

No: 2012.1/2024/KBC-CK

Bac Ninh, December 20th, 2024

EXTRAORDINARY INFORMATION DISCLOSURE

To:

- State Securities Committee;
- Ho Chi Minh Stock Exchange;
- Esteemed Shareholders.

1. Name of organization: KinhBac City Development Holding Corporation

- Securities code: KBC

- Address: Lot B7, Que Vo Industrial Park, Phuong Lieu Ward, Que Vo Town, Bac Ninh Province, Vietnam

- Tel: (0222) 3634034

Fax: (0222) 3634035

- E-mail: info@kinhbaccity.vn

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

2. Content of disclosure:

Pursuant to the current regulations on information disclosure on the securities market, Kinh Bac City Development Holding Corporation (KBC) would like to disclosure **Decision No. 4763/QD-XP HC about the administrative violation sanction of Department of Taxation of Bac Ninh province**. The full text of the Decision is attached to this official letter.

3. This information has been published on the company's website since 20/12/2024 at the link <http://www.kinhbaccity.vn>.

We hereby certify that the information provided is true and correct and we bear the full responsibility to the law.

Attachments:

Full document of section 2

**On behalf of KINH BAC CITY DEVELOPMENT
HOLDING CORPORATION
Person authorized to disclose informaion
Vice General Director**

(signed and stamped)

Pham Phuc Hieu

DECISION

About the administrative violation penalties

HEAD OF DEPARTMENT OF TAXATION OF BAC NINH PROVINCE

Pursuant to Article 57, Article 68, Article 70, Article 78, Article 85 Law on Handling administrative violations (amended and supplemented in 2020);

Pursuant to Law on Tax Administration dated 13/06/2019 and guiding documents;

Pursuant to Law on VAT, CIT and guiding documents;

Pursuant to Decree No. 129/2013/ND-CP dated 16/10/2013 of the Government regulating the penalties for administrative violations pertaining to taxation and enforcement of administrative decision on taxation;

Pursuant to Decree No. 125/2020/ND-CP dated 19/10/2020 of the Government regulating the administrative penalties for tax or invoice-related violations;

Pursuant to Decree No. 118/2021/ND-CP dated 23/12/2021 the Government elaborating certain articles and enforcement of the law on handling of administrative violations;

Pursuant to Decree No. 102/2021/ND-CP dated 16/11/2021 of the Government amending, supplementing certain articles of Decree No.s on administrative penalties for tax or invoice-related violations;

Pursuant to Decision No. 1836/QD-BTC dated 08/10/2018 of the Minister of Finance regulating functions, tasks, powers and organizational structure of departments of taxation affiliated to General department of taxation;

Pursuant to Inspection Minutes dated 19/12/2024 at Kinh Bac City Development Holding Corporation of Inspection team based on Decision No. 4455/QD-CTBNI dated 22/11/2024 of the Director of Department of Taxation of Bac Ninh province assigning the handling of penalties on administrative violations to Deputy Director.

DECIDE:

Article 1.

1. Punishing the organization mentioned below:
Kinh Bac City Development Holding Corporation;

Head office's location: Lot B7, Que Vo Industrial Park, Phuong Lieu ward, Que Vo town, Bac Ninh province;

Enterprise No. 2300233993;

Enterprise Registration Certificate No. 2300233993 as Joint stock company, firstly issued by Department of Planning and Investment of Bac Ninh province on 27/03/2002 with the 21st registration for amendment on 03/10/2024.

Legal representative: Mr. Dang Thanh Tam; Gender: Male

Title: Chairman of Board of Directors

2. Have already performed administrative violations:

- An act of falsely declaring deductible expenses when determining CIT according to point 2.1 clause 2 Article 6 Circular 78/2014/TT-BCT dated 18/06/2014 of Ministry of Finance (supplemented and amended at Article 4 Circular 96/2015/TT-BTC dated 22/06/2015 of Ministry of Finance), which led to a shortage in CIT payable in 2020 and violated point a clause 1 Article 16 of Decree No. 125/2020/ND-CP dated 19/10/2020 of the Government.
- An act of falsely declaring deductible input VAT of some invoiced not used for business production for the declaration period of 12/2022, 01/2023, 06/2023 and 09/2023 according to clause 1 Article 14 Circular 219/2013/TT-BTC dated 31/12/2013 of Ministry of Finance, which did not lead to a shortage in VAT payable, not-refunded tax, violating clause 3 Article 16 Circular 125/2020/ND-CP dated 19/10/2020 of the Government.
- An act of falsely declaring revenue from sales of goods and rendering of services subjected to 0% VAT rate for the declaration period of 10/2023, 11/2023; falsely declaring revenue from sales of goods and rendering of services subjected to 10% VAT rate, output VAT for the declaration period of 4/2023, 7/2023, 12/2023 according to clause 1 Article 8 Circular 219/2013/TT-BTC dated 31/12/2013 of Ministry of Finance but it did not lead to a shortage in VAT payable or refunded, which violate clause 3 Article 16 Decree No. 125/2020/ND-CP dated 19/10/2020 of the Government.
- An act of not issuing invoices for goods for promotion on 30/10/2021 and 29/6/2023 according to point b clause 1 Article 16 Circular 39/2014/TT-BTC dated 31/3/2014 of Ministry of Finance (amended and supplemented in clause 7 Article 3 Circular 26/2015/TT-BTC dated 27/02/2015 of Ministry of Finance), clause 1 Article 4, clause 1, point d clause 4 Article 9 Decree No. 123/2020/ND-CP dated 19/10/2020 of the Government, violating point b clause 2 Article 24 Decree No. 125/2020/ND-CP dated 19/10/2020 of the Government.
- An act of making an invoice at the wrong time in April/2023 according to clause 1 Article 4, clause 1, point d clause 4 Article 9 Decree No. 123/2020/ND-CP dated 19/10/2020 of the Government but this did not lead to overdue tax payable violations according to clause 3 Article 24 Decree No. 125/2020/ND-CP dated 19/10/2020 of the Government.

