

No. /TTr-DIC Corp-HDQT

Vung Tau, date month year 2021

REPORT

Reg.: Proposing for approval of project adjustment for Nam Vinh Yen New Urban Area - Phase 1

**To: Valued Shareholders of Development Investment Construction J.S Corporation
(Stock code: DIG)**

Nam Vinh Yen New Urban Area Project has been approved by the People's Committee of Vinh Phuc province for investment and project implementation charter in Decision No. 540/QD-UBND, dated February 28, 2013. The project has an area of 194.74 ha in Thanh Tru commune, Khai Quang ward - Vinh Yen city and Quat Luu commune - Binh Xuyen district, Vinh Phuc province. Project implementation period is 13 years, starting from 2010 to the end of 2022. Total after-tax investment is 3,788 billion dong.

I. Progress of project implementation up to now:

The project is in the first technical infrastructure construction phase on the allocated area through 3 phases of land allocation (phase 1- 65,1755 ha; phase 2 and 3 - 115,814 ha). In which the technical infrastructure of subdivision 1 (65,1755 ha) has been basically completed, currently is building technical infrastructure on the area of Subdivision 2 (73.93 ha), Subdivision 3 (53.74 ha). Eligible for essential infrastructure for households transferring into housing construction, certified by the Vinh Phuc Department of Construction in Document No. 1275/SXD-QLN & TTBDS, dated April 25, 2017 & confirmed the eligibility for essential technical infrastructure of some land plots of Nam Vinh Yen New Urban Area Project (Phase 1) at No. 60/SXD-PTDT & HTKT, dated January 4, 2019; No. 1675/SXD-PTDT & HTKT, dated May 31, 2019; No. 3380/SXD-QLNDT & HT, dated September 17, 2020; No. 4974/SXD-QLNDT & HT, dated December 30, 2020.

At present, the Executive Board is adjusting the detailed construction planning at the rate of 1/500 (6th revision) as well as coordinating with relevant agencies to complete compensation and ground clearance for the rest land area.

II. Reasons for requesting adjustment of total project investment:

Nam Vinh Yen New Urban Area Construction Investment Project - Phase 1, covering an area of 194.74 ha in Thanh Tru commune, Khai Quang ward - Vinh Yen city and Quat Luu commune - Binh Xuyen district, Vinh Phuc province has been approved from 2013 with total after-tax construction investment of 3,788 billion dong. Currently, DIC Corp has basically invested in completing the technical infrastructure of Subdivision 1, and is continuing to invest in the technical infrastructure of Subdivision 2, and 3.

This is a large-scale project with a long construction investment period. Up to now, the project has been adjusted to the 5th planning and the phasing of investment according to Document No. 9195/UBND-CN, dated November 19, 2019. Therefore, it has led to changes in some contents such as: Project area after 5th adjustment of planning: 192.91 ha; Adjustment and elimination of construction investment site of general hospital; reduction of a 24-meter cross-section road project, implemented by the State and the area that coincides with the 33-meter road project area, going to Dam Vac golf course from the urban area project; supplement of the social housing land fund according to regulations; adjustment and rearrangement of a number of locations, land fund and appropriate restructure for products of townhouses and villas, good exploitation of the natural landscape, creation of architectural highlights and enhancement of effective aesthetic and function for the project area. On the other hand, the costs of compensation and land use fees also have big changes compared to the previous decision.

However, now, DIC Corp still uses Decision No. 540/QĐ-UBND, dated February 28, 2016 of the People's Committee of Vinh Phuc province (approved on the basis of the 2nd adjusted planning) to work with relevant agencies in the process of project construction investment that is not consistent with the actual situation.

