

2020's REPORT OF THE BOARD OF MANAGEMENT

Dear Shareholders and Guests,

Pursuant to the Company's Charter and the Regulations on Corporate Governance, on behalf of the Board of Management (BOM), I will present the report of the BOD's assessment on 2020 operations of the Company as follows:

I. 2020 REPORT OF THE BOARD OF MANAGEMENT

1.1. GENERAL ASSESSMENT OF 2020'S OPERATIONS

The year 2020 is considered a year of difficulties and challenges for the world economy. In particular, the growth rates of major economies declined sharply due to the negative impacts caused by the Covid-19 pandemic. Yet, Vietnam's economy still maintained the growth rate with an estimated GDP of 2.91% per year in such a context. Although this is not a high growth rate of Vietnam so far, it is still a positive growth rate in the difficult and challenging market context.

Adhered to the strategy, goals and directions of the BOD and with a well-prepared implementation plan and methodology, the process of conducting business was in line with PDR's plan

Fulfilled all business tasks and achieved all defined targets to ensure growth rate even when going through the unpredictable socio-economic fluctuations.

Took new steps in upgrading internal resources. Typically, the Company has properly managed the rapid expansion of the human resources, promoted the professionalism of the team, deployed a number of new initiatives in the management system, and stayed on top of the digital transformation process in order to officially apply new management tools such as ERP.

PDR has clearly demonstrated the determination to revamp and upgrade the corporate culture. We have made important changes in employee policies in order to motivate and engage the team as well as build the workplace to a more professional and compassionate place. In 2020, PDR achieved remarkable business results as follows:

- ***2020's Net Revenue reached VND 3,911.21 billion, increased by 15% compared to 2019, equivalent to 103.2% of 2020's plan***
- ***2020's profit before tax reached VND 1,540.22 billion, increased by 39.3% compared to 2019, equivalent to 102.7% of 2020's plan***
- ***Profit after tax reached VND 1,220.25 billion, increased by 39.6% compared to 2019, equivalent to 101.7% of 2020's plan***

Business results in 2020 as compared to 2019:

| Business results | 2019 | 2020 | YoY Increase |
|-------------------------|-------------|-------------|---------------------|
| Net revenue | 3,400.19 | 3,911.21 | 15.0% |
| Gross profit | 1,318.01 | 1,821.91 | 38.2% |
| Net operating profit | 1,109.06 | 1,548.86 | 39.7% |
| Profit before tax | 1,105.31 | 1,540.22 | 39.3% |
| Profit after tax | 874.14 | 1,220.25 | 39.6% |

1. FINANCIAL SITUATION

1.1. Asset overview:

– *Current assets:*

By the end of 2020, the Company's short-term assets reached VND 10,929.13 billion, a Yoy increase of 5.5%. Some highlights are as follows:

- ✚ First, the Company bought out 99% of owner's equity interests of Ben Thanh Long Hai Joint Stock Company for a price of VND 1,980 billion to invest and develop the Tropicana project in Phuoc Hai town, Dat Do District, Ba Ria – Vung Tau province. Out of this amount, the total value of the project recorded as inventories was VND 1,911.16 billion.
- ✚ Second, Nhon Hoi Ecotourism City with 3 zones has been a fruitful project in key market at Binh Dinh Province. The Company completed the investment and construction of infrastructure for Zone 2, 4, and 9 in Nhon Hoi Ecotourism City which are now eligible to transfer. Subsequently, the Company has handed over the projects to customers and recorded a portion of revenue, so the inventory value of these project by the end of 2020 decreased by VND 1,327.56 billion compared to the end of 2019.
- ✚ Third, the Company has increased its footprint in potential markets such as HCMC, Binh Dinh, Binh Duong, etc. Particularly, the projects under development in central HCMC is valued at VND 88.18 billion; the value of Astral City Binh Duong increased by 7 VND 28.15 billion; Bac Ha Thanh Residences increased by VND 41.21 billion; and several other projects.
- ✚ Fourth, the Company is fulfilling State's requirements to gain eligibility for the transfer of the entire River City project and the remaining area of the EverRich 3. When these projects meet all the legal requirements, the Company will carry out the transfer in accordance with the law, which shall result in a significant decrease in the value of inventories.
- ✚ Finally, the Company bought shares of a subsidiary (Saigon –KL Real Estate JSC). The transaction value was transferred to the former shareholders of this company, resulting in the balance of cash and cash equivalents by the end of 2020 was VND 53.17 billion.

| Property Inventory Composition | 2020 (VND billion) |
|--|-------------------------------|
| The EverRich 2 | 3,603.77 |
| Ben Thanh Long Hai project (Tropicana) – Ba Ria – Vung Tau | 1,911.16 |
| Nhon Hoi – Binh Dinh projects | 1,473.61 |

| | |
|---|-----------------|
| The EverRich 3 | 876.30 |
| Astral City | 624.45 |
| Phu Quoc Island project | 475.56 |
| No. 1 Ngo May Street | 133.45 |
| Phat Dat Bau Ca Residencies – Quang Ngai Province | 25.53 |
| Others | 206.72 |
| TOTAL | 9,330.56 |

– **Non-current assets:**

- ✚ As of the end of 2020, PDR’s long-term assets were VND 4,688.36 billion, up by VND 1,081.67 billion – an increase of 30% YoY. The main reason was the Company promoted cooperation with associate companies to develop projects in Binh Dinh and Ba Ria Vung Tau Provinces. The value of investment in joint ventures and associates increased by VND 1,731.26 billion as a result of a contribution of 49% of the charter capital, equivalent to 1,092.70 billion, to establish BIDICI Real Estate Investment JSC to develop projects in Binh Dinh Province.
- ✚ Also, the Company completed the purchase of 36.4% of owner’s equity in Serenity Investment JSC with a fee of VND 635.18 billion to develop projects at Phuoc Hai town, Dat Do Commune, Ba Ria – Vung Tau Province.
- ✚ In addition, in 2020, the Company recovered VND 268.26 billion in long-term liabilities. As a result, the total value of long-term receivables at the end of the year decreased by VND 578.26 billion, or 36.9% compared to 2019.
- ✚ Besides, the total depreciation costs of fixed assets, investment properties and the allocated value of long-term prepaid expenses during the year reduced the long-term assets by VND 91.65 billion. Fixed asset costs increased by VND 40.29 billion, which was mainly due to the merger of Ben Thanh Long Hai Company.
- ✚ In 2020, thanks to the effectiveness in optimal use of capital and assets, the profit/net revenue margins, which represent the Company’s profitability, were high and on a growing trend. Besides, the Company did not incur non-performing receivables or bad assets.

