

IR NEWSLETTER

2Q2023

LEAPING FORWARD
ENHANCING CAPACITY

HoSE: **PDR**

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1 | HIGHLIGHTS IN IIQ2023

HIGHLIGHTS



PHAT DAT COMPLETED LEGAL PROCEDURES FOR ASTRAL CITY, A PROMISING SIGNAL FOR THE REAL ESTATE MARKET

On May 8, Phat Dat Real Estate Development Corporation (HOSE: PDR) confirmed the fulfillment of all financial obligations pertaining to the Astral City site, as officially announced by the Binh Duong Provincial Tax Department, paying VND 511 billion to the state budget.

Following the completion of these financial obligations, Astral City received the permit sale off-plan properties. This is a positive signal to the real estate market, especially amidst the persisting legal challenges it has been facing



PHAT DAT SPONSORED BINH DINH'S TOURISM FESTIVAL 2023

"Quy Nhon - Paradise of the Sea - Brilliant Colors" was the captivating theme of the opening ceremony for the 2023 Binh Dinh Tourism Festival, which took place on April 29 at Nguyen Tat Thanh Square in Quy Nhon City.

As a sponsor, Phat Dat had the honor of joining hands with Binh Dinh's Tourism Department in showcasing the enchanting cultural heritage and tourism splendors to both domestic and international tourists. The event featured mesmerizing and vibrant performances that beautifully depicted the region's distinctive charm and cultural identity.

PHAT DAT PUBLISHED ITS 2022 ANNUAL REPORT



On April 20, 2023, Phat Dat Real Estate Development Corporation (HOSE: PDR) published its 2022 Annual Report featuring "Leaping Forward".

In 2022, despite many challenges and pressures, PDR maintained its core operations with a focus on key products and projects. Many important financial indicators, such as total assets, owner's equity, charter capital, net profit margin and gross profit margin, remained stable.

PDR is making every effort and focusing all resources to stand firm and overcome the economic downturn. With the mindset to LEAP FORWARD, PDR is determined to protect the achievements it has built and is readying its intrinsic power to achieve new goals in the future.

HIGHLIGHTS



THE COMPLETION OF THE UNDERGROUND STRUCTURE OF PHAT DAT'S OFFICE BUILDING

On June 15, 2023, Phat Dat Real Estate Development Corporation (HOSE: PDR) held a ceremony to mark the completion of the underground structure for their office building located at 39 Pham Ngoc Thach Street, District 3, HCMC.

Phat Dat's office building stands on a land area of 673.5 square meters and consists of 12 aboveground floors and 4 basement levels. The architectural design of the building adheres to a modern style, meets LEED standards, and incorporates open spaces to foster connectivity and ideal working environment.



THE “LOVE CONNECTION” JOURNEY TO ORPHANAGES IN DONG NAI

A regular initiative spearheaded by the Charity Club of Phat Dat Real Estate Development Corporation, the "Love Connection" journey continued spreading joy to two orphanages in Dong Nai in celebration of International Children's Day on June 1. During this endeavor, the club bestowed numerous gifts, including hundreds of books and essential provisions, and organized fun activities for approximately 200 children residing in Be Tho and Linh Quang orphanages.

HIGHLIGHTS



PHAT DAT SUCCESSFULLY HELD THE 2023 AGM

On June 30, Phat Dat Real Estate Development Corporation (HOSE: PDR) successfully hosted its 2023 AGM under the theme "Leaping forward, Enhancing Capabilities" at Pavillon Tan Son Nhat Convention Center in HCMC.

In 2022, despite facing numerous market challenges, Phat Dat demonstrated remarkable adaptability and proactively implemented effective solutions, ensuring stable business operations and guaranteed liquidity.

Phat Dat strategically restructured its investment portfolio and refined its financial plan, focusing on potential projects that generate quick cash flow, as well as exploring suitable new capital sources.

By the end of 2022, Phat Dat achieved impressive financial results, recording a total revenue of VND 5,339 billion, including sales, service provision, share transfers in subsidiaries, and other revenue streams. Pretax and post-tax profits reached VND 1,482 billion and VND 1,161 billion, respectively. Notably, the Company's total assets increased by 11.15%, rising from VND 20,552 billion to VND 22,843 billion, and equity showed significant growth of 13.7%, reaching VND 9,261 billion, up from VND 8,145 billion.

Furthermore, Phat Dat actively managed its debt by repurchasing bonds before maturity and paying off due loans. As of December 31, 2022, the Company's total debt stood at VND 4,440 billion (compared to about VND 5,265 billion at the end of IIIQ2022), including VND 2,510 billion in bonds. This prudent approach ensures that the debt remains within a safe range relative to Phat Dat's current operating scale and asset value, guaranteeing liquidity for 2023.

Phat Dat continued to expand its investment portfolio by acquiring new lands. Presently, the Company's portfolio comprises an impressive 7,434 hectares of land with several flagship projects progressing as planned, including Cadia Quy Nhon, Binh Duong Tower, 223 Tran Phu (Da Nang), Senerity Phuoc Hai, Bac Ha Thanh, and the office building (at 39 Pham Ngoc Thach, HCMC).

Looking ahead to 2023, Phat Dat aims to reach VND 2,800 billion in revenue, and 850 billion and VND 680 billion in pretax and post-tax profits, respectively. In pursuit of this, Phat Dat plans to launch more than 13,000 products in high-demand markets such as Binh Duong, Ba Ria - Vung Tau, Binh Dinh, and Da Nang, expecting VND 30,000 billion in revenue.

At the AGM, Phat Dat received approval for its share issuance plans via public offering to existing shareholders and private placement to professional investors. Specifically, the Company plans to offer 20% of new shares to existing shareholders to raise funds for key projects and an additional 10% of shares to professional investors to facilitate loan restructuring. This strategic move addresses the current capital market context and strengthens the Company's long-term financial position.



