements from 2002 to 2006, which contributed to build socialism and defend our country in Decision No. 1539/QĐ-TTg dated 14/11/2007 of the Prime Minister, etc.

The number and percentage of her ownership share up to 31/12/2019: 299.478 shares (0.06%)

MR. NGUYEN VINH THO - MEMBER OF BOD

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

The number and percentage of his ownership share up to 31/12/2019: 0 share (0%)

MR. PHAM PHUC HIEU - MEMBER OF BOD

Mr. Pham Phuc Hieu was born in 1978 and appointed to be the Deputy General Manager in Finance and the Chief Accountant since December 8th 2012, appointed to be a Board member since April 26th 2014. Currently, he is also authorised to announce information of KBC. Mr. Pham Phuc Hieu graduated Bachelor of Banking and Finance. He has been working in KBC more than 10 years as a financial stewardship at KBC and member companies so he had good foundation in financial sector as well as trait business activities of the Group. His qualifications and experience has confirmed him as an important member in the Board. During his time as a member of the BOM, Mr. Pham Phuc Hieu has always excellently fulfilled his role, especially in controlling cash flow, directing and arranging capital for businesses.

The number and percentage of his ownership share up to 31/12/2020: 22,817 shares (0.005%)

MR. HUYNH PHAT - INDEPENDENT MEMBER OF BOD

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

The number and percentage of his ownership share up to 31/12/2020: 0 share (0%)



BOARD OF DIRECTORS

MS. NGUYEN THI THU HUONG - CEO (INTRODUCED IN MEMBER OF THE BOARD PART)

MS. PHAM PHUC HIEU - DEPUTY GENERAL DIRECTOR IN FINANCE AND AUTHORISED ANNOUNCER

(Introduced in the BOD part)

MR. PHAN ANH DUNG - DEPUTY GENERAL DIRECTOR IN TECHNOLOGY

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

The number and percentage of his ownership share up to 31/12/2020: 11.500 shares (0,00002%)

MS. NGUYEN MY NGOC - DEPUTY GENERAL DIRECTOR IN SALES

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

The number and percentage ownership share up to 31/12/2020: 0 share (0%)



THE POLICY OF RECRUITMENT AND ALLOCATION

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

SALARY, BONUS AND ALLOWANCE

Salary, bonus and allowance regimes are built in balance with the development of enterprises. KBC fully implemented social insurance, health insurance and unemployment insurance for all employees. The total average income of KBC employees in 2019 is 18,8 million VND/person/month, increasing 19.7% compared to 2019.

Employees are entitled to leave under the Labor Law. Employees of the Company are entitled to allowances depending on the nature of the work such as: responsibility allowance, part-time allowance, lunch allowance, travel allowance, telephone, monthly phone subscription, etc. In order to ensure the health for employees, the Group organizes a kitchen with clean products, every year the Group organizes for all staff a health-checking at prestigious hospital. The Group 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 addition, every year the Group organizes a vacation tour for all employees, as well as organizing many collective activities. Trade union activities are also regularly organized, playing an important role in all activities of employees.



Enjoyable holiday of the company's staff in Phu Quoc in 2020

THE NUMBER OF STAFF

THE LABOUR STRUCTURE IN THE PARENT COMPANY

EMPLOYEE	AMOUNT (PEOPLE)	RATE
Post graduated	10	50%
Graduated	82	40%
College and vocational training	25	12%
Technical workers	16	8%
Security and guard	72	35%
Total	205	100%

■ The total number of staff in Parent Company up to 31/12/2020 is 205 people, increasing 7 people comparing to 2019.

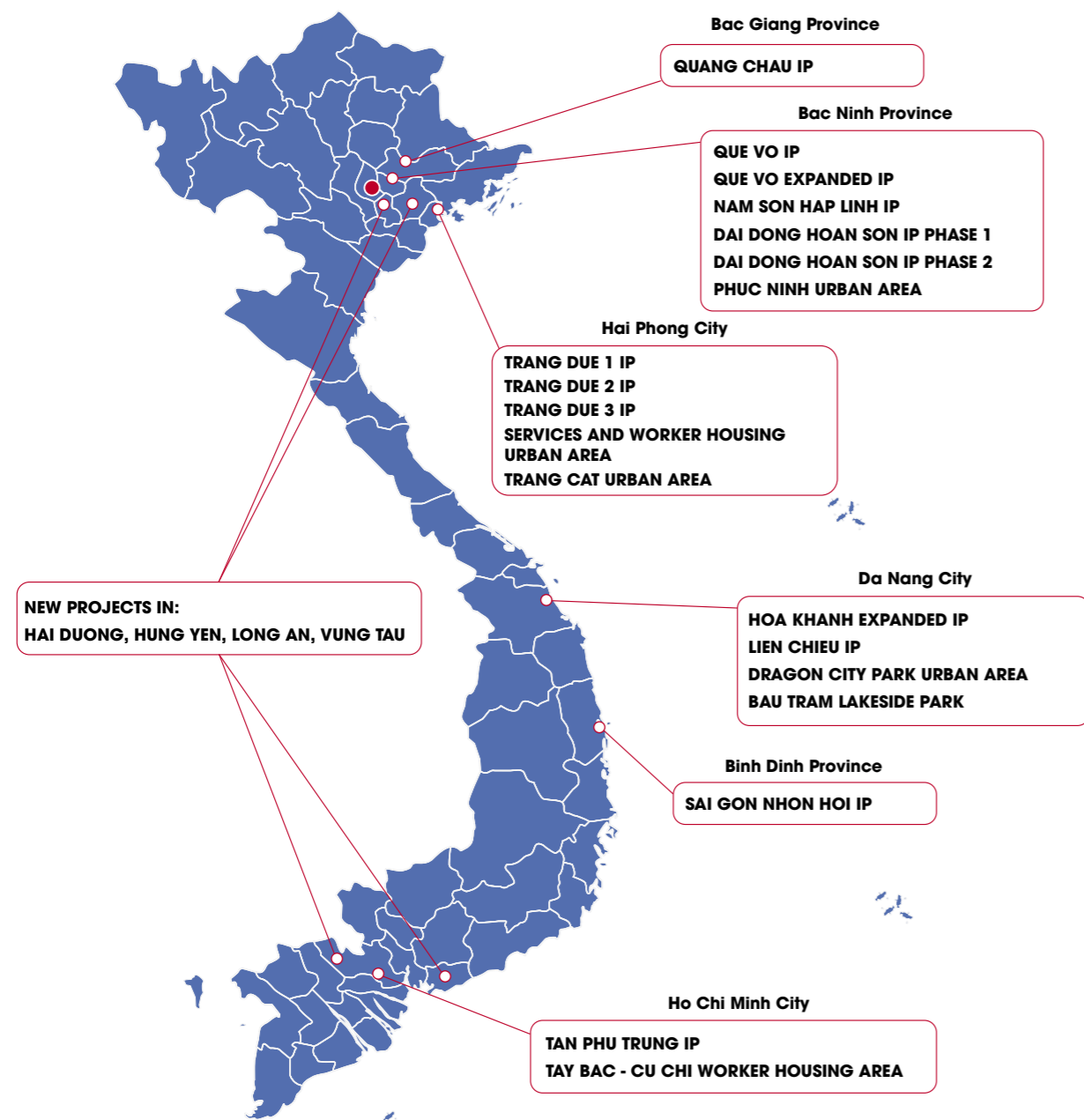
■ The total number of staff in Group up to 31/12/2020 is 531, increasing 7 people comparing to 2019.

3. INVESTMENT SITUATION AND IMPLEMENTATION OF PROJECTS

LAND BANK

The total investment land bank of the Group currently owns more than 4,713 ha of IPs and 917.9 ha of Urban Area land concentrated in the North - Central - South regions. Currently, KBC is setting up new projects in Hung Yen, Hai Duong, Long An, Vung Tau with the total area expected to increase significantly from 2021 and the following years.

Locations of KBC's projects



GENERAL INVESTMENT SITUATION

In 2020, the total value of direct investment in IPs and UAs of the Group is VND 4,517.5 billion, 6.18 times higher than in 2019. Specifically, KBC focuses on implementing infrastructure investment for the following projects:

- Trang Cat urban area has invested VND 3,502.8 billion to complete the payment of land use fees and the Hai Phong City government has handed over the current status of the land in the field to the Company to carry out the implementation and investment procedures for the project. This is a big city in Hai Phong that will make a great contribution to the development of Hai Phong and bring great benefits to shareholders in the coming years.
- Nam Son Hap Linh IP has invested VND 319.1 billion for additional compensation of 85 hectares, leveling and construction survey, construction of a clean water plant. The total value of investment in this industrial park is VND 776.8 billion, an increase of 69.7% compared to 2019. At the beginning of 2021, the project has completed the procedures for adjusting the investment certificate, eligible to continue to attract FDI on the whole. The project's area is on a scale of 300 ha, 185 ha has been compensated.
- Quang Chau IP has invested VND 328 billion for infrastructure construction, compensation for about 70 hectares, construction of clean water plant phase 3 with a capacity of 5,000m³/day and phase 3 wastewater treatment plant with a capacity of 10,000m³/day and night.
- Trang Due urban area has invested 186.4 billion VND to complete the infrastructure, complete the commercial townhouses.
- Tan Phu Trung IP has invested 86.15 billion VND to compensate, build infrastructure (leveling, road construction, water supply and drainage, lighting, electricity, trees, etc.)
- Phuc Ninh urban area has invested 79.1 billion VND to build and complete the exterior of 71 villas and adjacent houses and construct the foundation of 15 detached villas. The project has completed important legal procedures to continue to recognize revenue in 2021.



Trang Cat urban area project in Hai Phong



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

The total investment value of the Parent Company in a subsidiary is calculated based on book value and net value as at 31/12/2020 is VND 7.205,6 billion, increasing 18,25% comparing to that of 2019, mainly because of the parent company contributed capital to its subsidiary which is Trang Cat Urban Development Co., Ltd., with a total amount of VND 1.000 billion and Kinh Bac - Danang Investment One Member Limited Company is VND 108,4 billion.

The total investment value of the Parent Company in the associate at cost is 430.7 billion VND, down 32.8% because the Company transfers all shares in Saigon - Hue Investment Joint Stock Company (SGH) and SGH Company is no longer the associate company as of December 31, 2020. The net value of the total investment portfolio in associates is VND 104,4 billion. The total value of provision is VND 326,3 billion, down 12.3% compared to 2019: In which, the provision is mainly made for investment in SGT, however in 2020 the share price of SGT has grown significantly which reduced the provision for the year to VND 45.6 billion.

For long-term financial investments, KBC owns less than 20%, has a total investment value of VND 448,5 billion which is unchanged from 2019 and has a provision of VND 22,8 billion making the total remaining net value is VND 426,2 billion, down 1,1% compared to 2019.

In 2020, the Company sold 01 investment in an associate company - Saigon Hue Industrial Park Joint Stock Company, which recorded a profit of VND 261.4 billion. The investment portfolios in associates, the remaining long-term investments have not yet brought direct profits to KBC, but these businesses currently own a land fund of 1,499 hectares, the remaining commercial land is 449,9 ha. In particular, Saigon - Nhon Hoi Industrial Park Joint Stock Company in 2020 has grown dramatically thanks to leasing 34ha and having capital support for KBC.