| Indicators | 2019 (%) | 2020 (%) |
|--------------------------------|----------|----------|
| Return on Assets (ROA) | 6.99 | 8.25 |
| Return on Equity (ROE) | 22.19 | 25.52 |
| Net operating profit margin | 32.62 | 39.60 |
| Profit after tax / net revenue | 25.71 | 31.20 |

2.2. Funding overview:

– Liabilities:

By the end of 2020, the Company's liabilities were VND 10,423.21 billion, up by VND 830.76 billion, corresponding to an increase of 8.7% compared to the end of 2019, mainly due to the following liabilities:

- **Short-term liabilities:** in 2020, short-term liabilities increased by VND 1,313.51 billion, or 42.7% compared to the end of 2019. The main reasons include:
 - ✚ Other short-term liabilities increase by VND 857.11 billion,
 - ✚ A loan from BIDICI Real Estate Investment JSC at VND 1,096.25 billion,
 - ✚ Deposits received increased by VND 279.48 billion,
 - ✚ A reduction of VND 528.21 billion due to the pay-off of the payable balance for the share transfer of Saigon – KL Real Estate JSC,
 - ✚ The year-end value of loans and short-term debts increased by VND 211.96 billion, mainly resulted from maturity long-term debts, were classified as short-term debts.
- **Long-term liabilities:** there was an overall decrease of VND 482.75 billion, or 7.4%. The main reason was the decreased value of long-term loans and debts, specifically:
 - ✚ A decrease of VND 190 billion due to the acquisition of long-term bonds of Military Bank – Saigon branch.
 - ✚ VND 564.68 billion of maturity long-term loans was classified as short-term debts.
 - ✚ The VND 15.43 billion pay-off of all loans from Vietinbank – Quang Ngai branch.
 - ✚ An increase of VND 266 billion due to a loan from Vietinbank – Branch 11 to finance the office building project in District 3, HCMC.

| Indicators | 2019 | 2020 | % +/- |
|--------------------------|------------------|------------------|------------|
| Assets | 13,961.38 | 15,617.49 | 12% |
| - Current assets | 10,354.69 | 10,929.13 | 5.5% |
| - Noncurrent assets | 3,606.69 | 4,688.36 | 30% |
| Liabilities | 9,592.43 | 10,423.21 | 9% |
| - Short-term liabilities | 3,072.73 | 4,386.26 | 43% |
| - Long-term liabilities | 6,519.70 | 6,036.95 | -7% |
| Owner's Equity | 4,368.95 | 5,194.28 | 19% |

▪ **Issuances of bonds in 2020:**

In 2019, the Company successfully issued 9 bonds with a total value of VND 1,659 billion. In 2020, the Company repurchased all bonds on time as committed, repurchased a portion of undue bonds in advance with a total par value of VND 1,409 billion, and paid VND 192.93 billion bonds' interest in full and on time.

Besides, the Company also issued three new bonds with a total value of VND 510 billion.

– **Other long-term liabilities:**

Other long-term liabilities decrease by VND 2.31 billion compared to the end of 2019. The total of VND 5,547.43 billion in long-term liabilities was advance payments received under the investment cooperation contracts for River city and The EverRich 3 projects. This amount will no longer be incurred when completing the transfer of River City and The EverRich 3.

– **Exchange rate:**

In 2019, the Company took a loan of USD 22,500,000. Since this loan needs to be repaid in foreign currency, fluctuations in exchange rates would affect the Company. However, as of the end of 2020, this effect had been negligible due to subtle changes in the exchange rate.

– **Owner's equity:**

Unit: VND billion

| Details | Share capital | Undistributed net profit | Share premium | Investment & Development fund | Owner's Equity (*) |
|---|----------------------|---------------------------------|----------------------|--|---------------------------|
| As of 31 December 2019 | 3.276.58 | 871.30 | 11.68 | 137.51 | 4,297.08 |
| Net profit in the year | - | 1,220.33 | - | - | 1,220.33 |
| Allocation to reward and compensation funds | - | (34.14) | - | 17.50 | (16.65) |
| Dividend payments in shares | 685.12 | (685.12) | - | - | - |
| Dividend payments in cash | - | (393.19) | - | - | (393.19) |
| Remuneration for the BOD | - | (5.26) | - | - | (5.26) |
| As of 31 December 2020 | 3.961.70 | 973.92 | 11.68 | 155.01 | 5,102.31 |

* *Excluding non-controlling interests.*

2. ASSESMENT ON PROJECT INVESTMENT AND DEVELOPMENT

2020 is the year PDR continues to follow the development criteria of "Speed and Sustainability". Currently, PDR's landholdings have reached 459.63 hectares across many provinces and cities and mostly locates in prime locations. This land bank has the potential to increase significantly with the plans that the Company is promoting in Binh Dinh, Quang Ngai, Phu Quoc, Binh Duong, Ba Ria Vung Tau, Dong Nai, etc.

In Ho Chi Minh City, PDR is accelerating the legal procedures completion and implementation progress of BT projects to receive lands in return. At the same time, urban gentrification projects will be constantly promoted so that there can be small to mid-size projects in key areas, about 05 km away from city centers

Outside HCMC, PDR favorably chooses projects orbiting major urban hubs such as Binh Dinh, Binh Duong, Dong Nai, Phu Quoc, etc.

Especially, in addition to Zone 2, 4, and 9 inside Nhon Hoi Ecotourism City, Astral City is another key project of PDR to develop a high-end apartment and commercial complex. This marks the return of PDR in the apartment segment after 1 year of focusing on the land lot segment.

2.1. Product lines:

Any types of PDR's products must meet the following key requirements:

- ✚ Locations – convenient locations in central urban areas
- ✚ Compliance with planning criteria, ensuring functionality, quality, aesthetics and harmony with the surrounding landscape.
- ✚ The legality of projects to enable the implementation as scheduled quick completion of the residents' property certification process.

