

2021 REPORT OF THE BOARD OF MANAGEMENT

Dear Shareholders and Delegates,

Pursuant to the Company's Charter and the Regulations on Corporate Governance, on behalf of the Board of Management of Phat Dat Real Estate Development Corporation, I will present the report of the BOM's assessment on the Company's operations in 2021 as follows:

1.2020 REPORT OF THE BOARD OF MANAGEMENT

1. GENERAL ASSESSMENT OF 2020'S OPERATIONS

PDR had an excellent performance in 2021, pursuing the motto 'Beyond the Limits' set forth by the BOD. This breakthrough is reflected in many aspects, such as business results, market capitalization, development capacity, land acquisition, and renovative thinking to achieve a stronger position.

In order to complete ambitious business targets in a volatile and stressful socio-economic environment like what happened in 2021, PDR's team has always maintained a steadfast spirit. That spirit, employed thoroughly from the Leadership to employees, has enabled the Company a proactive role in delivering high-speed operations harmoniously.

In addition to the outstanding growth in financial indicators and land banks, PDR also achieved a lot in internal innovation. More importantly, as PDR was well aware of the need for drastic changes to match future development requirements, straightforward self-assessment and comprehensive restructuring were carried out.

Also, in the face of the severe Covid-19 pandemic, alongside business achievements, the Company increased its societal engagement by practical CSR activities to jointly share the burden with local communities in many provinces.

Closing the year 2021, PDR recorded outstanding business results in correlation with the general real estate industry and secured a place in the top 5 leading real estate enterprises in the country.

In 2021, the company's net revenue reached VND 3,620 billion, gross profit reached VND 2,763 billion (up 51.7% YoY), PBT reached VND 2,344 billion (up 52.2%), PAT reached 1,861 billion VND (up 52.5%). These indicators are only seen in the leading enterprises of the industry. This is the first year that the Company's PBT officially surpassed the milestone of VND 2,000 billion, creating momentum towards the milestone of VND 3,635 billion in 2022 and completing the cumulative PBT target of VND 14,270 billion for 2019 - 2023.

PDR's business performance also increased significantly. Gross profit margin in 2021 was up to 76.3% (compared to 46.6% in 2020), net profit margin reached 51.4% (31.2% in 2020). Regarding profitability, PDR recorded an average return on equity of 28%. Given the requirement to ensure sound financial health in a volatile investment environment, PDR kept the debt-to-total asset ratio at 17%, equivalent to the industry's average.

As such, PDR exceeded all 2021's business targets ratified at the 2021 Annual General Meeting of Shareholders.

A highlight of PDR's breakthrough growth in the past year is its market capitalization. PDR peaked at over VND 48,784 billion or USD 2.121 billion - the highest market capitalization in history, making PDR one of the four real estate developers by market capitalization on the Vietnamese stock market.

These achievements came from the steadfast spirit in pursuing its goals, ensuring the progress of all projects as planned. Besides projects that directly contributed to 2021's revenue, such as Zone 4 and Zone 9 in Nhon Hoi Ecotourism City, most PDR's projects in key markets such as Binh Duong and Quang Ngai Ba Ria - Vung Tau, etc. maintained speedy implementation.

The active financial health allows PDR to acquire many new projects with the best conditions and rapidly expand the land banks in high potential markets. Currently, in addition to Ho Chi Minh City and Da Nang, PDR has a solid strategy to target second-tier cities with high development needs such as Binh Duong, Quang Ngai, Ba Ria - Vung Tau, etc. Therefore, PDR's land banks in these localities have expanded impressively over the past year.

2. ASSESSMENT ON FINACIAL STATUS

Presently, thanks to the continuous growth since 2017, the abundant cumulative capital sources, a healthy and harmonious capital structure, diversified capital flows with high liquidity have made PDR one of the enterprises with the best financial health in the real estate industry today.

Strong financial health allows PDR not only to settle debts and commitments to bondholders promptly but also to acquire new sizable projects on prime locations to develop promising products.

PDR has earned its excellent reputation in the capital market and is well-positioned to select optimal funding channels. Having obtained a credit rating at B by Fitch Ratings with a stable outlook, the Company showcases its transparency and stability as well as expands its access to the international capital market.

2.1 Assets

Unit: billion VND

Indicators	2017	2018	2019	2020	2021	UP/Down
Total assets	9,948.86	11,057.43	13,961.38	15,617.49	20,551.88	32%
Current assets	7,860.01	8,050.30	10,354.69	10,929.13	15,337.06	40%
Non-current assets	2,088.84	3,007.13	3,606.69	4,688.36	5,214.82	11%

a) Current assets

By the end of 2021, current assets reached VND 15,337.06 billion, up 40% compared to the end of 2020. In which, inventories have the greatest increase of VND 2,861.01 billion, equivalent to 30.7%.

Some highlights of the Company's short-term assets during the year:

- Binh Duong Tower: Completed the acquisition of 99.5% equity and voting rights of Binh Duong Building JSC. The total value recorded in inventories account was VND 1,598.49 billion.

- Phuoc Hai project: Increased the ownership in Serenity to 99.34% equity and voting rights. The total value of the project recorded in inventories account was VND 1,375.82 billion.
- Tran Phu Da Nang project: completed the acquisition of 99% equity and voting rights of Bac Cuong JSC to develop the project at No. 223 Tran Phu, Da Nang City. The total project value recorded in inventories account was VND 629.98 billion.
- Completed the investment and construction of infrastructure in Zone 2, Zone 4, and Zone 9 of Nhon Hoi Ecotourism City and eligible for transfer according to regulations. Thereby, the Company has handed over to customers and recorded part of the revenue from these projects, so the inventory value of these projects at the end of 2021 decreased by VND 1,080.70 billion compared to the end of 2020.
- Cash and cash equivalents at the end of the year were VND 494.03 billion, an increase of VND 440.86 billion.
- Short-term receivables increased by VND 1,017.27 billion mainly from short-term receivables of the following three partners:
 - Danh Khoi Holdings Investment JSC: VND 497.52 billion
 - Mr. Pham Ngoc Dung: VND 480 billion
 - Mr. Nguyen Huy Le: VND 479.99 billion

b) Non-current assets

At the end of 2021, the Company's long-term assets reached VND 5,214.82 billion, an increase of VND 526.46 billion or 11% YoY. The main reason is that long-term receivables increased by VND 843.22 billion, specifically:

- Long-term receivables from customers increased by 978 billion VND from:
 - IDK Real Estate Co., Ltd: VND 308 billion
 - NTR Real Estate JSC: VND 306 billion
 - CDK Real Estate JSC: VND 251 billion
 - HDK Real Estate Co., Ltd: VND 163 billion
- On 31st March 2021, the Company increased its ownership in Serenity Investment JSC from 46.4% to 64%. Accordingly, Serenity from an associate company became a subsidiary. As a result, VND 635.18 billion was converted into short-term assets.
- In addition, the company also recorded an increase of VND 96.26 billion in Tangible fixed assets due to the consolidation of subsidiary assets and an increase of VND 62.18 billion in Construction in progress from the company's office building and the BT project in Co Dai Area.