OPERATION STATUS AND PROSPECTS OF THE PROJECTS

100% OCCUPIED PROJECTS

THE OCCUPANCY RATE OF INDUSTRIAL PARKS WILL REACH 100%													
IPs	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Que Vo IP	66%	81%	82%	83%	83%	89%	89%	93%	95%	96%	97%	97,5%	100%
Que Vo Expanded IP	4%	6%	21%	41%	43%	46%	58%	61%	63%	63%	67%	97,9%	100%
Trang Due 1 IP		4%	15%	32%	33%	33%	70%	92%	92%	99%	99%	99%	100%
Trang Due 2 IP									28%	64%	76,9%	96,2%	100%

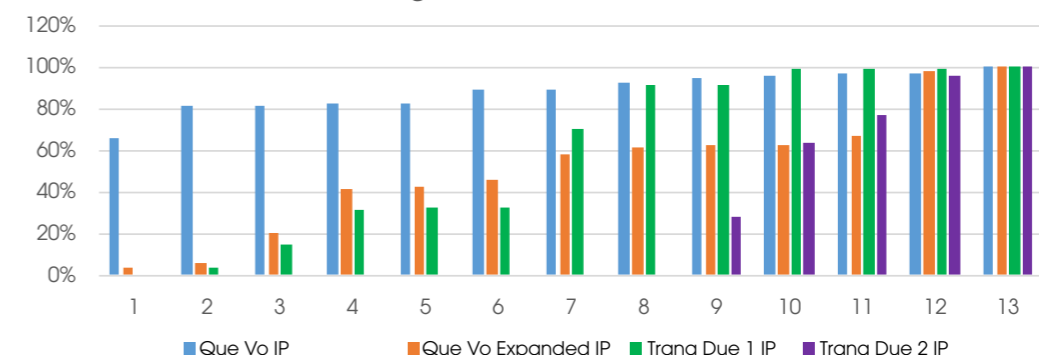
KBC has had the first 4 industrial parks since its establishment in 2002 with a total area of 1,013 hectares and was 100% filled in 2019, attracting more than 250 foreign investors mainly from Japan and Korea. China, Hong Kong, Taiwan, China, etc. include:

- In Bac Ninh:** Two Que Vo IPs have a total area of 611ha, with 70 ready-built factories with a standard area of 5.160 m2/unit. In which, the existing Que Vo Industrial Park has an area of 300 ha and has been in operation since 2003, the expanded Que Vo Industrial Park with an area of 311 ha and has been in operation since 2006. Two IPs in Que Vo - Bac Ninh took about 12 years to be occupied over 90%;
- In Hai Phong:** Trang Due 1 Industrial Park has an area of 187.8 hectares, with 17 ready-built factories with an average area of 5.200 m2/unit, put into operation in 2008, took 7 years to reach occupancy rate of over 90%; Trang Due 2 Industrial Park has an area of 214.2 hectares, took only 4 years to reach the occupancy rate of over 90% and has no ready-built factories.

Through the above data, Investors/Shareholders can see that for the first IP, KBC took about 12 years to fill over 90%, for the next IPs to fill over 90% but it only took about 6 years on average. Normally, the occupying of 10% of the remaining area of IPs can take 1 to 5 years, because the Company reserves the land fund to build factories for lease to meet small-scale investors. or for the need to expand factories of corporations that have invested in the industrial park. The annual stable income source until the end of the project's life cycle of the IPs is 100% occupied from service revenue, infrastructure management, clean water supply and wastewater treatment revenue. In 2019, the total service revenue of these 4 IPs reached about 150 billion VND/year. However, this service revenue will continue to increase in the coming years as enterprises in the industrial park no longer receive free infrastructure. If according to the current unit price, the service revenue of the above 04 IPs is estimated at about 250 billion VND/year in the coming years.

Thus, the success of these first IPs has created the brand KINNH BAC CITY GROUP in domestic and international in the field of development and management of IPs; Affirming the foresight of the founder, Mr. Dang Thanh Tam and the Board of Directors of the Group who have built from a company with an initial capital of 20 billion VND in a land of Bac Ninh with low agricultural productivity to a company having a market capitalization of more than VND 18.133 billion as of March 30, 2021, making an important contribution to building Bac Ninh into an industrial province with the second largest GDP in the country and Bac Ninh City soon becomes a city directly under the Central Government.

The process of filling 100% of industrial parks from 2007 - 2019



KEY PROJECTS OF PARENT COMPANY

Nam Son Hap Linh IP

Nam Son Hap Linh Industrial Park in Bac Ninh has been granted an adjusted investment registration certificate, with a total area of 300 ha, commercial land area of 204,1 ha, 185 ha has been compensated. The project has a favorable geographical position adjacent to the National Highway 18B, 15km from Samsung factory, convenient in traffic connection with seaports and airports, is a destination that many investors are interested in with high demand and is likely to be fully filled within the next 1-2 years.

In 2020, this industrial park has invested an additional 319.1 billion VND for the compensation of 85 hectares, leveling and construction survey, supply and installation of clean water plant equipment on the scale of 100 hectares of compensated land. The total value of investment in this industrial park is VND 776.8 billion, up 69.7% compared to 2019.

Implementation plan in 2021: Continue to compensate and complete infrastructure, build clean water plants, treat wastewater, etc. to hand over land to investors who signed a memorandum of understanding. The project will record significant revenue in 2021.

Phuc Ninh Urban Area

In 2020, Phuc Ninh - Bac Ninh New Urban Area Project invested by KBC was granted an Investment Registration Certificate, with a total area of 114.55 hectares, commercial land area is 44.5 hectares, the total investment is VND 4,891.79 billion, the project is expected to be completed in 2025. Currently, the specific completion schedule of the project is as follows:

- About 79.85 ha has been compensated for site clearance; was handed over 72.68 hectares of land in the field, paid land use fees for nearly 17.1 hectares of commercial land.
- Implementing leveling construction on the entire area of 72.68ha handed over in the field.
- Completing construction of technical infrastructure system for 28.87ha including: System of roads, rain water, wastewater, electricity supply, lighting, landscape, etc.
- Digging a reservoir with an area of 3.2ha, building a flower garden in the green lot CX-34 with an area of 5184m².
- Constructing 161 villas and adjoining villas in which 102 villas have been completed.
- Obtaining Certificate of land use rights for 121 land lots.
- The project opened for sale in a 6.27 ha sub-zone and a 22-hectare sub-zone in 2017, attracted hundreds of interested investors and signed purchase agreements.

As of December 31, 2020, the total area booked was 9.9 ha, the total area recorded in revenue was 2.57 ha. The total value of Reservation Agreements, excluding VAT, signed is 1,666.3 billion VND, the total amount receivable is 1,074.9 billion VND, the total revenue recorded is 338.5 billion VND. In 2020 only, the project has invested VND 79.1 billion to build and complete the exterior of 71 villas and adjacent houses and completed construction of the foundation of 15 single villas.

Development plan in 2021:

- Completing legal procedures to hand over to investors who have reserved, and record revenue in 2021;
- Continuing to invest in and build technical infrastructure for the area already handed over in the field;
- Carrying out compensation and site clearance for the remaining area of the project;
- Continuing to invest in building a system of regulating reservoirs to ensure water drainage;
- Deploying the construction of low-rise housing projects in areas where infrastructure has been completed;
- Investing in building a number of public works such as kindergartens, schools, etc.;
- Continuing to open the project for sale in 2021.



Phuc Ninh urban area has people living in, the construction site is still continuously constructing, completing the infrastructure, creating products to welcome the new wave.

Diplomatic area project - Hanoi

The project has a total area of 20.000 m² in the developing area in the Capital, located on Pham Van Dong street in Hanoi, right next to Hoa Binh Park. In 2017, the company set up a subsidiary, NGD Investment One Member Limited Company to manage project. The project is in the process of finding partners for development cooperation.



Nam Son Hap Linh Industrial Park - Bac Ninh is ready to attract and hand over to investors

THE PARENT COMPANY'S OWN FINANCIAL SITUATION

As of December 31, 2020, the total assets of the parent company reached VND 14,996.4 billion, an increase of 41.6% compared to 2019 (including VND 1,804.8 billion related to the transfer Hoa Sen Hotel Development One Member Limited Liability Company); The loan balance of short-term and long-term loans is VND 4,379.4 billion, up 117.6 percent compared to 2019 (of which loans to related parties are VND 1,976.2 billion, this loan mostly arose from the parent company borrows from subsidiaries, which is the amount that will be offset by the parent company and subsidiaries against dividends, profits from business cooperation, debts of the subsidiary to pay to the parent company etc.); In addition, the interest payable to Pvcombank of VND 815.3 billion has been extended by Pvcombank from 2025 to 2030.

The parent company's total revenue in 2020 reached VND 570.8 billion, equaling 79.6% compared to 2019, profit after tax reached VND 43.6 billion, a slight increase compared to 2019. The main reason is that Que Vo Industrial Park has filled 100%, other projects under the parent company have not yet recorded revenue. **However, it is expected that in 2021, the projects of Nam Son Hap Linh Industrial Park and Phuc Ninh Urban Area will record significant revenue.**

PROJECTS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Trang Cat Urban Development One Member Limited Company (TCC)

- Address: Bai Trieu Area, Trang Cat Ward, Hai An District, Dinh Vu - Cat Hai Economic Zone, Hai Phong City
- Business line: IP and Urban Area Real Estate Sales
- Charter capital: VND 5.130 billion
- KBC's current holding rate: 100%
- TCC is the investor of Trang Cat Urban Area and Services Project with a total area of 584.9 ha, compensated 582 ha. Total infrastructure investment is expected to be more than VND 11,328.8 billion. Total investment value is VND 7,011.7 billion, an increase of VND 3,502.8 billion, corresponding to an increase of 99.8% compared to 2019: including compensation costs, construction of tunnels leading from Hanoi - Hai Phong highway to the Project and capitalization of loan interest and payment land use fee.
- In 2020, TCC has increased its charter capital by 1,000 billion VND to 5,130 billion VND, basically completed the payment of land use fees and Hai Phong City has handed over the current land status on the field to the company to complete the procedures of project implementation.

Project development plan in 2021: This is a key project of KBC in 2021, a large urban area in Hai Phong that will make a great contribution to the development of Hai Phong and bring great benefits to shareholders for many years to come.

Saigon - Haiphong IP Joint Stock Company (SHP)

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

SHP là chủ đầu tư dự án KCN và KĐT Tràng Duệ, KCN thuộc khu kinh tế Đình Vũ - Cát Hải - SHP is the owner of Trang Due IP & Urban Area project, which is located in the economic zone of Dinh Vu - Cat Hai (Hai Phong) where the highest level of incentive policies are provided by the government of Vietnam. Investors in the IP will receive maximum tax incentives such as income tax exemption for 4 years, 50% reduction of tax payable for the next 9 years, income tax rate of 10% in the first 15 years, import tax exemption for the imported goods as prescribed, 50% income tax exemption for workers working in the IP, etc.

In 2019, Trang Due 1 and Trang Due 2 IPs with a total area of 402 hectares have been 100% filled, attracting 73 foreign investors, some big investors are LG Electronics and LG. Display, Dongjin Techwin Vina, Asia Plastic JSC, Haengsung Electronic, Heesung Electronics, Innotek etc. After 2 IPs are filled, some big investors no longer have the free term of infrastructure services in the next 5 years, the total assumed service revenue will be based on the current unit price that the project can get. estimated over VND 100 billion/year. In 2020, the company's revenue from clean water supply services reached VND 61.1 billion.

Since 2019, the Company has started to record revenue from Trang Due urban area. As of 2020, the project has invested VND 475 billion to complete the infrastructure and pay land use fees. The project has recorded revenue for 2020 of VND 182.9 billion, equivalent to 2.35 hectares.

Trang Due Urban Area project has an area of 42.08 hectares, equivalent to 22.6 hectares, has been granted a housing ownership certificate, basically completed the infrastructure, the land area recorded revenue is 5.95 ha.

As of December 31, 2020: Total assets of the company reached VND 3.992,7 billion, equal to 115,7% compared to 2019; The total revenue recorded from the sale of 2,35 hectares of UAs and revenue from industrial zone business activities reached VND 72.9 billion, equal to 24.2% compared to 2019, profit after tax reached VND 89.2 billion, equal to 14.7% compared to 2019; The total liability of credit institutions as of December 31, 2020 is VND 454.3 billion, equaling 1.144,3% compared to 2019.

Development plan in 2021: SHP will continue to complete some items of telecommunications system, green landscape, wastewater treatment station and conduct new sales for UAs. At the same time, implementing projects of Trang Due 3 Industrial Park with a scale of 687 ha, and Long An Industrial Park - Urban Area.



Trang Due Urban Area Hai Phong is deploying infrastructure and building commercial townhouses

Saigon - Bac Giang IP Joint Stock Company (SBG)

- Address: Quang Chau IP, Quang Chau commune, Viet Yen district, Bac Giang province
- Business line: IP Infrastructure
- Registered capital: VND 220 billion
- KBC's current ownership rate: 92,1%; Interest rate: 88,06%

SBG is the investor of Quang Chau IP and Urban Area project: (1) Quang Chau IP is located in Viet Yen district, Bac Giang province, with a total area of 426 ha, total commercial land area is 278,4 ha, filled 78,2% , the remaining commercial land area is 48,3 ha, the land area must be compensated is over 20 ha. The project is conveniently located adjacent to Bac Ninh province, about 10km away from Que Vo IP and on the traffic axis between many large production areas. This IP has attracted many foreign corporations, typical businesses invested in Quang Chau IP such as: Nichirin Viet Nam Co.,Ltd, Ume Vietnam, Crystal Viet Nam, JA Solar, ZYF, Luxshare - ICT, Samkwang Vina, HIQ Vina, etc. **From 2016 up to now Quang Chau IP was very successful in attracting investment.**

In 2020, despite the general economy facing many difficulties, Quang Chau Industrial Park attracted US\$250 million in FDI from major investors such as Jufeng, Luxshare-ICT, Honhai, JA Solar, the company recorded revenue for 22.04 hectares. Right in the first months of 2021, the Company continued to attract another \$480 million. During the year, Quang Chau Industrial Park invested VND 328 billion for compensation, leveling and completion of the infrastructure system as well as investing in the construction of a clean water plant in phase 3 with a capacity of 5,000 m3/day and night. wastewater treatment plant phase 3 with a capacity of 10,000 m3/day and night.