These are the most important characteristics in current customers' insights when buying a property. Fully meeting these features, PDR's products ensure fast reception at optimal prices.

Thanks to thoroughly prepared plans, we have achieved significant results with a total of more than 2,400 products.

2.2. Key achievements in PDR's project development in 2020

- Contributed a larger share of total revenue and established a solid position for PDR in the Central Coast market.
- Acquired new projects to continue diversifying products and further promoted new projects in several markets including Binh Dinh, Quang ngai, Binh Duong, Ba Ria – Vung Tau, etc.
- Strengthened the product diversification strategy, currently, the Company has developed a full range of products such as villas, high-class apartments, land lots, etc. with considerations about customers' current needs.
- Ensured the fastest and most complete fulfillment of legal procedures to optimize the progress of construction and sale, bringing products to market in a timely manner, yielding early and effective revenues, handing over products to customers on time.
- Continued to focus resources on implementing legal procedures for BT projects.
- Completed the transfer of River City (The EverRich 2) and The EverRich 3 to partners.
- Particularly, in 2020, the total landholdings of the Company reached 459.63 ha across the following cities:

| Provinces/Cities | Area (ha) |
|------------------|-----------|
| HCMC | 28.62 |
| Quang Ngai | 44.16 |
| Phu Quoc Island | 179.45 |
| Binh Dinh | 159.78 |

| | |
|--------------------------|--------------|
| Binh Duong | 8.20 |
| Ba Ria – Vung Tau | 39.42 |

| No. | List of projects (land bank) | Location | Area |
|---|--|------------------|---------------|
| | | | (Ha) |
| I- SELF-DEVELOP LAND BANK | | | 395.03 |
| 1 | District 9 project | District 9, HCMC | 23.94 |
| 2 | Other projects in HCMC | TP.HCM | 4.61 |
| 3 | Office building at 39 Pham Ngoc Thach St. | District 3, HCMC | 0.07 |
| Total land bank in HCMC | | | 28.62 |
| 4 | Bo Bac Residences in combination with urban gentrification | Quang Ngai | 44.16 |
| Total land bank in Quang Ngai | | | 44.16 |
| 5 | Residential, Handicraft Area and center of Ham Ninh Commune | Phu Quoc Island | 138.85 |
| 5.1 | <i>Residential, Handicraft Area and center of Ham Ninh Commune</i> | | 79.69 |
| 5.2 | <i>Ham Ninh Commune Industrial Cluster project</i> | | 59.16 |
| Total land bank in Phu Quoc Island | | | 138.85 |
| 6 | Nhon Hoi Ecotourism City | Binh Dinh | 116.10 |
| 6.1 | <i>Zone 4</i> | | 34.10 |
| 6.2 | <i>Zone 2</i> | | 36.10 |
| 6.3 | <i>Zone 9</i> | | 45.90 |
| 7 | Bac Ha Thanh Residences | Binh Dinh | 43.16 |
| 8 | No.1 Ngo May project | Binh Dinh | 0.52 |
| Total land bank in Binh Dinh | | | 159.78 |
| 9 | Astral City Binh Duong | Binh Duong | 3.74 |
| 9.1 | <i>Binh Duong Commercial Center 1 (Astral City)</i> | | 1.93 |
| 9.2 | <i>Binh Duong Commercial Center 2 (Astral City)</i> | | 1.81 |
| 10 | Binh Duong Tower (Nguyen Thi Minh Khai Street) | Binh Duong | 4.46 |

| No. | List of projects (land bank) | Location | Area |
|---|---|-----------------|---------------|
| | | | (Ha) |
| Total land bank in Binh Duong | | | 8.20 |
| 11 | Phuoc Hai 7.4-ha project | Ba Ria Vung Tau | 5.56 |
| 12 | Ben Thanh long Hai Tourism Zone (Tropicana) | Ba Ria Vung Tau | 9.86 |
| Total land bank in Ba Ria – Vung Tau | | | 15.42 |
| II- JOINTLY DEVELOPED LAND BANK | | | 40.60 |
| 13 | Vung Bau Ecotourism Area | Phu Quoc Island | 40.60 |
| III- INDUSTRIAL LAND BANK | | | 24.00 |
| 14 | The project of general warehouse, port logistics and logistics services at Cai Mep Port | Ba Ria Vung Tau | 24.00 |
| TOTAL (I) + (II) + (III) | | | 459.63 |

3.3. Major investments via project execution in 2020

In 2020, PDR continued to invest in projects with a total value of VND 10,228.73 billion. In which, PDR has investing heavily in the Astral City Binh Duong project with the total amount of VND 624.45 billion, Nhon Hoi Binh Dinh Ecotourism City with a total investment of VND 1,473.61 billion; new office project of VND 424.9 billion (at 39 Pham ngoc Thach, district 3, HCMC), and many other large investments as follows:

Unit: billion dong

| Projects | Ending balance | Beginning balance |
|---|----------------|-------------------|
| The EverRich 2 | 3,603.77 | 3,597.77 |
| Tropicana Ben Thanh Long Hai - BRVT | 1,911.16 | - |
| Nhon Hoi – Binh Dinh Ecotourism City | 1,473.61 | 2,791.17 |
| The EverRich 3 | 876.30 | 875.64 |
| Binh Duong Commercial Center and Apartment project (*Astral City) | 624.45 | 596.31 |
| DK Phu Quoc | 475.56 | 398.74 |
| 39 Pham Ngoc Thach Office building | 424.89 | - |
| Internal technical infrastructure in Co Dai Village, District 9 | 376.81 | 319.51 |
| No. 1 Ngo May project | 133.45 | 126.99 |

| Projects | Ending balance | Beginning balance |
|-------------------------------|-----------------------|--------------------------|
| Phat Dat Bau Ca – Quang Ngai | 25.53 | 37.60 |
| Corporate management software | 11.04 | - |
| Other projects | 292.15 | 157.56 |
| TOTAL | 10,228.73 | 8,901.28 |

3. ASSESSMENT ON CAPITAL RESOURCES

Promote active position and diversify cooperative sources

An abundant and stable financial health with sufficient resources is a prerequisite for PDR to take off quickly vigorously to conquer new heights. With the premises in place, PDR has great confidence in financial strength and effective capital mobilization.