Profitability indicators have improved significantly compared to 2020, reflecting that the Company has used capital and assets more efficiently year by year. The ratios of profit to revenue (showing the profitability of the Company) are increasingly high.

Unit: %

Indicators	2019	2020	2021
Return on Assets (ROA)	6.99	8.25	10.29
Return on Equity (ROE)	22.19	25.52	27.90
Operating profit/Net revenue	32.62	39.60	65.41
NPAT/Net revenue	25.71	31.20	51.39

2.2 Resources

a) Liabilities

Unit: billion VND

Indicators	2017	2018	2019	2020	2021	Up/Down
Liabilities	7.121,97	7.545,80	9.592,43	10.423,21	12.407,37	19%
Current liabilities	1.080,84	791,98	3.072,73	4.386,26	8.731,17	99%
Non-current liabilities	6.041,13	6.753,82	6.519,70	6.036,95	3.676,19	-39%
Owners' equity	2.826,88	3.511,63	4.368,95	5.194,28	8.144,51	57%

As of the end of 2021, PDR's liabilities were VND 12,407.37 billion, an increase of 19% compared to the end of 2020, mainly due to short-term debts, specifically:

- Current liabilities

Short-term debt reached VND 8,731.17 billion, up 99% YoY, mainly due to:

- Short-term advances from customers increased by VND 1,071.85 billion, which is the deposit customers under sales contracts of Nhon Hoi Ecotourism City and Astral City.
- Other short-term payables increased by VND 4,190.98 billion, mainly from recognizing VND 4,769.606 billion from other long-term payables (related to the investment cooperation contracts of The EverRich 2 and The EverRich 3). In fact, this is not a debt of PDR because these two projects were transferred, and the Company received adequate money and handed over all responsibilities and benefits to partners for continuous development from 2019. When the legal procedures are completed in accordance with the laws, this amount will be recognized in revenue.
- Short-term loans decreased by VND 606.71 billion.

- Non-current liabilities

Long-term debt reached VND 3,676.19 billion, down 39% over the same period. The main reason is due to the decrease in other long-term payables, specifically due to the conversion of other payables on 2 projects The EverRich 2 and The EverRich 3 from long-term to short-term.

- Other loans

In addition, it was rational to shift from short-term loans to long-term borrowings with more reasonable interest rates, ensuring optimal capital costs and the Company's ability to repay due debts. Specifically, short-term loans decreased from VND 1,413.56 billion in 2020 to VND 806.85 billion at the end of 2021, while long-term loans increased from VND 485.24 billion to VND 2,620.09 billion.

With the sustainable development criteria, PDR does not take out loans to spread its investment. PDR focuses its resources on developing actual potential projects at a suitable scale with legal certainty in the early stages. PDR will scale up and develop projects at great speed when the prospect is realized.

- Exchange rate

In 2019, the Company incurred a loan of USD 22,500,000 to be paid in foreign currencies, and fluctuations in exchange rates would have affected the Company. However, as of the second quarter of 2021, the Company fully paid off the loan and was not significantly affected thanks to the slight difference in exchange rates.

b) Owners' equity

Unit: billion VND

Items	Share capital	Capital surplus	Investment & development Fund	Undistributed PAT	Owners' equity
As at 31 st December 2020	3,961.0	11,68	155,01	973.92	5,102.31
Net profit for the period	-	-	-	1,865.00	1,865.00
Profit distribution	-	-	24,40	(24.40)	-
Bonus and benefits	-	-	-	(24.40)	(24.40)
Share dividends	906.02	-	-	(906.02)	-
Share issuance under the 2021 ESOP	60.00	60.00	-	-	120.00
Board remuneration	-	-	-	(15.86)	(15.86)
Acquisition of subsidiaries' share	-	-	-	6.95	6.95
As at 31st December 2021	4,927.72	71.68	179.41	1,875.19	7,054.00

3. OPERATIONAL STATUS IN SUBSIDIARIES AND AFFILIATES

3.1. Operational status in subsidiaries

a) DK Phu Quoc Corporation

On 19th March 2018, PDR acquired shares to own 99% of the charter capital of Phu Quoc DK Corporation to develop Ham Ninh Industrial Cluster Technical Infrastructure Investment and Ham Ninh Craft Village - Commune Center in Ham Ninh Commune, Phu Quoc City, Kien Giang Province. As of 31st December 31, 2021, the Ham Ninh Industrial Cluster Technical Infrastructure Investment Project has obtained approval of the 1/500-scale master plan and is under procedures for land handover. The project of Craft Village Area - Ham Ninh Commune Center is in the application process for approval of the 1/500 planning.

b) Coinin Construction Investment Infrastructure Company Limited

On 9th March 2018, PDR acquired shares to own 80% of Coinin's capital to develop the BT project of Internal Technical Infrastructure Construction Project Zone I - in the Ethnic Culture and Historical Park in Long Binh Ward, District 9, Ho Chi Minh City. This project has progressed about 35% of its construction, expected to complete 100% in 2022.

c) Sai Gon – KL Real Estate Corporation

On 9th October 2019, PDR acquired shares to own 99% of the charter capital of Saigon – KL Corporation to implement the project of a Residential, Commercial, and Service Complex in Binh Duong Province (Astral City). The project has completed a part of the foundation, piles, and basement floor with an expected partial handover on 31st December 2022.

d) Ngo May Real Estate Investment Joint Stock Company

In the fourth quarter of 2019, PDR contributed 94% charter capital to establish Ngo May and successfully won the auction for the 5,246 sqm commercial and hospitality land at 01 Ngo May Street, Quy Nhon City, Binh Dinh Province. The project is in its legal procedures as prescribed by law.

e) Ben Thanh – Long Hai Corporation

As of 31st December 2021, PDR owns 99% equity and voting rights of Ben Thanh - Long Hai to develop Wyndham Tropicana Long Hai Resort in Ba Ria - Vung Tau Province.