Mr. Nguyen Van Dat, PDR Chairman, said:
"The most challenging period of Phat Dat has passed."



PDR's shareholders' meeting was a success, all proposals obtained approvals.

2 | MARKET OVERVIEW IN IIQ2023

APARTMENT MARKET IN HO CHI MINH CITY AND NEARBY PROVINCES

The new supply in Ho Chi Minh City and neighboring provinces in IIQ2023 recorded a 33% increase compared to the previous quarter but experienced an 87% decline compared to the same period last year. Ho Chi Minh City and Binh Duong accounted for nearly 90% of the new supply available for sale in the quarter.

Grade C apartment segment saw a significant increase, representing 39% of the total new supply in the entire market, mainly concentrated in the three cities of Binh Duong Province: Thuan An, Di An, and Thu Dau Mot.

In Ho Chi Minh City, Grade A apartment segment continued to lead, accounting for 91% of the newly launched apartments in the quarter, mainly in the east - Thu Duc City.

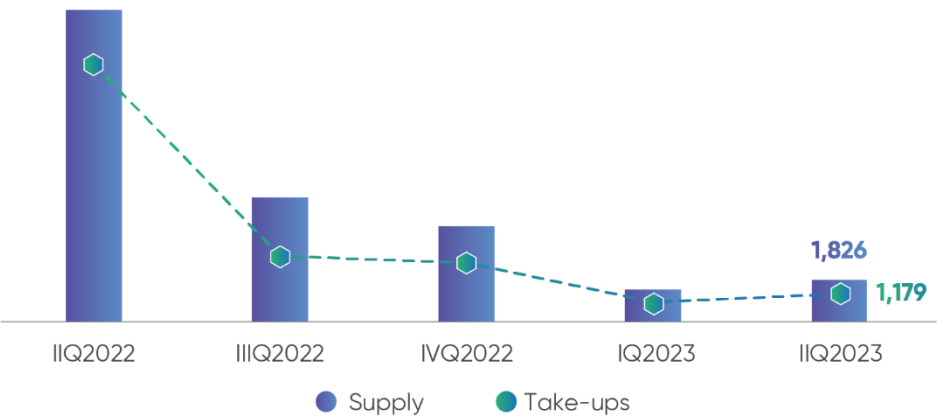
Overall market demand increased QoQ, but it remained low compared to the same period last year; new take-ups reached only about 10% compared to IIQ2022.

Primary selling prices showed slight fluctuation, while secondary selling prices continued its decline, falling 3% - 7% compared to the previous quarter. Liquidity remained low.

Source: DKRA

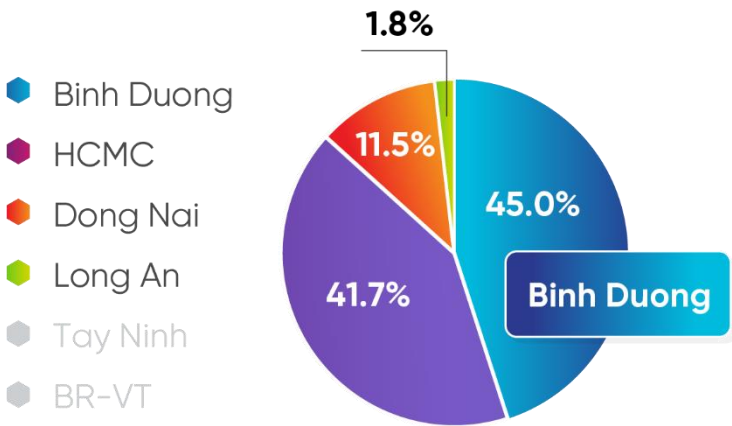
New supply and take-up by quarter

Unit: apartment



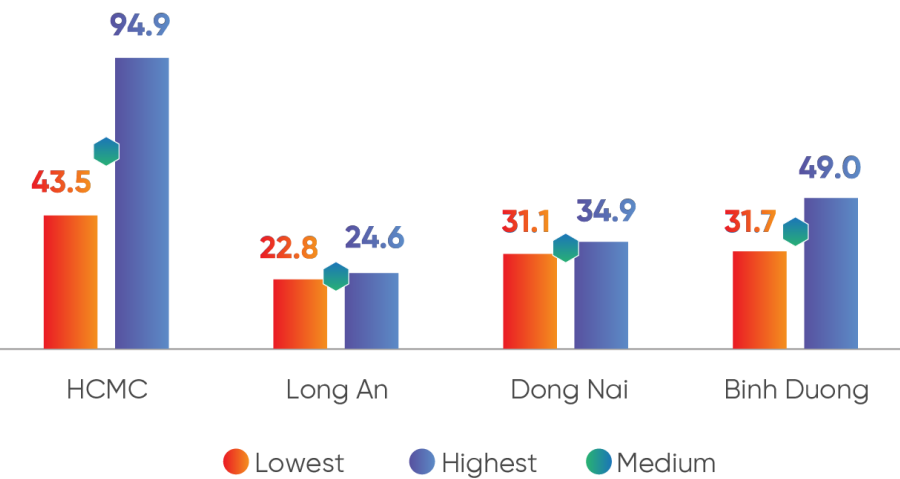
New supply and take-up by locality

Unit: %



Primary selling price by locality

Unit: million VND/m² (VAT)



HOSPITALITY REAL ESTATE MARKET - RESORT VILLAS

Although the new supply has increased compared to the previous quarter, it remains at a very low level, only 4% of the same period last year. Developers are still cautious about bringing products to the market, resulting in a continued downward trend in new supply from late Q2 2022 until now.

Market demand has increased, but not significantly, only about 5% compared to the same period last year. New projects experienced slow transactions in the period, primarily in few certain projects.