Revenue from Nhon Hoi Ecotourism City continues to be recognized. The great scale and speedy implementation, these projects will contribute the biggest proportion to PDR's total sales.

In addition, PDR deployed and accelerated the construction of a commercial complex project in Binh Duong to record revenue upon the open-for-sale.

Regarding the need to mobilize capital to implement new projects, PDR currently has a wide option of sources compatible with efficiency requirements. 2019's positive business results and 2020's promising plan enable PDR a persuasive subject for fund mobilization. Simultaneously, good financial health, transparency, good management ability, and great reputation make PDR an ideal partner with foreign investors. PDR continues to work with Samty Corporation and a leading Japanese real estate developer through Vietnam New Urban Center LP Fund. This is one of PDR's concrete examples of the prospect of connecting professional international cooperation. At the same time, it shows that PDR has met the strict criteria and requirements of foreign investors.

With existing achievements and reputation, PDR continues to expand its relationship with domestic and foreign investors. Therefore, the capital mobilization capacity is assured to best satisfy the needs of project development.

During high-speed implementation, PDR places the core requirements of safety, large reserves, financial risk management at the highest level, and effective capital allocation.

4. DEVELOPING HUMAN RESOURCES

Preparing internal strength for future breakthroughs

- Restructured the personnel apparatus in which we reorganized the positions and roles which is well-suited and best promotes the capacity and enthusiasm of employees.
- In order to strengthen the entire personnel structure: during the year PDR appointed Deputy General Director of Finance, and started recruiting key leadership positions such as Deputy General Director of Investment, Deputy General Director of Construction, Deputy General Director of Business, and other managerial positions.

Training and developing human resources

In 2020, PDR dedicated 60% of the training courses to the middle-level management, 20% for specialist/staff levels and the rest 20% for all levels. Training contents focused on helping employees understand themselves and the organization to enrich their abilities.

Specific topics of training:

- **Awareness:** Internal training was planned and delivered to all personnel for a deep understanding of the Company’s code of conduct/business philosophy. On that basis, they could realize the vision, direction, core values, and business strategy of the Company.
- **Soft skills:**
 - **For the management level:** The training sessions were focused on the role of a manager and how to enhance their leadership skills to help them understand their job, apply management tools, face real-life situations in their work, manage changes, and so on.
 - **For the specialist/staff levels:** The goal was to unleash their intellectual potential, help them understand themselves and others as well as connect with the community. On that basis, they could break down barriers, find their own inspirations, and unlock their creativity.

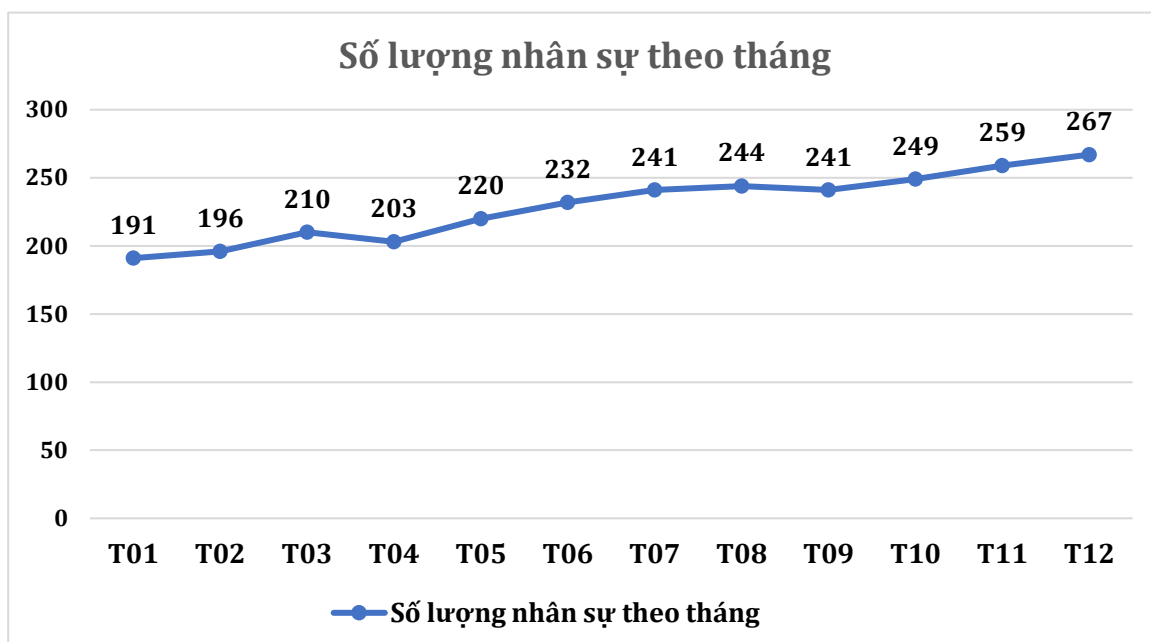
Highlight results:

- ✚ **Pre-training:** 96% of the participants understood the training objectives and had a study plan before the course.
- ✚ **In training:** 89% of the participant had a firm grasp of the lessons, actively contributed to discussions, sharing and sum-ups.
- ✚ **Post-training:** 77% of the employees could apply the theory to their work, adjusted and implemented it according to their personalities and personal strengths, turned it into a habit for better productivity.

