



**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**

No: 2908-1/2022/KBC-CK

*Bac Ninh, August 29th 2022*

## **EXTRAORDINARY INFORMATION DISCLOSURE**

**To:**

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

### **1. Name of organization: KinhBac City Development Holding Corporation**

- Securities code: KBC
- Bond code: KBC121020
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### **2. Content of disclosure:**

Pursuant to the current regulations on information disclosure on the securities market, KinhBac City Development Holding Corporation (KBC) would like to clarify the difference in business results for the 6-month period ended June 30<sup>th</sup>, 2022 between the financial statements prepared by the Corporation and the ones reviewed by the audit company for the Esteemed Management Agencies, Shareholders and Investors to better understand as follows:

<b>Contents</b>	<b>The 6-month period ended June 30<sup>th</sup>, 2022 according to the consolidated financial statements prepared by the company on July 30, 2022</b>	<b>The 6-month period ended June 30<sup>th</sup>, 2022 according to the reviewed consolidated financial statements</b>	<b>Difference</b>	<b>Increase/ (Decrease) %</b>
Profit after Corporate Income Tax – Consolidated Financial Statements	2,456,710,960,124	200,281,044,765	2,256,429,915,359	(91.8)

The consolidated profit after tax of the first six months of 2022 reached VND 200,281,044,765, decreasing by 91.8% when being compared the consolidated profit after tax in the consolidated financial statements prepared by the Corporation on July 30<sup>th</sup>, 2022 which was VND 2,256,429,915.359. The main reason for the difference is that in the self-prepared consolidated financial statements of the first 6 months of 2022, the Corporation accounted for the temporary income from the difference between Corporation’s interest in the acquired party's net assets and the cost of acquisition from the transaction to increase ownership of Saigon Da Nang Investment Corporation up to 48% in accordance with Vietnamese Accounting Standard 11 – Business combination and Vietnamese Accounting Standard 07 - Accounting investments in associate company and other relevant regulations.

This temporary initial accounting recognition was carefully estimated by the Corporation based on the independent valuation consulting reports. According to these reports, the fair value of the net assets of Saigon Da Nang Investment Corporation was prudently estimated at VND 4,805,111 million.

However, according to the Official Letter dated August 29, 2022 of Ernst & Young Vietnam Limited (“EY”) - the auditor of the financial statements of the Corporation, as being required by the Standards on Review Engagements at mid-year, EY is actively working with the valuation consulting company to review the above valuation report. However, due to the large number of real estate assets and the complexity of valuation of these properties, EY's review of the above valuation report has not been completed at this time. EY also reminded us that the initial accounting for the transfer of shares in Saigon - Da Nang Investment Corporation is being

determined provisionally in the consolidated semi-annual financial statements based on book value of the company's net assets at the acquisition date. According to Accounting Standard 11 – Business Combination, the completion of the initial accounting will be finalised within 12 months from the date of acquisition.

Therefore, in the consolidated semi-annual financial statements of 2022, the Company has not recognized income for this transaction from the valuation at market value of the net assets of the acquiree. The completion of the temporary initial accounting or a revaluation of the acquiree's net assets, and the realization of profit from acquisitions of a business combination transaction shall be recognized immediately upon the completion of the review and the recognition in the consolidated financial statements for the year 2022 by EY.

3. This information was published on the company's website on August 29th 2022 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.

**On behalf of KINHBAC CITY DEVELOPMENT  
HOLDING CORPORATION  
Authorized person to disclose informaion  
Deputy General Manager**

**(signed and stamped)**

**Pham Phuc Hieu**



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August 29<sup>th</sup>, 2022

To: The Board of Directors  
The Board of Executives  
KinhBac City Development Holding Corporation

**About: The progress of reviewing the valuation report related to the receiving of share transfer at Sai Gon – Da Nang Investment Corporation**

Dear the Esteemed Board of Directors and the Board of Executives,

Under the Audit and Review Service Contract No. 050722/KBC-EY dated July 05<sup>th</sup>, 2022, we have performed our review of the consolidated financial statements of KinhBac City Development Holding Corporation (“the Corporation”) and its subsidiaries for the 6-month period ended June 30<sup>th</sup>, 2022 (hereinafter referred to as “consolidated mid-year financial statements”) pursuant to the regulations prescribed in Vietnamese Standard for Reviewing Service Contract No. 2410 - Review Engagements at mid-year (“Standards on Review Engagements at mid-year”).

On June 30<sup>th</sup>, 2022, the Corporation completed the share transferring transaction at Sai Gon - Da Nang Investment Corporation (“Sai Gon – Da Nang Corporation”). After this transaction, the voting ratio and interest ratio of the Corporation at Sai Gon – Da Nang Corporation have increased from 19.5% to 48% and Sai Gon - Da Nang Corporation has become an associate company of the Corporation. At the moment, the Corporation is working with an international valuation consulting company (“valuation consulting company”) to determine the fair value of the net assets of Sai Gon – Da Nang Corporation on the acquisition date to serve as the basis for accounting this transaction in the consolidated semi-annual financial statements of the Corporation and its subsidiaries.

On August 23<sup>rd</sup>, 2022, we were provided with the final draft of the valuation report related to the assets of Sai Gon – Da Nang Corporation (“the valuation report”) at the acquisition date. According to the requirements of the Standards on Review Engagements at mid-year, we are actively working with the valuation consulting company to review on the above valuation report. However, due to a large number of properties assets and the complexity of the valuation of these assets, until the day of this official letter, our reviewing work on the above-mentioned valuation report has not yet been completed.

With the active and timely cooperation of the valuation consulting company, we expect to complete the reviewing of this valuation report in the next 5 to 10 working days.



We also would like to draw direct attention to the Esteemed Board of Directors and Board of Executives to the fact that the temporary initial accounting of the share transfer transaction at Sai Gon – Da Nang Corporation recognized in the consolidated semi-annual financial statements is based on the book value of the acquiree's net assets at the acquisition date. The Corporation will make adjustments if necessary (if any) when completing the valuation of the fare value of the net asset of acquiree within 12 months from the date of acquisition.

Best regards,

(signed and stamped)

Tran Phu Son

Deputy General Director