



PHATDAT
CORPORATION
Real Estate Development

SPEED & SUSTAINABILITY

ANNUAL REPORT 2019

PDR is soaring with a clear direction and ambitious targets. However, we will never trade off stability and sustainable development for rapid growth.



GREAT_{VISION} HIGH_{ASPIRATION}

PDR was started with the vision of creating a professional real estate developer.

That vision has now become a reality as the company grew and expanded in every aspect over the last 15 years. PDR is now recognised as one of the most influential brands in Vietnam's real estate industry and one of the 500 biggest private companies in Vietnam.

The vision and great aspiration coupled with a sense of resilience to overcome all challenges are what drive PDR forward. Such a spirit is indeed one of the most valuable intangible assets of the company, and is instilled at every level and in everyone in the organisation.

SEALING NEW HEIGHTS

Major financial indicators of PDR, especially profit before tax, have demonstrated the strong and consistent growth over the years even in the most challenging periods of Vietnamese real estate market.

PDR will touch new heights in 2019 – 2023 with total accumulated profit before tax of VND11,850 billion and compounded annual growth rate (CAGR) of 38%.





EXCEEDING

PERFORMANCE EXPECTATIONS

PDR continues to foster effective business decision making, pays excellent devotion to daily implementation of these decisions into fruition. Additionally, the company focuses on plentiful fund-raising and consequently effective capital utility.

This is of utmost importance for project development and PDR's competitive ability in the real estate industry.

Highlighting that several works have been completed in just 7-9 months, despite challenges arising, PDR was able to develop projects promptly and thus collect capital quickly. This has made sure that debt-equity ratio remains at safe levels. As a result, PDR has continually attained unexpected outcomes in the context of a relatively stagnant market.



EXPANDING INTO NEW MARKETS

For the last two years, PDR has focused on promising new urban areas. It has consolidated and expanded to emerging cities in Da Nang, Quang Ngai, Binh Dinh, Vung Tau, Binh Duong and Phu Quoc Island with impressive and, in many cases, pioneering projects.

Thanks to its experience in the key market, HCM City, and deep understanding of requirements of the new urban citizens, PDR creates products that are extremely popular and, as a result, achieve significant records in property development and sales.





ENHANCING_{CORE} COMPETENCIES

PDR determinately invests in internal evaluation and renovation to adjust and prepare for future development.

It also enables digital transformation, performance of administrative and audit duties, prompt identification of the next generation of leadership, and greater professionalism.

Besides, the company is constantly developing its corporate culture, promoting human resources, consolidating its internal strengths and strong prestige which inspire consumers, partners, shareholders and the community.

CONTENT

Abbreviation

ACGS	ASEAN Corporate Governance Scorecard
AGM	Annual General Meeting
AR	Annual Report
BOD	Board of Directors
BOM	Board of Management
BT	Build – Transfer project
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CG	Corporate Governance
CSR	Corporate Social Responsibility
EGM	Extraordinary General Meeting
HOSE	Ho Chi Minh Stock Exchange
IAC	Internal Audit Committee
IR	Investor Relations
PDR	Phat Dat Real Estate Development Corporation
PR	Public Relations
ROAA	Return on Average Assets
ROAE	Return on Average Equity
VND	Vietnam Dong

COMPETENCIES AND ACHIEVEMENTS

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"PDR always commits to our principles to protect the best interest of all sides, from the company to our shareholders, customers, partners and the community."

CHAIRMAN'S STATEMENT

GEARING UP FOR THE NEW ERA WITH SPEED & SUSTAINABILITY

Dear shareholders and partners,

At this time last year, PDR had said we were on the threshold of the company's **Prosperous New Era**. This is our strategic plan to make a breakthrough and position our company on the new level in Vietnam real estate market.

I'm delighted to announce that PDR has successfully achieved first targets. In 2019, PDR officially sealed the new heights of growth by many accomplishments beyond the plan. Additionally, we have laid the profound foundations for a dramatic acceleration towards our vision to 2023.

In 2019, PDR achieved revenues of over VND3.4 trillion and profit before tax of over VND1.1 trillion. These represented increases of 58.3 percent and 45.8 percent from 2018 and a truly impressive achievement amid the relative slump in the Vietnam real estate industry.

The results prove PDR's assertiveness and consistency in seeking efficiency, certainty and optimal benefits. Our experience shows that effectiveness and practicability are the most important criteria in doing business. We will take these principles with us on the journey to upcoming stages of growth.

Acknowledging its excellent results in 2019, PDR paid VND400 billion in cash dividends to shareholders, equivalent to VND1,200 per share. It is expected that the next dividend payment will be in shares at a ratio of 13%. This was also meant to show our gratitude to those who have faith in our way.

In 2020, PDR determinately continues our pursuit of the disruptive strategy. The company has summoned resources, experiences and strengths to achieve them.

PDR's market has now expanded from HCM City to the rising cities in central provinces as Da Nang, Quang Nam, Quang Ngai and Binh Dinh, and also the southern provinces of Binh Duong, Vung Tau and Phu Quoc Island. With the company's abundant landholding, we will continue to extend with pioneering and large projects that bring practical values to investors, development opportunities to the cities and a new lifestyle to local people.

PDR has set itself a goal of achieving compounded annual growth rate (CAGR) of 38 percent in 5 year plan of 2019 - 2023, which would take its combined profit before tax for the period to VND11.85 trillion.

The global economy and society are being buffeted by the pandemic. Therefore, Vietnam has been facing more challenges and the business community will have a difficult time ahead.

PDR is carefully observing and analysing all these facts to make the best preparations. With our great innate strengths and prestige, PDR has great confidence in our adapting ability to situations and ready to cope with challenges.

PDR has both speed and sustainability to forge ahead and make the possibility for our **Prosperous New Era**.

We look forward to sharing our better prospects with you all.

Yours faithfully,

HCM City, March 2020

Nguyen Van Dat

Chairman cum CEO



SOARING THE GROWTH

- Achieved significant breakthrough in revenue, total assets, owner's equity, and land bank among others.
- Attained target profit before tax beyond annual goals.
- Set new records, as exemplified by the completed infrastructure and sold out at large scale projects within 7 - 9 months.
- Advanced brand power and put the company on a firm footing in new markets.
- Promoted human resources development to new steps.
- Improved management system and propel for digital transformation in 2020.

2019 was considered as a great milestone since PDR successfully entered into the Prosperous New Era by showcasing impressive performance in all aspects.

CREATING VALUES FOR NEW URBAN LIVING

The Phat Dat Real Estate Development Corporation (PDR) is known as one of the leading real estate developers in Vietnam with the objective of bringing new experiences to living spaces of urban residents.

Established in 2004, PDR has significantly impacted on the luxury apartment segment in HCM City market since its debut project - The EverRich 1. Offering convenience, absolute quality and higher living standards, The EverRich 1 became outstanding in the market compared to other projects at that time. As a result, The EverRich has come up as one of the most prestigious property brands and PDR successfully set foot in Vietnam real estate industry.

The PDR has gradually demonstrated its capability in developing luxurious properties by following projects named The EverRich Infinity and Millenium.

Since 2017, PDR has adjusted its business strategy and decided to expand its market into potential areas and satellite cities. In a very short time, PDR has been welcomed on these markets with remarkable projects as Phat Dat Bau Ca Residentials in the central of Quang Ngai and Nhon Hoi Ecotourism City in Quy Nhon.

The PDR keeps growing in momentum by extending its investment with new projects in southern provinces of Binh Duong, Vung Tau and Phu Quoc Island.

PDR is strongly confident in the values of its properties. Every project which has been developed by the company is in full combination of best location, accessibility, convenience and high quality under the professional design and planning. Especially, all projects are always in compliance with legal, environmental standards and requirements for safety.



The EverRich Infinity

BACKGROUND INFORMATION

Official name	Phat Dat Real Estate Development Corp
Address	8 th & 9 th floor, Tower B, Viettel Complex, 285 Cach Mang Thang Tam Street, District 10, HCM City, Vietnam
Tax code	0303493756
Tel	+84 28 2226 6868
Fax	+84 28 2226 8686
Website	www.phatdat.com.vn

LISTING INFORMATION

Stock code	PDR
Listed date	30/07/2010
Listed address	HOSE
Charter capital	VND3,276,579,720,000
Owner's equity	VND4,368,928,866,874

AUDITING FIRM

Official name	Ernst & Young Vietnam Ltd.
Address	02 Hai Trieu Street, Ben Nghe Ward, District 1, HCM City, Vietnam
Tel	+84 28 3915 7888
Website	www.ey.com/vn/en/home/ey-vietnam



Nhon Hoi Ecotourism City - Low-rise component.

PHILOSOPHY

Visionary and Sustainable Development

VISION

To be
**the top Property Developer
in Vietnam**
by owning
leading brands

MISSION

To create a perfect living environment
with unique architecture and
outstanding quality **to add value
to our customers, shareholders
and community**

CORE VALUES

CREATIVE

Innovative thinking and
improving willing

FAIRNESS

Evaluating upon facts and
figures without prejudice

COMMITMENT

Committing our promises to
our customers, shareholders,
employees and community

RESPECT

Being open-minded,
listening and sharing
different perspectives

BUSINESS CRITERIA

Investing and developing luxurious
hotel, resort, apartments, villas
among others

BUSINES LOCALITY

The company has
developed high-end and
mid-range projects across
Vietnam, including HCM City,
Binh Duong, Vung Tau,
Phu Quoc Island,
Quang Ngai, Da Nang
and Binh Dinh

Phu Quoc
Island

Binh Duong

HCM City

Vung Tau

Da Nang

Quang Ngai

Binh Dinh

★ Ha Noi

Significant milestones in 15 years of establishment

2019

Won auctions of the right to develop Nhon Hoi Ecotourism City (116.2 ha), Bac Ha Thanh project (55.7 ha) and hotel project at No.1 Ngo May St., Quy Nhon City, Binh Dinh Province

Increased charter capital to **VND3,276.58 billion**

Invested VND639 billion to own 3.73 ha of land in Binh Duong

Reached a profit of over VND1,000 billion and profit before tax of VND1,105 billion, exceeded the milestone of VND1,000 billion for the first time

* Ranked at 54th of VNR500 - Top 500 Fastest Growing Companies in Vietnam by Vietnam Report

* Ranked at 251st of VNR500 - Top 500 Largest Private Companies in Vietnam by Vietnam Report

* Ranked at 7th of Top 10 - Best Annual Report, Large-Cap Group, by HOSE, HNX and VIR Newspaper

2018

Kicked off construction of internal technical infrastructure in Section I - Co Dai Village, District 9, HCM City

Completed and transferred Millennium to customers

Increased charter capital to **VND2,663.9 billion**

* Ranked at 62th of Profit500 - Top 500 Most Profitable Private Companies in Vietnam by Vietnam Report

* Ranked at 313th of VNR500 - Top 500 Largest Private Enterprises in Vietnam by Vietnam Report

2017

Topped roof at Millennium

Finished property ownership certificates for buyers at The EverRich Infinity

Finalized all loans and bonds with creditors and Dong A Bank

* Won BCI Asia Awards - Top 10 Best Property Developer

* The EverRich Infinity won Best Luxury Apartments granted by Vietnam Property Awards 2017



2016

Kicked off Millennium, District 4, HCM City

Topped roof at The EverRich Infinity

Completed villas at The EverRich Infinity and transferred to customers

2015

Kicked off The EverRich Infinity, District 5, HCM City

Inaugurated My Loi Bridge, brought it into operation stage

Increased charter capital to VND2,018.1 billion



2014

Completed construction of Block C, The EverRich 2 and transferred to customers

Started construction of My Loi BOT project - the bridge connects Long An and Tien Giang provinces

EVERRICH2

2013

Continued construction and topped roof at Block C, The EverRich 2

Developed infrastructure and landscape within The EverRich 3

EVERRICH2 EVERRICH3

2012

Completed construction to transfer to customers

Completed legal and investment procedures to officially introduced The EverRich 3 to market

EVERRICH2

2011

Inaugurated Phu Thuan Bridge

Kicked off The EverRich 3

* Won BCI Asia Awards - Top 10 Best Project Developer

EVERRICH3

2010

Officially listed at HOSE (stock code: PDR)

Launched the showflats of The EverRich 2

Started construction of Phu Thuan Bridge, District 7, HCM City

EVERRICH2

2009

Completed and transferred The EverRich 1 project to customers

Launched new brand identity with new logo and slogan



2008

IPO and charter capital increased to **VND1,298 billion**

Invested in luxury resorts in Cam Ranh, Hoi An and Phu Quoc

Signed contracts with Starwood and Marriott to set up The Westin Resort & Spa (Cam Ranh) and the Marriott Hotel (Hoi An)



2007

Continued processing The EverRich 1

Developed landholdings in District 7, 9 and Nha Be, HCM City

EVERRICH1

2006

Kicked off The EverRich 1, District 11, HCM City with total investment of VND1,100 billion

EVERRICH1

2004

The Phat Dat Real Estate Development Corporation was established

Invested in projects at Trung Son - Binh Chanh Residentials and Sao Mai Apartments, District 5, HCM City



2019 in highlights

January

- Won auction for Zone 4, Nhon Hoi Ecotourism City

March

- Annual General Meeting 2019
- Transferred block B1 & B4, apart of the housing project in Tan Phu Ward, Dist. 7, HCM City

May

- Completed the issue of 61,286,965 shares for the dividend and increased charter capital to VND3,276.58 billion
- Signing co-operation contract with the Samty Corporation and a leading Japanese real estate developer

July

- Sold out Zone 4, Nhon Hoi Ecotourism City, set the record of project development which took only 7 months to complete the construction of infrastructure and sales
- Being honoured as HCM City Best Project Developer by DOT Property Vietnam

September

- Won auction for project No.1 Ngo May Street, Quy Nhon City
- Celebrated 15th anniversary by a team building trip to Long Hai, Vung Tau

November

- Ranked at 251st of VNR500 - Top 500 Largest Private Companies in Vietnam by Vietnam Report
- Ranked at 7th of Top 10 - Best Annual Report, Large-Cap Group, by HOSE, HNX and VIR Newspaper

February

- Won auction for the Bac Ha Thanh Residential in combination with urban gentrification

April

- Won auction for Zone 2, Nhon Hoi Ecotourism City
- Ranked at 54th of VNR500 - Top 500 Fastest Growing Companies in Vietnam by Vietnam Report

June

- Won auction for Zone 9, Nhon Hoi Ecotourism City
- Approved 5-year development strategy, for 2019 -2023, with CAGR 38%

August

- Received investment license for Nhon Hoi Ecotourism City
- * This city comprises 15 projects with total expected capital VND36.252 billion. In which, PDR has planned to commit the major part of investment with the budget of VND25,500 billion*

October

- Approved the budget of VND639 billion to own 99% of share at Sai Gon - KL JSC

December

- Released the resolution to pay dividend by cash at first time in 2019 with 12%
- Completed asset owning certificate for buyers at Phat Dat Bau Ca Residential

NATIONAL OUTSTANDING AWARDS – ACCOLADES IN 2019

Ranked 7th In top 10 Best Annual Report 2019

Large-Cap Group by HOSE, HNX and VIR Newspaper.

Top 10 Listed Companies Reputation Award 2019

Mid-Cap Group under Vietnam Report's rankings.

HCM City Best Project Developer

Organised by DOT Property Vietnam.

Ranked 78 In Top 100 Biggest Public Companies

Under Forbes Vietnam's rankings.

Ranked 251 In Top 500 Largest Private Companies in Vietnam

Under Vietnam Report's rankings.

INTERNATIONAL AWARDS – ACCOLADES

BCI ASIA AWARDS

Top 10 Best Real Estate Developers

PropertyGuru ASIA PROPERTY AWARDS

Best Apartment Architectural Design

PropertyGuru ASIA PROPERTY AWARDS

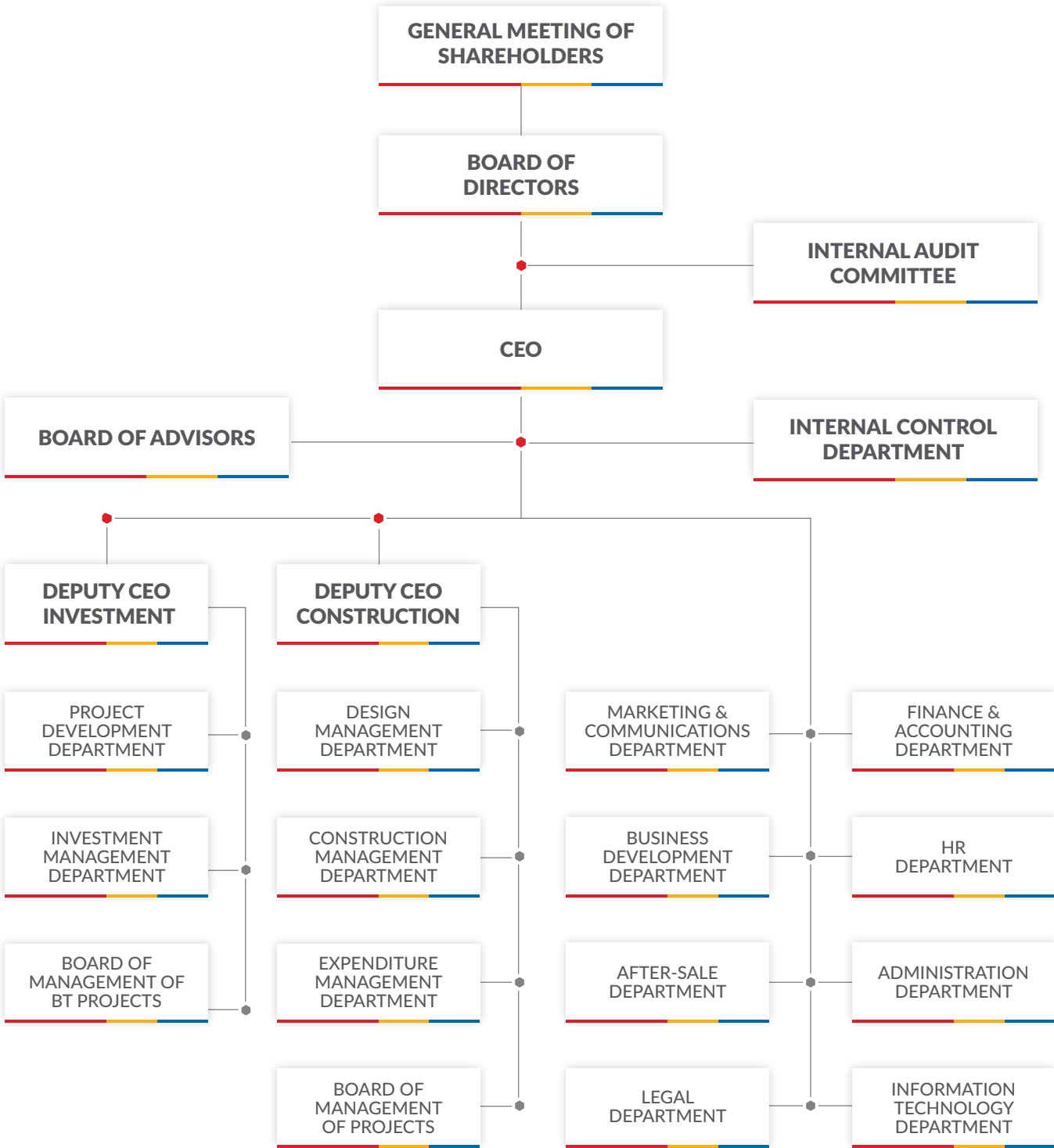
Best High-class Apartment Developer

PropertyGuru ASIA PROPERTY AWARDS

Best Retail Developer



Organisational structure chart



The General Meeting of Shareholders

PDR applied the corporate governance (CG) model in accordance with regulations under the Vietnam Enterprise Law, government decree on CG, including applying international standards. The governance model includes the General Meeting of Shareholders, the Board of Directors (BOD), Internal Audit Committee (IAC) and CEO.

Including all shareholders with voting rights. This is the PDR's highest decision-making body. Annually, the General Meeting of Shareholders organises regular and irregular meetings or solicits shareholders' opinions - in writing to approve matters under the authority of the General Meeting of Shareholders.

The Board of Directors

The BOD is the governing body with full authority on behalf of PDR, to decide and to exercise the rights and duties which are not under authority of the General Meeting of Shareholders. The BOD has 08 members; including 03 independent and 01 non-executive directors. Its members have working-term of 5 years, starting from 2018. For the independent director, who was added in March, 2019 started until end of the term.

To complete organisation system and increase supervision ability and operation management, since second quarter 2019, the BOD established its IAC. Besides, the BOD also assigned its members to be in charge key fields of the company. The BOD will organise meeting to give decision for important matters and the member in-charge of this field will report. Other members will discuss, exchange ideas. The BOD will release final decision base on voting.

The Internal Audit Committee

The IAC operates under the BOD as an advisory department, which supports the BOD in supervising honesty of financial reports, laws and rules compliance of the company and other functions, missions regulated in the company's regulations.

IAC has 3 members and will work until 2023.

The CEO

The CEO is one of the BOD members, who manages daily operation, and appointed by the BOD. The CEO holds a term of 5 years, since appointment and is assisted by Deputy CEOs and Functional Directors.

Currently, the company is applying the model proposed as the Board Chairman serving also as CEO. However, according to the general development roadmap of PDR and in conformity with the provisions of law, these two titles will no longer be used concurrently from 04/2020.



Mr. **LE QUANG PHUC**
Executive Director
Advisory

Mr. **NGUYEN TAN DANH**
Vice Chairman

Mr. **NGUYEN VAN DAT**
Chairman cum CEO

Mrs. **TRAN THI HUONG**
Vice Chairwoman
Executive Advisor

Mr. **BUI QUANG ANH VU**
Deputy CEO – Investment



Mr. **TRAN TRONG GIA VINH**
Independent Director

Mr. **DOAN VIET DAI TU**
Non-Executive Director

Mr. **KHUONG VAN MUOI**
Independent Director

Mr. **PHAM TRONG HOA**
Deputy CEO – Construction

Mr. **LE MINH DUNG**
Independent Director

Board of Directors



Mr. **Nguyen Van Dat** | 1970

Chairman cum CEO

Business Administration

He is the Board Chairman cum CEO from 2004 to present.

Before establishing PDR, he opened an import - export business in HCM City, serving as the Board Chairman cum CEO of Tan Viet Phat Trading Co., Ltd, Chairman of Tan Quoc Te and Dai Phat Thinh Trading Co.,Ltd.



Mrs. **Tran Thi Huong** | 1961

Vice Chairwoman
Executive Advisor

Bachelor of Economics in Finance and Accounting

She has worked for PDR since 2006 as Chief of Finance Officer and Chief Accountant, she is also an Executive Director, Deputy CEO - Finance.

Before joining PDR, she worked at Long An Textile Company, Long An Province; Department of the Management of State Capital at Enterprises, Long An Province; Department of Finance and Pricing of Long An Province and Thai Tuan Textile and Garment Co.,Ltd.



Mr. **Nguyen Tan Danh** | 1990

Vice Chairman

Bachelor of Business Administration

He has worked for PDR since 2014 as Investment Analyst, Deputy CEO - Sales, Executive Advisor.

Before, he worked at Catalyst SF (in USA), OpenAsia Investment Fund and Viet Capital Securities - JSC.



Mr. **Le Quang Phuc** | 1966

Executive Director
Advisory

Master of Business Administration and Civil Engineer

He has joined PDR since 2008 as an Independent Director, Non-executive Director and Advisor of CEO.

Before, he worked at PACE Business Management School, Civil Engineering Construction Corporation No.5 (CIENCO 5), Civil Engineering Construction JSC No.586.



Mr. **Doan Viet Dai Tu** | 1963

Non-Executive Director

Master of Business Administration

He has worked as a Non-executive Director in PDR since 2008.

Besides, he has worked at Openasia (Lazard Asia Investment Bank) in Vietnam and Openasia S.A in France.



Mr. **Khuong Van Muoi** | 1949

Independent Director

Architecture

He has joined PDR as Independent Director since 2018.

Before, he worked at HCM City Architect University, Southern Architect and Construction Co.,Ltd, HCM City, the HCM City Association of Architects.



Mr. **Tran Trong Gia Vinh** | 1974

Independent Director

Master of Economics, Bachelor of Business Administration

He has joined PDR as Independent Director since 2018.

Before, he worked at Pepsico Vietnam Co.,Ltd, Phuong Phat Co.,Ltd.



Mr. **Le Minh Dung** | 1975

Independent Director

Maritime Engineer

He has joined PDR as Independent Director since March, 2019.

Before, he worked at Inlaco Sai Gon Co.,Ltd, HCM City University of Transport and Communications, Gemadept JSC, Truong Phat Loc Shipping Co.,Ltd.

PDR

is led by leaders who have a positive influence in the business community and real estate industry in Vietnam. They share a similar value system, business philosophy and vision.

Board of Management



Mr. **Nguyen Van Dat** | 1970
Chairman cum CEO

Business Administration

He is the Board Chairman cum CEO from 2004 to present.
Before establishing PDR, he opened an import - export business in HCM City, serving as the Board Chairman cum CEO of Tan Viet Phat Trading Co., Ltd, Chairman of Tan Quoc Te and Dai Phat Thinh Trading Co.,Ltd.



Mr. **Bui Quang Anh Vu** | 1975
Deputy CEO – Investment

Master of Business Administration

He has worked at PDR as the Investment Director and Deputy CEO of investment since 2014.
Before, he worked for Vietnam Airlines, Hoang Hac JSC, Thanh Cong Securities JSC, Phuong Phat Co.,Ltd.



Mr. **Pham Trong Hoa** | 1973
Deputy CEO – Construction

Master of Techniques

He has worked at PDR as Deputy CEO of construction since 2010.
Before, he worked for Ha Noi University of Construction, Vietnam Construction Investment & Consultant JSC, FICO Real Estate JSC, Nam Viet Real Estate JSC, Sai Gon Vina JSC.

Internal Audit Committee



Ms. **Nguyen Thi Thu Nguyet** | 1979
Head of the IAC

Master of Public Finance

She worked at 10th Real Estate JSC, Doosong Vina Co.,Ltd.
Since 2014, she has worked as Chief Accountant at Truong Phat Loc Shipping JSC.



Mr. **Vo Hoang Tu** | 1988
Internal Auditor

Bachelor of Finance – Accounting

He has worked as a Finance Control specialist at PDR since June 2019.
Before, he worked at A&C Auditing and Consulting Co.,Ltd, Tan Hiep Phat Trading and Services Co.,Ltd, Duy Tan Plastic Manufacturing Co.,Ltd.



Mr. **To Minh Tai** | 1990
Internal Auditor

Bachelor of Finance – Banking

He has worked as a finance control specialist at PDR since May, 2019.
Before, he worked at A&C Auditing and Consulting Co.,Ltd, Van Group, CT Group, AFC Vietnam Auditing Co.,Ltd, Thu Thiem Housing Development JSC.

consistence in values
steadiness in strategy
unity in diversity
supportiveness in collaboration

The professional diversity of the leadership members brings diverse views and perspectives. The situation creates a completed synergy that helps PDR to have a solid strategy and practical methods. This enables the company to be ready for promising co-operative opportunities with all partners.

REPORT BY BOARD OF DIRECTORS

PDR has strictly charted the work plan proposed by the BOD and ensured serious implementation of different detailed tasks. During plan implementation, the company has released necessary and flexible decisions to appropriately adapt to practical situations and to ensure maximum effectiveness, profit and balance of related sides.

In every aspect, PDR has completed and even surpassed the 2019 yearly targets set by the BOD.

These significant achievements have assisted PDR in promoting growth and confirming the appropriateness of new strategies towards the company's **New Era**, which have been verified for the 2019-2023 period.

Assessment on business activities in 2019

BUSINESS PERFORMANCE

Profit before tax

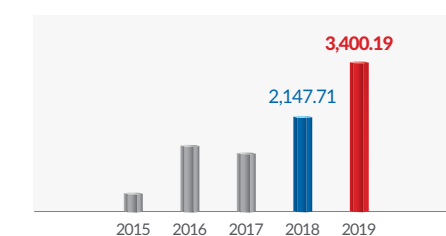
VND **1,105** billion

Reached beyond the milestone of VND1,000 billion.

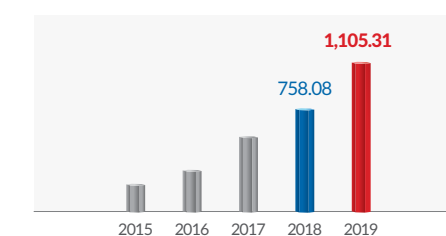
The Vietnam real estate market has grown to be highly selective. In 2019, generally, real estate enterprises faced new challenges on capability, vision and business culture to seize real opportunities.

In this context, internal strength, experience and invisible assets are employed to promote a real estate developer's competitive advantage. Of which, the most typical is having a superiority of strategy, through knowledge of market and prestige with investors, partners and customers. All have brought to PDR excellent business achievements in comparison with the industry and beyond, over many targets set by the BOD.

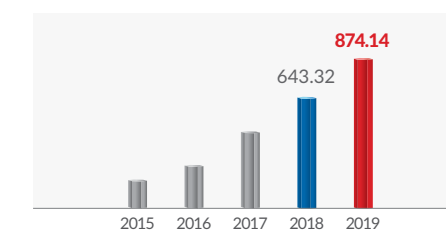
Net revenue ▲ 58.3%



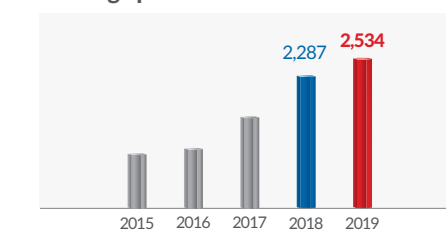
Profit before tax ▲ 45.8%



Profit after tax ▲ 35.9%



Earnings per share ▲ 10.8%



PDR set new records and strongly retained consecutive growth over the last 5 years Figure in VND billion

Items	2015	2016	2017	2018	2019	Compared 2018 to 2019	
						Value	Ratio
Net revenue	402.51	1,496.67	1,326.63	2,147.71	3,400.19	1,252.48	58.3%
Profit before tax	200.57	304.43	550.87	758.08	1,105.31	347.23	45.8%
Profit after tax	155.73	242.52	439.88	643.32	874.14	230.83	35.9%
Earnings per share (VND/share)	922	1,023	1,561	2,287	2,534	247	10.8%

HEALTHY FINANCIAL CONDITION

- PDR actively sourced and mobilised funds by issuing bonds and acquiring loans to provide resource promptly for project implementation opportunities. The criteria to choose a financial plan that served the development demand best were fully appropriate with the 5-year business strategy (2019-2023), approved by the BOD. These financial activities have achieved good results with huge amount of capital and as a result, they have deepened relationships and widened strategic co-operation channels with reputable international and domestic investors.
- Besides mobilised capital resources, payment deadlines were properly arranged to befit the revenue from different projects; especially, safety and appropriate financial mechanism was ensured to honour monetary commitments to various parties.
- The asset structure, capital resources, and quality of receivables/ payables has been improved remarkably, significantly reducing financial and market risks during the business process.

EXPANDING LAND BANK - DEVELOPING HIGH QUALITY PROJECTS

- PDR strongly promoted land bank research and new projects in accordance with the development strategy, which was approved by the BOD. Also, the company consecutively accelerated construction progress and completion of legal documents to quickly have all necessary conditions for the transfer of products to buyers.
- The capability to expand the land bank and develop new projects has reached to same level of the leading real estate enterprises. As a result, PDR successfully got new projects in Binh Duong Province and Dong Nai Province after the central provinces of Quang Ngai and Binh Dinh, which will help to escalate growth in 2020.

PROTECTING THE BRAND'S PRESTIGE AND PROMOTING POSITIONS IN NEW MARKETS

- PDR has created positive influence that has helped the company favourably carry out business activity as expected. Its land bank has continuously expanded, and products have sold well.
- The brand name's image is advertised in good locations and with high frequency, which helps keep the brand name appearance in customers' minds in all targeted markets.
- Communications, public relations and IR activities are regularly organised. This has helped to significantly increase information disclosure to customers, investors and the community. However, PDR needs to improve its information management capability and its response speed when reacting to imprecise information about the company.

IMPROVING WORKING ENVIRONMENT AND UPGRADING INTERNAL STRENGTH

- PDR has gained remarkable improvement in the quality of management system as well as capability of middle level managers, which was the result of following the Internal Strength Improvement guideline.
- Employees' compliance with laws and management system is always prioritised.
- Employees' benefits has clearly improved. This helps PDR to increase its position in the recruitment market, creating opportunities and conditions that attract and retain talents in comparison with 2018.
- Properly arranging human resources based on their capability has created flexibility and efficiency for business activities. Despite the fact that current human resources haven't fully met expectations, they have sufficient knowledge, skills and experience to compete effectively with other real estate developers.

CORPORATE SOCIAL RESPONSIBILITY

- PDR has greatly contributed to the community in different forms and activities. Acts of in-kind, monetary or other forms of donations have created meaningful social activities, which have long - lasting value and effect.
- The company is adamant in retaining and expanding its social responsibilities, targeting systematic activities and the ability to create positive comprehensive impact to the community.

REASONS FOR SUCH OUTSTANDING ACHIEVEMENTS

- **Changing business strategy and targeted market:** PDR has extended its market to the central coastal provinces of Binh Dinh, Quang Ngai and other localities which have high demand for urban development, including Binh Duong, Dong Nai and Phu Quoc Island, and has focused on developing projects-products which have short and efficient capital turnover.
- **Fostering and mobilising the internal strength and experience of leading real estate developers:** PDR has chosen and approached projects with full legal conditions and potential, and at the same time carried out different flexible and effective methods to shorten the time between auction/ buying and selling.
- **Having flexible business policies and diversification of products:** This brings more choices about products and sales policy to suit needs of investors and customers.
- **Setting tight management process:** The system should timely and consistently identify, consider and carry out risk management related to threats, and risk assessment to risk management targets, risk prevention and mitigation measures.
- **Strict and precise compliance with laws:** Good understanding about legal road map and ensuring tight law compliance will allow projects to be implemented smoothly, conveniently and safely and gain trust from customers.



Nhon Hoi Ecotourism City

- **Always being positive and upgrading ourselves:** Promoting systematic evaluation and restructuring, increasing capability of human resources towards better professionalism, and strengthening effectiveness in co-operation with subsidiaries are acknowledged as necessary steps of upgrading.
- **Promoting information technology application:** Dedicating more investment and attention to IT applications should be highly considered for the company to fully reap the advantages of modern technology, and increasing capacity in all possible stages of business activities, management and operations.

ASSESSMENT ON THE ACTIVITIES OF BOARD OF MANAGEMENT

The BOD highly appreciates the operational and management quality of the BOM. Last year, the BOM showcased their ability to take charge, with a responsible spirit and combined effort at a new level. The BOM has not only accompanied the BOD in steering the company in the same direction, but also played a huge role in completing targets and plans and also pioneered in the mission to accommodate to the new level of the company.

Positive highlights of the performance of the BOM are listed as follows:

- Closely and continuously analysing, assessing business situation progress in the market, timely proposing appropriate solutions to support the BOD, therefore increasing efficiency and ultimately the overall quality of work, in the end.
- Properly controlling financial targets, giving practical provisions and solutions to efficiently utilise financial resources and increasing revenue from business activities.
- Actively widening the relationship with investors and partners, locally and internationally, to ensure diversification of co-operation opportunities to the company.
- Always organising necessary meetings to discuss and agree on policy implementation and proper timely planning, but, at the same time, being highly flexible and seriously following directions approved by the BOD.
- Accelerating instructions to complete legal documentation of the company in order to ensure that all of the company activities and functional department's output and activities precisely and fully comply with the litigation provisions.
- Certifying and fulfilling tax obligations to the State Treasury, contributing towards social insurance, healthcare insurance and unemployment insurance for employees as regulated.

- Fostering human resources and improving internal strength to be compatible with development demands in the new context and era of the company.

ASSESSMENT ON OPERATIONS OF BOD, BOM AND IAC

- Establishment of the IAC under the BOD was newly introduced last year. This was an effort to accomplish a professional corporate foundation for PDR. Since its establishment, the IAC has performed effectively and promptly in providing needed information. It allowed the commission to actively control arising risks, timely suggesting solutions to increase management efficiency of the BOD and BOM.
- The BOD has created favorable conditions for IAC to access and collect information and documents related to financial activities of the company; furthermore, the BOD has fully provided its resolutions and decisions to the IAC to map out cause and effect of financial decisions made by the company.
- It can be positively reported that the BOD and the BOM welcomed the IAC gracefully and have closely co-operated to increase effectiveness of operating and managing business activities in 2019.

Strategic direction and plan for 2020

Last year, PDR approved the breakthrough development strategy for the 2019-2023 period. Based on strategic direction for the 5-year plan, the BOD set the target for 2020 to be SPEEDY AND SUSTAINABLE.

In reality, PDR has secured the necessary conditions to streamline its development more than in the previous period. To reach the goal, the company must increase its internal strength to grasp opportunities and implement the business plan at a high speed.

However, the highest goal is ultimately sustainability. Though aiming to reach high-speed development, the company must maintain its stability, balance and certainty in every move to ensure maximum efficiency on the foundation of good risk control.

Detailed requirements:

In 2020, PDR will accelerate project implementation. Within 7 months to 12 months, all legal procedures and infrastructure must be completed to close product sales, recoup capital and ensure effective capital usage.

EXPANDING BUSINESS FOOTPRINT, DIVERSIFYING PROJECTS - PRODUCTS

- Extending land bank and market in potential locations, from HCM City to new urban areas, especially from central coastal cities to the South.
- Conforming all project development criteria which have created prestige for PDR, and constantly innovating products.
- Escalating competitiveness ability and diversifying products to meet different demands in other regions and localities.
- Prioritising construction and infrastructure in land plot development projects.
- Accelerating ground clearance and compensation in key projects, to enable completion of technical designs, allocating capital resources and preparing every required condition prior to construction commencement.

CONTINUOUSLY SETTING NEW HEIGHTS ON TARGETS OF REVENUE, PROFIT, MINIMIZING EXPENDITURE AND MAXIMIZING PROFIT

- The company has consecutively sourced financial resources at reasonable expenditures and proper times to hasten development of projects as well as promote sales.
- Carrying out solutions to increase equity capability, maintaining excellent financial indexes compared to competitors in the real estate market with the same segment.
- Tightening risk management and CG to improve productivity, saving on expenditures.
- Championing a persuasive business plan and policy, researching different models of investment and co-operation, including co-operation in investing and developing projects and issuing bonds.

To speedily develop, the company must increase its internal strength. Beside upgrading human resource and management systems, digital transformation is the most important aspect to enhance productivity and quality.



INCREASING BRAND POWER

- Having an efficient and up to date marketing and communications strategy to raise the awareness and Phat Dat brand name's strength.
- Maintaining and expanding relationships with media, State authorities, banks and partners to provide timely and precise information about the company.
- Upholding and promoting relationship with investors to upgrade enterprise brand name, increase market price and liquidity for PDR share.
- Fully obliging and taking responsibility and duty under provisions of laws.
- Increasing awareness about social responsibility and effectively contributing to community development activities, especially in education, healthcare and benefits.

IMPROVING THE CORPORATE GOVERNANCE MODEL AND PROMOTING HUMAN RESOURCES

- Strengthening operational capability of the IAC to increase risk management ability and operational effectiveness.
- Restructuring operational mechanism, building a solid CG model under updated standards, prioritising criteria, functionality and duty of the organisation, improving the operational mechanism between the BOD and BOM.
- Accomplishing and raising the quality of internal management foundation by standardising processes and other criteria.
- Escalating high-quality human resources which can accompany and be loyal with the company's common goals, steadily maintaining the leading position in the market and reaching sustainable development.
- Recruiting, training and fostering young leaders who have talent, knowledge and are in line with enterprise culture.
- Attracting professional and talented specialists and managers who are at par with project development speed and quickly expanding business activities of the company in the future engagements.
- Building a modern and humane working environment by appropriate skill training and development policy, as well as creating attractive bonuses and salaries.
- Creating an accurate enterprise culture whilst constantly searching for the right balance of all stakeholder's benefits and ensuring fairness and transparency in every situation.

Assessment of Independent Directors

ORGANISING BOARD OF DIRECTORS MEETINGS

Complied the guidance of organising the meetings.

- The BOD meetings were held with detailed schedules, outstanding preparation in accordance to corporate standards. The invitations, files and documentation were fully sent to members for referral and familiarization, which is a requirement under the regulations. All content from meetings was carefully and meticulously discussed, reviewed and assessed to release the best solutions and trends of the company.
- All matters related to business development and finance strategy, corporate culture, management system construction...were tightly discussed and controlled among the BOD and BOM. As for business execution, the company's process is inclined to a clear decentralised power mechanism, where immediate analysis and risks are identified to ensure stability, safety and compliance with laws, and are addressed by responsible departments, as well as plan releasing by the BOD and BOM.
- Managers, under the BOM, receive consultancy, guidance and sharing from highly experienced the BOD members in periodic meetings.

SUPERVISION ON CEO & OTHER MEMBERS OF BOARD OF MANAGEMENT

Internal control was implemented recurrently.

- The BOD has implemented well the supervision on the BOM, ensuring the company's operation is always tightly controlled and stable. This allows an accurate execution of strategic direction and adjustment of decisions based on practical situations.
- The BOD and BOM have a thriving co-operation in executive management and the releasing of important decisions. The incumbent members of the BOD, who are also position holders in the BOM, participate in impromptu meetings of the board. Decision making is always analysed, reviewed and consulted by the BOD to get best solutions for the company's benefit. Through such activities, members of the BOM are highly informed of the operations status of the company and can give real time updates or requirements.
- All the BOD's control regulations are closely established in order to ensure that all given decisions are based on criteria of the company's benefits and protect the rights of investors.

GENERAL ASSESSMENT ON BOARD OF DIRECTORS' ACTIVITIES

Ensured the efficiency and compliance.