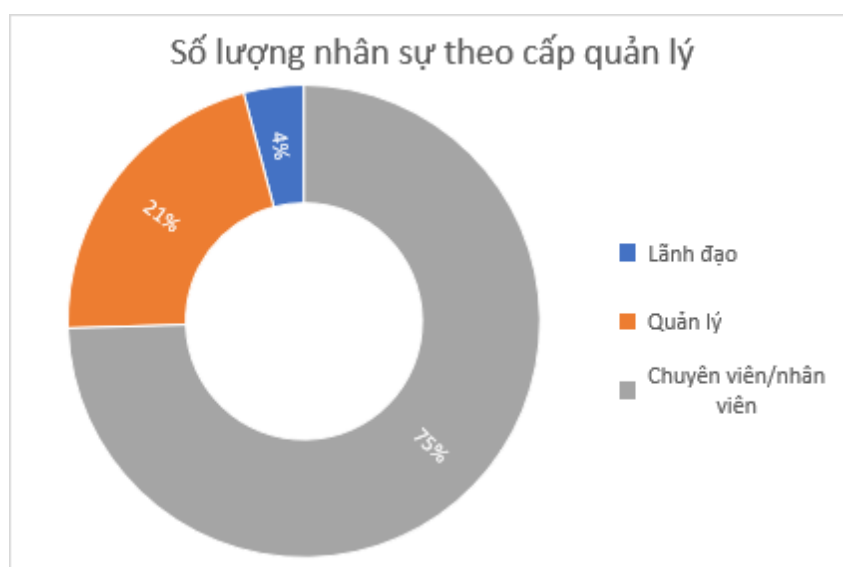
Intangible and tangible impacts on the Company:

- ✚ Transformed mindset, perspectives, and communications
- ✚ Higher productivity and business performance contributed to the overall results of the Company
- ✚ The rate of promotion/change of title/expansion of responsibilities in 2020 increased by 5% compared to 2019.
- ✚ Generally improved qualities of the human resources.

By the end of 2020, PDR had a total of 267 employees



🚩 Number of employees by job grade (as of 31st December 2020):



5. CORPORATE CULTURE DEVELOPMENT:

PDR aims to build a professional workplace with family vibes where connection, compassion, and support are the core values.

The definition of corporate culture may vary. Therefore, to have a more detailed roadmap, PDR interprets our corporate culture as the combination of the Company's business philosophy, value system, desired characteristics, driving missions, and code of conduct, etc.

The corporate culture of a company may stem from the standards of its founder. However, as the business expands with its complicated network and interactions, the corporate culture calls for a specific set of rules and values applying to every member, which will help create a shared identify for the organization.

Corporate culture also needs constant update and improvement to stay relevant to the ever-changing world, and with it, the market, humans, and society.

As such, PDR aims to build a professional workplace with family vibes where connection, compassion, and support are the core values.

In the past year, the Company experienced a radical change in terms of work environment and significantly increased personnel. The new context begged for the question of how to ensure our culture remains consistent, well-understood, and strictly followed. PDR also required a transformation toward a more refreshing, energetic, modish, and future-oriented image.

With that said, our corporate culture has essentially managed to remain intact and even improve via the following key principles:

- ✚ Performance is important, but financial gain is not everything.
- ✚ The rightful benefits of the Company shall be protected with loyalty during cooperation with the stakeholders.
- ✚ The Company's disciplines, regulations, and orders of the superiors shall be complied with.
- ✚ The employees' commitment and loyalty to the Company is highly valued.
- ✚ Mutual respect, collaboration, and support for the common goal among team members are encouraged.
- ✚ Shareing success together
- ✚ The notion of corruption and measly gain, which are commonly found in this industry, shall be inhibited entirely.
- ✚ Social responsibility and community service shall be respected and carried out, starting with compliance with tax obligation and charity activities.

Corresponding to such principles, the Company has deployed a management system, fine-tuned the policies, and applied relevant technologies.

As a work in process, PDR corporate culture will need more resources for refinement and continuous update. However, what the Company accomplished in the past year still deserved merits for the new and improved representation of the Company.

6. IMPROVEMENTS ON THE ORGANIZATIONAL STRUCTURE & MANAGEMENT SYSTEM

Some major problems the Company faced last year included how to connect new employees with the existing ones, empower the staff while maintaining sufficient control, promote teamwork while encouraging individual efforts and efficiency, etc.

RESPONSIBILITIES OF THE BOARD OF ADVISORS

In 2020, PDR experienced a drastic change in the middle and high levels of management. A new Board of Management has been appointed, while middle-level managers has also increased in

numbers. Following that, PDR has applied the Board of Advisor model to avoid interruptions to the management procedures, bring the existing values and advantages into play, welcome new members on board, improve risk control capabilities, and so on.

The Board of Advisors gathers highly skilled and trusted members with extensive expertise in key business areas, such as administration - management, finance - accounting, construction - project development, etc. The Advisors also have considerable insights into the Company because they are part of our history of development and have contributed enormously to our current standing. Outside PDR, the Advisors are also influential individuals in business.

With such outstanding credentials, the Board of Advisors acts the bridge between the Board of Directors and the Board of Management, assisting the latter in managing specialties, regulating changes due to the sudden increase in personnel, especially middle-level managers, promoting professionalism and fostering execution speed while ensuring safety and promptly support, etc.

Thanks to these efforts, PDR has managed to maintain balance, stability, and safety in our rapid operation over the past year.

Choosing the right person

Compatibility is the most important criterion in PDR's recruiting process. Specifically, compatibility is how the candidate fits into the characteristics and values most appreciated at the Company. PDR believes that the development and contribution of an employee depends on their attitude.

Therefore, specialized knowledge aside, the compatibility of the candidate in respect with our corporate culture is considered a decisive factor.

With that in mind, PDR has ensured a certain consistency in our corporate culture without any significant disturbances or interruptions despite the dramatically increased number of personnel.

Improving the work processes and upgrading the systems

The Company has updated our policies, adjusted our regulations and processes to adapt to practical demands, increase responsiveness to job requirements, improve control capacity, and encourage internal interactions, etc.

As a result, the management - administration process has become more seamless, individual and department performance more productive, contributing to the overall efficiency of the Company in a challenging and volatile year for business.

7. LABOR POLICIES

✚ Salary: Increased by 13.3%

Average rate in the periodic salary review for employees

✚ Total welfare expenses: VND 8.9 billion

✚ Bonus: VND 13.8 billion

Total bonus in 2020

✚ Bonus value: 12-month salary

For those with outstanding contributions

✚ Insurance: VND 8.2 billion

Total payments made by the Company & employees to Social Insurance, Health Insurance, Unemployment Insurance

Compensation and benefit policies

To attract talents and strengthen loyalty, PDR has made significant adjustments to our compensation and benefit policies. PDR salaries and benefits are currently higher than the market average.