Tropicana is in the application process to change land use and adjust the decision on investment policy.

f) Phat Dat Industrial Park Investment Joint Stock Company

As of 31st December 2021, PDR holds 68% equity and voting rights of Phat Dat IP to develop industrial real estate projects. Phat Dat IP is expanding its industrial landholding across many provinces and cities.

g) Phat Dat Real Estate Business and Service Corporation (Phat Dat Realtor)

On 23rd June 2021, PDR contributed 86 billion VND to establish Phat Dat Real Estate Realtor, holding 51% equity and voting rights of Phat Dat Realtor. Phat Dat Realtor is preparing its operational processes, systems, and building a team of experienced personnel to implement real estate business plans of Phat Dat Group in 2022.

h) Bac Cuong Investment JSC

On 23rd August 2021, PDR acquired 99% equity and voting rights of Bac Cuong Investment JSC to develop the project at No. 223 Tran Phu Street, Da Nang City. The project is the application process for investment policy approval.

i) Binh Duong Building Investment and Development JSC

On 4th June 2021, PDR acquired 99.5% equity and voting rights of Binh Duong Building to develop Binh Duong Towers. The project is in the application process for investment policy approval.

j) Serenity Investment JSC

Previously, on 31st December 2020, PDR held 36% equity and voting rights in Serenity Investment JSC. In 2021, PDR increased its ownership to 99.34% of Serenity's equity and voting rights to implement a hospitality project in Ba Ria - Vung Tau Province. Serenity's main activity is real estate business.

3.2. Operational status in Affiliates

a) PDP Project Construction Investment Co., Ltd

As of 31st December 2021, PDR holds 49% equity and voting rights to invest in the construction of the Phan Dinh Phung Sports Center Project. The project is in the process of legal procedures and signing a BT contract.

b) BIDICI Joint Stock Company

As of 31st December 2021, PDR holds 49% equity and voting rights of BIDICI. BIDICI's main activity is real estate business.

4. ASSESSMENT ON PROJECT DEVELOPMENT AND INVESTMENT

Last year, PDR focused its investment on expanding land banks in areas possessing adequate technical infrastructure and traffic connections for rapid development, including Da Nang, Quang Ngai, Binh Dinh, Ba Ria - Vung Tau, Binh Duong, Phu Quoc, etc. Accordingly, markets in Da Nang, Quang Ngai, Binh Dinh, Binh Duong, Ba Ria - Vung Tau were the main focus of PDR in 2021.

Additionally, PDR focuses on expanding land banks in HCMC and surrounding areas for future developments. Presently, PDR's total landholdings are 5,806.47 hectares, which can meet development needs for the next 5-10 years.

In addition to the primary real estate segment, PDR also set foot in the Industrial Park Real Estate segment by seeking and cooperating with partners to develop land banks in the following provinces: Quang Ngai, Dong Nai, Binh Duong, Dong Thap, Ba Ria - Vung Tau, etc.

PDR's diversified land banks are detailed as follows:

Breakdown by locality	Unit: hectare
Da Nang	535.27
Quang Ngai	4.175.16
Binh Dinh	159.35
Binh Duong	282.7
HCMC	28.79
Ba Ria – Vung Tau	51.52
Phu Quoc	179.34
Dong Thap	394.34

4.1. Criteria for land acquisition and project development

PDR has built a rigorous process and a set of criteria for land acquisition and project development to ensure economic efficiency as well as functionality for residents. Specifically, PDR acquires landholdings, following important requirements:

- Favorable and convenient location,
- Legal certainty as a premise to develop projects on schedule and quickly complete property ownership procedures for residents,
- Readiness for speedy development.

Having met a rigorous land selection process, PDR's projects need to satisfied the following criteria:

- Alignment with market demand
- Guaranteed quality, values, functions
- Fast deployment & launch to Market
- Quick capital recovery – high investment efficiency

4.2.Key results in PDR’s project development

From 2019 to 2023, PDR focuses resources on some projects that are the revenue drivers of each given year and creates a solid turning point for the following year. In 2021, PDR concentrated on 2 main projects: Nhon Hoi Ecotourism City and Astral City.

In Nhon Hoi Ecotourism City, PDR has handed over 98% of the low-rise section of Zone 4 to its partners, expecting to hand over the entire project in the 1Q2022. In addition, PDR has handed over the ornamental features and water supply system of Zone 9’s low-rise section to Danh Khoi, expecting to complete 100% of construction phase 2 and hand over the entire project to the partner in 2022.

Astral City was started in 2021 and is expected to be the growth engine of PDR in 2022. In 2021, Astral City achieved significant milestones, including the approval of the 1/500-scale planning as

well as the completion of foundation, piles, and basement floors in some sections. Astral City is expecting an ownership certificate in 2022 and a handover from the 2nd Floor to the 19th Floor of subdivisions A1 and A2 in 2022.

In addition to the above key projects, PDR also achieved many positive results in project development in 2021 by having

- Acquired new projects to constantly diversify products and promote new projects in markets such as Da Nang, Quang Ngai, Binh Dinh, Binh Duong, Ba Ria - Vung Tau, Dong Thap, etc.
- Promoted the strategy of diversifying residential products. Currently, the Company has developed a full range of products such as villas, luxury apartments, land lots, etc., based on the criteria of highly conforming to the customer needs.
- Ensured the completion of legal procedures quickly and comprehensively to meet the optimal progress of construction and sales, launch the product in time, bring in early and sufficient revenue, and hand over to customers as committed.
- Continued to focus resources on implementing legal procedures of BT projects.
- Continued to develop and complete ongoing key projects such as Binh Duong Tower, the project at 223-225 Tran Phu Street in Da Nang, etc. These projects not only contributed a large proportion of total revenue but also established PDR's solid position in the Vietnamese real estate market.
- Invested in a new office building of Phat Dat Group at 39 Pham Ngoc Thach, District 3, Ho Chi Minh City in order to create a professional workplace and affirm the Company's brand.