- Under the action plan of the BOD, all works in 2019 strictly followed the AGM' resolutions and complied with corporate regulations of the company.
- The BOD has suggested many immediate and effective solutions to support the BOM in overcoming critical challenges of operations. Properly managing, controlling and supervising the company and ensuring compliance with laws are fully respected.
- The leadership of the BOD led to achieving all growth and benefit targets in 2019. This was successfully executed to enforce the company's capability to contribute to the State budget, and to bring maximum economic effectiveness to shareholders and stable income for all employees. In addition, the BOD's diversity of expertise, their objective points of view and strategic thinking range, have as a result efficiently supported the company's development trend in recent times and will continue in the years ahead.

Structure and operation of Board of Directors

BOARD'S STRUCTURE AND COMPOSITION

In 2019, the BOD maintained operational standards in accordance with corporate regulations especially with membership and tenures of the members. At present the board has 8 members, including 3 independent ones.

Currently, the BOD's structure ensures the balance among members' skills, expertise in laws, finance, securities; as well as a balance among the executive and non-executive and independent directors.

Following below, is a list of the BOD's members, their share proportion as well as their voting rights:

No.	BOD members	Position	Independent	Executive	Non-executive	Ownership proportion
01	Nguyen Van Dat	Chairman cum CEO		x		61.16%
02	Tran Thi Huong	Vice chairwoman cum Executive Advisor		x		0.20%
03	Nguyen Tan Danh	Vice chairman		x		0.45%
04	Le Quang Phuc	Executive Director, Advisory		x		0.11%
05	Doan Viet Dai Tu	Non-Executive Director			x	0.16%
06	Khuong Van Muoi	Independent Director	x			0.00%
07	Tran Trong Gia Vinh	Independent Director	x			0.00%
08	Le Minh Dung	Independent Director	x			0.00%

BOARDS' ACTIVITIES

To ensure effective leadership of PDR to its goals, supervision, monitoring and assessment on the company's operations; properly co-operated and controlled management of the BOM, the BOD has implemented the following detailed activities:

- Strict compliance to current laws related to CG, timely and fully information disclosure about business operation to shareholders, authorities and stakeholders transparently, precisely and instantly.
- Amending the company's regulations and internal management rules at Annual General Meeting of Shareholders 2019.
- Reviewing and approving 2019 business plan.
- Supervising and periodically assessing implementation of 2019 business plan.
- Reviewing and approving bond issuances to raise funds for developing projects.
- Preparing the Annual General Meeting of Shareholders 2019.
- Increasing supervision of risk prevention and ensuring compliance of the company.

Structure and operation of Board of Directors (continued)

MANAGEMENT POSITIONS OF BOARD MEMBERS AT OTHER COMPANIES

No.	Members	At different companies	Position
01	Nguyen Van Dat	Phat Dat Corporation Ltd.Co	Chairman
		Phat Dat Nha Trang Investment JSC*	Chairman
02	Tran Thi Huong	Phu Hung Real Estate Investment Ltd.Co**	Chairwoman
		Ngo May Real Estate Development JSC	Chairwoman
03	Nguyen Tan Danh	Filmore Real Estate Development JSC	Chairman
		Phu My Hung Investment JSC	Chairman
		AKYN Investment Trading Service JSC	Vice Chairman
04	Le Quang Phuc	BDSC Management and Consultant Ltd.Co	Chairman
		Tay Ho Investment & Construction JSC	Vice Chairman
		Phu Nhuan Jewelry JSC	Director, BOD
		Le & Partners Ltd.Co	Chairman
		Song Dien Real Estate Development and Investment Ltd.Co***	Chairman
		Bao Dat Invesment JSC	CEO
05	Doan Viet Dai Tu	Sai Gon - KL Real Estate JSC	Chairman
		Tam Son Yacht Ltd.Co	CEO
		Gras Savoye Willis Vietnam Ltd.Co	Director, BOD
		Vien Ba Ltd.Co	Chairman
06	Tran Trong Gia Vinh	VinaConnect Ltd.Co	Chairman
		Sustainable Solution Consultant Ltd.Co	CEO
		Pandemos Fashion Ltd.Co	CEO
		Ben Tre Import and Export Join Stock Corp (BetrimeX)	Independent Director
07	Le Minh Dung	Truong Phat Loc Shipping and Trading Ltd.Co	CEO

* Mr. Nguyen Van Dat has seconded the position as of February, 2020.
** Mrs. Tran Thi Huong has seconded the position as of January, 2020.
*** Mr. Le Quang Phuc has seconded the position as of July, 2019.

CHANGE OF BOARD'S MEMBERSHIP

In 2019, the company changed the BOD's membership structure. Simultaneously, The BOD is added one independent director to enhance the shareholder's supervision of its operation.

BOARD’S MEETINGS IN 2019

In 2019, the BOD has organised 25 periodic and extraordinary meeting in order to timely give directions and guidelines for business activities based on resolutions of the Annual General Meeting of Shareholders.

Following is the statistics about participation attendance rate of the BOD's members:

The statistics about participation ratio of BOD's members						
No.	Members	Position	Commencement/ Dismissal date	Number of participated meetings	Attendance rate	Reason to be absent
01	Nguyen Van Dat	Chairman cum CEO	Voted on March 30, 2018	25/25	100%	
02	Tran Thi Huong	Vice Chairwoman cum Executive Advisor	Voted on March 30, 2018	25/25	100%	
03	Nguyen Tan Danh	Vice Chairman	Voted on March 30, 2018	20/25	80%	Went abroad for business
04	Le Quang Phuc	Executive Director, Advisory	Voted on March 30, 2018	25/25	100%	
05	Doan Viet Dai Tu	Non-Executive Director	Voted on March 30, 2018	23/25	92%	Went abroad for business
06	Khuong Van Muoi	Independent Director	Voted on March 30, 2018	25/25	100%	
07	Tran Trong Gia Vinh	Independent Director	Voted on March 30, 2018	23/25	92%	Went abroad for business
08	Le Minh Dung	Independent Director	Voted on March 30, 2018	19/25	76%	Voted as extra member for 2018-2023 term

COMMITTEES UNDER BOARD OF DIRECTORS

- The PDR's BOD established the Internal Audit Committee under the BOD.
- The BOD has assigned its members to be in-charge of different important fields of the company, including strategy, finance, human resource and corporate brand. Based on the situation, the BOD will assign a detailed terms of reference to each member in compliance with the board's regulations and the company's rules.
- To implement important tasks, the BOD will hold meetings to discuss, assess, direct, make decision, and closely supervise responsible department in a timely manner in accordance with made decisions. Moreover, to properly and aptly supervise the various functioned departments following any decisions made. During implementation process, if responsible department faces any arising matters, the BOD will continue to adjust meetings practically to cater to the situation at hand.

TRAINING ABOUT CORPORATE GOVERNANCE

It is with importance we report that one member of the BOD has completed his official training course on CG. The other members ought to learn and acquire knowledge on CG themselves using various channels provided or recommended to improve leadership, organisational culture and compliance to regulations and current laws internally and externally.

Structure and operation of Board of Directors (continued)

RESOLUTIONS
RELEASED BY
BOARD OF DIRECTORS
IN 2019

No.	Number of resolution/decision	Date	Content
01	01/2019/QĐ - HĐQT	23/01/2019	Closed shareholders list to organise the Annual General Meeting of Shareholders 2019.
02	02/2019/ QĐ - HĐQT	21/02/2019	Approving partly transfer the Housing project at Tan Phu ward, district 7 (block B1 and B4).
03	03/2019/ QĐ - HĐQT	06/03/2019	Organizing the Annual General Meeting of Shareholders 2019.
04	04/2019/ QĐ - HĐQT	11/03/2019	Approving Bo Bac Residentials in combination with urban gentrification at Quang Ngai city, central province of Quang Ngai.
05	05/2019/ QĐ - HĐQT	15/03/2019	Approving bond-issuance plan.
06	06/2019/ QĐ - HĐQT	03/04/2019	Approving bond-issuance to pay dividend for current shareholders.
07	07/2019/ QĐ - HĐQT	03/04/2019	Approving bond-issuance documentation to pay dividend for current shareholders.
08	08/2019/ QĐ - HĐQT	10/04/2019	Approving business plans for Office and Trading Area investment project at Zone 4, Nhon Hoi Ecotourism City, central province of Binh Dinh.
09	09/2019/ QĐ - HĐQT	10/04/2019	Approving borrowing of foreign loans.
10	10/2019/ QĐ - HĐQT	15/04/2019	Approving annual bonus 2017, 2018 for members of BOD and Internal Control Committee; remuneration and expenditure of BOD in 2019.
11	11/2019/ QĐ - HĐQT	14/05/2019	Approving 2 nd bond-issuance plan 2019.
12	12/2019/ QĐ - HĐQT	20/05/2019	Approving 3 rd bond-issuance plan 2019.

No.	Number of resolution/decision	Date	Content
13	13/2019/ QĐ - HĐQT	06/06/2019	Approving 4 th bond-issuance plan 2019.
14	14/2019/ QĐ - HĐQT	18/06/2019	Approving business plan guidelines and financial targets from 2019 to 2023.
15	15/2019/ QĐ - HĐQT	10/07/2019	Approving 5 th bond-issuance plan 2019.
16	16/2019/ QĐ - HĐQT	17/07/2019	Approving 6 th bond-issuance plan 2019.
17	17/2019/ QĐ - HĐQT	20/07/2019	Approving transaction with Orient Commercial Joint Stock Bank.
18	18/2019/ QĐ - HĐQT	20/07/2019	Approving transaction with Military Bank.
19	19/2019/ QĐ - HĐQT	12/09/2019	Approving 7 th bond-issuance plan 2019.
20	20/2019/ QĐ - HĐQT	12/09/2019	Approving 8 th bond-issuance plan 2019.
21	21/2019/ QĐ - HĐQT	30/09/2019	Approving loans and collaterals as guarantee at Bank for Investment and Development of Vietnam – Nha Be branch.
22	22/2019/ QĐ - HĐQT	07/10/2019	Approving policy of receiving transfer of contributed capital.
23	23/2019/ QĐ - HĐQT	30/10/2019	Approving 9 th bond-issuance plan 2019.
24	24/2019/ QĐ - HĐQT	12/11/2019	Approving the contribution to set up Ngo May Real Estate JSC and assigned representative to manage contributed capital.
25	25/2019/ QĐ - HĐQT	14/11/2019	Approving the dissolution of Phat Dat Investment Ltd.Co.
26	26/2019/ QĐ - HĐQT	03/12/2019	Approving first interim dividend 2019 in cash to shareholders.



REPORT BY

BOARD OF MANAGEMENT

Achieved impressive growth resulting in good profit beyond the yearly target.

Reached the best condition of financial health since the securities listed.

Showcased the capabilities of quickening project implementation, creating innovative products and making fast capital turnover and attractive financial efficiency.

Enhanced the quality of human resource, corporate foundation and internal strength to be more competitive under the pressure and challenges from market sharply rise.

Continued the great contribution to the community by effective CSR and charity activities.

Highlighted figures
in 2019

New record of project
implementation

07 months

Zone 4 Nhon Hoi Ecotourism City
from the date of successful auction
to the sold-out of all low-rise
products

Total land bank

438.79 ha

Including projects at prime locations
in HCM City and potential cities

Benefits per capita/year

VND 43 million

Growth rate of
profit before tax

46%

Compared to 2018

Market capitalisation

VND 8,585 billion

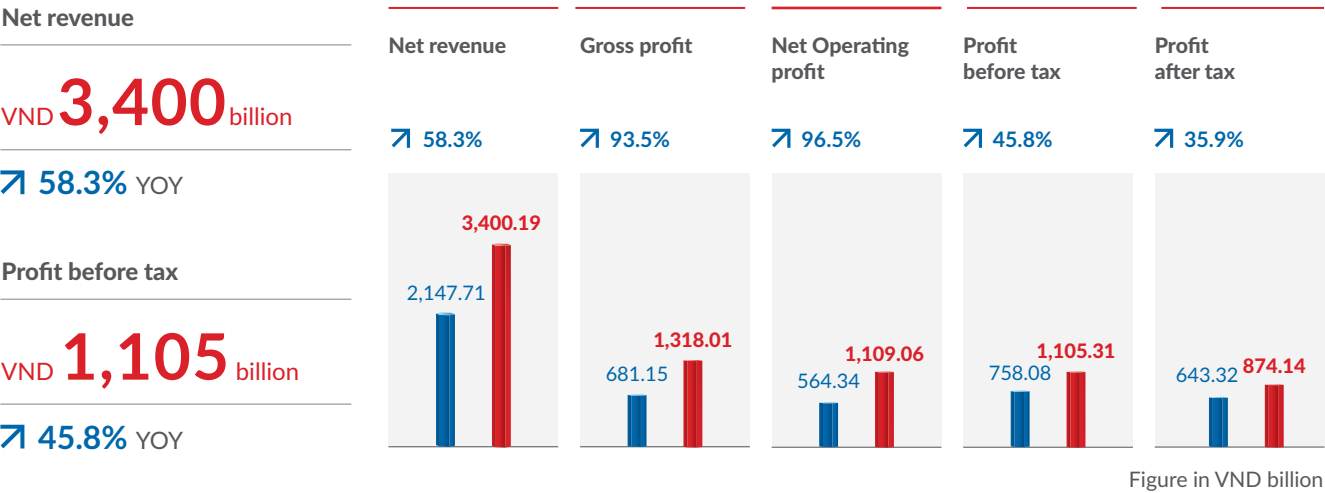
Used market price on 31/12/2019

Dividend payment in cash

VND 400 billion

Equivalent to VND1,200 per share

Business review



The major focus of PDR in 2019 is the emerging markets outside HCM City, particularly Binh Dinh Province, to advance the company's competitiveness on the defined opportunities.

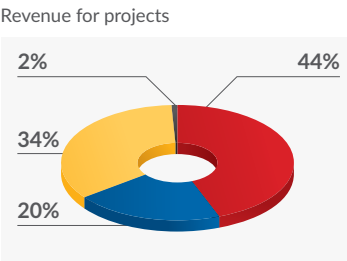
In HCM City, supply sources from new projects were limited because of stringent licence provisions, particularly for the villa and luxurious apartment segment. As a result, many newly-completed projects recorded high absorption rate.

In other markets, like coastal cities, supply and demand increased. Purchases of real estate for residential use, based on practical demand, took prevalence with a higher ratio than purchases for investment. This meant the real estate projects witnessed an influx of customers from diverse classes with a readiness to buy.

However, Vietnam's real estate industry also faced several challenges in 2019. The collapse of a few real estate businesses impacted customer faith and affinity. At the same time, management requirements have increased and made legal requirements and loans for real estate more restrictive.

The above issues brought challenges to the sector, but on the other hand, also presented the opportunity to display the company's values and differentiation from other enterprises. This was met by having a workable business plan and model, creation of prestige and integrity in the market and having enough resources to meet the demands of customers. PDR proved to have good competitiveness in every engagement of the company, creating a good chance for promotion, especially towards project accessibility and implementation.

2019 marked the first year of PDR's 5-year breakthrough development period called **New Era**. All strategies, plans and targets were set up to enhance development. The company has successfully started **the New Era** with impressive achievements beyond expectations.



Breakdown revenue by project		Figure in VND billion
		2019
Total		3,400.19
• The Zone 4 Project, Nhon Hoi Ecotourism City		1,508.02
• Phat Dat Bau Ca Residential		693.20
• The EverRich 3		1,170.80
• Other revenues		28.17

Overview on the financial condition

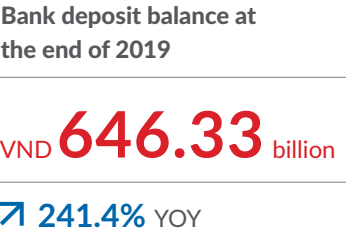
Debt-equity ratio is always secured at a safe level and is under control.

Return on revenue ratio reaches the higher level of the market.

With various and abundant fund-raising sources, PDR has decided to issue bonds with nine issuances until now. This choice has ensured PDR's flexibility and effectiveness for short and long-term project development.

Debt from bonds are planned to be repayment early in 2020.

ASSETS OVERVIEW



Current assets

By the end of 2019, PDR's current assets were valued at VND10,354.69 billion, an increase of 28.6% compared to 2018. Of which, goods in inventory increased to a record high – up to VND2,128.99 billion, equivalent to 36.3%, because the company successfully auctioned and invested in infrastructure of Zone 2, Zone 4 and Zone 9 projects within the Nhon Hoi Ecotourism City.

It is planned that these values will be recorded to cost of goods sole in 2020 and 2021 right after these projects meet requirements for ownership transfer.

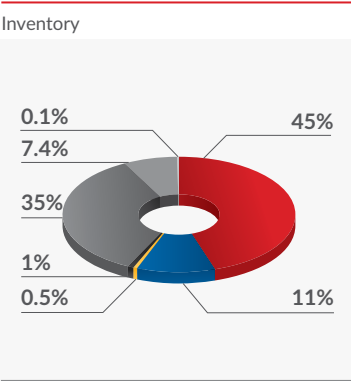
In addition, given the fact that The Everich 3 met requirements for partly ownership transfer, PDR recorded revenue and reduced inventory valued at VND1,176 billion. The company is in the process of completing all administrative requirements from the Government, getting the rights to transfer all of The EverRich 2 and the rest of The EverRich 3.

Upon these projects attaining all legal requirements, PDR will transfer ownership under laws and the value of inventory will fall sharply.

Additionally, bank deposit balance at the end of 2019 was VND646.33 billion, an increase of VND456.99 billion, equivalent to 241.4%, compared to at the end of 2018.

Current assets	Figure in VND billion		
	2018	2019	Increase/decrease
Total	8,050.30	10,354.69	28.6%
Cash	189.34	646.33	241.4%
Current debts	1,987.99	1,705.32	-14.2%
Inventory	5,865.81	7,994.80	36.3%
Short-term receivables	7.16	8.24	15.1%

Overview on the financial condition (continued)



Inventory	Figure in VND billion
	2019
Total	7,994.80
• River City (The EverRich 2)	3,597.77
• The EverRich 3	875.64
• Phat Dat Bau Ca Residentials	37.60
• Phan Dinh Phung Sport Complex	75.13
• Nhon Hoi Ecotourism City	2,791.17
• Binh Duong Commercial Complex & Apartments	596.31
• Other projects	21,18

Long-term assets

VND 3,607 billion

↗ 19.9% YOY

Long-term assets

PDR’s long-term assets were valued at VND3,606.69 billion by the end of 2019, an increase of 19.9% in comparison with 2018, mostly for 3 reasons:

- PDR had contributed 94% in charter capital to establish the Ngo May Real Estate Development Joint Stock Company and to successfully auction 5,246m² of land for a hotel project at 01 Ngo May Street, Quy Nhon City. PDR’s post-capital contribution increased value of assets by VND127 billion – equivalent to the auction value of the project.
- The company recorded sale of Zone 2, Nhon Hoi Ecotourism City.
- PDR had amended to increase assets, equivalent to reduction of pre-paid amounts as PDR invested into Tam Binh and Tan Hoang Companies to implement real estate projects in HCM City.

The Return on Average Assets (ROAA) reached 6.99%, a notable increase of 14.1% in comparison with 2018 and much higher than recent years.

Last year, PDR did not record non-performing receivables and assets.

Long-term assets	2018	2019	% increase/decrease
Total	3,007.13	3,606.69	19.9%
Long-term accounts receivable	1,218.79	1,566.43	28.5%
Fixed assets	10.53	17.57	66.9%
Invested properties	81.80	75.42	-7.8%
Long-term incomplete assets	772.51	908.37	17.6%
Long-term financial investment	-	5.50	
Long-term work in progress	923.50	1,033.40	11.9%

CAPITAL SOURCES

Liabilities

By the end of 2019, PDR’s liabilities reached VND9,592.45 billion – an increase of 21.1% compared to 2018, mostly due to short-term liabilities from PDR’s issuance of bonds to invest in projects at the Nhon Hoi Ecotourism City.

Charter capital

VND 3,277 billion

↗ 23% YOY

Owner's equity

VND 4,369 billion

↗ 24.4% YOY

Long-term debt to Total assets ratio

0.47

↘ 24% YOY

Current debts

Current liabilities recorded a rise of VND2,280.77 billion or 288.0% in comparison with 2018. This was mostly due to advance from customers at a total of VND592 billion for real estate products at Nhon Hoi Ecotourism City. Moreover, the amount of VND528 billion was to paying for previous shareholders of the Sai Gon Real Estate-KL Joint Stock Company (this liability is expected to be cleared in January 2020, through current bank deposits).

In addition, there was a VND100 billion loan from BIDV Nha Be Branch, along with VND1,102 billion from nine bond issuances in 2019.

In 2020, all short-term borrowings and bonds will be mainly paid by revenue from projects in Nhon Hoi Ecotourism City.

Overview of assets - liabilities indicators	2018	2019	Increase/decrease
Target			
Total assets	11,057.43	13,961.38	26.3%
• Current assets	8,050.30	10,354.69	28.6%
• Long-term assets	3,007.13	3,606.69	19.9%
Liabilities	7,545.80	9,592.45	27.1%
• Current liabilities	791.98	3,072.75	288.0%
• Long-term liabilities	6,753.82	6,519.70	-3.5%
Owner's equity	3,511.63	4,368.93	24.4%

Long-term liabilities

Long-term debts in 2019 were recorded at VND6,519.70 billion, a decrease of VND234.12 billion, or 3.5%, in comparison with the same period last year for two major reasons:

- VND955 billion came from foreign loans and a 2-year bond.
- A part of The EverRich 3 has met requirements for transfer. The company has recorded revenue, leading to the reduction of VND1,162 billion which the company received from partners. The remaining long term liabilities of VND5,549 billion consisted of pre-paid amounts for investment in co-operation contracts with The EverRich 2 and the EverRich 3. The debt will be automatically deducted when these two projects finish their transfer procedures.

Exchange rate

In 2019, PDR secured a foreign loan of USD22,500,000 and would be impacted by fluctuations in the exchange rate. Fortunately, by the end of the year, the impact was insignificant because of small scale changes in the exchange rate.

Overview on the financial condition (continued)

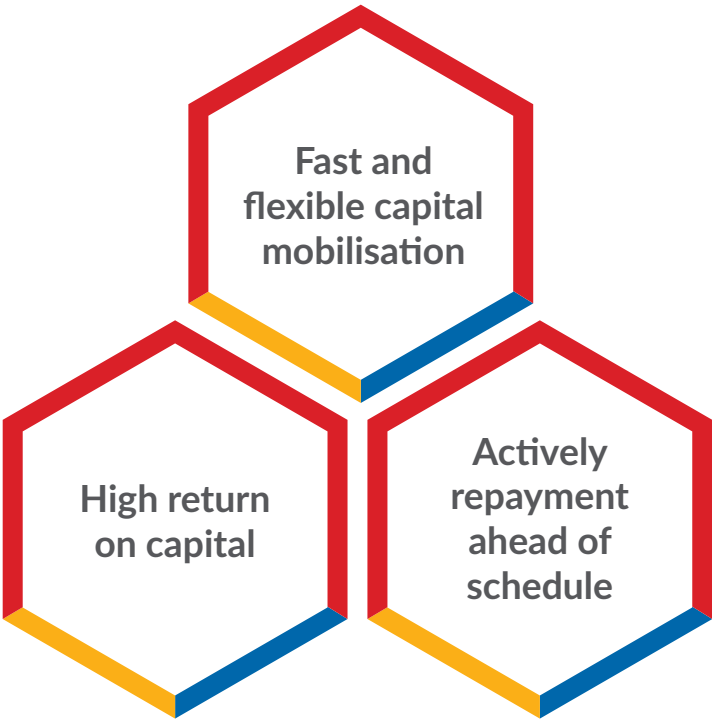
Bond Issuance

PDR has issued bonds nine times, with total value of VND1,659 billion, and an interest rate ranging from 9.5%/year to 14.45%/year. The company paid VND100 billion within the year, leaving the outstanding balance of. In accordance with bonds' terms, the balance will be repaid in 2020 and 2021, interest expenses were paid on time.

Compared with other capital sources, especially loans from bank, interest rates for bonds were considered very high and hard to bring economic efficiency. Having carefully calculated, PDR proactively decided to chose this financial mobilization channel because:

- Bond issuance has helped PDR speedily mobilise capital flexibly, immediately meeting financial demands for carrying out projects efficiently. Quick financial approval for construction has supported the completion of projects in a very short time. This has already brought great financial efficiency to PDR and partly created profit before tax at over VND1,105.31 billion last year.
- Meanwhile, payment conditions for bonds are flexible. It has helped PDR to actively pay debts before maturity.

Furthermore, the company bought shares and ventured to own new projects through auctions, including Binh Duong Commercial Complex Project and a plot of land at No.1 Ngo May Street, Quy Nhon City for a hotel project. All projects need capital to initiate construction to yield high business efficiency in the comings years.



Average time

37 days

For a successful mobilisation
via a bond issuance

Repay before maturity

VND **100** billion

Debts from bonds and short-term loans are
planned to repaid in 2020 before maturity

Profit before tax on revenue

32.5 %

Bond issuances in 2019							
No.	Content	Bond value (VND, billion)	Interest rate/conditions	Term	Issued date	Due date	Purposes
I. LIST OF ISSUED BONDS							
	TOTAL (I)	1,659					
01	First issuance	200	14.45%/year	1 year	08/04/2019	08/04/2020	Project Development at Nhon Hoi Ecotourism City.
02	Second issuance	99	12%/year	1 year	04/06/2019	04/06/2020	Project Development at Nhon Hoi Ecotourism City.
03	Third issuance	550	<ul style="list-style-type: none">• Expected interest rate in first year: 10.5%/year.• Expected interest rate for following years: individual deposit interest rate for 24-month term plus the minimum range of 3.5%/year.	5 years	03/06/2019	03/06/2024	Project Development at Zone 2 of Nhon Hoi Ecotourism City.
04	Fourth issuance	150	14%/year		24/06/2019	24/06/2020	Project Development at Zone 2 of Nhon Hoi Ecotourism City.
05	Fifth issuance	70	13.5%/year	1 year	01/08/2019	01/08/2020	Project Development at Zone 2 of Nhon Hoi Ecotourism City.
06	Sixth issuance	225	9.5%/year	1 year	01/08/2019	01/08/2020	Project Development at Zone 9 of Nhon Hoi Ecotourism City.
07	Seventh issuance	80	13%/year	1 year	27/09/2019	27/09/2020	Project Development at Zone 9 of Nhon Hoi Ecotourism City.
08	Eighth issuance	175	9.5%/year	1 year	29/11/2019	29/11/2020	Project Development at Zone 9 of Nhon Hoi Ecotourism City.
09	Ninth issuance	110	13.5%/year	1 year	15/11/2019	15/11/2020	Project Development at Zone 2 and Zone 9 of Nhon Hoi Ecotourism City.
II. LIST OF REPAID BOND							
	Total (II)	100					
01	Refund for first issuance	100	14.45%/year	1 year	08/04/2019	08/10/2019	Project Development at Nhon Hoi Ecotourism City.
	Total (III) = (I) - (II)	1,559					

Five-year Financial highlights

Profit before tax

VND **1,105** billion

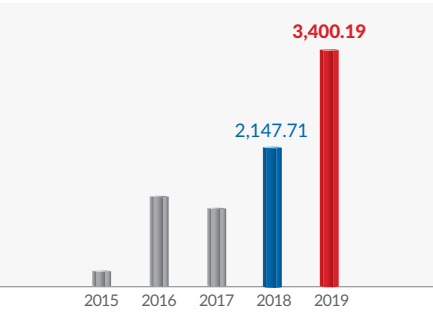
↗ **46%** YOY

Gross Profit Margin

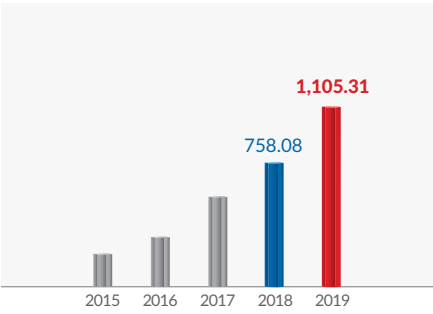
39%

↗ **22%** YOY

Net revenue

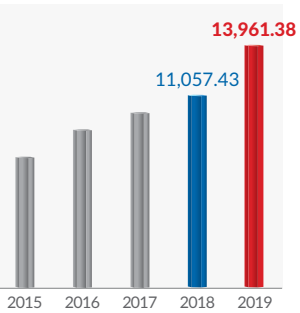


Profit before tax

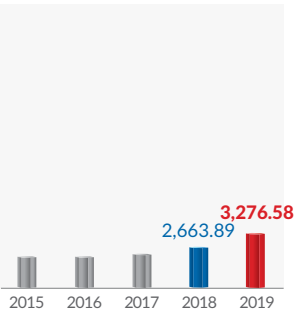


Income Statement						Figure in VND billion
Items	2015	2016	2017	2018	2019	
Net revenue	402.51	1,496.67	1,326.63	2,147.71	3,400.19	
Gross profit	146.29	403.32	519.05	681.15	1,318.01	
Operating expenses	43.60	97.96	159.12	121.36	217.04	
Net Operating profit	99.79	304.28	362.42	564.34	1,109.06	
Other profits	100.78	0.15	188.45	193.74	(3.75)	
Profit before tax	200.57	304.43	550.87	758.08	1,105.31	
Profit after tax	155.73	242.52	439.88	643.32	874.14	

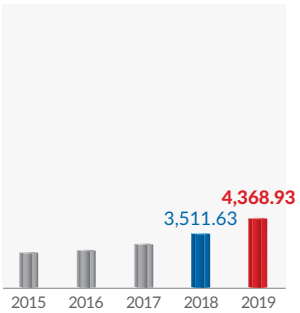
Total assets



Charter capital



Owner's Equity



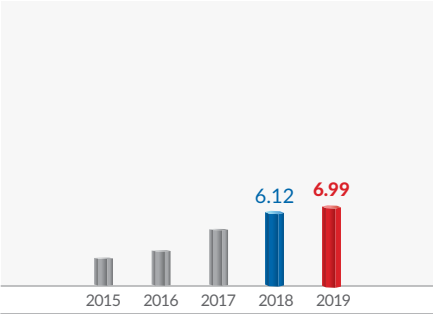
Balance sheet						Figure in VND billion
Items	2015	2016	2017	2018	2019	
Total assets	7,541	9,002	9,949	11,057.43	13,961.38	
Charter capital	2,018	2,018	2,220	2,663.89	3,276.58	
Owner's equity	2,271	2,404	2,827	3,511.63	4,368.93	

Profitability indicator

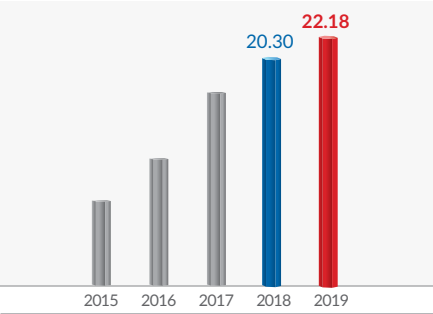
32.62%

Net operating profit margin

Return on Average Assets (ROAA)



Return on Average Equity (ROAE)



Financial Indicators						Unit: %
Items	2015	2016	2017	2018	2019	
Return on Average Assets (ROAA)	2.29	2.93	4.64	6.12	6.99	
Return on Average Equity (ROAE)	8.33	10.38	16.82	20.30	22.18	

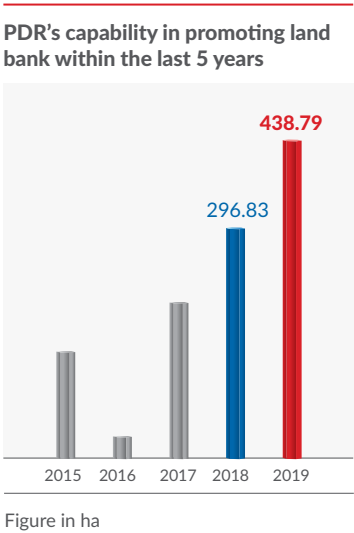
Items	2015	2016	2017	2018	2019	
Liquidity						Unit: Times
Current ratio	4.40	4.83	7.27	10.16	3.37	
Quick ratio	0.46	0.44	1.64	2.76	0.77	
Capital structure indicators						Unit: Times
Debt /Total assets	0.70	0.73	0.72	0.68	0.69	
Long-term debt /Total assets	0.50	0.55	0.61	0.61	0.47	
Targets for efficiency						Unit: Times
Working capital turnover	0.06	0.20	0.17	0.27	0.37	
Inventory turnover	0.04	0.16	0.12	0.25	0.30	
Accounts receivable turnover	0.69	1.75	0.68	0.69	1.05	
Profitability indicators						Unit: %
Net profit margin	38.69	16.20	33.16	29.95	25.71	
Profit after tax/owner's equity	8.33	10.38	16.82	20.30	22.18	
Profit after tax/average total assets	2.29	2.93	4.64	6.12	6.99	
Net operating profit margin	24.79	20.33	27.32	26.28	32.62	

Project Development

OVERVIEW OF PROJECT INVESTMENT AND LAND BANK DEVELOPMENT

PDR mostly focused on the projects in Quy Nhon City and other developing areas in 2019.

The valuable experience through big projects in HCM City has helped PDR in developing real estate products which fit the needs and practical demands of markets and customers in new urban areas in emerging cities. As a result of this experience, all recent projects by PDR have a high attraction of customers with an equally high proportion of sales.



Changing product and market strategy, as well as shifting towards developing cities with highly effective projects, have been beneficial decisions for PDR. This development trend has gradually demonstrated practical value in both financial achievements and prestige. It continues to bring more opportunities for the company.

In 2019, PDR focused more energy on the trend by improving its activities. Potential coastal cities in central provinces need experienced and capable real estate developers to create sustainable projects with utilities in line with modern living styles. Central provinces of Quang Ngai and Binh Dinh have become priority markets for PDR.

The success of the Phat Dat Bau Ca Project in Quang Ngai Province has brought victories for PDR in different aspects and created assurance for PDR to take part in greater projects in Binh Dinh Province.

PDR won in several auctions resulting in the ownership of Zone 2, Zone 4 and Zone 9 Projects in the Nhon Hoi Ecotourism City. Taking advantage of this chance, PDR immediately carried out the projects at unprecedented speed. Seven months after winning the auction, PDR completed all public infrastructure and legal procedures to sell 100% of low-rise products, creating a rare record in the real estate industry. Such projects contributed a huge proportion to PDR's revenue and profit in 2019.



To strengthen the product-diversification strategy and market expansion, PDR has actively searched for land bank and new projects. Besides the central area, PDR has successfully found new opportunities in southern provinces of Binh Duong and Vung Tau, along with available markets of HCM City and Phu Quoc Island. This is a solid foundation for PDR to develop sustainably in 2020 with more large-scale and prosperous projects.

PDR has extended its products with small land plots, that fit with market demand, compared to the previous large and medium scale high-rise buildings with luxurious apartments and villas. At the same time, the company has expanded its key markets, including in HCM City and other potential provinces.

In HCM City, PDR has concentrated on solving the legal framework for Build-Transfer (BT) projects and completing ownership transfer procedures at The EverRich 2 (River City) and The EverRich 3 Projects to partners.

All PDR's projects strictly comply with legal regulations, harmoniously developing with the communal urban environment, and creating a civilised lifestyle for a new urban residential community. The company has always ensured the green ratio in project planning and design, as well as properly investing in public infrastructure and utilities. These factors have helped to increase the attractiveness of PDR's projects among customers and investors.

Geographic expansion (continued)

STATUS OF PROJECT IMPLEMENTATION

No.	Projects	Location	Size	Expected total investment (VND, billion)	Accumulated investment expenditure by 2019 (VND, billion)	Planned investment expenditure in 2020 (VND, billion)			Project implementation in 2019		Implementation plan in 2020			
						Design	Construction	Investement	Legal situation	Design	Construction	Legal situation	Design	Construction
I	UNDER-CONSTRUCTION PROJECTS			48,049.38	11,481.32	84.74	859.98	2,832.31						
1	The EverRich 2	District 7, HCM City	11.2 ha	N/A	4,479.83	N/A	N/A	200.10	<ul style="list-style-type: none">Legal document was fulfilled to transfer the project.			<ul style="list-style-type: none">Legal document is in progress of completion to transfer the project.		
2	The EverRich 3	District 7, HCM City	9.9 ha	N/A	2,366.99	N/A	N/A	230.00	<ul style="list-style-type: none">Partly completed transaction for high-rise area of the project.			<ul style="list-style-type: none">Legal document is in progress of completion to transfer the remaining of the project.		
3	Phat Dat Bau Ca Residentials	Quang Ngai Province	7.7 ha	450.00	418.40	N/A	11.18	N/A	<ul style="list-style-type: none">The project was done.	<ul style="list-style-type: none">The project was done.	<ul style="list-style-type: none">Construction: installing two transformers and electricity cabinet for park lighting.			<ul style="list-style-type: none">The remaining works, including energy eablishment, infrastructure completion and hand-over to State office are under-construction.
4	Bo Bac Residentials in combination with urban gentrification	Quang Ngai Province	44.2 ha	1,742.00	0.60	3.10	N/A	216.00	<ul style="list-style-type: none">The project investment approval decision was released.	<ul style="list-style-type: none">The PDR Committee approved investment for the project.Completing master planning document 1/500 to submit to relevant State offices.	<ul style="list-style-type: none">The project was done.	<ul style="list-style-type: none">Ground compensation and clearance have been carried out for most of the project.	<ul style="list-style-type: none">Completing legal design as approved 1/500 master planning, verifying foundation design, architectural design and construction permission certificate.Completing technical infrastructure design document.	
5	Nhon Hoi Ecotourism City	Binh Dinh Province	116.1 ha											
5.1	Zone 4	Binh Dinh Province	34.1 ha	7,494.70	774.80		329.51	126.55						
	Zone 4 - low-rise area/ land plot	Binh Dinh Province				N/A	35.03	126.55	<ul style="list-style-type: none">Auction result was officially recognised.Investment plan was approved.Financial duty was identified to complete.Adjusted 1/500 master planning was approved.Land plot selling was approved.Land usage right certificate were issued for all low-rise blocks.	<ul style="list-style-type: none">Completing legal design for all low-rise area as approved 1/500 master planning, verifying foundation design, architecture design and construction permission certificate.	<ul style="list-style-type: none">Infrastructure construction was finished.			
	Zone 4 - High-rise area	Binh Dinh Province				26.29	294.48	N/A				<ul style="list-style-type: none">Adjusting 1/500 master planning of 8.2 ha, high-rise area.Adjusting investment approval.Calculating extra financial duty.Issuing the right land usage certificate for high-rise area.	<ul style="list-style-type: none">Completing legal design for apartment block as approved 1/500 master planning, verifying foundation design, architectural design and construction permission certificate.Completing apartment block design document for construction.	<ul style="list-style-type: none">Completing construction for high-rise area: test pile, official pile, reinforced concrete foundation and wall, model house, electromechanical infrastructure.
5.2	Zone 2	Binh Dinh province	36.1 ha	7,130.23	1,461.60	0.93	91.48	5.48	<ul style="list-style-type: none">Financial duty was identified to completion.		<ul style="list-style-type: none">Completing construcion.	<ul style="list-style-type: none">Caculating extra financial duty.Adjusting investment approval.Approval decision for selling land plot.Issuing land-usage right certificate for all land plot at low-rise area.		<ul style="list-style-type: none">Implementing construction for electricity category: Lighting, medium-voltage, smooth asphalt concrete.
5.3	Zone 9 (low-rise area & high-rise area)	Binh Dinh Province	45.9 ha	8,550.58	900.80	2.52	98.30	55.68	<ul style="list-style-type: none">Approval decision for adjusted 1/500 master planning.		<ul style="list-style-type: none">Implementing construction for infrastructure.	<ul style="list-style-type: none">Caculating extra financial duty.Adjusting investment approval.Approval decision for selling land plot.Issuing right land-usage certificate for all land plots at low-rise area.		<ul style="list-style-type: none">Continously implementing construction for infrastructure and tree planting.
6	Bac Ha Thanh Residential Area	Binh Dinh Province	43.16 ha	1,700.00	1.30	2.97	N/A	N/A	<ul style="list-style-type: none">Approval decision for selling land plot was released.	<ul style="list-style-type: none">Completing 1/500 master planning file to submit to State management offices.		<ul style="list-style-type: none">Approval decision for adjusted 1/500 master planning was issued.Approval decision for investment was issued.Implementing procedures for compensation and ground clearance.	<ul style="list-style-type: none">Verifying foundation design, architectural design and construction permission certificate.	
7	No.1 Ngo May Street Project	Quy Nhon City	0.53 ha	1,126.50	127.10	38.48	N/A	N/A	<ul style="list-style-type: none">Issuing right land-usage certificate for all land plots at low-rise area.	<ul style="list-style-type: none">No design available			<ul style="list-style-type: none">Completing legal design for apartment block, commercial service.Completing apartment block design document.	