- ✚ According the salary review on April 2020, the income of all employees increased by 13.3% on average.
- ✚ Up to the end of 2020, the average salary of all employees was VND31.59 million/person/month. The average salary of the managers was VND89.52 million/person/month (increasing by over 14% compared to 2019).

| Benefit expenses in 2020 | Amount (VND) |
|---|----------------------|
| Total | 8,855,064,702 |
| Benefit expenses (<i>birthdays, weddings, academic achievements of employees' children, presents for the International Women's Day, childbirth allowance, sickness allowance, funerals, health insurance, periodic health checks, uniforms, Tet presents, etc.</i>) | 1,114,538,960 |
| Expenses for break meals | 2,003,039,213 |
| Expenses for team building activities | 3,264,627,600 |
| Expenses on 2020 year-end party included separate 2019 year-end expenses and a portion of 2020 year-end expenses | 1,961,094,929 |
| Expenses for the Labor Union | 511,764,000 |

Bonus policy

| Total bonus value in 2020 | Currency: VND |
|--|-----------------------|
| Total | 13,820,385,521 |
| 13 th -month pay for 2019 | 4,460,031,771 |
| KPI bonus for 2019 | 4,127,684,250 |
| Rewards for Outstanding People of Phat Dat | 2,941,532,000 |

| | |
|-----------------|---------------|
| Seniority bonus | 1.179.888.000 |
| Holiday bonus | 1.111.249.500 |

- To encourage the staff to maximize their abilities and productivity, the Company, as advised by leading experts, has adopted the adjusted policies for compensation and benefits based on individual contributions and performance.
- PDR has rewarded “Outstanding People of Phat Dat” with a bonus of 12-month salary to exceptional individuals.
- Seniority bonus is also applied to recognize long-term commitments. Specifically: Those who have worked for the full of 5 - 10 - 15 years are entitled to a bonus of 1/2/3 months of salary.
- There are also bonus policies for holidays and PDR’s anniversary.
- Other seniority benefits include real estate and stock options at a discount.

Social insurance

The Company always fulfills obligations on social, health, and unemployment insurances to timely provide the employees with all of their rightful benefits.

| PAYMENTS MADE TO SOCIAL INSURANCE-HEALTH INSURANCE-UNEMPLOYMENT INSURANCE IN 2020 | Amount (VND) |
|---|----------------------|
| Total payments made by the Company & employees to Social Insurance - Health Insurance Unemployment Insurance | 8,187,880,959 |
| <i>By the Company</i> | 5,501,232,519 |
| <i>By the employees</i> | 2,686,648,440 |

8. BRAND DEVELOPMENT

8.1. Brand reputation

- Enhanced brand identity through the presence at huge outdoor billboards at Tan Son Nhat International Airport.
- Sponsored conferences and forums related to the real estate industry or business events to create networking opportunities with investors, partners, target customers, etc. and to support and accompany with press or state authorities; most recently, PDR was the Diamond sponsor for the City’s Countdown Art Event Welcoming New Year and Establishment of Thu Duc City (Countdown event 2021).
- Strengthened relationships with the press both in quality and quantity in order to pursue information transparency
- Controlled and increased effective communications via social networks and digital platforms.

8.2. Brand development via projects and products

- Supported and closely coordinated with retail partners to promote the Owner’s brand in parallel with the project's brand.
- Enhanced reputation among customers and investors by ensuring commitments on quality, hand-over schedule, true values of projects/products, etc., resulting in significantly increasing the position of PDR brand in new markets and effectively promoting sales.
- Maintained trust in the community about Phat Dat brand committing to product’s quality, aesthetics, utilities, and outstanding, long-term added values per the Company's criteria.

9.COMMITMENTS TO THE COMMUNITY

In 2020, the Central region suffered many big storms, and Quang Binh is one of the provinces bearing the most damage. Although the people are familiar with floods and storms, this flood is considered to be the largest in the past 40 years, making people's lives more difficult. The company supported poor people in Quang Binh province to partially overcome the difficulties after the flood; accordingly, from October 26, 2020 to October 30, 2020, a team from Phat Dat visited and presented gifts at the most affected communes in Le Thuy District, Quang Ninh province. The total value presented by Phat Dat was VND 500,000,000.

Phat Dat Real Estate Development JSC - Quang Ngai branch donated VND 200 million to Vo Hong Son Center for Children with Disabilities. This is a non-public institution formed with the initial help of the late journalist Vo Hong Son, former Deputy Editor-in-Chief of the Saigon Liberation Newspaper. In the school year 2020-2021, the Center has 116 students at all levels, of which 32 students are learning both literacy and vocational training. After more than 5 years of establishment, the Center teaches 115 disabled and disadvantaged students each year in Quang Ngai province.

Accompanied the Summer youth volunteer campaigns organized by the Vietnam Youth Union and the Vietnam Student Association in Ho Chi Minh City for 10 years. Last year, Phat Dat continued to stand side by side with the campaign in this meaningful activity, marking 10 consecutive years of companionship. In the 2020 Summer Volunteer Campaign, Phat Dat sponsored VND 350 million to produce 5,000 kits of uniforms and hats for the volunteers participating in the program. The Youth Volunteer Campaign lasts from July 19 to August 16 at 319 wards, communes, and towns across 24 districts in the city and 13 provinces and cities in the Central Highlands, Southeast, and South West, attracting more than 350,000 volunteers to participate.

Along with many other supporting and sharing activities, PDR always empathizes and pervades compassionate hearts among the community.

10. DIGITAL TRANSFORMATION

Digital transformation is a priority in PDR’s allocation of time, budget, and human resources. Since 2019 and over the past year, the Company’s digitalization process has advanced by leaps and bounds.

- **Achievements of 2020 include:**

- ✚ Implemented the enterprise resource planning software (ERP-SAP): Completed the stage of solution design, training, checkup testing officially applied in early 2021.
- ✚ FPT implements the SAP S/4 HANA ERP in 6 months plus 3 months supporting during operations of the following modules: Financial Accounting Management (FI), Management Accounting (CO), Procurement Management (MM), Sales and Distribution Management (SD), Project Management (PS) , Investment Management (SAP BPC), Financial Consolidation Management (SAP Consolidation), Smart Reporting System (BI),
- ✚ Extensively adopted Office 365 in different levels.
- ✚ Deployed HR management system software: Completed the stage of solution design, widely provided for all staff and officially applied in early 2021.
- **Achieved performance:**
 - ✚ Higher work efficiency and better utilized human resources.
 - ✚ Increased capabilities in the monitoring and control of work progress.
 - ✚ Better interconnectivity.
 - ✚ Advanced new technology adoption ability of employees
 - ✚ Refreshing vibes in the work environment through adoption and training activities, etc.

