

To: GENERAL MEETING OF SHAREHOLDERS

Re: Report on the execution of the appellate verdict with respect to the dispute in the Lease contract of the property at 21 Ky Dong and recognition of the work's remaining value as expenses in 2022



The Board of Directors would like to report to the General meeting of shareholders the execution of the appellate verdict with respect to the dispute in the Lease contract of the property at 21 Ky Dong and recognition of the work's remaining value as expenses in 2022 as below.

1. Summary

1.1 In order to serve the operations of its branch, in 2011, Eximbank signed the lease contract to hire the land use right at 21 Ky Dong, Ward 9, Dist. 3, HCMC and conducted the construction thereon, with some key details as follows:

- (i) The lease term is 10 (ten) years, starting from 01/08/2011.
- (ii) Eximbank has invested in the construction of Eximbank District 3 office with the scale of 2 basements, ground floor and 11 floors and rooftop, total floor area (excluding the basements and technical floor) of 2,877.71m², and total investment of VND126,405,534,000.
- (iii) The construction work was finished and delivered for use in 02/2014. The value for work settlement was VND115,395,563,036.
- (iv) The amortization period of the construction work is 50 years, and its remaining value as of 05/2022 is VND92.94 billion.

1.2 Expiring the initial lease term and failing to reach a mutual agreement, Lessor took legal action against Eximbank to a competent court for consideration and resolution in accordance with law.

In the appellate verdict No. 174/2022/DS-PT dated 20/4/2022, HCMC People's Court decides that:

- *Eximbank is obligated to pay Lessor the rents for 5 months 8 days as calculated up to 10/01/2022 being (VND250,000,000 x 5) + (VND250,000,000/30) x 8 = VND1,316,666,666, rounded to VND1,316,000,000, and keep paying the rent of VND250,000,000/month from 11/01/2022 until the delivery of the land use right and land-linked assets to Lessor.*

- *To terminate the lease of the property at 21 Ky Dong, Ward 9, Dist. 3, HCMC between Lessor and Lessee (i.e. Eximbank) under the Lease contract dated 31/5/2011.*
- *Lessor shall pay Eximbank the amount of VND30,902,369,000 not including VAT. Upon full payment of the same, the construction work on the land at 21 Ky Dong, Ward 9, Dist. 3, HCMC shall belong to Lessor's ownership.*
- *Eximbank has to return the entire land use right and land-linked assets at 21 Ky Dong, Ward 9, Dist. 3, HCMC to Lessor.*

1.3 Apart from the amount paid by Lessor to Eximbank under the legally binding verdict of HCMC People's Court, there is a difference between the remaining value of the construction work as in Eximbank books and the amount of VND55,015,968,246 transferred by Lessor to Eximbank which can't be collected by the Bank.

2. Issue reported and asked for opinions of the General meeting of shareholders

In order to make sure that the financial statements are prepared in correspondence with regulations and accounting standards, the Board of Directors has, after the case has been solved by the appellate verdict of HCMC People's Court, approved the recognition of the difference between the remaining value of the construction work in Eximbank's book and the amount of VND55,015,968,246 payable by Lessor to Eximbank as expenses in 2022.

The Board of Directors would like to report to the General meeting of shareholders the foregoing and look forward to your approval of accounting such expenses as the Bank's operating loss.

Yours sincerely,

**F/O BOARD OF DIRECTORS
CHAIRMAN**

Luong Thi Cam Tu