Geographic expansion (continued)

STATUS OF PROJECT IMPLEMENTATION (continued)

No.	Projects	Location	Size	Expected total investment (VND, billion)	Accumulated investment expenditure by 2019 (VND, billion)	Planned investment expenditure in 2020 (VND, billion)			Project implementation in 2019			Implementation plan in 2020		
						Design	Construction	Investement	Legal situation	Design	Construction	Legal situation	Design	Construction
8	Industrial cluster at Ham Ninh commune	Phu Quoc Island	59.16 ha	1,187.74	40.10	N/A	N/A	0.70	<ul style="list-style-type: none">Decision to establish the industrial cluster was released.Implementing 1/500 master planning.	<ul style="list-style-type: none">Researching the project.		<ul style="list-style-type: none">Completing approval and disclosing 1/500 master planning.Implementing compensation and ground clearance.	<ul style="list-style-type: none">Completing design for 1/500 master planning file.	
9	Craft village Residentials and centre of Ham Ninh Commune	Phu Quoc Island	78.57ha	4,103.62			N/A	0.96	<ul style="list-style-type: none">Implementing 1/500 master planning.	<ul style="list-style-type: none">Completing the provision of duty for 1/500 master planning.		<ul style="list-style-type: none">Completing approval and disclosing 1/500 master planning.Implementing compensation and ground clearance.	<ul style="list-style-type: none">Completing design for 1/500 master planning file.	
10	Vung Bau Ecotourism Area	Phu Quoc Island	40.6 ha; first stage: 16.79ha	1,082.01	19.30	8.29	N/A	322.99	<ul style="list-style-type: none">Approving duty of 1/500 master planning.	<ul style="list-style-type: none">Completing design for 1/500 master planning file.		<ul style="list-style-type: none">Completing approval and disclosing 1/500 master planning.Implementing compensation and ground clearance.	<ul style="list-style-type: none">Approving 1/500 master planning.	
11	Binh Duong Shopping Mall	Binh Duong Province	3.73 ha	8,282.00	890.50	2.15	1,396.53	1,673.85	<ul style="list-style-type: none">Submitting investment file for approval.	<ul style="list-style-type: none">Approval decision for 1/2000 master planning was released.		<ul style="list-style-type: none">Approving investment and 1/500 master planningSubmitting for construction license.August, 2020: all will be ready for sale.	<ul style="list-style-type: none">Completing legal design of apartment block as approved in 1/500 master planning, verifying foundation design, architecture design and construction permission certificate.Completing apartment block design to serve for construction.	<ul style="list-style-type: none">Constructing test pile, experimenting test pile; diaphragm wall, all official pile; reinforced concrete foundation, wall and pile; model house and electromechanical infrastructure.
12	Da Nang project	Da Nang City	1.73 ha	5,200.00					<ul style="list-style-type: none">Researching project implementation.	<ul style="list-style-type: none">Waiting for master planning and ready for next steps.		<ul style="list-style-type: none">Researching project implementation.	<ul style="list-style-type: none">Continously implementing next steps.	
II	UNDER-CONSTRUCTION BT PROJECTS			13,894.19	354.52	8.78	822.34	5,032.70						
1	Technical infrastructure for Division 1 (Co Dai Area) and convert land bank at Ba Sang Island	District 9, HCM City	108 ha	832.00	93.36	N/A	367.45	367.4	<ul style="list-style-type: none">Continously constructing.	<ul style="list-style-type: none">The project was done.	<ul style="list-style-type: none">Constructing categories: soil levelling, road, water drainage system ...	<ul style="list-style-type: none">Implementing legal framework for project as requested.	<ul style="list-style-type: none">The project was done.	<ul style="list-style-type: none">Continously constructing categories: soil levelling, road, wastewater treatment station, bridge, dyke; water drainage system, electricity supply; lighting system, tree and parking and others.
2	Phan Dinh Phung Sports Complex	District 3, HCM City	1.4 ha	1,953.78	81.80	8.8	454.89	0.3	<ul style="list-style-type: none">Implementing legal procedures to prepare for investment and construction.	<ul style="list-style-type: none">Completing technical design and cost estimation.	<ul style="list-style-type: none">Preparing construction.	<ul style="list-style-type: none">Signing BT contract, implementing construction.	<ul style="list-style-type: none">Legal design: completing the verification of technical design and cost estimation.Completing construction drawing design.	<ul style="list-style-type: none">Constructing diaphragm wall and official pile; starting construction for basement, reinforced concrete wall and steel structure.
3	Orthopaedics Hospital	Binh Chanh District, HCM City	3.7 ha	2,166.69	178.24	N/A	N/A	1.00	<ul style="list-style-type: none">Implementing legal procedures to prepare for investment and construction.	<ul style="list-style-type: none">Continously implementing next steps.		<ul style="list-style-type: none">Continously completing legal procedures.	<ul style="list-style-type: none">Continously implementing next steps.	
4	Thu Thiem 4 Bridge	Over Sai Gon River to link Thu Thiem New Urban Area in District 2 and District 7	Total length of the bridge: 2.160m	8,941.72	1.12	N/A	N/A	4,664.00	<ul style="list-style-type: none">Organising selection for architecture design plan of Thu Thiem 4 Bridge.	<ul style="list-style-type: none">Continously implementing next steps.		<ul style="list-style-type: none">Approving and disclosing result of selecting the architecture design plan for Thu Thiem 4 Bridge.Preparing, submitting, verifying and approving the project pre-feasibility and feasibility study reports.	<ul style="list-style-type: none">Continously implementing next steps.	
III	SUBMITTED PROJECTS FOR RESEARCHING			2,310.00	0.00	0.00	0.00	1,262.45						
1	Urban gentrification projects in District 3	District 3, HCM City	0.4 ha	650.00	N/A	N/A	N/A	436.45	<ul style="list-style-type: none">Continously implementing next legal procedures.	<ul style="list-style-type: none">Continously implementing next steps.		<ul style="list-style-type: none">Continously implementing next legal procedures.	<ul style="list-style-type: none">Continously implementing next steps.	
2	Urban gentrification projects in District 4	District 4, HCM City	0.8 ha	1,660.00	N/A	N/A	N/A	826.00	<ul style="list-style-type: none">Completing initial legal procedures to prepare for project investment.	<ul style="list-style-type: none">Continously implementing next steps.		<ul style="list-style-type: none">Completing legal procedures to prepare for project investment and implementing compensation and ground clearance.	<ul style="list-style-type: none">Continously implementing next steps.	
	TOTAL (I) + (II) + (III)			64,253.57	11,836.02	93.51	1,682.32	9,127.46						

Major projects in 2019



PHAT DAT BAU CAU RESIDENTIALS

Located at the center of Quang Ngai City, Phat Dat Bau Ca Residentials offers a modern design urban residential area with extraordinary facilities. The project provides internal swimming pool, playground, BBQ garden and convenient services which are still luxury even in developed cities.

Phat Dat Bau Ca centers around enhancing living quality through modern infrastructure, create a civilised environment and a healthy lifestyle. The greatest aspiration is for Phat Dat Bau Ca to be the best place to raise a small family where safety and abundant green space is a catalyst for an active, healthy lifestyle.

	Phat Dat Bau Cau Residentials
Location	Le Hong Phong Ward, Quang Ngai City, Quang Ngai Province.
Size	7.7 ha
Product type	325 land plots for villa
Expected total investment	VND450 billion*

*According to latest update.



NHON HOI ECOTOURISM CITY

Located on a peninsula, Nhon Hoi is the harmony of forest and ocean, nature and human. Inspired by the beautiful scenery, Nhon Hoi Ecotourism City is designed as picture in which, PDR has meticulously invested its effort in every corner.

The project is expected to be a new urban living style with the 5 ha park, swimming pool, playground, sportcenter, school etc. On the prime location, modern infrastructure which is accessible from international airport, Nhon Hoi Ecotourism City is a place to come for those who are seeking for the natural beauties.

	Zone 4	Zone 2	Zone 9
Location	National Road 19B, Quarter 4, Nhon Ly Village, Quy Nhon City, Binh Dinh Province	National Road 19B, Quarter 4, Nhon Ly Village, Quy Nhon City, Binh Dinh Province	National Road 19B, Quarter 4, Nhon Ly Village, Quy Nhon City, Binh Dinh Province
Size	34.16 ha	36,10 ha	45.90 ha
Product type	1,308 land plots for townhouse, shophouse and 40 floor apartment building	1,927 land plots for semi-detached house	2,406 land plots for semi-detached house, villa and 45 floor apartment building
Expected total investment*	VND7,494.70 billion	VND7,130.23 billion	VND8,550.58 billion

*According to latest update.

Improvements in organisational structure & management policies

The company prioritises the renovation of information technology capabilities.

PDR has paid attention to upgrading its enterprise management system, achieving significant results last year. The company prioritises the renovation of information technology capabilities.

PDR has already seen advantages in strict management systems and organisation. Meeting the new development demand, the management system and working process must be updated and made more professional to ensure consistency, commitment and compliance with current laws and regulations, but also maintaining openness and flexibility to welcome and support new development trends.

And so, along with business activities, internal structural upgrades and changes have been undertaken.

In addition to adjusting working processes and updating management policies to meet practical demands, PDR has paid attention to enhancing its capabilities in the application of information technology and moving towards digital transformation.

To actualise the development trend, PDR has recruited and fostered human resources in technology and techniques. At the same time, the company has invested in modern technology to accelerate its digitalisation process. New software and equipment have been purchased to help the company and its activities evolve.

As a result of such investment, operations and management have become faster, also contributing to increasing efficiency and convenience in internal interactions. This has helped make the working environment more vibrant and active.

Digital transformation will be promoted in 2020, with a target to reach the highest level of information technology capability for a real estate enterprise.



Human resource developing



Last year, PDR had 169 full-time personnel.

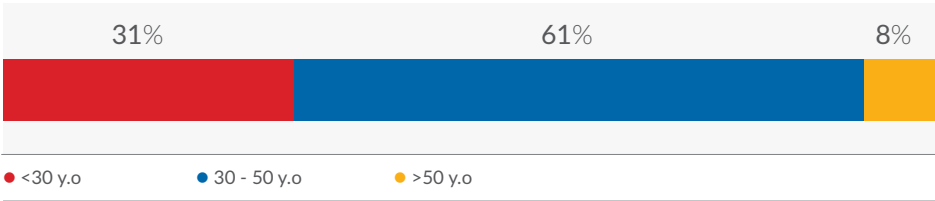
In overall assessment, these members of staff have worked effectively with high output, promoting our many skills in meeting the market demand with quality and assurance throughout the year.

The quality of human resources, especially for mid-level managers and higher, is one of PDR's competitive advantages. This is also a key issue which has attracted attention from the company to invest, foster and upgrade in remaining parts of stability and readiness for new development demands in the future.

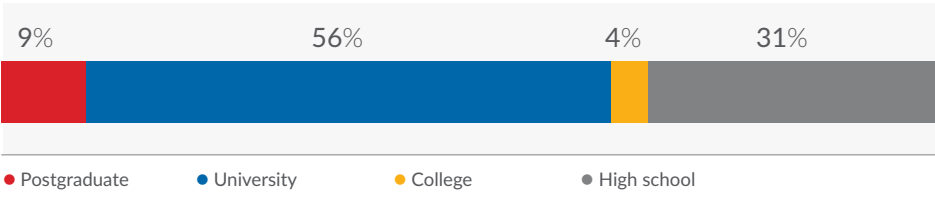
Assessment tools show employee satisfaction at high levels in the company. However, these are foundations for important improvements in creating a one-of-a-kind, professional and vibrant working environment, which will be able to retain talent and attract more potential and prospective candidates.



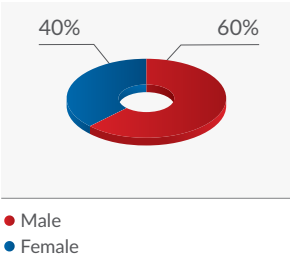
Number of personnel based on age



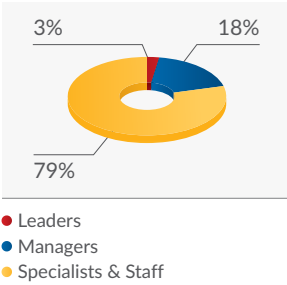
Number of personnel based on academic level



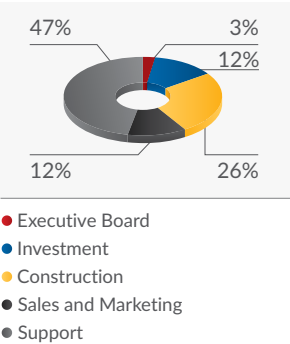
Number of personnel based on gender



Number of personnel based on management level



Number of personnel based on sector



POLICIES FOR EMPLOYEES



Salary and benefits policies

After various efforts to improve policies for employees, current salary and benefits for PDR staff are higher than the average level.

After the periodic salary increase review conducted in April 2019, average income of employees has increased 12.2%.

By the end of December 2019, the average salary for each employee in PDR was VND27.76 million/month. Meanwhile, the average salary for each manager was VND76.93 million/month (an increase of 15% compared with 2018)

Additionally, total expenditure for benefits in 2019 was VND7.58 billion.

Benefits Expense in 2019	Figure in VND
Total	7,582,774,126
Benefits expenditures include: Birthdays, weddings, funerals, health insurance, birth and sickness assistance, periodic healthcare checks, gifts for March 8, gifts for Lunar New Year, school results of employees' children, uniform.	903,606,412
Mid-shift meal	1,387,057,192
Team Building	2,034,314,100
Seniority-based bonus	956,823,716
Holidays	865,500,000
Year-End Party	764,326,706
Monday Networking	312,146,000
Union	359,000,000

Bonus policy

- In order to motivate and encourage staff in effort and work efficiency, PDR has improved and applied its bonus appraisal policy relying on individual assessment results focusing on capability, work efficiency and contribution to the company.
- To keep talent and express gratitude for loyalty, PDR is applying a seniority-based bonus policy for those who have worked in the company for five, 10 and 15 years, equivalent to salary of one, two and three months.
- PDR offers other policies for senior staff, including: The right to buy real estate products and shares at preferential prices.



Social insurance

The company has already paid all social, healthcare and unemployment insurance to make sure their workers will fully and immediately receive all rights from the insurance industry.

Payment for social, healthcare and unemployment insurance in 2019	Figure in VND
Total money the company and labourers paid for social, healthcare and unemployment insurance	6,328,700,165
The company paid for insurances	4,252,095,423
Labourers paid for insurances	2,076,604,742

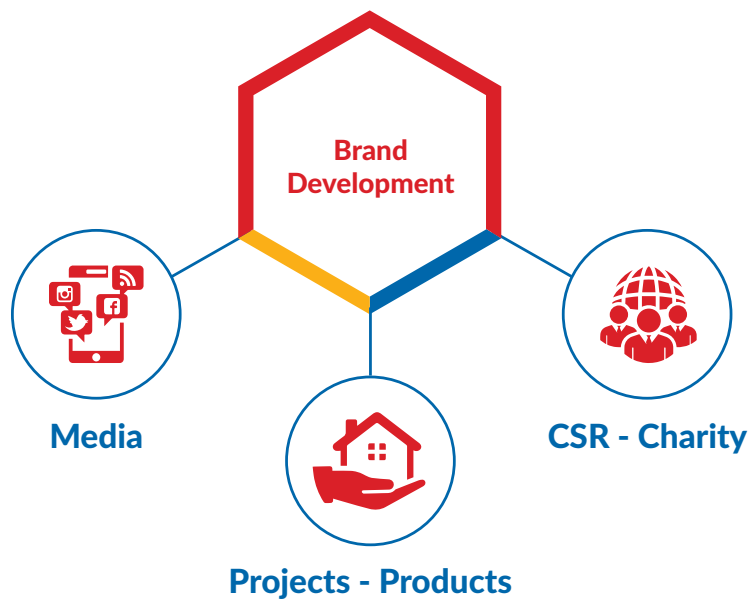
Training

In addition, the internal training is compulsory for managers. Such training sessions have been organised frequently at different levels in proper forms.

At present, the human resources of the company have good capabilities, but to meet expectations of development in **the New Era**, PDR has released strategies and plans to improve the quality of human resources with continued attention and investment.

- In detail, the PDR has spent VND1.3 billion to train mid-level managers in 2019 and 2020 across different subjects with prestigious lecturers and experts. In 2019, the company organised four training sessions related to enhancing working capability and management ability.
- Managers have been trained to increase their skills in establishing targets and action plans.
- Leaders and professional, experienced specialists of the company have helped train and develop younger managers.
- In 2018 and 2019, seven managers were trained and promoted to higher positions.
- By the end of 2019, 82% of leaders and managers were under 45.
- All staff have been trained to use Office 365 software.

Brand development



PDR has eminently invested in marketing and communications in order to support business activities, protect and develop its intangible asset, that is, its brand name.

In 2019, PDR focused on enhancing Phat Dat brand name due to key parts of the business belonging to projects, with the major product as land plots.

Brand was developed through communications



- Organising meetings and exchanging information with mass media to popularise new information of the company to public.
- Monitoring, analysing information about PDR and overview information about real estate industry in mass media; timely and precisely responding to the public on company related concerns.
- Listening to public opinions through social network, measuring the public concern in regards to the brand name, releasing immediate response to wrong information about the company.
- A lot of money was spent for out-of-home advertising, including: Setting up huge billboard at sites where the company is constructing and developing projects, public spaces which are able to attract targetted customers, airports ... The advertising will increase the appearance of Phat Dat brand name and constantly remind the brand name to the public.
- Sponsoring real estate conferences and forums or events for business community in order to promote the opportunity to meeting with investors, partners and targetted customers as well as relevant authorities and media.



Brand communication at Tan Son Nhat Airport

Brand was developed through products



- Increasing its own prestige with customers and investors by meeting pledges on quality, handover process, value of project and product; since then, significantly improving position of the brand name in new markets and effectively promoting sales.
- Assisting customers in dealing with difficulties that they are facing while living in completed projects.
- Protecting the company's rights in balance with customers' rights.
- Keeping the faith of the community in PDR's brands by tasteful, high quality and valuable projects like the company's standards.



Brand communication at Phan Dinh Phung Sport Center

Brand was sustainably developed through communal contribution



- Retaining and meeting pledges on cultural value, aesthetics and public utilities in PDR's projects, the company has transformed urban appearances and created a healthy living style for local residents. This would bring favor to the brand name and belief to relevant authorities when PDR joins into new projects.
- Contributing and sharing with community by activities that would improve cultural and spiritual value to society.

Developing corporate culture

PDR has its own corporate culture. This is a strength that the company would like to boost.

- PDR's corporate culture can be seen in some typical ways, including:
- Opportunities to develop individual capability, knowledge and lifestyle to complement the working environment.
 - Regular interactive activities among individuals, as well as between individuals and the team.
 - Upholding high standards of professionalism and respect are common characteristics expected by PDR.
- To boost corporate culture, PDR has carried out nay activities, especially Internal communications.

Internal communications

The company has spent over VND1 billion to meet every week in 2019 and at a year-end party in 2018.

Internal communications were implemented throughout 2019 with different kinds of meetings and conferences, including: discussions with employees, sharing development targets, as well as providing updates on new business operations, regulations and policies.

Furthermore, during many informal meetings, the company has also tried to make staff understand each other and understand the company. Such activities are believed to increase collaboration, sharing and support for both individuals and the collective.



Mr. Nguyen Van Dat, Chairman cum CEO, passed the torch for employees to show his motivation at the team building trip in September, 2019

Responsibilities to the community, society and environment



Opening ceremony at Hon La Flag tower - A project sponsored by PDR.

The most important target of PDR is how to sustainably develop as an enterprise and contribute positive values to social development.

- Responsibility and awareness of the environment and society are clearly expressed in every aspect of the company's development activity. There are some typical factors as listed below:
- For any project, PDR has always paid attention to the harmony of overall planning, aesthetics of design and construction quality. These are the primary conditions to ensure maintain cultural values and beauty in urban environments.
 - The company strictly ensures the ratio of green areas in projects and never transfers such areas to commerce in order to increase revenue and profit.
 - PDR not only meticulously complies with laws and regulations on public infrastructure and construction of utilities, but also actively spends more money to increase convenience in public infrastructure and utilities inside and around its projects. This creates a civilised, healthy and humane lifestyle among the residential community in PDR's projects.

Remarkably, the company has spent over VND20 billion to upgrade parks, swimming pools, and other public utilities for projects at the Nhon Hoi Ecotourism City.

- The company has chosen partners, contractors and suppliers who are strictly compliant with environmental regulations, to ensure requirements of creating products that meet the best utility criteria and living environment for customers and the community.

On its development journey, the number of products and their scale is expanding, but PDR's attention to these aspects has never been compromised.

Particularly, the company is always concerned about specific figures on the efficiency of water and energy consumption. Its thorough direction is to choose modern solutions, technologies and products that would optimise the effectiveness of environmental protection, from the construction process to operation and use of resources.

Humanitarian and charitable activities



A Tet charity campaign for vulnerable community in Quang Ngai



PDR sponsored for a sport event of business community in HCM City

Operation motto:

"Breeding love, nurturing kindness"

Budger for humanitarian and charitable activities

20%

YOY

Budget for CSR and charity

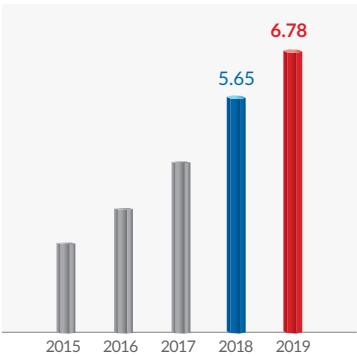


Figure in VND billion

Humanitarian and charitable activities at PDR are key concerns of the leadership. He always encourages managers and staff to join him in these activities by sharing: "Each small positive activity brings changes for the whole community."

Thanks to this spirit, humanitarian and charitable activities have been undertaken by the company successfully.

In 2019, PDR contributed VND6.78 billion and took part in 39 charity programmes in various provinces.

Accompanying the social development plan, PDR has supported several humanitarian and charitable activities in different fields, from culture, education and sports to national security.

Most of the charity budget is sent to individuals and projects which are improving community awareness about development opportunities, encouraging a humane, healthy and enriched lifestyle of cultural values.

Some typical charity programmes are as follows:

- PDR has sponsored the Hong Duc Publishing House to re-write the Vietnamese fairy tale "Than Tich Viet Truyen". It has adjusted inappropriate content which will change the spirit and development of children. After that, this fairy tale would contribute to promote educational methods of nurturing the soul of the younger generation; support children to channel their imagination within the fairy tale world, and recognise values of truth, goodness and beauty, as well as positive messages about humanity.

- PDR has brought love and sharing to disadvantaged children and adult residents of the central province of Quang Ngai, including the Phu Hoa Orphanage, poor families in An Mountain and Tra River hometowns and activities to commemorate the date of provincial re-establishment at a cost of VND1 billion.
- The company has visited and delivered Lunar New Year gifts to poor families and Agent Orange victims in Districts 3, 7, 8 and Binh Chanh district at a total cost of over VND2 billion.
- Other significant programmes include supporting the ceremony for martyrs on April 30 and the 72nd anniversary of War Invalids and Martyrs Day, at a cost of VND400 million; contributing VND100 million to the "Sea and Island Sovereignty" fund; donating VND1 billion to the "Natural Disaster Prevention Community" fund; giving VND750 million to scholarship funds in the central province of Binh Dinh, Vo Hong Son Disabled Children Centre, and meeting 500 outstanding young Party members nationwide.



PDR joined a blood donation



Fireworks celebration of Lunar New Year in Quy Nhon City

PDR contributed to organise a fireworks celebration in Lunar New Year 2020 in Quy Nhon City.

The donation aims to bring spiritual value and creating a lively atmosphere on the occasion of the new year in the city where PDR is contributing to its development by constructing new urban areas.

PDR is now building Zone 2, 4, 9 at Nhon Hoi Ecotourism City. This is one of the key projects, which are expected to create new development and motivation for Quy Nhon City.

CORPORATE GOVERNANCE

PDR has benefited greatly by building a business model and setting up clear rules for CG. PDR constantly updates and adjusts this model and rules to make them compatible with its development requirements and changes in the business and legal environment.

The company also proactively applies them to achieve higher international standards like the ASEAN Corporate Governance Scorecard to make CG a solid foundation for its speedy growth.

The PDR corporate governance principles are based on the following the norms



PDR'S PRINCIPLES TO IMPLEMENTING ITS CORPORATE GOVERNANCE



MAJOR CHANGE IN PDR'S CORPORATE GOVERNANCE MODEL IN 2019

- Applying the new model of CG. According to new model, the BOD has decided to change CG model following section B, clause 1, article 134, of the 2014 Enterprise Law and set up the IAC under the BOD to improve management, manage risk and enhance internal control. The BOD added one extra independent director to enhance supervision of its operation.
- Increasing the frequency of meetings with investors and stakeholders. Beside organising meetings in HCM City, PDR has also met investors in Ha Noi and Japan and organised many other events.
- Publishing a quarterly Investor Newsletter to provide full, transparent and timely information about the company.

SIGNIFICANT IMPROVEMENTS

- State management offices have appreciated the company's CG.
- PDR brand name and products' profile have risen.
- The company's leaders has increasingly paid attention to and invested in CG activities.
- It has improved both the opportunity to get information and the quality of information exchange inside the company.
- PDR's shares have attracted significantly more investors and seen the number of transactions increase.

IMPROVEMENTS AND INNOVATION TASKS TO BE CARRIED OUT IN 2020

- Increasing the role and operational efficiency of the IAC.
- Promoting internal communication on CG.
- Strengthening interaction with foreign investors and related parties.
- Providing precise and accurate information about the company to customers and the community.
- Providing clear guidelines and messages for internal communication.

Remuneration, salary and bonus of BOD, BOM and IAC members

STT	Name	Position	Quantity of shares	Owning propotion	Remuneration, salary and bonus in 2019 (before personal income tax)		
					Remuneration, bonus for BOM, IAC and Board of supervisors	Salary and bonus for BOD	Total
I. BOM, BOD AND MANAGERS							
01	Nguyen Van Dat	Chairman cum CEO	200,381,179	61.16%	2,400,000,000	5,081,609,231	7,481,609,231
02	Tran Thi Huong	Vice Chairwoman cum Executive Advisor	644,520	0.20%	1,250,000,000	3,127,430,769	4,377,430,769
03	Nguyen Tan Danh	Vice Chairman	1,476,000	0.45%	1,050,000,000	2,261,286,154	3,311,286,154
04	Le Quang Phuc	Executive Director, Advisory	369,000	0.11%	1,050,000,000	-	1,050,000,000
05	Doan Viet Dai Tu	Non-Executive Director	519,441	0.16%	1,020,000,000	-	1,020,000,000
06	Khương Van Muoi	Independent Director	-	0.00%	720,000,000	-	720,000,000
07	Tran Trong Gia Vinh	Independent Director	578	0.00%	720,000,000	-	720,000,000
08	Le Minh Dung*	Independent Director	-	0.00%	320,000,000	-	320,000,000
09	Pham Trong Hoa	Deputy CEO - In-charge of Construction	3,936	0.00%	-	2,861,981,538	2,861,981,538
10	Bui Quang Anh Vu	Deputy CEO - In-cahrge of Investment	385,236	0.12%	-	2,867,796,923	2,867,796,923
11	Nguyen Thanh Thao	Financial Chief Officer	3,247	0.00%	-	1,084,236,923	1,084,236,923
12	Vu Quynh Hoa	Chief Accounting	-	0.00%	-	940,232,857	940,232,857
TOTAL (I)			203,783,137	62.19%	8,530,000,000	18,224,574,395	26,754,574,395
II. CG IN-CHARGE PERSON, IAC AND BOARD OF SUPERVISORS							
01	Other Members	CG in-charge person/ Board of supervisors/ IAC under the BOD	4,135,047	1.26%	1,022,000,000	-	1,022,000,000
TOTAL (II)			4,135,047	1.26%	1,022,000,000	-	1,022,000,000
TOTAL (I) + (II)			207,918,184	63.46%	9,552,000,000	18,224,574,395	27,776,574,395

* Extra vote on March, 2019

Figure in VND

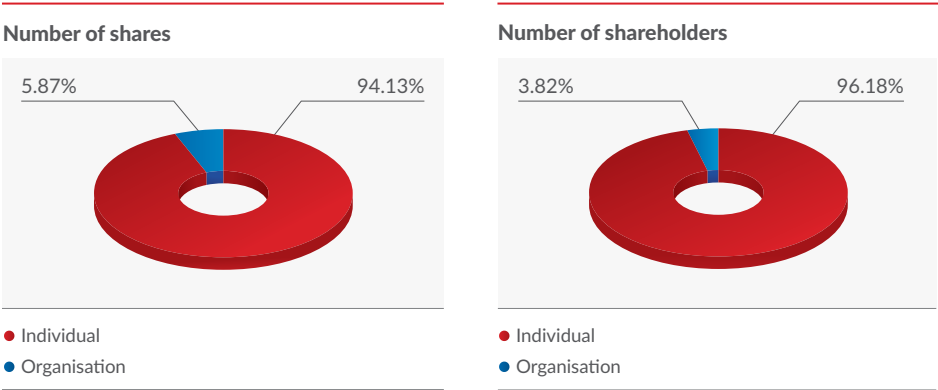


Insiders and related people:
Stock trading

TOTAL CHARTER CAPITAL

Total charter capital:	3,276,579,720,000 VND
• Total share:	327,657,972 shares
• Type of share:	Common share
• Par value:	VND10,000/share
• Number of restricted share:	0 share
• Number of freely-transferred shares:	327,657,972 shares

SHAREHOLDER STRUCTURE



(According to shareholder list on 31/12/2019)

No.	Object	Domestic		Foreign		Total	
		Value	Ratio (%)	Value	Ratio (%)	Value	Ratio (%)
	Number of shares	307,616,104	93.88%	20,041,868	6.12%	327,657,972	100%
01	Individual	307,408,293	93.82%	1,000,081	0.31%	308,408,374	94.13%
02	Organisation	207,811	0.06%	19,041,787	5.81%	19,249,598	5.87%
	Number of shareholders	1,478	95.73%	66	4.27%	1,544	100%
01	Individual	1,451	93.98%	34	2.20%	1,485	96.18%
02	Organisation	27	1.75%	32	2.07%	59	3.82%

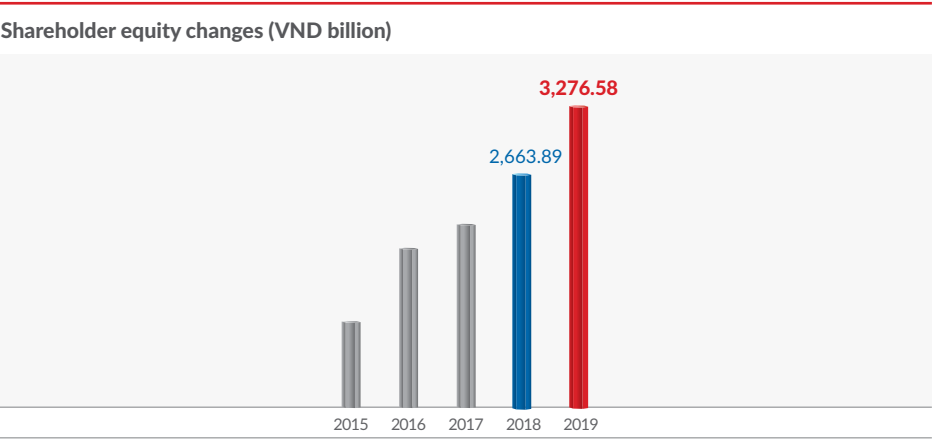
SHAREHOLDER STRUCTURE AND INSIDE SHAREHOLDER LIST

Shareholders structure			
No.	Object	Number of share	Percentage
I	STATE SHAREHOLDER	-	-
II	INTERNAL SHAREHOLDER		
01	Board of Management		
	Foreign	-	-
	Domestic	203,390,718	62.07%
02	Board of Directors	200,770,351	61.27%
03	Board of Supervisors and Internal Audit Committees	4,135,047	1.26%
04	CFO and Chief Accountant	-	-
III	TREASURY SHARE		
IV	TRADE UNION	-	-
V	MAJOR SHAREHOLDER (>5%)		
	Foreign	-	-
	Domestic	200,381,179	61.16%

SHAREHOLDER EQUITY CHANGES

Unit: VND, thousand

No.	Year	Initial charter capital	Increased charter capital	Accumulated charter capital	Form of capital increasing
01	2010	1,302,000,000			Officially listed
02	2015	1,302,000,000	65,099,710	1,367,099,710	Stock dividend at ratio of 5%
03	2015	1,367,099,710	651,000,000	2,018,099,710	Issuing shares at ratio 02:01, price: VND10,000/share
04	2017	2,018,099,710	201,809,520	2,219,909,230	Stock dividend at ratio of 05:01
05	2018	2,219,909,230	443,980,840	2,663,890,070	Stock dividend at ratio of 05:01
06	2019	2,663,890,070	612,689,650	3,276,579,720	Stock dividend at ratio of 100:23



Insiders and related people: Stock trading (countinued)

63.46%

Amount of share owned
by members of BOD, BOM, IAC and
other members of management team.

List of internal shareholder and number of shares										
No.	Name	Position	Share data					Closing quantity (31/12/2019)	Owning ratio	Note
			Beginning quantity (01/01/2019)	Increasing			Decreasing (Selling)			
				Buying	Dividend	Plus				
I. BOM, BOD AND OTHER MANAGEMENT POSITIONS										
01	Nguyen Van Dat	Chairman cum CEO	162,911,528	-	37,469,651	37,469,651	-	200,381,179	61.16%	
02	Tran Thi Huong	Vice Chairwoman cum Executive Advisor	24,000	500,000	120,520	620,520	-	644,520	0.20%	
03	Nguyen Tan Danh	Vice Chairman	1,200,000	-	276,000	276,000	-	1,476,000	0.45%	
04	Le Quang Phuc	Executive Director, Advisory	-	300,000	69,000	369,000	-	369,000	0.11%	
05	Doan Viet Dai Tu	Non-Executive Director	721,200	-	97,131	97,131	298,890	519,441	0.16%	
06	Khuong Van Muoi	Independent Director	-	-	-	-	-	-	0.00%	
07	Tran Trong Gia Vinh	Independent Director	470	-	108	108	-	578	0.00%	
08	Le Minh Dung	Independent Director	-	-	-	-	-	-	0.00%	
09	Pham Trong Hoa	Deputy CEO - In-charge of Construction	13,200	-	736	736	10,000	3,936	0.00%	
10	Bui Quang Anh Vu	Deputy CEO - In-charge of Investment	13,200	300,000	72,036	372,036	-	385,236	0.12%	
11	Nguyen Thanh Thao	Financial chief officier	2,640	-	607	607	-	3,247	0.00%	
12	Vu Quynh Hoa	Chief Accountant	-	-	-	-	-	-	0.00%	
Total (I)			164,886,238	1,100,000	38,105,789	39,205,789	308,890	203,783,137	62.19%	
II. IAC, EC AND OTHER POSITIONS										
01	Nguyen Thi Thu Nguyet	Chief of Board of supervisors	2,640	250	607	857	-	3,497	0.00%	Chief of IAC under BOD replaces chief of Board of supervisors
02	Vo Thi Minh Hang	Supervisor	-	4,131,550	-	4,131,550	-	4,131,550	1.26%	Dismissed on 03.2019
03	Nguyen Ai Linh	Supervisor	6,000	-	-	-	6,000	-	0.00%	Dismissed on 03.2019
04	Vo Hoang Tu	Internal Auditor	-	-	-	-	-	-	0.00%	
05	To Minh Tai	Internal Auditor	-	-	-	-	-	-	0.00%	
06	Phan Huy Han	CG in-charge person	-	-	-	-	-	-	0.00%	
07	Tran Thi Hoai An	CG in-charge person	-	-	-	-	-	-	0.00%	
Total (II)			8,640	4,131,800	607	4,132,407	6,000	4,135,047	1.26%	
TOTAL (I) + (II)			164,894,878	5,231,800	38,106,396	43,338,196	314,890	207,918,184	63.46%	

Note: share beginning and closing data was based on list of shareholders on 31/12/2019

TREASURY SHARE TRANSACTION

In 2019, PDR did not carry out any treasury share transaction.

List of subsidiaries and associates

SUBSIDIARIES

1 PHU QUOC DK JSC

On 09/03/2018, PDR bought shares to own 99% of DK Phu Quoc's charter capital to implement the Technical Infrastructure Investment project for the Ham Ninh Industrial Cluster and Craft Village – Centre of Ham Ninh Commune project at Ham Ninh commune, Phu Quoc island District, Kien Giang Province. The project is fulfilling necessary legal procedures in compliance with capable laws.

Business industry

- Building all type of houses.
- Real estate business with land usage right of owners or renting.
- Real estate, land usage right advisory, broker and auction.
- Other businesses.

Tax code 1701522101

Legal representative

Mr. Duong Le Vu Thanh

Address

No.229, 30/4 Street, Zone 1, Duong Dong Town, Phu Quoc Island District, Kien Giang Province

Charter capital VND710,000,000,000

PDR's capital ratio

VND702,900,000,000; 99%

PDR's capital until 31/12/2019

VND702,900,000,000

2 COININ TECHNICAL INFRASTRUCTURE INVESTMENT AND CONSTRUCTION CO.,LTD

On 19/03/2018, PDR bought share to own 80% of Coinin's charter capital to carry out the BT project of Technical Infrastructure Construction for Zone 1, National Cultural and Historical park project at Long Binh Ward, District 9, HCM City. The project is under construction as planned.

Business industry

- Real estate business with land usage right of owners or renting.
- Real estate, land usage right advisory, broker and auction.
- Building civil technical works.
- Other businesses.

Tax code 0313662185

Legal representative

Mr. Duong Van Toan

Address

271/16 An Duong Vuong, Ward 3, District 5, HCM City

Charter capital VND270,000,000,000

PDR's capital ratio

VND216,000,000,000; 80%

PDR's capital until 31/12/2019

VND216,000,000,000

3 SAI GON -KL REAL ESTATE JSC

On 09/10/2019, PDR signed the contract to receive share and to own 99% of Sai Gon – KL's charter capital to take place the Commerce, Service and Housing Complex project in Binh Duong Province. The project is accomplishing necessary legal procedures in compliance with capable laws.

Business industry

- Real estate business with land usage right of owners or renting.
- Real estate, land usage right advisory, broker and auction.
- Building houses and completing construction.
- Other businesses.

Tax code 3700902915

Legal representative

Mr. Le Quang Phuc

Address

Land plot number 1186-1187, map number 6-2(D2), Binh Duc Quarter, Binh Hoa Ward, Thuan An Town, Binh Duong Province

Charter capital VND268,000,000,000

PDR's capital ratio

VND265,320,000,000; 99%

PDR's capital until 31/12/2019

VND265,320,000,000

ASSOCIATES

1 PDP INVESTMENT AND CONSTRUCTION CO.,LTD

Was founded on 03/07/2018 to invest and construct Phan Dinh Phung Sport Complex project. The project is fulfilling necessary legal procedures in compliance with capable laws to implement.

Business industry

Building civil technical works, building all type of houses, completing construction and other businesses.

Tax code 0315143682

Legal representative

Mr. Nguyen Khac Sinh

Charter capital VND300,000,000,000

Address

422 Dao Tri Street, quarter 1, Phu Thuan Ward, district 7, HCM City

PDR's capital ratio

VND147,000,000,000; 49%

PDR's capital until 31/12/2019

VND2,692,000,000

4 NGO MAY REAL ESTATE DEVELOPMENT JSC

At fourth quarter of 2019, PDR contributed 94% of charter capital to establish the company and successfully won auction of 5,246 m² which allows to build hotel at number 1, Ngo May Street, Quy Nhon City, Binh Dinh Province. The project is fulfilling necessary legal procedures in compliance with capable laws.

Business industry

- Real estate business with land usage right of owners or renting.
- Real estate, land usage right advisory, broker and auction.
- Building houses and completing construction.
- Other businesses.

Tax code 4101553978

Legal representative

Mrs. Tran Thi Huong

Address

No.01, Ngo May street, Nguyen Van Cu Ward, Quy Nhon City, Binh Dinh Province

Charter capital VND1,120,500,000,000

PDR's capital ratio

VND1,053,270,000,000; 94%

PDR's capital until 31/12/2019

VND102,920,000,000

5 PHU HUNG REAL ESTATE INVESTMENT CO.,LTD

In early 2018, the company was still a joint stock company. On 01/02/2018, PDR bought 100% shares to invest and develop The EverRich 2 project. However, under new development trend, the company has stopped orientation since 08/02/2018. Until now, PDR hasn't contributed capital to Phu Hung and is implementing necessary legal procedures to dissolve the company.

Business industry

- Real estate business with land usage right of owners or renting.
- Real estate, land usage right advisory, broker and auction.
- Other businesses.

Tax code 0313558191

Legal representative

Mr. Nguyen Trung Tin

Address

30 Nguyen Thi Dieu Street, Ward 6, District 3, HCM City

Charter capital VND100,000,000,000

PDR's capital ratio

VND100,000,000,000; 100%

PDR's capital until 31/12/2019

VND0

PDR's decided to give dissolution of the company on 06/11/2018.

6 PHAT DAT INVESTMENT CO.,LTD

Established in 2015 to receive the transfer of, and continue to develop, The EverRich 2 with 100% capital contribution from PDR. However, by the end of 2015, PDR decided to cooperate with An Gia - Creed Group to jointly develop The EverRich 2 under the new name River City. After the change, Phat Dat Investment One Member Limited Company had no activities, and returned the contributed capital to PDR. This subsidiary company will soon be dissolved.

Business industry

- Real estate business with land usage right of owners or renting.
- Real estate, land usage right advisory, broker and auction.
- Other businesses.

Tax code 0313241765

Legal representative

Mr. Bui Quang Anh Vu

Address

422 Dao Tri Street, quarter 1, Phu Thuan Ward, District 7, HCM City

Charter capital VND800,000,000,000

PDR's capital ratio

VND800,000,000,000; 100%

PDR's capital until 31/12/2019

VND0

PDR's decided to give dissolution of the company on 18/11/2019.

REPORT BY INTERNAL AUDIT COMMITTEE

In 2019, during the renovation process to increase efficiency of examination and supervision, PDR set up the IAC to replace the previous Board of Supervisors.

After General Meeting of Shareholders approved the change of organisation and management model at Annual General Meeting (AGM) in 2019, PDR dismissed the Board of Supervisors serving the 2018-2023 term in order to establish the IAC, which will operate under the BOD.

In the second quarter of 2019, the BOD approved the establishment of the IAC with the aim to complete a risk management system, increase information transparency and effectiveness in management.

SETTING UP THE INTERNAL AUDIT COMMITTEE

After the AGM of 2019 approved the change of organisation and management model, PDR dismissed the Board of Supervisors serving the 2018-2023 term in order to establish the IAC, which operates under the BOD.

In the second quarter of 2019, the BOD: (1) Approved the establishment of the IAC with the aim to complete a risk management system, increase information transparency and effectiveness in management; (2) Issued the IAC's operation regulations in accordance with Decree No 05/2019/ND-CP on internal audit promulgated by the Government on January 22, 2019.

The IAC includes three members (will be introduced on page 37).