11. ACHIEVED AWARDS

In 2020, PDR's performances has been recognized by the following national and international institutions:

- Included in VN30 – Group of 30 stocks with the best market capitalization and liquidity HOSE, MSCI - Group of stocks with the best market capitalization and liquidity, and VNSI - list of 20 Sustainable Development Companies
- Asia's 200 Best Under A Billion by Forbes Asia, out of 18,000 public & listed companies in Asia Pacific region,
- 24th place in 500 Fastest Growing Enterprises in Vietnam in 2020,
- Outstanding Progress Award in Corporate Governance category in 2020 by HOSE, HNX and Dau Tu Newspaper,
- Top 10 Real Estate Investors in 2021 by Vietnam Report,
- And many other awards.

II – 2021 DEVELOPMENT PLAN

1. CONTINUING TO MAKE BREAKTHROUGHS IN THE RESIDENTIAL REAL ESTATE SECTOR

In Phat Dat Group, officially formed in 2021, PDR with residential real estate as its core business, remains the key player. Therefore, PDR will continue to pursue our strategy of rapid and sustainable growth with perseverance and consistency. The company has to capture all opportunities and leverage all resources to grow faster and reach a larger scale; while aiming to

be an enterprise of depth and humanity – one that brings growing values to its customers, market, shareholders, partners, and the community.

Some of the key goals PDR is poised to achieve in 2021:

- Gradually establish a leading position in the group of mid-cap real estate developers in the stock market, fast-tracking toward being in the top 5 largest real estate companies in Vietnam.
- Fulfill commercial and financial targets. Out of these targets, the target for profit before tax is VND 2,335 billion.
- Achieve more visible progress in strengthening internal resources, consolidating the management system and developing corporate culture, joining the Top 100 Best Places to Work in Vietnam
- Successfully operate the ERP system and complete the digitization process to bring the company to a higher level of professionalism.
- Harmoniously align with the industrial real estate and renewable energy domains to create a synergy for the entire Group.

PDR has prepared resources carefully to ensure the smooth implementation of our business operations as planned. In terms of adaptability, PDR will become even better thanks to the experience we have gained over the past year. Besides, the Company also has detailed contingency scenarios to respond to unexpected occurrences. The risk management system is being activated at the highest level to always grasp the situation, have timely warnings and propose the most appropriate solution.

2. LAND BANK – PROJECTS AND PRODUCTS

Diversify and enrich product values

- PDR owns a sizable land bank located in central areas or areas planned for the future of newly developed cities. In 2021, the Company will continue to promote and acquire new land bank. PDR's land bank development will still adhere to our mandatory criteria such as: Having full legal basis, located on the socio-economic development axis of the respective locality, having well-established traffic, tourism and trade connectivity with big cities, ready for fast implementation.
- Besides Binh Dinh and Quang Ngai, where PDR has made our footprint clearly visible with successful projects, PDR's priority markets in 2021 also include Binh Duong and Ba Ria - Vung Tau. PDR highly values the prospects of these localities in the near future because of the need to develop satellite towns and tourism infrastructure around Ho Chi Minh City.
- In terms of products, PDR has developed a wide range of products for various categories and segments such as apartments, villas, land plots, etc. In 2021, the Company will focus strongly on developing apartments of medium size, high quality, and differentiated style and value to fully satisfy young urban residents. Astral City in Thuan An City, Binh Duong Province is one of the typical projects that PDR launches this year.
- Besides, PDR is also actively preparing for a number of new product categories.
- In addition to the consistency with product development requirements set out in the New Era strategy, PDR will constantly strive to enhance the value content of our products.

3. FINANCE - FUNDING

Increase financial accumulation and expand opportunities of funding sources

[NOTICE: This document is a translation of the Vietnamese language original for convenience purposes only, and in the event of any discrepancy, the Vietnamese language original shall prevail.]

- In 2020, with our abundant financial resources and plentiful accumulated funds, PDR comfortably accelerated while the overall market was particularly challenging. This once again affirmed PDR's financial orientation was absolutely correct. 2021 will be the year when PDR continues to build on that experience. PDR will always ensure diversified sources of revenue from projects that have been and will be continuously marketed. The Company will control the efficiency and speed of cash flows, deploy projects and sell quickly for the sake of high capital utilization.
- In addition to the absolute avoidance of over-spread investment and poor-liquidity products that cause the risk of cash flow exhaustion, PDR also requires a higher level of cash accumulation that is sufficient for relatively prolonged contingency and allows the acquisition of new projects and optimal capturing of opportunities.
- With attractive and stable business performance over the past time, PDR is currently a well sought-after target of cooperation for many local and international investors and financial institutions. The Company will actively expand the partner network, increase the initiative in choosing the best fund-raising source when there is a need for cash injection.
- Currently, PDR has prepared a detailed action plan to always ensure the sufficiency of secured activities and projects to generate profits at least until 2023. Although this is a good source of support to lean on, PDR will not drop guard. On the contrary, the Company is determined to leverage all resources and opportunities to reach unexpected heights, paving the way for the next journey of conquest.

4. MANAGEMENT – OPERATION

Activate risk management system at the highest level

- As previously assessed, the market environment in 2021 will harbor many potential risks that can lead to unexpected developments even with seasoned players. Therefore, all levels of PDR's risk management system will always be in a prudent state, and will observe the situation quickly, conduct thorough analysis and report to the BOD and BOM in a timely manner to adopt optimal responses.
- In order to enhance professionalism and increase the efficiency of management, operation and control capabilities, PDR also determines that the consolidation of foundation, the improving of organizational mechanisms and the standardization of regulations and processes, as tasks that needs to be carried on.
- Therefore, this year, the Company's digital transformation process will have to be completed to facilitate a smooth transition into a new phase of efficient operation. Specifically, the ERP program will have to be finalized while eOffice and CRM are to be widely adopted and all documents will be digitalized.