No.	PROJECT	LOCATION	AREA
			(ha)
I- SELF-DEVELOPED LAND BANKS			4,221.48
1	A project in District 9 (Ba Sang Isle)	District 9	23.94
2	Other projects in HCMC	HCMC	4.78
3	Pham Ngoc Thach Office building	District 3	0.07
Total landholdings in HCMC			28.79
4	Bo Bac Residential Area in combination with urban regeneration	Quang Ngai City	44.16
5	Duc Minh & Duc Chanh Urban Complex	Mo Duc Commune	159
6	Duc Phong Urban Complex	Mo Duc Commune	231
7	Duc Minh Urban Complex	Mo Duc Commune	31
8	Binh Tan Phu, Binh Hoa, and Binh Hai Urban Complex	Binh Son Commune	234
9	Binh Chau & Binh Tan Phu Urban Complex	Binh Son Commune and Quang Ngai City	2,409
Total landholdings in Quang Ngai			3,108.16
10	Residential, Handicraft Area and Center of Ham Ninh Commune	Phu Quoc	79.69
Total landholdings in Phu Quoc			79.69
11	Nhon Hoi Ecotourism City (Zone 2, 4, and 9)	Quy Nhon City	116.19

12	Bac Ha Thanh Residential Area	Quy Nhon City	43.16
Total landholdings in Binh Dinh			159.35
13	Astral City Binh Duong	Binh Duong	3.74
14	Binh Duong Towers	Binh Duong	4.46
15	Other landholdings	Binh Duong	274.5
Total landholdings in Binh Duong			282.70
15	Phuoc Hai	Ba Ria Vung Tau	5.56
16	Poulo Condo	Ba Ria Vung Tau	12.00
17	Ben Thanh Long Hai Tourism Zone (Tropicana)	Ba Ria Vung Tau	9.97
Total landholdings in Ba Ria Vung Tau			27.52
18	Project at No. 223 Tran Phu Street	Da Nang	0.27
19	Hoa Tien Eco-urban Area	Da Nang	535
Total landholdings in Da Nang			535.27
II- JOINTLY DEVELOPED LAND BANKS			40.61
1	Doan Anh Duong Ecotourism Area	Phu Quoc	40.61
III- INDUSTRIAL LAND BANKS			1,544.38
1	General Warehouse, Port Logistic and logistics services at Cai Mep International Terminal	Phu My Town, Ba Ria Vung Tau	24
2	Phat Dat – Dung Quat Industrial Township	Quang Ngai	1,067
3	Cao Lanh II Industrial Park	Dong Thap	300
4	Cao Lanh III Industrial Park	Dong Thap	94.34
5	Ham Ninh Commune Industrial Cluster	Phu Quoc	59.04
TOTAL (I) + (II) + (III)			5,806.47

4.3. Major investments through project development

In 2021, PDR has increased investment in expanding lands for Binh Duong Towers, Phuoc Hai, and 223 Tran Phu, Da Nang with a total value of VND3,604 billion. In addition, the Company continued to invest heavily in 2022's key project - Astral City, with a total project value of VND 952.62 billion by the end of 2021, an increase of 53% compared to the beginning of the year. Other major investments are detailed below:

Unit: billion VND

Projects	By year's end	At year's start
The EverRich 2	3,603.77	3,603.77
Tropicana – Ben Thanh Long Hai	1,989.56	1,987.90
Binh Duong Towers	1,598.49	-
Phuoc Hai	1,375.82	-
Astral City	952.62	624.32
The EverRich 3	876.30	876.30
Project at 223 Tran Phu Street, Da Nang	629.98	-
DK Phu Quoc projects	399.58	398.96

Nhon Hoi Ecotourism City – Binh Dinh	393.14	1,473.83
Ngo May project	143.27	133.45
Vung Bau – Phu Quoc project	51.21	50.03
Bau Ca – Quang Ngai	21.96	25.53
Office Building at 39 Pham Ngoc Thach Street	456.68	424.89
Internal technical infrastructure in Zone 1 – District 9	401.37	376.81
Enterprise resources planning system	7.49	11.04
Other projects	155.86	156.47
Total	13,057.10	10,143.30

5. ASSESSMENT ON RESOURCES

Owing to its vigorous and stable financial health, PDR was confident mobilizing capital effectively. Specifically, in 2021, PDR proceeded with 10 bond issues with a total value of more than VND 2,356 billion, mainly in a 2-year term. Bond interest rates issued by PDR ranged between 12-13%/year, equal to the market average for real estate bonds. PDR's effort to restructure short-term to long-term loans manifests in the proportion of long-term loans increasing from 25.53% total debt structure in 2020 to 76% in 2021. The increasing long-term borrowing proportion enables PDR to improve its healthy financial indicators, reduce pressure for short-term outflows, and stay active in implementing projects.

Information on bond issuances and allocation:

Issuance No.	Date of issue	Maturity date	Book value (VND)	Coupon
First issuance – 2021	2 nd February 2021	2 nd February 2023	397,833,333,337	13%
Second issuance – 2021	28 th April 2021	28 th April 2023	148,933,333,336	13%
Third issuance – 2021	7 th May 2021	7 th May 2023	129,066,666,664	13%
Fourth issuance – 2021	6 th July 2021	6 th July 2022	229,350,000,000	13%
Fifth issuance – 2021	11 th August 2021	11 th August 2023	198,363,541,670	13%
Sixth issuance – 2021	24 th September 2021	24 th September 2023	267,562,499,999	13%
Seventh issuance – 2021	2 nd December 2021	2 nd December 2023	471,817,708,333	12%
Eighth issuance – 2021	8 th December 2021	8 th December 2023	294,250,000,000	12%
Ninth issuance – 2021	16 th December 2021	16 th December 2023	147,867,708,333	12%
Tenth issuance – 2021	23 rd December 2021	23 rd December 2023	70,900,000,000	12%
Total			2,355,944,791,672	
Short-term value			229,350,000,000	
Long-term value			2,126,594,791,672	

Besides, Fitch Ratings has affirmed Phat Dat's IDR at 'B' with an Outlook Stable. Phat Dat is regarded as performing healthy financial indicators and strong growth in the Vietnamese market. According to Fitch, with improved capital flow and low debt level in the medium term, PDR could fully exploit more external capital sources to serve its development needs. The recognition of an international rating agency is a worthy reward for PDR's efforts to maintain a healthy financial position and a testimonial for the Company's ability to raise capital from domestic and foreign markets.

With its achievements and prestige, PDR continued widening a network of domestic and foreign investors. Therefore, the capital mobilization capacity is secured to meet its project development

needs. In the process of deploying high-speed operations, PDR places core requirements on safety, large reserves, the highest level managing financial risks, and efficient capital allocation.

6. IMPROVEMENTS IN MANAGEMENT SYSTEM

In 2021, PDR's team set ambitious targets for its business plan, specifically the Company's pre-tax profit of VND 2,300 billion in a turbulent market after a year of pandemic. But from the mid-second quarter, social life and the economy struggled even more globally or domestically due to the extremely rapid spread of the Coronavirus on a large scale. The situation became out of control and put the business world in a noble situation.

PDR also fell into that common setting. However, the entire team was well aware of the requirement to stay on track, stick to the goals, ensure that all plans were fully implemented and all projects were deployed as planned.

PDR's organizational, operating and managerial capacity was maximized to fulfill all those requirements optimally.

▪ The refined operating apparatus

Sharp improvements in corporate governance have upgraded PDR's operating system to meet the requirements of speeding up task fulfillment in the past year.