The IAC is an advisory department, which supports the BOD. The IAC independently and objectively examines, analyses: The integrity of mid-year and end of year financial reports; the compliance of the company to applicable laws and rules; the effectiveness of the company's policies, regulations and management process; the implementation of strategic goals, action targets, operational plan and achievements; the recommendations for fixing faults and improvements for internal examination and CG system in order to strengthen efficiency of risk prevention, discovery and solve; and carry out other missions under the IAC's operational regulations to increasing business effectiveness.

ACTIVITIES OF THE INTERNAL AUDIT COMMITTEE

After a year of operation, the IAC has fulfilled all tasks, rights and responsibilities following its operational regulations, which was released on June 18, 2019, comprising of:

1

Proposed and got approval for internal audit plan in 2019

Based on targets, policies, size and risk level of business activities and current resources, the IAC has built a proper internal audit plan in 2019, which was approved by the BOD, for PDR and its subsidiaries.

2

Main activities of the IAC in 2019

- Examining the compliance of laws, rules, and the company's regulations and CG rules; including but not limited the examination of the compliance of the laws, including tax payment, social insurance and other financial duties under regulations.
- Examining the compliance of the company's policies, regulations and management process; assessing suitability and validity of the company's internal examination system in order to prevent, discover and solve all risks.
- Examining and assessing financial reports for six months and the whole year of the company and its subsidiaries.
- Exchanging information and co-operating with the company and subsidiaries, independent audit agencies to find out and clarify all issues arising during the mid-year and the annual audit process to submit risk preventive and solving methods.
- Assessing implementation process to reach business targets.
- Suggesting methods to fix mistakes and faults; to improve internal examination system; and to enhance CG.
- Following up, urging and examining the implementation of suggestions after audits for all departments and subsidiaries.
- Reporting to the BOD about activities, problems and solutions related to the IAC.

3

Attent the BOM's meetings

The IAC took part in several meetings with the BOM to assess the implementation of targets and business plan in 2019; risk management following good practice and to report efficiency of risk control and management.

4

Assessed Information pushlished in the annual report 2019

The IAC confirmed the infromation pushlished in the Annual Report 2019 before submitting to the BOD for review, approval and disclosure.

5

Organised the meetings

Since establishment, the IAC organised two meetings. (1) Assigning mission and approving internal audit plan 2019 before submitting to the BOD for approval; (2) Summarising the IAC's activities in 2019; approving the report for 2019; and requesting the BOD to choose independent auditing company for the fiscal year of 2019.

In 2019, the BOD authorised Ms Tran Thi Huong, Vice Chairwoman, to be in charge of the IAC. Hereafter, the IAC always received close instructions and guidelines as well as full resources to operate. It also got support from The BOM, departments and subsidiaries provided the IAC with resources, required information, documentation and files to fully implement its responsibilities and rights.

EVALUATION ON PDR'S MAIN BUSINESS ACTIVITIES

The compliance with applicable laws; suitability, validity and efficiency of the company's internal examination system

The responsible departments and affiliated companies have absolutely complied with the risk management process to increase their effective performance towards the company's advice on risks.

- The internal examination system is a combination of the company's regulations, rules, policies, process and organisational structure which is built in accordance with applicable laws and is applied to prevent, discover and timely solve all risks.
- The company has set up and released management document system (including: Principles, policies, organisational structure, regulations, process ... in line with applicable laws; rule and CG – representing management requirements and how to implement business operation) to all staffs to understand and carry out.
- The management document system is used by managers as tools to manage staff's daily activities and to co-operate with departments and is applied by the Internal Control Department, under the BOM, as foundation to control the departments' compliance with applicable regulations.
- At the same time, the Internal Control Department supervised operational and financial position of the company and its subsidiaries.

During supervision, the IAC recorded that:

- The company fully fulfilled all financial obligations to the Government and employees under the current state laws and regulations.

- There was no employee, team or department that did not comply with applicable laws and regulations, rules and processes that the company issued.
- The company paid attention to risk management under international practices.

The BOM carried out risk management under good practices; all threats were identified, assessed and reponse methods were released. Risk control and management were closely supervised and countermeasures were taken.

The BOM closely monitored the national economy and the real estate market to timely adjust CG; flexibly dealt with issues rising in practical situation to bring highest efficiency but comply with applicable laws.

The responsible departments and subsidiaries have absolutely complied with the risk management process to increase their performance; there was no damage incurred related to the identified and controlled risks.

The IAC highly appreciates the importance of the Internal Control Department, which played an important role in preventing, discovering, and timely dealing with all risks.

Supervision on transparency of financial statements

The financial statements were rigorously reviewed to accurately and transparently present the financial state of the company and subsidiaries.

The IAC ascertains that the administration process followed a clear receipt-recording and filing system. An established accounting information system of the company and its susidiaries, including accounting books, has been completed in compliance with accounting standards with the related legal regulations.

The financial statements, including the interval and annual consolidated reports, specifically for the mid-year and the whole of 2019, were rigorously reviewed to accurately and transparently present the financial state of the company and subsidiaries.

Some major targets in consolidated annual financial statements

Targets	2017	2018	2019
1. Solvency			Times
Liquidity ratio	7.27	10.16	3.37
Quick ratio	1.64	2.76	0.77
2. Capital structure indicators			Times
Liability	0.72	0.68	0.69
Long-term debt/total assets	0.61	0.61	0.47
3. Operation efficiency indicators			Times
Working capital turnover	0.17	0.27	0.37
Inventory turnover	0.12	0.25	0.30
Accounts receivable turnover	0.68	0.69	1.05
4. Profitability indicators			%
Net profit margin	33.16	29.95	25.71
ROAE	16.82	20.30	22.18
ROAA	4.64	6.12	6.99
Net operating profit margin	27.32	26.28	32.62

Assesement on business results in 2019

Excluding transferred turnover from The EverRich 2 and The EverRich 3, PDR's net revenue achieved 102.3% yearly plan in 2019.

- Net revenue in 2019 was VND3,400.19 billion, an increase of 58.3% in comparison to 2018 but only fulfilled 37.78% of target. The reason was due to complicated transfer procedures. Despite efforts, the company would not be able to accomplish legal transfer procedures for The EverRich 2 to Big Gain company and two remaining apartment land plots (block B2 and B3) of The EverRich 3 to Dynamic Innovation company.
- Excluding transferred turnover from The EverRich 2 and The EverRich 3, PDR's net revenue achieved 102.3% yearly plan in 2019.
- Profit before tax was VND1,105.31 billion, an increase of 45.8% in comparison with 2018, or 110.5% yearly plan
- Net profit after tax was VND874.14 billion, an increase of 35.9% in comparison with 2018, or 109.3% yearly plan.

Information checked in Annual Report 2019

The company has reported and publicly discloses information in accordance with current regulations.

COMMENTS AND RECOMMENDATIONS

The IAC highly appreciates the involvement of the BOM in investment, among other business activities.

Along with great efforts from managers and all staffs, the company fulfilled it yearly plan for profit in 2019.

- The IAC proposes that the BOM ought to remain and accelerate the achievements of 2019, to improve growth and the successful implementation of the company's 2019-2023 business strategy by:
- Reviewing, improving and completing management document system (principles, policies, organisational structure, regulations and process of the company) in line with changes in applicable laws, the company's regulations and CG's rules, good CG practices and best risk management. All will be done by assessing and dismissing none-important control points, adding importnat ones by reviewing balance between profit and expense.
 - Having detailed plan and periodically introducing management document system to staff for them to understand and rise the compliance awareness as well as contributing ideas for the system. It would help it enhance effectiveness of the internal examination system.
 - Evaluating all risks, updating changes for completing risk management.
 - The IAC, moreover, requests the BOM to embrace critical market research, in search for new projects, at the same time tightly controlling expenditure to money flow. Furthermore, increasing the application of information technology into the management system, to enhance the efficiency of business activities.

The IAC also proposes that the BOD should increase the role of the IAC in monitoring and controlling finance, performance and compliance with management systems of various departments and affiliated companies. The holistic approach will act in support of the IAC to improve its operational effectiveness and expertise.



Human Resource for future development

THE IAC'S 2020 ACTION PLAN

Increasing the role and operational efficiency of the IAC the important request from the BOD in order to improve the corporate governance in 2020.

The IAC's 2020 Action Plan is set up based on 2019 achievements, 2020 business plan and targets, additionally, the IAC's goals and identified risk levels and preparation to carry out impromptu first-party audits with details as follows:

The IAC's 2020 Action Plan			
1	2	3	4
The IAC will reinforce human resources, promote responsibility to completely examine, supervise with full rights and duties, regulated in rules and legislations of the company's internal management and the IAC's operational standards.	The IAC will also strengthen its supervision of the compliance of the BOM to laws, internal and external rules and regulations, resolutions passed from the AGM, as well as the company's internal management process and regulations.	The IAC will perform periodic and impromptu audits based on requirements from the BOD and coordinate with the BOD, BOM and related departments in improving and enhancing the company's internal examination system.	The IAC will finally examine and supervise activities of departments and provide recommendations in order to effectively complete the company's administrative procedures and risk management process.

Investor relations



Listed company with an effective Investor Relations activity

TOP3

Mid-Cap Group

Verified by financial institutions
Organised by Vietstock and Fiti



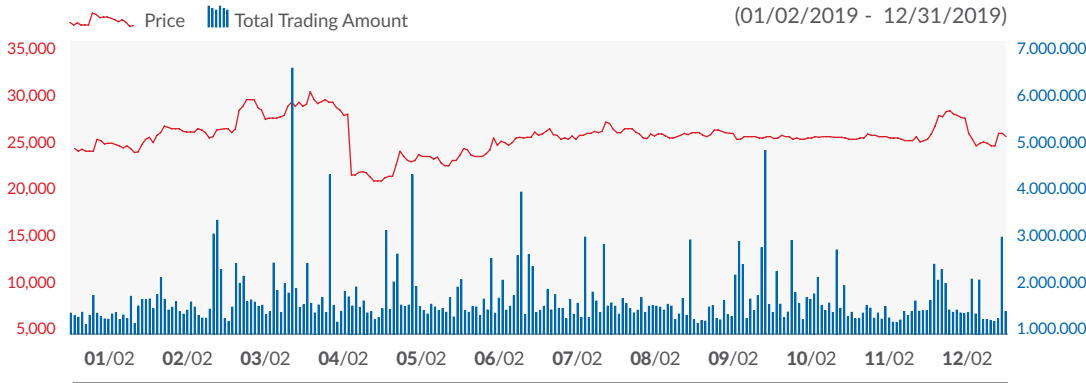
Best Annual Report in 2019

TOP10

Ranked at 7th – Large-Cap Group

Organised by HOSE, HNX
and VIR - Stock

Price chart for PDR stock in 2019 – Adjusted price



Trading volume statistics

No.	Information	Unit	Statistics
01	Total trading day	Trading day	250
02	Total annual average trading volume	Unit	1,073,479
03	Foreign ownership limit	%	49
04	Share price on 12/31/2019	VND	26,200
05	Highest price on 04/08/2019	VND	29,600
06	Lowest price (05/07/2019 – 05/09/2019) – adjusted price	VND	22,850
07	EPS	VND	2,534
08	ROAA	%	6.99
09	ROAE	%	22.18
10	Book value per shares	VND	13,334
11	P/B	Times	1.96
12	P/E	Times	10.34

Source: PDR & HSX

In 2019, PDR achieved good business results in sustainable growth, moreover, the company's announcement for the development strategy 2019 - 2023 with compounded annual growth rate (CAGR) at 38% made PDR shares as one of the most attractive in the stock market.

Furthermore, PDR has gained remarkable results in creating new attraction for its shares, owing thanks to significant improvement in operation of IR with a series of meetings with financial experts in HCM City and Ha Noi, from local to international meetings.

It resulted from a huge trading volume for shares, successful bond issuance and other resulted in co-operation with foreign financial institutions.

Financial and securities companies have provided the most positive assessment to PDR under unpredictable conditions of real estate market. Accordingly, PDR is considered a long term growth stock and a safe investment opportunity given the growth prospect that the Company is aiming for.

In 2019, PDR mobilised 9 bond issuances and current liquidity

(01/01/2019 - 31/12/2019)						
No.	Bond name	Term (year)	Issued bond volume (bond)	Opening balance (VND, billion)	Closing balance (VND, billion)	Interest (VND. billion)
1	First issuance	01	2,000	200	100	14.40
2	Second issuance	01	99	99	99	5.90
3	Third issuance	05	5,500	550	550	25.40
4	Fourth issuance	01	1,500	150	150	10.50
5	Fifth issuance	01	700	70	70	2.30
6	Sixth issuance	01	2,250,000	225	225	5.30
7	Seventh issuance	01	800	80	80	2.40
8	Eighth issuance	01	1,750,000	175	175	-
9	Ninth issuance	01	1,100	110	110	-
TOTAL			4,011,699	1,659	1,559	66.20

No.	Bond investor	Opening balance		Changing balance		Closing balance	
		Holding value (VND, billion)	Proportion (%)	Holding value (VND, billion)	Proportion (%)	Holding value (VND, billion)	Proportion (%)
I. DOMESTIC INVESTOR		1,479	89,15%	40	40%	1,439	92,30%
1	Institutional	1,323	79.75%	40	40%	1,283	82.30%
2	Individual	156	9.40%			156	10%
II. FOREIGN INVESTOR		180	10.85%	60	60%	120	7.70%
1	Institutional	180	10.85%	60	60%	120	7.70%
2	Individual	-	-	-	-	-	-
TOTAL		1,659	100%	100	100%	1,559	100%

Investor Relations principles

Standardising information announcement activity, ensuring full, timely and transparent information, protecting maximum rights and responsibilities of shareholders and investors are PDR’s investor relations’ principles.

The BOD has identified that shareholders – investors are important stakeholders of the company. Because of the nature of relation, the connection between PDR and shareholders is paid great attention. To meet the identification criteria, IR's activity is continuously improved.

IR has been flexibly implemented and thus created most favorable conditions for investors so far to update information through different channels:

- Annual General Meeting of Shareholders.
- Annual reports, quarterly Investor’s Newsletter, financial reports and other publications related to shareholders, ascertain that investors are regularly updated through email and the company's website (at column: Shareholder Notice).
- Meetings and conferences with investors, analysts, securities brokerage specialists were regularly organised in HCM City and Ha Noi.
- Presentations for PDR were held at various securities companies, including: SSI, VNDIS, KIS Vietnam, VDSC, Yuanta Vietnam.
- Dialogue sessions with PDR are periodically organised. The BOD takes part in and provides information, explain any concerns to shareholders and investors.
- Events to welcome shareholders and investors visiting head office and on-going projects are often hosted to shine light on progress of projects.

Significant events for investor relations in 2019	
Month	Activity
01	"Real Estate Market in 2019 - Insight view" conference was organised in-collaboration Vietin Bank Securities company (CTS).
02	Analyst meeting 4 th Quarter, 2018 in PDR.
03	Annual General Meeting for Shareholders in 2019 at Nikko Hotel, District 5, HCM City.
04	Meeting with Korean Investment Fund on seeking investment co-operation.
05	Signing co-operation with Singapore-based Samtys Asia Investments Pte. Ltd. Introducing opportunity to invest in PDR's share at Yuanta Vietnam Securities Co.Ltd.
06	Taking part in "Emerging Market 2019" event organised by HCM City Securities Co.Ltd. Analyst meeting at Pullman Hotel, Tran Hung Dao Street, District 1. A week's meeting with each analyst from securities companies, including Marie Asset, BIDV Securities, ACB Securities
07	Introducing opportunity to invest PDR's share at VN DIRECT Securities Co.Ltd
08	Organising "Broker Meetings" event at Rong Viet Securities Co.Ltd Investor Meeting at Pullman Ha Noi Hotel, Ha Noi.
09	Broker Meetings at KIS Vietnam Securities Co.Ltd.
10	Broker Meeting at Phu Hung Securities Co.Ltd.
11	Other events, meetings.
12	Other events, meetings.

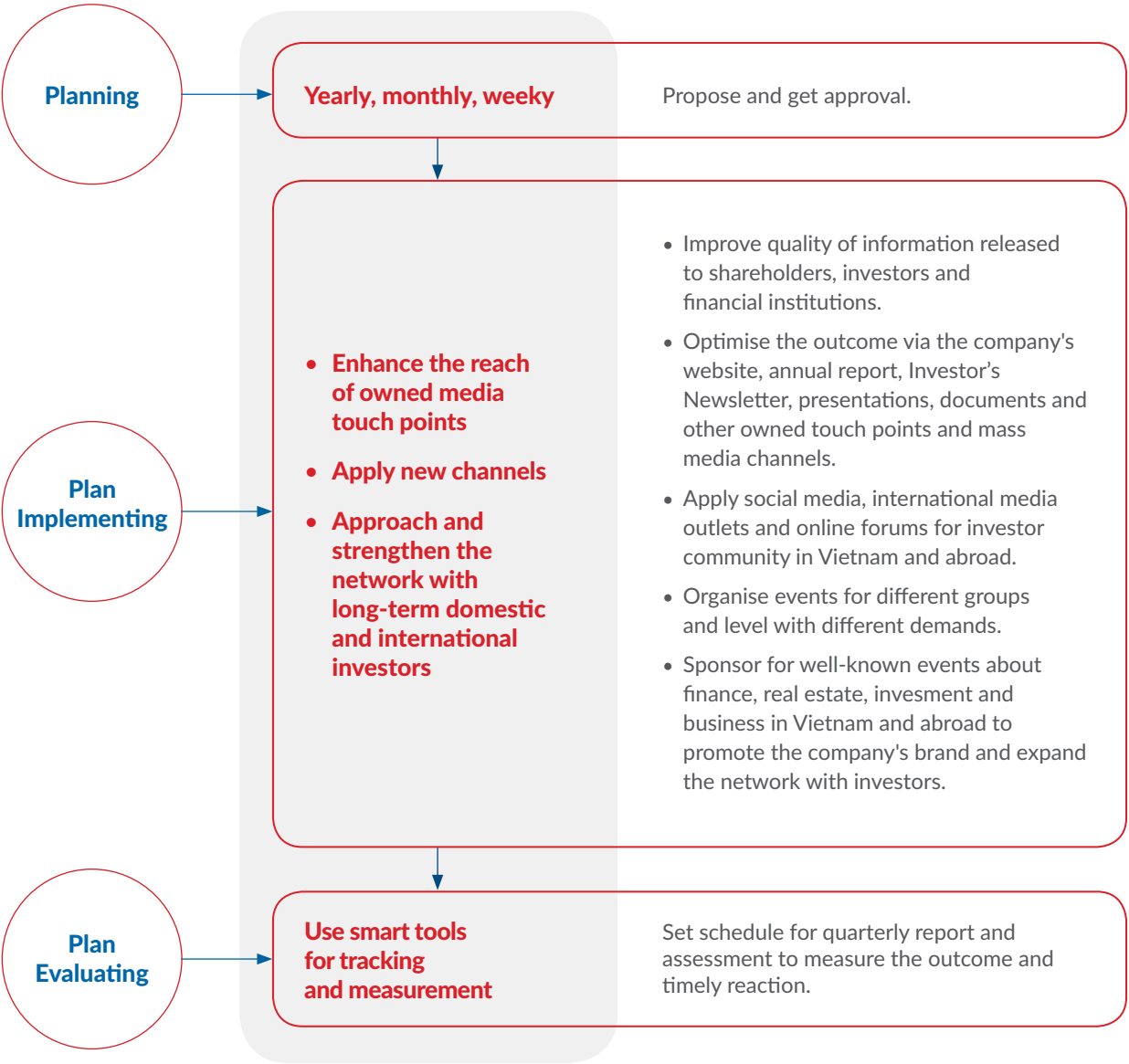
Direction to promote Investor Relations in 2020

Investor Relations is identified as one of the prioritised tasks. This is a key activity to boost influence of PDR both in capital market as well as strength of PDR's shares in the stock market.

Therefore, in the 2020 development target for IR Department to shareholders and the investor community will include:



Investor Relations Action Plan in 2020



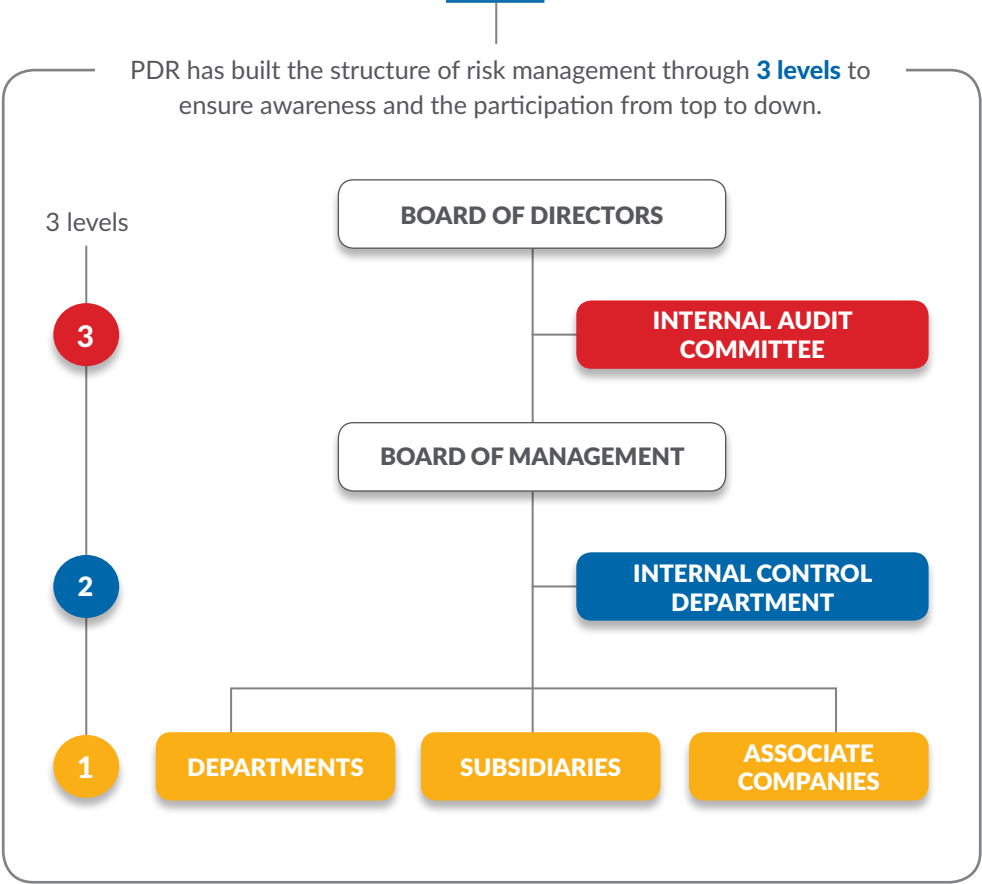
Risk management

Risk management has an integral role in enhancing the efficiency of a business and making it sustainable. It ensures that the business advances in the right direction. PDR considers risk management one of the core tasks of CG.

BASES FOR RISK MANAGEMENT



RISK MANAGEMENT STRUCTURE



RISK MANAGEMENT METHODS

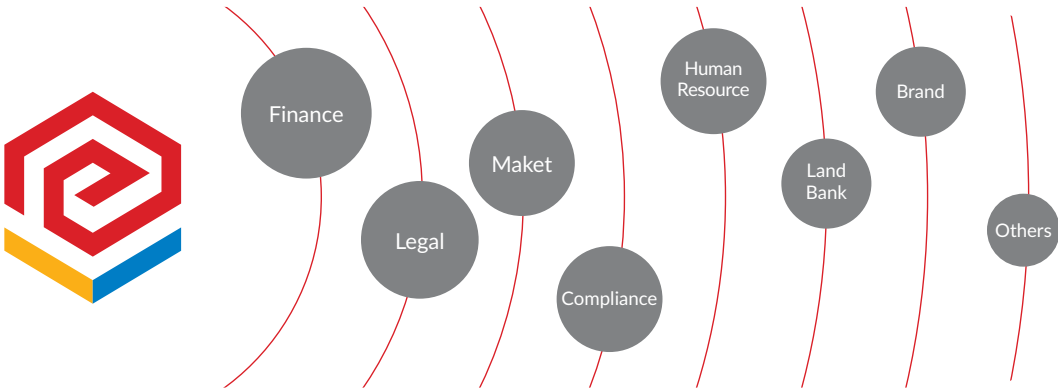
- Set up and retain objectives and strategy on risk management.
- Define types of risk, analyse and evaluate impact of risks.
- Prepare risk reponse plans.
- Define risk management structure and roles.
- Control and report on risk management.

INTERNAL CONTROL PROCESS

Targets of Internal Control Identifying, managing risks (present or potential) and preventing inefficiency and non-compliance with internal requirements during the course of the company's operations to achieve targets and fulfil plans and ensure efficiency.

No.	Duty	Responsibility
01	Preparing internal control plan (periodical or unexpected request).	Internal Control Department
02	Implementing internal control activities (periodical or unexpected request), including: Compliance (with laws and the company's management system). Operational control (performance of the company's objectives/targets and plans; quality and reliability of schedule/specifications/costs/outputs). Financial control (financial resources/ status, evaluation of financial risks/losses/inefficiency, review of managerial reports and financial statements).	Internal Control Department
03	Identifying and reporting non-compliance/incorrect/inefficient/risky activities and providing recommendations.	Internal Control Department
04	Setting up preventive and corrective actions/plans related to non-compliance/incorrect/inefficient/risky activities.	Related departments
05	Implementing preventive and corrective actions/plans.	Related departments
06	Supervising and evaluating preventive and corrective actions/plans.	Internal Control Department
07	Reporting results of preventive and corrective actions/plans.	Internal Control Department

Key Risks



Based on the BOD's assessment on risks facing its operations in 2019, the company has identified several key risks and focused on managing such risks at the highest level.

Financial risks

Risk identification	Risk response activities
<p>In 2019 credit supply was reduced because of new policies from the State Bank of Vietnam like tightening credit to real estate by fixing the risk ratio for real estate credit at 250% while decreasing short- and medium-term loans to under 40%.</p> <p>Banks were also asked to strengthen debt recovery measures, recover loans and try to find more customers. With such policies in place, real estate enterprises find it extremely difficult to mobilise funds from traditional sources.</p> <p>If they are careless, raising funds for a project could cause an imbalance in finances if debt increases significantly and return is slow and cash flows are sluggish.</p>	<ul style="list-style-type: none">• PDR recognises that funds mobilised through bond issuance through quick approval and to accelerate a project creates risks in terms of bond interest, which is calculated into stock or inventory.• Cash flows are speeded up by pushing construction and sale progress to optimise funds usage, but attention should be paid to the debt levels.• Financial structures should be regularly evaluated and rearranged by diversifying fund mobilisation sources in the form of issuing more shares, withdrawing resources from already-invested projects that lack economic efficiency and entering into tie-ups with foreign and local partners.

Risk management (continued)

Legal risks

Risk identification
<p>In recent years, though changes have been introduced to the legal system, especially the Real Estate Business Law, the system needs further refinement to better regulate the property market. So continued amendments to laws and policies can be expected based on changes occurring in the market. Such changes could affect PDR's business plans and operations.</p> <p>Among the major risks real estate businesses face are an overlap of regulations and lack of information, making compliance difficult for them.</p> <p>Meanwhile, investment and land handover procedures remain complicated, often affecting businesses' ownership rights. Last but not least, compensation and site clearance work often run into difficulties while urban planning-related matters are complicated.</p> <p>In 2019 granting of permission for real estate projects was tightened and delayed completion of legal procedures for several projects.</p>

Market risks

Risk identification
<p>The global socio-economic landscape is plagued by a number of disadvantages. The US-China trade war and the economic fluctuations in many countries that have bilateral trade, investment or labour agreements with Vietnam affect our economy, in turn affecting the property market.</p> <p>Besides, buyers are well informed, have stricter demands and tend to seek safety in terms of better legality and more utilities, all at a reasonable price.</p>

Compliance risks

Risk identification
<p>This risk occurs when staff accidentally or intentionally break the company's regulations, internal rules or control processes. Part-time and seasonal workers are often used in the property industry. Such workers are likely to flout regulations.</p>

Risk response activities
<ul style="list-style-type: none">• In order to forecast and properly prepare for regulatory changes, an in-house legal team with senior lawyers who are experts in the Business Law and Real Estate Business Law is essential.• Besides having this highly experienced team, trustworthy law firms are retained to obtain relevant industry-specific regulatory updates and carry out adjustments to internal processes and policies to ensure legal compliance.• PDR is ready to hire leading legal experts if and when necessary.• The project investment and development department assesses the situation to come up with the best solutions for completing legal procedures.

Risk response activities
<ul style="list-style-type: none">• PDR closely monitors market changes for identifying risks and taking prompt action, both proactively and reactively.• The company promotes its employees' capability in adapting to changes in the business environment.• It continues to diversify its products, focusing on small and medium-sized projects.• PDR develops products and projects in line with the demands of customers in various places.• The company seeks to sustain quality standards and product value to ensure it is highly competitive in the market.

Risk response activities
<ul style="list-style-type: none">• The IAC was established to improve supervision and management. Furthermore, the advisory commission and internal board of supervisors have also helped the company ensure the highest levels of compliance with regulations.• Operating rules for internal examination and CG should be updated and amended based on the practical situation and the company's evolving requirements.• The management system is constantly upgraded along with human resource quality to ensure efficient management of expenditure, quality and project deadlines.• Operational processes and mechanisms together with assessments of individuals and departments are necessary to reduce mistakes.• The code of conduct for "Phat Dat People" is based on high ethical standards, and it is communicated and applied at all levels, from the lowest to the top.• Anyone violating company regulations faces severe punishment.• Besides, the company carries out impromptu and frequent assessments of all departments, especially those that are thought to be prone to violating regulations. The results are reported to the BOM and the BOD.

High-quality human resource risks

Risk identification
<p>The human resource market is first and foremost becoming increasingly competitive. Both international and local companies offer many perks to attract talent. PDR too faces challenges in attracting high-quality human resources and the result is not easy to ensure rapid growth.</p>

Land bank risks

Risk identification
<p>Last year the Vietnamese real estate market faced an enormous supply shortfall. The decline in supply ultimately led to an imbalance and increase in prices.</p> <p>Compensation payment and site clearance are always considered risky since they often cause delays resulting in increased costs and thus lower profits.</p>

Brand name risks

Risk identification
<p>Brand name risk is defined as loss or damage caused by false information from external sources that causes panic or worry among PDR's customers, shareholders and investors.</p>

Other risks

Risk identification
<p>Other risks associated with force majeure circumstances such as natural disasters, floods, fire, etc, which can impact construction, slow down progress, partly or totally destroy construction, are less probable but damages caused by such catastrophes can be huge and difficult to manage.</p>

Risk response activities
<ul style="list-style-type: none">• Building a good and attractive working environment and mechanism to retain talent.• Non-stop learning and capacity building by individuals and teams or departments and improving remuneration policies with fair salaries and bonuses.• Having practical plans for training and mentoring human resource to ensure there is no lack of replacements in future.

Risk response activities
<ul style="list-style-type: none">• Proactively seeking and securing unencumbered lands at good locations in HCM City and elsewhere by buying or through the BT process, and gentrifying areas in line with the company's criteria.• The company is also focusing on development and sale of highly profitable short-term projects and middle-priced projects to diversify and increase market share.

Risk response activities
<ul style="list-style-type: none">• Scrupulously complying with applicable laws to disclose regular and extraordinary information.• Respecting the values of customers, shareholders and investors.• Efficiently implementing public communications, media strategies and managing the brand image.• Closely working with relevant authorities to seek the best solutions for dealing with crises.• Providing well-founded responses to deal with assumed problems and mitigate damages.

Risk response activities
<ul style="list-style-type: none">• PDR strictly complies with laws related to fire safety and other disasters across its system ranging from its head office to project sites.• All its properties and facilities (computer systems, office equipment) are insured.• Given the nature of the real estate business, all its buildings are also insured along with their assets.

Legal compliance

As a listed company, PDR strictly complies with regulations for governance and laws like the Enterprise Law, Law on Real Estate Trading, Law on Securities, etc.

In the Enterprise Law, Article 68/2014/QH13 regulates the operation of joint stock companies such as the organisation and convention of annual general meetings.

In the Law on Real Estate Trading, Article 66/2014/QH13 regulates specifics and requirements of off-plan properties, sales of off-plan properties and the execution of guarantees for sale of properties to be built in future.

The company also complies with Circular 95/2017/TT-BTC and issues internal regulations using the form provided thereunder.



Assessing corporate governance performance based on ASEAN corporate governance scorecard



The ASEAN Corporate Governance Scorecard (ACGS) is one of the initiatives of the ASEAN Capital Market Forum (ACMF) under co-operation and support of Asian Development Bank (ADB).

From 2019, PDR has adopted ACGS as a base to assess the company's CG performance as this provides a rigorous methodology benchmarked against international best practices. PDR (and together with its subsidiaries) is committed to observing and regularly improving its CG practices. Also, this is our hope to be part of this prestigious recognition to further strengthen the ASEAN business community.

ASEAN CORPORATE GOVERNANCE SCORECARD

PDR follows the guidelines of ASEAN Corporate Governance Scorecard to make the self-assessment on the company's CG operation. The results show the company has reached good scores, especially on the areas of Responsibilities of the Board, Shareholders Rights and Disclosure and Transparency.



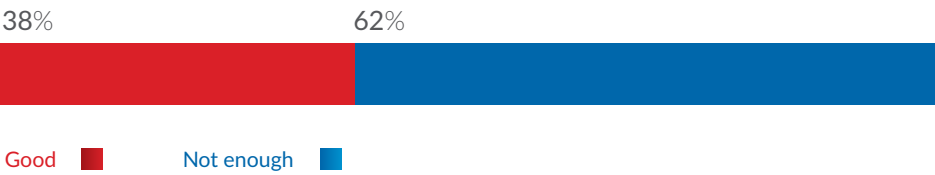
PENALTY CARD

PDR exceeds most of penalty questions. The company got the highest scores in the area of Shareholder Rights.



BONUS CARD

In 2020, PDR improves CG operation to the further level as the company distinguishes the Board Chairman and CEO.



Note	Good	Fully complied the regulations.
	Not enough	Complied but not enough.
	Not yet	Not yet applied.
	N/A	PDR does not record any case.

Assessing corporate governance performance based on
ASEAN corporate governance scorecard (continued)

ASEAN CORPORATE GOVERNANCE SCORECARD

Questionnaires	Content	Assessment	Result
A.	Basic Shareholders Rights		
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at Annual General Meetings (AGM) for final dividends?	Good	The AGM 2019 was organised at 30/03/2019 and approved dividend issuance by share in 2018 at ratio of 100:23, closed day for listing was 25/04/2019, payment day was: 02/05/2019
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	Good	At PDR's AGM, elections for board directors/commissioners was regulated by Election Regulation department with clear process for shareholders. Referencing the AGM document, elections for board directors/commissioners and audit committee during 2018 -2023 was organised on 30/03/2018. On 30/03/2019 election was held to add an extra 01 independent commissioner and dismissed the Board of supervisors.
A.3.5	Do the minutes of the most recent Annual General Meeting (AGM) record that the shareholders were given the opportunity to ask questions and raise problems?	Good	Minutes of the PDR's most recent AGM recorded all and full shareholders' questions and board's answers.
A.3.6	Do the minutes of the most recent AGM record questions and answers?	Good	
A.3.7	Does the company disclose the most recent AGM's resolutions in latest results?	Good	Most recent AGM's minutes and resolutions were fully disclosed within 24 hours in PDR website as well as being sent to HCM City Stock Exchange and the State Securities Commission.
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	Good	Most recent AGM's minutes disclosed the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item.
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	Good	Most recent AGM's minutes disclosed the list of board members who attended the AGM.
A.3.10	Did the Chairman take part in AGM?	Good	Chairman cum CEO took part in all meetings, including AGM and others.
A.3.11	Did the CEO take part in AGM?	Good	
A.3.12	Did the Head of Board of supervisors take part in AGM?	Good	The Head of Board of supervisors took part in AGM.
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	Good	Shareholders voted by poll as approving, dissenting, and abstaining votes for all resolutions/each agenda item.
A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	Good	At AGM, PDR always invites representatives of shareholders to count and/or validate the votes. In 2019 AGM, PDR continued to invite but shareholder representative did not participate in counting and validating the votes.
A.3.17	Does the company make the results of the most recent AGM/EGM resolutions public available for all in the next working day?	Good	AGM's minutes and resolutions were announced within 24 hours.
A.3.19	Does the company provide at least 21 days proposal for all AGMs?	Not enough	At AGM 2019, held on 30/03/2019, PDR has announced all documents and proposals for this AGM on 14/03/2019. According to the Enterprise Law, AGM's documents should be sent 10 days before AGM and the company's regulation is 15 days.
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the BOD/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	N/A	At PDR, this situation has not occurred yet.
A.5.1	Does the company disclose its practices to encourage shareholders to engage with the company beyond AGM?	Not enough	Approving activities to improve investor's relationship
B	Equitable Treatment of Shareholders		
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	Good	Resolutions of AGM 2019 well implemented the content.
B.2.2	Are the company's announcement of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	Not enough	In 2019, PDR was in the process to disclose information and documents by both Vietnamese and English version.
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	Good	PDR fully announced profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in election/re-election.
B.2.4	Are the auditors seeking appointment/reappointment clearly identified?	Good	Documents of AGM were mentioned statuses of auditor's appointment/reappointment clearly.

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Questionnaires	Content	Assessment	Result
B.2.5	Did AGM material explain about dividend policy?	Good	Documents of AGM were mentioned about this issue, including annual dividend ratio, cash for dividend and money amount for different funds.
B.2.6	Did AGM material disclose dividend ratio?	Good	
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?	Good	PDR is well implementing this principle under circular number 155/2015/TT-BTC and the company's regulations.
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material related party transactions (RPTs) to determine whether they are in the best interests of the company and shareholders?	Not yet	PDR will consider to add this rule into the coming years.
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	Not enough	Board members (directors/commissioners) are allowed to participate but not to vote in the board discussion on a particular agenda when they are conflicted.
B.5.1	Does the company have a policy supporting finance for units which are not affiliated?	Good	PDR doesn't have circumstances occurring.
C.	Role of stakeholders		
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.		
	Does the company disclose a policy and practices that address:		
C.1.1	The existence and scope of the company's efforts to address customers' Benefits?	Not enough	PDR already presented on this issue in the 2018 annual report and in its on-going document for CG.
C.1.2	Supplier/contractor selection procedures and process explanation?	Good	PDR has a process and activity of selecting suppliers / contractors. However, it is an internal circulation process and is approved by the PDR's General Manager.
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	Good	PDR already presented on this issue in the 2018 annual report.
C.1.4	The company's efforts to interact with the communities in which they operate?	Good	PDR already presented on this issue in the 2018 annual report.
C.1.5	The company's anti-corruption programmes and procedures?	Good	PDR already presented on this issue in the 2018 annual report.
C.1.6	How creditors' rights are safeguarded?	Not yet	PDR will consider to add this rule in the coming years.
C.1.7	The company's detail practices to protect customers' safety and health?	Good	PDR already presented on this issue in the 2018 annual report.
C.1.8	Supplier/contractor selection procedures?	Good	PDR released process and standards to select suppliers and contractors.
C.1.9	Environmentally friendly value chain.	Good	PDR already presented on this issue in the 2018 annual report.
C.1.10	Activities of interaction with the communities.	Good	PDR already presented on this issue in the 2018 annual report.
C.1.11	Anti-corruption programme and process	Good	PDR already presented on this issue in the 2018 annual report and the procedures and regulations clearly expressed the decision-making authority on financial management of PDR to prevent corruption.
C.1.12	Creditors' rights	Not yet	PDR will consider to add this rule in the coming years.
C.1.13	Does the company have a separate report/section that discusses its responsibility/sustainable development?	Good	PDR already presented on this issue in the 2018 annual report at sustainability section.
C.2	Where stakeholder's interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.		
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	Good	PDR provides contact information on website, quarterly Investor's Newsletter and annual report.
C.3	Mechanisms for employee participation should be permitted to develop.		
C.3.1	Does the company explicitly disclose the policies on health, safety and Benefits for its employees?	Good	PDR's annual report and quarterly Investor's Newsletter have clearly and fully sensitised the criteria.
C.3.2	Does the company explicitly disclose the practices on health, safety and Benefits for its employees?	Good	
C.3.3	Does the company explicitly disclose the policies on training and development programmes for its employees?	Good	
C.3.4	Does the company explicitly disclose the practices on training and development programmes for its employees?	Good	
C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	Good	

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Questionnaires	Content	Assessment	Result
C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.		
C.4.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour?	Good	PDR has established and issued content and process within collective labour agreement, code of behaviour conduct for "Phat Dat People" and addressed in the annual report as well.
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	Good	
D.	Disclosure and transparency		
D.1	Transparent ownership structure		
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	Good	PDR has provided details in periodic corporate report in every 6 months, one year and annual report.
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	Good	
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	Good	
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	Good	
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs)/ (SPVs)?	Good	PDR has disclosed this information in annual report and periodic financial report.
D.2	Quality of Annual Report		
D.2.1	Major risks	Good	PDR has disclosed major risks in annual report.
D.2.2	Corporate objectives	Good	PDR's targets and plans have been disclosed in annual reports and Shareholders Notice column in the company's website.
D.2.3	Financial performance indicators	Good	
D.2.4	Non-financial performance indicators	Good	PDR has disclosed these contents in annual report and Shareholders Notice column in the company's website.
D.2.5	Dividend policy	Good	
D.2.6	Details of pricing policy	Not yet	PDR will consider to add this rule into the coming years.
D.2.7	Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners	Good	
D.2.8	Training courses/constructive courses for directors/commissioners to take part in.	Good	PDR has disclosed these contents' details in the annual report.
D.2.9	Number of meetings were held exclusively for directors/ commissioners during the year	Good	
D.2.10	Attendance details of each director/commissioner in all directors/ commissioners meetings held during the year	Good	
D.2.11	Total remuneration of each member of the board of directors/commissioners"	Good	PDR has clearly presented these contents in annual report.
D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of CG and where there is non-compliance, identify and explain reasons for each such issue?	Good	
D.3	Disclosure of related party transactions (RPT)		
D.3.1	Does the company disclose its policy covering the review and approval of material on RPTs?	Not enough	PDR's Sustainability Report has presented the issue but it was not in detail. PDR will review and improve the content in the coming years.
D.3.2	Does the company disclose the name and relationship for each material on RPTs?	Good	PDR has complied with this in the company's charter and discloses the transactions in its management reports and annual reports.
D.3.3	Does the company disclose the nature and value for each material on RPTs?	Good	PDR has clearly represented these contents in annual report.