As of December 31, 2020, the company's total assets reached VND 2,854 billion, equal to 143% compared to 2019; Total revenue reached 361 billion dong, equaling 49% compared to 2019, profit after tax reached 98.7 billion dong, equaling 15% compared to 2019; The total loan balance of credit institutions as of December 31, 2020 is 0 dong. The long-term interest loan balance at PVcombank is VND 258.6 billion, which is extended for the repayment period from 2025 to 2030.

Development plan in 2021: This industrial park will continue to compensate the remaining 20 hectares and convert another 90 hectares of land from the urban area to the industrial zone, build a number of factories to prepare available products to meet the needs of the investors who are surveying and deploying IPs - UAs in Long An.

Quang Chau IP - Bac Giang



Saigon - Taybac Development Holding, JSC (SCD)

- Address: Tram Bom, National Road 22, Tan Phu Trung commnue, Cu Chi district, HCMC
- Business line: IP Infrastructure
- Registered capital: VND 500 billion
- KBC's current ownership rate 74,3%, Interest rate 72,44%

SCD is the investor of the project of Tan Phu Trung IP in Cu Chi district, 25 km from the center of Ho Chi Minh City, with a total area of 542 ha, 314 ha of commercial land, and the occupancy rate of 56,9%, the remaining commercial land area is 135,3 hectares and the remaining compensation area is 35,3 hectares. In addition, SCD is also the investor of a worker housing project of 47,7 hectares. This real estate project aims to provide housing needs for the labor force in the IP, expected to be 7.800 people.

In 2020, the industrial park has invested VND 86.15 billion to implement the following items: compensation, infrastructure construction (levelling, road construction, water supply and drainage, lighting, electricity, trees, ..). The project recorded revenue for 36.2 hectares of land which is equivalent to VND 1,125.8 billion.

As of December 31, 2020, the total assets of the company reached VND 2,433 billion, equal to 189% compared to 2019; Total revenue in 2020 reached VND 1,142 billion, equaling 181% compared to 2019, profit after tax reached VND 404 billion, equaling 155% compared to 2019; Credit balance is 0.

Development plan in 2021: Tan Phu Trung Industrial Park has many advantages in terms of location, available land for lease, meeting customer needs, business development speed maintains a stable growth rate over the recent years. This industrial park will focus on developing an appropriate business strategy, maintaining the minimum growth rate as in previous years and completing 100% of the project's compensation. In addition, the Company plans to build an industrial zone - urban area in Long An.



Tan Phu Trung Industrial Park completes infrastructure

SaigonTel Joint Stock Company (SGT)

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

SGT operates mainly in industrial zone, urban area and smart building. Currently, SGT is the investor of prominent projects such as Dai Dong Hoan Son Industrial Zone - Bac Ninh; Saigontel Central Park Project - Bac Giang; SAIGON ICT TOWER - HCMC, etc. In particular, Dai Dong Hoan Son - Bac Ninh Industrial Park Project is one of the most important projects of SGT, with a scale of nearly 400ha, with a total area of phase 1 of 268 ha in Bac Ninh province has been filled full. Currently implementing: Sheraton Dalat Resort, Saigontel Central Park - Bac Giang; Bau Tram - Da Nang social housing project;

In 2020, SGT has had many business investment activities and project implementation such as:

- ✓ SGT has been implementing phase 2 of Dai Dong Hoan Son Industrial Park with an area of 95.81 hectares, with a total investment of 1,097 billion VND, and has compensated 50 hectares. It is expected that the project will compensate 100% in 2021.
- ✓ SGT was approved by Ba Ria - Vung Tau province as the investor of Xuyen Moc Industrial Park project, Xuyen Moc Industrial - Urban - Service Zone with a scale of 1,143 ha.

In addition, SGT actively participates in outstanding investment attraction activities such as:

- ✓ Sponsoring Thai Nguyen province to make socio-economic development planning for the period of 2021 - 2030, with a vision to 2025; sponsoring "digital transformation" and funding the construction of National Highway 13, contributing to changing the face of Thai Nguyen province.
- ✓ Coordinating with Danang City People's Committee to organize an online investment promotion conference to invest in Da Nang 2020" for investors and businesses from Korea.
- ✓ In 2020, the total revenue of SGT will reach VND 473 billion, profit after tax will reach VND 14.4 billion, 1.3 times higher than in 2019.



In addition, during the year the Group's second-level subsidiaries: **Tan Phu Trung Industrial Park Company Limited - Long An which is a subsidiary of Saigon** - Northwest Urban Development Joint Stock Company; **Bac Giang - Long An Industrial Park One Member Limited Company** which is Saigon - Bac Giang Industrial Park Joint Stock Company; **Tan Tap Industrial Infrastructure Development Co., Ltd.**, which is a joint stock company of Saigon - Hai Phong Industrial Park, won the bid for an industrial cluster with a total area of 219.8 hectares in Long An. At the same time, in the past 2 years, the Group and its subsidiaries have contributed to the construction of social works such as building a school for Long An province, was awarded Certificates of merit by the People's Committee of Long An province for 02 consecutive years, creating all favorable conditions for the Group to establish large-scale urban and IPs projects in Long An.



Long An is a strong brand in attracting investment

4. FINANCIAL STATUS

a) Financial status in 2020

Unit: VND

TARGET	2019	2020	CHANGES
Total Asset	16.432.989.802.701	23.785.878.249.949	144,7%
Equity	10.381.131.101.072	10.652.995.127.729	102,6%
Total Revenue	3.298.269.434.968	2.468.142.872.477	74,8%
Gross profit	1.390.690.785.472	452.299.963.305	32,5%
Profit	1.387.285.391.263	453.172.376.342	33,2%
Net Income	1.040.758.864.229	319.813.966.112	30,7%
Earn/share (EPS)	1.995	477	23,9%

□ Causes of changes in assets and equity

As of December 31, 2020: The Group's total assets/capital resources reached VND 23.786 billion, an increase of 44.7% compared to 2019. The main reason changing the scale of total assets is the sharp increase in inventory value of Trang Cat project, Quang Chau Industrial Park, Trang Due Urban Area, etc., and recorded an investment of 1,804.8 billion VND due to the transfer of shares. Hoa Sen Hotel Development One Member Company Limited. The Group's equity reached VND 10.653 billion, up 2.6% compared to 2019.

□ Causes of changes in revenue - profit

In 2020, the Group's total consolidated revenue reached VND 2.468,1 billion, equaling 74.8% compared to 2019, equaling 77.1% of the plan. The Group's consolidated profit after tax in 2020 reached VND 319,8 billion, equaling 30.7% compared to 2019, equaling 39.2% of the plan. The interests of shareholders of the parent company reached VND 224 billion, equal to 24.4% compared to 2019.

The reason for the decrease in business results was because KBC's customers were foreign investors, and the travel of foreign investors was still limited. Therefore, KBC has not yet recorded all revenue of signed contracts in 2020, leading to the business results on the financial statements for 2020 not meeting the plan. In addition, due to the peculiarity of estimating the cost of industrial parks every year, in 2020, the Company adjusted the cost estimate according to the current unit price, causing the profitability ratios to decrease sharply. This only happens when there is a big fluctuation in construction costs and near the end of a project's life cycle.

b) Financial indicators

INDICATORS	2019	2020
1. Liquidity		
+ Short-term liquidity ratio: (Short-term assets/Liability)	3,42	3,07
+ Quick ratio (Short-term assets - Inventory)/Liability	1,56	1,42
2. Capital structure		
+ Debt ratio/Total assets	0,37	0,55
+ Debt ratio/Equity	0,58	1,23
3. Operational capacity		
+ Inventory turnover (Cost of goods sold/Average inventory)	2,61	2,9
+ Net revenue/Total assets	19,5%	9%
4. Profitability		
+ Net income/Net revenue	32,4%	12,9%
+ Net income/Total revenue (*)	31,6%	12%
+ Net income/Equity	10%	3%
+ Net income/Total assets	6,3%	1,3%
+ Gross profit/Net revenue	43,3%	21%

LIQUIDITY

The solvency ratios of KBC decreased slightly compared to 2019 but still remained positive. The short-term payment ratio is 3,07 times slightly reduced compared to 2019 was 3,42 times. Quick ratio is approximately as compared to 2019. Quick ratio is still at a safe level, ensuring the ability to pay due debts.

CAPITAL STRUCTURE

As of December 31, 2019, KBC's total assets are being financed by a capital structure consisting of 55% of debt and 45% of equity. The current capital structure is an ideal ratio for a large-scale real estate business like KBC (This index will actually be improved when the total real debt borrowed from financial institutions accounts for only 28.8% of total assets). Compared to other peers, Liabilities can account for about 70% of total assets, equity accounts for about 30% of total assets.

OPERATIONAL CAPACITY

Due to the characteristics of industrial products, the business cycle usually lasts for decades. Therefore, the inventory turnover according to accounting estimates as above has excluded the inventory value of Trang Cat urban area (because it has not been put into operation for many years). The inventory turnover ratio in 2020 is slower than in 2019, because most projects continue to receive strong investment in 2020, but have not completed the procedures to hand over products to customers.

PROFITABILITY

Two indicators Profit after tax / Revenue decreased sharply compared to 2019 due to the sharp decrease in business results and the specific cost of estimating the cost of IPs, in 2020, the Company had to increase the additional cost of goods, estimated calculated at nearly VND 500 billion at the current unit price, concentrated in Quang Chau Industrial Park, Tan Phu Trung Industrial Park, making the profitability index drop sharply.



5. SHAREHOLDERS STRUCTURE - CHANGES OF OWNER'S INVESTMENT CAPITAL

QUANTITY OF SHARES AS OF 17/02/2021

ITEMS	QUANTITY OF SHARES
Total issued shares	475.711.167
Quantity of common stock	475.711.167
Preferred stock	0
Treasury stock	5.950.978
Outstanding share	469.760.189
Free transfer stock	469.760.189
Restricted transfer stock	0

SHAREHOLDER STRUCTURE

SHAREHOLDER STRUCTURE ACCORDING TO SHAREHOLDERS LIST ON 17/02/2021

(Ownership ratio is based on the number of issued stocks including treasury shares)

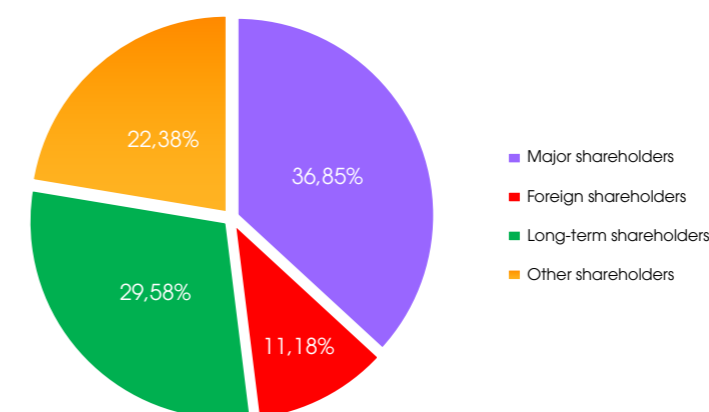
TYPES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	QUANTITY OF SHARES	RATE
Domestic		374.020.020	78,62%
Individual	12.211	271.603.071	57,09%
Organisation	77	102.416.949	21,53%
Foreign		116.932.607	20,10%
Individual	216	1.081.388	0,23%
Organisation	88	94.658.781	19,90%
Total outstanding shares		469.760.189	98,75%
Treasury shares	1	5.950.978	1,25%
TOTAL	12.593	475.711.167	100%

SHAREHOLDER CLASSIFICATION

(Ownership ratio is based on the number of outstanding shares)

NAME OF SHAREHOLDERS	QUANTITY OF SHARES	RATE
Total issued shares	469.760.189	100%
Major shareholders	173.094.190	36,85%
Dang Thanh Tam (Chairman)	85.250.000	18,15%
Kinh Bac Consultancy and Investment.,JSC	44.641.290	9,49%
Large shareholder group - Dragon Capital	43.202.900	9,20%
Foreign shareholders	52.537.269	11,18%
Long-term shareholders	138.978.112	29,58%
Other shareholders	105.150.618	22,38%