Therefore, in order to complete the legal investment documents according to regulations and determine the total project investment in accordance with the actual implementation situation, the Board of Directors has directed the Executive Board to review and recalculate the effectiveness of Nam Vinh Yen New Urban Area project - Phase 1, report to the Board of Directors for consideration and submit to shareholders for approval for project adjustment. Accordingly, the total investment and the economic - technical indicators of the project are as follows:

- Total revenue	:	9,051,075 million dongs;
- Construction investment cost	:	5,276,809 million dongs;
- Operating expenses	:	421,409 million dongs;
- Before-tax profit	:	2,242,178 million dongs;
- Corporate income tax	:	448,436 million dongs;
- Net income	:	1,793,742 million dongs
- Net Present Value	:	NPV = 821,164 million dongs,
- Internal rate of return	:	IRR = 28.36%

Thus, according to the report of the Executive Board, although the construction price indexes, the cost of compensation for site clearance, land use fees, ... fluctuations increase, the project's product transfer price also raise accordingly. Therefore, the Project still achieves economic efficiency for the Investor and brings socio-economic benefits to the locality. The project investment contributes to raising DIC's brand in Vinh Phuc province, increasing DIC's reputation with the People's Committee of Vinh Phuc province and relevant agencies as well as customers and people in the region.

III. Proposal for adjusting the investment project:

It is very necessary to adjust Nam Vinh Yen New Urban Area Project - Phase 1, in order to update the project's targets in accordance with the actual situation as a basis for implementing business plans with the highest efficiency. Therefore, the Board of

Directors respectfully submits to shareholders to approve the adjusted policy for investment project to build Nam Vinh Yen New Urban Area - Phase 1 with the following specific content:

1. **Project name:** Nam Vinh Yen New Urban Area – Phase 1;
2. **Investor:** Development Investment Construction J.S Corporation (DIC Corp).
3. **Investment objectives:**
 - Make the most of advantages of natural conditions, economic, geographic and political position in international and domestic trade and services, promote socio-economic development of Vinh Phuc province in general and Vinh Yen City in particular.
 - Build a new urban area with a synchronous and modern system of technical and social infrastructure works including housing works, integrating into the urban development space, which is trade, public and entertainment services to ensure that the land use structure is consistent with the approved planning. Nam Vinh Yen new urban area will be a spacious and modern look with full functions of a new urban area, contributing to completing the general planning of Vinh Yen city in the stage of industrialization and modernization of Vinh Phuc province.
 - Completely exploit the existing land fund, meeting the needs of all subjects with demand for residential land, at the same time creating a quite large housing fund, actively contributing to the housing development program of Vinh Yen City in particular and Vinh Phuc province in general.
 - Mobilize domestic and foreign capital to the maximum extent, especially free capital among the people, increasing the value of the land, promoting socio-economic development, bringing benefits to local people, Investor and State.
4. **Location and boundary of the project:**

Phase 1 planning area belongs to the administrative boundaries of Khai Quang ward, Thanh Tru commune, Vinh Yen city and Quat Luu commune, Binh Xuyen district.

Boundary:

 - In the North: is bounded by main road of Nam Vinh Yen urban (33.0 m) and Golf course - Mau Lam - Dam Vac garden villa;
 - In the South: borders on the corridor between the bypass of National Highway 2A and the residential area of Thanh Tru commune;
 - In thhe West: adjacents to the boundary of phase 2 of the project of Nam Vinh Yen new urban area
 - In the East: is bounded by Vinh Phuc Commercial Center project, Quat Luu commune residential area and QL2A-BOT.
5. **Land area:** 1,929,148 m2 with specific land use structure as follows:

No.	LAND CLASSIFICATION	Area (m2)	Proportion (%)
1	2	4	5

1	Residential land (urban / rural)	846,856	43.90
<i>a</i>	<i>Townhouse</i>	292,522	15.16
<i>b</i>	<i>Villa</i>	383,301	19.87
<i>d</i>	<i>Social housing</i>	168,983	8.76
-	<i>Adjacent land</i>	9,307	
-	<i>Residential apartment</i>	157,117	
-	<i>Public service works</i>	2,559	
<i>e</i>	<i>Resettlement housing</i>	2,050	0
2	Commercial land and mixed public services	69,094	3.58
a	Hotel land	29,926	
b	Land for commercial and public service works	39,168	
3	Land for Public welfare works	162,259	8.41
a	Education land	147,588	7.65
-	<i>School land</i>	118,962	
-	<i>Kindergarten land</i>	28,626	
b	Medical land	4,320	0.22
c	Land for Administration Center (agency)	8,039	0.42
d	Land for other public works (neighborhood headquarters, funeral home)	2,312	0.12
4	Land for green space, water surface - Sports	318,469	16.51
a	Green land	221,645	
b	Water surface land	96,824	
c	Land for sports works	-	
5	Land for traffic, parking	532,465	27.60
6	Other lands		-
	Total	1,929,148	100