Accordingly, the Board of Management was strengthened with 2 new Vice Presidents in charge of construction and investment. At the same time, the middle management team was also supplemented with competent personnel according to actual requirements.

With this enhancement, the operating apparatus is more professionalized to closely follow the situation and efficiently manage workflow.

▪ Improved management and control capabilities

The risk management process is more engaging, so the communication about risk management is deployed to all levels. That helps PDR ensure both the speed and quality of growth, committing that projects are not only completed on time, but also at high value.

Corresponding to the above results is the improvement of forecasting capacity, building solutions to handle unexpected situations and always having a sense of contingency plans. The intense volatility of the market in the past year requires businesses to always be in a state of alertness to observe and improvise quickly. PDR minimizes the situation of passivity thanks to always close forecasting, accurate assessment of developments and careful preparation for arising situations.

▪ Flexible approval process ensuring compliance

Having to change the way it works according to the regulations on disease prevention, PDR adopted a more interactive and flexible approval process. As a result, there was no significant interruption or stagnation on speedy operations.

However, flexibility also comes with compliance to ensure that PDR always fulfills all obligations to the State, and there were no violations to legal provisions at all stages of its operation.

▪ Restructuring requests are openly received and professionally oriented

Realizing that the resources and apparatus can be sufficient for the present but not for the future, PDR has chosen KPMG as a consulting partner in restructuring even the current speedy operating regime.

Thereby, the Company clearly shows its open-mindedness to all objective evaluations from professional consultants, acknowledging its advantages and disadvantages for innovation in line with global standards.

7. DIGITAL TRANSFORMATION

The digital transformation, specifically the ERP system, at PDR has been underway for the past three years and entered its final sprint in 2021. The application of information technology is an important condition for effective organizational structure and management system. The initial achievements in digital transformation were especially effective in the context of social distancing, telecommuting, and remote management.

▪ New applications deployed

Human resource management software is officially applied to all divisions, always making the current HR status visible. Human resource management has become efficient since then.

At the same time, the online approval process was integrated with the DMS system, significantly increasing operational productivity and eliminating dependence on traditional methods that had many limitations in today's working conditions.

▪ Increased awareness of digital transformation

With consistent dissemination and continuous communication, the entire PDR staff has increased awareness of the digital transformation requirements. Thereby, each person is aware that this is not only a duty but also a right, helping them work more smoothly, quickly, and efficiently. The corresponding result is to save time and energy and facilitate work-life balance.

Therefore, most employees clearly showed their willingness to receive, engage and learn to master new applications. This condition is necessary for the digital transformation to achieve high results when officially completing all phases in 2022.

▪ Technology for the recognizable future

The IT platform is not limited to PDR but all entities in Phat Dat Group and other related branches. Therefore, the implementation was more elaborate and complex to ensure compatibility and consistency.

The growth rate of PDR is already high but will be higher in the future. This means that the foundation and the management system must be sufficiently prepared for the coming time.

Therefore, the IT foundation must be built not only for the present or the near future but also to be ready for much further development steps, avoiding the situation of being obsolete and less responsive. Keeping that spirit in mind, PDR has invested in the digital transformation at all levels, from hardware and software systems.

8. CORPORATE CULTURE

PDR is an enterprise with its own distinct culture. In recent years, PDR's corporate culture has been continuously cultivated with increasing positivity and without trading off its healthy growth for extreme business results.

In the past year, the particular context of well-being has revealed the excellent qualities of an enterprise built on familial but professional policy.

- **Maintaining a sense of discipline**

During the strict social distancing period, the PDR team adopted a work-from-home approach as a must. However, discipline has been highly guaranteed to meet time and quality criteria.

PDR's team showed no distractions, demoralization, or lack of connection due to the leadership style with a positive outlook and a proactive and confident attitude.

- **Raising awareness of compliance**

Operating on an increasingly large scale requires high-speed implementation, so the leadership of PDR always focuses on reminding all executives about the spirit of compliance with the law, culture - business ethics, and code of conduct according to the Company's standards.

As a result, PDR did not record any significant errors during its operations and interactions with stakeholders.

- **Increasing internal interoperability**

The absence of interoperability in PDR's working environment is a glaring constraint. There has been a lot of advancement in recent years. On the one hand, the Company's organizational structure and management system were rebuilt, and a robust IT application platform came into shape. As a result, the desire for regular and high-level interaction has spread from departmental/divisional to individual levels. Consequently, teamwork, sharing, and solidarity are considerably enhanced.

Additionally, when confronted with tremendous hurdles from the objective environment in the previous year, the entire PDR team shared a common vision and desire to fulfill the tasks at hand. As a result, PDR members are acutely aware of the importance of mutual assistance.

- **Sharing difficulties with family spirit**

The familial vibes of PDR's culture are most evident in the context of the epidemic when both social security and business activities are threatened.

Generally speaking, PDR does not cut any employee's salary, bonus, or allowance. In contrast, the Company's average income growth rate is twice the labor market average in the past year.

In addition, PDR also set a policy to aid medical expenses for staff who have to undergo Covid-19 treatment. To promptly support members and their families unfortunately infected with the disease, the Company also established a response team from internal personnel. This response team was active in the designated areas and provided practical help during the most stressful Covid-19 outbreak.