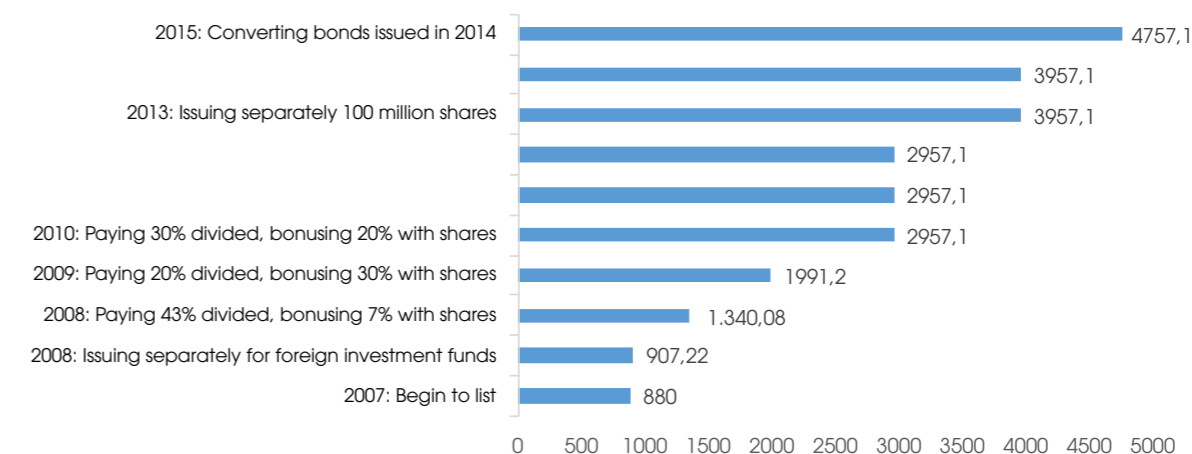
Shareholder classification chart



THE SITUATION OF CHANGING CAPITAL CONTRIBUTION OF THE OWNERS

THE PROCESS OF INCREASING CAPITAL OF THE OWNERS

Unit: VND billion



In 2020, KBC did not issue any additional shares; no treasury stock transactions; Do not issue other types of securities that affect the change of share capital.



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

6.1 Considering and recommending issues of the Group

- For many years, we have not been able to find a consultant to prepare an environmental and social impact report that can provide appropriate indicators to prepare a sustainable development report for the model of the Group, as well as in accordance with regulations applicable to listed companies.
- In project investment activities and business activities, we always comply with all environmental regulations in Vietnam for each project. During the construction process, the Occupational Safety Committee established by the Group is responsible for ensuring environmental sanitation, ensuring that all materials used must comply with construction standards and decrees on construction promulgated by the State". In business activities, most of our customers are investors in the field of high technology, no chimney, minimizing environmental pollution.
- We used to hire an ERM consultant (www.erm.com) to prepare an independent socio-environmental assessment report in 2017. Through this report, we have met the sustainable development requirement to be granted a loan from the German Bank for Reconstruction. However, the environmental and social perspective of this organization is not the same as the target to prepare a listed company's sustainability report according to the guidelines.
- We have consulted a few Sustainability Reports made by some corporations, basically many of the report contents are quite similar to the Annual Report, the contents showing the sustainable development goals of some corporations often focus on presenting processes, regulations, etc.
- Since the impact content related to the social environment was included in the Annual Report, we have only presented statistical methods for a few measurable indicators, such as consumption of electricity, water, labor policy, social responsibility, etc.
- We do not measure criteria such as: Total direct and indirect greenhouse gas (GHG) emissions; total raw materials used (since we are the infrastructure developer of industrial parks through the form of hiring contractors, we do not manage in detail the volume of construction materials, etc.).
- We do not recycle materials used to manufacture the Group's main products and services; We do not use recycled and reused water, all used water is discharged into the centralized wastewater treatment system of the industrial park. The industrial park does not use recycled and reused water. Wastewater after treatment meets QCVN 40/2011/BTNMT column A.

- **As a Private Group, the principle of “Saving” is number 1:** For us, savings initiatives in investment and business are always considered a key factor to help businesses develop sustainably and get through difficult times. Specifically, the Group can save selling costs while still effectively implement the Group’s marketing and communication strategies; The personnel apparatus is not cumbersome; arranging labor with the right people in the right jobs, shorten internal processes to make decisions at the right time, etc. Using company assets such as cars, computers and printers efficiently. Energy saving initiatives are just a small factor in the “saving” items of the Group, right from the design and operation stages, the consulting - design department had to choose the most economical option to save money:
- “Industrial parks are always focused on building in a friendly and sustainable way, the electricity and water system is designed reasonably from the beginning; using energy-saving electrical equipment such as: energy-saving led light bulbs; in the future the industrial park will aim to use power supply measures such as solar energy to supply street light equipment; during construction, focus on using environmentally friendly materials, locally available materials; For office blocks, limit the use of electricity and equipment during peak hours, use low-energy equipment, turn off devices when not in use, set the air conditioner temperature at an appropriate level, limit use paper in printing when not needed, actively use electronic documents to exchange work, etc.”
- **Regarding green capital market activities:** We have only approached the concept of “Green bonds” through a number of seminars organized by the authorities. However, at the seminars we have not been able to access green projects that are suitable for our core business; We also have never been able to approach financial institutions that are willing to have abundant green capital. Therefore, we recommend that the authorities annually invite experts and economic consultants to come up with investment ideas in specific green fields to promote Vietnam’s sustainable development. On that basis, new businesses can consider and choose suitable projects to approach.

6.2 Collected and achieved criteria of the Group

6.2.1 Energy consumption

a. Direct and indirect energy consumption

In KBC’s IPs, investors buy electricity directly from EVN, which the Group does not manage directly; Total direct electricity consumption in 2020 at the industrial park is as follows: Quang Chau Industrial Park was 2,328,200 KWH, Que Vo Industrial Park was 3,851,094 KWH, Trang Due Industrial Park was 1,287,808.68 KWH, Tan Phu Trung Industrial Park was 1,917.804 KWH. Most of the electricity consumption increased compared to 2019.

6.2.2 Water consumption

Most of KBC’s IPs have built their own factories to supply clean water and wastewater treatment systems for all enterprises in the IPs.

a. The main source of water for the IPs is underground water.

In Que Vo IP, there are 02 clean water supply factories with a total capacity of 9,000m³/day and night and an average consumption of 8,500m³/day and night, in addition, it also adds up water sources of Bac Ninh Clean Water Joint Stock company with an average flow of 1.500m³/day and night, total water consumption in Que Vo IP in 2020 was 5.807.789 m³.

- ✓ Regarding wastewater treatment, there are 02 wastewater treatment plants with a maximum capacity of 6,000m³/day and night each. The total amount of wastewater treated by this industrial park in the year is 4,497,389 m³.
- ✓ The company is continuing to build more clean water plants and waste treatment plants in 2021 to meet the needs of businesses in the industrial park.

In Quang Chau IP, there is 01 water supply factory with a capacity of 10.000m³/day and night, in addition to the water source of Ha Bac Construction and Water Supply One Member Limited Company and DNP Bac Giang Water Joint Stock Company with a capacity of 10.000m³/day and night. Currently, the clean water consumption of the whole industrial park is 4.210.712 m³, increasing by 29,9% compared to 2019, an average of 11.536 m³/day and night.

- ✓ Regarding sewage treatment, there is 01 wastewater factory with a capacity of 4.000 m³/day and night and a second phase sewage treatment plant with a capacity of 5.000 m³/day. The average processing flow of 8.500 m³/day and night.

In Trang Due IP, there is 01 Trang Due clean water plant with a capacity of 5,000m³/day and night, ensuring the supply of clean water for production to businesses in Trang Due Industrial Park. The company will carry out the construction of a clean water treatment plant in phase 2, increasing the capacity to 10.000m³/day and night, expected to be completed in the third quarter of 2021 to meet the needs of clean water use of enterprises in the Trang Due industrial park. In addition, the company still uses the clean water source of Hai Phong Number Two Water Business Joint Stock Company (Vat Cach Water Plant) to supply for the industrial park. The total amount of clean water consumed by enterprises in the industrial park in 2020 is 1.532.218 m³. In which, the amount of clean water provided to customers by Trang Due clean water treatment plant is 1.239.828 m³.

- ✓ Regarding wastewater treatment, SHP Company has cooperated with 2 wastewater treatment companies, Quoc Viet Environmental Science and Technology Co., Ltd and Posbee Green Environment Joint Stock Company with a total treatment capacity of 2 water treatment plants located in Trang Due Industrial Park is 8,000m³/day and night. Both factories have been licensed by the Ministry of Natural Resources and Environment to discharge waste, ensuring to meet the treatment of wastewater from Trang Due Industrial Park. The total amount of wastewater treated in Trang Due Industrial Park in 2020 is 1.758.086 m³.

In Tan Phu Trung IP, there is one clean water supply plant with a maximum capacity of 3,000m³/day and night. In 2020, the total amount of clean water supplied to investors was 784,935m³ on the average of 2,151 m³/day and night; there is 01 wastewater treatment plant with a capacity of 4,000 m³/day and night, the total amount of wastewater treated in 2020 was 570,578.4m³, the average wastewater treatment volume: 1,563m³/day and night.

6.2.3 Policies related to labours

a. Number of labours and average salary:

As of December 31, 2020, the total number of employees at the Parent Company is 205 increased 7 employees; The total number of employees of the Group is 531, increased 31 employees compared to 2019. The average salary of employees at the parent company (KBC) is 18,8 million VND/person/month, average salary of employees in subsidiaries in Bac Giang province is 8,1 million VND/person, in Hai Phong is 10 million VND/person, in Cu Chi, HCMC is 11,3 million VND/person/month. For labor structure, the details are indicated in Number of employees/Organization.

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

- ❑ Insurance: Applying social insurance, health insurance, unemployment insurance, and allowance.
- ❑ Health care: Organizing an general health check for all leaders and employees at least once a year. The Group has a football field, tennis court, basketball court, gym, equipped with a treadmill, yoga and jumba teachers to improve the health of employees.
- ❑ Leaving to take care of young children: Implementing maternity leave for female employees and annual employees in accordance with current labor laws; Implementing the maternity protection leave regime for female employees in accordance with the current provisions of the labor law: The time off is still entitled to full salary according to the labor contract.
- ❑ Pensions: According to the law on social insurance
- ❑ Welfare regimes are clearly defined in the Labor Regulations of the Corporation such as 1/6 bonus for children of employees, Mid-Autumn Festival bonus for grandchildren, and bonus for national holidays on May 1, September 2, and New Year's bonuses; Bonus from 2 to 3 months salary on Lunar New Year. The total number of salary that staff/employees received in the year is from 14 - 15 months, in addition, individuals/teams with excellent achievements will receive their own rewards. All officers and employees have lunch allowance, phone expenses, etc.
- ❑ For female employees: Gifts for female employees on the occasion of International Women's Day 8/3 and the anniversary of the establishment of the Women's Union on October 20 every year, participating in collective activities such as the New Year reunion program , 0 dong market, cooking contest.



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

c. Labour training

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

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

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

Corporations and units all implement social responsibility in 2020:

In 2020, the Group spent more than 57 billion VND to implement and support social activities such as gratitude fund, building schools in Long An province, "making your dreams come true", study promotion fund in Bac Ninh; supporting the prevention of the Covid epidemic; supporting flood victims in the Central region; upgrading residential roads in Que Vo Industrial Park; Restoration, embellishment of monuments, etc.

Since 2019, Kinh Bac City Development Holding Corporation (KBC) has been very honored to cooperate with the People's Committee of Kien Tuong town to organize the Groundbreaking Ceremony of the construction of Thien Ho Duong High School in Kien Tuong Town, Long An province. In which, KBC will finance a total of about 90 billion VND, disbursed according to the project schedule starting from 2019 and the following years.