The Northern region continued its lead, accounting for 75% of the total supply and 94% of the country's take-ups. In contrast, the Central region has not recorded any new project launches.

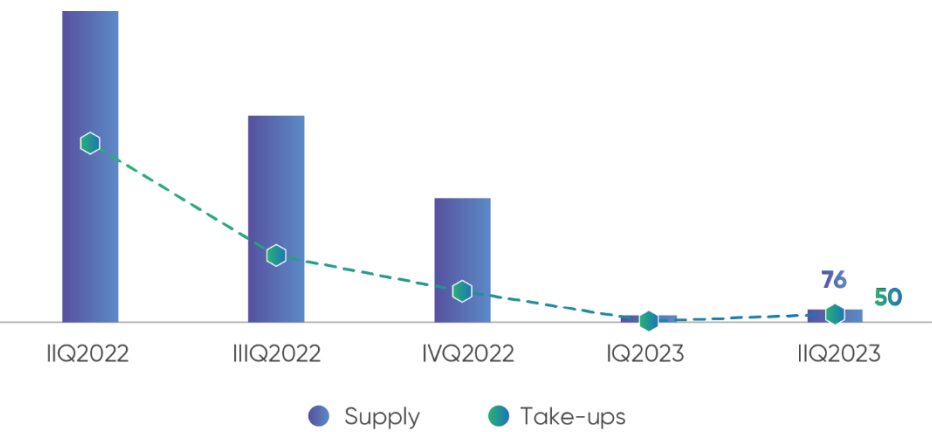
Primary selling prices have shown little fluctuation compared to the previous quarter, but a slight increase of 1% - 2% compared to the same period last year. Developers continue to apply various incentives and discounts to boost transactions.

Given the general market difficulties, the tourism industry has not recovered as expected. Economic fluctuations have also affected customer sentiment, making the market liquidity more challenging.

Source: DKRA

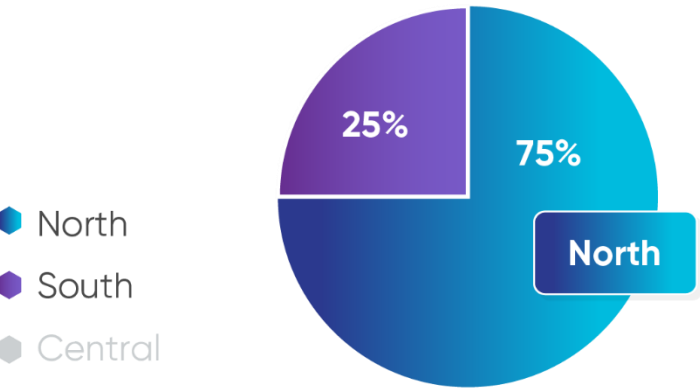
New supply and take-up by quarter

Unit: villa



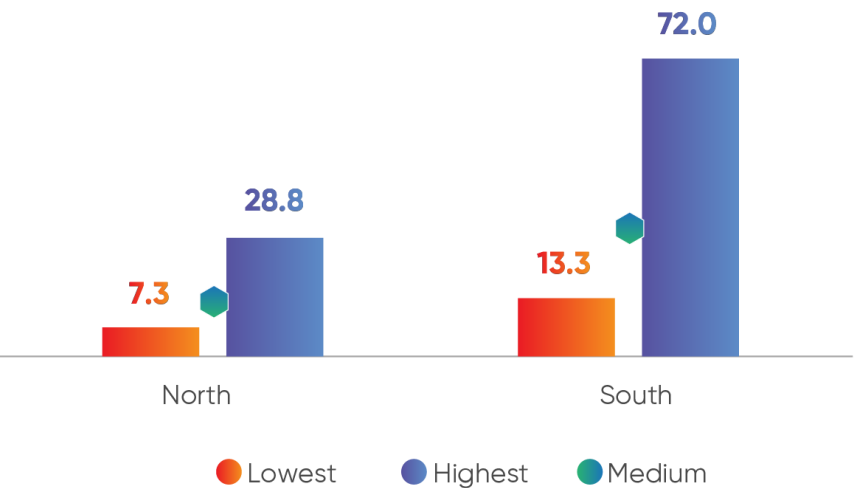
New supply and take-up by region

Unit: %



Primary selling price by region

Unit: million VND/m² (VAT)



HOSPITALITY REAL ESTATE MARKET - CONDOTEL

The new supply has seen a strong increase compared to the previous quarter, but it's still low, equivalent to only 39% of the same period last year. The supportive government regulations regarding granting ownership certificates for condotel properties are a major boost, providing motivation to real estate developers and positive signals to the condotel segment.

Market demand has shown growth compared to the previous quarter, but it still remains low, about 78% lower than the same period last year. Most of the transactions in the quarter focused on projects with completed legal procedures, bank guarantees, and international 4-star to 5-star operators.

There was not any significant changes in selling prices compared to the previous quarter, but a modest increase of 2% - 4.5% compared to the same period last year. This is the lowest increase in the past 5 years. However, the price increase is accompanied by various sales incentives, interest rate support, principal deferment, revenue-sharing or profit-sharing schemes, etc., aimed at stimulating the market.