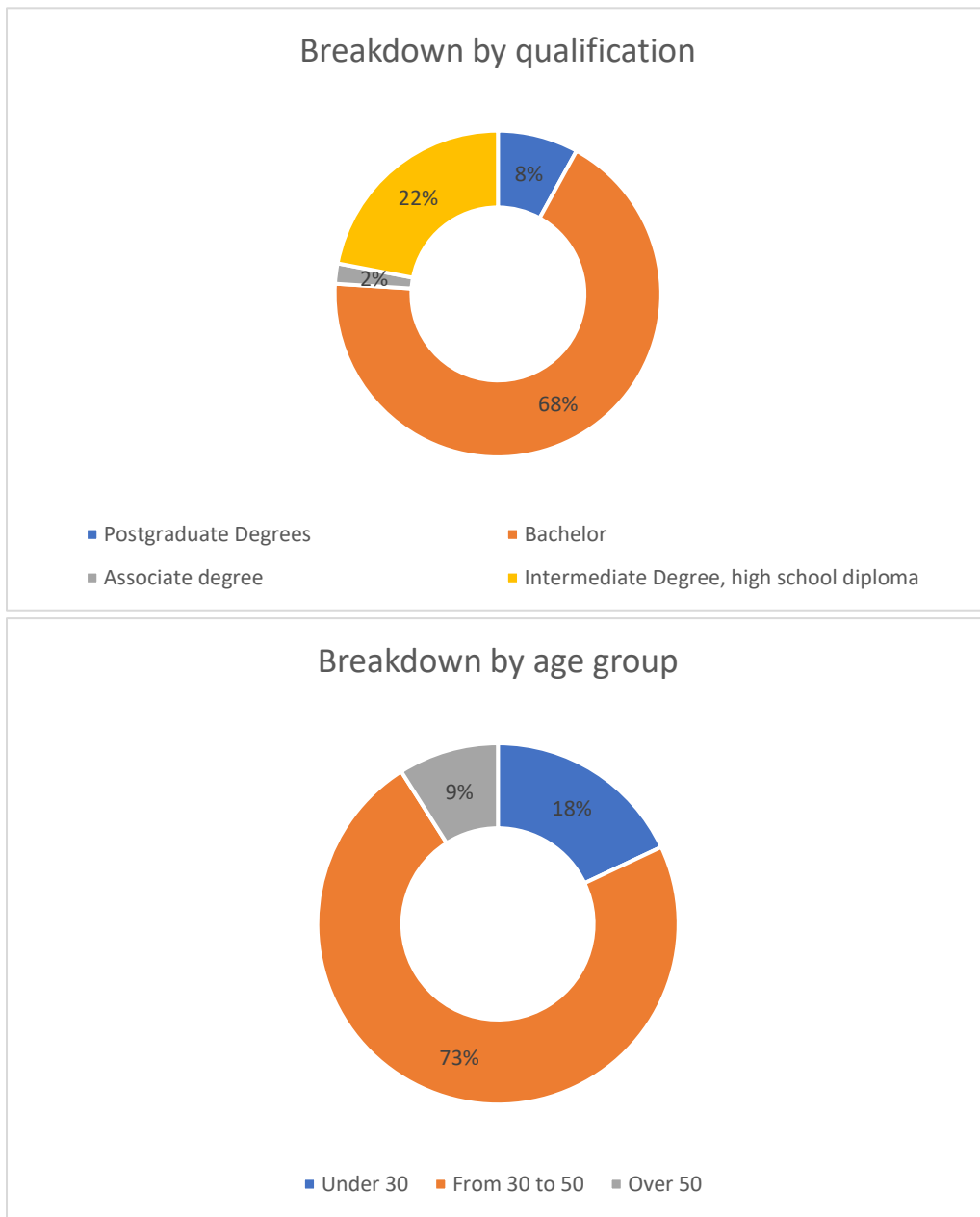
The spirit of solidarity, support, and sharing has helped the entire PDR team overcome the "storm" of Covid-19 safely to ensure that they continue to work confidently with high energy.

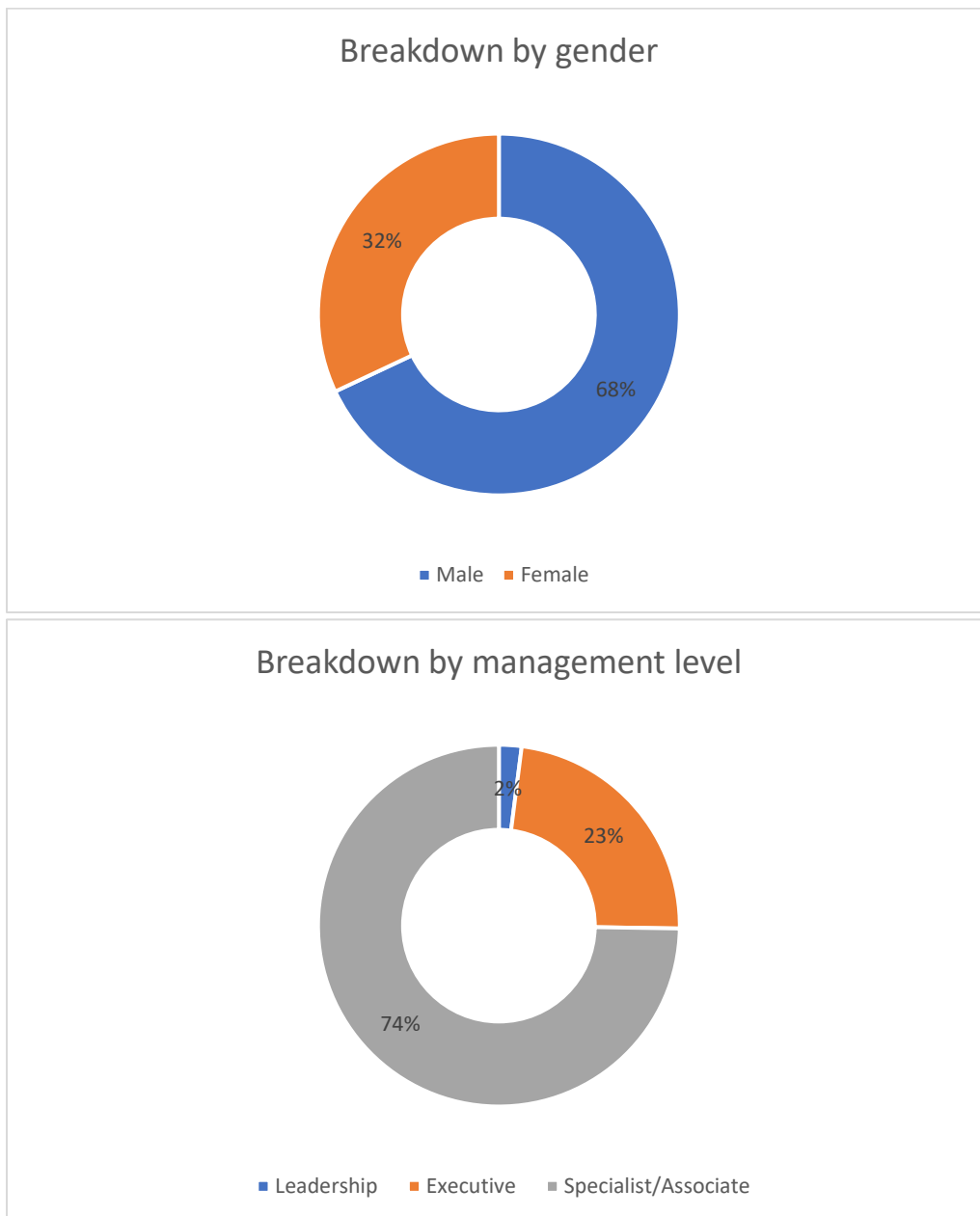
9. HUMAN RESOURCES

9.1 The overall picture

PDR has 292 full-time employees in 2021, not too much increase in the number of new employees. Instead, the Company focuses on adding the right people and improving the performance of the existing team. This is the right choice for the market situation in the past year.