PART 3 ASSESSMENT REPORT FROM THE BOM

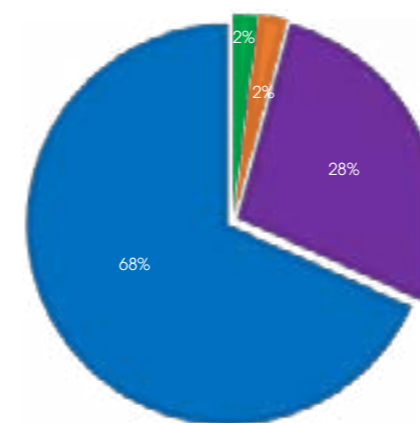
ASSESSING REVENUE AND PROFIT OF PARENT COMPANY AND CONSOLIDATION

ITEMS	PARENT COMPANY	CONSOLIDATION
Net revenue from sales and services	181,0	2.150,9
Revenue from leasing land	10,7	1.537,3
Revenue from transferring real estate	13,3	196,2
Revenue from providing clean water, electricity, waste water treatment, service fees, selling warehouses, etc.	157,0	417,4
COGS and services	120,2	1.461,9
Gross profit from sales and services	60,8	689,0
The ratio of gross profit and services/sales revenue	33,6 %	32,0%
Revenue from financial operations	387,6	313,7
Other revenues	2,2	3,5
Total revenue	570,8	2.468,1
Total net income	43,6	319,8
Profit attributable to shareholders of parent company		224,0

REVENUE STRUCTURE CHART

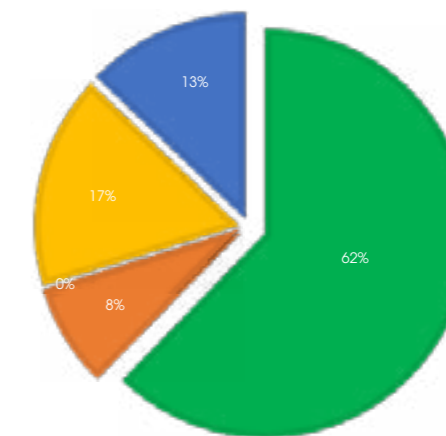
PARENT COMPANY REVENUE STRUCTURE

- Revenue from leasing land
- Revenue from real estate transfer
- Revenue from services and factory rental
- Revenue from financial operations



CONSOLIDATED REVENUE STRUCTURE

- Revenue from leasing land
- Revenue from real estate transfer
- Revenue from sales of factories
- Revenue from services and factory rental
- Revenue from financial operations



In 2020, the Corporation's industrial park leasing business reached VND 1,537.3 billion, accounting for 62.3% of total revenue, equivalent to 67.2 % compared to 2019. Real estate investment reached VND 196.2 billion, accounting for 7.9% of total revenue, equivalent to 36.3% compared to 2019. Revenue from clean water supply, wastewater treatment, warehouse leasing service reaching VND 417.4 billion, accounting for 16.9% of total revenue, equivalent to 109.5 % compared to 2019, this is the revenue source that maintains the Group's stability and this revenue will increase gradually in the coming years when a number of clean water supply plants in IPs are fully operational and enterprises in IPs are no longer free of infrastructure.

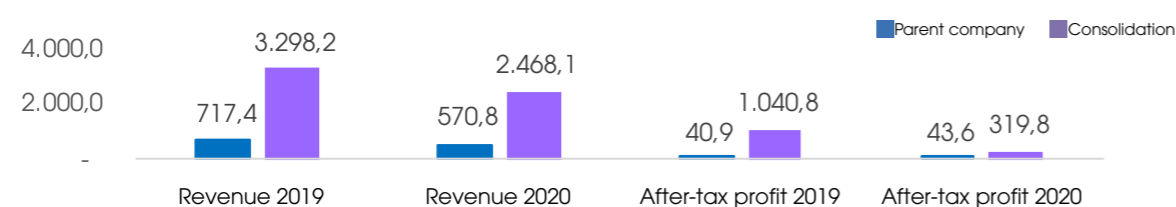
However, the total revenue of the Group was only 77,13% of the plan, the Group's profit after tax reached 39,2% of the plan. The main reason is that in 2020 due to the impact of the pandemic, which restricts travel between countries, KBC's customers in the field of industrial park land leasing are mostly foreign investors, even in the year, KBC's management made great efforts to negotiate with many big investors via online, email, etc. KBC also signed land lease contracts of great value, customers paid deposits but most of them contracts have not yet recorded revenue.

Regarding urban real estate business, in the year, Trang Due Urban Area continued to record revenue for 2.35 hectares, equivalent to VND 182.9 billion. For Phuc Ninh urban area, besides focusing on building and completing infrastructure, the project has just completed important legal procedures by the end of 2020. Therefore, the project only recorded revenue of about VND 13.3 billion. However, in 2021, Phuc Ninh project promises to return to prosperity.

Cost factor affect the profitability of the group

Total financial expenses, sales and managing expenses was VND 553.2 billion, increasing 3% compared to 2019. In which, the interest expense was VND 195.3 billion, equivalent to 2019; sale expenses was VND 52.2 billion, decreasing 63 % compared to 2019; administrative expenses was VND 270.7 billion, increasing 58% compared to 2019. Due to the fact that in the year, the corporation considered increasing salaries and bonuses, increasing support costs, increasing social responsibility contributions to education and support for pandemic prevention, flood, road construction, etc., and increased purchasing costs to establish diplomatic relations and maintain the Group's sustainable development. Thus, in the context of economic difficulties, businesses still try to allocate costs reasonably to ensure that employees' lives increase, share of social responsibility increases and strengthen the importance of employees, diplomatic relations to enhance the society's trust in the Group during difficult times.

Revenue, income chart of Parent company and Group in 2019-2020



THE PROGRESS OF THE GROUP IN 2020

KBC has completed signing a memorandum of understanding with 01 large corporation and some other companies to invest in Nam Son Hap Linh Industrial Park on a large scale; attracted Foxconn Group to expand the factory into Quang Chau Industrial Park and choose Quang Chau Industrial Park to move the production lines of tablets and laptops for famous brands to Vietnam.

Nam Son Hap Linh Industrial Park and Phuc Ninh Urban Area projects have been granted investment certificates, completing the most important legal procedures to promote business activities.

Trang Cat urban area has paid VND 3,500 billion of land use fee for the whole project with a scale of 584.9 ha.

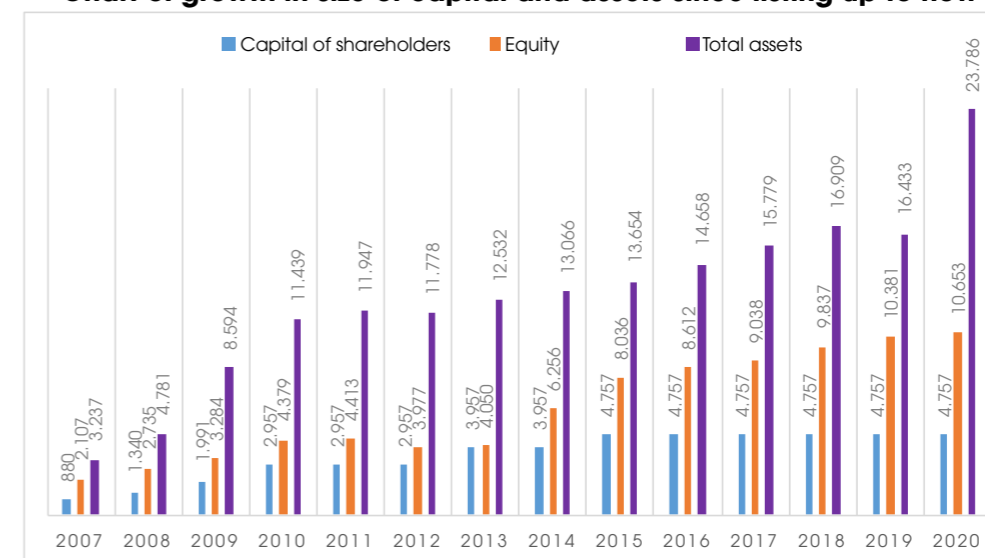
Welcomed by many provinces to set up new projects such as: Hung Yen, Hai Duong, Long An, Vung Tau.

2. ASSESSMENT OF THE FINANCIAL STATUS

ASSETS AND EQUITY STATUS

As of 31 December 2020: Total assets/capital of the Group reached VND 23.786 billion, increasing 44,7 % compared to 2019. The main reason for the change in total asset size is the sharp increase in inventory value from the projects of Trang Cat urban area, Quang Chau industrial zone, Trang Due urban area, etc. and recorded an investment of VND 1,804.8 billion due to the transfer of shares of Hoa Sen Hotel Development One Member Company Limited; The Group's equity reached VND 10,653 billion, up 2.6% compared to 2019.

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



Liabilities Status

As of 31 December 2020, the group's total liabilities was VND 13.132,9 billion, net increase VND 7,081 billion compared to 2019. The main reason are as follows:

- ✓ Prepaid buyer increases VND 480.2 billion (future revenue)
- ✓ Other short-term payables increased by VND 2,153.7 billion (of which VND 356.5 billion were deposited from customers, which generated future revenue and had VND 1,804.8 billion related to share transfer. Hoa Sen Hotel Development One Member Company Limited).
- ✓ Long-term debt increased by VND 3,096.3 billion because the Group incurred a sudden loan of VND 2,500 billion to invest in Trang Cat urban area project.

Therefore, although the Liabilities increased to VND 7,801 billion, short-term and long-term debt actually only increased to VND 3,838.9 billion.

- Of the VND 13,132.9 billion of liabilities, the debts to credit institutions and related parties as of December 31, 2020 of the whole Group were VND 5,764.8 billion, three times higher than 2019; and bond interest payable to Pvcombank is VND 1,076.7 billion, restructured repayment term from 2025 to 2030.
- During the year, the Group has paid off the original debt of VND 701.2 billion and borrowed VND 4,554.1 billion (of which through the issuance of private bonds and bonds to the public with a total value of VND 1,000 billion).
- Thus, the actual debt of the Group including principal and interest is VND 6,841.5 billion, the ratio of actual debt to total assets is 28.8%; Actual debt/equity ratio is 64.2%. This is a safe debt ratio for a large-scale real estate business like KBC.
- The Group has no bad debts; is unaffected by exchange rate differences; is not affected by interest rate differentials (all of KBC's interest rates are in line with the common ground of real estate lending rates in the market). Loan interest rates range from 9% to 11%.

3. DEVELOPMENT PLAN FOR 2021

Key business investment plans

In 2021, the Group will continue to invest in the construction of infrastructure of Quang Chau Industrial Park, Nam Son Hap Linh Industrial Park, Tan Phu Trung Industrial Park, Trang Due 3 Industrial Park, Phúc Ninh urban area, Trang Due urban area, Trang Cat urban area to create ready-made products to meet the needs of investors. The specific objectives are as follows:

- ❑ **Nam Son Hap Linh - Bac Ninh IP:** Continue to compensate and improve infrastructure, build clean water plants, treat wastewater, etc. to hand over land to investors who signed a memorandum of understanding. The project will record significant revenue in 2021.
- ❑ **Quang Chau - Bac Giang IP:** continue to compensate the remaining 20 hectares of land and convert another 90 hectares from UAs to IPs, build a number of factories to prepare available products to meet the needs of investors under investigation.
- ❑ **Tan Phu Trung IP:** focus on building an appropriate business strategy, maintaining the minimum sales speed as in years, and completing 100% of the project's compensation. In addition, the Company plans to deploy industrial parks and UAs in Long An.
- ❑ **Trang Cat urban area:** deploying infrastructure construction to put into operation and business.
- ❑ **Trang Due urban area:** complete a number of items of telecommunications system, green landscape, wastewater treatment station and conduct new sales.
- ❑ **Phuc Ninh urban area:** Completing legal procedures to hand over to investors who have made reservations and record revenue in 2021; invest in and build technical infrastructure for the area already handed over in the field; Carry out the work of compensation and site clearance for the remaining area of the project; To invest in building a system of regulating reservoirs to ensure water drainage; construction of low-rise housing projects in areas where infrastructure has been completed; Invest in the construction of a number of public works such as kindergartens, schools and kindergartens; Continue to open the project for sale.
- ❑ Deploying investment and business development 219.8 ha of industrial zone and 43.52 ha of social housing area by the Group's subsidiaries won the bid in early 2020 in Can Giuoc Long An. This is a very convenient location near Long An port and Hiep Phuoc port in Ho Chi Minh City.
- ❑ Implementing investment and development of Trang Due 3 Industrial Park with a scale of 687 ha.
- ❑ Completing legal procedures for big projects in Hung Yen, Hai Duong, Long An, Vung Tau.

Capital arrangement plan

In 2021, the Group expects to arrange capital from VND 3.000 billion to VND 5.000 billion to invest in infrastructure of old and new projects and supplement business capital for businesses through credit and corporate bond issuance.



Revenue and profit plan for 2021.

Based on the results of FDI attraction in 2020 and Vietnam's FDI attraction prospect in 2021; Based on the macro economy situation; Based on the land lease and workshop demands of potential customers who have been negotiating with KBC; Based on the investment promotion programs of KBC; Based on investors' interest in commercial real estate products at KBC's urban area etc. KBC's Board of Directors sets the Group's consolidated revenue and profit plan in 2021 as follows:

- ❑ Total consolidated revenue is: VND 6,600 billion
- ❑ Total consolidated profit after tax is: VND 2,000 billion

4. IMPROVEMENTS ON ORGANIZATIONAL STRUCTURE AND MANAGEMENT POLICIES

The organizational structure and personnel policies do not change in 2020. KBC is a Group with a team of leaders and core staff who maintain a long-term connection with the Company.