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Questionnaires	Content	Assessment	Result
D.4	Directors and commissioners dealings in shares of the company		
D.4.1	Does the company disclose trading in the company's shares by insiders?	Good	PDR has clearly represented these contents in annual report and CG report for every 6 months and a year.
D.5	External auditor and Auditor Report		
D.5.1	Are the audit fees disclosed?	Not enough	The company has disclosed contract signing with audit company but hasn't revealed fee.
D.5.2	Are the non-audit fees disclosed?	N/A	PDR does not have non-audit fees.
D.5.3	Does the non-audit fee exceed the audit fees?	N/A	PDR does not have non-audit fees hence there is no comparison.
D.6	Medium of communications		
D.6.1	Quarterly reporting	Good	PDR has timely and fully issued quarterly reports on website, HCM City Stock Exchange and the State Securities Committee.
D.6.2	Company website	Not enough	PDR's website is available in Vietnamese and English. All listed information is being translated to English.
D.6.3	Analyst's briefing	Good	PDR has periodically organised meetings with shareholders, investors, securities analyst's every month, quarterly to update business activities.
D.6.4	Media briefings /press conferences	Good	The company regularly writes articles to update business activities, promote image through mass media and conferences...
D.7	Timely filing/release of annual/financial reports		
D.7.1	Are the audited annual financial reports/statements released within 120 days from the financial year end?	Good	PDR has disclosed audited annual financial reports on website, HCM City Stock Exchange, the State Securities Committee and Investor's Newsletter.
D.7.2	Is the annual report released within 120 days from the financial year end?	Good	
D.7.3	Is the true and fairness/fair representation of the annual financial statements/reports affirmed by the BOD/commissioners and or the relevant officers of the company?	Good	PDR has disclosed the issue on financial report and annual report.
D.8	Company website		
D.8.1	Business activities	Good	PDR has disclosed the issue on website and annual report.
D.8.2	Financial statements/reports (latest yearly)	Good	PDR has disclosed the issue on website and annual report.
D.8.3	Materials provided in briefings to analysts and media	Good	PDR has provided all materials which are monthly and quarterly updated.
D.8.4	Owning structure	Good	PDR has disclosed the issue on website and annual report.
D.8.5	Organisation structure	Good	PDR has disclosed the issue on website and annual report.
D.8.6	Downloadable annual report	Good	Easily to download PDR's annual report.
D.8.7	Notice of AGM and/or Extraordinary General meeting (EGM)	Good	PDR has disclosed the issue on website, 6-month and 1-year CG report and annual report.
D.8.8	Minutes of AGM and/or EGM	Good	PDR has disclosed the issue on website, 6-month and 1-year CG report and annual report.
D.8.9	Company's constitution (company's by-laws, memorandum and articles of association)	Good	PDR's regulations were fully published on website and sent to HCM City Stock Exchange and the State Securities Committee.
D.9	Investor relations		
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for IR?	Good	PDR's website has a list of contacts and FAQs. Additionally, contact detail of Investor and Shareholder Relationship Department on annual report and quarterly newsletter.
E.	Responsibilities of the Board		
E.1	Board Duties and Responsibilities, clearly defined board responsibilities and CG policy		
E.1.1	Does the company disclose its CG policy / board charter?	Good	PDR has disclosed the issue on website, 6-month and 1-year CG report.

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Questionnaires	Content	Assessment	Result
E.1.2	Are the types of decisions requiring the BOD/commissioners' approval disclosed?	Good	PDR has disclosed the issue on website, 6-month and 1-year CG report and annual report.
E.1.3	Are the roles and responsibilities of the BOD/commissioners clearly stated?	Good	Regulations and rules on CG have represented roles and responsibilities of the BOD/commissioners. This issue has disclosed at annual report and 6-month and 1-year CG report.
	Corporate Vision/Mission		
E.1.4	Does the company have an updated vision and mission statement?	Good	PDR has disclosed the issue on website and annual report.
E.1.5	Does the BOD play a leading role in the process of developing and reviewing the company's strategy at least annually?	Good	PDR periodically reviews vision, mission/strategy and has disclosed on annual report.
E.1.6	Does the BOD have a process to review, monitor and oversee the implementation of the corporate strategy?	Good	Members of the BOD direct the strategy formulation and supervision/review through regular the BOD meetings; abnormal (if any).
E.2	Board structure		
	Code of Ethics or Conduct		
E.2.1	Are the details of the code of ethics or conduct disclosed?	Good	PDR has disclosed the issue on annual report.
E.2.2	Are all directors/commissioners, senior management and employees required to comply with the code/s?	Good	PDR has disclosed the issue on annual report.
E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?	Not enough	PDR will consider to add this rule in the coming years.
	Board Structure & Composition		
E.2.4	Do independent directors/commissioners make up at least 50% of the BOD/commissioners?	Not enough	PDR hasn't met the criteria but will consider to add this rule in the coming years.
E.2.5	Do independent directors/commissioners separate/be independent with the BOD and major shareholders?	Good	PDR has fully met with the criteria.
E.2.6	Does the company have a term limit of nine years its directors/ commissioners?	Good	PDR's charter stipulates the term of office of members of the BOD do not exceed 5 years.
E.2.7	Has the company set a limit of five board seats that an individual independent/non-Executive Director/commissioner may hold simultaneously?	Good	PDR has fully met with the criteria.
E.2.8	Does the company have any Executive Directors who serve on more than two boards of listed companies outside of the company?	Good	PDR has no Executive Board members who serving more than 2 boards of companies listed outside PDR.
	Nominating Committee		
E.2.9	Does the company have a Nominating Committee?	Not enough	PDR hasn't gotten the Nominating Committee so far.
E.2.10	Is the Nominating Committee comprised of a majority of independent directors/commissioners?"	Not enough	
E.2.11	Is the chairman of the Nominating Committee an independent director/commissioner?	Not enough	
E.2.12	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	Not enough	
E.2.13	Did the Nominating Committee meet at least twice during the year?	Not enough	
E.2.14	Is the meeting attendance of the Nominating Committee disclosed?	Not enough	PDR hasn't gotten the Renumeration/ Compensation Committee so far.
	Remuneration Committee/ Compensation Committee		
E.2.15	Does the company have a Remuneration Committee?	Not enough	
E.2.16	Is the Remuneration Committee comprised of a majority of independent directors/commissioners?	Not enough	
E.2.17	Is the chairman of the Remuneration Committee an independent director/commissioner?	Not enough	
E.2.18	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	Not enough	
E.2.19	Did the Remuneration Committee meet at least twice during the year?	Not enough	
E.2.20	Is the meeting attendance of the Remuneration Committee disclosed?	Not enough	

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Questionnaires	Content	Assessment	Result
	Audit Committee		
E.2.21	Does the company have an Audit Committee?	Good	At AGM 2019, PDR dismissed the Board of supervisors and established the Internal Audit Committee under the BOD.
E.2.22	Is the Audit Committee comprised entirely of non-Executive Directors/commissioners with a majority of independent directors/ commissioners?	Not enough	At AGM 2019, PDR dismissed the Board of supervisors; for the previous years, all member of Board of supervisors were non-executive but not independent ones.
E.2.23	Is the chairman of the Audit Committee an independent director/commissioner?"	Good	Chairman of the Internal Audit Committee under the BOD is independent commissioner.
E.2.24	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Not enough	PDR dismissed the Board of supervisors and established the Internal Audit Committee under the BOD on March, 2019. Action regulation of the Internal Audit Committee is under construction and release soon.
E.2.25	Does the annual report disclose the biography or qualifications of members of the Audit Committee?	Good	PDR's Annual Report is going to mention to this issue.
E.2.26	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	Good	Chairman of the dismissed Board of supervisors is now an independent commissioner and has accounting expertise.
E.2.27	Did the Audit Committee meet at least four times during the year?	Good	IN 2019, PDR's Board of supervisors did not meet at least 4 times a year because since March 30, 2019, AGM dismissed the commission and set up the Internal Audit Committee under the BOD.
E.2.28	Is the meeting attendance of the Audit Committee disclosed?	Good	PDR has disclosed the issue on annual report.
E.2.29	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	Good	PDR has disclosed the issue on annual report.
E.3	Board Processes		
	Board meetings and attendance		
E.3.1	Are the BOD meeting scheduled before the start o the financial year?	Good	Every year, PDR has set up AGM before the start of financial year and reported in annual report.
E.3.2	Does the BOD/commissioners meet at least six times during the year?	Good	In 2019, the BOD had 25 meetings, which were mentioned in the CG report and annual report.
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	Good	PDR has mentioned this in CG report and annual report of 2019.
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	Good	In 2019, the BOD had 25 meetings, which were mentioned in the CG report and annual report.
E.3.5	Did the non-Executive Directors/commissioners of the company meet separately at least once during the year without any executives present?	Not enough	PDR has fulfilled the criteria and considers to continue to implement in 2020.
	Access to information		
E.3.6	Are board papers for the BOD/commissioners meetings provided to the board at least five business days in advance of the board meeting?	Good	PDR has complied the criteria.
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	Good	PDR has two personnel who are in charge of CG instead of the board secretary who are assisting the board to fully implement their responsibilities.
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	Good	PDR has two personnel who are in charge of CG, one of them is a lawyer and is trained on legal framework and CG.
	Board Appointments and Re-Election		
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	Good	PDR has complied to the criteria.
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	Good	PDR has complied to the criteria.
E.3.11	Are all directors/commissioners subject to re-election every 3 years?	Not enough	Tenure of every board member is 5-year.

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Questionnaires	Content	Assessment	Result
	Remuneration Matters		
E.3.12	Does the company disclose its remuneration (fees, performance bonuss, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long-term incentives and performance measures) for its Executive Directors and CEO?	Good	PDR has disclosed the issue in annual report.
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	Good	PDR has disclosed the issue in annual report.
E.3.14	Do the shareholders or the BOD approve the remuneration of the Executive Directors and/or the senior executives?	Good	PDR has disclosed the issue in annual report.
E.3.15	Does the company have measurable standards to align the performance-based remuneration of the Executive Directors and senior executives with long-term interests of the company, such as clawback provision and deferred bonuses?	Not enough	PDR will consider to add this rule in the coming years.
	Internal Audit		
E.3.16	Does the company have an Internal Audit Committee function?	Good	PDR established the Internal Audit Committee under the BOM.
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Good	PDR hasn't disclosed the content but will implement in the years ahead.
E.3.18	Does the appointment and removal of the Internal Auditor require the approval of the Audit Committee?	N/A	PDR hasn't faced with the issue because the Board of supervisors was dismissed to establish the Internal Audit Committee under BOM.
	Risk Oversight		
E.3.19	Does the company establish a sound internal control procedures/risk management framework?	Good	PDR has complied to the criteria and fully mentioned on annual report.
E.3.20	Have the BOD/commissioners conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Good	
E.3.21	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	Good	PDR has complied to the criteria and fully mentioned on annual report.
E.3.22	Does the Annual Report/Annual CG Report contain a statement from the BOD/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	Good	PDR has complied to the criteria and fully mentioned on annual report.
E.4	Personnel in the Board		
	Board Chairman		
E.4.1	Do different persons assume the roles of chairman and CEO?	Not enough	In 2020, PDR will separate chairman and CEO.
E.4.2	Is the chairman an independent director/commissioner?	Not enough	Independent commissioner of the board is not chairman.
E.4.4	Are the roles and responsibilities of the chairman disclosed?	Good	The company's CG disclosed the issue.
	Skills and Competencies		
E.4.5	Does at least one non-Executive Director/commissioner have prior working experience in the major sector that the company is operating in?	Good	Non-executive commissioners have many years experience prior in real estate.
E.4.6	Does the company have any programme to diversify board commissioners?	Not enough	PDR hasn't met the criteria and will consider to improve in the coming years.
E.5	Effective Board of Management		
E.5.1	Does the company have orientation programmes for new directors/commissioners?	Not enough	Annual assessment to the board and CEO has disclosed in annual report but orientation programme for new directors/ commissioners is not clear.
E.5.2	Does the company have a policy that encourages directors/ commissioners to attend on-going or continuous professional education programmes?	Good	PDR has complied the criteria.
E.5.3	Does the company disclose the process on how the BOD/ commissioners plans for the succession of the CEO/Managing Director/President and key management?	Good	PDR has trained, planned and fostered the succession procedures and is ready to appoint new personnel.
E.5.4	Does the BOD/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	Good	PDR has disclosed the issue on annual report at the management assessment.

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Questionnaires	Content	Assessment	Result
E.5.5	Did the company conduct an annual performance assessment of the BOD/commissioners?	Not enough	PDR will consider, assess and set up process, criteria in the time ahead.
E.5.6	Did the company disclose process for an annual performance assessment of the BOD/commissioners?	Not enough	
E.5.7	Did the company disclose the criteria for an annual performance assessment of the BOD/commissioners?	Not enough	
E.5.8	Did the company conduct an annual performance assessment of the individual directors/commissioners?	Not enough	
E.5.9	Did the company disclose the process for an annual performance assessment of the individual directors/commissioners?	Not enough	
E.5.10	Did the company disclose the criteria for an annual performance assessment of the individual directors/commissioners?	Not enough	
E.5.11	Did the company conduct an annual performance assessment of the board committees?	Not enough	

PENALTY QUESTIONS

Questionnaires	Content	Assessment	Result
A.	Rights of shareholders		
A.1	Basic shareholder rights		
A.1.1	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	Good	PDR hasn't recorded any case. The company's regulations and internal CG, clearly addresses on the equal treatment for share repurchases to all shareholders.
A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.		
A.2.1	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	Good	PDR hasn't recorded any barrier.
A.3	Right to participate effectively and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meetings.		
A.3.1	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	Good	PDR has always announced in advance to shareholders about additional agenda and item of AGM/EGM.
A.3.2	Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?	Good	PDR has complied to the regulation. At AGM, all members of the BOM, the BOD, Internal Audit Committee and other managers participated.
A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.		
A.4.1	Did the company fail to disclose the existence of shareholders agreement?	Good	The agreement does not exist in PDR.
A.4.2	Did the company fail to disclose the existence of voting cap?	Good	PDR has regulated details in programme - voting rules at AGM.
A.4.3	Did the company fail to disclose the existence of multiple voting rights?	Good	Multiple voting rights do not exist in PDR.
A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.		
A.5.1	Is a pyramid ownership structure and/ or cross holding structure apparent?	Good	PDR does not record any pyramid ownership structure and/ or cross holding structure apparent.

Assessing corporate governance performance based on
ASEAN corporate governance scorecard (continued)

PENALTY QUESTIONS

Questionnaires	Content	Assessment	Result
B.	Equitable treatment of shareholders		
B.1	Insider trading and abusive self-dealing should be prohibited.		
B.1.1	Has there been any conviction of insider trading involving directors/ commissioners, management and employees in the past three years?	Good	PDR does not record any violation.
B.2	Protecting minority shareholders from abusive action		
B.2.1	Has there been any cases of non-compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?	Good	PDR does not record any violation.
B.2.2	Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly-owned subsidiary companies?	Good	PDR does not record any RPTs violation.
C.	Role of stakeholders		
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.		
C.1.1	Have there been any violations of any laws pertaining to labour/ employment/ consumer/insolvency/ commercial/competition or environmental issues?	Good	PDR does not record any violation.
C.2	Where stakeholders participate in the CG process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.		
C.2.1	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	Good	PDR has tightly complied on information announcements according to circular number 155, Enterprise Law and does not record any violation.
D	Disclosure and transparency		
D.1	Sanctions from regulator on financial reports		
D.1.1	Did the company receive a "qualified opinion" in its external audit report?	Good	PDR's audited financial report received "qualified opinion" by E&Y auditor.
D.1.2	Did the company receive a "qualified opinion" in its external audit report?	Good	
D.1.3	Did the company receive a "qualified opinion" in its external audit report?	Good	
D.1.4	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	Good	PDR has tightly complied and has not revised financial report.
E.	Responsibilities of the Board		
E.1	Compliance with listing rules, regulations and applicable laws		
E.1.1	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	Good	PDR does not record any violation.
E.1.2	Have there been any instances where non-Executive Directors/ commissioner have resigned and raised any issues of governance-related concerns?	Good	PDR does not record any violation.
E.2	Board structure		
E.2.1	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years each (which ever is higher) in the same capacity?	Good	The Company does not have any independent directors/ commissioners who have served well for the criteria.
E.2.2	Did the company fail to identify who are the independent director(s)/commissioner(s)?	Good	The company has clearly identified who are the independent director(s)/commissioner(s) under regulations and well met the criteria.
E.2.3	Does the company have any independent directors/non-executive/ commissioners who serve on a total of more than five boards of publicly-listed companies?	Good	PDR does not record any case.
E.3	External Audit		
E.3.1	Are any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	Good	PDR does not record any case.
E.4	Board structure and composition		
E.4.1	Has the chairman been the company CEO in the last three years?	Not enough	The chairman has been the company CEO in the last three years, however, the issue will be submitted to AGM in 2020 and separate the two positions.
E.4.2	Do independent non-Executive Directors/commissioners receive options, performance shares or bonuses?	Good	PDR does not record any case.

BONUS QUESTIONS

Questionnaires	Content	Assessment	Result
A.	Rights of shareholders		
A.1	Basic rights of shareholders		
A.1.1	Does the company practice secure electronic voting in absentia at the general meetings of shareholders?	Not enough	The PDR's regulations and internal rules on CG has allowed electronic voting. However, this regulation hasn't been applied yet in AGM due to technology. This will be considered and implemented in the next AGMs.
B.	Equitable treatment of shareholders		
B.1	Notice of AGM		
B.1.1	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	Not enough	Meeting invitation for AGM was released before 15 days.
C.	Roles of Stakeholders		
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.		
C.1.1	Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?	Good	PDR's Sustainability was established on GRI standard.
D.	Disclosure and transparency		
D.1	Quality of Annual Report		
D.1.1	Are the audited annual financial reports /statements released within 60 days from the financial year end?	Good	The audited annual financial report released within 10 days from the day to sign financial report under circular number TT155/2015/TT-BCTC.
D.1.2	Does the company disclose details of remuneration of the CEO?	Good	PDR has disclosed in annual report.
E.	Responsibilities of the Board		
E.1	Board Competencies and Diversity		
E.1.1	Does the company have at least one female independent director/ commissioner?	Not enough	Deputy chairman cum Executive Advisory is a female, independent commissioners are male.
E.1.2	Does the company have a policy and disclose measurable objectives for implementing its board's diversity and report on progress in achieving its objectives?	Not enough	PDR hasn't met the criteria.
E.2	Board Structure		
E.2.1	Is the Nominating Committee comprised entirely of independent directors/commissioners?	Not enough	PDR hasn't met the criteria.
E.2.2	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	Not enough	PDR hasn't set up the Nominating Committee.
E.3	Board Appointments and Re-Election		
E.3.1	Does the company use professional search firmsor other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the BOD/ commissioners?	Good	PDR has fulfilled the criteria.
E.4	Board Structure & Composition		
E.4.1	Do independent non-Executive Directors/commissioners make up more than 50% of the BOD/commissioners for a company with independent chairman?	Not enough	PDR has independent and non-executive commisioners taking 50%. However, chairman is not an independent.
E.5	Risk Oversight		
E.5.1	Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?	Good	It is regulated in internal rules. Every quarter, the Internal Audit Committee reports to the BOD about major risks.
E.6	Effectiveness of Board of Directors		
E.6.1	Does the company have a sub-department of risk management?	Not enough	The company doesn't have a sub-department of risk management.

SHAPING THE FUTURE

2019 successfully ushered PDR to the New Era, 2020 therefore, will be the year to absolutely shape the enterprise model to prepare for the higher requirements.

Riding on this momentum, PDR continues to expand beyond and advance strategically. The company is promoting higher output rate, pursuing challenging targets and enhancing core competencies to be stronger, faster and more distinctive.



Opportunity is only for professional real estate developers

The development gradient is for companies that have a deep understanding of the market demand, strength to develop projects with full legal coverage, ability to prepare abundant finance and strong commitment to the values that customers seek for.

PDR has cautiously monitored, researched and analysed the market situation. Based on the data and information, the company vigilantly assesses opportunities, threats and risks. Vietnam real estate industry in 2020 is forecasted through some main points as follow:

Dwindling supply	Credit tightening on real estate industry	“Fever Heat” spreads to emerging cities	New demand from customers
<p>Legal troubles would continue to be a bottleneck for the market in 2020. It is also unclear when the government will be able to enact clear regulations and standards.</p> <p>Therefore, falling supply would also be a major challenge in 2020 and causes constant shortages</p>	<p>In order to secure the safety and sustainability, the bank sector will strictly continue controlling finance for real estate. Proportion of available short-term and medium-term loans will be continuously decreased.</p>	<p>As the land bank of major cities has been dwindled, real estate market has to be reordered. Opportunities in Ha Noi and HCM City are getting narrower.</p> <p>This fact drives investors and developers to seek out a new direction. Second and third tier cities become new destinations. As a result, land prices in those areas would rocket and be unforeseen.</p>	<p>The positive side of tightened market is that speculation and uncontrolled business are getting reduced. The market now is for real buyers and investors with actual needs of usage or investment.</p> <p>From that, the real estate market is expected to be more stable and feasible. To match new demands, developers must satisfy fundamental values in products, build trustworthy brands and commit to product quality.</p>

Well-prepared to speed up

Targeting the profit before tax of VND1,500 billion in 2020, PDR continues its diversified strategy with the consistency in business philosophy. The company is making a comeback to apartment segment with a large-scale project in Binh Duong.

To reach very high targets and make a disruption from 2019 as well as improving internal strength for the long-term development strategy, PDR makes 2020 action plan based on 5 major requirements.



Diversify but avoid losing focus

PDR has diversified its product lines and markets. However, the company is still in well management in every movement to ensure the stability and efficiency.

Following this requirement, from now to 2023, PDR's major markets will be from the Central region to the South, mostly in HCM City and second tier cities which are able to provide social infrastructure and the readiness.

This choice ensures the availability for quick implementation and effective capital turnover, thus helps to avoid risks of being stuck in untimely projects.

Be proactive in capital market

PDR continues to reach out the new relationships with both foreign and Vietnamese investors and open to all co-operation opportunities. In the next step, the company has assessments to find out the partners who have transparent financial resource and the compatibility in core values, vision and expectation.

At present, PDR owns a healthy financial condition. The company continues to maintain financial prudence in managing its business. This may include the divestment of properties,

as and when appropriate, to recycle capital for re-deployment towards higher yielding growth opportunities.

This is considered as a big advantage for PDR to have good options for capital mobilisation amidst tightening financial situation.

In 2020, even when PDR needs a big amount of capital to deploy large-scale projects, the company still has to retain this prudence and ensure debt-equity ratio still at a safe level.

Be confident and consistent in philosophy of product developing

PDR's goal is to be among the top 5 biggest real estate enterprises in Vietnam. To make this goal, the business will not be represented by only revenue size and growth rates, but also values of products and positive impact to society.

Therefore, each of PDR's projects must follow the philosophy of developing living spaces for the happiness and civilisation of urban residents. The fastness of project development has to be aligned with this philosophy.

Protect brand reputation

The market is more and more engaging in real demand and value as properties would bring important and long-term effect in life. Therefore, one of conditions for buyers to decide is their trust in the prestige of the developer.

PDR has established a solid brand power in the market. However, the company needs to invest further to protect the reputation and empower the brand to meet new demand in the changing market.

Enhance management capabilities and strengthen core competencies

As the competitiveness arises, PDR needs to be quickly upgraded. Therefore, it requires more professional management system and stronger human resource.

With the strategy of sustainable growth, PDR continues to invest in people and constantly renovate its system to meet the requirement for future development.

In 2020, PDR spends a big investment to increase internal strength, especially for fostering capability of managers and digital transformation.

Land bank and project boost

The market might be up and down, but the properties developed by PDR always keep valuableness and competitive advantages in their segments. All project implementation have to strictly comply the company's standards to ensure quality and values.

Land bank and key projects for 2020 have already been fully prepared. PDR just needs to focus on effective enforcement and navigate the ever-changing outlook. In 2020, PDR will have a full range of products, including land plots, apartments and hotels.

Land bank and projects

PDR is currently the land-holder of 438.79 ha, mostly at prime locations in various provinces. In the pursuit of opportunities that are synergetic to its business, PDR keeps seeking out geographically diversity.

In HCM City, PDR has been working on BT and urban gentrification projects which mostly are at the final stage of legal procedures. Through the investment and services to these types of projects, PDR will get land for new projects in exchange. As the company's strategy, these new projects are in small and medium size at the key areas, not more than 5 kms away from downtown HCM City.

For markets outside HCM City, PDR priorities projects which are withing 7-11 kms from the city center. Currently, the company has prepared for projects in Da Nang Quang Ngai, Binh Dinh, Binh Duong, Vung Tau and Phu Quoc Island.

Furthermore, from last year, the Zones 2, 4, 9 at Nhon Hoi Ecotourism City have become PDR's key projects and are still under construction.

Binh Duong Commercial Complex Centre has been counted as one of next key projects of PDR this year. Beside a big shopping mall, this contains commercial and tourism real estate products along with an impressive apartment complex. This is also the project which marks the return of PDR to apartment segment after one year of focusing on land plots.

Range of products

Through the expansion, all products in PDR's portfolio have met with the following important requirements:

- Good location: Not too far from downtown of cities.
- Fundamental values: Complied with the standards of design and planning, convenience, quality, aesthetics and in harmony with the landscape around.
- Legal compliance: Completed all legal requirements to get the official licences.

These are the most important conditions to meet demands of buyers in tightened situation of the market. PDR's projects have to meet all of the above criteria to achieve quick sales and efficiency optimisation.

Land bank

438.79 ha

Period for project development and launching to market

06-12 months

from totally acquiring land to fully completing all infrastructure construction

Typical projects of PDR in 2020

Further information about the on-going projects is introduces on pages 62 - 65.

Binh Duong Commercial Complex

Location:
National Road No.13, Binh Duong City

Total land area: 37,343.8 m².

Total expected investment:
VND8,282 billion.

Total product area: 340,751.47 m².

Range of products
apartment – shopping mall.

Time for selling: Q3, 2020.

Time for product transfer/hand-over:
Q1, 2023.

Bo Bac Residentials in combination with urban gentrification

Location:
North of Tra Khuc River, Truong Quang Trong Ward and Tinh An Commune, Quang Ngai City

Total land area: 441,617.71 m².

Total expected investment:
VND1,742 billion.

Total commercial (product) area:
176,529.33 m².

Product: 1,800 land plots for townhouse and shophouse.

Time for selling: Q3, 2021.

Time for product transfer/hand-over:
Q4, 2022.

Bac Ha Thanh Residentials in combination with urban gentrification

Location:
Along Ha Thanh River, Quy Nhon City, central province of Binh Dinh

Total land area: 431,604.96 m².

Total expected investment:
VND1,700 billion.

Total commercial (product) area:
181,578.56 m².

Product: land plots for townhouse and shophouse.

Time for selling: Q2, 2021.

Time for product transfer/hand-over:
Q2, 2022.

No.1, Ngo May Street

Location:
No.1 Ngo May Street, Quy Nhon City

Total land area: 5,246 m².

Total expected investment:
VND1,126.5 billion.

Product: 5-star hotel.

Time for selling: N/A

Time for product transfer/hand-over:
N/A

Zone 2 Nhon Hoi Ecotourism City

Location:
National Road number 19B, Division 4, Nhon Ly Commune, Quy Nhon City

Total land area: 360,908 m².

Total expected investment:
VND7,130.23 billion.

Total commercial (product) area:
192,415.4 m²

Product: Land plot and commercial housing

Time for selling: Q4, 2019

Time for product transfer/hand-over:
Q2, 2022.

Zone 9 Nhon Hoi Ecotourism City

Location:
Front of National Road number 19B, Division 4, Nhon Ly Commune, Quy Nhon City

Total land area: 459,832 m²

Total expected investment:
VND8,550.58 billion.

Total commercial (product) area:
270,784.85 m²

Product: Land plot, commercial housing and apartment

Time for selling: Q2, 2020

Time for product transfer/hand-over:
Q4, 2022.



Contract signing event with Samty Corporation

Confidence on financial health and long-term co-operation

PDR has decided to buy all bonds which were issued in 2019, pay all short-term loans to banks. The current financial health is considered to be in a good situation and expected to be more prosperous in 2020.



Abundant and stable financial resources is mandatory for PDR to strongly take-off and conquer new challenges. Based on its stable foundation, PDR is intensely self-confident about its financial strength and effective capital mobilization.

In 2020, PDR will fulfill transfer of The EverRich 2 and The EverRich 3, clear all inventory and other related pressures.

Revenue from Zone 2, 4, 9 of Nhon Hoi Ecotourism City has been recorded. Size and quickening make these projects be one of biggest contribution of total revenue for PDR.

Besides that, PDR is carrying out construction at Binh Duong Commercial Complex and it is expected to generate revenue from the second quarter when the project rolls out.

The company is now having many different capital resources to choose but it should remain relevant and with efficiency. Positive business result in 2019 and the feasible plan in 2020 have made PDR become objective in offering incentive loans. In addition, the healthy finance, transparency, good management capability and high prestige makes international investors more convinced. For this reason, in May 2019, PDR successfully signed co-operation with Sampty Corporation and one prestigious Japanese real estate developer via Vietnam New Urban Center LP. This is proof enough for PDR's ability to connect with international professional partners.

Taking this advantage, PDR will continue to expand its relationship with international and domestic investors. By all of these efforts of the company, capital mobilisation capacity is certainly ensured to meet demand of project development.

During the speedy process of operations, PDR has requested the financial department to ensure safety, huge reservation, high financial risk management and more effective capital usage.

Reaching higher by qualities of leaders

Any enterprise, which aims at sustainably developing, needs both professionalism and human spirit.



PDR's corporate culture has built on three foundations: **Management system - processes - core values and code of conduct.** With strong corporate culture, PDR was required to develop a more professional working environment to boost efficiency of the company and guarantee the happiness of each member.

In regards to upgrading management system process in 2020, PDR will focus on implementing e-Office, which was successfully set up in 2019. This is a base to further apply technology and complement the advantages of human resources, finance, accounting, customer's data management and CG. This year, the company will have to complete technology infrastructure for ERP (Enterprise Resource Planning) programme and set the goal to run this system by 2022.

A good management system will not only create favourable conditions for interaction, co-operation and behavior, but also reduce arbitrariness and uncontrol in working enviroment. For the reasons, PDR will inherently develop such a code of conduct, which has become valued in each employee.

- Paying attention to efficiency, but not earning money at any cost.
- Always being loyal and protecting the legitimate rights of the company in interaction with stakeholders and other parties.
- Following discipline, respecting instructions of senior staff and complying with the company's regulations.
- Acknowledging commitment and cohesion (as 70% of employees have 3 years seniority and over at PDR).
- Supporting and team-work with each other for common results.
- Totally eliminating corruption from its smallest scale.
- Being aware of social responsibility and contributing to the community by complying all tax duties. To actualise this goal, PDR has requested each staff must take part in at least 3 charity programmes every year.

PDR wished to build the company as a business that is in touch with humanity. This would be the second home where people can express emotion and love. Based on this code, PDR targets to become "the workplace brings family spirit".

INSPIRATION FROM THE IMAGE OF EAGLE

PDR's culture has got great inspiration from eagle. It is believed that a strong company is embossed on the "character of an eagle".

The king of the sky embodies the character and image of a real strong individual. To be successful, any employee or enterprise must have noble qualities like this bird.

- ✓ Having aspiration to conquer new challenges.
- ✓ Owning acumen to identify target from distance.
- ✓ Being brave to suffer difficulties to grow, not avoiding or hiding from inevitable challenges.

- ✓ Being satisfactory with true conquests only.
- ✓ Breaking old new limits to get a new shape and more internal strength.

Therefore, eagle is chosen to become communication message and internal training conceptualisation at PDR.

The company urges people to betroth to eagle's qualities as **Aspiration - Vision - Bravery - Genuineness and Self-Awareness.** The innate self-changing abilities is considered as the vital strength to boost PDR and its people to new heights.

Human resource adapts with growth momentum

PDR continues to pursue the goal to be in the top of 100 best working environment in Vietnam.



Role of new CEO

Through conducting research and market analysis, PDR is aware that there are numerous changes and challenges on human resource in the modern business environment. The market requires new, modern and updated mechanisms, unlike the past. Therefore, to appropriately respond to these new demands, PDR will have to concert effort to improve the ability of human resources, especially in the tiers of middle and senior management.

This is the first year that PDR will separate the role of the chairman from CEO. The candidate ought to be trained diligently and amassed credible and relevant experience. He or she, is to be able to assume the position, well understanding PDR's culture, targets and values.

The change aims to bring more transparency, professionalism and alignment with the laws for listed company.

The careful preparation will ensure they are fully fit common spirit of the company. The new CEO will not cause any disturbance, instability or power reduction to PDR due to the important role if the predecessor in creating foundational success.

Noting that the company has set up a strong foundation for the enterprise, along with a supporting brilliant guideline and deep advisory of the BOD, PDR truly believes it will improve its effectiveness as the new CEO will be able to meet the current new development demands.



Enhancing the capacity of middle-level

Beside PDR's requirements, the middle and higher level managers are encouraged to update on knowledge and skill in line with development trend. This is in order to avoid the situation of a short vision, or dwelling only on short-term goals in a very narrowly scaled market.



Acceleration of the next generation for leadership

Paying attention to commitment and cohesion, PDR is often vigilant with changes and threats such as, lack and unfluctuating of human resource. Seeking and developing new human resource is a regular task to ensure proper choice for succession or boosting of new staff in catching up with the development process. Human resource must be prepared for both present and future.



Salary, remuneration and benefit policy

Efforts to increase salary and Benefits for employees is considered as key to make a balance and stability. In 2020, average income of employee would rise to 17% beside benefits and remuneration. Of which, employee stock ownership plan (ESOP) policy and right to buy product at incentive price would bring significant income for those who have effectively contributed.

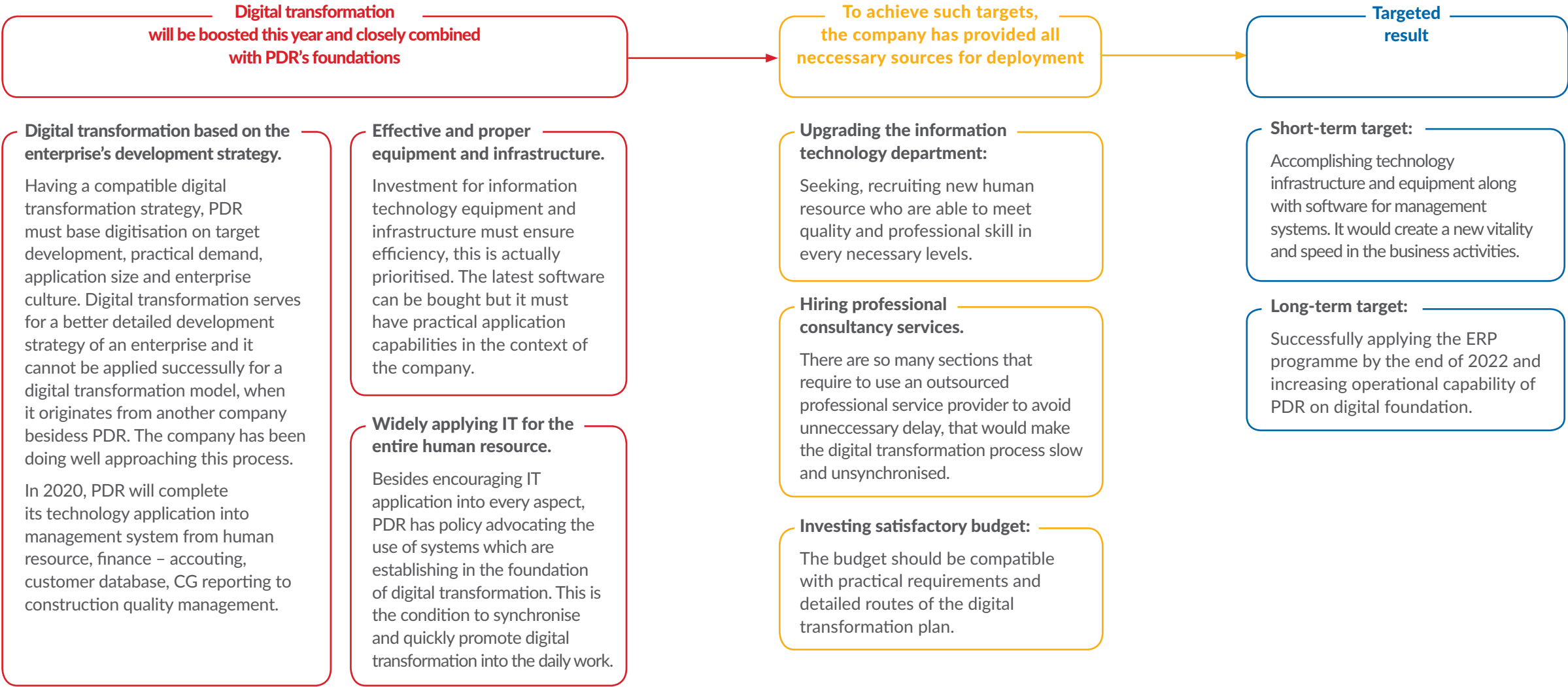
Digital transformation is key to upgrade internal strength

Digital transformation is a mission that has received high rate of approval and backing from the BOD.

If successful, digital transformation would complement the progress, speed and sustainable development of the company.

Digital transformation is considered as one of the most important changes in PDR's internal strength. It was started in 2019 and will be strongly promoted in 2020.

PDR has rightly invested to digital transformation, to mitigating ineffectiveness and improve formality due to lack of methodology or improper understanding on this field.



Raising the reputation



Expanding influence to outside –
increasing more understanding from inside

The size and position of PDR has reached a new level and shape. Therefore, the company needs a professional brand name and strategy to protect its newfound prestige and maintain its current value.

Owned brands

PDR owns two major brand names that are dominant and have a high identification level, these are:

Phat Dat
For enterprise



The EverRich
For project



Target audiences

Customers



Shareholders



Investors



Partners



Media



Internal



Those who are interested
in real estate industry



Market reach

Along with HCM City, PDR has invested in Da Nang city, central provinces of Quang Ngai, Binh Dinh, southern provinces of Binh Duong, Vung Tau and Phu Quoc Island.

Activities to protect and develop the brand name should be extended nationwide to ensure dissemination to investors, partners and potential customers who are not limited by locality boundary.

Direction for branding

- Ensuring ample appearance levels and frequency to remind audiences about brand name.
- Increasing brand positioning and understanding of new markets, especially for Binh Dinh and Binh Duong Provinces, where PDR will have different projects to launch this year.
- Creating a brand name management strategy to ensure consistency, value and avoiding lowering of brand image by unprofessional activities.
- Raising the frequency in appearing on media, reducing rumours and unprecise stories which are easy to impact brand name.
- Promoting observation in digital communication and social networks to avoid and minimise threats of prestigious losses from wrong/unprecise public opinion.

In the new context of communication, the brand name of enterprise must be built and protected internally. Commitment and understanding of the brand name should be increased internally from the initial start, like staff as well as network of customers, investors, partners by making each of them to become brand name protectors and ambassadors who firmly and strongly support our brand name.

Pledges



PDR respects its relationships with all related sides and considers this as one of foundations for sustainable and stable development opportunities. The company has built, implemented detailed and practical pledges in their allegiance and respect to different parties.



PDR’s pledges with staff

- Targetting to be one of enterprises which have best working environment in Vietnam, PDR respects people as the most important factor of the development process. PDR not only ensures to fully implement all Benefits perks for employees in compliance with laws, but also has a remuneration policy that create a friendly, comfortable, solidarity and healthy competitive spirit working environment.
- Retaining staff’s income at high level, ensuring transparency and to be fit with labour market and business activities of the company.
- Policy related to salary, remuneration, bonuses and rewards are fairly, clearly implemented and satisfactory with labour laws and contribution of each individual to the company.
- Rejecting all forced labour models, pledging to ensure maximum benefits for employee under Vietnamese laws, international routine as well as PDR’s regulations.
- In every situation, PDR is frank, sincere and respectful for all distinct values among individuals, it is ready to listen, share and keep pledges with each of their staff in order to strongly mobilise a collective strength.

PDR’s pledges with partners, investors and customers

- Customers’ satisfactory is one of factors of measuring the value of the company. PDR prioritises customers’ rights protection, respect and acknowledges pledges with its customers.
- Strictly complying with capable laws, ensuring benefit for all related parties in every activity and positively promoting good relation among parties.
- Committing to not disclose information about persons who report, comment and prohibiting any retaliation for criticism and reflection cases. Highly appreciating all good-will contribution and feedback from partners, suppliers and customers. PDR has functioned department that receives comments from related parties and ensures that it will handle, respond promptly and in accordance with the company’s standard and Vietnamese laws.

PDR’s pledges with community – society

- PDR always provides maximum efforts to restrict negative environmental and community impacts in all activities related to investment and project development of the company. All of PDR’s projects are developed under the principle of building new appearances with enriched culture and aesthetic value for Vietnamese urban areas, therefore, increasing living quality for residents and creating beauty for social environment.
- PDR pledges to carry out a sustainable development direction with responsibility and business morality. It prioritises working capacity and business value in the highest collaboration with good development of society and the community.
- PDR is genuinely concerned about the community and thus supports and effectively carries out corporate social responsibility and charity activities, it also greatly contributes and proactively creates positive change nationwide. PDR’s humanitarian and charity activities are specifically concerned about depth value and long-term efficiency of its charity acts, in order to bring the highest effectiveness and most practical effects to the needy community.

SUSTAINABLE DEVELOPMENT REPORT

PDR accepts that stability and prosperity are benchmarks of the harmonious relationship of the natural environment, human beings and the society at large. This dependence is first and foremost the most important factor for enterprise development. On the other hand, enterprises can grow upon sustainably contributing to protect, increase and promote humane and civilised conservation values.