The organization of the personnel apparatus at PDR not only promotes efficiency and professional capacity, but also focuses on diversity in terms of age, gender and level.





9.2 Training and developing human resources

In 2021, PDR has a high percentage of personnel that surpass the competency standards of titles and positions. This result resonates with the individual's sense of self-training and the Company's human resource training and development plans.

PDR has implemented 22 internal communication programs and 16 training programs during the year for all levels.

The main contents of internal communication

- Positive thinking and attitude
- Health care
- Cultural behavior in the office environment
- Corporate Culture

Main contents of training

- Corporate governance
- English
- Personal skills
- Professional skills

Intangible and tangible impacts on the Company:

- Changing thinking and communication awareness
- Contributing to higher efficiency for high business achievements and mutual development
- Improving HR quality in general

10. EMPLOYEE POLICIES

In order to attract qualified personnel and increase employee engagement, PDR has made many drastic improvements in salary and welfare policies. Some prominent employee policies are as follows:

- In November, PDR launched a share issuance under the Employee Stock Ownership Plan (ESOP). Specifically, the Company issued 6 million new ESOP shares, equivalent to 1.23% outstanding shares. The issue price was VND 20,000/share, or 1/5 of the market price. The total issuance value at par value was VND 120 billion.
- In order to recognize employees' contributions to the Company's development for a long time, PDR has been applying a seniority bonus policy for employees of 5, 10, and 15 years seniority with bonuses of 01, 02, and 03 months' salary, respectively. There are also bonus options to buy real estate products and shares at preferential prices.
- In addition, the Company also rewarded outstanding Phat Dat people and highly committed management personnel with bonuses ranging from 01 to 12 months salary based on the results of the assessment on individual capacity, working efficiency, and contribution value to the Company.
- By the end of 2021, the average salary of the whole Company was 36.58 million VND/person/month. The Company's average salary increase reached 12.12%, twice the average growth rate of the labor market.
- Currently, PDR has built a higher salary and welfare regime for employees than the average of the real estate industry and the labor market in general. The total expenditure on welfare reached VND 18.4 billion, and the total premiums reached 10.8 billion VND.

11. BRAND DEVELOPMENT

PDR carries out branding activities in line with its own business strategy in 2021.

Branding through communication

- Implementing regular reviews, upgrade, and systematization of self-owned communication channels on digital and social networking platforms. Thereby, stakeholders can search and access official information of the Company easily and conveniently.
- Social listening with closely monitored statistics to respond quickly and take timely solutions to any incorrect public opinion about the Company.

- Maintaining and developing cooperation with the media, especially press agencies, creating in-depth content and conveying transparent and accurate information about the business.
- Investing heavily in outdoor advertising tools (OOH). PDR's billboard advertising is widely present at project sites and public areas such as the airport, key avenues, etc., promoting and reminding the brand image in public.
- Participating in sponsoring many conferences, business forums related to the real estate industry, or business events to enhance access to investors, partners, target customers, and relationships with the press and authorities.

Branding through projects - products

- Providing support and close coordination with distribution partners in order to promote the investor's brand alongside the project's brand.
- Improving the investor's brand's visibility at the construction site by implementing a brand identity system (project fence, tower crane, labor protection equipment, etc.)
- Improving the brand's reputation with customers and investors by ensuring commitments on quality, delivery schedules, project/product values, and so on, resulting in a major increase in the brand's position in new markets and practical sales activities.
- Accompanying customers in resolving issues with projects that have been handed on.
- Satisfactory resolution and protection of the Company's and customers' hamornious interests when there are disagreements during the discussion process.

Branding through communal activities

- Promptly assisting the community during the outbreak.
- Using educational sponsorship programs, support for poor individuals, and a variety of other activities, PDR is helping to improve the cultural and spiritual life in some regions.
- Properly integrating cultural values, aesthetics, and public utilities pledges in PDR-developed projects, contributing to a change in the urban appearance and citizens' healthy lifestyles.

12. AWARDS

In 2021, the Company won major awards honored by prestigious domestic and foreign organizations such as:

No.	Awards Program	Wining Category
1	BCI Asia Awards 2021	Top 10 Developers 2021
2	World Finance Investment Management Awards 2021	Best Investment Management Company - Vietnam – 2021
3	International Finance Awards - Real Estate Awards 2021	- Best Residential Developers Vietnam 2021 - Best Investor Relations – Real-Estate – Vietnam 2021
4	Global Bank & Finance Awards 2021	Best Residential Real Estate Developer Vietnam 2021

5	Vietnam Property Awards 2021	<ul style="list-style-type: none"> - Special Recognition in ESG - Special Recognition for CSR - Best Condo Development - Best Condo Architectural Design - Best Condo Landscape Architectural Design
6	Top 50 Vietnam Best Performing Companies 2021	<ul style="list-style-type: none"> - Third place in Top 50 Vietnam Best Performing Companies 2021 - The Billion Dollar Companies 2020-2021
7	Vietnam Outstanding Property Awards 2021	Top 10 Best Integrated Property Developers in 2021
8	PROFIT50	Thirty-eighth place in Top 50 Vietnam Best Profitable (First time won Profit50)
9	Top 10 Most Reputable Property Developers 2021	Seventh place in Top 10 Most Reputable Property Developers 2021
10	FAST500	Top 50 Vietnam Best Growth
11	Top 50 Vietnam Public Companies	Seventeenth place in Top 50 Prestigious and Effective Public Companies in 2021
12	Vietnam Listed Company Awards	First prize in top 10 Best Annual Reports (Large Cap)

II. DEVELOPMENT PLAN FOR 2022

1. DEVELOPMENT STRATEGY FOR 2022

The sustainable three-pillar development strategy based on the core competence of residential real estate development

Experiencing a challenging year in 2021, Phat Dat is gradually making sure to continue its five-year vision (2021 - 2025) plans. The company focuses on 3 key areas, including residential real estate, industrial real estate, and logistics services for sustainable development.

In the residential real estate sector, Phat Dat promotes its strengths by focusing resources on potential real estate projects, including a) maintaining and searching for new lands on favorable locations to develop high-end products in HCMC; b) developing model urban areas in emergent cities in the same fashion with what has been done with projects in Binh Dinh and Quang Ngai; c) investing in hospitality real estate in provinces with excellent tourism potential such as Phu Quoc, Binh Dinh, and Ba Ria - Vung Tau to capture the recovery momentum of the post-COVID-19 market as well as the abundant tourism potentials that have not been fully exploited.