5. HUMAN RESOURCES AND CORPORATE CULTURE

Become a great place to work

- In 2021, the number of new recruits has been increasing rapidly. The senior and middle management team has had many new employees. The recruitment and development of human resources will continue to be in full swing this year. This will inevitably result in many problems such as capacity gap and job processing speed, cultural differences, conflicts of interests, and so on. Therefore, in

addition to recruiting the right people, the company's leaders is also required to perform even better in harmonizing relationships and leading changes.

- In order to develop corporate culture, PDR will come up with a clearer definition, restructure criteria and update new values. At the same time, the Company will integrate corporate culture into most of our activities at various levels.
- In addition, to secure a position in the top 100 working environments in Vietnam, PDR will introduce solutions to synchronously improve fields such as civilized spaces, clear work processes, outstanding remuneration policy and diverse career opportunities. The Company's employer brand must be established so PDR can become the top choice of job seekers.

6. BRAND – COMMUNICATION – MARKETING

New image compatible with scale and height

- In 2021, to match the size of the group of which PDR is the key player, PDR needs a more professional and comprehensive brand development strategy to gain a new position in the perception of all target audience groups including customers, investors, business communities, professionals, recruitment market and insiders.
- Therefore, PDR will select more capable team and methods for the communication - marketing.
- On the other hand, PDR needs to expand communication coverage to the international market with reputable media channels for the purpose of partner and investment network expansion. More English content will be made available to provide timely information and reach the appropriate international audience.

Dear Shareholders,

Above is the entire assessment report of the Board of Management of Phat Dat Real Estate Development Corporation.

We hope to reach your highest consensus as well as your trust and your support, so the BOM continues its leadership to guide the company to new heights and sustainable development. The BOM commits to fulfill the given objectives and tasks to bring the highest benefits to Shareholders, the Company, Employees and the Community.

We wish the Shareholders, distinguished guests, the Board of Directors, the Board of Management and employees of Phat Dat Real Estate Development Corporation healthy, happy and successful.

Respectfully!

HCMC, 5th March 2021

On behalf of the BOARD OF MANAGEMENT

Chief Executive Officer

APENDIX OF 2020 ASSESSMENT REPORT OF THE BOARD OF MANAGEMENT

PERFORMANCE OF SUBSIDIARIES & ASSOCIATE COMPANIES

| No. | Subsidiaries | Performances |
|--|--|---|
| I- Operations of the subsidiaries | | |
| 1. | DK PHU QUOC CORPORATION ("DK PHU QUOC") | <ul style="list-style-type: none"> - On March 9, 2018, PDR received a share transfer to own 99% of the charter capital of DK Phu Quoc. The transfer served the implementation of the Ham Ninh Industrial Cluster Technical Infrastructure Investment Project and the Craft Village Residentials and center of Ham Ninh commune, Phu Quoc City, Kien Giang province. - The project is finishing necessary legal procedures as required by the law. |
| 2. | COININ CONSTRUCTION INVESTMENT INFRASTRUCTURE COMPANY LIMITED ("COININ") | <ul style="list-style-type: none"> - On March 9, 2018, PDR received a share transfer to own 80% of Coinin's capital. The transfer's purpose was carrying out the BT project of Technical Infrastructure Construction for Zone 1, National Cultural and Historical park project at Long Binh Ward, District 9, HCMC. - This project is currently on track. |
| 3. | SAI GON - KL REAL ESTATE CORPORATION ("SAI GON - KL") | <ul style="list-style-type: none"> - On October 9, 2019, PDR signed a contract to receive a share transfer to own 99% of the charter capital of Saigon - KL to implement the Commerce, Service and Housing Complex project in Binh Duong Province (Astral City). - The project is finishing necessary legal procedures as required by the law. |
| 4. | NGO MAY REAL ESTATE INVESTMENT JOINT STOCK COMPANY ("NGO MAY") | <ul style="list-style-type: none"> - In the fourth quarter of 2019, PDR contributed to 94% of the charter capital of Ngo May. We also successful auctioned 5,246 m² of to build a hotel at No. 01 Ngo May, Quy Nhon City, Binh Dinh province. - The project is finishing necessary legal procedures as required by the law. |

| No. | Subsidiaries | Performances |
|--|--|--|
| 5. | BEN THANH - LONG HAI JOINT STOCK COMPANY ("BEN THANH - LONG HAI") | <ul style="list-style-type: none"> - On September 7, 2020, the Company completed the purchase of 99% ownership of Ben Thanh - Long Hai to implement the Wyndham Tropicana Long Hai resort in Ba Ria - Vung Tau province. - The project is finishing necessary legal procedures as required by the law. |
| 6. | PHAT DAT INDUSTRIAL PARK INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY ("PHAT DAT INDUSTRIAL PARK") | <ul style="list-style-type: none"> - In 2020, the Company has contributed capital valued VND 462.4 billion, equivalent to 68% of the ownership ratio, to establish Phat Dat Industrial Park. The main business activity of Phat Dat Industrial Park is real estate. - Phat Dat Industrial Park is in the negotiation process for land bank serving business operation. |
| II. Operations of associate companies | | |
| 1. | PDP INVESTMENT AND CONSTRUCTION CO.,LTD ("PDP") | <ul style="list-style-type: none"> - PDP was established on July 3, 2018 with the main mission of investing and constructing the Phan Dinh Phung Sport Complex project. So far, the Company is completing the necessary procedures to implement the project. |
| 2. | SERENITY INVESTMENT JOINT STOCK COMPANY | <ul style="list-style-type: none"> - On 12/31/2020, the Company completed the purchase of 36.41% ownership of Serenity Investment Joint Stock Company to implement a resort project in Ba Ria - Vung Tau province. - The main business activity of Serenity is real estate. |
| 3. | BIDICI REAL ESTATE INVESTMENT JOINT STOCK COMPANY | <ul style="list-style-type: none"> - In 2020, the Company has contributed the capital of VND 1,092.7 billion, equivalent to 49% of the ownership ratio, to establish BIDICI Real Estate Investment Joint Stock Company. - The main business activity of BIDICI is real estate. |