PDR's strategies and business activities are based on the founded awareness on conservation. Choosing sustainable development standards for the enterprise is a way to remaining socially conscious about our global development.

Message on Sustainable development

The philosophy on sustainable development is actualised by PDR with detailed standards and are practically implemented in the action plans. During the business development process, the PDR always pledges to maintain and carry out such parameters of the highest decree to remain environmentally sane.

Real estate development enterprises have the ability to affect the natural and social environment and the entire community both positively and negatively. If enterprises would identify their mission and health value system, they can begin to create a new appearance in the community where they develop projects. In hindsight, they would only cause more uncontrolled situations, destroy nature and ruin landscapes.

Real estate projects have created infrastructure for their communal residents and surrounding communities, compromising the culture, daily habits, behaviour and choices in their daily lives. It is hard to form a healthy, modern, civilised lifestyle with poorly planed projects. Consequently, there is full exploitation of nature, no public spaces and improper utilities.

Therefore, the impact ability is practical, long-term and wide range in communal life. Poor projects and bad enterprises which cause harmfulness for social development cause certainly are being refined and eliminated.

In regards to awareness, PDR has chosen key development strategy of Quality – which is in the value of product in the project to make a perfect living space and contributes fairly to the prosperity of entire community. Furthermore, the highest target where PDR aims to become a humane enterprise.

PDR’s commitment towards sustainable development is carried out by three principles:

Responsible development	Human Care	Giving Spirit
<ul style="list-style-type: none">• All construction projects must have positive value to residents and locality.• Existing natural condition and landscape must be protected at maximum level. Master planning, design and architectural capabilities will be employed to manifest harmony between the two.• Construction ratio/green spaces are ensured to be at ideal proportion.• Natural resources will be used effectively. Pollution is managed at pre- construction and during construction stages.• New and modern techniques and technologies are selected to minimise energy and natural resources consumption during project operations stages.	<ul style="list-style-type: none">• Creating living spaces which would bring long-term happiness.• Minimising inconvenience, supporting residential community to have space for promoting talent, spirit and value.• Taking care of our staff to have positive people who are able to create best products.• Creating and leading a positive and humane lifestyle for staff, customers, residents and community.	<ul style="list-style-type: none">• Supporting activities for those who face difficulties. Reducing hunger and poverty will increase social stability.• Paying attention to education, training, providing scholarship for individuals who have goodwill, talent and effort in order to help them change their lives and develop the future. Those people will create and spread good values in the next development opportunities for community.• Sponsoring and accompanying the healthy spirit and cultural activities, which are nessesary for local residents, especially where PDR has business activities.
The report is prepared in conformity with the GRI Standards – currently the latest international version of sustainability reporting standard for business and is being applied in many countries.		

Standard of Sustainability report

The report is prepared in conformity with the Growth Resources Indicators (GRI) Standards – this is currently the latest international version of sustainability reporting standard for businesses and is being applied in many countries.

The key areas addressed have been determined based on a combination of the level of stakeholders’ interest and their impacts on PDR. They are published in this report as the core contents.

In addition, we also refer to the Guidelines on the Disclosure of Environmental and Social Information of State Securities Commission of Vietnam, the IFC and Circular 155/2015/TT-BTC to implement this report in a more convenient, standardized, transparent and efficient manner.

Scope of the report

This report is prepared in Vietnam, in the field of investment and real estate business.

This report is prepared for the following scope of operations:

Phat Dat Real Estate Development Corporation, including the Head Office and three branches, and 6 affiliated companies, namely:

- Branches:**
- Quang Ngai Branch, Phu Thuan Branch, District 5 Branch.
- Affiliated companies:**
- Phat Dat Investment One Member Company Limited: Owned 100% by PDR.
 - Phu Hung Real Estate Investment Company Limited: Owned 100% by PDR.
 - Phu Quoc DK Corporation: Owned 99% by PDR.
 - Sai Gon – KL Joint Stock Company: Owned 99% by PDR.
 - Ngo May Real Estate Development Joint Stock Company: Owned 94% by PDR.
 - Coinin Technical Infrastructure Investment and Construction Company Limited: Owned 80% by PDR

Reporting cycle

Information in the report is updated for the fiscal year 2019, beginning on January 1st, 2019 and ending on December 31th, 2019.

Starting from 2018, PDR’s sustainability report will be reported on an annual basis and included in the Annual Report publication.

Contact information

To make this report a valuable source of information and reference for PDR, stakeholders, investors and the public, we look forward to receiving comments on issues covered by our report. Please send feedbacks to the following address:

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PDR IN REFERENCE TO THE UNITED NATION'S




17





SUSTAINABLE DEVELOPMENT GOALS

Along with business development, activities supporting PDR's actions to the Sustainable Development Goals (SDGs) were compatibly expanded in 2019. Majority of the UN SDGs were promoted by budget and quality action. In which, goals related to human advancement, received the strongest support, from financial capacities to opportunities for enriching education and awareness, culture and culminating to having a healthy overall environment.

Criterium	Content
<div></div> <div>NO POVERTY, ZERO HUNGER</div> <div><ul style="list-style-type: none">• End poverty in all its forms everywhere.• End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</div>	<ul style="list-style-type: none">• Monthly donated funds to Phu Hoa Orphanage in Quang Ngai Province• Sponsored Poverty Fund in Tan Thanh District, Long An Province.• Contributed efforts and resources to multiple nationwide activities against poverty.• Provided support to flood victims.• Supported the Campaign “Buy watermelons from farmers” in Quang Ngai Province.• Supported disenfranchised people to enjoy lunar new year 2019• Donation to the charity programme “Bringing Spring” to poor people in Quang Ngai Province.
<div></div> <div>GOOD HEALTH AND WELL-BEING</div> <div><ul style="list-style-type: none">• Ensure health and promote well-being for all at all ages.</div>	<ul style="list-style-type: none">• Sponsored golf tournament: “Welcome Lunar New Year together”• Performed periodical medical check-up for employees.• Held meetings, team building events and travels abroad on an annual basis.• Donated to the “Winter night dream” program to support cancer patients.• Contributed to social security activities nationwide.• Held activities to promote the World Oral Health Day.• Granted 50 scholarships to the “10,000 steps – Health for Community”.
<div></div> <div>EDUCATION QUALITY</div> <div><ul style="list-style-type: none">• Ensure inclusive and equitable quality for education.• Promote lifelong learning opportunities for all.</div>	<ul style="list-style-type: none">• Sponsored the project to re-write the Vietnamese fairy tale “Than Tich Viet Truyen”.• Awarded scholarships to Thanh – a boy of filial piety in Quang Ngai Province.• Supported the executive committee of the Binh Dinh Province’s Youth Union in providing scholarships and social benefitss.• Donated funds for in-kind gifts to the 10th National Congress of Vietnamese Students’ Union.• Financed the installation of interior equipment for the Semi-boarding area of Tra Xinh Semi-Boarding Secondary School for Ethnic Minority People, Quang Ngai Province.• Carried out internal training on a monthly and quarterly basis.• Carried out capacity-building training for managers.• Provided training for successful generation of managers.• Contributed funds for the Buddha Family's scholarship fund in Quang Ngai Province.• Sponsored scholarship fund and organised congress for HCM City's Female Intellectual Associations.
<div></div> <div>GENDER EQUALITY</div> <div><ul style="list-style-type: none">• Achieve gender equality and empower all women and girls.</div>	<ul style="list-style-type: none">• Female employees account for almost 40%.• Continuous importance is addressed to facilitating the promotion of female employees to senior management and executive advisor positions.• Provided full employee benefits during maternity period and female employees raising children of 12 months old.• Presented gifts and delivered wishes on the occasion of March 8, October 20, birthdays, etc.

Criterium	Content
<div></div> <div>CLEAN WATER AND SANITATION</div> <div><ul style="list-style-type: none">• Ensure availability and sustainable management of water and sanitation for all.</div>	<ul style="list-style-type: none">• Tightly supervised technical standards of: pH, BOD5, TSS, total dissolved solids, Sulfur (based on H2S), Nitrate (based on N), Amonia (based on N), animal fat and vegetable oil, total surfactants, Phosphate and Coliform.• Using water according to Vietnamese Standards, especially at projects according to Vietnam Construction Standards - QCXDVN 01: 2008/BXD.• Periodically examined the water systems used in projects.• Made use of rainwater and recycled wastewater using treatment stations at project sites for watering.• Constant use of water-saving equipment and automatic washing machines of high capacity for sustainable use of water.
<div></div> <div>AFFORDABLE AND CLEAN ENERGY</div> <div><ul style="list-style-type: none">• Ensure access to affordable, reliable, sustainable and modern energy for all.</div>	<ul style="list-style-type: none">• Used clean and renewable sources of energy in all projects.• Alternative electric power: Used solar energy.• Water resource: Used clean water supply with integrated solar system.• Power from natural gas: Used natural CNG with environmentally friendly methane.
<div></div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div><ul style="list-style-type: none">• Decent Work and Economic Growth.</div>	<ul style="list-style-type: none">• Posted high revenues and contributed VND billions to the budget.• Generated thousands of opportunities for both direct job seekers and indirect beneficiaries.• Participated in and supported the “Industry 4.0 – Conquer challenges and seize opportunities” program.• Supported the development program of Quang Ngai Province Entrepreneurs' Club.
<div></div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div><ul style="list-style-type: none">• Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</div>	<ul style="list-style-type: none">• Use environmentally friendly materials such as light bricks, unburnt bricks, engineered wood, etc.• Use energy-regenerating elevators to save electricity.• Constantly innovate and adapt globally prevailing technologies, create sustainable quality and safety conditions for residents.• Attention to space and natural ventilation in designs by using sun blinds to avoid solar radiation and minimise the use of electricity by permeating natural light.• Built centralised wastewater treatment stations that meet proper hygiene standards.
<div></div> <div>REDUCED INEQUALITY</div> <div><ul style="list-style-type: none">• Reduced inequality.</div>	<ul style="list-style-type: none">• Supported Agent Orange victims in Binh Chanh district, HCM City• Contributed to the disabled: Made donations to Vo Hong Son Centre for disabled children.• Donated funds to support disadvantaged children in District 7, HCMC.• Sponsored the 44th celebration of Reunification Day 30/04/2019• Ensures stable jobs for employees.• Creates job opportunities and promote advancement opportunities for female employees.• No employee discrimination by place of origin.• Sponsored for the 72th celebration of the War Invalids and Martyrs day.

Criterium	Content
<div></div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> <div><ul style="list-style-type: none">• Make cities and human settlements inclusive, safe, resilient and sustainable.</div>	<div><ul style="list-style-type: none">• Donated towards “Sea and Island Sovereignty” fund.• Sponsored fireworks at Lunar New Year’s Eve 2020.• Supported “Moonlight Festival” at The EverRich 1.• Planting trees around the project sites and workplaces.• Build urban residential areas with modern and adequate utilities, contributing to improved living standards.• Funded the program “Role models of the neighbourhood”.• Supported the development of The Library 2030 in Quang Ngai Province.• Funded for the national flagpole at Hon La Island, Quang Binh Province.• Sponsored for 30th anniversary of re-establishment of Quang Ngai Province.</div>
<div></div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div><ul style="list-style-type: none">• Ensure sustainable consumption and production patterns.</div>	<div><ul style="list-style-type: none">• Use diesel-electricity generators with two-layer filter equipment in order to reduce harmful air generating during fuel burning process.• Application of national technical standard on noise: QCVN 26:2010/BTNMT.• Monitors the environmental quality of projects every 6 months during the construction and operational phases.• Manages, prevents and responds to risks during construction and operational phases.• Committed to prevent negative impacts on the environment or affecting the community as well as economic and social activities.• Ensures labour safety and fire & explosion protection during construction and operation.• Contracts experienced consultants to optimize environmental impacts.• Applies national technical standard on industrial waste air for dust and inorganic substances QCVN 19:2009/BTNMT.</div>
<div></div> <div>CLIMATE ACTION</div> <div><ul style="list-style-type: none">• Take urgent action to combat climate change and its impacts.</div>	<div><ul style="list-style-type: none">• Funded for the “Natural Disaster Protection Communal Fund”.• Projects are designed and implemented according to EDGE Green Building standards of the IFC organisation – World Bank.• Low emission (Low E) glass is adopted to reduce heat, ultraviolet and infrared rays.• Using solar panels in replacement of electricity.• Applying the calculation of the insulated of enclosure walls and glass that meets the national standards of energy-efficient buildings - QCVN09/2013-BXD.• Monitoring air quality: at gate of the project, waste-treatment basement, ground for nearby waste-collection.</div>

Criterium	Content
<div></div> <div>LIFE BELOW WATER</div> <div><ul style="list-style-type: none">• Bullet and sustainably use the oceans, seas and marine resources for sustainable development.</div>	<div><ul style="list-style-type: none">• Automatically supervise with waste water after being treated at size from 1,000m³ of wastes water/per day and higher.• Frequency of supervision: every 3 month and requirement from State management offices.• Make use of rainwater and recycle waste water through on-site treatment stations for watering.• Build water collection pits that channel water from the storage cabinet into the drainage system and later to the wastewater treatment station, ensuring water safety and hygiene.• The drain pipe system is made of PVC. The pipi sloping ensures best drainage.• Collect garbage collection around project sites and workplaces.• Supervise collection of daily solid waste.</div>
<div></div> <div>LIFE ON LAND</div> <div><ul style="list-style-type: none">• Protect, restore and promote sustainable use of terrestrial ecosystems.</div>	<div><ul style="list-style-type: none">• Excavated soil is used for site levelling at project sites.• Contracts with appropriate entities to legally dispose excavated soil.• Ensures full compliance with applicable requirements such as the covering of excavated soil and building materials during transport to prevent dust spread.• Calls for tender to select both main and sub-contractors for transportation and treatment of excavated soil in accordance with applicable regulations. - Committed to the treatment of excavated soil in compliance with Decision No.44/2015/QD-UBND.</div>
<div></div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div><ul style="list-style-type: none">• Promote peaceful and inclusive societies for sustainable development.</div>	<div><ul style="list-style-type: none">• Organises regular quarterly dialogues with employees.• Develops a set of code of conduct for “Phat Dat People” based on core values such as: creativity, commitment, fairness and respect.• Sponsored “The Law Day 2018” program held by the People’s Committee of District 12.• Sponsored the 8th HCM City Sports Congress.• Supported the candle-lighting ceremony to celebrate the 43rd anniversary of the Reunification Day.• Sponsored for national meeting of 500 outstanding young Party members 2019.</div>
<div></div> <div>PARTNERSHIPS TO ACHIEVE THE GOAL</div> <div><ul style="list-style-type: none">• The Global Partnership for Development.</div>	<div><ul style="list-style-type: none">• Actively participates in Saigon Association of Construction & Building Materials (SACA).• Participated and won Asia's most prestigious construction & architecture award – the BCI Asia Awards.• Encourage the creativity of a socially responsible architecture industry.</div>

The participation of stakeholders

PROCESS OF IDENTIFYING STAKEHOLDERS

GR102-43

PDR identifies stakeholders through the following procedures:



IDENTIFICATION AND SELECTION OF STAKEHOLDERS

GR 102-42

The identification and selection process begins with enlisting all relevant groups with attention to their various levels of influence and interest and affiliation to PDR's sustainable development. As a result, vital PDR stakeholders are identified based on the level of interaction they have with the company.

The list of stakeholders in PDR's sustainable development activities are defined as follows:

	Customers	End-users of PDR's products.
	Partners	Providers of services and solutions relating to the development of property projects, building contractors, suppliers of equipment, facilities, etc.
	Shareholders and investors	Legal owners of part or all of the share capital. These have rights and obligations associated with PDR's business performance.
	Employees	Key contributors of the factors constituting the Company's production capacity.
	Community	Formed on the basis of relationships between individuals and groups of people.
	Government	Legal capacities or regulatory entities participating in inspection and policy-making activities.
	Competitors	Contenders within same segment, competing for or against products and pricing, and possessing competitive strengths in various dynamics.
	Media	Entities that operate in publishing and communications.
	Financial Institutions	Entities that provide financial solutions.

Mechanism to approach stakeholders

Real estate market environment

The stakeholder concerns

The issues that reflect PDR's impacts on economy, environment and society

MECHANISM TO CONSULT STAKEHOLDERS, STAKEHOLDERS' KEY CONCERNS AND FEEDBACK FROM PDR



GR 102-21

- In consistency with the corporate culture and code of business conduct, PDR has been proactively building sustainable relationships with stakeholders based on values of: Respect - Listening - Cooperation - Development with the outcome to develop and bring long-term prosperity to each party.
- Feedback collected from stakeholders, acts as basis of PDR's formulation and adoption to further useful solutions to its sustainable development strategy. Therefore, PDR encourages stakeholder feedback and is received, acknowledged and acted upon timely and publicly with logic.
- Stakeholders' feedbacks are received, analysed and processed concurrently by responsible personnel of the dedicated departments. At the same time, such feedback is also delivered to the BOM/BOD via written or in direct reports at meetings. After due diligence is performed, appropriate instructions and measures are to be executed immediately. In cases where feedback cannot be solved or executed instantaneously due to various reasons, the specific stakeholder will be informed and further discussions are launched.
- Plentiful of feedback from related parties has been received, resulting in positive changes in the company's plan or the adoption of measures that fit practical situations. This has made business operations more efficient, while minimising costs and better aligning the company's compliance with the law.

APPROACH MECHANISM





The participation of stakeholders (continue)

Stakeholders	Approach Mechanism	Stakeholders' key concerns	PDR's feedback
CUSTOMERS 	<ul style="list-style-type: none"> Receive feedback via direct meetings or social networking platforms, and mail box info@phatdat.com.vn Organise meetings and gatherings with customers through sales events, loyalty programs, customer conferences, etc. Send product information and business policies related to the Company directly to customers in written form. 	<ul style="list-style-type: none"> Reasonable prices. Quality and service. Customer satisfaction. Staff's efficiency and working manner. The company's responsibility over products. Sale policy. Aftersales policy 	<ul style="list-style-type: none"> Strictly comply with regulations both at home and abroad; adopt reasonable pricing policies, ensure harmony between customer benefits and business benefits. Guarantee of best quality and service provided to customers. Each of PDR's member is equipped and also requested to pay attention to and be ready to meet customers' justified requirements during interactions. Express appreciation to customers by holding customer conferences, promotions and effect optimal aftersales policies. Establish a mechanism to handle customer complains.
PARTNERS 	<ul style="list-style-type: none"> Meet and discuss via direct meetings or receive and resolve questions via email, phone, fax. Participate in joint activities related to cooperation in project investment and development, sustainable development with society and community. Record feedback and promptly handle critical issues. 	<ul style="list-style-type: none"> Business performance. Cooperation ability and attitude. Respect for interests of related parties. Cooperation efficiency. Safety, health and environment. Information confidentiality. 	<ul style="list-style-type: none"> Select suppliers fairly based on capability profile with diverse evaluation criteria of experience, ability to meet quality and technological requirements. Confidential supplier info is not to be disclosed to heir competitors. Promote Open dialogues and positive aspects while limiting negative ones, work towards building a longterm bilateral relationship which is beneficial for all parties.

Stakeholders	Approach Mechanism	Stakeholders' key concerns	PDR's feedback
SHAREHOLDERS AND INVESTORS 	<ul style="list-style-type: none"> Hold vis-à-vis meetings on a monthly and quarterly basis as well as when required. Receive and handle inquiries through email, phone, fax, etc. Organise Annual shareholders' meeting, periodic and nonperiodic meetings. Publish detailed financial statements on mass media in accordance with regulations of the State Securities Commission and HCM City Stock Exchange. Attend annual conferences, forums, and exhibitions of the construction industry to share information. 	<ul style="list-style-type: none"> Business performance. Operating situation & efficiency. Development orientation and strategy. Risk management. Transparent information. Information confidentiality 	<ul style="list-style-type: none"> Regularly organising meetings, public exchanges, regular and extraordinary meetings, issuing periodic newsletters to investors, etc. This is aimed at providing timely and appropriate information to help shareholders and investors have a more comprehensive view of PDR's operations and development strategy. The exchanges and disclosure of information must be done fairly, ensuring equal opportunities for all investors. Refraining from making uncontrolled information disclosure of investors and shareholders without permission, or without the request of law enforcement agencies.
EMPLOYEES 	<ul style="list-style-type: none"> Survey, either directly or indirectly, to obtain employees' feedback on the working environment, working protocol, benefits policies, remuneration, and so on. Organise discussions and dialogues with employees on a monthly basis. Organise team building events and activities on important occasions such as company anniversary, lunar new year, other holidays, etc. 	<ul style="list-style-type: none"> The Company's remuneration policy. Promotion opportunities. Work environment safety. Working environment. Colleague relationship. Management staff relationship. 	<ul style="list-style-type: none"> Every year, the Company introduces improvements in remuneration policies and benefits for employees. Talent retention policy. Training and career development programs for employees. Issue a code of conduct as a base for behaviour and interactions. Regularly hold internal activities to promote a healthy and engaging environment for employees. The staff management is based on the respect for employees, including respect for decisions, wishes, aspirations, right of freedom and other legitimate rights.

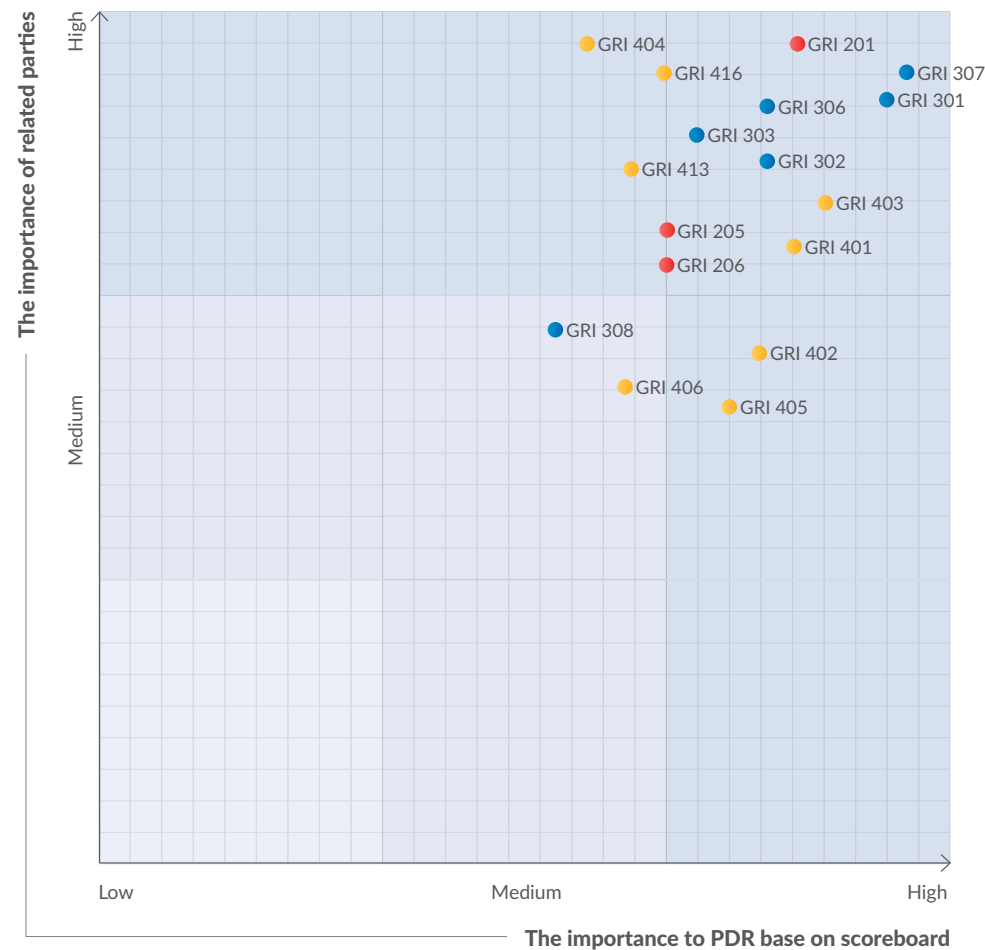
The participation of stakeholders (continue)

Stakeholders	Approach Mechanism	Stakeholders' key concerns	PDR's feedback
<div>COMMUNITY</div> <div></div>	<ul style="list-style-type: none">Participate in donation programs and community building activities of organisations and local authorities.Provide information on business activities to the community through mainstream media channels.	<ul style="list-style-type: none">Employment issues.Contributions to the community.Care and responsibility to the community.Direct and indirect impacts on the environment during operation.	<ul style="list-style-type: none">To be committed to placing the environment above the Company's development goals, minimising environmental impacts during the project implementation and operation.Affirming the sense of responsibility and high efforts in harmonising the goals of environmental protection with that of contributing to socioeconomic growth.Continue to promote the charity programs and sponsorship, promote positive social changes and development.
<div>GOVERNMENT</div> <div></div>	<ul style="list-style-type: none">Participate in real estate, construction and architecture workshops held by various authorities and regulators.Actively participate in the activities of architecture, construction and project development associations.Publish tax information and perform tax reporting according to applicable regulations.	<ul style="list-style-type: none">The Company's compliance with the law.Difficulties facing the Company during the implementation of legal policies and provisions.General market and industry trends.Carry out investment and business activities in a responsible manner towards customers, society and the environment.	<ul style="list-style-type: none">Duly comply with the country's applicable laws regarding business operation, society and environment.Duly perform the obligation of tax contribution to the State budget.
<div>MEDIA</div> <div></div>	<ul style="list-style-type: none">Distribute press releases and hold press conferences.Respond to media interviews on mass media channels.Regularly update important information on the corporate website and social network.Coordinate to implement many TV programs and publish information on the official media about upcoming major events.	<ul style="list-style-type: none">Business performance.The company's development strategy.The accuracy of information.Proactivity in providing information.	<ul style="list-style-type: none">Build good relationships with the media on the principles of equality, transparency and legality.Always ensure accuracy, clarity, completeness and objectivity of messages and information provided, thus helping the press to be well informed of the Company's operations.Handle media crisis with skill and with calmness.Announcements are to be conscientious and wellversed towards objections and accusations.

Stakeholders	Approach Mechanism	Stakeholders' key concerns	PDR's feedback
<div>COMPETITORS</div> <div></div>	<ul style="list-style-type: none">Meet and share information with competitors through construction and real estate associations meetings or meetings with investors interested in the real estate industry held by the HOSE.Maintain personal relationships between the PDR's management and competitors.Gather competition information from mainstream/official media channels.	<ul style="list-style-type: none">Code of conduct for dealing with competitors.Healthy competition.Compliance with antitrust laws and competition laws	<ul style="list-style-type: none">Maintain harmony with competitors with full goodwill and continuously learning from their success.To not defame or vandalise against competitors, recognise their success and respect their interests on the principle "The best company is the winning one".To be committed to fair competition, commit no collusion or manipulation of market prices, refuse to receive competitor information that may be confidential.Flexibly respond to fierce competition, be persistent with the principle of honesty in business; uphold quality and brand reputation as the top priority; respect and comply with antitrust laws, competition laws, ensure healthy, free and open competition.
<div>FINANCIAL INSTITUTIONS</div> <div></div>	<ul style="list-style-type: none">Meet and discuss directly through meetings, emails, workshops on investment cooperation.Carefully develop plans to ensure cooperation between concerned parties.Manage risk and provide transparent and accurate information.Participate in joint activities relating to cooperation in project investment and development as well as sustainable development with society and community.Record feedback and promptly handle critical issues.	<ul style="list-style-type: none">Business performance.Operating situation and efficiency.Development orientation and strategy.Cooperation ability and attitude.Respect the interests of concerned parties.Cooperation efficiency.Safety, health and environment.Risk management.Transparent information.Information confidentiality.	<ul style="list-style-type: none">Commit to timely delivery of transparent and consistent information.Build and strictly implement strategic risk management to monitor financial situation for stable cash flow and our growth.Information regarding related parties is not to be disclosed.Respect all parties' interest to ensure balanced benefits in investment and all cooperations.

Assessment on key issues

The assessment on key issues is carried out at meetings between the BOD and Heads of Departments. At such meetings, participants will align on the topics of the key areas and update results on the matrix of criticality.



● ECONOMY

GRI 201	Economic efficiency
GRI 205	Anti-corruption
GRI 206	Obstruction of competition

● ENVIRONMENT

GRI 301	Materials
GRI 302	Energy
GRI 303	Water
GRI 306	Wastewater and waste
GRI 307	Environmental compliance
GRI 308	Re-assessment of suppliers of environmental solutions

● SOCIETY

GRI 401	Employment
GRI 402	Management/staff relationship
GRI 403	Occupational safety and health
GRI 404	Education and training
GRI 405	Diversity and equality
GRI 406	No discrimination
GRI 413	Community and locality
GRI 416	Customer safety and health

PDR ESTABLISHES THE MATRIX OF 17 CRITICALITY



3
KEY ISSUES

Economic performance

ECONOMIC EFFECTIVE PERFORMANCE

GRI 201

According to the current CG model under international standards - including IFC’s CG Rules and Growth Resources Indicators - the international codes on sustainable development, PDR is profoundly aware of its growing responsibility towards stakeholders, who contribute important funds to the company.

In order to evaluate the significance between PDR and our stakeholders, the company has devised a matrix to analyse 18 key areas under three important categories, i.e. Economy, Society and Environment.

PDR is highly focused on building information on aspects of direct economic values generated, distributed and undistributed. At the same time, the efficiency of sustainable contributions to the economy in general is demonstrated

by the contribution to the state budget and the community - society; ensuring rights and founding of fair relationships with investors and shareholders. PDR also puts effort to better the social benefits of employees to increase working efficiency; providing real estate products with outstanding quality and improving living standard for customers.

PDR has increased its effectiveness in business activities and released development strategy for the period of 2019 – 2023. Last year, the total direct economic value was VND3,412.83 billion, a year-on-year increase of 45%. Distributed economic value was VND2,538.66 billion, recording an increase of 49% and undistracted economic value was VND874.17 billion, having an increase of 36% compared to 2018.

Figure in VND				
No.	Content	Revenue 2018	Revenue 2019	Growth
I.	DIRECT ECONOMIC VALUE GENERATED	2,350,716,000,000	3,412,825,000,000	45%
1	Revenues from projects	1,889,480,000,000	3,374,004,000,000	-
2	Revenues from transfer of investment properties	234,876,000,000	-	-
3	Income from investment cooperation contracts	190,000,000,000	-	-
4	Revenues from other services	36,360,000,000	38,821,000,000	
II.	DISTRIBUTED ECONOMIC VALUE	1,707,400,000,000	2,538,657,187,298	49%
1	Operating expenses	1,519,169,000,000	2,211,737,481,928	-
2	Staff salary and benefits	67,816,000,000	87,129,641,393	-
3	Payments to fund provider	-	-	-
4	Payments to the state budget	114,761,000,000	231,143,180,277	-
5	Investment for the community	5,654,000,000	8,646,883,700	-
III.	UNDISTRIBUTED ECONOMIC VALUE	643,907,000,000	874,167,812,702	36%

ANTI-CORRUPTION

GRI 205

Identify corruption - related risks

According to the evaluation, PDR identifies corruption risks in the following activities:

- Site clearance and compensation for land and houses.
- Bidding for selection of service providers and construction contractors.
- Management of contractors during the supply of services and construction.
- Distribution of the Company's products to customers.

As a result, to the evaluation, PDR is be able to identify any threat of corruption internally and externally to the company. It has helped the company to complete policy and processes against corruption.

Communication of and training on anti-corruption policies and procedures

PDR has actively informed and created warning to employees on the consequences thereafter on tolerance of bribery and corruption. The company also strives to promote the right attitude and channels of action. This is implemented through regular monthly meetings with a clear, scientific and practical manner of communication.

PDR has also introduced sanctions and enforced strict regulations on bribery and corruption in contracts with all of its partners or parties in their various terms of engagement.

The PDR acknowledges the anti-graft efforts, proudly reports that there were no corruption cases found at PDR in 2019.

ANTI-COMPETITION BEHAVIOUR

GRI 206

Identifying impacts of unhealthy competition

Firstly, for enterprise, the business activities would face or risk facing stagnant, lose finance, narrow market share, even go to bankruptcy or being merged and equitised.

Secondly, for consumers: they would lose their belief into products, enterprise and have doubt with all products on market.

Thirdly, for national economy: the Government would not collect taxes impacting the national economy. Product quality reduces as well as prestige of Vietnamese enterprises in the broader market. As result, export would slowly decline. Additionally, it would create negative feeling and attitude to foreign investors who would like to invest into Vietnam.

Recognising all impacts, PDR commits:

To healthily compete based on product quality and pricing and not in the interest to defame competitors' products or services.

Carefully examine the competitors' marketing and communication messages to promptly detect unfair competition, if any.

Complete regulations and process about unhealthy competition to popularise and train staff which empowers them to understand and implement in accordance with regulations.

Environmental protection

MANAGEMENT OF MATERIALS

GRI 301

PDR’s technical department continuously researches and seeks new materials, construction technology to effectively apply towards the international trend on green constructions

PDR acknowledges the undeniable and reciprocal relationship, both positive and negative impacts, in the development of real estate market and the environment.

Real estate development means the increase of construction, natural resources exploitation including building material, fuel and generation of waste into environment.

To minimise such kinds of impact, during construction, besides choosing prestigious contractors and partners who have tight control for management system to have strategic co-operation, PDR’s technical department continuously researches and seeks new materials, construction technology to effectively apply towards the international trend on green constructions. They include:

- In the case construction material, PDR prioritises the use of environmentally friendly materials that is locally available for building, these include and are not limited to (bricks, technical equipment, technical pipelines, etc.) in gradual replacement of imports to reduce their carbon footprint.
- Use light brick materials and unbaked bricks in replacement of traditional baked bricks which are responsible for increasing air pollution. This replacement brings higher environmental efficiency while still ensuring structural safety.
- Use flooring made from manufactured wood, laminate wood, MDF, Plywood, sawdust, and other alternatives as substitutes for natural wood. These materials are less prone to warping, they are resistant to water and abrasion resistance, moreover, they are aesthetically appealing and cost-efficient. At the same time, certain types of wood flooring from bamboo, which is durable, light, easily renewable and environmentally friendly are also selected for some projects.
- Use energy-regenerating elevators to save electricity.
- Install solar panels.
- Use solar water heating system to save electricity.

For the entire system, PDR has controlled energy and water consumption and implemented initiatives to minimise this consumption. Public lightning is fixed time and with areas to turn on. Boiler operation is also tightened and LED light is used to save energy.

As for real estate products, one of the environmentally friendly characters of PDR is having a low construction density.

All buildings are designed to maximise view and natural light penetration. PDR also employs the inverter and central air-conditioning, Low-E glass to restrict ultraviolet radiation and level of power consumption as set standards in many projects.

Alternative materials	Unit	Total in 2019	Total in 2020
Ratio of replacement of baked bricks with light bricks/light partition plates	%	50	55
Ratio of use of manufactured wood (apartment flooring) to natural wood	%	100	100
Ratio of use of Led in replacement of fluorescent and compact bulbs	%	90	95

Quantity of alternative materials, fuel, chemical substances used for construction in one project was presented as follow:

Quantity of alternative materials used for construction in one project			
No.	Type of materials	Unit	Quantity
A	Materials as per design		
1	Hollow bricks of 8x8x19 dimensions, 20-cm thick walls, height <= 4m, cement mortar of grade 75	m³	3,800
B	Alternative materials		
1	Plaster partition wall	m²	19,000

Fuel and chemicals for one project			
No.	Type of fuel and chemicals	Unit	Quantity
1	Gasoline	litre	120
2	Additives	kg	18,345
3	Water-proofing chemicals	kg	6,845



ENERGY CONSUMPTION

GRI 302

Direct consumed energy

- Utilise local power supply grid with appropriated capacity for each specific project. Rigorous capacity calculations are carried out during design stage to optimise power consumption.
- Promote the use of solar energy systems, or any other renewable source of energy.
- Use low-power LEDs to replace fluorescent and compact bulbs. Despite initial higher investment, this helps reduce the cost of electricity consumption significantly for both construction and households. Always pay attention to splitting the line during design stage to save resources, electricity and reduce costs for users.
- Use inverter/chiller air conditioning system and smart control solutions to ensure power consuming devices are switched off when not in use, apply solutions during design stage to create natural ventilation, thus helping to minimise the use of electricity.

						Forecast of total maximum power supply of one project	
No.	Description	Data	Unit	Quota as per norm	Unit	Calculated quota	Total load (W)
1	Electricity quota for apartment section	2,000	person	800	W/person	1040	2,028,000
2	Electricity quota for commercial section	21,906	m ²	30	W/m ²	39	854,334
3	Load of public lighting, elevator, etc			50	%	35	1,009,882
4	Total power						3,892,216
5	Total transformer load (kVA) – CosΨ 0.8						4,865,270

Reduction of electricity consumption for years at the projects							
		First year (10% reduction)		Second year (8% reduction)		Third year (5% reduction)	
No.	Description	Calculated quota	Total load (W)	Calculated quota	Total load (W)	Calculated quota	Total load (W)
1	Electricity quota for apartment section	936	1,872,000	853	1,706,000	800	1,600,000
2	Electricity quota for commercial section	35	766,710	32	700,992	30	657,180
3	Load of public lighting, elevator, etc	32	844,387	29	698,028	27	609,439
4	Total power		3,483,097		3,105,020		2,866,619
5	Total transformer load (kVA) – CosΨ 0.8		4,353,871		3,881,275		3,583,274



WATER CONSUMPTION

GRI 303

Water supply
and saving water

- Use clean water from local water supply plants with appropriated capacity for each specific project.
- In technical design, we use water taps with sensors, taps with air mixing mode in the discharge process, dual-flush toilets, high-capacity automatic washing machines, etc. for optimised water saving.
- Use hot water systems with solar energy for power-intensive projects such as hotels, contributing to considerable electricity consumption decrease.
- Build underground water tanks and harvest rain water and recycle wastewater treated by environmentally accredited systems at project sites for plant watering (on average, the amount of recycled water is about 300 m³ per project).
- Apply electronic devices to control water consumption and detect losses and incidents for timely actions.

Target and demand for water

Supply:

Water provided to the project site is from the City’s clean water supply.

Water quota and demand:

The site areas are located at the Nhon Hoi Ecotourism City, Quy Nhon City, Binh Dinh Province and the Phat Dat Bau Ca, Quang Ngai City, Quang Ngai Province.

The non-regulated water use coefficient of $K_{day} = 1.2$ and $K_{hour} = 1.4$.

A project’s water demand is calculated according to Vietnam Building Code

QCXDVN 01:2008/BXD

Forecast the maximum water supply of one project

No.	Water use purpose	Quota	Unit	Size	Unit	Flow rate (m³/day)
1	Water for apartments	250 (*)	litre/person	1,500	person	375
2	Water for offices and restaurants	75 (*)	litre/person	200	person	15.0
3	Public use, watering	05	%			19.5
4	Total					409.5
5	Contingency (leakages, etc.)	<20	%			81.9
6	Total water demand					491.4



ENVIRONMENTAL IMPACTS WHEN THE PROJECT’S IN OPERATION

The PDR clearly understands the significance of environmental protection during design, construction and exploitation process for all various projects. Each new project is well planned, scientifically synchronised to have an environmental protection design, whilst fully exploiting natural advantages by improving and mobilising their abundance.

Green spaces are considered indispensable highlights in every PDR project. Low construction density, high ratio of trees which are well arranged, with ample water available has created modern living spaces that are environmentally friendly.

Several typical projects, including Zone 2, 4, 9 projects in Nhon Hoi Ecotourism City, Binh Dinh Province and Phat Dat Bau Ca Residentials in Quang Ngai City all exude a high ratio of trees, convenient walking streets, a public square and green space, a success story of taking existing natural advantages and transforming it into an ecotourism city.

Transforming these projects has especially created a desirable living environment for local residents. All of PDR’s projects are ecological urban areas, the “green highlight” for each locality.

Westin Cam Ranh hotel, Marriot Hoi An Resort – under PDR’s management – have used recycle-paper products, and changed from polyester (micro-fibre) cloth to 70% made from bamboo and 30% from cotton.

ZONE 2, 4, 9 PROJECTS AT THE NHON HOI ECOTOURISM CITY, BINH DINH PROVINCE

Environmental quality monitoring during operation



Monitoring the quality of emission at the source	Environmental monitoring of waste water quality
<ul style="list-style-type: none">• The PDR projects of Zone 2, 4, 9 projects at the Nhon Hoi Ecotourism City, Binh Dinh Province. The company strives to apply technologies, techniques and other parameters to monitor and conserve energy for minimal environmental impact during and after project completion. The following are detailed summaries:• Electric generators are equipped with dual-stage smoke filters which reduce toxic gases emitted during fuel combustion.• Using dual-stage smoke filters for electric motors and diessel generator. This would reduce 95% of PM black smoke, HC and CO smoke to protect environment. It should be applied into industry and generator system for apartments and high-rise buildings.• Monitoring position: 2 points at the 2 exhaust ducts of the standby generators.• Monitoring indicators: Dust, CO, NOx, SO2, and noise.• Monitoring frequency: Every 3 months and when requested by the regulator.• Comparative norms:<ul style="list-style-type: none">+ QCVN 19: 2009/BTNMT - National technical norms on industrial emissions for dust and inorganic substances (column B, Kp = 0.9; Kv = 0.6).+ QCVN 26: 2010/BTNMT - National technical norms on noise.	<ul style="list-style-type: none">• Monitoring position:<ul style="list-style-type: none">+ 01 position in front of the wastewater treatment system.+ 01 position behind waste water treatment system.+ 01 position at the manhole connecting wastewater with the shared sewer.• Monitoring indicators: pH, BOD5, TSS, total dissolved solid, sulphide (calculated according to H2S), nitrate (calculated according to N), Ammonium (calculated according to N), animal fat and vegetable oil, total surface-active agents, phosphate, coliform.• Monitoring frequency: Every 3 months and when requested by the regulator.• Comparative norm: QCVN 14: 2008/BTNMT - National technical norm on domestic wastewater quality (column B; K = 1).• Continuous automatic monitoring of treated wastewater with a discharge volume of 1,000 m³ per day and more.