In the industrial zone segment, recognizing the great potential from the wave of factory relocation of international manufacturing corporations to Vietnam, Phat Dat continues to use resources from home and abroad to expand industrial land banks and the accompanying societal housing. Phat Dat primarily focuses on the central coastal area where Phat Dat had great success with the Nhon Hoi Binh Dinh project in Nhon Hoi Economic Zone.

Alongside the industrial segment, warehouse and logistics services are also targeted by Phat Dat to build a Logistics network spanning the whole country, partly meeting the needs of tenants for industrial parks, and partly serving the transportation needs, which we consider to be in severe shortage. Phat Dat is currently developing landholdings at strategic locations in key economic

zones near airports and seaports, thereby expecting to create products of international standards, meeting the needs of domestic and foreign clients.

Flexible sales strategy

Phat Dat has steadily expanded its market position and brand recognition over a lengthy period of development. Phat Dat in 2022 initially researches and deploys retail activities through Phat Dat Realtor, in parallel with the wholesale strategy that has been very successful for Nhon Hoi projects - Binh Dinh province and Astral City in 2022, based on recent achievements and to create a foundation for the development of real estate brokerage. This orientation not only increases the Enterprise's operational efficiency, but it also acts as an additional line of defense against the wholesale model's risks, ensuring business certainty for the coming time.

2. PROJECTS AND LAND BANKS EXPANSION

PDR owns a relatively large land bank across central areas, including areas planned for the future of emergent urban centers and key economic and industrial zones. In 2022, Phat Dat advocates looking for opportunities to acquire lands with legal certainty to minimize legal risks while still bringing the greatest benefits to the company, customers, and shareholders. Targeted lands must satisfy strict criteria such as (1) adequate legality, (2) proximity to key economic or tourist attractions, (3) potentials for rapid development and abundant liquidity, and (4) alignment to local economic and social development.

- Continuing to expand land banks and develop projects in localities where Phat Dat has proven effective in investment, limiting risky adventure and waste of resources. Accordingly, PDR will consider developing projects in provinces such as Binh Dinh and Quang Ngai - where PDR has marked its clear footprint with successful projects.
- Promoting investment in Binh Duong province focusing on Astral City and Binh Duong Tower, providing apartments with moderate areas and high quality, fully meeting utilities for young urban dwellers.
- Developing residential projects in Da Nang and Ba Ria - Vung Tau where there are policies on tourism economic development and have advantages in tourism infrastructure.
- Expanding industrial park landholdings in areas with high demand but not yet adequately invested such as Da Nang, Quang Ngai, and Dong Thap; ensuring high occupancy rate for the output as well as opportunities to cooperate with multinational companies that have demand for industrial production, processing, and supply chain development in Vietnam.

3. FINANCE AND RESOURCES

Over the past year, with strong financial health, PDR has made a strong breakthrough in both business results and asset size in the context of the general market with many variables. This proves that PDR's financial orientation is absolutely correct, in 2022, Phat Dat will continue to promote that advantage and strengthen its financial capacity on the basis of diversified revenue from projects already, is and will continue to develop. Some key PDR financial goals to focus on in 2022:

- Continuing the shift from short-term to long-term loans to expand fiscal space for businesses, ensure stable capital flow, and relieve the pressure of short-term loan

settlement, so the Company may have adequate resources to expand land banks and develop projects.

- Professionalizing departments as well as streamlining and optimizing operating processes to cut unnecessary costs, focusing maximum resources on Phat Dat's core competency of property development.
- Actively seeking and approaching new capital sources such as green capital or foreign capital markets. These options offer attractive financial costs as well as a wide market spectrum, but they necessitate professionalism and adherence to high international standards. With impressive business performance, high stability, and a transparent business model, Phat Dat is currently the object of interest and cooperation of many large investors and financial institutions in the region and the world. The Company will actively expand its network of partners to increase its initiative in choosing the best capital partners with the same vision and culture whenever the need to mobilize arises
- Along with actively pursuing new sources of capital, PDR continually updates and monitors capital mobilization legislation and selectively applies international standards to boost its adaptability in all economic scenarios.

4. MANAGEMENT AND OPERATION

- The success of PDR amid the tumultuous 2021 of the Vietnamese economy is attributable to the effort to activate the risk management system at the highest level as approved last year. Entering 2022, the Company continues to improve the capacity of the risk management system to seize breakthrough opportunities.
- In order to improve professionalism and increase the efficiency of management - operation and controllability, PDR also identifies the need to strengthen the foundation, consolidate the whole machine, standardize regulations and processes, etc. Specifically, PDR is working closely with KPMG to review the overall business for effective management solutions aligned with business goals and strategies.

5. HUMAN RESOURCES AND CORPORATE CULTURE

- Phat Dat's rapid expansion necessitates a team of qualified, culturally suitable, and self-improving employees. The Company needs to have more attractive policies to attract and retain talents. At the same time, the Company's Leadership should actively harmonize relationships and lead changes to avoid conflicts of interests and differences in culture or professional competence among generations of employees.
- PDR will continue to align new priorities and update the corporate culture value system to match the growth and expansion of Phat Dat. Simultaneously, the Company will incorporate the spirit of "family yet professional culture" throughout the majority of its activities at all levels.
- Finally, to be one of the leading enterprises with ideal working environments, PDR has improved synchronously in areas such as promising salary, bonus, and welfare policy, profound career opportunities, and a civilized working environment with a working process that ensures adaptation to the Covid-19 epidemic.

6. BRAND – COMMUNICATION – MARKETING

- Accessing key criteria and standards from international institutions that increase the Company's brand value. From there, PDR will deploy an appropriate application for each specific activity.
- Actively approaching new communication channels close to the target customers as well as the investor community to raise awareness about Phat Dat's expanding real estate products in terms of both type and size.
- Expanding media coverage to the international market with reputable communication channels to reach the network of financial institutions and multinational enterprises, especially those with industrial development and supply chain needs in Vietnam. This will be a group of potential customers and partners for the industrial park real estate segment that is strongly invested in.
- Communicating about the Company's responsibility for sustainable development, upholding the role of sustainable development and economic benefits in correlation with the community and environmental development, creating a civilized and better society.
- Developing programs to raise awareness about the Company's brand and customer services positively.
- Raising awareness of Phat Dat's role and positive influence on stakeholders; clarifying PDR's role as an effective bridge, bringing financial and non-financial value to investors, customers, and the community.

HCMC, 5th March 2022

**ON BEHALF OF THE BOARD OF MANAGEMENT
CHIEF EXECUTIVE OFFICER**

(Signed and stamped)

BUI QUANG ANH VU