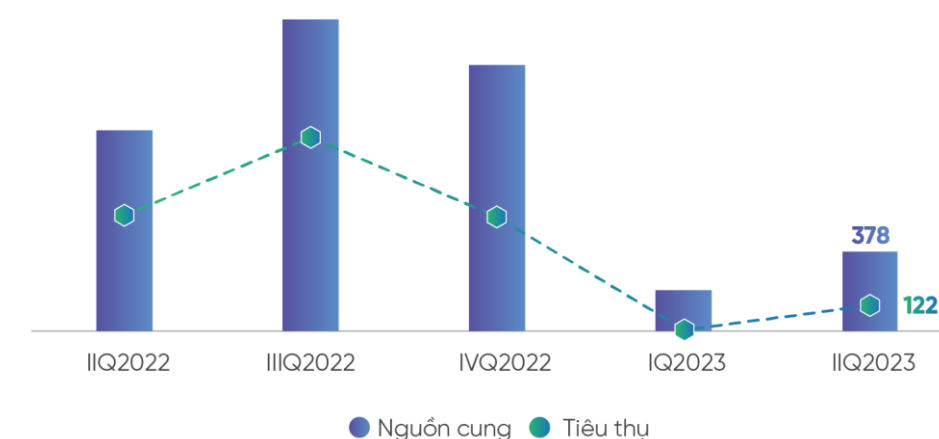
The shift from profit-sharing to revenue-sharing continued to exert its influence among many developers because revenue-sharing scheme allows effective management of business operations and cash flow transparency.

Although the condotel segment has shown growth compared to the previous quarter, significant breakthroughs are hard to achieve. Amidst a still sluggish market, high-interest rates, and slow recovery of the tourism industry, liquidity is a big challenge in this segment.

Source: DKRA

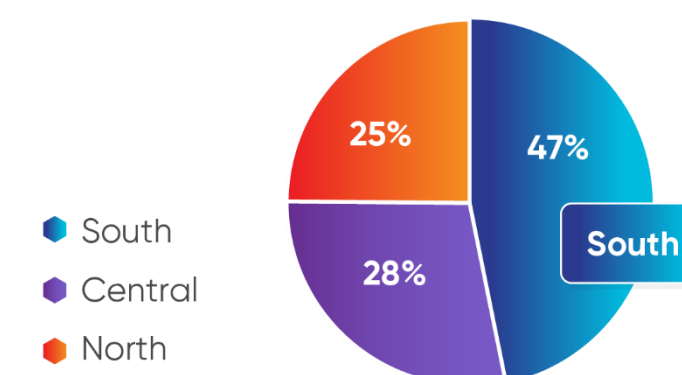
New supply and take-up by quarter

Unit: villa



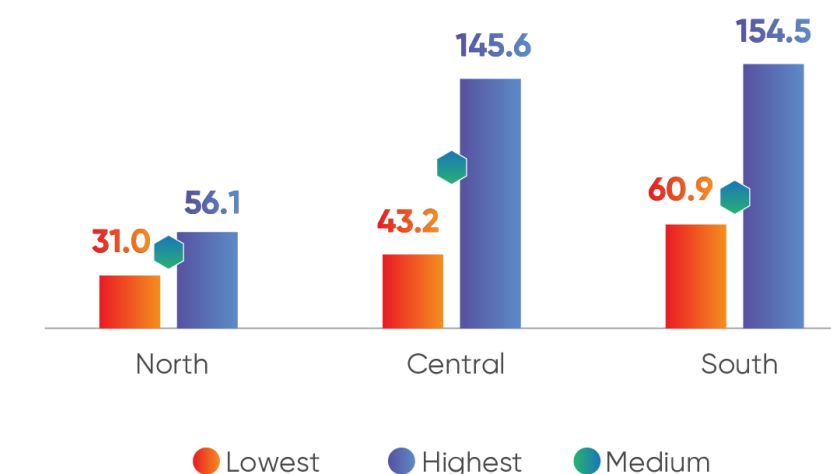
New supply and take-up by region

Unit: %



Primary selling price by region

Unit: million VND/m² (VAT)



MARKET OUTLOOK

APARTMENT

In IIIQ2023, new supply is projected at 1,200 to 1,500 apartments in HCMC, 500 to 800 in Binh Duong, 150 in Dong Nai and 250 in BR-VT.

Grade A apartments is expected to continue its dominance in HCMC while Grade B and Grade C segments lead the new supply in neighboring provinces.

Developers are expected to continue various sale incentives such as discounts for early payments, extended payment schedules, principal and interest grace periods, etc., to stimulate the market.

Primary selling prices may not show any significant fluctuation. Selling prices will remain under pressure due to input costs for project development, prolonged legal procedures, and interest rates.

Secondary prices and payment methods may see improvement in IIIQ2023, focusing on affordable housing segments with legality and prices below 30 million VND/m².



HOSPITALITY REAL ESTATE

New condotel supply is anticipated to increase compared to IIQ2023, with approximately 400 to 500 units, mainly in Ba Ria - Vung Tau, Binh Dinh, and Quang Ninh.

New supply of vacation villas is expecting a slight increase compared to IIQ2023, with around 100 to 150 units, primarily in Kien Giang and Binh Dinh.

The new supply of resort townhouses/shophouses is predicted to increase, ranging from 150 to 200 units particularly in Kien Giang.

While the overall market demand might experience a slight uptick compared IIQ2023, there won't be any significant breakthroughs or signs of short-term recovery in this segment.

Primary selling prices are projected to remain stable, with little to no significant fluctuations. Policies such as discounts and price reductions will be geared toward encouraging fast payments with self-financed capital.

The revenue-sharing scheme will continue to be applied in the market, gradually replacing the previous profit-sharing scheme.