5. EXECUTIVE BOARD'S EXPLANATION FOR AUDITING COMMENTS: ON THE MATTER OF EMPHASIS

As at December 30, 2020, KBC and its subsidiary, Trang Cat Company Limited, signed the Agreement on Debt Structure, Advancement and Debt Repayment No. 3012/2020/BBTT/PVB-KBC-TCC under Decree No. 3012/2020/BBTT/PVB-KBC-TCC Decision of the Board of Directors No. 2812/2020/NQ-HĐQT on Approval of the commitment to perform the obligation to receive and repay PVCombank. This Agreement is an addendum to the Property Mortgage Contract No. 0202/2013/HDTC-DN dated February 22, 2013 between Trang Cat One Member Limited Company and Western Commercial Joint Stock Bank ("Western Bank") has now been merged into Vietnam Public Joint Stock Commercial Bank ("PVcomBank"). This contract has been disclosed in the audited financial statements of KBC from 2013 to present.

On the other hand, as of December 30, 2020, the Company and the parties guaranteed by the above mortgage contract still have outstanding principal and interest and the above mortgage contract is still valid. Therefore, the Company and its subsidiary, Trang Cat One Member Limited Company (the investor of the Trang Cat urban area project being mortgaged under the above mortgage contract) has signed the above Agreement so that all the remaining debts of the Company and the subjects mentioned in the mortgage contract in 2013 will continue to be restructured until 2030. This is also a prerequisite for Trang Cat One Member Limited Company to be granted a new loan of VND 2,500 billion on December 31, 2020 to timely pay land use fees to Trang Cat Urban Area on the same day, bringing great benefits to KBC and shareholders, as well as strengthening KBC's position with partners and the government, for the future development of KBC.

As a result, Trang Cat Company basically completed the payment of land use fees to Trang Cat Urban Area, helping the Project to increase its value many times according to the valuation of independent parties, bringing value to shareholders. Increase the value of KBC shares.



Hai Phong strives to innovate, KBC's projects are gaining more and more progress



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

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

In addition to environmental protection activities, the BOM believes that KBC has fulfilled its responsibilities to the local community in 2019 such as supporting gratitude funds, poor households, building bridges, building schools, mending religious centers, etc.

Regarding employees, the BOM said that employees at KBC are guaranteed a decent income, consistent with the common ground of the society, equipped with modern, adequate and timely reward individuals and collectives with outstanding achievements in their work. However, the limitation is that KBC does not deduct investment and development funds and bonus and welfare funds every year. Therefore, the support of training funds for workers attending domestic and foreign advanced courses to update new knowledge is limited.

In 2021, the Board of Directors is innovating internal governance processes and regulations to help employees work creatively, effectively, and disciplined, etc.

PART 4

ASSESSMENT REPORT OF BOD ON THE OPERATION OF THE GROUP

1. ASSESSMENT OF BOD ON ACTIVITIES OF THE GROUP

Business activities

In 2020, KBC and its subsidiaries signed a series of land sub-lease contracts with a total area of up to 150 hectares, total value of over USD 150 million. The main fields of investment attraction are high technology and electronic technology; in which there are investment projects of famous large corporations in the world such as Foxconn that have made large-scale investments in Quang Chau Industrial Park - Bac Giang; Other large corporations will invest in Nam Son Hap Linh Industrial Park - Bac Ninh, etc.

In particular, at present, Foxconn Group plans to move the production line of Macbook and iPad to Vietnam for manufacturing in Quang Chau Industrial Park. This will be a great advantage for KBC to enhance its brand reputation with international investors, with authorities of provinces in the process of business development, setting up new projects in the year of 2021 and the years to come.

However, in 2020 alone, due to the characteristics of KBC's customers being foreign investors, the travel of foreign investors is still limited. Therefore, KBC has not yet recorded all revenue from signed contracts in 2020, resulting in business results in the financial statements for 2020 not meeting the plan. However, with the business outlook in 2021, the Board of Directors is expected to grow more impressively thanks to the results from 2020 in progress and the positive signs from the beginning of 2021 to now, the FDI attracted by KBC has reached \$1.23 billion (accounting for more than 50% of the country's share).

Here are some targets that KBC has recorded in 2020:

□ State budget payment situation

The Group has paid the total state budget for 2020 of VND 3,760.5 billion. In which, Trang Cat One Member Limited Company, which is 100% owned by KBC, has paid the budget of VND 3,500.4 billion.

□ The Corporation's business results in 2020 are as follows:

- ✓ The Group's total revenue reached VND 2,468.1 billion, equaling 74.8% compared to 2019, equaling 77.1% of the plan.
- ✓ The Group's consolidated profit after tax reached VND 319.8 billion, equaling 30.7% compared to 2019, equaling 39.2% of the plan. The interest of shareholders of the parent company reached VND 224 billion, equal to 24.4% compared to 2019.

Although the business results in 2020 have not been as planned. The Board of Directors positively evaluates the business efforts that the Group has made, because the fact that the business efforts in 2020 are full of challenges and difficulties have not been recorded, not reflected in the Reports

Foreign affairs

In 2020, the members of the BOD and the BOM directly worked with agencies and departments of provinces such as Hung Yen, Hai Duong, Long An, Vung Tau, Hanoi, etc. to promote the establishment of new projects, create a land fund.

The members of the BOD and the BOM attended online and face-to-face conferences to attract FDI into Vietnam in 2020 such as: Attending online seminars with Taiwanese, Chinese and European enterprises... and directly attend investment conferences organized by Vietnamese ministries and sectors such as: Meeting with Korean businesses, Japanese businesses in Hanoi.

Corporate governance activities

KBC always complies with the regulations on corporate governance for listed companies, the information provided on the stock market is transparent, clear and timely. The company regularly participates in programs to exchange and update information with departments such as Securities Commission, HOSE, Tax Department, Ministry of Finance, etc.

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

Development of labor resources

The BOD appreciated the policies of KBC on recruiting talented people; especially, the policy has focused on not only recruiting qualified and experienced cadres from large corporations but also recruiting and training newly graduated workers. The internal training is top priority, ensuring the goal of sustainable development, avoiding the crisis of human resources. In particular, KBC always maintains the agreements with employees, does not reduce personnel or wages even when the economy in general, or the Group faces difficulties and crisis. We have experienced difficult years of economic downturns but it is a strength to retain workers. In 2020, the average total income of KBC's staff increased by 19.7% to 18.8 million VND/person/month.

Responsibility for environmental activities

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

2. ASSESSMENT OF BOD ON THE OPERATION OF BOM

The BOD highly appreciated the efforts of the Board of Management in implementing business plans in 2020, implementing investment and developing projects, arranging capital for the Corporation. Especially in completing important legal procedures of Phuc Ninh New Urban Area Project, Nam Son Hap Linh IP, arranging large capital sources to complete the payment of land use fees for Trang Cat urban area project.

The BOD evaluates the truthfulness of the report contents of the Board of Managements. The BOD positively evaluated the initiatives, frank comments and handling of unusual situations of the Board of Managements in the process of implementing the plans assigned by the BOD in order to agree with the BOM on solutions to develop the business.

The BOD proposed the BOM to be more active in implementing the infrastructure of the projects that the Group is managing, creating available products to promptly meet the needs of investors, setting up programs investment promotion in both face-to-face and online forms. Making detailed plans, directing departments to promote the establishment of new projects in the province of Hung Yen, Hai Duong, Long An, Hanoi, Thai Nguyen, etc.; Balance, use cash flow reasonably, improve risk management related to investment and business activities of the Corporation.

Specific tasks, the Board of Directors has closely worked with the Board of Managements include:

- ❑ Organize and supervise the implementation of the Group's projects: Infrastructure investment in Nam Son Hap Linh Industrial Park; Quang Chau Industrial Park, Tan Phu Trung Industrial Park; Investment in infrastructure of 22ha area of Phuc Ninh urban area, Trang Due urban area, Trang Cat urban area, etc.
- ❑ Preside over, direct and successfully organize the 2020 Annual General Meeting of Shareholders on June 29, 2020.
- ❑ Together with the BOM, manage/adjust business plans;
- ❑ Completing the private placement of 03 corporate bonds with a total issuance value of VND 600 billion and 01 bond issuance to the public and listing on the HSX with a total value of VND 400 billion.
- ❑ Monitor the implementation of the resolutions issued by the Board of Directors and the General Meeting of Shareholders;
- ❑ Directing the BOM to work with state agencies in the provinces and cities to promote the completion of legal procedures for the projects of Nam Son Hap Linh Industrial Park, Phuc Ninh Urban Area, and Trang Cat Urban Area.
- ❑ Collaborating with the BOM to conduct meetings and negotiate with foreign investors online
- ❑ Closely supervising the risk management of investment, business activities, cash flow management and appropriate financial planning.

3. PROPOSALS OF BOD FOR 2021

- Supervising and approving the investment plans of the BOM into key projects, deploying actively the Nam Son Hap Linh IP, Quang Chau IP, Tan Phu Trung IP, Trang Due Urban Area and Phuc Ninh urban area projects;
- Presiding to implement projects to establish new projects in Hai Duong, Long An and Hanoi
- Directing the BOM to make plans to balance cash flow, mobilize capital, develop appropriate financial plans, balance investment activities and pay due debts.
- Strengthening to monitor risk management, ensuring financial indicators are improving. Supervising the implementation of the Group's internal processes and regulations, with appropriate reward and punishment regimes.
- Maintaining and building a team of experts who regularly update news, macroeconomic situation, financial situation, changes in policies to promptly propose to the BOM and BOD to make new strategies and policies suitable to the actual situation.
- Enhancing the promotion, commercial trade investment, welcoming and working directly with foreign investment corporations.
- Assigning the BOM to focus on well performing the work of shareholder relations, regularly monitoring the changes in ownership of major shareholders. Implementing timely and accurately information disclosure to authorities, shareholders and investors.
- Building and developing professional, qualified, experienced and enthusiastic staff. Appointing people to participate in training courses to improve corporate governance capacity in accordance with regulations of listed companies. Continuing to develop salary and bonus policies and improve remuneration regimes for employees, creating a professional, safe and comfortable working environment, encouraging employees' creativity.





PART 5 CORPORATION MANAGEMENT

BOD'S COUNCIL: None

ACTIVITIES OF BOD IN 2020

In 2020, the BOD of KBC accompanied the BOM to issue resolutions to resolve issues related to business production activities and investment in industrial parks and UAs, arranging funding sources for projects of The Group, specifically as follows:

- The BOD actively participates in foreign affairs, directly contacts with foreign corporations expected to invest directly in Vietnam, indirect investment funds, closely monitors the attraction of FDI enterprises in key IPs such as Quang Chau IP, Nam Son Hap Linh IP, Tan Phu Trung IP.
- Attracting investment fund Dragon Capital to become a major shareholder of KBC.
- Supervises the implementation of infrastructure investment and construction plans, complete legal procedures of Phuc Ninh Urban Area project; Trang Cat Urban Area, Trang Due Urban Area, Quang Chau IP, Tan Phu Trung IP, Nam Son Hap Linh IP.
- Works with government departments of Hung Yen, Hai Duong, Long An, Vung Tau and some other provinces to set up new projects.

- Closely monitors the risk management activities of investment, business, cash flow management and appropriate financial planning, takes advantage of positive macro conditions to develop corporate values, ensures to keep financial indicators at a safe level.
- Closely monitor the plan to arrange capital to invest in projects and pay debts due in 2020.
- Directs the preparation and organization of the 2020 Annual General Meeting of Shareholders.
- Directs the implementation of programs and actions of the Group in order to develop projects towards sustainable, environmentally friendly, responsible to the local community; ensuring the benefits and dynamic and modern working environment for employees.