Monitoring domestic solid waste and hazardous waste
<ul style="list-style-type: none">• Scope of monitoring: Monitoring the storage of waste, its composition, volume and contracting vendors.• Monitoring frequency: Every 6 months and when requested by the regulatory authorities.• Apply:<ul style="list-style-type: none">+ Circular No.36/2015/TT-BTNMT dated 30 June, 2015 of the Ministry of Natural Resources and Environment on the management of hazardous waste.+ Noting the Decree No.38/2015/ND-CP dated 24 April, 2015 of the Government regulating waste and scrap management, payment of sanitation fees and environmental protection fees according to Decision No.88/2008/QD-UBND dated December 20, 2008 of the Municipal People's Committee.

The estimated environmental monitoring cost when the project enters an optimal stage in operations is reported at about VND20 million per cycle.

PHAT DAT BAU CA RESIDENTIALS, QUANG NGAI CITY

Environmental quality monitoring during operation



Air quality monitoring	Emission monitoring at the source	Environmental monitoring of wastewater quality	Monitoring of solid waste and hazardous waste
<ul style="list-style-type: none">• Monitoring position:<ul style="list-style-type: none">+ 01 point at the project entrance gate.+ 01 point in the second basement near the wastewater treatment system.+ 01 point on the ground floor near the waste storage area.• Monitoring indicators: Dust, SO2, NO2, CO, NH3, H2 S, noise.• Monitoring frequency: Every 6 months.• Comparative norms:<ul style="list-style-type: none">+ QCVN 05: 2013/ BTNMT - National technical norms on ambient air quality.+ QCVN 26: 2010/ BTNMT - National technical norms on noise.	<ul style="list-style-type: none">• Using dual-stage smoke filters for electric motors and diessel generator. This would reduce 95% of PM black smoke, HC and CO smoke to protect environment. It should be applied into industry and generator system for apartments and high-rise buildings.• Monitoring positions: 1 point at the exhaust opening of the standby generator.• Monitoring indicators: Dust, CO, NOx, SO2, and noise.• Monitoring frequency: Every 3 months.• Comparative norms:<ul style="list-style-type: none">+ QCVN 19: 2009/ BTNMT- National technical norms on industrial emissions for dust and inorganic substances (column B, Kp = 0.9; Kv = 0.6).+ QCVN 26: 2010/ BTNMT - National technical norms on noise.	<ul style="list-style-type: none">• Sampling location: Post - treatment wastewater.• Monitoring indicators: pH, BOD5, TSS, total dissolved solid, sulfur (calculated according to H2S), nitrate (calculated according to N), ammonium (calculated according to N), animal fat and vegetable oil, total surface-active substances, phosphate, coliform.• Monitoring frequency: Every 3 months.• Comparative norms:<ul style="list-style-type: none">+ QCVN 14: 2008/ BTNMT - National technical norms on domestic wastewater quality (column B; K = 1).	<ul style="list-style-type: none">• Hazardous waste.• Frequency: Every 6 months.• Apply: Circular No.12/2011/TT-BTNMT dated 14 April, 2011 of the Ministry of Natural Resources and Environment on hazardous waste management.• Monitor domestic solid waste:<ul style="list-style-type: none">+ Frequency of gathering: Daily.+ Gathering done by: Responsible entities.+ Apply Decree No.59/2007/ ND-CP dated 9 April, 2007 of the Government on solid waste management, payment of sanitation fees and environmental protection fees under Decision No.88/2008/QD-UBND dated 20 December, 2008 of the Municipal People's Committee.

The estimated environmental monitoring cost when the project enters an optimal stage in operations is reported at about VND15 million per cycle.

ENVIRONMENTAL PROTECTION COMPLIANCE

GRI 307

- To implement and comply with laws and other environmental protection efforts in 2018 and.
- 2019, PDR has enforced different solutions on this awareness. The company also diligently and fully complied with all environmental laws and did not violate any regulations on ecosystem protection under all its activities.
- Environmental monitoring management methods are introduced in PDR' projects appropriately and the effective compliance with the applicable laws on environment is therefore guaranteed. PDR is proud of fully following environmental laws and having zero violations so far.
- Environmental Impact Assessment (EIA) reports are implemented in accordance to applicable regulations thereafter, they are submitted to relevant authorities for appraisal before construction commencement.
- Planning and technical standardisation and norms are adopted in compliance with both the central government and local authorities to create more green spaces and landscapes.
- This compliance has typically occurred at submission 2, 4, 9 projects in the Nhon Hoi Ecotourism City, Binh Dinh Province; Phat Dat Bau Ca Residential Area, Quang Ngai City, hotels and resorts developed by PDR. A large proportion of the site is dedicated to a water reservoir which helps balance the surface water amount and prevent flooding for the entire area.
- Additionally, constantly investing in new machinery, which is modern and standard equipment to minimise noise, smoke, odour, and gas pollution.
- PDR is dedicated to the mobilisation on environmental protection project in managing real estate construction.
- At the same time, ample space is dedicated to greenery and landscaping, partly to protect environment and elevate its natural aesthetics.
- Treating wastewater at Alevel manhole, using the treated output for watering, to save the resource then discharge into popular drainage system.
- At any project, close liaison with contractors is carried out to establish environmental protection rules and regulations to ensure that each party is acting in consciousness of the surrounding habitat.
- Working with contractors to consider and implement highsafety and environmental friendly technical solutions in construction work.
- To ascertain that PDR contractors or providers are adhering to the policies, the company organises inspections and supervision of contractors' compliance with environmental protection regulations. Therefore, we work to coordinate with contractors to handle any inappropriate events.
- Barriers with solid structures are installed at all construction areas, meeting aesthetic and sustainability requirements throughout the construction process and preventing the spread of dust, noise, vibration, and light within the neighbourhood.
- Drainage systems with proper connectivity are installed at project sites to ensure thorough drainage and prevent flooding. Construction wastewater, before being discharged into the shared drainage system, must be channelled into well-sized manholes where soil and mud settles down through the settling compartments.
- Wastewater is treated before being discharged into the environment. Wastewater from construction work is led into the sedimentation tank for treatment before being discharged into the City's sewer.
- Utilising natural and recycled energy, which is friendly to the environment, as well as recycling treated water for watering.



COMPLIANCE WITH LAWS ON FINES

GRI 307

In 2019, PDR was fined for 01 case

- Upholding the compliance with applicable regulations: after the receipt of Decision No.5742/QD-CT-XP on September 12nd, 2018, PDR paid the full fine amount notified by the tax authority of HCM City.

Other areas

- In 2019, PDR was not involved in any cases relating to conflict of interests and corruption. We neither used forced labour nor child labour and strictly comply with the laws regarding social insurance, health insurance and other benefits for employees relevant to the labour market.

Responsibility for local community

- Environmental monitoring management methods are introduced in PDR' projects appropriately and compliance

with the applicable laws on environment is assured. PDR is proud of fully following environmental laws and have no violations so far.

- In drawing future business plans, the PDR gives priority for social communal benefits and environmental protection in order to create desirable living spaces for the entire local community and towards a sustainable and professional development.
- Utilising professional technical consultant services like Starwood, Marriott in controlling and supervising design and construction of hotels, resorts in compliance with international and local standards. The PDR has often paid attention to the design of construction architect to ensure overall aesthetics are in accordance with local master

planning and regional spiritual culture. In detail, all old-age architect and items, such as ancient wall, wells, old trees and vegetation at site have been preserved to make a unique design for projects in particular and for locality in general.

- PDR is also co-operating with the local authority to mitigate sea erosion into the revetment dyke along with remaining terrestrial natural conditions and through designing proper architect plan with maximum limit in soil excavation.
- Finally, PDR is devoted to developing products for the community. We strive to improving social environment in localities where PDR appears and actively displaying responsibility with partners, customers, colleagues and community.



Assessment report related to corporate's enviromental and social responsibilities

EMPLOYMENT

GRI 401

In 2019, acknowledging its significant growth, PDR directly and indirectly created many employment opportunities. In this regard, the company highly complied with principles and pledges of hiring and recruitment of employees.

STAFF - MANAGEMENT RELATIONSHIP

GRI 402

PDR always ensures to conform with collective employee agreement, Labour Laws or provisions of other laws related to labourers.

Of which, at article 5, PDR pledges to execute its collective labour agreement, comprising of:

- Ensuring employees are free to participate in a trade union and other unions regulated by the Government as well as offering favourable conditions for trade union cadre to work in compliance with Trade Union Law.
- Seriously observing all provisions of laws on hiring and using labourers.
- Fully executing all contents of collective labour agreements and labour contracts.
- Offering opportunities and conducive conditions for labourers to improve their professional skill, culture and successfully fulfil their missions.
- Employer has the right to recruit, arrange and manage employees, based on practical situation as well as to appraise or fine labour discipline violations under regulations of the collective labour agreement and laws.
- Publicly announcing the Government's policies related to employees, yearly plan, regulations, rules, financial situation and other compulsory contents under laws.

OCCUPATIONAL HEALTH AND SAFETY

GRI 403

A safe working environment contributes to improve staff's physical health and happiness index. PDR has especially focused on establishing policy of periodic healthcare check; social, healthcare and unemployment insurance payment. All staff have been offered favourable conditions to fully enjoy all insurance regimes in accordance with laws.

Total social insurance payment for maternity and diseases for staff in 2019 was VND334.68 million.

The company also offers health care insurance for managers and combined accident insurance for all employees.

PDR always complies with provisions of the laws on labour safety and hygiene.

EDUCATION & TRAINING

GRI 404

PDR considers continuous learning as a priority segment during the development process of the enterprise and as a means of accompanying the community through capacity building. PDR believes that if we positively influence human capabilities, habits and behaviour, every social and economic matter will change all together.

As a result, it would create a sustainable foundation for livelihoods and other environmental protection goals. Therefore, meaning that education investment is for both the future and the present.

Education and training activities have been carried out by PDR at different forms, including:

- Prioritising internal education and fostering. Besides training courses for professional skills, PDR is looking for improvement of team work and individual work skills, geared towards promoting working efficiently. Afterwards, staff can mobilise all their capabilities, optimise time creating ample commitment to for their private lives, and reduce the imbalance between work and life.
- Prioritising scholarship programmes to increase knowledge and academic improvement opportunities for the community. PDR has supported different scholarship funds in central province of Quang Ngai and HCM City in many years. Additionally, sponsoring economic conferences and forums with the aim to bring useful information for capacity development demand of the business people community.

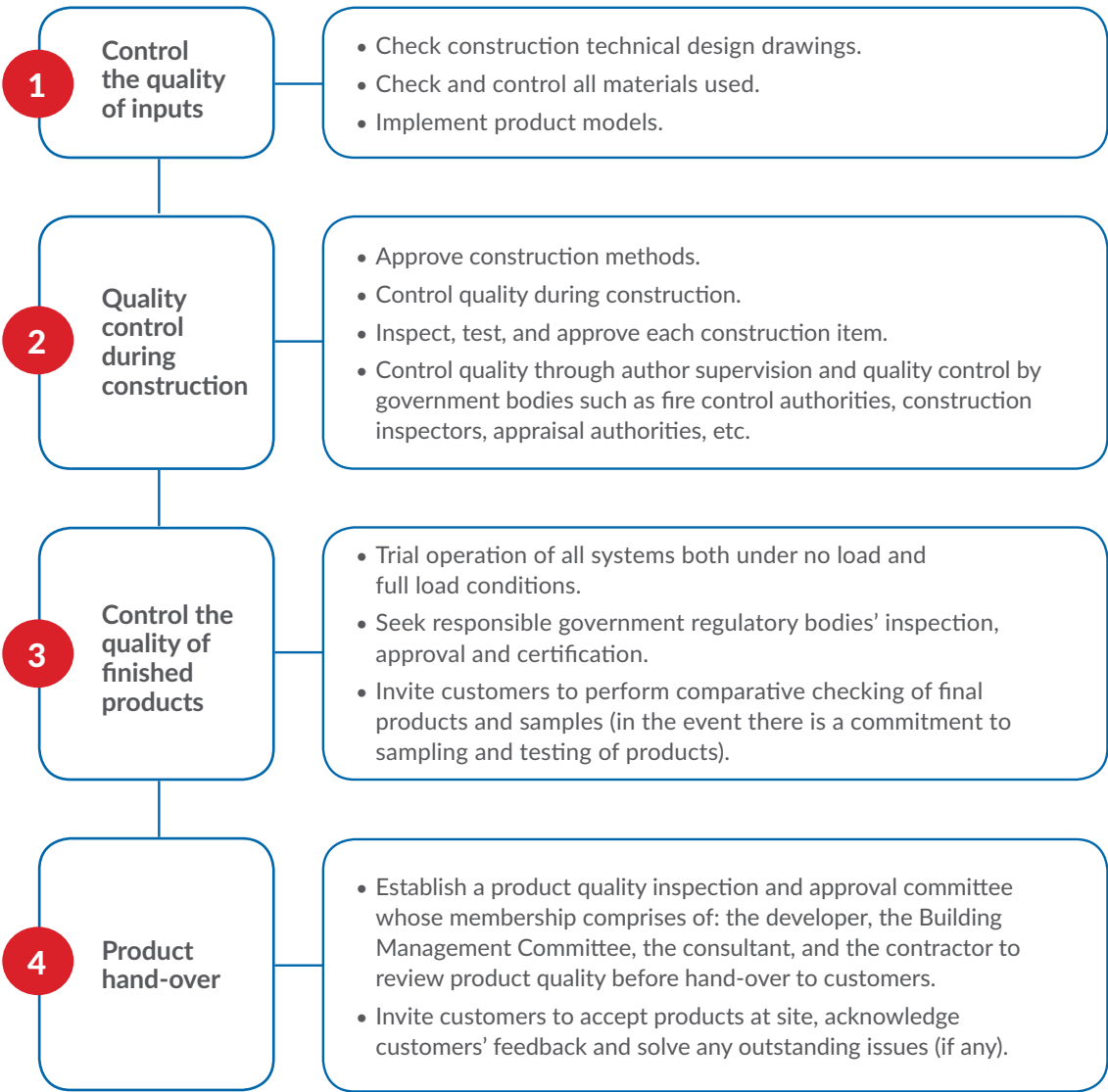


CUSTOMER SAFETY AND HEALTH

GRI 416

Responsibilities for products

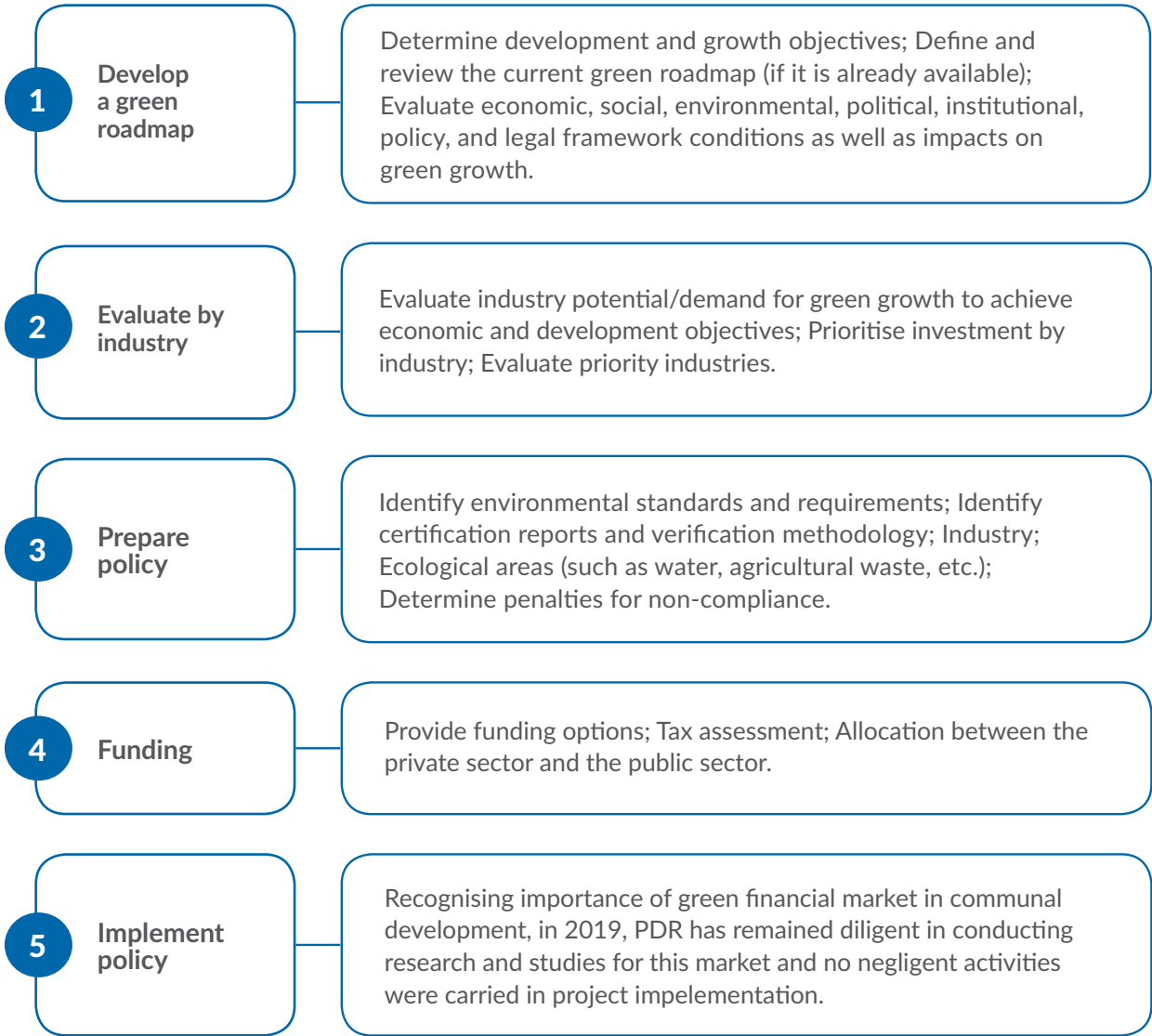
In order to absolutely ensure customer benefits, PDR always pays attention to quality control from the start of project implementation to the point of delivery. PDR’s quality control, in summary, comprises of four steps as follows:



REPORT RELATED TO THE GREEN CAPITAL MARKET

Below is a report related to the green capital market under the guidance of the State Securities Commission.

In 2018, PDR started assessing the green financial market development roadmap. In 2019, PDR has continued to build growth plan within green financial market, comprising of the following steps:



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019



GENERAL INFORMATION

The company

Phat Dat Real Estate Development Corp ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No.4103002655 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 13 September 2004, as amended.

The Company's shares were listed on the Ho Chi Minh Stock Exchange ("HOSE") with code PDR in accordance with the License No.1207/SGDHCM-NY issued by the HOSE on 9 July 2010.

The current principal activities of the Company and its subsidiaries ("the Group") are to construct and trade real estate properties; to undertake the civil and industrial projects, bridges and roads; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Company's registered head office is located at No.422, Dao Tri Street, Quarter 1, Phu Thuan Ward, District 7, Ho Chi Minh City, Vietnam.

Board of Directors

Members of the BOD during the year and at the date of this report are:

Mr Nguyen Van Dat	Chairman
Mr Nguyen Tan Danh	Deputy Chairman
Ms Tran Thi Huong	Deputy Chairwoman
Mr Doan Viet Dai Tu	Member
Mr Le Quang Phuc	Member
Mr Khuong Van Muoi	Member
Mr Tran Trong Gia Vinh	Member
Mr Le Minh Dung *	Member

*appointed on 30 March 2019

Internal Audit Committee

According to the Resolution of Shareholders No.01/DHDCD-NQ.2019 dated 30 March 2019, the Company established an Internal Audit Committee, which is part of the BOD and dismissed the Board of Supervision.

Members of the Internal Audit Committee during the year and at the date of this report are:

Ms Nguyen Thi Thu Nguyet	Member	appointed on 18 June 2019
Mr Vo Hoang Tu	Member	appointed on 18 June 2019
Mr To Minh Tai	Member	appointed on 18 June 2019

Management

Members of the Management during the year and at the date of this report are:

Mr Nguyen Van Dat	General Director
Mr Pham Trong Hoa	Deputy General Director
Mr Bui Quang Anh Vu	Deputy General Director

Legal Representative

The legal representative of the Company during the year and as the date of this report is Mr Nguyen Van Dat.

Auditors

The auditor of the Company is Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

Management of Phat Dat Real Estate Development Corp ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2019.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group, and of the consolidated results of its operation and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, 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.

For and on behalf of management:



Nguyen Van Dat
General Director

Ho Chi Minh City, Vietnam
28 February 2020

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Phat Dat Real Estate Development Corp

We have audited the consolidated financial statements of Phat Dat Real Estate Development Corp ("the Company") and its subsidiaries ("the Group") as prepared on 28 February 2020 and set out on pages 5 to 38, which comprise the consolidated balance sheet as at 31 December 2019, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

MANAGEMENT'S RESPONSIBILITY

The Company's management is responsible for the preparation and fair presentation of the Group's 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 Group's 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.

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 2019, 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.

Ernst & Young Vietnam Limited



Ernest Yoong Chin Kang
Deputy General Director
Audit Practicing Registration Certificate
No.1891-2018-004-1

Ho Chi Minh City, Vietnam
28 February 2020

Ly Hong My
Auditor
Audit Practicing Registration Certificate
No.4175-2017-004-1

INDEPENDENT AUDITORS' REPORT (continued)

Consolidated balance sheetas at 31 December 2019				
Code	Assets	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		10,354,694,188,254	8,050,298,505,590
110	I. Cash	5	646,334,409,446	189,341,108,610
111	1. Cash		646,334,409,446	189,341,108,610
130	II. Current accounts receivable		1,705,319,506,303	1,987,986,155,701
131	1. Short-term trade receivables	6	795,203,585,316	877,410,270,588
132	2. Short-term advances to suppliers	7	755,175,650,677	759,480,588,629
136	3. Other short-term receivables	8	158,048,756,336	354,908,379,358
137	4. Provision for doubtful short-term receivables	6	(3,108,486,026)	(3,813,082,874)
140	III. Inventory	9	7,994,802,959,880	5,865,813,659,699
141	1. Inventories		7,994,802,959,880	5,865,813,659,699
150	IV. Other current assets		8,237,312,625	7,157,581,580
151	1. Short-term prepaid expenses	10	2,535,665,201	3,227,850,322
152	2. Value-added tax deductible	18	3,055,335,504	249,242,268
153	3. Tax and other receivables from the State	18	2,642,764,611	3,680,488,990
155	4. Other current assets		3,547,309	-
200	B. NON-CURRENT ASSETS		3,606,685,291,937	3,007,127,704,904
210	I. Long-term receivables		1,566,429,244,555	1,218,785,810,900
211	1. Long-term trade receivables	6	100,000,000,000	136,493,450,000
216	2. Other long-term receivables	8	1,466,429,244,555	1,082,292,360,900
220	II. Fixed assets		17,573,105,541	10,533,573,446
221	1. Tangible fixed assets	11	16,528,118,651	8,670,954,220
222	Cost		29,436,544,082	16,207,907,380
223	Accumulated depreciation		(12,908,425,431)	(7,536,953,160)
227	2. Intangible fixed assets	12	1,044,986,890	1,862,619,226
228	Cost		3,171,378,036	3,171,378,036
229	Accumulated amortisation		(2,126,391,146)	(1,308,758,810)
230	III. Investment properties	13	75,415,499,883	81,803,718,760
231	1. Cost		82,664,270,272	85,069,855,272
232	2. Accumulated depreciation		(7,248,770,389)	(3,266,136,512)
240	IV. Long-term asset in progress		908,369,586,162	772,508,407,217
242	1. Construction in progress	14	908,369,586,162	772,508,407,217
250	V. Long-term investments		5,502,000,000	-
252	1. Investment in an associate	15.1	2,692,000,000	-
255	2. Held-to-maturity investment	15.2	2,810,000,000	-
260	VI. Other long-term assets		1,033,395,855,796	923,496,194,581
261	1. Long-term prepaid expenses	10	1,033,362,960,251	923,019,095,140
262	2. Deferred tax assets	30.3	32,895,545	477,099,441
270	TOTAL ASSETS		13,961,379,480,191	11,057,426,210,494

Consolidated balance sheetas at 31 December 2019				
Code	Assets	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		9,592,450,613,317	7,545,800,025,971
310	I. Current liabilities		3,072,749,465,963	791,983,019,355
311	1. Short-term trade payables	16	260,918,338,771	312,970,270,795
312	2. Short-term advances from customers	17	651,149,337,644	10,173,673,983
313	3. Statutory obligations	18	178,844,784,958	106,085,585,958
314	4. Payables to employees		4,531,081,501	4,723,195,905
315	5. Short-term accrued expenses	19	145,704,680,565	78,224,554,568
319	6. Other short-term payables	20	623,410,262,001	266,522,206,379
320	7. Short-term loans	22	1,201,598,912,000	-
322	8. Bonus and benefits fund	21	6,592,068,523	13,283,531,767
330	II. Non-current liabilities		6,519,701,147,354	6,753,817,006,616
337	1. Other long-term liabilities	20	5,549,400,552,616	6,753,817,006,616
338	2. Long-term loans	22	970,300,594,738	-
400	D. OWNERS' EQUITY		4,368,928,866,874	3,511,626,184,523
410	I. Capital		4,368,928,866,874	3,511,626,184,523
411	1. Share capital	23.1	3,276,579,720,000	2,663,890,070,000
411a	- Shares with voting rights		3,276,579,720,000	2,663,890,070,000
412	2. Share premium	23.1	11,680,300,000	11,680,300,000
418	3. Investment and development fund	23.1	137,513,584,076	645,866,230,447
421	4. Undistributed earnings	23.1	871,304,238,377	645,866,230,447
421a	- Undistributed earnings by the end of prior year		4,365,082,023	4,597,533,421
421b	- Undistributed earnings of current year		866,939,156,354	641,268,697,026
429	5. Non-controlling interests	24	71,851,024,421	65,476,000,000
440	TOTAL LIABILITIES AND OWNERS' EQUITY		13,961,379,480,191	11,057,426,210,494



Vo Van Giap
Preparer

28 February 2020



Vu Quynh Hoa
Chief Accountant



Nguyen Van Dat
General Director

INDEPENDENT AUDITORS' REPORT (continued)

Consolidated income statement for the year ended 31 December 2019				
Code	Items	Notes	Previous year	Current year
01	1. Revenue from sale of goods and rendering of services	25.1	2,268,746,544,025	3,410,467,569,021
02	2. Deductions	25.1	(121,037,201,884)	(10,281,555,066)
10	3. Net revenue from sale of goods and rendering of services	25.1	2,147,709,342,141	3,400,186,013,955
11	4. Cost of goods sold and services rendered	26	(1,466,558,349,018)	(2,082,172,994,694)
20	5. Gross profit from sale of goods and rendering of services		681,150,993,123	1,318,013,019,261
21	6. Finance income	25.2	4,553,157,729	8,191,043,675
22	7. Finance expenses		-	(101,578,949)
25	8. Selling expenses	27	(41,308,040,594)	(124,034,028,139)
26	9. General and administrative expenses	27	(80,054,505,689)	(93,003,741,165)
30	10. Operating profit		564,341,604,569	1,109,064,714,683
31	11. Other income	29	198,454,186,942	4,447,792,353
32	12. Other expenses	29	(4,718,208,025)	(8,201,664,074)
40	13. Other (loss) profit		193,735,978,917	(3,753,871,721)
50	14. Accounting profit before tax		758,077,583,486	1,105,310,842,962
51	15. Current corporate income tax expense	30.1	(114,724,540,728)	(230,723,252,719)
52	16. Deferred tax expense	30.3	(36,345,732)	(444,203,896)
60	17. Net profit after tax		643,316,697,026	874,143,386,347
61	18. Net profit after tax attributable to shareholders of the parent		643,316,697,026	874,138,744,149
62	19. Net profit after tax attributable to non-controlling interests		-	4,642,198
70	20. Basic earnings per share (VND/share)	32	1,914	2,534
71	21. Diluted earnings per share (VND/share)	32	1,914	2,534



Vo Van Giap
Preparer
28 February 2020



Vu Quynh Hoa
Chief Accountant



Nguyen Van Dat
General Director

Consolidated cash flow statement for the year ended 31 December 2019				
Code	Items	Notes	Previous year	Current year
I	CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		758,077,583,486	1,105,310,842,962
	Adjustments for:			
02	Depreciation and amortisation of fixed assets and investment properties	11, 12, 13	3,912,036,535	6,010,671,000
03	Reversal of provision		(327,975,420)	(704,596,848)
05	Profits from investing activities		(4,553,157,729)	(6,682,602,020)
08	Operating profit before changes in working capital		757,108,486,872	1,103,934,315,094
09	(Increase) decrease in receivables		933,434,560,707	(64,568,313,755)
10	Increase in inventories		(708,091,347,875)	(3,453,811,699,227)
11	Increase in payables		418,210,999,785	1,759,427,245,554
12	Increase in prepaid expenses		(902,791,656,039)	(109,651,679,990)
14	Interest paid		(70,549,175,311)	(76,813,864,626)
15	Corporate income tax paid		(83,035,315,972)	(156,800,342,826)
17	Other cash outflows for operating activities	21	(21,720,533,279)	(19,491,463,244)
20	Net cash flows (used in) from operating activities		322,566,018,888	(1,017,775,803,020)
II	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(9,743,614,002)	(101,269,950,297)
22	Proceeds from disposals of fixed assets		119,059,556,440	-
23	Loans to other entities		-	(2,810,000,000)
25	Payments for investments in other entities		(689,180,950,512)	(599,743,496,260)
26	Proceeds from sale of investments in other entities		347,480,000,000	-
27	Interest received		2,301,822,946	6,693,043,675
30	Net cash flows used in investing activities		(230,083,185,128)	(697,130,402,882)
III	CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		1,056,991,706,980	2,456,471,923,000
34	Repayment of borrowings		(1,104,188,126,114)	(284,572,416,262)
40	Net cash flows from (used in) financing activities		(47,196,419,134)	2,171,899,506,738
50	Net increase (decrease) in cash		45,286,414,626	456,993,300,836
60	Cash at beginning of year		144,054,693,984	189,341,108,610
70	Cash at end of year	5	189,341,108,610	646,334,409,446



Vo Van Giap
Preparer
28 February 2020



Vu Quynh Hoa
Chief Accountant



Nguyen Van Dat
General Director

PHAT DAT REAL ESTATE DEVELOPMENT CORP

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

CORPORATE INFORMATION

Phat Dat Real Estate Development Corp (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate (“BRC”) No.4103002655 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City on 13 September 2004, as amended.

The Company’s shares were listed on the Ho Chi Minh Stock Exchange (“HOSE”) with code PDR in accordance with the License No.1207/SGDHCM-NY issued by the HOSE on 9 July 2010.

The current principal activities of the Company and its subsidiaries (“the Group”) are to construct and trade real estate properties; to undertake the civil and industrial projects, bridges and roads; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Company’s registered head office is located at No.422, Dao Tri, Quarter 1, Phu Thuan Ward, District 7, Ho Chi Minh City, Vietnam.

The number of the Group’s employees as at 31 December 2019 was 190 (31 December 2018: 185).

Corporate structure

As at 31 December 2019, the Company has six following subsidiaries which were consolidated into the consolidated financial statements of the Group:

Phat Dat Investment Limited Company (“Phat Dat Investment”)

Phat Dat Investment is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No.0313241765 issued by the DPI of Ho Chi Minh City on 11 May 2015, as amended. Phat Dat Investment’s registered head office is located at No.422 Dao Tri Street, Quarter 1, Phu Thuan Ward, District 7, Ho Chi Minh City, Vietnam. The principal activities of Phat Dat Investment are to trade real estate properties. As at the balance sheet date, legal procedures for the dissolution of Phat Dat Investment are in progress.

As at 31 December 2019, the Company holds a 100% equity share and voting rights in this subsidiary.

CPhu Hung Real Estate Investment Company Limited (“Phu Hung”)

Phu Hung is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No.0313558191 issued by the DPI of Ho Chi Minh City on 1 December 2015, as amended. Phu Hung’s registered head office is located at No.30, Nguyen Thi Dieu Street, District 3, Ho Chi Minh City, Vietnam. The principal activities of Phu Hung are to trade real estate properties. On 6 November 2018, the Company’s BOD decided to dissolve Phu Hung in accordance with Decision No.21/2018/QD-HDQT. On 8 February 2020, the Company received the Notification of the DPI of Ho Chi Minh City indicating the completion of the process to dissolve this company.

As at 31 December 2019, the Company holds a 100% equity share and voting rights in this subsidiary.

DK Phu Quoc Corporation (“DK Phu Quoc”)

DK Phu Quoc is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No.1701522101 issued by the DPI of Kien Giang Province on 22 April 2011, as amended. DK Phu Quoc’s registered head office is located at Group 17, C Lot, Quarter 5, Duong Dong Town, Phu Quoc District, Kien Giang Province, Vietnam. The principal activities of DK Phu Quoc are to trade real estate properties and provide construction services.

As at 31 December 2019, the Company holds a 99% equity share and voting rights in this subsidiary.

Coinin Construction Investment Infrastructure Company Limited (“Coinin”)

Coinin is a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No.0313662185 issued by the DPI of Ho Chi Minh City on 25 February 2016, as amended. Coinin’s registered head office is located at No.271/16, An Duong Vuong Street, Ward 3, District 5, Ho Chi Minh City, Vietnam. The principal activities of Coinin are to trade real estate properties and provide construction services.

As at 31 December 2019, the Company holds a 80% equity share and voting rights in this subsidiary.

Sai Gon - KL Real Estate Corporation (“Sai Gon – KL”) (Note 4)

Sai Gon - KL is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No.13700902915 issued by the DPI of Binh Duong Province on 29 April 2008, as amended. Sai Gon – KL’s registered head office is located at Land lot

No.1186 - 1187, Map sheet No.6-2 (D2), Binh Duc Quarter, Binh Hoa Ward, Thuan An Town, Binh Duong Province, Vietnam. The principal activities of Sai Gon - KL are to trade real estate properties.

As at 31 December 2019, the Company holds a 99% equity share and voting rights in this subsidiary.

Ngo May Real Estate Investment Joint Stock Company (“Ngo May”)

During the year, the Group contributed VND 127,012,460,600 to establish Ngo May, a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No.4101553978 issued by the DPI of Binh Dinh Province on 19 November 2019. Ngo May’s registered head office is located at No.1, Ngo May Street, Nguyen Van Cu Ward, Quy Nhon City, Binh Dinh Province, Vietnam. The principal activities of Ngo May are to trade real estate properties.

As at 31 December 2019, the Company holds a 94% equity share and voting rights in this subsidiary.

BASIS OF PREPARATION

Accounting standards and system

The consolidated financial statements of the Group, expressed in Vietnam dong (“VND”), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No.149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No.165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No.234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No.12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No.100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and the consolidated results of operations and the consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Applied accounting documentation system

The Group’s applied accounting documentation system is the General Journal system.

Fiscal year

The Group’s fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

Accounting currency

The consolidated financial statements are prepared in VND which is also the Group’s accounting currency.

Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2019.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

The consolidated financial statements of the Company and its subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders’ equity.

Impact of change in the ownership interest of subsidiary, without a loss of control, is recorded to the account of undistributed earnings.

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash comprises cash on hand and cash in banks.

Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Merchandise - cost of purchase on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and

- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the balance sheet date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory property recognised in the consolidated income statement is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administration expense in the consolidated income statement.

Fixed assets

Tangible fixed assets and intangible fixed assets are stated at cost less accumulated depreciation and amortisation.

The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets while expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Machinery and equipment	3 – 8 years
Means of transportation	6 – 10 years
Land use rights	49 years
Computer software	3 years

Investment properties

Investment properties comprise land use rights, buildings or part of a building or both and infrastructure held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services; administration purposes or sale in the ordinary course of business.

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation of investment properties is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	25 – 45 years
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Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

Construction in progress

Construction in progress represents fixed assets under construction and is stated at historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Investments

Investment in an associate

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-to-maturity investment

Held-to-maturity investment is stated at its acquisition cost. After initial recognition, held-to-maturity investment is measured at recoverable amount. Any impairment loss incurred is recognised as finance expenses in the consolidated income statements and deducted against the value of such investment.

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

Earnings per share

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and benefits fund and BOD’s remuneration) by the weighted average number of ordinary shares outstanding during the year, where applicable.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary shareholders of the Company (after adjusting for the bonus and benefits fund and BOD’s remuneration) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Foreign currency transactions

Transactions in currencies other than the Group’s reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

Appropriation of net profits

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval by shareholders at the annual general meeting, and after making appropriation to reserve funds in accordance with the Group’s Charter and Vietnam’s regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group’s net profit as proposed by the Board of Directors (“BOD”) and subject to approval by shareholders at the annual general meeting.

Investment and development fund

This fund is set aside for use in the Group’s expansion of its operation or in-depth investments.

Bonus and benefits fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees’ benefits and presented as a liability on the consolidated balance sheet.

Dividends

Final dividends proposed by the Company’s BOD are classified as an allocation of undistributed earnings within the equity section on the consolidated balance sheet, until they have been approved by the Company’s shareholders at the annual general meeting. At that time, they are recognized as a liability in the consolidated balance sheet.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of apartments

For apartments sold after completion of construction, the revenue is recognised when the significant risks and rewards of ownership of apartments have been transferred to the buyers, usually upon the handing over of apartments, or upon the expiring of the Notice of Handover, which is usually 7 days after issuance date.

Sale of residential plots and related infrastructure

Revenue is recognised when the significant risks and rewards of ownership of residential plots and related infrastructures have been transferred to the buyers, usually upon the handing over of residential plots and related infrastructures.

Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease.

Rendering of services

Revenue is recognised upon the services had been provided and completed.

Interest income

Interest income is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Taxation

Current income tax

Current income tax assets and liabilities for the current and previous years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

Segment information

A segment is considered as an independent department of the Group which involve in the process of providing products or rendering services (business segment) or providing products or rendering services in a specific economic environment (geographical segment). These departments are responsible for risk and gain benefit separately from other departments.

The Group's principal activities are to construct and trade real estate properties; to undertake the civil and industrial projects, bridges and roads; and to provide real estate brokerage and valuation services, and real estate trading centre and management. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's products that the Group is constructing or the locations where the Group is operating. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

BUSINESS COMBINATION

On 15 October 2019, the Group acquired 99% ownership interest in Sai Gon - KL at a consideration of VND 630,667,840,000. Accordingly, Sai Gon - KL became the Group's subsidiary from that date.

Management assessed that the said cost of acquisition represents the fair value of the project owned by this newly-acquired subsidiary. As a result, management accounted for this acquisition as asset acquisition rather than business combination because this subsidiary only owns real estate project and is not in commercial operation yet.

CASH

Unit: VND		
	Ending balance	Beginning balance
Cash on hand	136,492,947	113,633,563
Cash in banks	646,197,916,499	189,227,475,047
Total	646,334,409,446	189,341,108,610

TRADE RECEIVABLES

Unit: VND		
	Ending balance	Beginning balance
Short-term	795,203,585,316	877,410,270,588
Receivables from other parties	695,788,611,272	766,661,526,919
Thien Minh Real Estate Investment Corporation ("Thien Minh")	344,738,890,572	419,425,589,072
Danh Khoi Holdings Investment Joint Stock Company ("Danh Khoi")	157,852,595,000	-
Mr Pham Thanh Dien	31,000,000,000	71,000,000,000
Minh Hoang Real Estate Business Joint Stock Company ("Minh Hoang")	26,602,528,970	25,135,776,394
Toan Tam Management Service Corporation ("Toan Tam")	21,228,032,000	4,785,609,500
Big Gain Investment Company Limited ("Big Gain")	-	13,951,350,000
Others	114,366,564,730	232,363,201,953
Receivables from related parties (Note 31)	99,414,974,044	110,748,743,669
Long-term	100,000,000,000	136,493,450,000
Receivable from a related party (Note 31)	100,000,000,000	117,000,000,000
Receivable from other party	-	19,493,450,000
Total	895,203,585,316	1,013,903,720,588
Provision for doubtful short-term receivables	(3,108,486,026)	(3,813,082,874)
Net	892,095,099,290	1,010,090,637,714

Unit: VND		
Movements of provision for doubtful short-term receivables	Previous year	Current year
Beginning balance	4,141,058,294	3,813,082,874
Less: Reversal of provision during the year	(327,975,420)	(704,596,848)
Ending balance	3,813,082,874	3,108,486,026

SHORT-TERM ADVANCES TO SUPPLIERS

Unit: VND		
	Ending balance	Beginning balance
620 Infrastructure Development and Investment Corporation	361,572,995,000	-
Land Clearance and Compensation Corporation	178,099,623,590	174,188,023,851
Duc Khai Corporation	70,228,366,367	67,051,706,000
Toan Thuan Phat Construction Trading and Service Company Limited	55,447,431,870	62,576,147,735
Advance to Ms Nguyen Thi My Duyen for capital transfer	54,000,000,000	-
Tan Hoang Real Estate Corporation	-	223,000,000,000
Tam Binh Real Estate Corporation	-	200,000,000,000
Others	35,827,233,850	32,664,711,043
Total	755,175,650,677	759,480,588,629

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

OTHER RECEIVABLES

	Unit: VND	
	Ending balance	Beginning balance
Short-term	158,048,756,336	354,908,379,358
Receivables from other parties	67,958,293,348	274,903,770,358
Minh Hoang (ii)	17,660,000,000	50,000,000,000
Deposit to auction Nhon Hoi – Binh Dinh project	-	132,400,000,000
Other deposits	6,372,484,000	6,600,000,000
Others	43,925,809,348	85,903,770,358
Receivables from related parties (Note 31)	90,090,462,988	80,004,609,000
Long-term	1,466,429,244,555	1,082,292,360,900
Receivables from other parties	1,239,089,492,655	854,952,609,000
Phu Quoc Doan Anh Duong Corporation (“Doan Anh Duong”) (i)	416,000,000,000	446,000,000,000
Minh Hoang (ii)	361,400,000,000	361,400,000,000
Tan Hoang Real Estate Corporation (iii)	223,000,000,000	-
Tam Binh Real Estate Corporation (iii)	200,000,000,000	-
Phu Quoc Economic Zone Board of Management	38,548,000,000	-
Phat Dat Quang Ngai Hotel and Resort Corporation	-	9,000,000,000
Others	141,492,655	38,552,609,000
Receivables from related parties (Note 31)	227,339,751,900	227,339,751,900
Truong Phat Loc Shipping Joint Stock Company (“Truong Phat Loc”) (iv)	126,400,000,000	126,400,000,000
AKYN Service Trading Investment Joint Stock Company (former is T.A.M Service Trading Investment Joint Stock Company) (“AKYN”) (v)	100,939,751,900	100,939,751,900
Total	1,624,478,000,891	1,437,200,740,258

- i.