3 | BUSINESS PERFORMANCE IN IIQ2023

BUSINESS RESULTS - IIQ2023

NET REVENUE

5.1

Billion VND

PROFIT AFTER TAX

275.7

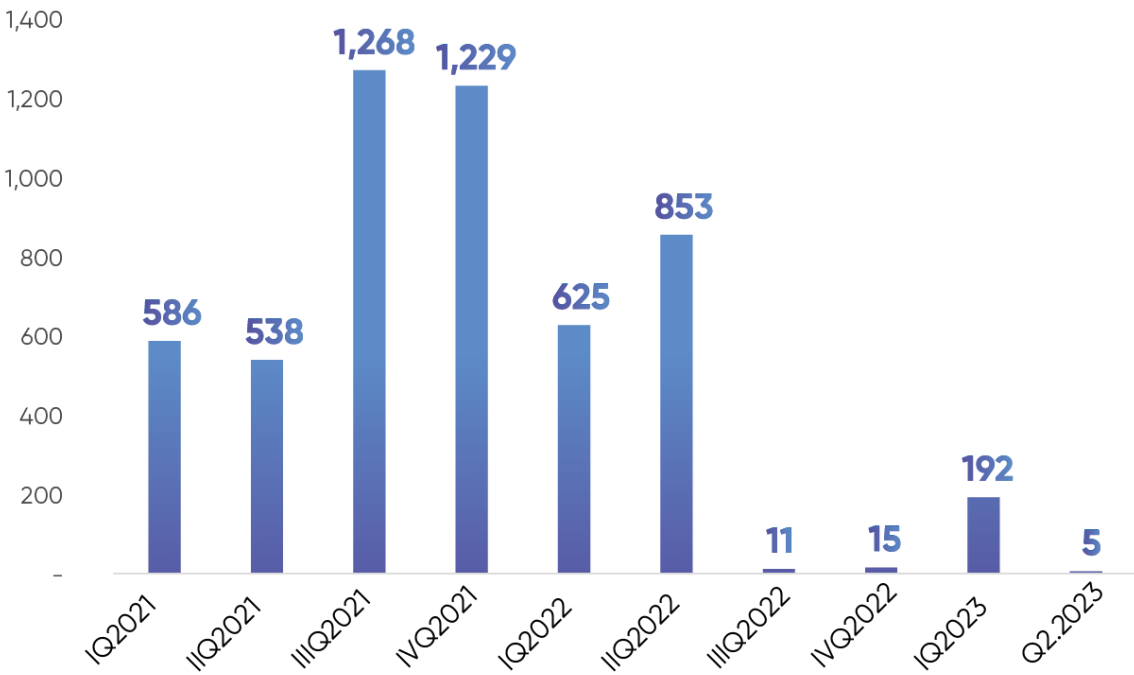
Billion VND

The strong profit recovery in the second quarter is mainly attributed to the transfer of the remaining shares in Astral City.

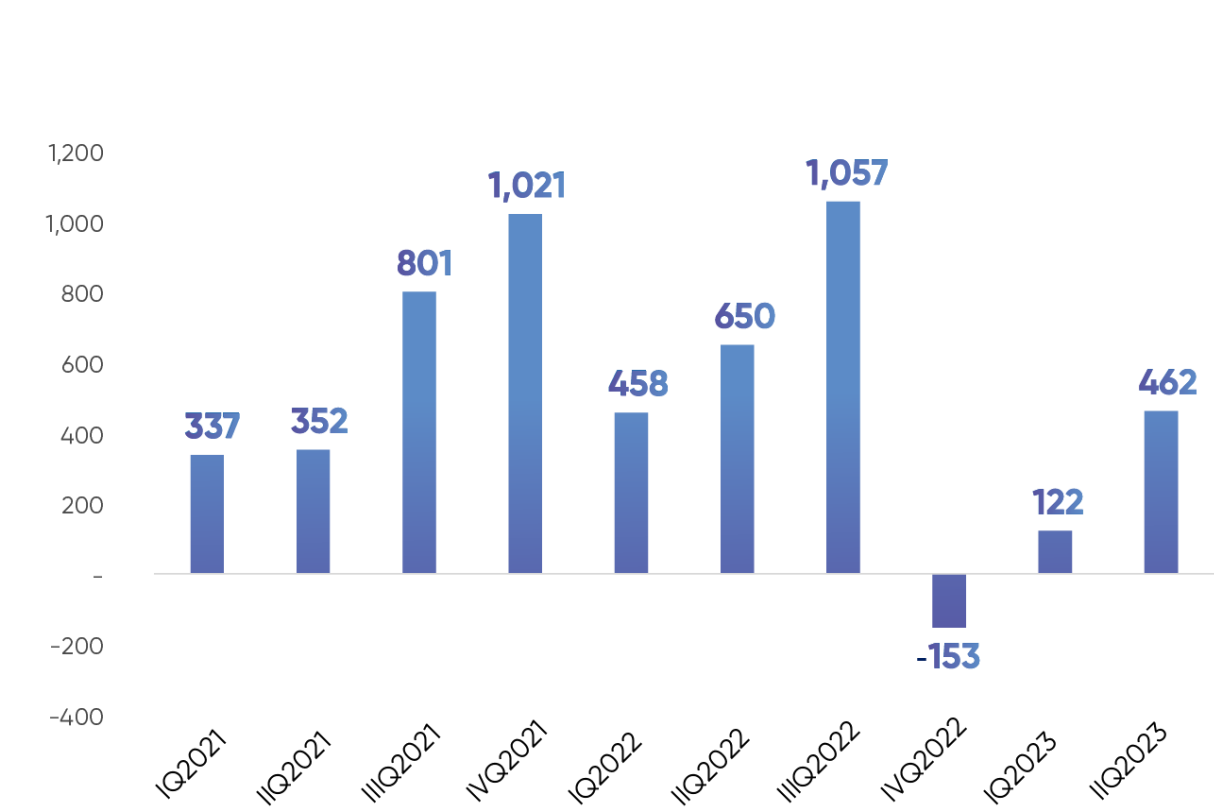
Particularly, this quarter marks a clear rebound in business performance after a challenging period in the real estate market.

With a diverse land bank and multiple projects currently under construction, PDR is poised for robust development in the coming time.