6. Content and scale of investment

The investor coordinates with State agencies to carry out compensation, land clearance, payment of land use fees, investment in the complete construction of technical infrastructure and exploitation of the entire project area.

7. Total investment:

-	Investment cost for technical infrastructure	:	1.341.423 million dongs;
-	Cost of compensation for site clearance	:	542.407 million dongs;
-	Payable land use fee	:	2.482.433 million dongs;
-	Project management cost	:	86.349 million dongs;
-	Consulting and other expenses	:	59.290 million dongs;
-	Contingency cost	:	398.502 million dongs;
-	Loan interest	:	537.817 million dongs;
*	Total after-tax investment	:	5.448.224 million dongs.

In which:

7.2. Total investment of Subdivision 1: 1,624,275 million dongs.

7.2. Total investment of Subdivision 2&3: 3,823,949 million dong.

8. Sources of investment capital:

- Loans from commercial credit: 1,556,701 million dong (accounting for 29% of investment capital).
- Self-sufficient capital: 3,884,695 million dong (accounting for 71% of investment capital)

9. Project management form: The investor directly manages the project implementation. DIC Corp assigns the Northern DIC Project Management Board DIC on behalf of the Investor to manage construction investment.

10. Construction completion time: Quarter IV of 2026. Completed construction of technical infrastructure of Subdivision 2 and 3 by 2026. Investor proceeds to hand over technical infrastructure for each subdivision to the local government's management when the construction is completed.

IV. Proposal of the contents authorized to the Board of Directors:

As analyzed above, Nam Vinh Yen New Urban Area Project - Phase 1 is a project with total investment and large area scale. Besides, it is necessary to invest in the construction of works on land to synchronize the landscape and architecture according to the approved planning. Therefore, in order to proactively invest in the Project according to the proposed plan, as well as create an initiative in the process of investment in business architecture, the Board of Directors presents to shareholders to consider and approve the following contents:

1. Accept to approve the project adjustment for Nam Vinh Yen New Urban Area - Phase 1 with the contents as proposed in Section III above;
2. Authorize the Board of Directors of DIC Corp to perform the following tasks:
 - + Approve the adjustment of investment project on construction of technical infrastructure of South Vinh Yen new urban area - Phase 1 in accordance with the approved investment schedule;
 - + Approve adjustment of overall project and component project (in case of planning adjustment, change of investment capital structure or cost change, if any); Organize the implementation of procedures for adjustment of investment guidelines when changing the planning and total investment according to the State's regulations.
 - + Approve investment projects in architectural works on land according to the planning approved by a competent authority;
 - + Decide investment cooperation with capable and experienced partners to implement the whole or part of the project (technical infrastructure, architectural works) if economic efficiency and implementation of related work are ensured in accordance with the provisions of law and regulations of the Corporation.
 - + Deploy capital mobilization on a basis in accordance with the actual needs of the project on the principle of ensuring the project's effectiveness.

- + The Board of Directors is responsible to shareholders for the investment efficiency of the projects, the capital mobilization and the efficiency of investment cooperation.

The above are reports and proposals of the Board of Directors of DIC Corp related to Nam Vinh Yen New Urban Area Project - Phase 1. We respectfully request the General Meeting of Shareholders to consider and approve as the basis for development of the next works.

Sincerely submit,

Recipients:

- As above;
- Members of Board of Directors;
- Filing TK HDQT.

**FOR BOARD OF DIRECTORS
CHAIRMAN**