LIST OF RESOLUTIONS APPROVED BY BOD IN 2020

NO.	RESOLUTION/DECISION NO.	DATE	CONTENTS
1	0201/2020/KBC/NQ-HĐQT & 0201-1/2020/KBC/QĐ-CTHĐQT	02/01/2020	Approved the details of remuneration of the Board of Directors, the Supervisory Board and the salary of the Head of the Supervisory Board for 2019
2	0201/2020/KBC/NQ-HĐQT & 0201-1/2020/KBC/QĐ-CTHĐQT	15/01/2020	Received the transfer of the entire contributed capital of Tan Hoang Minh Hotel Trading Service Co., Ltd at Hoa Sen Hotel Development One Member Co., Ltd.
3	2101/201/KBC/NQ-HĐQT	21/01/2020	Adjustment of investment projects on construction and business development of technical infrastructure of Nam Son Hap Linh IP.
4	1002/2020/KBC/NQ-HĐQT	10/02/2020	Plan to convene the 2020 Annual General Meeting of Shareholders.
5	1202/2020/KBC/NQ-HĐQT	12/02/2020	Commitment to contribute equity to invest in the project "Southern Vung Tau New Urban Area"
6	0704/2020/KBC/NQ-HĐQT	07/04/2020	Regarding the delisting of Bonds KBC-BOND2018-02 (Bond code KBC11806)
7	0804/2020/KBC/NQ-HĐQT	08/04/2020	Adjustment of investment projects on construction and business development of technical infrastructure of Nam Son Hap Linh Industrial Park.
8	1404/2020/KBC/NQ-HĐQT	14/04/2020	Approving the bond issuance plan
9	2104/2020/KBC/NQ-HĐQT	21/04/2020	Approving the private bond issuance plan KBC2020.200
10	2104-1/2020/KBC/NQ-HĐQT	21/04/2020	Approving the use of assets that are SBG shares to secure bond obligations KBC2020.200

NO.	RESOLUTION/DECISION NO.	DATE	CONTENTS
11	0605/2020/KBC/NQ-HĐQT	06/05/2020	The revised plan to convene the 2020 Annual General Meeting of Shareholders
12	0605-1/2020/KBC/NQ-HĐQT	06/05/2020	Approving the 2020 business plan and approving the draft AGM documents
13	0805/2020/KBC/NQ-HĐQT	08/05/2020	Approving the borrowing capital from Saigon - Bac Giang IP Joint Stock Company
14	1105/2020/KBC/NQ-HĐQT	11/05/2020	Approving business cooperation to develop Quang Chau Industrial Park with Saigon - Bac Giang IP Joint Stock Company (SBG)
15	2005/2020/KBC/NQ-HĐQT	20/05/2020	Approving the issuance plan, capital use plan and debt repayment plan for corporate bonds and a set of dossiers of bond offering to the public (KBC2020.DC)
16	2005-01/2020/KBC/NQ-HĐQT	20/05/2020	Approving the use of assets, which are SHP shares, to secure bond obligations of KBC2020.DC
17	2505-02/2020/KBC/NQ-HĐQT	25/05/2020	Approving the application for registration of KBC bond offering to the public in 2020 (KBC2020.DC)
18	0906/2020/KBC/NQ-HĐQT	09/06/2020	Approving the private bond issuance plan KBC2020.VB
19	2406/2020/KBC/NQ-HĐQT	24/06/2020	Approving the adjustment of the registration file for the public offering of KBC bonds in 2020 (KBC2020.DC)
20	2606/2020/KBC/NQ-HĐQT	26/06/2020	Approving the issuance of letter of guarantee for SHP
21	1407/2020/KBC/NQ-HĐQT	14/07/2020	Approving the borrowing capital from Saigon - Hai Phong IP Joint Stock Company
22	1507/2020/KBC/NQ-HĐQT	15/07/2020	Adjustment of the project investment in construction and business development of technical infrastructure Nam Son - Hap Linh IP, Bac Ninh
23	2807/2020/NQ-HĐQT-KBC	28/07/2020	Increase charter capital of Kinh Bac-Da Nang Investment Company Limited
24	2907/2020/KBC/NQ-HĐQT	29/07/2020	Approving the borrowing capital from Saigon - Hai Phong IP Joint Stock Company
25	0308-3/2020/KBC/NQ-HĐQT	03/08/2020	Approving the lending to subsidiaries
26	2610/2020/KBC/NQ-HĐQT	26/10/2020	Approval of lending capital to Hanoi Construction Corporation - JSC (HAN)

NO.	RESOLUTION/DECISION NO.	DATE	CONTENTS
27	0201/2020/KBC/NQ-HĐQT & 0201-1/2020/KBC/QĐ-CTHĐQT	02/01/2020	Through the use of the property is the land use right number CU978455 to secure the bond obligation KBCbond01-2017.
28	0211-1/2020/KBC/NQ-HĐQT	03/12/2020	Approving investment project to build Phuc Ninh new urban area, Bac Ninh city
29	2012/2020/KBC/QĐ-HĐQT	20/12/2020	Approving the construction investment of the project "CX7 Garage Lot" /
30	2112/2020/KBC/NQ-HĐQT	21/12/2020	Approving the borrowing capital from Saigon - Nhon Hoi IP Joint Stock Company
31	2212/2020/KBC/NQ-HĐQT	22/12/2020	Approving the borrowing capital from Saigon - Bac Giang IP Joint Stock Company
32	2312/QĐHĐQT	23/12/2020	Changing the content of activities, amending the Charter of Trang Cat Urban Development Co., Ltd
33	2812/2020/KBC/NQ-HĐQT	28/12/2020	Approving the commitment to perform debt obligations with PVcomBank
34	3112/2020/KBC/NQ-HĐQT	31/12/2020	Approving the transfer of shares "Saigon Hue Investment Joint Stock Company (SGH)

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

According to the Resolution of the 2020 Annual General Meeting of Shareholders number: 2906/2020/KBC/NQ-DHĐCĐ on 29/06/2020, the Board of Directors has approved the business plan by 02 options:

1. According to the positive plan:

- Expected total consolidated revenue: Positive is VND 3,200 billion
- Total consolidated profit after tax is expected: VND 816 billion

2. According to the positive plan

- Expected total consolidated revenue: Positive is VND 3,600 billion
- Total consolidated profit after tax is expected: VND 1.000 billion

However, the Company’s 2020 business results approved by the General Meeting of Shareholders have not been completed, the reasons have been explained in **Parts 3 and 4** of this report.

ACTIVITIES OF INDEPENDENT MEMBER OF BOD

Currently, KBC has 01 independent member of the BOD which is Mr. Huynh Phat - one of 5 members of the BOD (in accordance with Article 26 of the Charter approved by the General Meeting of Shareholders and the current legislation will take effect in 2021)

With his role, Mr. Huynh Phat fully participated in all meetings of the BOD in 2020. In the decisions of the BOD, Mr. Huynh Phat participated in independent opinions before other Board members, along with considering and solving problems to reach agreement.

BOARD MEMBERS WITH CORPORATE GOVERNANCE TRAINING CERTIFICATES IN THE YEAR:

Because the members of the BOD often have to go on business trips, they cannot arrange the time to attend the courses directly to coincide with the training schedule of the Training Agency. However, the members of the BOM always update, clearly understand the regulations on corporate governance for listed companies.

However, we strongly support online corporate governance courses for Board members and managers to easily participate. In early 2021, our BOD member attended 01 online course organized by HOSE and was very satisfied.



BOARD OF SUPERVISORS

a. Members of the Board of Supervisors

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

b. Activities of Board of Supervisors

In 2020, the Board of Supervisors of Kinh Bac Urban Development Corporation has carried out the main tasks including:

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

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

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

The total cost of remuneration of the Board of Directors, Supervisory Board and salaries, bonuses and allowances for the full-time Head of Supervisory Board in 2020 is: 1,348,392,889 VND (One billion, three hundred and forty eight million, three hundred and ninety two thousand, eight hundred eight eight nine), equal to 27% of the limit approved by the General Meeting of Shareholders in accordance with the Resolution of the Annual General Meeting of Shareholders No.:1004/2018/KBC/NQ-DHDCD dated April 10, 2018 for the Board of Directors, Supervisory Board and expenses. Salary, bonus and allowances for the full-time Head of Supervisory Board in the period of 2020-2022 (the end of the term of the Board of Directors and the Supervisory Board) is: 5,000,000,000 VND (Five billion VND)/year.

Below is a detailed table of total taxable income paid to the Board of Directors, Supervisory Board, Board of Managements (BOM) and Chief Accountant (KTT) in 2020 as follows:

NO.	NAME	POSITION	REMUNERATION FOR THE BOARD OF SUPERVISORS / BOM (VND)	TOTAL INCOME OF THE HEAD OF THE BOARD OF SUPERVISORS, BOM (VND)	TOTAL PIT NEED TO PAY
1	Nguyen Bich Ngoc	Head of BOS	50.000.000	199.378.000	10.126.000
2	The Thi Minh Hong	Member of BOS	50.000.000		5.555.556
3	Tran Tien Thanh	Member of BOS	50.000.000		5.555.556
4	Dang Thanh Tam	Chairman of BOD			
5	Nguyen Thi Thu Huong	Member of BOD, General Director	100.000.000	6.408.151.000	3.166.174.000
6	Nguyen Vinh Tho	Member of BOD	580.000.000		64.444.444
7	Pham Phuc Hieu	Member of BOD, Deputy General Director, Chief Accountant, Person authorized to disclose information	100.000.000	2.307.150.000	1.043.235.000
8	Huynh Phat	Independent member of the BOD	100.000.000		11.111.111
9	Nguyen My Ngoc	Deputy General Director		1.784.218.000	707.810.000
10	Phan Anh Dzung	Deputy General Director		1.611.459.000	614.786.000

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

Stock transaction of Insiders/related persons/major shareholders

NO.	TRANSACTORS	INSIDERS/RELATED PERSONS/MAJOR SHAREHOLDERS	SHARES OWNERSHIP AT THE BEGINNING PERIOD		SHARES OWNERSHIP AT THE ENDING PERIOD	
			QUANTITY	RATE	QUANTITY	RATE
1	Dang Thanh Tam	Chairman of BOD	75.250.000	16,02%	85.250.000	18,15%
2	Vinatex Tan Tao Investment JSC.	Related company	5.987.390	2,34%	20.987.390	4,47%

Transactions with related parties

NO.	NAME OF ORGANIZATION / INDIVIDUAL	RELATION WITH THE COMPANY	TYPE AND TIME OF TRANSACTION
1	Dang Thanh Tam	Chairman of BOD	Receive dividends in 2019
2	Nguyen Vinh Tho	Member of BOD	Receiving remuneration for the Board of Directors in 2019
3	Huynh Phat	Independent member of the BOD	Receiving remuneration for the Board of Directors in 2019
4	Nguyen Thi Thu Huong	Member of BOD, General Director	Receiving monthly salary, BOD remuneration in 2019
5	Pham Phuc Hieu	Member of BOD, Deputy General Director, Chief Accountant, Person authorized to disclose information	Receiving monthly salary, BOD remuneration in 2019
6	Nguyen My Ngoc	Deputy General Director	Receiving monthly salary
7	Phan Anh Dzung	Deputy General Director	Receiving monthly salary
8	Nguyen Bich Ngoc	Head of BOS	Head of Supervisory Board: receive monthly salary and members receive remuneration of the Supervisory Board in 2019
9	The Thi Minh Hong	Member of BOS	
10	Tran Tien Thanh		
11	Saigon - Hai Phong Industrial Park Joint Stock Company	Subsidiary KBC owns 86.54%, and KBC's insider holds the position of a member of the Board of Directors of SHP	Record interest payable; Receive loan from SHP; KBC repays SHP debt; KBC lends to SHP
12	Saigon - Bac Giang IP Joint Stock Company	KBC Subsidiary holds 77.93%, and KBC's insider holds the position of a member of the Board of Directors/Board of Directors of SBG/ KBC 77.93%	Receive loan from SBG; Record interest payable; KBC Money transfer business cooperation; Income from business cooperation contracts; KBC lends to SBG

NO.	NAME OF ORGANIZATION/ INDIVIDUAL	RELATION WITH THE COMPANY	TYPE AND TIME OF TRANSACTION
13	Kinh Bac - Da Nang Investment One Member Company Limited	Subsidiary KBC owns 100%	KBC lends loans to Kinh Bac Da Nang Company and recognizes the interest incurred during the period; KBC contributes charter capital to Kinh Bac Da Nang company
14	Saigon Telecommunications Technology Joint Stock Company (SGT)	Associate company of KBC, owns 21.48%	Internet service fee payment
15	Vinatex Tan Tao investment JSC.	Related Company	Record interest payable; Repayment of loan principal and interest
16	Kinh Bac Investment and Consulting Joint Stock Company (KBI)	Major shareholder	KBC transfers money to KBI to make compensation / KBI refunds the advance to KBC
17	Trang Cat Urban Development One Member Company Limited	Subsidiary KBC owns 100%	KBC contributes charter capital to Trang Cat Company
18	Northwest Saigon City Development (SCD)	Subsidiary KBC owns 72.44%/ KBC 72.44%	KBC receives dividends from Saigon Northwest
19	Tien Duong Urban Development Joint Stock Company	Subsidiary KBC owns 51%	KBC contributes charter capital

Details of the transactions have been announced in the financial statements of Quarter 1, Quarter 2, Quarter 3, Quarter 4 and audited financial statements of 2020.