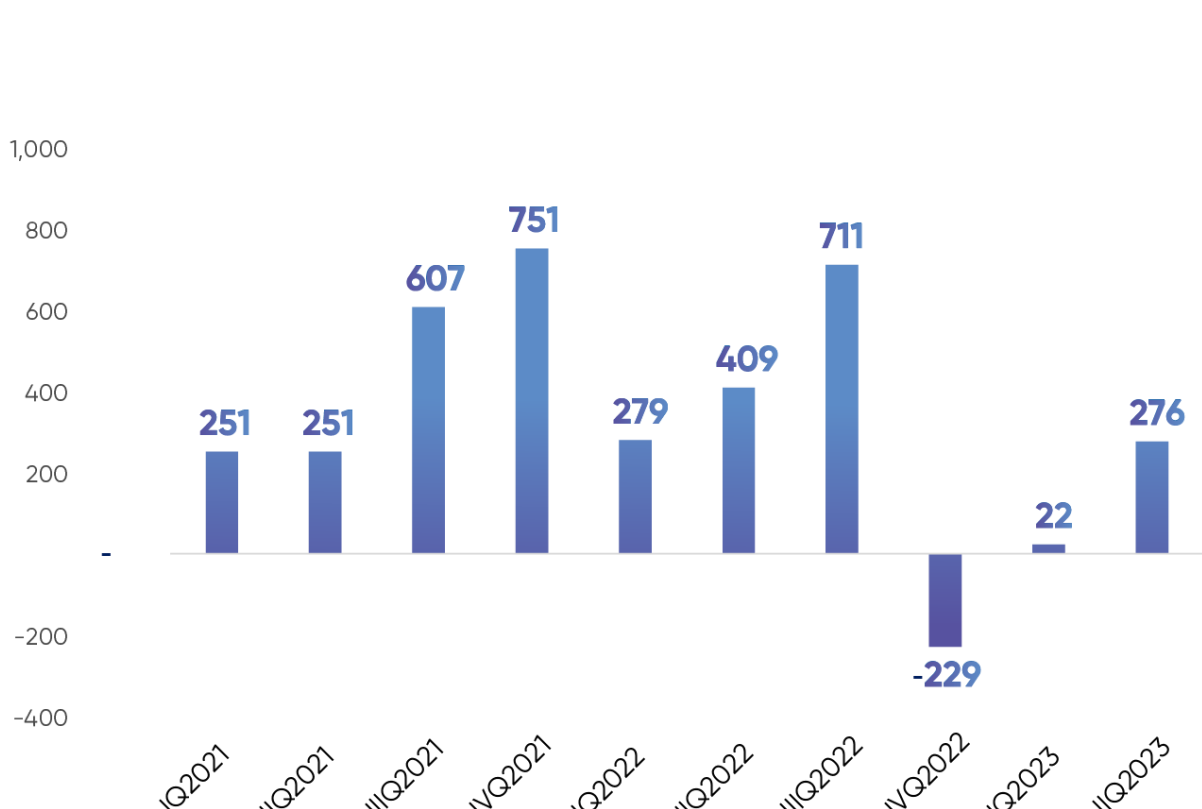
Net revenue (billion VND)



EBITDA (billion VND)



Profit after tax (billion VND)