The ending balance represents the capital contribution in accordance with the Investment Cooperation Contract (“ICC”) regarding to the development of Vung Bau Ecotourism Project located at Cua Can Commune, Phu Quoc District, Kien Giang Province and earning the shared profit according to the proportion of financial contributions but not less than the interest of 20% p.a.
- ii.

The ending balance represents remaining receivables from contributed capital and distributed profit after tax resulted from the Business Cooperation Contract (“BCC”) regarding to the development of commercial floors and office-apartments of Millennium project located at No.132, Ben Van Don Street, Ward 6, District 4, Ho Chi Minh City (“Millennium project”).
- iii.

The ending balance represents capital contribution in accordance with the ICC regarding to the construction and development of the ICD Port of Transhipment project located at Long Binh Ward, District 9, Ho Chi Minh City and receiving the shared land area after the project’s completion.
- iv.

The ending balance represents remaining receivable from contributed capital from ICC liquidation with Truong Phat Loc regarding to the development of Millennium project.
- v.

The ending balance represents remaining receivable from contributed capital from ICC liquidation with AKYN regarding to the development of a project located at No.239, Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City.

INVENTORIES

	Unit: VND	
	Ending balance	Beginning balance
Real estate properties (*)	7,993,221,395,711	5,865,341,180,580
Merchandise	1,581,564,169	472,479,119
Total	7,994,802,959,880	5,865,813,659,699

(*) Real estate properties mainly include compensation costs, land clearance costs, construction costs, capitalised interest and other development costs incurred for the following on-going real estate projects:

	Unit: VND	
	Ending balance	Beginning balance
The EverRich 2 project (i)	3,597,766,841,597	3,593,255,243,078
Nhon Hoi – Binh Dinh project (ii)	2,791,168,413,614	-
The EverRich 3 project (i)	875,636,079,563	2,051,827,016,256
Binh Duong Commercial Center and Luxury Apartment project	596,306,128,270	-
Phan Dinh Phung Sports Center project	75,134,195,647	72,633,584,240
Bau Ca – Quang Ngai project (ii)	37,603,106,026	98,559,426,839
Others	19,606,630,994	49,065,910,167
Total	7,993,221,395,711	5,865,341,180,580

- i.

The EverRich 2 and The EverRich 3 projects and all of their associated asset rights were pledged to Vietnam Prosperity Joint Stock Commercial Bank as security collateral for the loans taken by the Company’s business partners.
As at the balance sheet date, the Company is in progress to fulfil the Government’s requirements for transferring the remaining parts of these projects in accordance with ICCs entered with Big Gain and Dynamic Innovation Company Limited (“Dynamic”) (Note 20).
- ii.

The Nhon Hoi – Binh Dinh and Bau Ca – Quang Ngai projects and all of their associated asset rights were pledged as security collateral for the loans obtained and bonds issued by the Company (Note 22).

The capitalised interest to invest, develop projects for the year ended 31 December 2019 was VND 153,908,476,307 (for the year ended 31 December 2018: VND 70,549,175,311).

PREPAID EXPENSES

	Unit: VND	
	Ending balance	Beginning balance
Short-term	2,535,665,201	3,227,850,322
Tools and supplies	714,438,747	143,162,230
Insurance fees	502,474,083	522,160,041
External services fees	381,151,768	1,782,577,621
Others	937,600,603	779,950,430
Long-term	1,033,362,960,251	923,019,095,140
The EverRich 2 project compensation cost (*)	923,823,243,655	915,331,115,914
Commission fees	100,000,000,000	-
Apartments management fees	2,910,441,003	3,382,434,585
Others	6,629,275,593	4,305,544,641
Total	1,035,898,625,452	926,246,945,462

(*) This is the compensation cost paid to CRE & AGI Consulting Joint Stock Company (“CRE & AGI”) and Phu Hung upon liquidation of BCCs regarding to construction and business management of The EverRich 2 project so that the Company can transfer this project to Big Gain under the ICC (Note 9).

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

TANGIBLE FIXED ASSETS

Unit: VND			
	Machinery and equipment	Means of transportation	Total
Cost			
Beginning balance	3,339,587,842	12,868,319,538	16,207,907,380
New purchase	903,066,700	10,599,924,547	11,502,991,247
Ending balance	4,242,654,542	23,468,244,085	27,710,898,627
In which:			
Fully depreciated	2,290,743,387	3,066,637,720	5,357,381,107
Accumulated depreciation			
Beginning balance	(2,651,165,204)	(4,885,787,956)	(7,536,953,160)
Depreciation for the year	(651,873,299)	(2,993,953,517)	(3,645,826,816)
Ending balance	(3,303,038,503)	(7,879,741,473)	(11,182,779,976)
Net carrying amount			
Beginning balance	688,422,638	7,982,531,582	8,670,954,220
Ending balance	939,616,039	15,588,502,612	16,528,118,651

INTANGIBLE FIXED ASSETS

Unit: VND	
	Computer software
Cost	
Beginning balance and ending balance	3,171,378,036
In which:	
Fully amortised	718,481,036
Accumulated amortisation	
Beginning balance	(1,308,758,810)
Amortisation for the year	(817,632,336)
Ending balance	(2,126,391,146)
Net carrying amount	
Beginning balance	1,862,619,226
Ending balance	1,044,986,890

INVESTMENT PROPERTIES

Unit: VND			
	Land use rights	Building and structures	Total
Cost			
Beginning balance	7,306,972,991	77,762,882,281	85,069,855,272
Increase due to acquisition of a subsidiary	5,274,354,545	1,725,645,455	7,000,000,000
Reclassify	6,475,163,022	(6,475,163,022)	-
Transfer to inventories	(6,475,163,022)	(2,930,421,978)	(9,405,585,000)
Ending balance	12,581,327,536	70,082,942,736	82,664,270,272
Accumulated depreciation			
Beginning balance	-	(3,266,136,512)	(3,266,136,512)
Increase due to consolidation	(786,757,894)	(1,725,645,455)	(2,512,403,349)
Depreciation for the year	-	(1,547,211,848)	(1,547,211,848)
Transfer to inventories	-	76,981,320	76,981,320
Ending balance	(786,757,894)	(6,462,012,495)	(7,248,770,389)
Net carrying amount			
Beginning balance	7,306,972,991	74,496,745,769	81,803,718,760
Ending balance	11,794,569,642	63,620,930,241	75,415,499,883

The fair values of the investment properties were not formally assessed and determined as at 31 December 2019. However, given the current occupancy rate of these properties and market price of surrounding land, it is management’s assessment that these properties’ market values are higher than their carrying value as at the balance sheet date.

CONSTRUCTION IN PROGRESS

Unit: VND		
	Ending balance	Beginning balance
Ham Ninh Industrial Complex and Residential Village and Center projects in Ham Ninh Ward, Phu Quoc Province	398,738,837,674	398,094,823,275
The Internal Technical Infrastructure Construction Ancient project in District 9, Ho Chi Minh City	319,511,653,557	307,445,996,284
Ngo May – Binh Dinh project	126,992,204,750	-
Phu Quoc five-star Hotel & Resort	49,223,541,734	53,732,479,734
Hospital for Traumatology and Orthopaedics	7,976,940,104	7,171,734,009
Others	5,926,408,343	6,063,373,915
Total	908,369,586,162	772,508,407,217

The capitalised interest to invest, develop the projects for the year ended 31 December 2019 was nil (for the year ended 31 December 2018: VND 818,071,265).

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

LONG-TERM INVESTMENTS

Investment in an associate

	Ending balance		Beginning balance	
	% of ownership	Amount VND	% of ownership	Amount VND
PDP Project Construction Investment Co., Ltd ("PDP Project") (*)	49	2,692,000,000	-	-

(*) PDP Project was a limited liability company with two or more members incorporated under the Law on Enterprise of Vietnam pursuant to the BRC No.0315143682 issued by the DPI of Ho Chi Minh City on 3 July 2018. PDP Project's registered head office is located at No.422, Dao Tri Street, Quarter 1, Phu Thuan Ward, District 7, Ho Chi Minh City, Vietnam. The principal activities of PDP Project are to trade real estate properties. PDP Project's current main project is Phan Dinh Phung construction project at 8 Vo Van Tan, Ward 6, District 3, Ho Chi Minh City. As at the balance sheet date, the Group has contributed of VND 2,692,000,000 over its charter capital of VND 147,000,000,000 as per BRC.

Held-to-maturity investment

This represents bank deposit with maturity of 24 months and earning interest at the rate of 6.38% per annum.

SHORT-TERM TRADE PAYABLES

Unit: VND		
	Ending balance	Beginning balance
Phu My Hung Investment Corporation	165,122,193,621	264,925,416,441
Sai Gon Transport Construction Joint Stock Company	61,281,747,788	-
Dong Khanh Construction Company Limited	13,636,067,669	28,544,533,703
IDV Investment and Trading Joint Stock Company	6,828,799,823	-
Cotec Construction Joint Stock Company	5,837,593,182	10,837,593,182
Dat Moi Trading Service Joint Stock Company	-	5,699,012,385
Others	8,211,936,688	2,963,715,084
Total	260,918,338,771	312,970,270,795

SHORT-TERM ADVANCES FROM CUSTOMERS

Unit: VND		
	Ending balance	Beginning balance
Advances received for transfer of land lots, apartments	651,149,337,644	10,173,673,983
In which:		
Nhon Hoi – Binh Dinh project	591,765,616,622	-
Other projects	59,383,721,022	10,173,673,983

STATUTORY OBLIGATIONS

Unit: VND				
	Beginning balance	Increase	Decrease	Ending balance
Payables				
Corporate income tax	65,130,904,485	235,467,297,172	(156,800,342,826)	143,797,858,831
Personal income tax	560,934,835	24,258,213,898	(22,906,715,229)	1,912,433,504
Value-added tax	40,393,746,638	217,301,131,405	(224,560,385,420)	33,134,492,623
Land use right fees	-	799,098,354,146	(799,098,354,146)	-
Others	-	1,794,346,932	(1,794,346,932)	-
Total	106,085,585,958	1,277,919,343,553	(1,205,160,144,553)	178,844,784,958
Receivables				
Corporate income tax	3,639,767,632	15,563,466,886	(16,560,469,907)	2,642,764,611
Value-added tax	249,242,268	89,963,113,083	(87,157,019,847)	3,055,335,504
Personal income tax	40,721,358	-	(40,721,358)	-
Total	3,929,731,258	105,526,579,969	(103,758,211,112)	5,698,100,115

SHORT-TERM ACCRUED EXPENSES

Unit: VND		
	Ending balance	Beginning balance
Construction costs	58,475,289,099	65,969,868,741
Interest expense	78,594,435,111	7,032,367,645
Others	8,634,956,355	5,222,318,182
Total	145,704,680,565	78,224,554,568

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

OTHER PAYABLES

	Unit: VND	
	Ending balance	Beginning balance
Short-term	623,410,262,001	266,522,206,379
Sai Gon – KL shares transfer (*)	528,212,980,877	-
ICCs – Nhon Hoi – Binh Dinh project (**)	73,000,000,000	-
Maintenance fund	2,412,773,984	48,866,690,401
Other deposits received	3,373,396,000	129,993,679,000
Advance received from CRE & AGI	-	80,000,000,000
Others	16,411,111,140	7,661,836,978
Long-term	5,549,400,552,616	6,753,817,006,616
ICCs – The EverRich 2 and The EverRich 3 projects (***)	5,547,433,656,616	6,723,817,006,616
ICCs – Nhon Hoi – Binh Dinh project (**)	-	30,000,000,000
Others	1,966,896,000	-
Total	6,172,810,814,617	7,020,339,212,995

(*) This is remaining payment regarding to shares transfer in Sai Gon – KL, which has deposited in the assigned account by parties and has paid to foreign individual shareholders on 10 January 2020.

(**) These represent capital received from individuals to develop the Nhon Hoi – Binh Dinh project, Land area No.4 under ICCs. Accordingly, they will receive the shared actual profit after tax arising from the project but not less than the interest of 15% p.a. on their contributed capital.

(***) On 26 December 2017, the Group has entered into 5-year ICCs with Big Gain regarding to the development of a part of The EverRich 2 project and with Dynamic regarding to the development of apartment block of The EverRich 3 project. According to these ICCs and appendixes:

- a. Big Gain/Dynamic has obligation to settle the costs incurred by the Group for the cooperated project.
- b. The parties may receive the profits from the project in accordance with the proportion of financial contributions of the parties.
- c. After the land use rights certificate of the project is granted for the Group, Big Gain/Dynamic has the option to purchase and the Group has the option to sell 99% of the Group's interest in the ICC at the price equivalent to 99% of the agreed contributed value of the Group in this ICC, plus a surplus that will be agreed upon by the parties.
- d. When the legal conditions of the project are met, the Group has the right to assign this project to another partner provided that it fully reimburses Big Gain/ Dynamic the contributed amount plus interest. The amount of interest shall be agreed upon by the parties.

As at the balance sheet date, the Group received the amount of VND 4,557,365,656,616 and VND 990,068,000,000 from Big Gain and Dynamic, respectively.

BONUS AND BENEFITS FUND

	Unit: VND	
	Previous year	Current year
Beginning balance	13,004,065,046	13,283,531,767
Increase	22,000,000,000	12,800,000,000
Decrease	(21,720,533,279)	(19,491,463,244)
Ending balance	13,283,531,767	6,592,068,523

LOANS

	Unit: VND			
	Increase	Decrease	Reclassify	Ending balance
Short-term	1,191,598,912,000	(100,000,000,000)	110,000,000,000	1,201,598,912,000
Loan from bank (Note 22.1)	99,652,850,000	-	-	99,652,850,000
Bonds (Note 22.2)	1,091,946,062,000	(100,000,000,000)	110,000,000,000	1,101,946,062,000
Long-term	1,266,371,011,000	(186,070,416,262)	(110,000,000,000)	970,300,594,738
Loan from bank (Note 22.1)	200,000,000,000	(184,572,416,262)	-	15,427,583,738
Bonds (Note 22.2)	542,198,011,000	-	(110,000,000,000)	432,198,011,000
Loan from other party (Note 22.3)	524,173,000,000	(1,498,000,000)	-	522,675,000,000
Total	2,457,969,923,000	(286,070,416,262)	-	2,171,899,506,738

Loans from bank

Details of loans from banks

Bank	Ending balance (VND)	Principal repayment term	Purpose	Interest rate % p.a.	Descriptions of collateral
Vietnam Joint Stock Commercial Bank for Industry and Trade – Quang Ngai Branch	15,427,583,738	4 January 2021	To finance Bau Ca – Quang Ngai project	Interest rate of 12-month deposits + additional capital mobilization cost + 4.5	Land use rights and associated assets belongs to Bau Ca – Quang Ngai project
Joint Stock Commercial Bank for Investment and Development of Vietnam – Nha Be Branch	99,652,850,000	28 May 2020	To finance Nhon Hoi – Binh Dinh project, Land lot No.4	11	Land use rights and associated assets belongs to Land lot No.4, Nhon Hoi – Binh Dinh project
Total	115,080,433,738				
In which:					
Short-term	99,652,850,000				
Long-term	15,427,583,738				

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

Bonds

Details of the bonds issued at the par value to finance Nhon Hoi – Binh Dinh project				
	Ending balance (VND)	Principal repayment term	Interest rate % p.a.	Description of collateral
Bond 1	99,725,000,000	8 April 2020	14.45	18,000,000 PDR shares owned by shareholders
Bond 2	98,958,333,000	4 June 2020	12	8,200,000 PDR shares owned by shareholder
Bond 3	542,198,011,000	From 3 March 2020 to 3 June 2024	10.5 for the first year and interest rate of 24-month VND deposits at Military Commercial Joint Stock Bank + 3.5	Land use rights and all assets rights belongs to area No.2, Nhon Hoi – Binh Dinh project; land use rights at Tan My, Cam An Ward, Hoi An City, Quang Nam Province
Bond 4	150,000,000,000	24 June 2020	14	13,000,000 PDR shares owned by shareholder
Bond 5	69,941,667,000	1 August 2020	13.5	5,500,000 PDR shares owned by shareholder
Bond 6	218,479,414,000	1 August 2020	9.5	Guarantee letter from Orient Commercial Joint Stock Bank - Ben Thanh Branch
Bond 7	79,760,000,000	27 September 2020	13	6,470,000 PDR shares owned by shareholder
Bond 8	166,998,315,000	29 November 2020	9.5	Guarantee letter from Orient Commercial Joint Stock Bank - Ben Thanh Branch
Bond 9	108,083,333,000	15 November 2020	13	8,500,000 PDR shares owned by shareholder
Total	1,534,144,073,000			
In which:				
Short-term	1,101,946,062,000			
Long-term	432,198,011,000			

Loan from other party

Lender	Ending balance		Principal repayment term	Purpose	Interest rate % p.a.	Description of collateral
	VND	USD				
Vietnam New Urban Center LP	522,675,000,000	22,500,000	From 2 May 2021 to 13 May 2021	To finance Nhon Hoi – Binh Dinh project	15	28,500,000 PDR shares owned by shareholder

OWNERS' EQUITY

Increase and decrease in owners' equity

Unit: VND					
	Share capital	Share premium	Investment and development fund	Undistributed earnings	Total
Previous year					
Beginning balance	2,219,909,230,000	11,680,300,000	102,713,584,076	492,578,373,421	2,826,881,487,497
Net profit for the year	-	-	-	643,316,697,026	643,316,697,026
Transfer to bonus and benefits fund	-	-	-	(22,000,000,000)	(22,000,000,000)
Appropriation of net profit	-	-	22,000,000,000	(22,000,000,000)	-
Dividends share	443,980,840,000	-	-	(443,980,840,000)	-
BOD's performance bonus	-	-	-	(2,048,000,000)	(2,048,000,000)
Ending balance	2,663,890,070,000	11,680,300,000	124,713,584,076	645,866,230,447	3,446,150,184,523
Current year					
Beginning balance	2,663,890,070,000	11,680,300,000	124,713,584,076	645,866,230,447	3,446,150,184,523
Net profit for the year	-	-	-	874,138,744,149	874,138,744,149
Transfer to bonus and benefits fund	-	-	-	(12,800,000,000)	(12,800,000,000)
Appropriation of net profit	-	-	12,800,000,000	(12,800,000,000)	-
Dividends share (*)	612,689,650,000	-	-	(612,689,650,000)	-
BOD's performance bonus	-	-	-	(10,411,086,219)	(10,411,086,219)
Ending balance	3,276,579,720,000	11,680,300,000	137,513,584,076	871,304,238,377	4,297,077,842,453

(*) On 14 May 2019, the Company completed the issuance of 61,268,965 ordinary shares to pay dividend to existing shareholders at par value of VND 10,000/ share in accordance with the Resolution of Shareholders No.01/DHDCD-NQ.2019 dated 30 March 2019 and Decision of BOD No.06/2019/QD-HDQT dated 3 April 2019. On the same date, the Company received the 26th amended BRC issued by the DPI of Ho Chi Minh City, approving the increase in the Company's charter capital from VND 2,663,890,070,000 to VND 3,276,579,720,000.

Capital transactions with owners and distribution of dividends

Unit: VND		
	Previous year	Current year
Contributed share capital		
Beginning balance	2,219,909,230,000	2,663,890,070,000
Increase during the year	443,980,840,000	612,689,650,000
Ending balance	2,663,890,070,000	3,276,579,720,000
Dividends		
Dividend declared	443,980,840,000	612,689,650,000
Dividend paid	443,980,840,000	612,689,650,000

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

Shares

	Unit: VND	
	Ending balance	Beginning balance
Authorized shares	327,657,972	266,389,007
Issued and paid-up shares	327,657,972	266,389,007
Ordinary shares	327,657,972	266,389,007
Shares in circulation	327,657,972	266,389,007
Ordinary shares	327,657,972	266,389,007

Par value of outstanding share: 10.000 VND/share (2018: VND 10,000/share).

NON-CONTROLLING INTEREST

	Unit: VND	
	Previous year	Current year
Beginning balance	-	65,476,000,000
Undistributed earnings	-	4,642,198
Increase due to acquisition of a subsidiary	65,476,000,000	6,370,382,223
Ending balance	65,476,000,000	71,851,024,421

REVENUES

Finance income

	Unit: VND	
	Previous year	Current year
Interest income	2,301,822,946	6,693,043,675
Foreign exchange difference gain	-	1,498,000,000
Others	2,251,334,783	-
Total	4,553,157,729	8,191,043,675

Revenue from sale of goods and rendering of services

	Unit: VND	
	Previous year	Current year
Gross revenue	2,268,746,544,025	3,410,467,569,021
Of which:		
Sale of residential plots	407,213,263,593	3,374,904,133,792
Revenue from rendering of services	68,683,883,180	15,907,800,844
Revenue from investment properties	7,627,640,000	10,904,791,138
Sale of apartments	1,785,221,757,252	8,750,843,247
Deductions	(121,037,201,884)	(10,281,555,066)
Sales returns	(120,895,496,884)	(10,281,555,066)
Sales deduction	(141,705,000)	-
Net revenue	2,147,709,342,141	3,400,186,013,955
In which:		
Sale of residential plots	407,213,263,593	3,374,904,133,792
Revenue from rendering of services	68,683,883,180	15,907,800,844
Revenue from investment properties	7,627,640,000	10,904,791,138
Sale of apartments	1,664,184,555,368	(1,530,711,819)
In which:		
Sales to other parties	2,084,122,006,833	3,340,913,490,389
Sales to related parties	63,587,335,308	59,272,523,566

COST OF GOODS SOLD AND SERVICES RENDERED

	Unit: VND	
	Previous year	Current year
Cost of residential plots	201,937,626,291	2,061,653,285,342
Cost of services rendered	9,498,288,563	16,075,916,709
Cost of investment properties	1,526,394,102	4,443,792,643
Cost of apartments sold	1,253,596,040,062	-
Total	1,466,558,349,018	2,082,172,994,694

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Unit: VND		
	Previous year	Current year
Selling expenses	41,308,040,594	124,034,028,139
Commission expenses	17,557,807,277	100,559,689,549
Advertising expenses	18,265,951,374	16,116,188,747
Salary expenses	3,866,585,129	4,609,609,648
Others	1,617,696,814	2,748,540,195
General and administrative expenses	80,054,505,689	93,003,741,165
Salary expenses	55,070,243,192	56,497,776,993
External services expenses	15,386,009,825	22,292,137,062
Depreciation and amortisation expenses	1,534,758,866	3,155,726,495
Others	8,063,493,806	11,058,100,615
Total	121,362,546,283	217,037,769,304

OPERATING COSTS

Unit: VND		
	Previous year	Current year
Construction costs	455,167,782,072	3,438,109,455,826
Interest expense	17,035,298,112	148,375,932,092
External services expenses	51,404,826,956	138,860,979,027
Labour expenses	59,303,766,321	61,103,277,641
Depreciation and amortisation expenses (Notes 11, 12 and 13)	3,912,036,535	6,010,671,000
Others	9,119,194,140	13,917,786,141
Total	595,942,904,136	3,806,378,101,727

OTHER INCOME AND OTHER EXPENSES

Unit: VND		
	Previous year	Current year
Other income	198,454,186,942	4,447,792,353
Written-off debts	-	4,247,237,449
Profit sharing from ICC	190,000,000,000	-
Others	8,454,186,942	200,554,904
Other expenses	4,718,208,025	8,201,664,074
Penalty for contract violation	1,925,578,534	6,251,498,558
Penalty for tax late payment	-	1,191,554,725
Others	2,792,629,491	758,610,791
Other (loss) profit	193,735,978,917	(3,753,871,721)

CORPORATE INCOME TAX

The corporate income tax (“CIT”) rate applicable to the Company and its subsidiaries is 20% of taxable profits.

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

CIT expenses

Unit: VND		
	Previous year	Current year
Current CIT expense	114,724,540,728	230,723,252,719
Deferred tax expense	36,345,732	444,203,896
Total	114,760,886,460	231,167,456,615

Reconciliation between CIT expenses and the accounting profit before tax multiplied by CIT rate is presented below:

Unit: VND		
	Previous year	Current year
Accounting profit before tax	758,077,583,486	1,105,310,842,962
At CIT rate of 20%	151,615,516,697	221,062,168,592
Adjustments		
Non-deductible expenses	1,145,369,763	10,408,228,294
Distributed profits after tax under ICCs	(38,000,000,000)	-
Others	-	(302,940,271)
CIT expenses	114,760,886,460	231,167,456,615

Current tax

The current CIT payable is based on taxable profit for the current year. The taxable profit of the Group for the year differs from the accounting profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax

The following is deferred tax asset recognized by the Group, and the movements thereon for the current and previous years:

Unit: VND				
	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Previous year	Current year
Accrued expenses	32,895,545	477,099,441	(36,345,732)	(444,203,896)
Deferred tax asset	32,895,545	477,099,441		
Deferred tax expense			(36,345,732)	(444,203,896)

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions with related parties during the current and previous years				Unit: VND
Related party	Relationship	Transaction	Previous year	Current year
Mr Nguyen Van Dat	General Director	Advances and collection of advances	140,463,500,929	1,095,878,080,662
		Borrowing	314,880,604,381	24,051,013,966
		Payment of borrowing	444,325,391,663	24,051,013,966
Ms Tran Thi Huong	BOD's member	Sale of land lot	-	29,041,638,544
Mr Bui Quang Anh Vu	BOD's member	Sale of land lot	-	29,033,813,517
AKYN	Related party of BOD's member	Collection of capital transfer	5,000,000,000	27,000,000,000
		Sale of office-apartments collection	-	3,143,000,000
		Rendering of services	465,538,265	494,870,676
		Payment of on behalf	132,800,000	146,080,000
		ICC income collection	90,000,000,000	-
		Payment of borrowings	31,520,000,000	-
		Sale of office-apartments	20,437,149,451	-
Ms Doan Thi Trang	Related party of BOD's member	Collection of land use rights transfer	-	17,648,000,000
		Payments on behalf	-	15,125,285,677
		Transfer of real estate property	42,774,404,040	-
Truong Phat Loc	Related party of BOD's member	Borrowing and payment borrowing	-	11,500,000,000
		ICC distributed profit collection	45,000,000,000	5,000,000,000
		Office rental	108,000,000	983,676,577
		Rendering of services	267,781,817	228,072,728
PDP Project	Associate	Capital contribution	-	2,692,000,000
BDSC Management	Related party of BOD's member	Consulting services	1,581,250,000	2,043,500,000
Dien Gia Khang Real Estate Company Limited	Associate	Collection of capital contribution	176,000,000,000	-
Dien Gia Khanh Real Estate Development Company Limited	Associate	Collection of capital contribution	75,000,000,000	-

Remuneration to members of the BOD and Management for the current and previous years				Unit: VND
			Previous year	Current year
BOD				
Performance bonus and bonus			2,048,000,000	10,411,086,219
Management				
Salaries and bonus			10,539,570,769	4,980,000,000
Total			12,587,570,769	15,391,086,219

Amounts due from and due to related parties as at the balance sheet dates				Unit: VND
Related party	Relationship	Transaction	Ending balance	Beginning balance
Short-term trade receivables				
AKYN	Related party of BOD's member	Capital transfer	55,000,000,000	45,000,000,000
		Sale of apartments	22,089,172,092	18,832,357,744
Ms Doan Thi Trang	Related party of BOD's member	Real estate property transfer	32,648,000,000	15,000,000,000
Mr Bui Quang Anh Vu	BOD's member	Sale of residential plots	-	10,306,377,900
Ms Tran Thi Huong	BOD's member	Sale of residential plots	-	10,276,238,400
Truong Phat Loc	Related party of BOD's member	Office rental	1,011,571,577	-
			110,748,743,669	99,414,974,044
Long-term trade receivable				
AKYN	Related party of BOD's member	Capital transfer	117,000,000,000	100,000,000,000
Other short-term receivables				
Truong Phat Loc	Related party of BOD's member	ICC interest income	80,000,000,000	75,000,000,000
Ms Doan Thi Trang	Related party of BOD's member	Payments on behalfy	-	15,090,462,988
PDP Project	Associate	Advances	4,609,000	-
			80,004,609,000	90,090,462,988
Other long-term receivables				
Truong Phat Loc	Related party of BOD's member	Capital contribution under ICC	126,400,000,000	126,400,000,000
AKYN	Related party of BOD's member	Capital contribution under ICC	100,939,751,900	100,939,751,900
			227,339,751,900	227,339,751,900

EARNINGS PER SHARE

The Group uses following data to calculate the basic and diluted earnings per share			Unit: VND
	Previous year (adjusted)	Current year	
Profit after tax attributable to ordinary shareholders of the Company	643,316,697,026	874,138,744,149	
Less: BOD's performance bonus (*)	(3.216.583.485)	(8.741.387.441)	
Bonus and benefits fund (*)	(12,866,333,941)	(34,965,549,766)	
Net profit after tax attributable to ordinary shareholders of the Company (VND)	627,233,779,600	830,431,806,942	
Weighted average number of ordinary shares for the year (shares) (**)	327,657,972	327,657,972	
Basic earnings per share (VND/share)	2,534	1,914	
Diluted earnings per share (VND/share)	2,534	1,914	

(*) Profit used to compute earnings per share Previous year have been restated to the amounts reported in the consolidated financial statements for previous year to reflect the actual appropriation of bonus and benefits fund and BOD's performance bonus and bonus from undistributed net income of 2018 in accordance with the Resolution of Shareholders at annual general meeting dated 30 March 2019.

Profit used to compute earnings per share for the year ended 31 December 2019 was adjusted for the provisional appropriation of bonus and benefits fund and BOD's performance bonus from undistributed net income of 2019 following the plan as approved by Shareholders at annual general meeting dated 30 March 2019.

(**) The weighted average number of ordinary shares Previous year has been retrospectively adjusted for the dividend shares issued on 14 May 2019.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

PHAT DAT REAL ESTATE DEVELOPMENT CORP (continued)

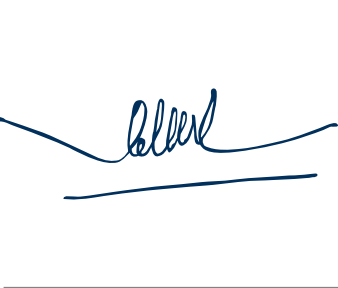
notes to the consolidated financial statements as at 31 December 2019 and for the year then ended

INVESTMENT COMMITMENTS

	Unit: VND	
	Ending balance	Beginning balance
Project construction commitments	742,528,101,725	97,067,244,677
Capital contribution commitments	228,308,000,000	171,000,000,000
PDP Project	144,308,000,000	147,000,000,000
Doan Anh Duong	84,000,000,000	24,000,000,000
Total	970,836,101,725	268,067,244,677

EVENT AFTER THE BALANCE SHEET DATE

There has been no significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements of the Group.



Vo Van Giap
Preparer
28 February 2020



Vu Quynh Hoa
Chief Accountant



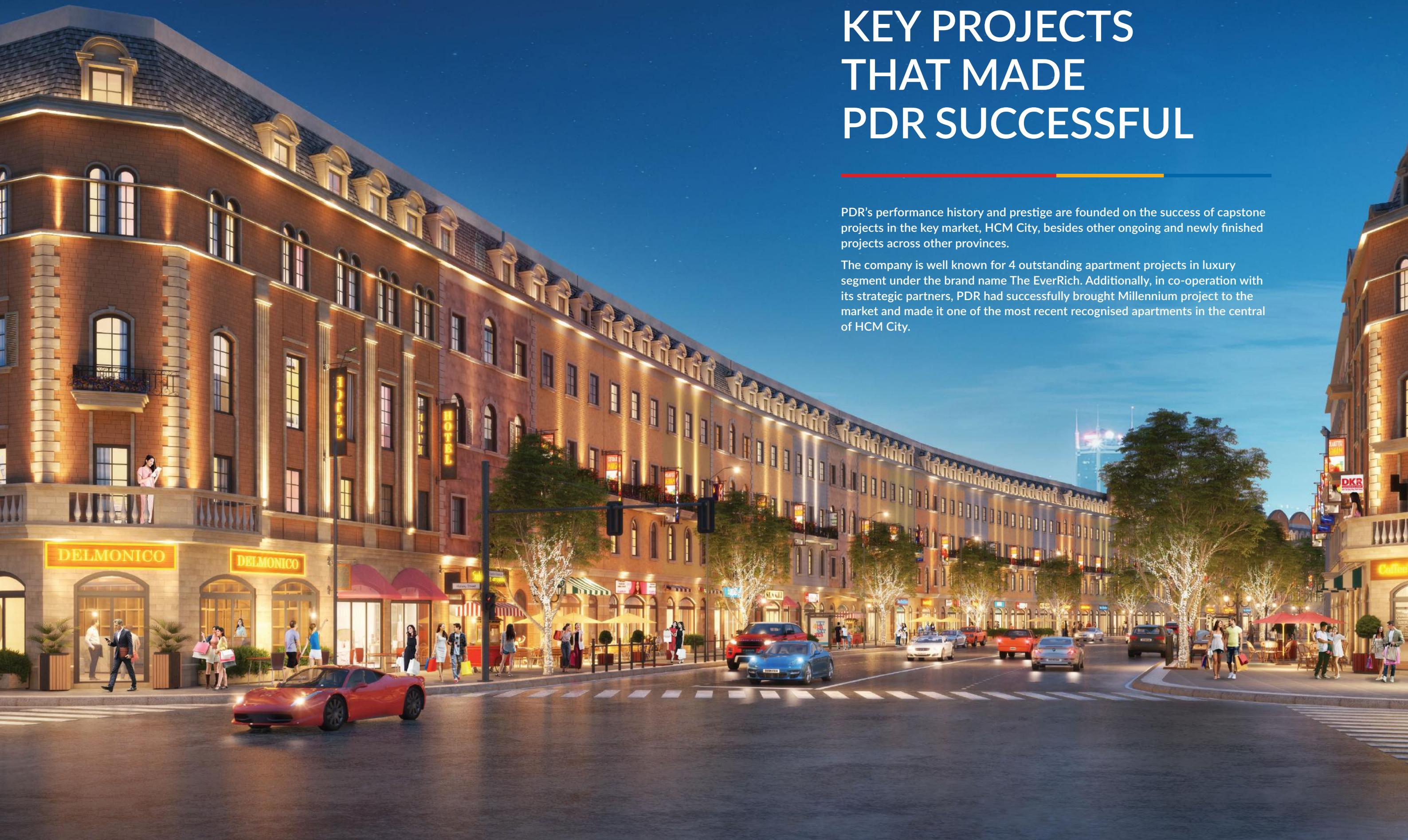
Nguyen Van Dat
General Director



KEY PROJECTS THAT MADE PDR SUCCESSFUL

PDR's performance history and prestige are founded on the success of capstone projects in the key market, HCM City, besides other ongoing and newly finished projects across other provinces.

The company is well known for 4 outstanding apartment projects in luxury segment under the brand name The EverRich. Additionally, in co-operation with its strategic partners, PDR had successfully brought Millennium project to the market and made it one of the most recent recognised apartments in the central of HCM City.



The EverRich Infinity

THE PROJECT THAT STRENGTHENED PDR'S POWER



THE EVERRICH
INFINITY
BY PHAT DAT

Location: District 5, HCM City

From the great experience with large-scale projects, PDR has clearly figured out market demand and mapped out the new approach. Hence, the company decided to adjust its strategy in order to focus on small and medium size projects in downtown areas. Additionally, PDR has continued to implement its philosophy to bringing unique aesthetic value, human environment and eco-friendly lifestyle to urban living spaces.

Due to the current situation of traffic and economy in the city, such type of projects is highly desired and thus, is expected to bring more opportunities.

The success of The EverRich Infinity confirmed that strategy and helped PDR to efficiently embark on the journey towards its goal.

Designed as a resort compound, The EverRich Infinity offers a peaceful and relax atmosphere, which is not easy to find in the crowded city. The project's unique architecture has brought it various international and domestic awards.

It is erected on 8,050.4 m² and total construction area of 68,382 m², the project comprises 439 apartments, 325 offices; 1,271 m² commercial and service areas.

The EverRich Infinity was completed in November, 2016 and is one of the most desired high-class apartment buildings in downtown of HCM City.



The EverRich 1 _____ PDR'S
MAIDEN PROJECT



THE
EVERRICH 1

Location: District 11, HCM City

PDR has heavily invested to develop its own brand name, with strong determination to become a professional real estate developer. The brand name The EverRich connotes the meaning of sustainable prosperity in all spheres of life.

The EverRich 1 has proven PDR's capability and verified its prospects in high-end segment of HCM City's real estate market.

The project was officially kicked off in October, 2006 and completed beyond committed schedule in November, 2009 with two buildings on the site of 85,645m². It consists of 350 apartments, 5 floors of commercial and services area.

Located at intersections of District 5, 6, 10, 11 and Tan Binh, The EverRich 1 is accessible from all around HCM City. Furthermore, with outstanding infrastructure and utilities, The EverRich 1 was considered as an ideal place for successful people. Until now, the project has retained its prestige and value on the market and is the living space for a prosperous community.

The EverRich 2 _____ PROJECT OF
AESTHETIC DESIGN



THE
EVERRICH 2

Location: District 7, HCM City

In PDR's philosophy to develop real estate products, aesthetics spirit to create beauties is one of the most important highlights.

The EverRich 2 is clearly expressive of this spirit, captured by its remarkably unique design inspired by French aestheticism. The project was developed in the harmony with local background and has taken advantage of Sai Gon River's scenery to make an ideal urban space.

Making the significant change on the landscape's appearance of Phu Thuan Ward which was highly cluttered back then, The EverRich 2 is expected to play the key role of creating a new socioeconomic bone in District 7, along with Phu My Hung Urban Area.

Planned on large scale, project has a total site area of 112,585 m² and total construction area of 643,535 m² (with construction density is only 25%) for 3,125 apartments.

The EverRich 2's showflats was officially launched in October, 2010. The advantages from unique architecture, green space availability and prime location of the project has attracted great attention from investors and consumers who have been looking for a prosperous living environment.

The stagnated real estate market had raised concerns on the expected performance of The EverRich 2. However, due to its strong competitiveness, The EverRich 2 is still one of the most prospective projects for new investors after transferring.

THE PROJECT FOR The EverRich 3 _____ PERFECT LIVING SPACES



THE
EVERRICH3

Location: District 7, HCM City

Alongside The EverRich 2, The EverRich 3 is another grandiose project of PDR at Phu Thuan Ward. These two projects have greatly improved both landscape's appearance and property value at the locality. PDR has also invested in building the bridge named Phu Thuan to form an interlink with Phu My Hung Urban Area.

With its ideal location, good feng shui and soothing scenery, The EverRich 3 was developed for sustainable living which city dwellers always aspire at.

Built on total site area of 9.9 ha and the construction density is at 35% of total area, The EverRich 3 reserves the big parts for open space and green areas.

The project comprised of 78 villas and townhouses; 2,264 apartments, 1,536 offices beside shopping malls, schools, sport centers, park and an artificial lake.

PDR perfected this project in every corner, The EverRich 3 was expected to be a factor of the socio economic transformation and become a new destination in District 7.

THE PROJECT THAT MOVED PDR TO THE NEXT LEVEL

Millennium _____



MILLENNIUM

Location: District 4, HCM City

Following the great success of The EverRich Infinity, PDR has continuously consolidated its position as a professional real estate developer with Millennium. The project is in co-operation with PDR's strategic partners to ensure the maximum effectiveness.

Millennium follows PDR's new strategy which drives the company to small and medium size projects in downtown area.

Millennium is located at heart of District 4 and easy to reach HCM City's iconic places in District 1.

Designed for the modern dynamic lifestyle, Millennium offers the luxurious living space which is consistently displayed through interior and architecture.

The project included 653 apartments, 387 offices and 17 shop-houses on total site area of 87,631 m². Its construction density was 50% at the foundation block and 35% at the tower.

Millennium was completed and transferred in June, 2018.



Dear distinguished shareholders and partners,

We have just seen PDR's general business activities in 2019 and action plan for 2020. 2019 was a fruitful year to proudly reflect back on and 2020 will be an exciting year to look ahead for all of us.

All reports are viewed as information and facts and figures, but were created by the sheer will, aspiration and efforts of each of our team members and partners, including you.

PDR has clearly identified important targets and new records to be achieved. Beside objective factors, strict and constant self-motivation for improvement is an imperative for us to remain successful.

For this reason, in this annual report, PDR has chosen the eagle as the company imagery. This majestic bird represents agility, vision, ambition, strength and dignity.

The image of the eagle symbolizes our strong aspiration to soar higher and rapidly but steadily to **the New Era**. It also represents our wish to inspire you to reach new heights, become aware of the need to go beyond old limits, be resilient in coping with challenges and be curious about discovering new capabilities.

We strongly believe that people at PDR have reasons to connect with the eagle symbolism. Each and every one of us has - and needs - that spirit considering how we have built a visionary company.





Declaration of accuracy and honesty of The Annual Report 2019

PDR pledges that the content of Annual Report 2019, which is integrated with the company's sustainability report, has been prepared in full compliance with appendix 04 – circular 155/2015/TT-BTC. Additionally, the information in this report represents PDR's efforts to ensure transparency, timeliness and accuracy to investors and shareholders.

For further information about the mentioned departments/individuals or any feedback to this Annual Report, please contact:

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Email: huong.tran@phatdat.com.vn	Email: tram.nguyen@phatdat.com.vn

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