Implementing regulations on corporate governance: KBC has complied with regulations on corporate governance.

Investor relations activities

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

KBC's shareholder relations and investor relations activities are always appreciated by KBC. We are ready to answer all questions, listen to all suggestions of Shareholders and Investors. Every year, KBC directly contacts hundreds of investment funds.

Thus, it can be said that KBC always tries its best to provide, update information for shareholders, investors promptly, accurately and transparently. We are looking forward to sharing information with shareholders and investors, as well as receiving comments that contribute to the better development of the Group. Therefore, when there is any concern about the situation of the Company, we respect your shareholders and investors to contact us via email.

Email: kinhbac.kbc@gmail.com





INDEPENDENT AUDITORS' REPORT

To: The Shareholders of KinhBac City Development Holding Corporation

We have audited the accompanying consolidated financial statements of KinhBac City Development Holding Corporation ("the Company") and its subsidiaries (collectively referred to as the "Group") as prepared on 30 March 2021 and set out on pages 6 to 64, which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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

PART 6 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

as at 31 December 2020

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
100	A. CURRENT ASSETS		21.403.279.332.062	21.403.279.332.062
110	I. Cash and cash equivalents	5	1.049.757.121.957	652.005.005.791
111	1. Cash		889.890.633.358	550.470.450.445
112	2. Cash equivalents		159.866.488.599	101.534.555.346
120	II. Short-term investments	6	1.939.653.239.000	2.874.095.600
121	1. Held-for-trading securities		1.862.358.461.369	7.490.461.369
122	2. Provision for held-for-trading securities		(5.305.222.369)	(6.616.365.769)
123	3. Held-to-maturity investments		82.600.000.000	2.000.000.000
130	III. Current accounts receivable		6.637.765.390.090	5.493.191.454.059
131	1. Short-term trade receivables	7.1	1.384.869.373.085	1.353.873.386.238
132	2. Short-term advances to suppliers	7.2	2.701.142.324.970	2.442.883.530.085
135	3. Short-term loan receivables	8	925.080.022.356	391.712.488.097
136	4. Other short-term receivables	9	1.634.007.650.329	1.312.056.030.289
137	5. Provision for doubtful short-term receivables	7.3	(7.333.980.650)	(7.333.980.650)
140	IV. Inventories	10	11.533.861.446.985	7.547.758.770.653
141	1. Inventories		11.533.861.446.985	7.547.758.770.653
150	V. Other current assets		242.242.134.030	216.345.243.209
151	1. Short-term prepaid expenses	11	78.372.182.343	77.403.089.347
152	2. Value-added tax deductible	17	162.365.406.594	136.394.905.445
153	3. Tax and other receivables from the State	17	1.449.594.958	2.547.248.417
155	4. Other current assets		54.950.135	-

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Emphasis of matter

We draw attention to Note 10 and Note 31.3 of the consolidated financial statements. On 30 December 2020, the Company entered into an Agreement on debt structure, capital advance and debt repayment No. 3012/2020/BBT/PVB-KB-TCC before approval of the General Meeting of Shareholders as required in the Company's charter.

Our opinion is not modified in respect of this matter.

Ernst & Young Vietnam Limited

(Signed)

(Signed)

Bui Anh Tuan**Do Duc Hieu**

Deputy General Director

Auditor

Audit Practising Registration:

Audit Practising Registration:

Certificate No. 1067-2018-004-1

Certificate No. 4663-2018-004-1

Hanoi, Vietnam

30 March 2021

CONSOLIDATED BALANCE SHEET (Continued)

as at 31 December 2020

Currency: VND

CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
200	B. NON-CURRENT ASSETS		2.382.598.917.887	2.520.815.233.389
210	I. Long-term receivables		181.755.869.861	127.852.712.252
215	1. Long-term loan receivables	8	140.910.000.000	1.000.000.000
216	2. Other long-term receivables	9	40.845.869.861	126.852.712.252
220	II. Fixed assets		256.277.089.070	253.726.902.238
221	1. Tangible fixed assets	12	256.126.185.538	253.543.017.869
222	Cost		530.008.517.295	485.477.345.872
223	Accumulated depreciation		(273.882.331.757)	(231.934.328.003)
227	2. Intangible fixed assets		150.903.532	183.884.369
228	Cost		448.175.500	365.975.500
229	Accumulated amortisation		(297.271.968)	(182.091.131)
230	III. Investment properties	13	393.841.913.682	432.718.621.923
231	1. Cost		479.236.688.645	476.439.458.160
232	2. Accumulated depreciation		(85.394.774.963)	(43.720.836.237)
240	IV. Long-term assets in progress	14	869.345.580.191	822.034.811.714
242	1. Construction in progress		869.345.580.191	822.034.811.714
250	V. Long-term investments	15	660.601.134.707	861.080.542.019
252	1. Investments in associates, jointly controlled entities		234.988.852.857	434.925.286.015
253	2. Investments in other entities		448.500.200.000	448.500.200.000
254	3. Provision for long-term investments		(22.887.918.150)	(22.344.943.996)
260	VI. Other long-term assets		20.777.330.376	23.401.643.243
261	1. Long-term prepaid expenses	11	20.777.330.376	23.401.643.243
270	TOTAL ASSETS		23.785.878.249.949	16.432.989.802.701

CONSOLIDATED BALANCE SHEET (Continued)

as at 31 December 2020

Currency: VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
300	C. LIABILITIES		13.132.883.122.220	6.051.858.701.629
310	I. Current liabilities		6.962.196.498.660	4.067.458.297.616
311	1. Short-term trade payables	16.1	155.402.318.840	370.592.050.524
312	2. Short-term advances from customers	16.2	894.453.239.637	414.280.990.286
313	3. Statutory obligations	17	454.343.617.554	129.306.628.591
314	4. Payables to employees		134.912.511	215.919.868
315	5. Short-term accrued expenses	18	1.043.936.809.354	1.634.889.249.478
318	6. Short-term unearned revenues		4.327.075.364	4.718.340.907
319	7. Other short-term payables	19	2.856.054.333.594	702.391.584.903
320	8. Short-term loans	20	1.546.681.630.497	804.035.305.750
322	9. Bonus and welfare fund		6.862.561.309	7.028.227.309
330	II. Non-current liabilities		6.170.686.623.560	1.984.400.404.013
333	1. Long-term accrued expenses	18	1.134.633.021.863	909.879.723
336	2. Long-term unearned revenue		4.664.114.060	4.791.738.286
337	3. Other long-term liabilities	19	35.537.754.956	35.126.202.093
338	4. Long-term loans	20	4.218.161.587.925	1.121.897.918.268
341	5. Deferred tax liabilities	28.3	776.738.176.794	820.722.697.681
341	6. Long-term provisions		951.967.962	951.967.962

CONSOLIDATED BALANCE SHEET (Continued)

as at 31 December 2020

Currency: VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
400	D. OWNERS' EQUITY		10.652.995.127.729	10.381.131.101.072
410	I. Capital		10.652.995.127.729	10.381.131.101.072
411	1. Share capital	21.1	4.757.111.670.000	4.757.111.670.000
411a	- Shares with voting rights		4.697.601.890.000	4.697.601.890.000
	- Treasury shares		59.509.780.000	59.509.780.000
412	2. Share premium	21.1	989.064.430.000	989.064.430.000
415	3. Treasury shares	21.1	(364.466.650.000)	(364.466.650.000)
418	4. Investment and development fund	21.1	2.223.693.823	2.223.693.823
421	5. Undistributed earnings	21.1	4.316.487.151.605	4.099.263.633.258
421a	Undistributed earnings by the end of prior years		4.092.454.317.117	3.180.901.758.305
421b	Undistributed earnings of current year		224.032.834.488	918.361.874.953
420	6. Non-controlling interests	22	952.574.832.301	897.934.323.991
440	TOTAL LIABILITIES AND OWNERS' EQUITY		23.785.878.249.949	16.432.989.802.701

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2020

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
01	1. Revenue from sale of goods and rendering of services	23.1	2.150.962.555.356	3.209.906.030.157
02	2. Deductions	23.1	-	-
10	3. Net revenue from sale of goods and rendering of services	23.1	2.150.962.555.356	3.209.906.030.157
11	4. Cost of goods sold and services rendered	24	(1.461.933.537.631)	(1.363.156.822.246)
20	5. Gross profit from sale of goods and rendering of services		689.029.017.725	1.846.749.207.911
21	6. Finance income	23.2	313.705.232.896	79.931.901.053
22	7. Finance expenses	26	(230.242.153.241)	(222.620.542.221)
23	<i>In which: Interest expenses</i>		<i>(195.387.067.311)</i>	<i>(195.685.878.594)</i>
24	8. Shares of profit of associates, joint-ventures	15.1	2.674.783.347	420.531.832
25	9. Selling expenses	25	(52.216.721.860)	(141.910.414.455)
26	10. General and administrative expenses	25	(270.720.195.562)	(171.879.898.648)
30	11. Operating profit		452.229.963.305	1.390.690.785.472
31	12. Other income		3.475.084.225	8.431.503.757
32	13. Other expenses		(2.532.671.188)	(34.947.379.751)
40	14. Other profit/(loss)		942.413.037	(26.515.875.994)
50	15. Accounting profit before tax		453.172.376.342	1.364.174.909.478
51	16. Current corporate income tax expenses	28.1	(177.342.931.117)	(167.120.965.198)
52	17. Deferred tax income/(expenses)	28.3	43.984.520.887	(156.295.080.051)
60	18. Net profit after tax		319.813.966.112	1.040.758.864.229
61	19. Net profit after tax attributable to shareholders of the parent		224.032.834.488	918.361.874.953
62	20. Net profit after tax attributable to non-controlling interests		95.781.131.624	122.396.989.276
70	21. Basic earnings per share	30	477	1.955
71	22. Diluted earnings per share	30	477	1.955

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2020

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		453.172.376.342	1.364.174.909.478
	<i>Adjustments for:</i>			
02	Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets		88.966.487.664	53.169.260.174
03	(Reversal of provisions)/provisions		(750.098.833)	4.717.708.053
05	Profits from investing activities		(311.769.791.444)	(79.048.576.222)
06	Interest expenses and bond issuances cost	26	226.914.890.062	195.685.878.594
08	Operating profit before changes in working capital		456.533.863.791	1.538.699.180.077
09	(Increase)/decrease in receivables		(533.408.601.710)	91.951.948.997
10	(Increase)/decrease in inventories		(3.986.102.676.332)	1.045.072.798.522
11	Increase/(decrease) in payables (other than interest, corporate income tax)		1.529.615.675.000	(646.068.358.097)
12	Decrease/(increase) in prepaid expenses		2.204.752.798	(28.556.235.907)
13	Increase in held-for-trading securities		(50.000.000.000)	-
14	Interest paid		(228.078.425.083)	(281.891.887.623)
15	Corporate income tax paid	17	(103.803.906.725)	(179.982.853.335)
17	Other cash outflows for operating activities		(165.666.000)	(77.132.000)
20	Net cash flows (used in)/from operating activities		(2.913.204.984.261)	1.539.147.460.634
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(212.807.757.268)	(275.109.496.555)
22	Proceeds from disposals of fixed assets and other long-term assets		554.545.454	-
23	Loans to other entities and payments for purchase of debt instruments of other entities		(879.999.844.057)	(272.736.501.000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		139.574.130.237	61.386.943.534
25	Payments for investments in other entities		(119.734.613.308)	-
26	Proceeds from sale of investments in other entities		437.680.503.419	374.174.889.081
27	Interest and dividends received		154.913.661.545	37.623.194.668
30	Net cash flows used in investing activities		(479.819.373.978)	(74.660.970.272)

CONSOLIDATED CASH FLOW STATEMENT (Continued)
for the year ended 31 December 2020

Currency: VND

CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		4.554.120.877.748	1.139.988.384.144
34	Repayment of borrowings		(701.225.653.343)	(1.721.560.467.364)
36	Dividend paid		(62.118.750.000)	(454.990.224.841)
40	Net cash flows from/(used in) financing activities		3.790.776.474.405	(1.036.562.308.061)
50	Net increase in cash for the year		397.752.116.166	427.924.182.301
60	Cash and cash equivalents at the beginning of the year		652.005.005.791	224.080.823.490
70	Cash and cash equivalents at the end of the year	5	1.049.757.121.957	652.005.005.791

(Signed)

(Signed)

(Signed)

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

Preparer

Deputy General Director and
Chief Accountant

General Director

30 March 2021

Shareholder and Investors may see Financial Statement on Websites:

www.kinhbaccity.vn and www.hsx.vn

KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

Chairman of BOD

DANG THANH TAM