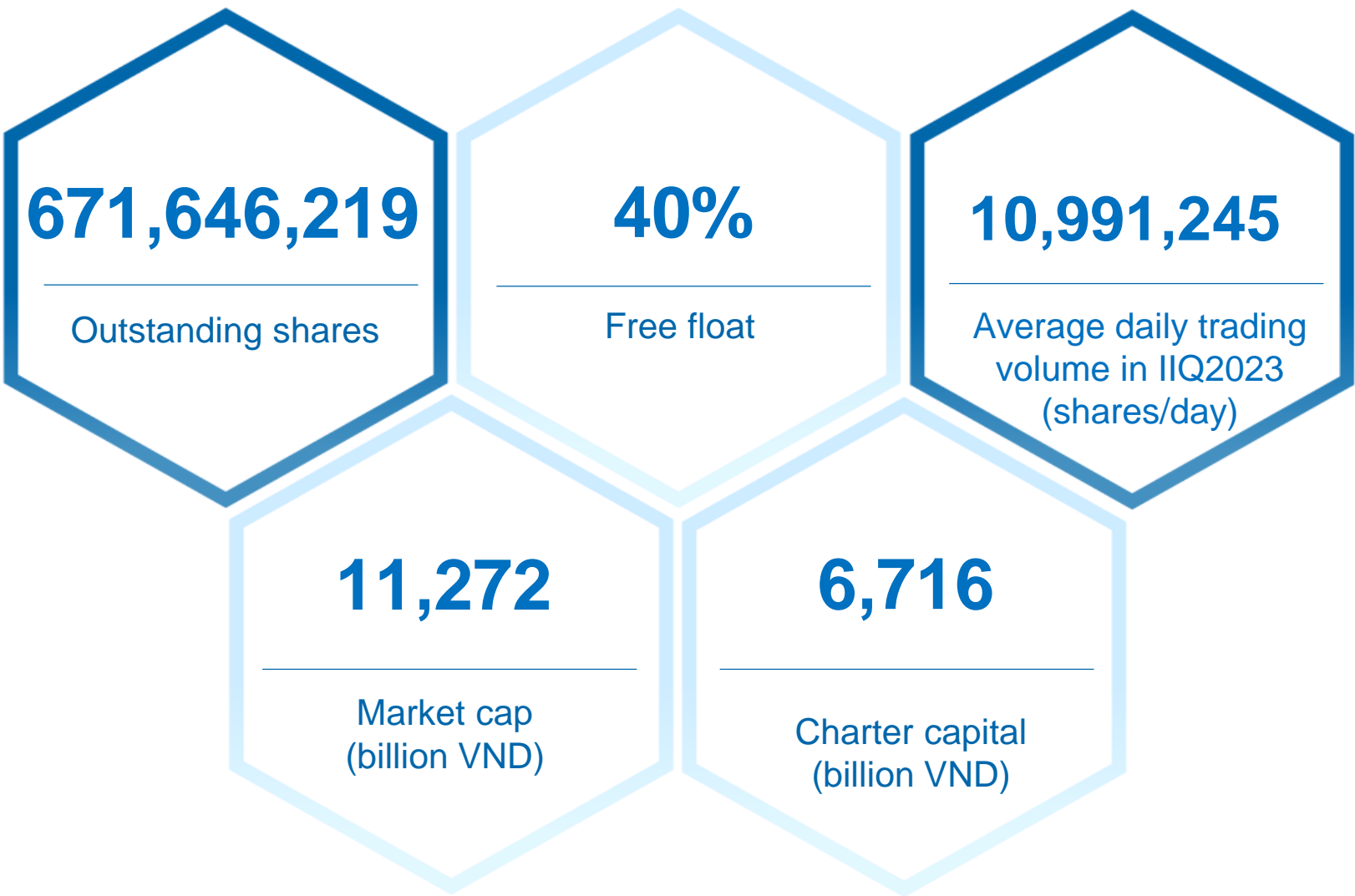


4 | **PDR
SHARES**

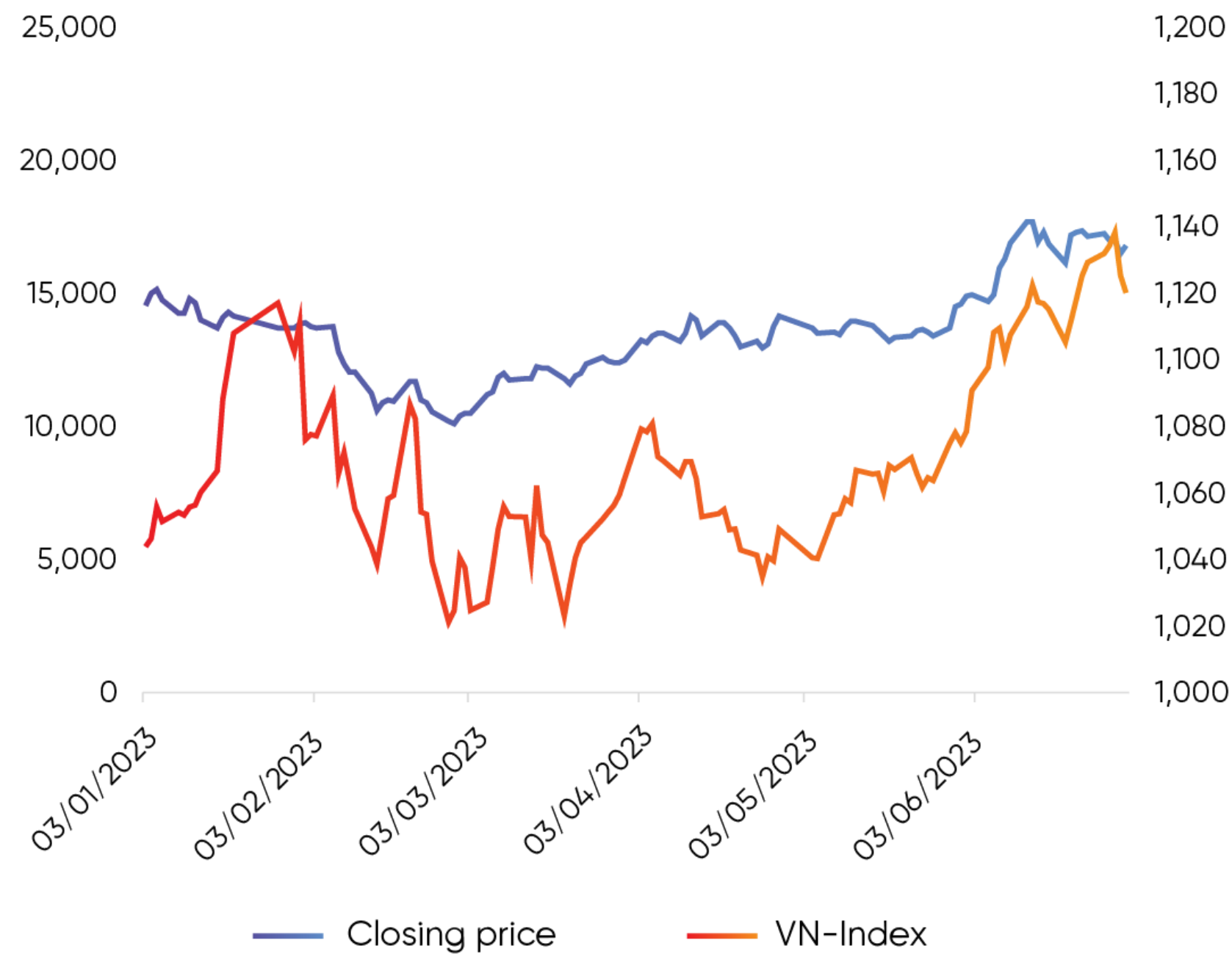
PDR SHARES

16,800VND

AS OF
JUNE 30, 2023



Price movement





5 | PROJECT INFORMATION

PROJECT MAP

Targeted land bank

28.96ha

HO CHI MINH CITY

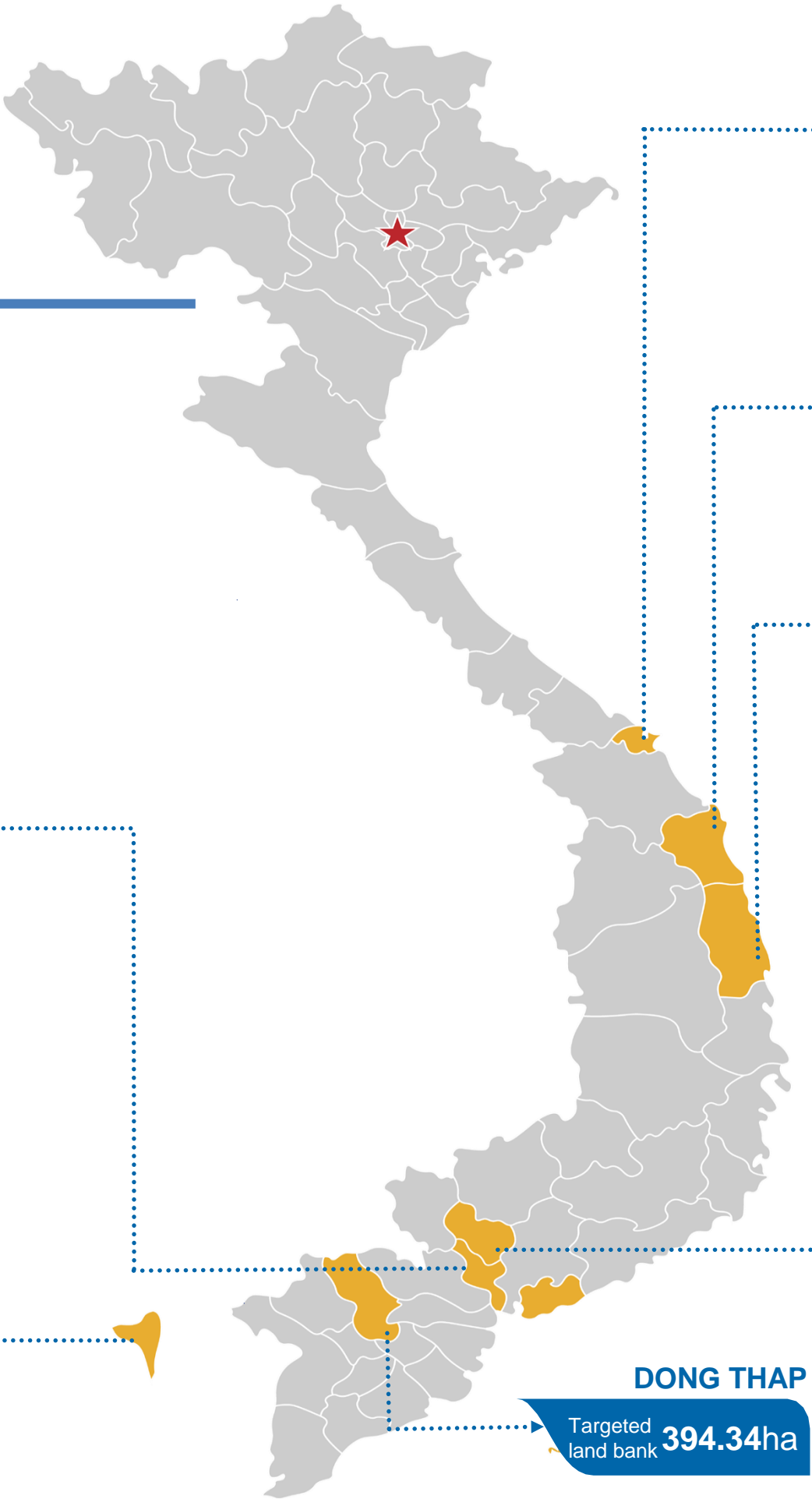
Project	Development type
Tran Hung Dao	Commercial
Phan Van Dat	Commercial
Thu Duc	Mixed-use
Project A	Residential
Project B	Residential
Truong Dinh	Commercial
39 Pham Ngoc Thach <i>(Head office building)</i>	Residential

Targeted land bank

179.34ha

PHU QUOC

Project	Development type
Ham Ninh	Mixed-use
Ham Ninh Industrial Cluster	Industrial
Phu Quoc resort	Commercial



Targeted land bank

535.87ha

DA NANG

Project	Development type
Hoa Tien Urban Area	Residential
No. 223 Tran Phu	Residential

Targeted land bank

4,180.30ha

QUANG NGAI

Project	Development type
Bo Bac	Residential
Quang Ngai 1	Residential
Phat Dat – Dung Quat Industrial Township	Industrial

Targeted land bank

159.87ha

BINH DINH

Project	Development type
Nhon Hoi	Residential
Bac Ha Thanh	Residential
No. 1, Ngo May	Residential

Targeted land bank

282.7ha

BINH DUONG

Project	Development type
Binh Duong NTMK	Residential
Others	Residential

Targeted land bank

72.65ha

BA RIA – VUNG TAU

Project	Development type
Phuoc Hai	Residential / Commercial
Tropicana	Residential / Commercial
Project in Con Dao	Residential / Commercial
Logistics project	Industrial

Targeted land bank

394.34ha

DONG THAP



FEATURED PROJECT

THUAN AN HIGH-RISE COMPLEX (NTMK)

The strategically positioned high-rise mixed-use development, Thuan An (NTMK), boasts an impressive frontage facing Nguyen Thi Minh Khai Street, Thuan Giao, Thuan An, Binh Duong, just 5km away from Thu Dau Mot City.

With an estimated investment of a staggering 9,000 billion VND, the project is all set to commence in the IIIQ2023 and is planned for completion by the end of 2025.

Encompassing an array of offerings, including apartments, commercial spaces, shophouses, and on-site amenities, the project aims to craft an ideal living environment that caters to the diverse residential and developmental needs of one of the highest-income provinces in the country.



Location

Nguyen Thi Minh Khai Street, Thuan Giao, Thuan An, Binh Duong.



Product type

Apartment, commercial space, shop-house, etc.



Area

44,585.6m²



Expected investment

Approx. 9,374 billion VND

THANK YOU!



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For more information, kindly visit the Website of Phat Dat Real Estate Development Corporation at the link below:

[PHAT DAT REAL ESTATE DEVELOPMENT CORPORATION](#)

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