3. Regulated at: clause 1 Article 16, clause 3 Article 12, clause 2, clause 3 Article 24 and clause 4 Article 7 Decree No. 125/2020/ND-CP dated 19/10/2024 of the Government.
4. Aggravating circumstances: None
5. Mitigating circumstances: None
6. Is applied the penalties and remedial measures as below:
 - a) Administrative violation penalties:
 - a.1. Fine with the fine amount: 91,734,245 VND (*In words: ninety one million seven hundred thirty four thousand two hundred forty five dong*)
 - Fine due to an act of falsely declaring with the fine amount: 14,234,245 VND (= 71,171,227*20%) according to clause 1 Article 16 Decree No. 125/2020/ND-CP dated 19/10/2020 of the Government regulating the administrative penalties for tax or invoice-related violations for false declaring, which led to a shortage in CIT in 2020.
 - Fine due to an act of tax violation with the fine amount: 71,500,000 VND (= 6,500,000 VND x 11 periods) according to clause 3 Article 12 and clause 4 Article 7 Decree No. 125/2020/ND-CP dated 19/10/2020 of the Government regulating false declaring but not leading to a shortage in CIT payable in 2022, 2023; false declaring deductible input for the period of 12/2022, 01/2023, 06/2023 and 9/2023; false declaring revenue from sales of goods and rendering of services subjected to 0% output VAT rate for the period of 10/2023, 11/2023; false declaring revenue from sales of goods and rendering of services subjected to 10% output VAT rate, output VAT for the period of 4/2023, 6/2023, 7/2023, 12/2023 but did not lead to a shortage in tax payable, tax non-refunded.
 - Fine due to an act of administrative violation on invoice with the amount of 2,000,000 VND (= 1,000,000 VND x 02 invoices) according to clause 2 Article 24 and clause 4 Article 7 Decree No. 125/2020/ND-CP dated 19/10/2020 of the Government for an act of not issuing 02 invoices of goods for promotion.
 - Fine due to an act of issuing invoices in the wrong time with the amount of 4,000,000 VND (=4,000,000 VND x 01 invoice) but did not lead to overdue tax payable violations according to clause 3 Article 24 and clause 4 Article 7 Decree No. 125/2020/ND-CP dated 19/10/2020 of the Government.
 - b) Additional penalties: None
 - c) Remedial measures:
 - Must pay in full and immediately the CIT arrears which is 71,171,227 VND (*In words: Seventy one million one hundred seventy one thousand two hundred twenty seven dong*), in details:
 - + Year 2020: 71,171,227 VND (in which the CIT from production and business activities is 71,171,227 VND), subsection 1052

- Decrease VAT deductible carried forward to the next period: 2,564,213,925 VND. Declaring unit shall make adjustments in subsection (37) in the official VAT declaration form No. 01/GTGT in the declaring period receiving the Decision on administration violation penalties of Tax Department of Bac Ninh province.
- Decrease loss carried forward of production and business activities: 2,819,534,882 VND, the remaining loss carried forward to the next period (for production and business activities) in 2022 is 319,920,107,171 VND.
- Overdue CIT payable: 29,016,509 VND (*In words: Twenty nine million sixteen thousand five hundred and nine dong*)

The above-mentioned back tax is calculated until 19/12/2024 (on the day of making the Inspection minutes) according to clause 1, clause 2 Article 59 Law on Tax Administration No. 38/2019/QH14 dated 13/6/2019. Kinh Bac City Development Holding Corporation is responsible for calculating and submit the back tax after 19/12/2024 until the date prior to the date submitting the tax arrears and fines (mentioned above) to the State Treasury following the regulations.

Kinh Bac City Development Holding Corporation is requested to submit CIT arrears (subsection 1052) and fine for tax overdue (subsection 4918) (mentioned above) to the State Treasury following the regulations.

Article 2. This decision takes effect from the date of signing.

Article 3. This decision shall be

1. Assigned to Mr. Dang Thanh Tam, who is the legal representative of violating organization whose name is mentioned in Article 1 of this decision to execute.

Kinh Bac City Development Holding Corporation have to strictly comply with this penalty decision. If the deadline has passed but the company does not voluntarily comply, it shall be forced to execute the administration decision according to regulations.

Kinh Bac City Development Holding Corporation have to submit the fines according to Article 1 into State Treasury account number 7111, opened at State Treasury of Que Vo town, section 555, subsection 4254 within 10 days from the date receiving this decision. In details:

Items	Amount (VND)	Account No.	Section	Subsection
Administrative violation penalties	91,734,245	7111	555	4254

Kinh Bac City Development Holding Corporation have the rights to appeal or initiate administrative proceedings against this decision according to regulations.

2. Sent to State Treasury of Que Vo town to collect fines
3. Sent to Tax Declaring and Accounting Department; Inspection No.3 Department; Inspection Team, Professional – Budget – Legal Department; Tax Debt Management and Enforcement to organize implementation.

Recipients:

- *As Article 3;*
- *Director of Department;*
- *PCT: nhtruong;*
- *Stored: Admin, TTKT3*

**PP. DIRECTOR
VICE DIRECTOR**

(signed and stamped)

Nguyen Huu Truong